

Value for Money Strategy



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Our aim is to continually assess and enhance our services to tenants and residents and to actively involve them and our employees to achieve VfM in all that we do.

Introduction

Delivering Value for Money (VfM) is integral to Linc Cymru (Linc). Our aim is to run an efficient and effective organisation, providing quality VfM services to all of our tenants and residents. To do this we need to ensure that everybody at Linc has a clear understanding of what value for money is and Linc's approach to achieving VfM, in order to create, develop and embed a VfM culture at Linc.

Delivering VfM is critical. Not only is it the right thing to do, but it is a requirement of the Welsh Government regulator. As a result of the Affordable Housing Review 2018 there may be changes to Grant funding and income streams. Tenants could potentially be at risk because of the anticipated impact on household incomes. It is essential that the available resources are used wisely and to maximum effect.

Within social care, Local Authorities and Health Boards have significantly reduced budgets which places pressure on our ability to pay for the true cost of care.

Linc is committed to delivering services that meet the needs of our tenants and residents to ensure that we achieve value for money in all that we do. The aim is to make best use of our central services to support the teams delivering good quality homes and services for our tenants and residents.

This strategy summarises Linc's approach to achieving VfM and will provide the framework for embedding VfM within the business. The Strategy is key to embedding VfM within the association from the Board to front-line staff.

Tenants have been and will continue to be involved in the development and implementation of this strategy.

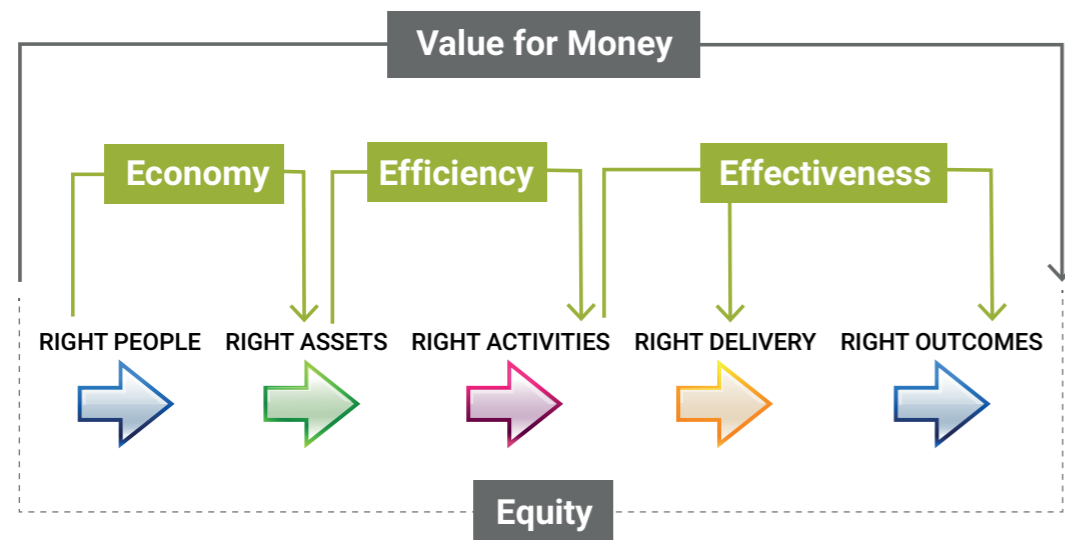


What is Value for Money (VfM)

Great quality services are an essential part of VfM, delivering high levels of customer satisfaction and positive outcomes for tenants, residents, communities and our staff. 'Tenants have been and will continue to be involved in the development and implementation of this strategy'.

VfM is not just about saving money. It is about ensuring Linc is economical, efficient, effective and all with equity at the heart of our business.

Value for money is commonly known as the relationship between economy, efficiency, effectiveness and equity, sometime known as the "4 E's" and is illustrated in the diagram below:



Equity – 'Doing things fairly'

- ✓ The quality of being fair, impartial and accessible in all decision making. Equity is the thread that runs right through our approach to VfM.

