



Value for Money Strategy 2024 - 2027

Why have a Value for Money Strategy?

Berneslai Homes, as with all social housing providers, operates in a challenging financial environment and as a consequence currently operates with a structural financial deficit that, if it is not addressed, threatens the long-term viability of the organisation, undermining the ability to sustain operations and meet the needs of tenants. Consequently, there is an urgent need to identify and achieve reductions in expenditure while simultaneously meeting increasing demands for services and works.

Effective management of Berneslai Homes' resources is crucial for ensuring that resources are utilised in the optimum way to benefit tenants and the wider community. Improving the value for money achieved from the deployment of resources is essential for ensuring the future stability and success of Berneslai Homes.

Maximizing Resource Efficiency

Actively focussing on VfM strategically allows Berneslai Homes to optimise the use of its available resources. By carefully planning and monitoring expenditure, we can ensure that funds are allocated effectively to areas of greatest need. This includes maintaining and improving housing stock, providing high-quality services, and supporting tenants. Efficient resource management helps achieve significant cost savings, which can be reinvested into further improving services and housing conditions.

Enhancing Service Quality

VfM is not solely about cutting costs; it is also about delivering the best possible services within the available budget. A robust VfM strategy helps ensure that Berneslai Homes provides high-quality housing and services that meet tenants' needs and expectations. By focusing on outcomes and performance, the organisation can continually improve the standards of living for its residents, leading to higher tenant satisfaction and better overall community well-being.

Demonstrating Accountability and Transparency

A commitment to VfM demonstrates that Berneslai Homes is a responsible and transparent steward of public funds. It assures stakeholders, including tenants, Barnsley Metropolitan Borough Council (BMBC), and regulators, that the organisation is dedicated to using its resources wisely and achieving the best possible outcomes. Regular reporting on VfM initiatives and outcomes fosters trust and accountability, essential for maintaining a positive reputation and securing ongoing support and funding, in line with the Regulator of Social Housing's Transparency, Influence and Accountability Standard (one of its four Consumer standards), requiring landlords to be open with tenants and treat them with fairness and respect enabling them to influence decision making and hold their landlord to account.

Supporting Strategic Planning and Decision-Making

Incorporating VfM principles into strategic planning helps us make informed decisions that align with long-term objectives. By evaluating different options through a VfM lens, we can prioritise projects and initiatives that offer the greatest benefits relative to their costs. This strategic approach ensures that we remain focused on our mission while adapting to changing circumstances and emerging challenges.

Ensuring Long-Term Sustainability

A dedicated VfM strategy contributes to our financial sustainability. By continuously seeking ways to improve efficiency and effectiveness, the organisation can build a resilient financial foundation. This long-term perspective is vital for ensuring that we can continue to provide essential services and support to our tenants, even in times of economic uncertainty or funding constraints.

By maximizing resource efficiency, enhancing service quality, demonstrating accountability, supporting strategic planning, and ensuring long-term sustainability, a VfM strategy enables Berneslai Homes to fulfil its mission and positively impact the lives of the communities it serves.

What is Value for Money?

Value for Money is about maximizing the benefits derived from available resources. It is often described using "the three E's" - economy, efficiency, and effectiveness.

