



Value for Money Policy

Status: Approved

Policy Lead :	Executive Director – Business Support
Owned By :	Executive Director – Business Support
Date Approved:	May-2025
Approved By :	BHA Board
Review Date:	May-2028
Regulatory / Legislative Considerations/ References	
Other Documents to be read in conjunction with this policy :	<ul style="list-style-type: none">• Standing Orders• Financial Regulations• Procurement Policy

Policy Title:	Value for Money
Purpose / Aim of policy:	This policy outlines how BHA is committed to delivering Value for Money (VFM) as an integral part of its procurement and financial planning strategies. The responsibility for pursuing VFM lies with all staff within the organisation.
Scope of Policy:	This policy outlines how Value for Money is considered within the day to day thinking and actions of all of BHA colleagues and Trustees.
Definitions:	Value for Money – VFM is defined as where an organisation has obtained the maximum benefit from the goods and services it acquires and/or provides, within the resources available to it.
Specific detail related to each strand in the scope:	Not applicable
Approval Source:	BHA Board
Equality Impact Assessment:	<p>BHA is committed to providing fairness and equality of opportunity in order to prevent discrimination in both the workplace and wider society.</p> <p>BHA will ensure our approach to Value for Money considers all aspects of outcomes when assessing the economic and effectiveness outputs.</p>
Glossary of Terms	
Risk Implications:	As identified within the strategic and operational risk registers

1. INTRODUCTION

BHA is committed to delivering Value for Money (VFM) as an integral part of its procurement and financial planning strategies. The responsibility for pursuing VFM lies with all staff and not just those with financial duties.

2. POLICY AIMS AND OBJECTIVES

2.1 The BHA Group will integrate VFM principles within the existing management, planning, review, and decision-making processes, particularly regarding projects or activities with significant financial implications:

- To adopt recognised good practice where appropriate.
- To self-assess value for money on a regular basis and especially in preparing budgets for the following year.
- To benchmark BHA group activities against other similar activities and organisations where this is considered useful.
- To respond to opportunities to enhance the economy, efficiency, and effectiveness of the Group's activities.
- To demonstrate actively to both internal and external observers that the achievement of VFM is sought in all activities undertaken.
- To ensure that staff recognise their continuing obligations to seek VFM as part of routine activities.

3. VFM GUIDING PRINCIPLES

3.1 VFM is a term used to assess whether an organisation has obtained the maximum benefit from the goods and services it acquires and/or provides, within the resources available to it.

It not only measures the cost of goods or services, but also takes account of the mix of quality, cost, resources use, fitness for purpose, timeliness, and convenience, to judge whether, taken together, they constitute good value.

3.2 We can achieve VFM in terms of the three components, or 3E's, as the process of optimum relationship between costs, inputs, outputs and outcomes. Inputs are primarily measured in cash, outputs and outcomes (social value) generally involve various combinations, such as social and economic benefits, service quality, environmental benefits and financial benefits. Breaking it down into the following components helps to better understand VFM:

The three E's Framework:

- **Economy** – careful use of resources to save expense, time, or effort, i.e. the price is competitive for the quality of service provided
- **Efficiency** – delivering the same level of service for less cost, time or effort, i.e. through streamlined processes that involve partnerships with other organisations where necessary. Outputs may be expressed in terms of Quantity e.g. reducing the number of arrears cases; or Quality e.g. quality of housing service provided as measured by satisfaction results

- **Effectiveness** – delivering a better service or getting a better return for the same amount of expense, time or effort, i.e. at the right time so that services meet the needs of our customers.

3.3 In a BHA Group perspective, we might describe VFM as maximising the impact of each pound spent to promote thriving communities. The commitment to a process of continuous improvement promotes VFM.

VFM should be evidence based so we need to be good at measuring, assessing value and articulating what results we are achieving when we procure goods and services.

Transparency and accountability in our operations ensure to drive the VFM agenda; all colleagues need to make VFM considerations central in deciding what we do, how we implement, and how we learn lessons.

4. ROLES & RESPONSIBILITIES

- 4.1 The Trustees have ultimate responsibility for the use of resources and this responsibility is confirmed annually in the financial statements of the organisation.
- 4.2 The Risk and Assurance Committee have been granted delegated authority from the Trustees to review the arrangements in place to promote VFM.
- 4.3 The Executive Team will provide information required to describe how the VFM Policy has been implemented and will ensure robust analysis on the way that the organisation has used resources to achieve policy objectives and where any required procurement of goods, services or works demonstrates VFM within the outcomes of those procurement exercises.
- 4.4 All colleagues are responsible for ensuring VFM is achieved in the delivery of their roles and use of resources.
- 4.5 This policy will be subject to review every three years or sooner to comply with regulatory or legislative changes.