

Value for Money Standard

Required outcomes	How Futures Housing Group meets the standard	VFM SA (section)
Registered providers shall articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting their organisation's objectives.	VFM is an ongoing process within the Group and is embedded with the Corporate Plan and each of the Group's 4 corporate objectives.	2
<p>Their boards must maintain a robust assessment of the performance of all their assets and resources (including for example financial, social and environmental returns). This will take into account the interests of and commitments to stakeholders, and be available to them in a way that is transparent and accessible.</p> <p>This means managing their resources economically, efficiently and effectively to provide quality services and homes and planning for and delivering on-going improvements in value for money.</p>	<p>The VFM Self Assessment ("VFM SA") considers the financial, social and environmental metrics under each of the 4 corporate objectives, for example Effortless Customer Experiences. These drive the VFM Strategy and the Corporate Plan which have both been derived after taking into account the interests of and commitments to stakeholders.</p> <p>The VFM SA details the corporate aim of having upper quartile performance, with costs at no more than median level. To demonstrate this, full details of costs are provided as well as performance against key targets which are set at upper quartile levels.</p> <p>Delivery against these 3 metrics is 'RAG' graded as follows:</p> <ul style="list-style-type: none"> ▪ Performance significantly out of target (Red) ▪ Performance not meeting target (Amber) ▪ Performance at or above target (Green) <p>To facilitate transparency and accessibility, further publications on VFM have been provided to the Group's stakeholders including a separate VFM document for the Group's customers.</p> <p>The Group's VFM Strategy is designed to manage resources economically, efficiently and effectively. This is delivered through a robust performance management framework, assessed against each corporate objective.</p> <p>The VFM SA includes analysis of past and future resource gains and highlights resource investment in key areas which are of interest to stakeholders.</p>	<p>3</p> <p>3, 6</p> <p><i>Website</i></p> <p>6.1 - 6.4</p> <p>6.2</p>
Registered providers shall have a robust approach to making decisions on the use of resources to deliver the provider's objectives, including an understanding of the trade-offs and opportunity costs of its decisions.	Information on how VFM is incorporated into decision making across the Group is included within the VFM SA. This highlights the Board's annual review of the Group's strategic direction and performance against the 3 year Plan, including review of the allocation of available funds to deliver the Plan.	4

VFM REGULATORY STANDARD COMPLIANCE 2015-16

Required outcomes	How Futures Housing Group meets the standard	VFM SA (section)
Registered providers shall understand the return on its assets, and have a strategy for optimising the future return on assets – including rigorous appraisal of all potential options for improving value for money including the potential benefits in alternative delivery models - measured against the organisation's purpose and objectives.	<p>The VFM SA includes an assessment of the Group's return on assets. It also explains the Group's Active Asset Management Strategy which is supported by the Asset Performance Evaluation tool and sustainability and NPV considerations to support business decisions around stock investment / disposal.</p> <p>The Group has continued to progress tenure diversification as an alternative business model. This model is designed to generate surpluses to further the Group's objective of delivering social housing.</p>	<p>6.3</p> <p>6.2 - 6.4</p>
Registered providers shall have performance management and scrutiny functions which are effective at driving and delivering improved value for money performance.	The VFM SA highlights the Group's performance management framework and includes evidence of the effectiveness of this framework. The benchmarking information demonstrates trends of consistent and often improving high performance against internally set targets.	6.1 - 6.4
Registered providers shall understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so.	The VFM SA provides cost and performance outcomes on key service areas. The Group's corporate aim of achieving no higher than median cost is achieved through appropriate staff resource planning and effective procurement activity. However, certain services do have costs above median level as a result of the Board's decision to invest in these areas, for example major and cyclical repairs and rent arrears / collection at FHW.	6.1 - 6.4
Registered providers' boards shall demonstrate to stakeholders how they are meeting this standard. As part of that process, on an annual basis, they will publish a robust self-assessment which sets out in a way that is transparent and accessible to stakeholders how they are achieving value for money in delivering their purpose and objectives.	The Board's VFM SA demonstrates how it meets the VFM standard. In addition, the Group reports VFM activity to its stakeholders in a transparent manner and makes VFM information fully accessible to them via its website.	<i>VFM SA FHG's Compliance with the VFM Standard Website</i>
The assessment shall enable stakeholders to understand the return on assets measured against the organisation's objectives.	This is detailed within the Great Places section of the VFM SA.	6.3
The assessment shall set out the absolute and comparative costs of delivering specific services.	The VFM SA includes absolute costs and benchmark comparison by service area.	6.2
The assessment shall evidence the value for money gains that have been and will be made and how these have and will be realised over time.	<p>Progress against VFM actions identified from the previous year is included within the VFM SA.</p> <p>Details of past and expected future gains are included within the VFM SA.</p>	<p>6.1 - 6.4</p> <p>6.2</p>