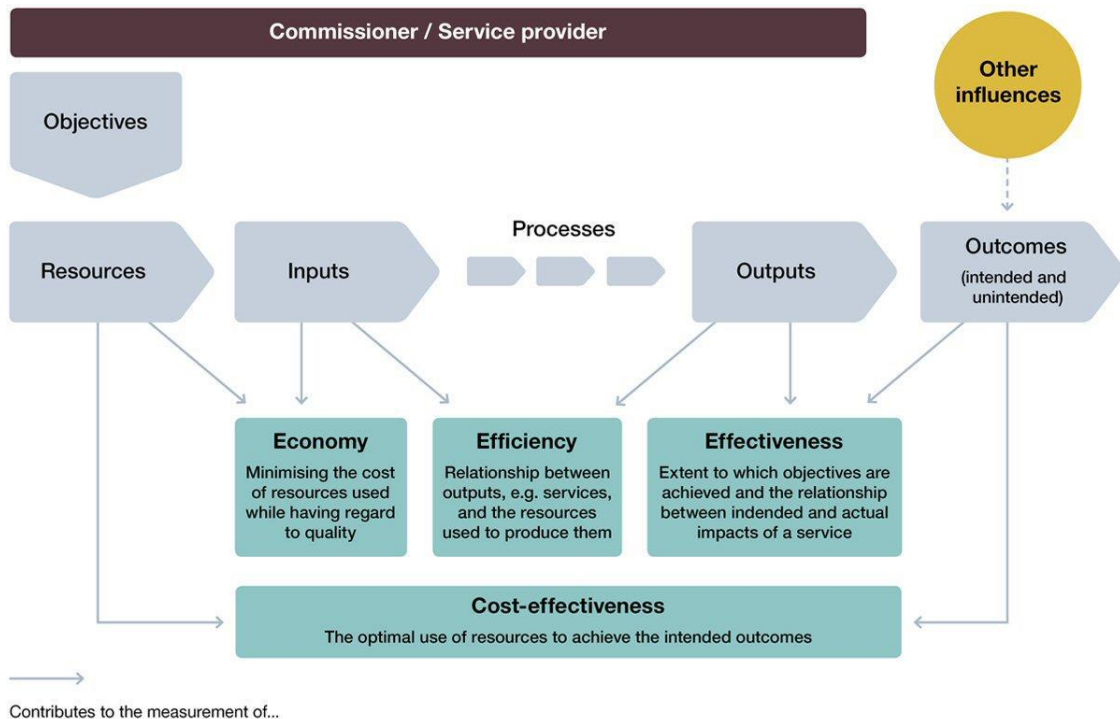
- Economy – minimizing the cost of resources for an activity (“doing things at the right price”)
- Efficiency – how much output is gained in relation to the input (“doing things in the right way”)
- Effectiveness – the extent to which objectives are achieved (“doing the right things”)

Outputs may be expressed in terms of:

- Quantity – e.g. reducing the number of accounts in arrears.
- Quality – e.g. quality of housing service provided as measured by tenant satisfaction scores

Having the "right people" is also essential to ensuring VfM. Berneslai Homes aims to be an employer of choice with committed, skilled, and empowered employees, supported by modern employment practices.

Value for Money is achieved when there is an optimal balance between economy, efficiency, and effectiveness. In other words, costs are minimized, productivity is maximised, and outcomes are successful.



Source: National Audit Office

Local Context

Our shareholder (Barnsley MBC) has defined its ambitions for 2030 under the following area for development:

- Healthy Barnsley
- Growing Barnsley
- Learning Barnsley
- Sustainable Barnsley

Barneslai Homes works closely with the council to align our strategies to meet the challenges and opportunities of their new Corporate Plan and the Barnsley 2030 vision

Barneslai Homes' vision is "Creating great homes and communities with the people of Barnsley", which we embody through our values of "Customer First", "Can Do Attitude" and "Curious". Our Strategic Plan for 2021-2031 outlines our goals for our customers and community and how we contribute to the delivery of Barnsley MBC goals.

The optimisation of Value for Money is fundamental to the achievement of these objectives.

National Context

Government Policy

Long-term underfunding of HRAs (Housing Revenue Accounts) against expected demands on resources present an ongoing and substantial strain on the finances of Local Authority social housing providers. Further pressure on revenue collection results from changes in social security benefit arrangements. In this environment, VfM is both more crucial and more challenging to achieve.

In addition to changes resulting from general economic and social policy, various regulatory changes in response to specific challenges (e.g. damp and mould following the case of Awaab Ishak and post-Grenfell fire safety) can be expected to add yet more financial pressure and further increase the importance of maximising VfM in the deployment of resources.

