



Value for Money Policy

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*Should legislation or best practice guidance require, the policy will be reviewed before the due date



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Value for Money

This document forms section one of Victory Housing Trust's Value for Money Policy

Last Reviewed March 2017



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1. Value for Money

1.1 Policy Statement

- 1.1.1 Victory Housing Trust (Victory) is committed to using its resources efficiently and providing services that represent value for money (VFM) and deliver social value for our residents.
- 1.1.2 Victory is committed to embedding a common approach and understanding of VFM through the organisation and ensuring that staff at all levels understand, participate in and feel empowered to initiate and engage with VFM activity.
- 1.1.3 Victory is committed to engaging with residents and others in the design and implementation of its VFM activities and processes. It is recognised that the nature of this involvement will vary depending upon the service or activity being considered.
- 1.1.4 Where improvements in VFM lead to a surplus this can be reinvested in the organisation to produce improved social outcomes, helping Victory achieve its corporate objectives.

1.2 Introduction

- 1.2.1 This Policy expresses how Victory recognises its responsibility to achieve VFM, which includes Social Value, in all of its services and activities.
- 1.2.2 VFM is a term used to assess whether or not an organisation has obtained the maximum benefits from the goods and services it acquires and provides, within the resources available to it. VFM not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness and convenience to judge whether or not, together, they constitute good value.
- 1.2.3 Social value is about maximising the impact of expenditure and relates to the difference that our operations make to people's lives and local communities. It considers more than just the financial transaction, and includes the impact in terms of the happiness, wellbeing, health, inclusion and empowerment that accrue to different people, communities and organisations.

1.3 Purpose

- 1.3.1 The policy has the following objectives:
 - To support and deliver Victory's corporate purpose;
 - To integrate VFM principles within all management, planning and review processes;
 - To ensure that external resources are selected and effectively managed through efficient and transparent procedures;
 - To understand the return on Victory's assets and have a strategy for optimising the future returns on assets, measured against the organisation's purpose and objectives;

- To understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so;
- To ensure that internal resources are, and remain 'fit for purpose' and deliver value for money.
- To ensure that the priorities and needs of our residents are met, taking into account both the local community context as well as that of the individual service user;
- To adopt appropriate, recognised good practice;
- To undertake specific VFM studies on areas of activity identified as worthy of review;
- To benchmark Victory's services and performance;
- To have performance management and scrutiny functions which are effective at driving and delivering improved value for money performance;
- To respond to opportunities to enhance the economy, efficiency and effectiveness of our services;
- To promote a culture of continuous improvement;
- To demonstrate actively that the achievement of VFM is sought in all services;
- To ensure that all staff recognise their continuing responsibility to seek VFM for the organisation as part of their roles;
- To ensure resident involvement in VFM, eg agreeing priorities, shaping services and scrutinising service performance and VFM;
- To ensure that appropriate risk assessments are undertaken in relation to any proposed VFM activity;

The policy also brings the following benefits:

- The clarification of objectives – VFM principles provide a framework with which to assess the objectives of a service or activity. A VFM assessment should demonstrate that the service or activity fits with Victory's strategies and objectives and should maximise the chance of achieving the desired ends without unnecessary expenditure and effort;
- Planning – Application of VFM principles ensures that the service or activity is planned;
- Openness and transparency – Properly documented planning and assessment helps provide a demonstration of achieving propriety as well as VFM;
- Compliance with legislation and regulation – Application of VFM principles at the planning stage should consider, and therefore ensure, compliance with legislation and regulation;
- Risk Assessment – As inadequate risk assessment can lead to poor VFM, application of VFM principles at the planning stage should help ensure that appropriate risk assessment of the activity has been carried out.

1.4 Scope

- 1.4.1 Victory must demonstrate a robust approach to VFM which not only takes into account costs, but focuses on the benefits of its outputs to meet the needs of residents. VFM refers to those behaviours, practices and processes that seek to drive economy, efficiency and effectiveness, as well as to the specific regulatory requirement to demonstrate business effectiveness to others.

1.4.2 This policy is intended to provide an overarching framework to guide work within the organisation on value for money, efficiency, procurement and related areas. It is intended to have an organisational wide application.

