

# Housing & Property Service Value for Money Statement 2019



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## 1. Introduction

The following is an update on the Value for Money (VfM) Policy developed by North West Leicestershire District Council (NWLDC) in 2015. The statement has been developed for the Housing & Property Service. It is reviewed and updated in consultation with our tenants on a five yearly basis and provides the opportunity to:

- Respond to a fast changing economic environment
- Align with the latest housing best practice
- Align with emerging housing policy areas and trends
- Demonstrate to our tenants and leaseholders that the Housing & Property Service at NWLDC is an efficient organisation making maximum use of our resources
- Ensure that we are delivering against the council's values
- Review the effectiveness of the original policy.

## 2. Our values

At NWLDC we have a set of values to which the VfM Statement for the Housing & Property Service must align; these are:

- Taking pride in delivering consistently excellent services
- Seeing diversity as a strength-respecting and communicating with our tenants, our colleagues and our communities
- Always looking to be better in whatever we do
- Providing a great value for money service for our tenants and those seeking housing
- Being empowered to work effectively and flexibly with each other and our partners

## 3. Our vision

- To be the housing provider of choice across the Midlands in the eye of our tenants, partners and peer group
- To continue to transforming the quality of our housing stock through active asset management and building new council homes
- To improve the quality of life of residents in our neighbourhoods, and to facilitate increased housing provision of all tenures to meet housing need
- To build reputation as a great and respected employer which attracts and retains the best talent in the sector
- To deliver more services through our in house teams, including securing new business, to obtain additional income to reinvest in North West Leicestershire across our communities

## 4. Approach to Value for Money

We recognise there will always be a tension in balancing the aspirational standards of our service with the cost of attaining such levels of service. In developing our efficiency initiatives we will seek customer feedback to ensure we prioritise what is important to residents - but at an affordable cost. This is important as the costs of our services are directly reflected in the rent levels and service charges for our properties.

In summary VfM is often referred to as 'the four Es':

- Economy – obtaining resources at best value, taking both price and quality into account
- Efficiency – performing tasks with reasonable effort in a productive manner
- Effectiveness – the extent to which the objective has been delivered and the impact achieved
- Equity – the extent to which services are available to and reach all people that they are intended for

A value for money service will be one that can identify and deliver efficiency savings by adopting an approach in line with the four Es. Such examples are:

- Getting the same results using fewer resources
- Getting better results using the same resources
- Paying less for something but getting the same result
- Putting in more resources and getting a significantly improved result

## 5. Opportunities

We continually look for ways to improve economy, efficiency effectiveness and equity in providing our services. This process is supported by:

- Regularly engagement with and scrutiny from our tenants
- Effective budget setting processes, which adjusts to our corporate priorities and financial constraints.
- Regular independent scrutiny from Internal Audit, Scrutiny Committee (whichever one covers housing) and members.
- Robust internal governance arrangements with effective use of data to manage our operations
- Regular review and lessons learnt from complaints and feedback.

We will ensure that our Housing & Property Service is high quality, high performing and that our ambitions are informed through consultation and feedback from our tenants, stakeholders and partner organisations.

We are clear that VfM within the Housing & Property Service at North West Leicestershire District Council means:

- The service is of the right quality and fit for purpose
- The services provided are planned and managed with due regard to the risks involved
- Services and products are provided economically from a supplier whose prices are competitive for the quality delivered
- Services are provided efficiently through streamlined processes that link internally and with partner organisations where required
- Services are provided effectively in a way that meet the needs of our tenants and focus on the issues that matter most to our tenants
- Rents are kept as fair and affordable as possible whilst ensuring that investment is available to keep our properties decent
- Developing a commercial strategy that will deliver new income streams into the Housing & Property Service
- Developing strong contracts with clear SLA's which will be monitored through strong contract management skills
- Recruiting capable apprentices who will develop within the service offering strong value for money and reducing our obligations to the apprenticeship levy
- External funding will be accessed wherever practical in support of Housing & Property Service objectives and priorities

## 6. Framework for delivering VfM

To support delivery of these opportunities, a structure has been put in place around which value for money can be developed and success achieved.