National Standards

The Regulator of Social Housing publishes a Value for Money Standard establishing required outcomes and specific expectations of the approach and actions of housing providers. It does not apply to Local Authority Registered Providers, however, it provides guidance and establishes best practice in pursuing delivery of value for money in social housing and informs Berneslai Homes's strategy regarding outcomes (clearly articulated strategic objectives, an approach agreed with the board demonstrating delivery of VfM, articulating how the strategy meets needs, and optimising the economy, efficiency and effectiveness of resource utilisation). The detailed requirements of the standard specifically inform the approach to pursuing VfM through the organisation and to accountability and transparency

A new set of consumer standards were brought into force in 2024, under which the regulator assesses landlords against four new consumer standards and holds them to account by carrying out regular inspections and scrutinising data on tenant satisfaction and repairs.

This follows the regulator introducing tenant satisfaction measures (TSM) in April 2023 as a metric by which to assess how well social landlords in England and Wales are doing at providing quality homes and services.

The economic standards set by the regulator will remain unchanged. These include the value for money standard, which ensures providers make best use of their resources.

Value for Money Aims & Objectives

Berneslai Homes is committed to achieving the following Value for Money aims:

- To provide cost-effective services that give high levels of customer satisfaction
- To maximize the value derived from the utilisation of resources available

Underpinning our VfM aims, Berneslai Homes has the following objectives:

- To improve VfM
- To have an effectively managed approach to VfM
- To promote ownership and awareness throughout the organization, with customers and other partners/stakeholders

- To demonstrate VfM

Value for Money is embedded in everything we do and can be classified in terms of the 5Ps:

- Planning
- Performance management
- Processes & Procedures
- Partnerships
- Procurement

Planning for the Long Term & Strategy

To ensure we are effective and 'doing the right things,' it is essential to have robust strategies and long-term plans, and VfM principles must be integral to them.

Strategic Plans

Our Value for Money (VfM) Strategy is built around the direction set by Berneslai Homes' Strategic Plan 2021-31. This provides a clear roadmap for the company, ensuring that all our efforts can be aligned with our long-term goals. The VfM Strategy supports this by focusing on delivering services efficiently, making the most of our resources, and always looking for ways to improve. By weaving VfM principles into our everyday operations, we support achievement of the strategic goals, such as boosting customer satisfaction, investing in sustainable housing, and building strong community ties. This contributes materially to creating great homes and vibrant communities with the people of Barnsley.

The Berneslai Homes three-year vision sets a clear direction and objectives for the Company, and establishes priorities. The most recent iteration at the time of writing (2024) clearly articulates a priority area of work being cost reduction, with specific focus on investment in technology as a lever to improve operational efficiency.

The three-year vision then informs detailed annual business action plans which set specific objectives for the year and identify e.g. efficiency gains as a specific goal (where applicable) of individual actions.

Customer Involvement

Customer involvement is a cornerstone of our strategy to maximise value for money at Berneslai Homes. By actively engaging with our tenants, we ensure that our services are aligned with their needs and expectations, resulting in more efficient and effective service delivery.

Our robust engagement framework includes a variety of forums and panels such as the Tenant Voice Panel, Scrutiny Panel, and Customer Services Committee, which allow tenants to provide feedback and scrutinise our performance. This direct input from tenants helps us identify areas for improvement, streamline processes, and allocate resources more effectively, ultimately leading to cost savings and enhanced service quality.

We also utilise customer insight data, gathered through surveys, complaints, social media, and other channels, to understand tenant behaviours and demands. This data-driven approach enables us to tailor our services to meet the specific needs of our tenants, reducing waste and ensuring that our efforts are focused on delivering the highest value.

Furthermore, our commitment to transparency and accountability means that tenants are regularly informed about how their input has influenced decisions and improvements. This not only fosters trust and collaboration but also ensures that we remain responsive and adaptable to changing needs.