Economy - 'Doing things at the correct/right price'

- ✓ The price paid for what goes into providing Linc products and services. Economy is about minimising the cost of resources for an activity.

Efficiency - 'Doing things the right way'

- ✓ A measure of productivity, how much you get out in relation to what is put in. Efficiency is primarily associated with the process and delivery i.e. performing tasks with reasonable effort.

Effectiveness - 'Doing the right things'

- ✓ Value for money is achieved when a balance between all three elements is delivered; relatively low costs, high performance and successful outcomes and impacts for our tenants and residents.

Creating and Embedding a VfM Culture

Developing a culture of doing the 'right things' and then doing things right, helping ensure our service delivery provides positive VfM. To do this we will:

- ✓ Work with those experiencing our service to understand how we can make improvements to drive VfM through service delivery and cut down on waste.
- ✓ Invest in tenant led service scrutiny.
- ✓ Improve our data collection and analysis to understand true costs and continuously monitor performance.
- ✓ Listen to the voices of our tenants and staff experiencing and delivering the service.
- ✓ Report all VfM outcomes by various communication platforms to demonstrate the collective contributions to VfM.
- ✓ Ensure that VfM plays a central role in the procurement process.
- ✓ Learn lessons from across various sectors about positive practice around VfM.
- ✓ Develop an operational plan that will deliver the objectives of the VfM Strategy.

Linc team members worked with our tenants, facilitated by TPAS Cymru, to understand what tenants felt were important factors for Linc to deliver value for money. Additional sessions were organised and well represented by tenants. Their views are reflected within this Strategy and they will support us to ensure we are demonstrating the principles outlined within.

Linc already undertakes a range of social value activities, which we deliver, or commission and these make a real difference to the lives of our tenants, residents and the wider community. It is central to our social purpose, and we are proud of our work in this area, and the outcomes we achieve.

We focus on supporting our tenants to achieve wellbeing, which improves life chances, and sustains tenancies. We work hard to engage with our tenants and invest in them to support them. The long-term outcome is tenants who are self-reliant and able to sustain their tenancies. Many of our activities are delivered in partnership with our tenants and residents, third sector organisations, mainstream services, and local colleagues. This utilises the expertise and knowledge already out there, and maximise our impact and VfM.

Linc social value activities include:

- ✓ Employability initiatives
- ✓ Supporting local community groups
- ✓ Externally funded projects
- ✓ Partnership projects
- ✓ Health and wellbeing initiatives
- ✓ Volunteering

