



Approach to Value for Money

November 2022

Introduction

1. Lincolnshire Housing Partnership (LHP) is a not-for profit organisation. The means we strive to deliver value for money in everything we do so that any surplus or savings can be ploughed back into delivering additional benefits for our customers.
2. The Corporate Strategy 2022-27 sets out our strategic priorities of Customer First, Great Homes and Strong Communities. These will be delivered through five core strategies (Homes, Neighbourhood, Customers, Independent Living & Communities) underpinned by a continued investment in our communications, a great culture, our environmental aspiration and our strong foundations in governance and finance.
3. Achieving and improving value for money is a fundamental part of delivering our strategic priorities and this document sets out how we go about prioritising, delivering, and measuring the value for money we achieve in our activities.

Value for money priorities

4. The Corporate Strategy 2022-27 sets out our value for money priorities.
 - moving our repairs expenditure to planned work and reducing reactive repairs that need to be done;
 - keeping to a minimum the number of void properties with no occupants and therefore no rental income;
 - seeking best value in sourcing materials for repairs;
 - investigating funding opportunities that support community initiatives; and
 - using efficiency gains to enable the delivery of an expanded and enhanced independent living service to enable us to focus on new areas of service that our customers tell us they want e.g., mental health support.

Regulation

5. The Value for Money Standard from the Regulator of Social Housing (RSH) requires us to:
 - have an approach agreed by the Board to achieving value for money in meeting our strategic objectives and demonstrates delivery of value for money to our stakeholders; and
 - ensure that optimal benefits are derived from resources and assets and that economy (inputs – what it costs to provide a house or service), efficiency (productivity – what output is achieved from the input used) and effectiveness (outcome – what impact if achieved against the strategic priorities) are optimised in the delivery of strategic objectives.

Our approach to delivery of value for money

Principles

6. It is important to us to go beyond a focus on the regulatory definition (whilst still ensure we comply) and setting the environment where what we mean at LHP by value for money is understood and embedded.

7. In doing this we aim to:

- generate and maintain resources to support delivery of the priorities within the corporate plan;
- demonstrate our accountability to our customers and stakeholders;
- provide assurance to our Board that our approach is effective and delivers our organisational objectives;
- ensure we understand the costs of our service provision and direct resources appropriately; and
- embed value for money in our decision-making processes.

Procurement

8. We recognise that if we can maximise value for money from our buying activities, then we can continue to invest in our services. Procurement is managed by a specialist team that supports the business by providing solutions tailored to its needs through developing purchasing frameworks and compliant contracts.
9. All arrangements are reviewed for efficiency, effectiveness, and economy at the point of renewal or placement of new business. The social value of contracts is assessed and considered to see if better processes, services, or management information are available. Where possible, cost reductions are achieved. However, some procurement category pricing is dependent on commodity pricing which we have little control over, e.g., utility contracts.

Customer involvement

10. Our customers are involved in the scrutiny the delivery of our services through the Tenant Scrutiny Panel and the customer member on our Operations Committee.
11. Customers are consulted during the creation of our Corporate Strategy and in each of our customer-facing projects.

Measuring, reporting, and reviewing

12. Value for money is measured using the RSH's metrics. These are reported to the Board each quarter as part of our overall Key Performance Indicator (KPI) performance reporting and are also included in the audited financial statements.
13. Each year, the Board considers its value for money delivery in a formal self-assessment.
14. In addition to these we:
- use a balanced scorecard approach to financial and non-financial performance alongside each other with the individual metrics appropriate to the accountability of the audience;
 - measure monthly, wherever practical and where data exists;
 - analyse LHP's performance over time using the metrics agreed – looking backwards and forecasting forwards;
 - compare LHP with others through the thoughtful use of benchmarking;

- comment on what the metrics are saying and how these can be improved; and
 - forecast the outturn for the RSH metrics for the end of the year and in the next two/three years.
15. The Board formally reviews the value for money approach annually as part of the annual corporate plan cycle.