

Achieving Value for Money

Statement

Southdown strives to be a robust, professional and efficient business. Central to this is a commitment to maintain a positive value for money culture that evidences how we meet our purpose, deliver quality services and maximise the financial, social and environmental returns on all resources.

Value for money is also one of the regulatory standards of the Regulator of Social Housing (RSH), who oversee our landlord activities as a Registered Provider of social housing.

Value for money within Southdown does not mean simply doing things at the lowest cost, but demonstrating how we deliver our vision and values by providing services at the agreed quality standards, and in the most cost efficient and effective way. Integral to this approach is ensuring that we will never inappropriately compromise on health and safety standards for staff, clients or our properties purely in pursuit of financial savings.

Value for money is a theme that runs through the eight core strategic objectives that form the framework for our Business Strategy.

Strategic objective	Goal
Financial sustainability	Maintain viable long-term financial plans and liquidity
Competition and growth	Maximise the number of people we support
Quality housing	Accommodation that fully meets tenants' and commissioners' needs
Quality staff	Recruit, develop and retain skilled, resilient and caring staff
Quality support	Recognised as a leading provider of quality services
Evidencing our impact	Demonstrate the total impact of the support services we provide
Business efficiency	Robust, effective and value for money use of available resources
Effective Governance	Well led, managed, safe and compliant organisation

Our approach

To ensure business effectiveness and maximise value for money we are continually required to make choices about how best to allocate and invest in available resources and assets. We have several strategies, policies and processes which help us decide how to make best use of income and assets in order to fulfil our purpose, the most significant of which are agreed and monitored by the Board. These include:

- New business project appraisal process
- Capital development project appraisal process
- Financial regulations including procurement and tendering processes and authorities
- Internal Balanced Scorecard
- External benchmarking for housing performance using Acuity
- Competitor analysis

Our approach is based on:

- Competitive bidding for new contracts and for re-tendered existing service contracts as well as responding to cost re-negotiation within contract lifetimes
- Transparency and accountability to our clients, tenants and staff about how we are performing and how we make decisions to prioritise and plan expenditure
- Regular performance reports to contract commissioners
- An assessment of the performance of our assets and resources based on the financial, service delivery and social returns achieved by those assets and resources using both qualitative and quantitative reporting
- Seeking independent assurance from our external audit programme and client quality reviews
- Monitoring our procurement activity and benchmarking property related costs
- A culture of continual improvement, always seeking to review how we work to maintain quality and be as efficient as possible
- Investing in service improvements, innovation and new developments to extend quality, impact and reach of our work to existing and future clients.

As a specialist supported housing and community care and support provider, and with housing activities only accounting for 18% of our income, although we evidence our achievements against the RSH regulatory standard for our landlord activities, value for money has far wider considerations due to the diversity of our other operating activities.

To this effect, as well as reporting on our performance as a landlord, we also monitor and report on value for money achievements in relation to: staffing; commissioned contracts; service quality; social impact and financial management and control.

Reporting and accountability

To demonstrate the effectiveness of the Business Strategy to meet our organisational aims and achieve value for money, we set, monitor and report against longer-term measurable strategic objectives. Details of these can be found in the Business Strategy document on our [website](#).

In line with the RSH's new Value for Money regulatory standard and code of practice introduced in April 2018, we also include an update report on value for money in our annual accounts. This includes details of:

- The organisational strategic approach to value for money
- Governance of value for money
- Performance against the agreed Strategic Objectives
- Reporting on the different operating activities and types of property assets
- Benchmarking performance of our housing activities using Acuity (small and supported Registered Providers tool)
- Value for money achievements over the past year
- Value for money and performance improvement plans for the next year.

A summary of our progress on value for money is also communicated to staff, clients and stakeholders to ensure we are transparent and open to scrutiny.

Although we are committed to continuing to promote and achieve business efficiency across the organisation, we increasingly appreciate that our ability to deliver significant ongoing cost savings will be harder to achieve, and in fact, costs are beginning to rise in some areas. This is particularly true as we have already identified and delivered substantial savings over recent years, and are facing mandatory increases in costs due to Government initiatives (National Living Wage, Apprenticeship Levy, Auto-enrolment, rent decrease).