

# Blairtummock Housing Association

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## VALUE FOR MONEY POLICY & STATEMENT

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<b>Purpose of Procedures:</b>	To ensure that Value for Money is embedded within the organisation in everything we do.
<b>Section:</b>	Committee
<b>Date:</b>	June 2021
<b>Review Date:</b>	June 2024
<b>Regulatory Standards:</b>	<b>Standard 2:</b>  The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. Its primary focus is the sustainable achievement of these priorities.  <b>Standard 3:</b>  The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes and controls costs effectively. The RSL ensures security of assets, the proper use of public and private funds and access to sufficient liquidity at all times.

# **VALUE FOR MONEY POLICY**

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## 1.0 INTRODUCTION

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The application of Value for Money (VfM) is fundamental to Blairtummock Housing Association operation and underpins the achievement of the Associations vision and values.

VfM has been a consideration of, and a priority within the Association for a number of years now. SFHA is also keen for all RSLs to adopt VfM due to the link with rent affordability. Value for money is an interrelated concept of affordability and provides a metric for understanding the quality of home and services provided and the costs associated with this. Affordability is underpinned by a 'rights' approach to housing and is based on the idea that everyone should have access to a warm home that they can afford as the starting point of good health and wellbeing

## **2.0 EQUAL OPPORTUNITIES & HUMAN RIGHTS STATEMENT**

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We aim to ensure that all services, including the delivery of this policy, provide equality of opportunity.

We will respond to the different needs and service requirements of individuals. We will not discriminate against any individual for any reason, including age, disability, gender re-assignment, marriage, civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, or other status.

### 3.0 WHAT IS VALUE FOR MONEY

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VfM is about achieving the right balance between the three E's:

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, whilst not losing sight of quality.
- Efficiency - a measure of productivity considering how much you get out in relation to what is put in
- Effectiveness - a measure of the impact achieved or a measure of outcomes.

Essentially this requires Blairtummock Housing Association to assess the impact of all its costs to best meet its stakeholder's needs. This means spending efficiently.

In Blairtummock, VfM is about achieving economic, social impact and environmental sustainability benefits. This approach incorporates both the 3 E's and the SHR's Value for Money standard, but also captures the vision and values of Blairtummock.

Our aim is to ensure that we have a comprehensive approach to VfM in the Association, which ensures the effective delivery of the Association's vision and values, in a way that meets the needs of our regulators and stakeholders.

## 4.0 REGULATION AND LEGISLATION

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In terms of regulation, the new regulatory framework introduced by the Scottish housing Regulator (SHR) in 2019 provides clear guidance on VfM and linking to rent affordability, to ensure our approach is both robust and appropriate. The expectations contained in the standards, particularly 3.1 within the framework form the backbone of this policy going forward.

Our sector regulator, SHR identifies VfM as being at the heart of how Registered Social Landlords (RSLs) ensure current and future delivery of their objectives and as such expect RSLs to have a strategy of optimizing VfM and systems to ensure that strategy is delivered. Standard 3.1 states, as follows:-

"The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times"

With regard to this Standard, Blairtummock would be expected to:

- Have a robust approach to making decisions on the use of resources to deliver its objectives, including an understanding of the trade-offs and opportunity costs of its decisions.
- Understand the return on its assets, and have a strategy for optimising the future returns on assets - including rigorous appraisal of all potential options for improving value for money including the potential benefits in alternative delivery models - measure against the Association's purposes and objectives
- Have performance management and scrutiny functions which are effective at driving and delivering improved value for money performance.
- Understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so.

The Scottish Government's Social Housing Charter, April 2012 sets out standards and outcomes which RSLs should achieve.

**Outcome 13: Value for Money** - Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

Blairtummock strategic framework is designed to ensure that all activity is considered, developed and delivered through a VfM lens. This means that VfM will be woven into all supporting strategies and policies, committee

reports, business plans and the Association's business strategic objectives, thus ensuring that VfM is considered at every level of the organisation.

Blairtummock business strategic objectives set out the high level principles and strategic direction for the Association.

Customer and stakeholder engagement forms a key part of the Association's VfM approach. This includes engagement with customers, funders, lenders, boards, local authorities, strategic partnerships and regulatory bodies to ensure our strategies are delivering against VfM principles.

## 5. OUR VfM OBJECTIVES

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### 5.1 A robust approach to strategic decisions:

- We will scrutinise every aspect of our business to understand how each area fits with our vision and values and to ensure they remain an integral part of the Association's business strategic objectives.
- We will look closely at the Association's business strategic objectives and business planning process to make sure that VfM is an integral part of them both and that a golden thread exists.
- We will evaluate our business-making decisions to ensure that any costs they incur and any trade-offs they generate are fully documented and understood.

