

## NOTTINGHAM CITY HOMES

### PERFORMANCE & REGULATORY COMMITTEE

12 AUGUST 2008

### REPORT OF DIRECTOR OF FINANCE, ICT AND GOVERNANCE

#### VALUE FOR MONEY AND EFFICIENCY GROUP – TERMS OF REFERENCE

#### 1 SUMMARY

- 1.1 This report is to present revised Terms of Reference for the Company's reinvigorated Value for Money and Efficiency (VFME) Group for Committee approval.

#### 2 BACKGROUND

- 2.1 Value for Money (VFM) can be defined as the relationship between economy, efficiency and effectiveness. Economy is the price paid for what goes into a service, efficiency is a measure of productivity – how much you get out in relation to what goes in – and effectiveness is a measure of the impact achieved, which can be either quantitative or qualitative.

The Company aspires to excellence. An intrinsic part of this is the continuing drive to make best use of our available resources – financial, Information Technology (IT), equipment and staff time – to achieve the best outcomes for our tenants and leaseholders. The organisation must ensure that resources are utilised efficiently and effectively to maximise the quality, range, accessibility and impact of our services.

In 2005 the Audit Commission's inspection report for NCH highlighted significant weaknesses in relation to VFM. Despite the establishment of the VFM Steering Group and 3 related VFM sub-groups the Company's failure to fully embed VFM within the organisation was raised again in the HQN October 2007 mock Inspection report.

Largely due to staff reorganisation and uncertainty surrounding the announcement of the Company's new structure, none of the VFM Groups have met for some considerable time. In an attempt to reinvigorate the work of the groups and support the process of embedding VFM throughout the organisation a new set of Terms of Reference for a new VFM and Efficiency Group have been drafted.

The Company's revised VFM Strategy was approved by the Board in July and, together with work completed during the Company's KLOE days, has been used as the basis for compiling the Group's Terms of Reference.

#### 3 RECOMMENDATIONS

- 3.1
- It is recommended that Members review the Terms of Reference to satisfy themselves that the responsibilities assigned are sufficiently adequate to ensure that the Group fulfils its key role of championing

and embedding VFM across the organisation.

- Its is recommended that the Performance and Regulatory Committee approve the VFME Group's Terms of Reference as well as the proposed membership of the Group.

#### **4 OTHER OPTIONS**

4.1 Not applicable.

#### **5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES**

5.1 One of NCH's 2008/09 Delivery Plan objectives is:

*'To be an excellent, efficient organisation which has high quality leadership and management, and delivers value for money'*

The VFME Group and the revised Terms of Reference are designed to facilitate the delivery of VFM.

#### **6 RISK ASSESSMENT**

6.1 Not applicable.

#### **7 VALUE FOR MONEY & EFFICIENCY ISSUES**

7.1 The decision to re-form the VFME Group and establish revised Terms of Reference is intended to support the Company's current progress and ongoing commitment to embed VFM across the organisation, monitor progress made with VFM initiatives and share best practice across all key service areas.

The VFME Group is an important component in addressing the VFM issues that are vital to the Company's future.

#### **8 EQUALITY & DIVERSITY IMPLICATIONS**

8.1 None.

#### **9 COMMENTS OF THE DIRECTOR OF FINANCE**

9.1 The Director of Finance is the author of this report.

#### **10 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

10.1 VFME Group Terms of Reference.

10.2 VFM Strategy.

10.3 2005 Audit Commission Inspection Report.

10.4 2007 HQN Mock Inspection Report.

**CONTACT OFFICERS:** Julie Crook,  
Director of Finance, ICT and Governance  
14 Hounds Gate,  
Nottingham,  
NG1 7BA  
Tel: 0115 915 7378  
E-mail: [julie.crook@nottinghamcityhomes.org.uk](mailto:julie.crook@nottinghamcityhomes.org.uk)

**DATE:** 5<sup>th</sup> August 2008