By embedding customer involvement into our value for money strategy, we create a continuous feedback loop that drives innovation, improves satisfaction, and ensures that every pound spent delivers maximum benefit to our tenants and the wider community.

Sustainable and Active Asset Management

The Updated Asset Management Strategy 2021-26 outlines a framework for managing Barnsley's 18,645 homes, focusing on six key aims to deliver value for money:

- **Safety and Maintenance:** Invests £100 million over five years to improve 6,500 homes, enhancing customer satisfaction and efficiency.
- **Customer Responsiveness:** Uses area profiles and property appraisals to ensure investments meet customer needs, optimizing resource allocation.
- **Attractive Communal Spaces:** Maintains high standards in communal areas, fostering a positive environment and enhancing quality of life.
- **Efficient Asset Management:** Focuses on data analysis and maintenance planning to minimize reactive repairs and manage budgets better.
- **Innovation and Sustainability:** Implements energy-efficient solutions, such as solar PV systems, to reduce carbon emissions and achieve long-term savings.
- **Strong Partnerships and Social Value:** Builds partnerships with suppliers to deliver training, employment opportunities, and support for local organizations.

This strategy ensures value for money through strategic planning, targeted investments, and a commitment to sustainability and community development.

People Strategy

The People Strategy at Berneslai Homes seeks to maximise value for money by enhancing employee performance, fostering cost-effective training, and promoting internal recruitment. Colleagues contribute through:

- Increased productivity and service delivery from a motivated workforce.
- Efficient use of internal training programs.
- Reduced hiring costs due to lower turnover and internal promotions.
- Adoption of agile working and mobile technologies to streamline operations.
- Engaging in social value initiatives and community volunteering.
- Encouraging diversity and inclusion to drive innovation and better outcomes.

ICT Strategy

Barneslai Homes' mission, "Creating great homes and communities with the people of Barnsley," drives us to be at the forefront of the social housing sector. We seek to adopt new technologies, find more efficient ways of delivering services to customers, and streamline back-office functions.

All proposed investment in ICT is supported by a robust business case demonstrating the link to the organisation's strategic objectives.

Performance Management

Effective performance management ensures the delivery of key business and service priorities. A comprehensive and robust performance management framework is in operation, with further improvements planned. Performance targets are challenging, reasonable, meaningful, and linked to organisational aims and objectives. Managers review them monthly, with variances reported to a Performance Management meeting for discussion and remedial plans. Performance is reported quarterly to the Board, Council, and tenants.

Financial Performance

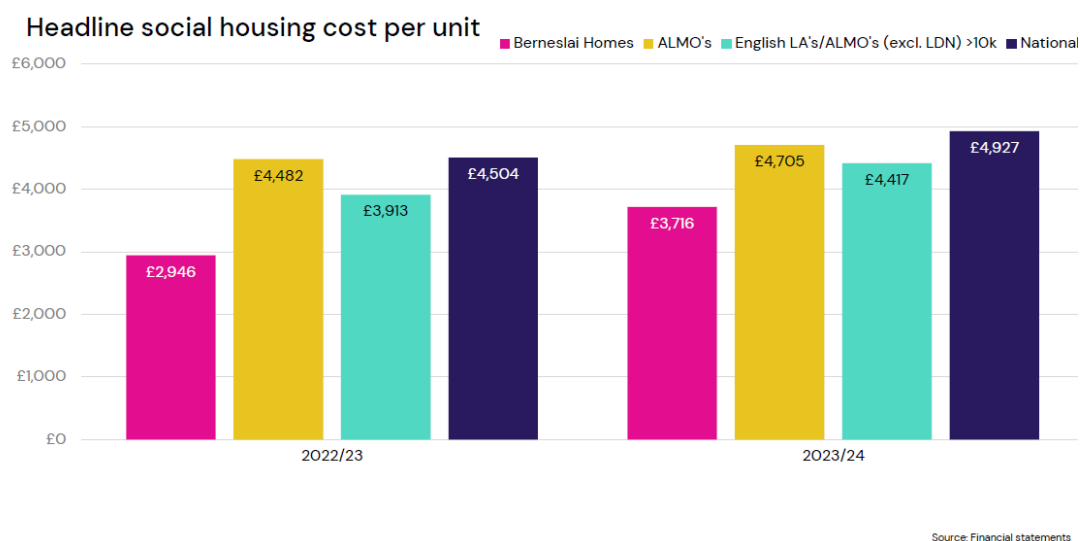
The primary tool for planning and controlling expenditure is the budget setting process. Base budgets are set annually, with staffing budgets built from zero base using approved structures. Managers play a central role in this process, assessing the need for each budget line and those assessments must be informed by the VfM principles outlined in this strategy. SMT receives monthly updates on key budget issues, with monthly monitoring by budget holders supported by Finance Business Partners, and quarterly reporting to the Board.