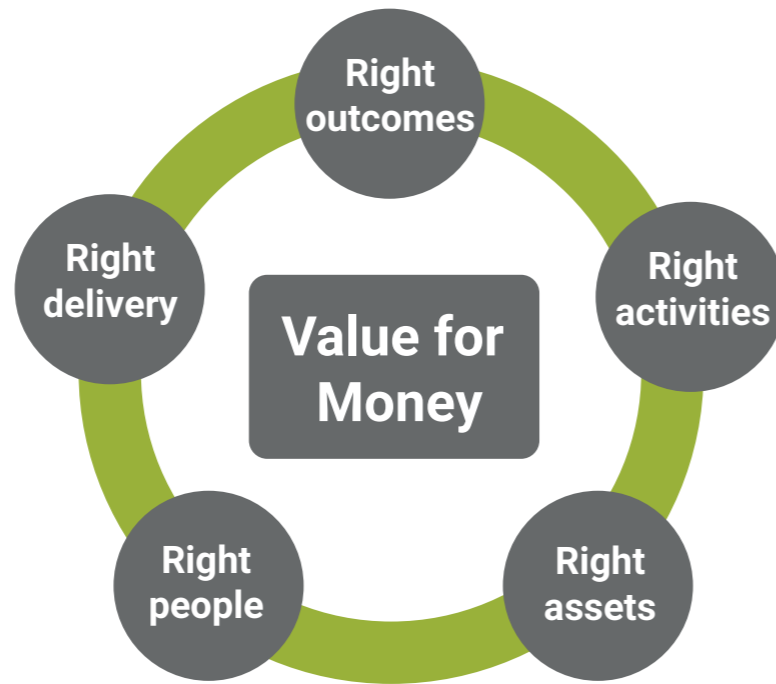
Principles

Our Approach to VfM

Our VfM Strategy is based on models and guidance provided by the Welsh Government and positive practice across the sector and beyond.

Linc's five principles have been established to support and embed VfM to ensure that the use of Linc's resources fully support Linc's Strategic Priorities.

Tenants and residents have also taken part in defining the five principles and what they mean in practice.



Right Activities

This is all about having clear business plans and strategies, enabling all service areas to deliver the vision of the business and focus on what matters the most to Linc tenants and residents.

The right activities include the development of new homes in the right locations, robust asset management of existing stock, and the wide range of services we provide to tenants and residents. We will work with our tenants to get things right first time across all services, using our time to invest in the right assets and the right services.

To do this we will:

- ✓ Provide a robust business planning process that links the strategic vision and the operational delivery.
- ✓ Focus on achieving key objectives set by our Strategic Priorities.
- ✓ Support evidence based decision making that informs a right first time approach in everything we do.
- ✓ Understand our risk appetite and ensure that this is shared and understood between Linc's Board, the Linc team and our Stakeholders.
- ✓ Involve our tenants in shaping services and scrutiny to help us achieve VfM.
- ✓ Work with our supply chain to ensure that we are engaging the right external support to deliver our activities.
- ✓ Listen to our tenants and stop doing what doesn't make a difference to our tenants and residents and communities.



Right People

We are committed to ensuring we have the right staff in the right roles with the right knowledge and skills to deliver a high-quality service within a culture of integrity and innovation.

This principle details how we will attract, train and develop the best people to enable them to engage our tenants and residents with honesty, trust and confidence. We will invest in our people to create a working culture where people thrive and achieve their potential. We will also continue to invest in our tenant engagement programme to ensure tenants and residents are equipped to take part in scrutiny.

To do this we will:

- ✓ Ensure our recruitment and succession processes are robust, modern and appropriate to attract the best candidates
- ✓ Involve our tenants in the recruitment of specific roles, where appropriate
- ✓ Further develop our induction programme to include the principles of VfM
- ✓ Ensure our leadership team can lead a VfM approach as part of their learning and development
- ✓ Further develop our Health and Wellbeing strategy to include our commitment to positive Mental Health across Linc and amongst the tenants and residents or communities we work in
- ✓ Maintain our reputation as an employer of choice in Cardiff and the South Wales area by inspiring, motivating and nurturing our staff

Right Assets

Our VfM Strategy is based on models and guidance provided by the Welsh Government and positive practice across the sector and beyond. This is all about developing and maintaining high quality homes and care environments that are fit for the future.

To do this we will:

- ✓ Have a clear growth strategy shaped by the Welsh Government agenda to complete a minimum of 500 homes towards the 20,000 affordable homes identified over the five year government term.
- ✓ Build new homes in locations of high demand with access to transport links and other community infrastructure. Homes, wherever possible, will be built to standards higher than building regulations required to help reduce fuel poverty that may be experienced by our tenants.
- ✓ Minimise our impact on the environment and reduce our consumption of resources in line with the Well-being of Future Generations Act.
- ✓ Deliver the commitments made within the Asset Management Strategy to invest in our homes and communities.
- ✓ Measure the return of our housing and care assets by measuring performance based on our VfM outcomes.
- ✓ Develop and enhance methodology around our potential value of stock rationalisation which will be a fundamental part of our Asset Management Strategy, focusing on unsuitable stock and a driver for where need to expand as well as rationalise.
- ✓ Conduct full appraisals of our decisions around reinvesting, reconfiguring or disposing of assets.

