



CITIZEN



20 | VALUE FOR 24 | MONEY REPORT

REQUIRED OUTCOMES

(what we must provide)



CURRENT EVIDENCE

(high level)



SPECIFIC EXPECTATIONS

(what we must demonstrate)



CURRENT EVIDENCE

(high level)



A

Clearly articulate our strategic objectives.

Our 2023-2026 Business Strategy was launched in March 2023.

Our 2023-2026 Business Strategy clearly articulates our strategic objectives and projects.
See link to strategy.

Citizen | Our goals
(citizenhousing.org.uk)

A robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance .

KPI Targets are aligned to our Business Strategy objectives and forecasting is used to model impacts and how performance can be improved. KPI target setting is closely aligned to the budget setting process.

The KPI review process is completed annually with new targets agreed by Board in March 2024.

B

Have an approach agreed by our board to achieving value for money in meeting these objectives and demonstrate our delivery of value for money to stakeholders.

Key activities/principles signed off by board which are published on website.

Regular and appropriate consideration by the board of potential VfM gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures.

All Board reports require consideration of the implication for VfM. Proposals for investment, disposal of assets or changes to the way that we work are supported by detailed business cases, which include financial appraisals.



**REQUIRED
OUTCOMES**

(what we must provide)



**CURRENT
EVIDENCE**

(high level)



**SPECIFIC
EXPECTATIONS**

(what we must demonstrate)



**CURRENT
EVIDENCE**

(high level)



C

Through our strategic objectives, articulate our strategy for delivering homes that meet a range of needs.

Our 2023-2026 Business Strategy sets out how we will invest in Homes, People and Partnerships. In addition, we have separate strategies for both Development (of new homes for rent and sale) and our Care and Supported Housing portfolio and customers both which have been agreed by our Board.

Consideration of VfM across their whole business and where we invest in nonsocial housing activity, we should consider whether this generates returns commensurate to the risk involved and justification where this is not the case.

Development Risk Register is reviewed and assessed quarterly and reported to Development Board, and also reported to Audit & Risk bi-annually.

Separate Development Board in place with skills to review and make decisions on new developments of all tenures.

Clear reporting on non-social housing activity is an integral part of our monthly management accounts and as part of regular monitoring to Board called Diversified Activities report.

D

Ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.

Asset Management Strategy and ROI model in place. Both of these incorporate the requirements to meet the building safety requirements, are regularly reviewed to incorporate the requirements to meet the zero-carbon challenge.

We have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that we regularly monitor and report our performance against these targets.

Monthly/Quarterly Performance Reporting against Business Strategy objectives with annual targets set. The VfM metrics are reported monthly in management accounts and as part of the Performance Management Framework.



OUR VALUE FOR MONEY APPROACH (VfM)

OVERVIEW

In April 2018, the Regulator of Social Housing (RSH) introduced an updated Value for Money (VfM) Standard and accompanying Code of Practice.

The specific requirements of the Standard require social housing providers to clearly set out their strategic objectives, which are aligned to the purpose of the organisation. Transparency with our performance is also key and must be understood by our boards and stakeholders with targets set accordingly.

In addition to our own performance measures the Standard introduced a set of standard metrics (VfM metrics), which we are required to publish annually, together with our comparable performance against our peers. The metrics are intended to enhance the consistency, comparability and transparency of VfM reporting in the sector.

We first published our first set of VfM metrics in the 2017/18 financial statements and have continued to do so in all subsequent financial statements. The forecast VfM metrics for the year are reviewed and reported monthly as an integral part of the group consolidated management accounts.

Our approach to VfM was adopted at Citizen and approved by the Board in March 2019 and is reviewed annually. Within our approach, we have committed to achieve a set of key activities that take account of the specific expectations of the Standard and code of Practice.

PRINCIPLES OF VfM

At Citizen we are committed to demonstrate the three principles of VfM;

Economy, Efficiency and Effectiveness.

We believe that VfM is achieved by balancing these key principles when delivering our business objectives. VfM is not an exercise in cost cutting or limiting resources; it is about ensuring as a business we can create an efficient, effective, and economical business.

Economy

We will ensure that the price we pay for services and contracts deliver the best outputs, we therefore procure our services based on quality not just price.

Efficiency

We will maximise our productivity through the outputs (results) we get from our inputs (resources), ensuring we spend money well.

Effectiveness

We will ensure that our spend achieves the desired outcomes and to the standard we expect, demonstrating that we spend our money wisely.