### VfM Delivery Framework



Each segment or 'pillar' included within the framework contributes towards delivering value for money.

Delivery and monitoring of this VfM Statement will be the responsibility of the VfM Champion Group with the support of Housing Strategy & Systems Team. Further information on the role of the Champion Group can be found on page 9.

## 7. Delivering Value for Money

**Effective Procurement** - The procurement of suppliers and partners are evaluated on the basis of being economically advantageous rather than simply lowest price. This ensures that a range of factors can be taken into account to ensure that the correct balance of fit-for-purpose, quality, cost and service can be measured and in so doing deliver value for money.

Involved residents will be consulted and their feedback will help determine the priorities in future procurement activities and inform the brief for negotiating service standards. Residents will continue to be involved in tender assessment panels especially for customer facing services, with recent examples including the gas & solid fuel servicing and the tenants home contents insurance.

Priority areas identified in consultation with both residents and officers, include:

- Development of a Procurement Guide and ongoing management of the Contracts Register to support a coordinated strategic approach to our procurement activity and processes as well as ensuring that procurement within the Housing Service is undertaken with consistency and probity
- Consolidated purchasing of supplies from across the housing service and council to maximise the opportunity of maintaining or reducing costs per unit, by reducing the administration costs through smaller supplier base / reduced invoice volumes and improving economies of scale
- Securing social value, for example through the creation of local apprenticeships and buying local to provide income and jobs within our district

**Commercial Focus** – Contracts underpin many of the services we offer to our tenants. Contractors have a key role to play in delivering VfM and improving service provision. Contractors therefore understand our approach and fully contribute to its delivery. Where ever possible contracts will be called off current framework agreements as these can represent value for money. Improved contract efficiency is achieved by participating in service reviews, attending workshops and training and by proposing change and innovation in the services they deliver. Contractors are made aware of how they are expected to work with NWLDC and the principles that underpin our approach to VfM.

**Maximising use of our assets** – An integrated approach is taken to manage all our assets and properties including planned cyclical maintenance and responsive repairs, greener and more efficient forms of energy, and new building development. This has been achieved through:

- Establishment of a minimum standard for components and energy efficiency within our current stock as well as for new build, acquisitions and use of Council office space.
- Programming works to maximise working in neighboring localities (making best use of stock condition data and leveraging the scale of the council to secure best price)
- Identifying supply chain management and procurement opportunities working in partnerships
- Developing a consistent appraisal model to identify options for assets with high stock investment needs comparative to rental return and demand
- Design-led planning with security, estate environment and health & safety of residents at the core of its thinking
- Establishment of consistent service standards and specifications for boilers, windows, kitchens and bathrooms

Improving the energy efficiency of our homes and offices is a priority. We are developing and championing new and innovative green technology. For example all our properties with solid fuel boilers will have replacement air sourced heat pumps installed by the end of 2020. We will measure its success through a VfM review including the cost of the equipment, installation, and servicing compared against the savings on energy costs, user friendliness, energy rebates and resident satisfaction.

In June 2019 the Council declared a climate change emergency and resolved to become carbon neutral by 2030.

**Involving and making best use of Staff** – Service and team business plan objectives include VfM targets which are cascaded through teams to individual staff targets.

Performance is assessed in three areas:

1. Collective delivery of the Housing & Property Service Business Plan
2. Officer delivery of individual team targets
3. Officer performance against personal targets as outlined and discussed during individual appraisals

Further actions to strengthen our approach to VfM are consistent with the Council's Best Employee Experience (BEE) through which we are committed to:

- Robust annual appraisal and target setting through the Reflections Scheme
- Benchmarking of costs and quality against peer group performance
- Improved performance of monitoring systems offering swifter and better access to more timely information.
- Embedding a VfM culture where staff are empowered to deliver against the Council Values
- Encouraging staff to challenge inefficiencies and waste

Team leaders and managers are responsible for delivering services 'right first time', ensuring VfM exists in the day to day management of their service and teams and considering VfM in any new proposals or reviews of their service area. They will continue to work with the Housing & Property Service Management Team (SMT) to ensure that VfM is understood and recognised by all and that VfM action plans are delivered once they are agreed by the VfM Champion Group.

