



# **Value for Money Strategy**

**2019 - 2024**

## **Executive Summary**

This Value for Money Strategy sets out how West of Scotland Housing Association will approach Value for Money for the period 2019-2024.

The Strategy connects our vision and values and reflects the expectations of our customers and stakeholders, in particular the Scottish Housing Regulator.

Our main aims are to provide good quality homes and excellent customer service to all our customers. This document outlines the current context and the challenges to this and how we can overcome these by ensuring we obtain both value for money and make efficiencies either financially or by improving the way we do things.

The document describes the Association's approach to Value for Money and how VFM supports our strategic framework and how we will engage and communicate to stakeholders. In particular the document outlines how we will consult and involve our customers in the implementation of our VFM strategy.

It outlines seven VFM objectives:

- **Ensure customer needs and views are central to our Value for Money approach**
- **Review and improve operational efficiency and internal processes to achieve value for money and obtain efficiencies**
- **Optimise the use of our assets including new build to achieve VFM for our customers and the Association**
- **Ensure that we procure goods, services and works in the most sustainable economic way possible**
- **Maximise the value and capacity of our staff**
- **Deliver social and environmental value**
- **Create a framework to measure and communicate our approach to VFM**

## **1. Introduction**

At West of Scotland Housing Association, the application of Value for Money (VFM) is fundamental to our vision and implementation of our strategic objectives. This strategy will ensure that we achieve value for money for our customers and deliver wider societal benefits by using the resources as effectively as possible, delivering the best outcomes for our customers and the Association. The overall aim of the strategy is to achieve value for money in all our operations for our customers and for the Association.

### **Our Vision:**

We go further to provide housing you call home

### **Our Strategic Aims**

WSHA's Strategic aims are to:

- Deliver outstanding service to customers in all our communities
- Actively manage our assets and develop new homes to meet local needs
- Be the best we can be for our customers
- Work with others to improve tenants' lives
- Be well governed and financially strong

### **1.1 Stakeholder Involvement**

A consultation exercise was carried out with tenants and staff in relation to Value for Money. The consultation included gathering feedback on what value for money means and how the Association can improve its approach to achieving value for money. The feedback from these consultations has been integral to the development of the strategy. The strategy outlines how we will continue to involve customers and staff and ensure that we measure the outcomes of this strategy and communicate to both groups in relation to progress.

### **1.2 Context**

Our key aims are to provide good quality homes and excellent customer services. In addition to this we will build new houses to provide more affordable homes for people in need. In current financial climate we need to ensure that our rent is affordable for our tenants against a back drop of the roll out of universal credit in our communities which is likely to impact negatively on our ability to collect rent. With these challenges, it is essential that the Association strives to achieve value for money and efficiencies in order to maintain and improve standards in relation to the homes and services we provide.

### **1.3 Regulatory Background**

The Scottish Housing Regulator (SHR) has indicated that Registered Social Landlords (RSLs) should approach VFM from a customer perspective and ensure they are transparent in how achieving VFM can improve the services we offer our customers. There are a number of charter indicators which ask RSLs to measure VFM from a customer perspective e.g. "taking into account the accommodation and

services provided, do you think that the rent for this property represents good or poor value for money?"

Other areas which can be measured in line with the Charter indicators are:

- The customer/landlord relationship – Equalities, Communication and Participation
- Housing Quality and Maintenance – Quality of Housing, Repairs Maintenance and Improvements
- Housing Management – Estate Management, anti social behaviour, tenancy sustainment and void management

It is essential that we have ongoing dialogue with customers and staff to identify what value for money means to them and understand their expectations.

#### **1.4 What is Value for Money?**

VFM is generally defined as the relationship between economy, efficiency and effectiveness.

- Economy – the price paid for what goes into providing a service. It is also about minimising the cost of resources of an activity
- Efficiency – a measure of productivity i.e. how much you get out in relation to what is put in
- Effectiveness – a measure of the impact achieved, both quantitative and qualitative or a measure of outcomes

The Scottish Housing Regulator identifies value for money as being “**obtaining the maximum benefit with resources available**”.

Value for money will be a central theme throughout all of our operations. This will assist the Association to:

- Test our customer experience and opinion on whether we are achieving good value for money
- Challenge our behaviours and decision making to deliver more for our tenants and communities
- Evidence and benchmark our approach to value for money

#### **1.5 Strategic Fit**

The Association is developing a Corporate Plan which outlines its strategic direction. Value for money will be woven into the Corporate Plan and will underpin all supporting strategies, business plans and the Association business strategy, thereby ensuring value for money is considered at every level of the organisation. VFM is a key strategic priority for the Association.

Customer focus is a key principle at the Association which manifests itself into the Association’s approach to customer engagement and scrutiny. The Association has an independent scrutiny panel in place and engages with tenants through the Tenant Advisory Group (TAG). In addition to this, the Association has internal auditors in place which assess Value for Money as part of each audit scope. These frameworks

will assist the Association to ensure that the services it provides meet the needs of the customer.