EMBEDDING VFM AT CITIZEN

BUSINESS STRATEGY

VfM is not a standalone project or reliant on lots of new projects to achieve it, rather it is a fundamental guiding principle that is integrated into all ways of working, and into our strategic planning. Our Business Strategy objectives will provide measurable outputs for the Board to track progress.

Our success measures seek to optimise VfM across all our activities, whilst meeting our responsibilities as a social housing provider and delivering against our purpose, which is to provide **homes that are a foundation for life.**

Our 2023-2026 Business Strategy focusses on the three areas we know we need to invest in to meet our objectives and achieve our vision, which are **People, Homes and Partnerships.**



PEOPLE

Our customers will be front and centre.

We will build relationships with our customers based on transparency, fairness and respect, where they can rely on us to deliver the services they need. A key part of this will be putting our Citizen's First Programme, which will focus on improving systems, process and procedure and crucially break down barriers to improve how we work across departments. We will ensure that we know who our customers are and what their needs are and ensure that we comply with the new Regulator of Social Housing Consumer Standards.

We will improve how we communicate, making sure it is a two-way street between us and customers, and between teams to ensure we deliver brilliant services. We know we can't achieve this without investing in our staff so we will be looking at what we can do to make sure staff are motivated, trained and rewarded for the work they do.



HOMES

Investing in our homes is not just about building new homes, but about improving the ones that we already have, and includes taking those tough decisions to remove properties that are no longer fit for purpose.

At Citizen we're more than just about putting a roof over someone's head, we're a part of the community. Sometimes this means huge investment in regeneration or development, or it could mean ensuring homes are comfortable to live in. This investment benefits the current household, future households, and the community by helping to reduce carbon emissions, improve the look and feel of the area, and most importantly make sure our homes are safe and warm.



PARTNERSHIPS

We know that we can deliver more if we do it in partnership. We have seen some real successes with grant funding and partnership work over the last strategy and we want to do even more.

We also want to use our partnerships to push regional and national decision making to benefit our customers, build new homes and maximise grant income for the benefit of our customers.

DECISION MAKING

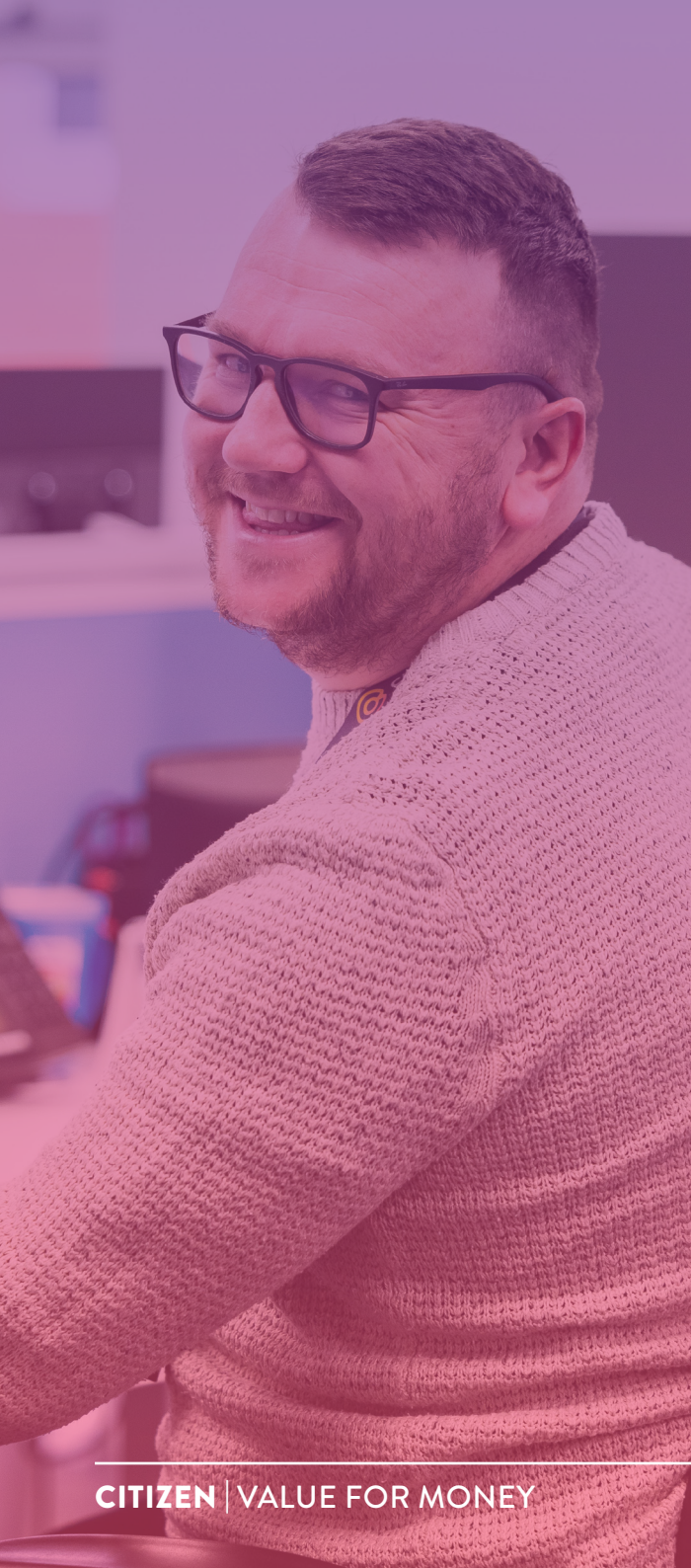
Citizen adopts a robust decision-making process. All decisions that commit to significant growth in expenditure are approved by the Board and are supported by a cost benefit appraisal.