### 5.2 Ensure the financial sustainability of the Association:

- We will put in place a sound financial strategy which takes into account our current situation and priorities. This will include our approach to loans, debt management and how we make the most of any capital.
- We will ensure that our financial management processes clearly identify any potential risks and take into account how our business is performing.
- We will appraise our financial reporting arrangements so that our risk analysis, business performance and mitigation decisions are both sound and clear.

### 5.3 Optimise the use of our assets to achieve our vision, values and strategic objectives:

- We will look at every aspect of the Association's assets to ensure we are getting the best possible return on those resources.
- We will assess our Asset Management Plan to make sure it is in line with our stated priorities, our approach to risk and our VfM targets
- We will calculate what our assets are worth and what surplus we can expect them to generate. We will also work to ensure that the value of these increases from one year to the next.
- We will identify how any economic or social issues in the neighbourhoods we look after are affecting the value of our assets.

### 5.4 Ensure robust management of all performance and costs:

- We will make a detailed analysis of costs across the whole Association.
- We will set VfM targets for everyone in the Association according to agreed priorities and these will be used to develop a plan for re-investment.

- We will roll out the way we benchmark performance so that each year it covers a wider range of activities.
- We will assess all internal transactions to ensure they represent VfM.
- We will create a golden thread of scrutiny throughout the Governance structure to ensure that we are really driving improvements in VfM performance.
- We will look closely at all our Business Improvement programmes to be certain they achieve year-on-year improvements in cost-saving and results.

5.5 Ensure the Association's approach to VfM is transparent to all stakeholders:

- We will evaluate and publish how effectively VfM is performing in relation to our strategic objectives.

5.6 Maximise our capacity to achieve the Association's priorities by working in partnership and procuring goods and services in the most sustainable economic way possible:

- We will update the way we currently procure goods and services to be certain we are obtaining them as efficiently and effectively as we can.
- We will put procedures in place that will measure the VfM of those we partner with.
- We will work with contractors to ensure the best possible cost is achieved across the board.

5.7 Maximise the value and capacity of our people:

- We will examine the Association's approach to people, leadership and culture to make sure that VfM is evident in them all.
- We will ensure that all levels of the business understand our behavioural map and performance
- We will set clear personal targets of performance and promote continuous improvement to enable each person to take personal responsibility for their own development year on year.
- We will create ways to measure how significantly training initiatives are helping with personal development and put in place realistic targets for improvement.
- We will establish an effective internal communications plan that will ensure everybody understands and is helping to deliver our initiative.

5.8 Create a framework to measure our approach to VfM:

- We will measure VfM performance by developing the Association's performance framework.

- We will ensure that satisfaction levels are measured against our approach to VfM.

## **6.0 GENERAL DATA PROTECTION REGULATIONS**

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The organisation will treat your personal data in line with our obligations under the current GDPR regulations and our own policy. Information regarding how your data will be used and the basis for processing your data is provided in Blairtummock HA's Fair Processing Notice.

## **7.0 FREEDOM OF INFORMATION**

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As at November 2019, the Association is subject to FOi and all enquiries with respect to Value for Money will be handled strictly in line with FOi and confidentiality policies.

## 8.0 VALUE FOR MONEY STATEMENT

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### Value for Money Statement

Blairtummock Housing Association and its subsidiary Blairtummock & Rogerfield Opportunities continues to strive for cost efficiencies throughout all aspects of the business and Value for Money will be at the forefront of everything we do.

### Background

Blairtummock Housing Association was set up in 1989 as a locally controlled community organisation working within the Blairtummock area and later expanded to include the Rogerfield area.

### OUR VISION

To be the best connected, inclusive and affordable community through innovation and sustainability.

### OUR MISSION

To give local people the power to improve the opportunities for our community

### OUR VALUES

Local people lead BHA. Our values are based on community ownership and control, along with respect for our customers; our committee members; our staff; and our partners.

In everything we do, we will:

- Be open, honest and transparent
- Keep our promises
- Listen to our tenants and be responsive to their needs
- Be inclusive and provide equal opportunities for everyone in our community
- Be responsible in our management of BHA's resources
- Empower our tenants and the community
- Respect the environment

Our objectives in achieving value for money are:

- Affordable rents
- Efficient procurement
- Investing in the future
- Maximising income
- Improving services
- Reducing costs as a proportion of turnover
- Generating a surplus to make a wider social impact

These objectives will be applied to all aspects of our work and will be reviewed each time we review our Value for Money Policy.