

**VALUE FOR MONEY STATEMENT**

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| **Date of Policy** | **January 2021** |
| **Date approved by Management Committee** | **25th February 2021** |
| **Date for review** | **February 2024** |
| **Date reviewed by Committee** | **28th March 2024** |
| **Date for review** | **March 2027** |

**Value for Money**

Our priority is to ensure that the Association delivers excellent services, is financially sound and remains a well-managed organisation both now and in the future

It can be a challenge for smaller associations to achieve maximum output for minimal cost in every situation. Despite our size and the challenges we face we believe that our tenants are satisfied with our service delivery and performance.

We will proactively ensure that we utilise benchmarking information to assess and evaluate our services and costs.

1. **Introduction**
	1. Value for money (VFM) means making the best use of resources to maximise the value tenants and the community receive, at a price that is affordable to tenants and the Association.

* 1. Achieving value for money can be described in terms of the ‘three E’s’ – economy, efficiency and effectiveness. The definition of the three E’s is as follows:
* Economy – careful use of resources to save expense, time or effort;
* Efficiency – delivering the same level of service for less cost, time or effort;
* Effectiveness – delivering a better service or getting a better return for the same amount of expense, time or effort.
	1. We aim to promote and embed a value for money culture across the Association. Demonstrating value for money is a core Business Plan objective. Through the careful use of resources, we continually strive to deliver efficiencies and improve the quality of our properties and services.

1.4 The Association seeks to achieve:

* Resources directed towards the organisation’s key priorities and objectives;
* A balance between cost and performance;
* Tenant satisfaction.

1.5 Our value for money objectives in respect of our business activities include:

* Affordable rents;
* Maximising income;
* Reducing our costs;
* Efficient procurement;
* Investing in the future;
* Continuous service improvement;
* Wider role.

1.6 The Scottish Housing Regulator (SHR) has set out its expectations in relation to VFM within its Regulatory Framework, most notably in relation to rent affordability and transparency over costs and the service that landlords provide.

1.7 The Scottish Social Housing Charter further sets out the standards and outcomes which RSLs should achieve.

Outcome 13: Value for Money

Social landlords manage all aspects of their businesses so that:

‘*tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay’.*

This standard covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.

1. **How we achieve value for money.**
	1. We aim to offer rents which are affordable and provide the Association with a platform upon which we can continue to invest in existing homes and build new homes when circumstances allow.
	2. Our current levels of rent compares favourably in comparison with other Associations of a similar size. The Association uses two methods to test affordability- the SFHA affordability toolkit and our own affordability calculation used when applications are made.
	3. We undertake consultation with our tenants to ensure that our rent levels are affordable. We do this is a variety of ways including pulse surveys, full satisfaction surveys and seeking opinion by way of text messages and online surveys.
	4. Our current Business Plan assumes an increase of CPI +1%.
2. **Maximising Income**
	1. We recognise the vital and integral link between the income that we generate and the services that we aim to deliver. We strive to achieve the best possible outcomes for the most cost effective outlay and in doing so we recognise the need to minimise lost income.
	2. We continue to make use of our knowledge of our tenant profile and use the data we have to prevent rent arrears arising. We use the detailed knowledge we have about our tenant’s individual circumstances to assist each tenant as required.
	3. Our performance is strong in this area but we recognise the dangers in being complacent. We benchmark against our peers through Scottish Housing Networks which enables us to benchmark against our peersof a similar size across Scotland. We also use information available to us from Glasgow west of Scotland Forum on rent increases applied and from the Scottish Housing regualtor website. .
	4. In attracting funding from other sources we are able to support tenants in different ways that otherwise may have to be sourced from rental income.

Further information about our performance is available online at our website [www.ruchazieha.co.uk](http://www.ruchazieha.co.uk) and at the Scottish Housing Regulator’s website <https://www.housingregulator.gov.scot/>

1. **Minimising our costs**

4.1 RHA are members of Scotland Excel. This gives us opportunities to draw down already procured contracts that deliver best value for RHA and their tenants, i.e i.e, gas servicing, stationary and property maintenance contracts.

1. **Procurement**

5.1 Our procurement policy aims to ensure good decision-making, transparency and best practice. We will continue to use the procurement policy to provide cost and efficiency savings whilst ensuring our service standard remains high and that tenants are satisfied.

5.2 We utilise partnerships, framework agreements and traditional tendering processes. This affords us the opportunity to achieve savings from bulk procurement as well as benefitting from cost reductions.

5.3 We aim to work in partnership with other organisations to ensure we procure goods and services in the most efficient and effective manner. We will also maximise any opportunity to share services where we can.

5.5 We buy in consultant services where expert knowledge is required. We share knowledge from across the sector to ensure that we obtain best value in line with other associations.

1. **Continuous Improvement**

6.1 We are currently amongst the top performing housing associations in Scotland however we aim to continually improve the service that we provide. At present 91% of our tenants are satisfied with our overall service.(2023 survey).

6.2 We evaluate the standard of our service on a regular basis. Some examples of this are listed below:

• We carry out ‘mini’ tenant satisfaction surveys in between our full survey every three years. We use these mini surveys to focus on particular local issues and publish results in our newsletter.

• We use emails and social media to communicate much more than traditional letters in the post. This has resulted in savings on postage costs.

• We review our complaints at our monthly staff meetings to ensure lessons learned are embedded in our business. A complaints report is also prepared for our Management Committee annually;

• We frequently request tenant feedback about the service we provide. We have introduced a text system to request feedback from tenants regarding our repairs service.

1. **Wider Role**

* 1. As a community based housing association we also want to help the local community thrive. Our vision as ‘ a flourishing space for ll’ encompasses the importance we give to place and community.
	2. We work with local partners at Ruchazie Pantry, GEMAP and Glasgow City Council to provide welfare benefits service and other crucial well-being and support services.
1. **Performance**
	1. The Management Committee will be provided with a quarterly set of accounts which allows oversight and review of our financial position.
	2. We will issue tenants with a breakdown of ‘how we spend your rent’ in our Annual Report. We also provide tenants with a comparison of peer rents which is included in the annual rent consultation.

**9. Review**

9.1 This statement will be reviewed at least every 3 years.