1.5 Roles and Responsibilities

1.5.1 The Board has overall responsibility for this policy.

1.5.2 The Executive Team is responsible for overseeing the implementation of the policy.

1.5.3 Assistant Directors and Managers are responsible for ensuring that all aspects of their services comply with the policy.

1.5.4 Employees are required to ensure that they act in accordance with the policy in carrying out their duties.

1.5.5 The responsibility for achieving VFM lies with all members of staff and is not restricted to those with resource or financial responsibilities.

- The Deputy Chief Executive has a responsibility to lead and champion Victory's corporate approach to VFM.
- Directors, Assistant Directors and Managers have responsibility to maintain an awareness of good practices in their own area of operation and to ensure that these are followed appropriately.
- All members of staff should endeavour to seek and achieve VFM in all activities and to bring to management's attention any opportunities for improvement.
- The Board is required to make a robust annual self-assessment statement, to fulfil regulatory requirements.

1.6 Implementation and Monitoring

1.6.1 The VFM Self-Assessment Group are responsible for producing the annual self-assessment to fulfil regulatory requirements and to produce a summary for inclusion in the Financial Statements. The Board will set targets for improvements and the Self-Assessment Group, Leadership Team and Board will monitor the effectiveness of changing practices. Various benchmarking information, performance indicators and cost trends will be used to assess how well Victory is managing its approach to, and delivery of, Value for Money.

1.6.2 Progress will be reported on at Leadership Team, Board level and to the Residents Panel

1.7 Definitions

1.7.1 Value for Money has been described as the relationship between:

- Economy – the price paid for what goes into providing the service;
- Efficiency – a measure of the productivity. Primarily associated with the process and delivery of procurement;
- Effectiveness – the measure of the impact achieved. Primarily associated with the outcomes for people.

1.7.2 There is no standard, agreed definition of social value but it may be regarded as the additional benefit to the community from a commissioning, procurement, or operational process over and above the direct purchasing of goods, services and outcomes.

1.7.3 The term “assets” within this policy refers to the physical assets (houses) and human assets (staff or procured services) that enable the organisation to undertake its business activities that will produce the desired social value.

1.8 Legal and Regulatory References

1.8.1 The key guidance underpinning this policy is:

- Homes and Communities Agency – Regulatory Framework for Social Housing in England from 31 March 2015.

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Procurement Policy

This document forms section Two of Victory Housing Trust's Value for Money Policy

Last Reviewed March 2017



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2 Procurement policy

2.1 Policy Statement

2.1.1 Effective procurement is central to the way Victory Housing Trust (Victory) expends its resources on goods and services and therefore to the way Victory delivers its services to residents and customers.

2.1.2 Victory's procurement will reflect the values and objectives set out in the Corporate Plan. Achieving value from procurement ensures that maximum resources can be reinvested in the organisation to produce improved social outcomes, thereby helping Victory achieve its corporate objectives.

2.2 Introduction

2.2.1 Procurement is a process that leads Victory into legally binding contracts, often for complicated requirements and considerable sums of money.

2.2.2 This Policy sets out the framework under which Victory's procurement of goods, works and services will be conducted.

2.3 Purpose

2.3.1 This policy defines Victory's overall corporate approach to procurement.

2.3.2 The policy has the following objectives, to:

- Achieve value for money in the provision of goods, works and services;
- Use procurement methods that are proportionate and appropriate to our requirements;
- Be open and transparent and support probity;
- Comply with applicable legislative and regulatory requirements;
- Promote Equality and Diversity with the significant suppliers, service providers, contractors and consultants we work with;
- Involve residents in the procurement process for works and services where this is appropriate;
- Support staff in developing and maintaining the requisite skills to undertake procurement activities and improve procurement outcomes;

2.4 Scope

2.4.1 This is a corporate wide policy and applies to all staff, board members and involved residents.

2.4.2 Although all staff may be involved in procurement, those staff members with budgetary responsibility should oversee all procurement activity relevant to their budget.