A key area requiring further development is bringing together operational and financial performance information in order to focus on the value of outputs and / or outcomes achieved and be able to assess the value for money of financial resources deployed (money spent) where historically financial performance information has focussed almost exclusively on quantifying expenditure rather than assessing the efficiency and effectiveness of that deployment.

Benchmarking

Berneslai Homes will continue to participate in the “Housemark” external benchmarking club, where key performance measures are compared to other providers in the sector, allowing us to identify, for instance, areas where we outperform or underperform relative to similar organisations. While this may be often seen as a way of identifying deficits (relative underperformance) it can also highlight areas where we are outliers of overperformance, informing resource allocation decisions to maximise effectiveness.

Unit Costs Increasing



Procurement

The Berneslai Homes Procurement strategy focuses on modern procurement, collective purchasing, e-procurement, and partnerships. Objectives include meeting company contract procedure rules, supporting the local economy, and achieving efficiency savings. A Procurement Plan sets out the procurement route for all contracts, with efficiency savings recorded on the company efficiency register.

Going Green

Berneslai Homes' low carbon strategy shifts from fossil fuel-based energy to renewable technologies, reducing fuel poverty and achieving VFM. Investments include solar PV projects, heat network projects, and domestic air-sourced heating installations, supporting the government's aim of Carbon Zero by 2050. The value for money benefits to Berneslai Homes of energy efficiency are clear and obvious. Wider benefits accrue most directly to tenants living in homes which will be more affordable to run, but also to the wider community and beyond through mitigating the negative (and high financial cost) impacts of carbon generated climate change.

Roles & Responsibilities

The responsibility for VfM lies with all members of staff within Berneslai Homes. It is not restricted to senior management or those with direct budgetary accountabilities.

The Board takes a strategic overview of VfM to ensure the strategy is being delivered and provides challenge to ensure VfM is at the heart of the decision-making process.

The Audit Committee must satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness through best value practices. The Chair of the Audit Committee is the VfM Champion reporting to the Board on the VfM Strategy.

The Senior Management Team is responsible for implementing arrangements that will ensure VfM is being delivered. The Director of Corporate Services takes the lead on VfM.

Managers have the responsibility to be aware of good practice in their own area of operation and to ensure that this is followed appropriately.

All staff should endeavour to seek and achieve VfM in all activities and to bring to management's attention any opportunities for improvement or financial savings.

Awareness Raising and Involvement

Customers shape the services we deliver through the wide range of involvement methods available, and this is essential to ensure we are doing the right things in the right way. This draft strategy will be discussed with tenants selected from our engaged tenant pool with whom we will discuss budget and tenant priorities.

Board awareness on VfM is raised through reports and workshops.

VfM is part of the Staff Core Competencies. It is covered by the Chief Executive at staff induction. The profile of VfM is also raised through other internal communication channels.