

Value for money and quality strategy 2022/2027

Our value for money and quality strategy supports the delivery of our corporate plan.

What is value for money and quality?

Value for money (VfM) is about being effective in how we plan, manage and operate our business. 'Value' means the appropriateness of our homes to help meet local housing need, supported by the quality of our homes and the services we provide, which in turn create an improved quality of life and wellbeing for our residents.

Similarly, value for money is about making the right decisions now, for the long-term benefit of the organisation, that where appropriate, support the principles of whole life cost (WLC), defined as: *a means of comparing options and their associated cost and income streams over a period of time.* **Costs** include initial capital or procurement **costs**, opportunity **costs** and future **costs**.

Objectives

Our value for money (VfM) strategy will enable us to:

- develop and refine other strategies that have VfM implications;
- explain our approach to VfM to our residents, staff and stakeholders;
- deliver VfM in a consistent and effective way;
- define regular reporting of performances;
- further embed VfM within the organisation;
- embed our approach to achieving and measuring social value for those services that are difficult to quantify in financial terms.



How will Sutton Housing Society deliver value for money?

Value for money will be achieved through the combination of strategies, policies, procedures and our 'actions'. The most significant strategies or actions that will support our approach to value for money are summarised below:

Asset management: will define the standard for our residents' homes (above the decent home standard) as well as influence decisions on redevelopment. The strategy will underpin the principles of whole life cost.

Development: describes the level and mix of growth, which can be achieved without impact upon our existing assets and/or services. By focussing on Sutton ie building locally, it will ensure that we can develop strong local relationships, maximising these opportunities and the benefits that new homes within existing communities can bring.

Digital (and customer): our 'paper-lite' approach will enable us to refine how we deliver services to our residents and make colleagues' tasks easier and more efficient. It will simplify, standardise and automate some of our key business processes for staff and residents via digital services. We will, however, never lose that personal touch and our digital journey will be *appropriate*, to suit our core client group.

Local geographic focus: less of a strategy and more of an approach, this underpins our business. This commitment supports our corporate plan and staying local delivers wider benefits.

Procurement 'strategy': our approach to procurement will align with our size and geographical location. We will make decisions based on whole life cost – we will primarily use local contractors, consultants and suppliers. Our focus will be upon being a good client, one that pays promptly, rewards rather than penalises as well as ensuring that we use the right people for the right job, adopting frameworks as an exception.

Treasury: essential to delivering value for money, interest costs can be one of the main items of expenditure. For our new build aspirations and wherever possible, we will identify opportunities that attract grant funding and use our surpluses to minimise borrowing – seeking external advice, where appropriate.

Defining quality

Quality must sit alongside value for money. The quality of an outcome whether tangible or otherwise, should be considered as part of our value for money approach and/or decision-making process. To support this decision-making process, we will include three additional 'quality' measures in all value for money decisions: 1. Improving the customer experience; 2. Product; and 3. Information.

Core effectiveness

Value for money is not about making cost reductions, it should be about balancing quality, efficiency and a great service to residents. A lower cost does not always mean an efficient service, particularly where investment in assets is concerned – lower costs could identify a lack of investment. We will use a business case approach to making significant decisions. This is particularly helpful in situations where money can be spent to achieve an outcome, which is not easily quantified financially, such as customer wellbeing by measuring our social value.

Our priorities

Our main aims are to:

- embed our new gas servicing contract (and extend in 2027, subject to performance);
- secure grant funding through the care and supported housing route (to maximise grant);
- include stock investment works as part of future development remodelling;
- fund development use surpluses to support our development programme and minimise our borrowings;
- remodel our remaining bedsits into self-contained flats, wherever possible;
- introducing a 'quality' discussion into all decision making.