All officers are to be made aware of the importance of VfM through the induction programme, training, briefings and team meetings. Staff will be encouraged to contribute ideas for the efficiency agenda through their team champions. They will help with implementing improvements and with target setting. It remains everyone's responsibility to deliver VfM in their day-to-day activities.

**Listening to and engaging with our tenants** – We will continue to consult with our tenants, leaseholders and residents in all of our decision making processes, including (but not limited to):

- Consultation regarding changes to, or introduction of, services
- Procurement decisions
- Customer analysis of complaints and customer satisfaction in order to gain insight into how the services can be improved
- Setting and agreement of targets
- Determining funding priorities
- Determining how any savings should be reinvested
- Three yearly review of the VfM Statement
- Review and update of Housing & Property Services policies and procedures



**Benchmarking and improving services** – Through our ongoing commitment to Benchmarking we continue to monitor the cost and impact of delivering services within Property Services, Housing Commercial Services, Asset Management, Housing Management and Housing Strategy & Systems. Weak or lower quartile performance compared to our landlord peer group is monitored and improved through the development of action plans monitored by the VfM Champion Group and SMT. Benchmarking results help shape the Team Business Plans and investment and savings priorities for the short and medium term.

Opportunities to learn from, and work collaboratively with, our peer group is exploited to highlight changes in how the service is delivered which in turn leads to improved costs and/or performance. This includes visits by team managers and team leaders to operators within the top quartile to understand their approach and how appropriate this might be for NWLDC.

Challenging what we do, the way we do it, is key to improving services. Service reviews, commissioned by the VfM Group, will address the following:

- Challenging why or how we provide a function or service
- Full and open consultation with all stakeholders
- Competitive review i.e. can others deliver a service more cheaply and to a better standard?
- Comparison of performance or approach with others
- Highlighting potential areas for joint working with other housing providers/public bodies
- Identification of areas for improvement
- Introduction of new Housing ICT system designed to seamlessly integrate housing systems as well as offering full spectrum of mobile and agile working.

All reviews will seek to balance quality and cost considerations with the three Es – economy, efficiency and effectiveness. The corporate service review kit supports team managers in reviewing and improving their services. It can be used to inform a holistic approach to VfM, or to shape thinking and activity at specific stages of the VfM review and improvement.

Recent examples of Value for Money reviews include:

Promoting mutual exchanges

Extending car parking provision in our estates

Review and introduction of Leaseholder Policy

Management of Appleby Magna Caravan Site as a General Fund Asset by the Housing Service

Any service improvements identified, of a significant scale, will normally require a business case to be developed and a project team to deliver. The business case will set out the current business position, the drivers for change, proposed investment and benefits (financial and qualitative), risks and mitigations together with milestones for delivery which will be monitored by the VfM Champion Group

The group will conduct an independent review at each milestone, before the next phase of investment is approved. This is to provide assurance on:

- Spend and programme delivery status to date
- Benefits realised so far through a post investment appraisal
- Risks and issues arisen so far and mitigation
- Change management and projected programme outcome.

**Investing for our future** – We put VfM at the heart of all future planning. The VfM Champion Group consists of officers from each team within the Housing & Property Service supported by an involved resident and chaired by the Income & Systems Team Leader. This group is responsible for aligning value for money with operational service delivery. The Housing VfM Champion Group's terms of reference are:

- Provide leadership throughout the service on VfM issues
- Promoting value for money as integral to the culture of the organisation
- Monitor and publish VfM outcomes to residents and stakeholders
- Create, review and deliver a detailed business action planning to deliver year on year efficiency savings
- Scrutinise areas of spending and challenge current practices
- Promote benchmarking
- Identify efficiency drivers
- Review plans in light of new business objectives, changes in economic and legislative environment and departmental savings targets

