

# Delivering Value for Money in Social Housing...

Don't take part in an ugly dogs competition -



Be a best in breed!

With V<sup>3</sup>a

**June 2013**

[www.phhsl.co.uk](http://www.phhsl.co.uk)

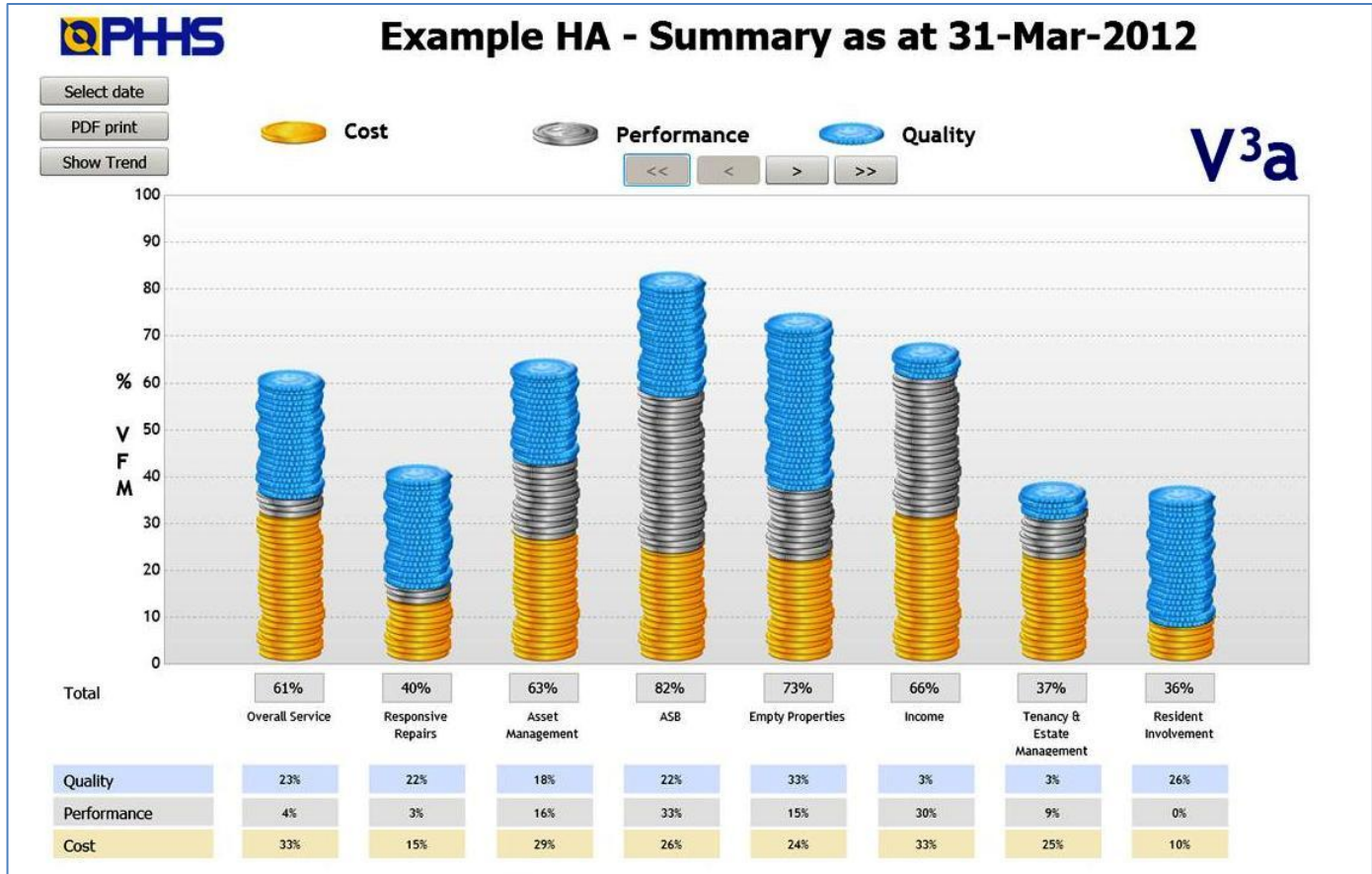
A [recent round table](#) of senior people within the housing sector echoed what many have been saying for some time in concluding amongst other things that 'social landlords will increasingly need to demonstrate the value of every £ they spend'. They recommended fresh ways of looking at value for money, which don't involve taking part in an 'ugly dog's completion'. If you'd like to take part in a good looking dogs competition, we have a fresh solution being used by many across the sector, which Raglan and Catalyst Housing are the latest landlords to benefit from.

