| **RSH ref** | **RSH requirements**  **Code of Practice – examples/clarification** | **How we comply and Board assurance** |
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| **1.** | **Required Outcomes** | |
| **1.1a** | **Registered providers must clearly articulate their strategic objectives** | |
| 5) | Registered providers must ensure that clear, up-to-date strategic objectives are in place. These objectives must:   * deal with the medium to long-term future of the organisation * include measurable targets based on outcomes, and * be demonstrably linked to the aims and purpose of the organisation. | *(Paragraphs of how the organisations comply with the requirements)*  ***Related evidence -*** *Reports, audits, polices/strategies and performance measures:*   1. Details of reports, who and when approved 2. Details of any related policies and when approved 3. Details of any audits   **Action to take:** *(Details of any actions required to strengthen compliance)* |
| **1.1b** | **Registered providers must have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders** | |
| 6a) | In articulating their strategic objectives, registered providers may choose to embed value for money within those objectives, or may alternatively have a standalone value for money strategy. | *(Paragraphs of how the organisations comply with the requirements)*  ***Related evidence -*** *Reports, audits, polices/strategies and performance measures:*   1. Details of reports, who and when approved 2. Details of any related policies and when approved 3. Details of any audits   **Action to take:** *(Details of any actions required to strengthen compliance)* |
| 6b) | Whichever approach is taken, a comprehensive approach to value for money needs to be embedded throughout the business including at the level of individual business streams. |
| **1.1c** | **Registered providers must through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs** | |
| 7) | 7) Providers’ objectives must articulate their strategy for delivering homes that meet a range of needs.  This might, for example, include their plans for new development to meet unmet housing need in particular localities, or investment in the existing stock to sustain its quality and/or better meet the needs of particular client groups. | *(Paragraphs of how the organisations comply with the requirements)*  ***Related evidence -*** *Reports, audits, polices/strategies and performance measures:*   1. Details of reports, who and when approved 2. Details of any related policies and when approved 3. Details of any audits   **Action to take:** *(Details of any actions required to strengthen compliance)* |
| **1.1d** | **Registered providers must ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.** | |
| 8) | Achieving Value for Money should include achieving economy, efficiency and effectiveness in all areas of activity, taking into account the outputs achieved as well as input costs. Economy, efficiency and effectiveness are defined as follows:  **Economy**: minimising the cost of resources used while having regard to quality  **Efficiency**: the relationship between the output from goods or services and the resources to produce them  **Effectiveness**: the extent to which objectives are achieved and the relationship between intended and actual impacts. | *(Paragraphs of how the organisations comply with the requirements)*  ***Related evidence -*** *Reports, audits, polices/strategies and performance measures:*   1. Details of reports, who and when approved 2. Details of any related policies and when approved 3. Details of any audits   **Action to take:** *(Details of any actions required to strengthen compliance)* |
| 9) | Registered providers must ensure that they achieve optimum economy, efficiency and effectiveness in delivery of their strategic objectives recognising the need to balance factors such as available resources, risks and other duties the provider must comply with (such as health and safety requirements) to ensure long-term financial viability. | As above |
| 10) | In terms of deriving “optimal benefit” from resources and assets, registered providers should take a measured and proportionate approach, taking into account the requirements of all the standards, in particular the Governance and Financial Viability Standard. | As above |
| 11) | Further detail on expectations for delivering optimal benefit can be found in paragraph 15 of the code. | As above |
| 12) | Registered providers must ensure that they have sought to maximise the financial return from their assets and activities in so far as that is consistent with achievement of the organisation’s wider organisational purpose and strategic objectives. Social housing businesses will generally receive a lower than market return on social housing assets as renting properties below the market rate is an integral part of their social purpose. However, where a provider has had to accept lower financial returns in pursuit of their purpose, the rationale for this should be clearly articulated and justified. | As above |
| 13) | Registered providers must also be able to demonstrate that they have a full understanding of the return they generate from their assets compared to the costs of maintaining those assets. Registered providers should be able to demonstrate how this return varies across their asset base, e.g. according to stock type or geographical location. Where assets are not apparently achieving the maximum expected return, registered providers should be able to articulate the rationale for continued support of the asset. This may be, for example, that historical covenants are in place, which restrict the sale of properties even where there are high maintenance costs. | As above |
| **2.1a** | **Registered providers must demonstrate 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** | |
| 14) | Registered providers must ensure their approach to the management of resources and assets is strategic, comprehensive and clearly linked to achieving strategic objectives. This includes assurance around the robustness of decision making in this area. | As above |
| 15) | Registered providers must ensure they meet their organisational purposes and objectives (including, where relevant, charitable objectives) when considering the use of resources or assets.  Resources and assets should be considered in the widest sense, for example it must not be limited to use of physical assets and resources, but should include investments into particular services or business streams. It should also include consideration of whether their approach to remuneration and employment costs represent optimal use of resources. | As above |