2.4.3 The policy applies to all procurement carried out by Victory.

2.5 Roles and Responsibilities

- 2.5.1 The Board has overall responsibility for this policy.
- 2.5.2 The Executive Team is responsible for overseeing the implementation of the policy.
- 2.5.3 Assistant Directors and Managers are responsible for ensuring that all aspects of their services comply with the policy.
- 2.5.4 Employees are required to ensure that they act in accordance with the policy in carrying out their duties.
- 2.5.5 Assistant Directors are responsible for overseeing all procurement activity in their departments and ensuring Victory procedures are followed.
- 2.5.6 Assistant Directors are also responsible for maintaining the central corporate register of contracts for their service area.

2.6 Implementation and Monitoring

- 2.6.1 Victory will have in place procurement procedures that comply with the requirements of relevant legislation. All staff are required to follow the procedures in place.
- 2.6.2 The Financial Regulations set out Victory procedures and authorisation limits regarding procurement and budget ownership.
- 2.6.3 The Victory Procurement Guidance document sets out Victory's detailed approach to procurement.
- 2.6.4 Periodic review of procurement activity will be conducted by internal and external parties, including the Internal Auditors.
- 2.6.5 To achieve value for money in the provision of goods, works and services Victory staff will, where appropriate;
 - Use a tender evaluation model that takes into consideration: value for money, whole life cost, quality of goods, works and services;
 - Work with others to jointly procure goods, works and services;
 - Procure goods, works and services through procurement partnership arrangements;
- 2.6.6 Procurement methods will be used that are proportionate and appropriate to Victory's requirements by:
 - Providing guidance on the Public Contracts Regulations within our Procurement Guidance document
 - ;
 - Where required in accordance with the above, seeking bids through an openly advertised competitive tender, other than for small scale purchasing and certain other circumstances as detailed in the Victory Procurement Guidance document, and;

- Carrying out a review of the costs and benefits of our procurement arrangements periodically and seeking to make our transactions more efficient.

2.6.7 To be open and transparent and support probity Victory will:

- Provide clear instructions on procurement processes including: preparing the project brief, administering the tendering process, documenting contracts, delegated authorities, quality checks and separation of duties;
- Periodically undertake an independent audit of procurement procedures to provide assurance on compliance;
- Prepare a periodic summary of expenditure by supplier that will be reviewed by the Leadership Team to ensure that there is not an undue concentration of work with a particular firm or person;
- Work with contractors and development partners who are registered with Constructionline, or seek an equivalent level of assurance.

2.6.8 To comply with applicable legislative and regulatory requirements Victory will:

- Periodically review Victory's procurement procedures to ensure compliance is maintained with relevant regulations and legislation.

2.6.9 To promote Equality and Diversity with the significant suppliers, service providers, contractors and consultants we work with;

- Make sure the significant parties that work with, or work for, Victory know about Victory's policy. If significant suppliers have their own policy, it will be reviewed to ensure that it does not conflict with ours.

2.6.10 To involve residents in the procurement process for works and services Victory will:

- Involve residents in procurement activities where this is appropriate.

2.6.11 To support staff in developing and maintaining the requisite skills to undertake procurement activities and improve procurement outcomes Victory will:

- Provide adequate resources and training to staff.

2.7 Definitions

2.7.1 This definition of procurement is from the Government Procurement Service:

"Procurement means the whole process of acquisition from third parties (including logistical aspects) and covers goods, services and construction projects.

This process spans the whole life cycle from initial concept and definition of business needs through to the end of the useful life of an asset or end of a service contract."

2.8 Policy Links

2.8.1 This policy is to be read in conjunction with the following documents:

- Victory's Governance and Financial Viability Policy
- Section 1 of Victory's Value for Money policy
- Victory's Corporate Plan
- Victory's Customer Care policy

2.9 Legal and Regulatory References

2.9.1 Homes and Communities Agency – Regulatory Framework for Social Housing in England from 31 March 2015 This standard requires that Boards who govern providers are transparent and accountable for their organisations' delivery of its social housing objectives and to develop and deliver a clear strategy to drive value for money improvements.

2.9.2 Registered Providers fall within the definition of Bodies Governed by Public Law and therefore a Contracting Authority for the purposes of the Public Contracts Regulations with which Victory must comply with when conducting procurements.

2.9.2 Registered Providers must comply with the EC Procurement Directives when conducting procurements, as incorporated in the Public Contracts Regulations. All contracts for goods, works and services awarded by Victory fall within the scope of the Directives' provisions.