Value for money is generally recognised as obtaining the ultimate balance between economy (cost) efficiency (performance) and effectiveness (quality – or outcome for customers as we like to describe it). V<sup>3</sup>a is a unique tool which allows you to test, demonstrate, measure and improve this balance via a scorecard system which produces an overall % Vfm score for any area which you choose to measure - all based on your own organisations objectives and values, and including comparisons with other sectors. Why settle for a toolkit when you can have the tool itself?

### The basics

V<sup>3</sup>a produces simple but powerful visual reports which clearly demonstrate at a summary level the overall % Vfm for each objective based on your measures and the weighting you give to them, together with a detailed view which clearly shows which aspects of cost, performance or quality need to change to improve the overall Vfm being delivered.

An example summary screenshot



## How it Works

### Objectives & Measures

We have developed a standard set of templates for V<sup>3</sup>a in partnership with housing organisations across the country and early ‘pilots’ of V<sup>3</sup>a. These reflect the main functions within housing, allow a drill down into central functions, and also allow you to produce an ‘overall’ Vfm score based on the top three key cost, performance and quality measures which our pilots felt were effective measures of the overall Vfm being delivered. We call these objectives.

Almost all of the objectives included in the templates are universally used across the sector in existing BI or performance management reports, and most can be drawn from existing financial statements, management accounts, benchmarking or other data. They just haven’t been used or looked at in this way before to give a genuine ‘in the round’ view of Vfm.

### Advanced Objectives

Also included within the standard templates are drill downs into corporate costs (if this level of detail is available) and Homes and Community Agency (HCA) Financial Viability PI’s. These FVPI’s reflect all of the financial viability measures which the HCA use in their annual regulatory judgements based on annual accounts data, and provide you with a % Vfm score against known viability comparisons which the HCA will make. Helpful if you want to prepare for a judgement call - and very useful to include in your OFR or resident self assessment.

### But you don’t just have to stop at the ‘top level’ of the organisation for your Vfm objectives

V<sup>3</sup>a also comes pre configured to allow you to replicate top level measures and drill down much lower into your organisation – for example by area or region, by neighbourhood or estate, or even to individual property level.

We have a standard objectives template which we’ve developed with partners which can be used to assess the Vfm and ‘return on assets’ of regions, estates, neighbourhoods or even individual properties. These are an invaluable tool to help maximise the return on assets as outlined in the Vfm standard. No need to spend £000’s on consultancy fees for one off appraisals.

### Choose your own objectives or adapt ours....

You don’t have to accept our standard objectives. The HCA’s current Value for Money regulatory standard clearly outlines that value for money is key but will be judged in the overall context of each landlord achieving their organisational aims and objectives.

Ultimately, the emphasis in the revised value for money standard is as much about values as it is value – focussed on how value for money is being achieved ‘in delivering the organisation’s purpose and objectives’. The value you deliver will be measured against organisational values, purpose and objectives, and there is a need to ensure these, together with financial viability measures, are aligned

So you might want to develop your V<sup>3</sup>a objectives against you organisations key strategic objectives, choosing whichever top level cost, performance or quality measures you think reflect those, e.g.

- Delivering Excellent Service
- Investing in Homes

- Creating sustainable Communities, or even
- Delivering Value for money

You might already be splitting your PI and BI data reports into the categories of your main strategic objectives such as these. There is no reason why V<sup>3</sup>a could not mirror those, and possibly even replace your traditional monthly PI's with a more rounded approach which has Vfm integrated into it.

And if you want to compare with other sectors, you can do that too – just configure V<sup>3</sup>a with those included.

### Use V<sup>3</sup>a to monitor the outcome of projects or pilot services

Most projects these days come with pre-defined expected outcomes or 'deliverables' that are expected as a result of the project. Most should have cost, performance and quality outcomes that are expected to be delivered.

So for example, if you were considering implementing a reward or incentive scheme for customers, or if you were increasing the size or scope of your income team in response to welfare reform and direct payments, you would want some key measures to be in place to track the impact and value for money of the project or those changes

Using V<sup>3</sup>a, you can measure, demonstrate and help improve the Vfm of such a project by setting up key measures against the perspectives of cost, performance and quality based on outcomes that are expected with agreed key targets and tolerances (see targets and tolerances below).

### Less is more – choosing measures

Our approach to V<sup>3</sup>a has always been on the recommendation that less is more. Less information but of a much higher value being used to test, measure and demonstrate Vfm.

You can have as many objectives as you like, and as many measures within them for cost, performance or quality as you like, but our starting point is always to choose 1 key measure for cost, 1 for quality, and 1 for performance. There are hundreds of PI's or measures you could choose, reflecting that as a society and industry we have become very good at measuring things. But we're also less good at identifying and analysing what it all means. With V<sup>3</sup>a, we encourage you for the sake of clarity and purpose to choose as few as possible and only those key top level measures which reflect and translate into Vfm. You can always drill down into measures further with more detailed views if you like.