Right Delivery

This is about Linc being efficient and effective in the way that we work. Using innovative approaches to ensure that we are well equipped to deliver the activities that make a difference to tenants and residents lives.

To do this we will:

- ✓ Modernise our work environment, ensuring our practices are efficient and our services are digitised.
- ✓ Develop and deliver a digital first model that enables all transactions and customer touch points to be completed online for both staff and tenants.
- ✓ Develop our procurement processes to provide a framework that allows people to buy with confidence and in adherence with our purchasing policies.
- ✓ Have a sound budget setting process that ensures Linc have appropriate level of resources, sets challenging targets and drives year on year VfM.

- ✓ Use the skills of our tenants, residents and community members to understand how we can improve the way we deliver our services to provide positive experiences.
- ✓ Take an approach to procurement to maximise the Welsh Pound. Acknowledging that will not be able to procure all services from local labour and material supply chains but that this is our first port of call for all supplier decisions.

Right Outcomes

This principle relates to assessing how successful we have been in achieving our strategic and corporate objectives. Linc measure the value that has been added in terms of:

- Social
- Financial
- Economic
- Environmental
- Health and wellbeing
- Tenant input and feedback

To do this we will:

- ✓ Adhere to and strive for best practice in relation to all legal, statutory and regulatory requirements including; Social Services and Wellbeing Act, Fitness for Human Habitation Act, Future Generations and Wellbeing Act.
- ✓ Be open and clear about the costs and fees for our tenants and residents across all services Publish a suite of Business Information which measures performance against a number of KPI's set by the Board.
- ✓ Report our VfM gains in our annual VfM statements, identifying areas for continuous improvement.
- ✓ Measure success by understanding the levels of satisfaction and the culture of the organisation by asking our staff and tenants their views annually.
- ✓ Understand the sector performance and use this to help us identify areas of success and areas for improvement.
- ✓ Ensure that all reports produced by Linc both internal and external include a section on VfM and capture the qualitative information as well as the data.
- ✓ Embed community benefits within any contractual opportunities to maximise the social return on investment.
- ✓ Use the Value Wales Toolkit to report our impact and encourage tenants to assess Value for Money via scrutiny and the use of comparison data.
- ✓ Work with tenants to scrutinise services and help us to ensure we are achieving value for money.

Evaluating and Monitoring the Delivery of VfM

Below are indicators to enable us to measure and monitor the success of our VfM Strategy at Linc. We will develop operational delivery plans to measure the milestones and will report these within our publications internally and externally. We will also produce and publish an Annual VfM Statement to evidence our delivery of VfM. This information will be included within the Appendices of this Strategy. The Value for Money Strategy will be reviewed annually and approved by the Board to ensure it is aligned to our business plan and strategic corporate objectives.

RIGHT ACTIVITIES	<ul style="list-style-type: none"> • Achievement of strategic corporate priorities • Grant receipt against programme • Financial performance measures • Performance demonstrating positive practice within Nursing Homes
RIGHT ASSETS	<ul style="list-style-type: none"> • WHQS Compliance • CIW and Commissioner compliance • Planned programme and investments • HandS Compliance measures • Number of units commenced and handed over against target
RIGHT PEOPLE	<ul style="list-style-type: none"> • Staff retention statistics • Staff survey results • Training statistics • Attraction rates/Days to recruit
RIGHT DELIVERY	<ul style="list-style-type: none"> • Tenant and resident satisfaction • Void turnaround time • Void loss • Repairs right first time • Repairs satisfaction • Volume of complaints and compliments • Social value measurement
RIGHT OUTCOMES	<ul style="list-style-type: none"> • Strategic and Corporate objectives met • Asset Management Strategy achieved • Growth strategy achieved • Investment strategy achieved • Social Value measurements • Improved performance against all indicators • Value for Wales returns