



**C R A I G D A L E**

**H O U S I N G A S S O C I A T I O N L T D**

**Craigdale: The Home of Good Housing**

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## Value for Money Strategy

AS WITH ALL OF THE ASSOCIATIONS POLICIES, THIS GUIDE IN FULL AND IN PART IS AVAILABLE IN SUMMARY, ON TAPE, IN BRAILLE AND IN TRANSLATION INTO MOST OTHER LANGUAGES – PLEASE ASK A MEMBER OF STAFF IF YOU WOULD LIKE A VERSION IN A DIFFERENT FORMAT

**Date of Policy Review: 04.03.19**

**Date of Board Approval: 25.03.19**

**Date of Next Review: 2022**

## 1. Introduction

Value for Money (VFM) is a specific standard within the Scottish Housing Regulator's (SHR) Regulatory Framework; Standard 3: "The RSL (Registered Social Landlord) manages its resources to ensure its financial well-being and economic effectiveness."

This means we (Craigdale Housing Association) should manage our all our resources economically, efficiently and effectively to provide quality services and homes, whilst planning for, and delivering on-going improvements in VFM.

In particular, this means that we must:

- Have a robust approach to making decisions on the use of our resources to deliver our agreed objectives
- Understand the current and future return on our assets, physical and human
- Ensure we have a performance management and scrutiny function that delivers improved VFM
- Understand the costs and outcomes of delivering our services

## 2. Definition: Value for Money

Value for Money (VFM) has a number of meanings which can vary between housing associations and other organisations. Ultimately our aim is to ensure VFM in all that we do and putting tenants at the heart of everything we do.

For Craigdale Housing Association delivering VFM means that we will deliver on the following four key objectives:

<b>What we will do to achieve VFM</b>
<b>1. Deliver maximum value to our tenants and customers while minimising our costs</b>
<b>2. Provide an effective and high quality service which meets the needs and expectations of our tenants and customers as efficiently and cost effectively as possible</b>
<b>3. Make the best use of available resources</b>
<b>4. Understand the relationship between our costs and our services</b>

### 3. Achieving: Value for Money

We will ensure that we achieve VFM by managing our resources; providing quality homes; delivering excellent services through a performance culture of improvement and sustainability. We believe VFM is more than a financial return and costs should always be aligned with our commitment to excellence, our values and vision.

We will achieve VFM through the following activities:

What we will do to achieve VFM
Delivery of our strategic and operational plans;
Gaining knowledge of our tenants and customers, their requirements and expectations
Attaining a high level of tenant satisfaction in all service areas
Consulting with our tenants on rents and other services
Provision of clear information on our costs and know what drives them
Ensuring financial viability and sustainability
Comparison of our results both financial and performance against our peers
Monitoring of our income and expenditure through effective budgeting processes
Procuring goods and services effectively <b>ensuring that we investigate community benefits</b>
Maximising our income by accessing other sources of funding where possible
Delivery of our active asset management programmes
Sharing of services with other associations where appropriate
Taking affordability and comparability into account in rent setting
Effective treasury management policies and processes
Effective use of IT to streamline processes
Understand what VFM means to our tenants, customers and other service users
Reviewing best practice in VFM and how we can incorporate into Craighdale
Include VFM in our Board and Staff training plans

In summary VFM we will achieve VFM by:

- Economy: Careful use of resources to save expense, time and effort
- Efficiency: Delivering the same level of service for less cost, time and effort  
Outputs may be expressed in terms of:
  - Quantity – e.g. reducing the number of accounts in arrears, void/rent loss performance
  - Quality – e.g. quality of housing service provided as measured by satisfaction results
- Effectiveness: Delivering an improved service or getting a better return for the same amount of expense, time or effort

#### 4. Measuring & Reporting: Value for Money

We will use the following tools to measure and report VFM to the Board and to our tenants and other stakeholders.

What we will use to measure VFM	
ARC data	Compare our ARC (Annual Return on the Charter) results with others
Benchmarking	Use of benchmarking data through Scotland's Housing Network and sector scorecards
Cost monitoring	Budget and accounting measures
Key Performance Indicators	Monitoring against targets and against peers, focussing on drivers, barriers, forecasting & improvement
Satisfaction levels	Across the range of services provided
Affordability	Use of SFHA (Scottish Federation of Housing Associations) model to measure rent proposals
Management Accounts	Quarterly reviews and outturns
Annual Accounts	Annual review and ratio analysis

**We will use the following methods to Communicate VFM**

<b>Landlord Report</b>	<b>Issue annually to tenants &amp; other stakeholders</b>
<b>Landlord Report Card</b>	<b>Issue annually to tenants &amp; other stakeholders</b>
<b>Annual Report</b>	<b>Issue annually to tenants &amp; other stakeholders</b>
<b>Newsletters</b>	<b>Issued quarterly to tenants &amp; other stakeholders</b>

**5. Responsibility**

The responsibility for VFM lies with the Board and all employees and is therefore not limited to those with resource or budget responsibilities.

The Board is expected to develop and deliver a strategy to achieve continuous improvement in performance on running costs and use of assets and at the same time be transparent and open to scrutiny. The Board and Director have responsibility to put in place arrangements that will ensure VFM is being achieved.

All employees have a responsibility to maintain awareness of good practices in their own area of service delivery and to ensure that these are followed appropriately. The Management Team should satisfy themselves that VFM is being secured in the services and functions they manage.

All members of staff should endeavour to achieve VFM in all their activities and to bring to their line manager's attention any opportunities for improvement.

**6. Equal Opportunities**

We are committed to the principles of equality and diversity, including working towards a Board and staff team that is representative of the communities it serves in respect of Protective Characteristics.

**7. Complaints**

Reference should be made to the association's Complaints Policy.

**8. Review Cycle**

This Strategy will be reviewed on a three yearly cycle by the Board.