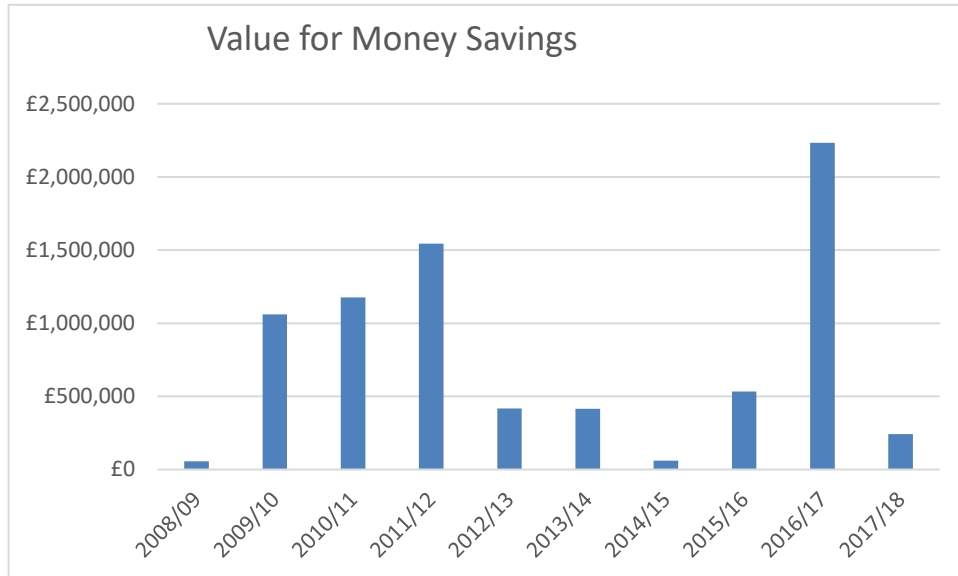
**Strong financial stewardship** – Our aim is to improve the accuracy of our budget forecasting, setting and monitoring. To deliver this we will

- Hold regular finance clinics to monitor budgets and financial performance with all Team Managers. This provides independent challenge to Team Managers and delivers both scrutiny and accountability
- Hold Team Managers accountable to SMT who in turn are answerable to Corporate Leadership Team (CLT) for all expenditure
- Ensure that the HRA Budget timetable fully aligns with the GF budget setting programme and that full tenant consultation is undertaken alongside internal review prior to budget being approved by both Cabinet and Council. This includes a minimum of 6 week consultation of the proposed budgets with our tenants.
- Supporting the Tenant Scrutiny Panel by providing useful financial information to assist with their inspections in areas such as Decent Homes Programme, Income Collection and Housing Systems
- Work closely with our tenants on sharing and reviewing financial performance via the Performance & Finance Working Group
- Utilise the Internal Audit function in reviewing and identifying any areas of weakness in our controls and procedures
- Align the HRA Business Plan with the Treasury Forecast Model as well as the Medium Term Financial Strategy
- Improving office and working environment through established partnerships with local suppliers.

## 8. Measuring our success

Our success is demonstrated by staff and tenants working together to deliver highly performing cost effective services which result in increasing levels of tenant satisfaction with the Housing Service

It will also be measured by delivering annual savings which to date have been:



Savings outlined above have resulted from:

- Improved procurement channels including the purchasing of housing repairs materials via a framework agreement
- Negotiated savings on annual home improvement programme with external contractors
- Challenging previously accepted ways of working
- Delivery of more cost efficient repairs diagnostic tool
- Review of energy bills and subscriptions to organisations
- Direct procurement of surveys
- Rent from gifted properties in lieu of S106
- Collective switching of energy providers
- Focus on Section 20 and leaseholder management to ensure that financial responsibilities of our leaseholders are met in full
- Major disabled adaptations
- Promoting mutual exchanges
- Establishment of corporate furniture contract to deliver economies of scale.

A further measure of success can be demonstrated through the number of complaints and compensation requests received from our tenants.

Every complaint received is assigned to an officer for investigation and reply. It might be argued that there is a correlation between the number of complaints and efficiency or value for money of the service.

2016/17 the average number of weekly complaints were	29
2017/18 average	27
2018/19 average	6

**Governance** - The VfM Champion Group will monitor delivery of the VfM Plan. There is an annual report to SMT on progress together with any resulting action plans, as well as to the Performance & Finance Working Group and Tenants & Leaseholders Consultation Forum

# Contact us

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