

## APPENDIX 2 - VALUE FOR MONEY CHECKLIST

This checklist ensures that the author can demonstrate that the proposal achieves value for money before completing the summary paragraph in the main Cabinet report (Finance, Value for Money and Risk implications). **It must be completed.** However, because one size never 'fits all', when assessing value for money, not all items on the checklist may be relevant to every proposal. Keep your responses as concise as possible. Your starting point is the VfM assessment grid. Refer to Finance, Performance and Service Improvement, Policy and other colleagues as needed.

<b>Value for Money checklist</b>	<b>Consider the prompt questions below – if you feel a section is not applicable to your proposal, put 'not applicable' as long as this is justifiable.</b>	<b>Lead / support</b>
<b>Budget</b>	<p><i>Additional budget of £3.7m is being sought, above the original Cabinet approval. The budget for the project is to be provided through an initial General Fund loan during the construction period, that will be repaid by the HRA on completion of the new homes. The costs of the project will be met through shared ownership sales receipts, grant funding, and HRA borrowing, which will be repaid from the rental income generated by the new shared ownership and social rent homes. The project achieves a net revenue surplus for the HRA from year 1, thereby mitigating the need to use HRA reserves.</i></p> <p><i>The project will be included in the HRA's Capital Programme.</i></p>	Report author to speak to Finance
<b>Procurement and/or efficiency</b>	<p><i>The construction works have been competitively tendered in accordance with the Council's procurement procedures. The tender price for the preferred contractor has been reviewed by an external Quantity Surveyor, who has confirmed the price delivers value for money.</i></p>	Report author to speak to Finance
<b>Adding value to the Council</b>	<p><i>The proposals will increase the Council's affordable housing stock, including social rent homes. The proposals add value by addressing the need for more affordable homes, whilst also generating revenue surpluses for the HRA, and reducing the costs pressures of providing temporary accommodation.</i></p>	Report author
<b>Satisfaction &amp; Customer Engagement</b>	<p><i>Residents have been consulted on the proposals. One of the key issues on the estate is safety and security due to anti-social behaviour, and poor-quality public realm. In order to respond to these concerns, the proposals include significant improvements to the public realm, and improved natural surveillance, to encourage greater use and enjoyment of public spaces. A new MUGA is also being provided, replacing the existing run-down MUGA, to provide high quality outdoor play space for children of all ages.</i></p>	Report author to speak to Strategy and Change department
<b>Comparative / Unit costs</b>	<p><i>The £/unit costs are comparable with other recent Council acquisitions. Whilst construction costs have increased, this reflects market conditions. The tender price has been confirmed as value for money by the quantity surveyor, applying cost benchmarking data comparing comparable housing schemes across London.</i></p>	Report author to speak to Strategy and Change department

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<b>PIs and other statistics</b>	<i>Not Applicable</i>	Report author to speak to Strategy and Change department
<b>Inspections &amp; Reviews</b>	<i>Not Applicable</i>	Report author to speak to Strategy and Change department
<b>External factors</b>	<i>The proposal will address the need to deliver more affordable homes. It will also help improve the quality of life for existing residents in the estate through improved public realm.</i>	Report author to speak to Strategy and Change department
<b>Summary (options appraisal)</b>	<p><i>The proposal is rated Green on the vfm checklist, on the basis that the proposal generates better outcomes for residents, whilst generating revenue surpluses for the HRA, and mitigating council expenditure on Temporary Accommodation by creating more homes for social rent.</i></p> <p><i>This is the best value option compared to not redeveloping, as doing nothing will not deliver better outcomes for residents or generate revenue surpluses, or relieve pressure on the demand for temporary accommodation.</i></p> <p><i>Swapping the tenure mix to 100% affordable enables GLA grant to be secured for the social rent homes, thereby removing the need to use the Council's RtB receipts to subsidise the delivery of social rent homes.</i></p> <p><i>The development costs will be funded through the general fund, which will be repaid by the HRA on completion of the scheme. General fund reserves will be used to cover interest payments during the construction period. However, the interest as well as construction costs will be repaid by the HRA once the development is completed, so that there is no cost to the general fund in the long-term.</i></p>	Report author

**All proposals, if approved by Cabinet, may be called in by Scrutiny and/or the relevant Portfolio Holder at a later date, to ensure that proposed outcomes are being delivered and financial implications were correct.**