We operate a clear scheme of delegation within our financial regulations and standing orders. Our governance framework sets out the accountabilities and responsibilities for the Board and executive directors and our governance documents are aligned to our Business Strategy, mission and operating principles.

We have a robust schedule for reporting financial decisions to the boards and the Audit & Risk Committee is responsible for in-depth examination of financial performance alongside risk management and internal and external audit findings.

All reports presented to Board and Committees must set out the financial and VfM implications for each decision and these are supported as appropriate by option appraisals.





KEY ACTIVITIES WHICH ARE CORE TO OUR VFM APPROACH AND ENSURE IT IS EMBEDDED ACROSS OUR ORGANISATION

- Annually benchmark against our peers through range of mechanisms including Global Accounts and Sector Scorecard reporting, this is to ensure we understand our relative performance and drivers for costs. We also review targets annually and aim improve our performance year on year to reach our Business Strategy aspirations and continue to provide service excellence for our customers.
- We have a net present value assessment refreshed on a cyclical basis to understand the return on our housing stock and identify any that need a full options appraisal. There are also individual appraisals carried out for any schemes requiring regeneration, as well as individual voids to identify the best use of that stock, including whether disposal and reinvestment would represent the best value and use of resources.
- Through our Matrix partnership with other housebuilders and housing associations to unlock the potential of grant sharing and using our various expertise to maximise our development programme and deliver our development strategy and aspirations to deliver 2600 new homes over 4 years.
- To work in partnership with other organisations in order to access grants available under the Social Housing Decarbonisation Fund (SHDF) in order to improve the energy efficiency of our homes for the benefit of both our customers and the environment, and under the Social Housing Quality Fund (SHQF) to tackle potential hazards in the home including damp, mould and condensation by the installation of new ventilation systems in kitchens and bathrooms and the installation of environmental monitoring equipment so that we can collect information on the thermal efficiency of our homes.
- Maximise our partnership with local authorities to use our assets for community gains including large cost saving for Local Authority on temporary accommodation using our out of management stock. This will save money for the council and generate income, using stock that is ready for regeneration/redevelopment.
- To remain transparent with our activities and demonstrate to our Boards and stakeholders how we achieve VfM we will, where possible, publish outcomes and evidence that supports our approach on our website.



VFM METRICS

We report our latest performance against the VfM metrics in our monthly management accounts which are reported to each Board meeting. The year end metrics, along with the following year's targets are published in our group statutory financial statements.

On the VfM section of the Group's website, we will publish VfM metric information at least annually. We will also report how we have achieved savings or improved our services.

HOW WE COMPARE TO OTHERS

We have used the Sector Scorecard and Global accounts datasets to complete a thorough review of Citizen's relative position in the market to understand performance and market influence relative to other social housing providers in the region.

COSTS BENCHMARKING

Understanding our costs and how we compare to others is a key aspect of our VfM approach and underpins an evidence-based approach to resource allocation, cost reduction and target setting. We benchmark our costs through the Sector Scorecard and Global Accounts to gain the widest possible comparator group.

PLANS FOR 2024/25

For this financial year each Directorate has set plans to demonstrate how their services or teams will achieve Value for Money across the three main principles: Economy, Efficiency and Effectiveness. These plans and achievement against them will be reported in the financial statements for 2024/25.