## **2. Value for Money Objectives**

### **2.1 Ensure customer needs and views are central to our Value for Money approach**

- Ongoing dialogue with the Tenant Advisory Group (TAG) to understand tenant needs and expectations
- Involve Scrutiny Panel in assessing VFM – scrutiny of performance across the Association, including how we involve our tenants and customers in shaping our decisions and services
- Carry out quarterly customer satisfaction surveys on value for money and act on any feedback

### **2.2 Review and improve operational efficiency and internal processes to achieve value for money and obtain efficiencies**

- Improve and develop our Contract management approach to ensure we obtain value for money from all contracts
- Implement the new housing management and finance systems
- Develop and implement a schedule for process review (processes outwith the new systems)
- Continue to improve void management and reduce re-let days
- Maximise rent collection and mitigate the risk of further increase in arrears
- Review overhead costs with a view to reducing these costs

### **2.3 Optimise the use of our assets including new build to achieve VFM for our customers and the Association**

- Develop and implement our Asset Management Strategy and Five Year Planned Programme
- Develop our Asset Management System to ensure our stock data is robust and accurate and kept up to date
- Achieve Value for Money through our Development Programme – homes for life approach and considering methods of construction
- Introduce new technologies and materials to reduce maintenance and increase the lifecycle of components
- Identify how any economic or social issues in the neighbourhoods we look after affect the value of our assets and identify ways in which we can support tenants with these issues

### **2.4 Ensure that we procure goods, services and works in the most sustainable economic way possible**

- Implement the Procurement Strategy
- Explore opportunities to carry out joint procurement exercises with other RSLs

- Continue to consider using Public Procurement Frameworks where better value for money can be obtained
- Use of different procurement routes and methods for Development Procurement to maximise value for money

## **2.5 Maximise the value and capacity of our staff**

- Develop and implement an HR Strategy – key strands of the strategy will be performance management, training and development, recruitment and selection and retention of staff and reward and recognition of staff
- Implement the new Housing Management and Finance Systems
- Develop Work Flow Systems to reduce manual and time consuming processes
- Establish an effective internal communications plan that will ensure everybody understands and is helping to deliver our initiative – raise awareness and encourage innovative ideas

The review of processes in relation to objective 2.2 will also support this objective.

## **2.6 Deliver social and environmental value**

- Develop and implement an Environmental Strategy
- Improve energy efficiency of existing stock through our Asset Management Strategy – achieving the Energy Efficiency Standard for Social Housing (EESH)
- Achieve high energy efficiency in new build properties
- Ensure we maximise training, employment and community enhancement through the inclusion of community benefit clauses in our procurement exercises
- Establish a Social Enterprise for the delivery of services to tenants e.g. close cleaning, grounds maintenance
- Continue to deliver our Communities Strategy through Willowacre Trust

## **2.7 Measure and Communicate our approach to VFM**

- We will set clear Key Performance indicators around our VFM objectives particularly those relating to customer priorities
- Create a framework for measuring value for money and efficiencies
- Carry out Annual VFM Assessment and benchmarking with the Scottish Housing Network
- Assess value for money through internal audit and tenant scrutiny
- Assess value for money as part of our decision making process on an ongoing basis
- Ensure customer satisfaction levels are measured against our approach to VFM through our quarterly customer satisfaction surveys

- Provide regular updates to TAG, Board and Staff on progress made and value for money and efficiencies achieved
- Produce an annual VFM report for all tenants to support dialogue on rent consultation and service standards

### **3 Relevant Policies and Procedures**

This strategy is linked to the following WSHA policies and procedures:

- Procurement Policy and Procedures
- Contract Management Policy and Procedure
- Financial Regulations

### **4 Monitoring and Reporting**

The Head of Corporate Services will lead on the implementation of this strategy. Progress on the objectives will be monitored by the Leadership Group.

A report against progress on the strategy will be provided to Board on a 6-monthly basis.

A report on performance against the strategy will be delivered annually and will be issued to all tenants and published on our website.

If you require further information regarding this strategy please contact Jennifer Cairns, Head of Corporate Services on 0141 550 5625 or at [Jennifer.cairns@westscot.co.uk](mailto:Jennifer.cairns@westscot.co.uk).

### **5 Action Plan**

An annual action plan will be developed to ensure that the Association delivers the action identified in relation to each objective. This will be regularly monitored and reviewed by the Leadership Team and Board.

## Acknowledgements

We would like to thank the following staff and tenant representatives for their input and support to develop this strategy:

- **Peter Murphy, Tenant Advisory Group Representative**
- **Gerry Murphy, Tenant Advisory Group Representative**
- **Gemma Collins, Tenant Advisory Group Representative**
- **Alistair Reid, Staff Representative**
- **Sabrina Allan, Staff Representative**
- **Maisie O'Brien, Staff Representative**
- **Eileen McDonald, Staff Representative**
- **Robert Pollock, Staff Representative**
- **Allison Strang, Staff Representative**
- **Jonathan McCarthy, Staff Representative**