### Choosing Weightings – the respective balance you give in Vfm to Perspectives

Whichever and however many objectives or measures you choose, you also have a choice on the respective weighting each perspective has.

V<sup>3</sup>a comes preconfigured with cost, performance and quality perspectives equally weighted for each objective.

You can choose to amend these weightings depending on your organisational priorities and the balance you want to give in your Vfm assessment to cost, performance or quality. Cost could be weighted at 50%, Performance and Quality at 25%. How you configure the weightings for each perspective or objective is entirely your choice. Our advice, as always though, is to keep it simple.

The more complicated it becomes, the less transparent it becomes for your board, your exec team, your staff or your customers to see how the Vfm score has been calculated.

### Choosing Targets, Tolerances & Comparators

Whichever, perspectives, objectives, measures or weightings you use, the final pieces in the jigsaw are the targets and tolerances or comparators for each measure.

This is where you can quite literally define the baselines and measures which fit within your organisations' approach to value for money, and find out whether you're a good looking dog or not. Use your own internal targets and tolerances or benchmarked data from a whole host of sources – within the housing sector or without. The choice is yours.

Our advice is that as it's proven that costs vary regionally, so if you're going to benchmark those, do it against local peers. Performance and quality generally don't vary regionally for the key front line objectives in housing, so if you're going to benchmark those, do it nationally to get the most from V<sup>3</sup>a.

Whichever you choose, they should reflect your approach to Vfm linked to your strategic objectives and values. As the HCA's consultation feedback document on the Vfm standard last year outlined, *“There is no intention that the regulator will develop national metrics or league tables to evaluate or monitor individual providers' value for money performance. However, we expect that providers themselves will measure and evaluate their strategies and deliverables, in the overall context of achieving their organisational aims and objectives. It will be for providers to decide the most appropriate way to do this.”*

### **A bit of background**

V<sup>3</sup>a is a hosted solution. Hosted by PHHS through dedicated servers on a platform of Corvu's Strategic Management IT system, and delivered in partnership with Rocket Software.

This hosted solution means that organisations get the benefits of a top of the range information and management system which can link directly to BI systems to monitor Vfm - all at great value for money. You wouldn't get much change from £20k to purchase and run a similar system to V<sup>3</sup>a on your own servers, plus training and consultancy to familiarise staff with using the system, but you'll pay only 25% of that for a basic starter package of V<sup>3</sup>a.

### What does 'hosting' mean?

Essentially it means that we configure the set up of V<sup>3</sup>a and host your data on our dedicated server. You can access and update your own data and run reports as frequently as you like. The reports will be based on your data and how you've configured V<sup>3</sup>a, but any changes to configuration need to be undertaken by PHHS on request.

The benefits of this being you don't need to be experts in configuration of V<sup>3</sup>a or Corvu and you don't need to worry about managing software or server updates or issues. We take care of all of that.



### What you get from us in return is:

- Expert advice and assistance in configuration to meet your own organisation's Vfm goals and objectives – with a half day 'consultancy' on configuration included within the purchase price delivered by our consultants who have real cross sector experience of Vfm and are known experts
- Initial configuration of V<sup>3</sup>a using our standard 'functional' templates or those you choose
- A commitment to helping you maximise the return on investment in V<sup>3</sup>a: we genuinely want you to get maximum benefit from it.
- 24/7 technical support & minor updates to configuration, measures or weightings within 5 working days as part of the annual license and maintenance fee – usually within 24 hours
- Quotations on major configuration changes ( anything in excess of one hour per month) within 5 working days of receipt - and charged at only 70% of normal industry rates
- Access to shared Vfm tips and advice between V<sup>3</sup>a users via an online group if you wish, &
- A commitment to data protection. All data is held in a secure state of the art server environment and only accessible by PHHS/Corvu or named users. Access to data and reports is password protected based on passwords unique to each organisation which can only be changed by named staff or PHHS/Corvu

### **INTERESTED?**

V<sup>3</sup>a genuinely is a flexible, value for money tool which can help you test, measure, demonstrate and improve Vfm across your organisation. What you get out of it will be dictated by what you put into it, and we are happy to put you in touch with other users to share their experience if that will help, or just take a look at some of testimonials received at [www.v3a.co.uk](http://www.v3a.co.uk).

Call, email or contact us via [twitter](#) if you'd like a free online demonstration of V<sup>3</sup>a, or if you're heading to the CIH National Conference in Manchester this month, pop along to the [Corvu](#) stand for a chat or demonstration there and then.

Within a couple of weeks we could have you up and running – just in time for OFR's and Self Assessments.