



VALUE FOR MONEY POLICY

Freebridge
COMMUNITY HOUSING



Value for Money Policy			
Last Reviewed	March 2023	Next Review	May 2026
Responsible Officer	Chief Finance and Technology Officer		

Policy Statement: We define Value for Money as the optimum combination of cost, quality and sustainability to deliver our services for our existing and future customers.

In this context:

Cost means consideration of the whole life cost

Quality means meeting a specification which is fit for purpose and sufficient to meet the customer's requirements and our operating standards

Sustainability means economic and social impacts considered in the short and medium/long term.

Freebridge is committed to being an effective business, living within its means and capable of delivering its mission, corporate objectives and required outcomes.

Freebridge shall provide a strategic, comprehensive and robust approach to managing all of its resources in a manner that is consistent with all aspects of the Association's work.

This shall include both performance management and scrutiny arrangements in order to enable management to provide appropriate business assurance to those with responsibility for governance, as well as ensuring compliance with all relevant regulatory standards. Board reporting will be timely, relevant, accurate and on a minimum of a quarterly reporting cycle.

Freebridge shall ensure that all staff recognise their continuing responsibilities to secure Value for Money as part of all their activities, so that Freebridge may target its resources for the greatest effect in delivering the Corporate Strategy, **Building Better Futures 2021-2026**. *This is in line with the Value for Money aim set out in the Corporate Strategy: "To deliver excellent homes and services whilst retaining financial strength and resilience to fulfil our wider mission".*

Freebridge recognises the requirement for Public Grant and/or Freebridge Internal Subsidy to support the business case for social housing. Freebridge aspires to generate profit and surplus cash from operations, including capitalised maintenance, to a minimum of its internal subsidy level. Freebridge aspires to limit additional borrowing to the amount required to fund its social housing programme to the level of a nil NPV over a forty-year cycle.

Freebridge fully adopts the Value for Money Standard 2018.

Policy Detail:

Organisational Culture and Governance

We shall:

- Actively promote understanding of VfM within our business and how it is key to our decision-making - what we do and want to do.
- Ensure that Freebridge is governed to high standards and satisfies all government, legislative and regulatory requirements. This is undertaken as part of Freebridge's business assurance arrangements, including Internal Audit services and management's Service Assurance Statements (SAS).
- Integrate VfM into our performance management systems and related capacity generated by VfM is used to deliver the approved Business Plan activities.

Cost and Business Drivers

We shall:

- Continue to review the impact of welfare reform and understand that protecting revenue and identifying new sources of income in the form of grants are equally as important to the business as cost savings.
- Identify our key activities and understand the associated costs to make better use of our data, the information that it produces so as to recognise key trends and linkages.

Procurement

We shall:

- Seek to deliver the most economically advantageous outcomes in terms of physical, social and environmental benefits.
- Ensure that we secure the correct goods and services for the correct price from the correct supplier so that we may also be a responsible investor in our local community.
- Identify, assess and undertake modern methods of procurement.
- Conduct regular reviews of financial regulations and standing orders.
- Ensure suppliers and subcontractors represent our values; and
- Monitor and regularly review contracts and subcontractor performance.

Benchmarking

We shall:

- Monitor costs and performance to identify good performance, good practices and areas for improvement.
- Set individual, budget and longer-term financial plan targets in order to secure continuous improvements in our services.

Training and Development

We shall continue to:

- Offer training to employees with particular focus on financial, procurement, project management and risk management matters to ensure there are no significant gaps of knowledge across the business.
- Embed this with our in-house coaching and mentoring arrangements across all staff groups and teams.

Asset Management

We shall:

- Continue to take a proactive approach to asset management with clearly defined outcomes to achieve.
- Conduct an on-going review of our property portfolio to assess properties that contribute favourable economic and social impacts, as well as those that do not, with a view to releasing identified properties for sale, re-development or improvement, as appropriate.
- Operate a robust treasury management system that adheres to all relevant financial regulation, government legislation and the current Regulator of Social Housing Regulatory Framework.

Human Resources

We shall:

- Ensure that arrangements for staff are flexible, empowering, and promote continuous improvement to deliver:
 - High levels of satisfaction.
 - Management support, development, as well as advice and guidance.
 - Capacity building to promote and deliver a solution-focused attitude; and
 - High levels of customer service within a culture of continuous improvement.

Reporting

We shall:

- Not measure success on cost alone, but by achieving outcomes based on clear outputs, so as to enable us to evaluate the impact of our actions in an objective and clearly demonstrable manner to our tenants and other stakeholders.

Responsibility

- **Leadership Team:**
 - Have responsibility for developing the organisational culture and structures in which VfM can operate.

- **Managers:**
 - Are individually and corporately responsible for the implementation of VfM in their areas.
- **All staff:**
 - Are encouraged to promote efficiencies and have a responsibility to ensure that VfM is delivered with reference to budgets, monitoring arrangements and the Association's financial regulations.

Sustainability

We shall:

- Seek to meet the needs of our customers and stakeholders; whilst conscientiously sourcing materials and minimising waste.