| 16) | An effective approach to Value for Money requires consideration and action to be taken at both:  An operational level – maximising value for money in the activities they carry out  A strategic level – ensuring that value for money is considered and addressed in all strategic decisions. | As above |
| 17a) | Registered providers must ensure that they have an understanding of absolute costs, how these costs compare to other organisations and how they have changed over time.  Registered providers should understand what is driving their costs and make sure that they are getting the desired quality at the lowest price. | As above |
| 18) | Robust decision making must include a ‘rigorous appraisal’ of all potential options for improving performance and may include (but is not limited to):   * cost inputs versus outputs achieved * opportunity cost of using assets and resources in their current function * comparison against potential alternatives * evaluation of implications for delivery of objectives. | As above |
| 19) | In some instances the existing commercial, organisational or delivery structures within a registered provider may not be the best vehicle to enable the organisation to achieve its organisational objectives.  It is incumbent on boards to actively consider the opportunity costs of their current structures compared to a range of alternatives, and the implications for delivery of objectives and maximising value for money. | As above |
| **2.1b** | **Registered providers must demonstrate regular and appropriate consideration by the board of potential Value for Money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures** | |
| 20) | This could include the potential benefits and limitations of considerations such as (but is not limited to):   * corporate structure * procurement * diversification of business streams * divestment of business streams * investment in non-social housing activity including that undertaken in any unregistered subsidiary * partnership arrangements * standalone business versus merging with another provider, and * geographic areas of operation. | As above |
| 2.1c | Registered providers must demonstrate **regular and appropriate consideration of Value for Money across their whole business including their approach to investment in non-social housing activity – they should include whether this generates returns commensurate to the risk involved and justification where this is not the case** | |
| 21) | Where investment in non-social housing activity is being undertaken either by the registered provider or through an unregistered subsidiary, this activity should generate returns commensurate to the risks involved. **Non-social housing**-related activity may bring with it more inherent risk than more traditional social housing activity.  Where this is the case, registered providers should fully understand and balance the risks associated with the activity versus the rewards they expect to receive | As above |
| 2.1d | Registered providers must demonstrate **that they have appropriate targets in place for measuring performance in achieving Value for Money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.** | |
| 22) | Transparency and accountability help drive improvement in value for money. Transparency requires appropriate performance monitoring and reporting systems, encompassing all elements of the value chain and the **economy, efficiency and effectiveness** of boards’ actions and decisions.  Where boards find that expected levels of delivery are not being achieved, they should ensure that they have the systems and skills in place to be able to challenge executives. They should also ensure that robust plans are in place for improvement, or where it would not be appropriate to undertake improvements this should be clearly stated and the rationale for the decision set out. | As above |
| **2.2a** | **Registered providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the provider’s performance against its own value for money targets and any metrics set out by the regulator, and how that performance compares to peers** | |
| 23a) | Registered providers must ensure that the reporting undertaken meets the requirements of the Standard, including the requirement to report against the metrics defined by the regulator and to report value for money at a group level, taking into account all areas of the organisational structure. | As above |
| 23b) | Registered providers should also report on different activities and types of assets that are appropriate to their business priorities. | As above |
| 23c) | Registered providers who undertake a range of different activities are expected to report on those activities separately to their social housing activity. They should also consider their actual performance, previous year’s performance, future forecasts and targets against forecasts in relation to strategic objectives. | As above |
| 24) | Registered providers are also free to report any additional measurements that they consider would aid understanding of their performance (e.g. costs and outcomes for supported housing and other specialist areas of the business). Explanation of underlying factors influencing performance must be factual and concise and easily identifiable. | As above |
| **2.2b** | **Registered providers must annually publish evidence in the statutory accounts to enable stakeholders to understand the provider’s measurable plans to address any areas of underperformance, including clearly stating any areas where improvements would not be appropriate and the rationale for this.** | |
| 25) | Registered providers are required to publish reporting on the above in their statutory accounts in a way that is clear, concise and appropriate to their stakeholders. | As above |
| 26) | Registered providers are, in addition to the reporting in the annual accounts, free to report outside of these accounts in any way they see fit if they consider this increases transparency with stakeholders. | As above |

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| ***I confirm that the information and supporting evidence provided within this compliance self-assessment is up to date and accurate to the best of my knowledge.  There are no areas of non-compliance /omissions that I am aware of and all reasonable steps have been taken to ensure compliance with law relating to these areas.*** | | | |  |  | **Dates presented** |
| Groups presented to |  |
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| **Leader Manager (s)** | ***Ref No.*** | ***Date*** | ***Signature*** |  |  |  |
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