



Policy: Value for Money Strategy

Title of Policy:	Value for Money Strategy
Date of Adoption or Last Review:	February 2020
Lead Officer:	Stevie McAvoy, Chief Executive
Date of Next Review:	February 2021
Scottish Social Housing Charter Outcomes & Standards:	<p>Outcome 13 – Value for Money Social landlords manage all aspects of their businesses so that:</p> <ul style="list-style-type: none">• tenants, owners and other customers receive services that provide <p>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; and giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers.</p>
Regulatory Standards of Governance and Financial Management	<p>Standard 3 The RSL manages its resources to ensure its financial well-being and economic effectiveness. Guidance 3.1. The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.</p>

Value for money

1. What is value for money for Muirhouse Housing Association?

We believe value for money is about delivering maximum value whilst minimising costs. It is about providing an effective, high quality service whilst making the most efficient use of our limited resources. We understand the need for balance between service levels and service costs.

There is however, a subtle distinction between delivering **value** in a wider context and not merely just value for money. For example we have aspirations to continue supporting activities that deliver social value, such as community development initiatives. Therefore value can extend beyond a monetary evaluation. Our strategic desire is to achieve where possible both these objectives in all we do.

Throughout this Strategy we refer to performance satisfaction results. These are all taken from the Tenants Satisfaction Survey carried out in 2019.

At present 92% of our customers believe we deliver good value for money services.

Our value for money objectives in respect of our business activities extend to the following but not exhaustive list of activities;

1. affordable rents
2. efficient procurement
3. improving services
4. maximising income
5. investing for the future
6. reducing our costs
7. generating surplus to make a wider social impact, including new homes

We will look to embed Value for Money into the MHA's culture, past the benchmarking and financial outcomes into an ideal that encourages, empowers and incentivises employees at all levels in the Association to search for ongoing value for money improvements.

2. How we achieve value for money for Muirhouse Housing Association.

2.1 Affordable rents

We aim to offer rents which are affordable and provide MHA a platform upon which we can continue to invest in existing homes and build new homes.

Our current level of rents compares favourably in comparison with peer group RSL's, local housing allowances and other local housing providers rent charges. Appendix 1 provides details of that comparison.

In fact currently 92% of our tenants state that they believe our rents offer good value for money.

Our Board are determined we do all we can to ensure our rent levels are affordable to our customers. We undertake consultation with our customers in a variety of methods, including individually and directly on a one to one basis. Our current business plan assumption is (subject to consultation with tenants) a maximum increase of CPI plus 1%.

2.2 Efficient procurement

We have introduced a new procurement policy in September 2019 to ensure good decision making, transparency and best practice.

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.

We will continue to use the procurement policy to provide cost and efficiency savings while ensuring the high quality of tenant service and product that we currently provide.

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

2.3 Improving services

Muirhouse Housing Association is currently amongst the top performing housing organisations in Scotland, however we have no intention of letting complacency lead to calamity, and we proactively seek to continually improve our services. At present 94% of our tenants are satisfied with our overall service and 94% are satisfied with the quality of their home.

We believe that we can still do better, without increasing costs and yet improve the range, nature and standard of service. For example;

- Repair service satisfaction is currently 90%. We will look to provide a repair service that delivers more efficient costs, improved response times, improved first time completion success rates and currently has greater satisfaction levels than the existing provider. It will also continue to provide 24-hour customer service access to services.
- We will introduce the use of hand-held technology and increase payment options for tenants
- We have created a learning log to ensure lessons learned from complaints and compliments are embedded in our business.
- We have introduced a process of system thinking to all our business processes, suppliers and transactions.
- We are actively seeking new and more suitable office accommodation.
- We have and continue to utilise our tenant scrutiny panel to reflect and appraise our services. We are keen not just to improve what services we improve but also how we deliver services that delight our customer.

2.4 Maximising income

We recognise the vital and integral link between income we generate and services we hope 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. We acknowledge in comparison our management costs are high, however, we believe our business performance and customer service results justify this cost.

Our business performance is strong in this area but again improvement is possible. For example;

- Our days to relet homes is currently 4.36 days and that is an exceptional performance. However we are working to improve our partnership relations with Edinburgh Council to attempt to secure earlier new tenant nominations from them. This would also enable us to maintain our 100% record of successful tenancy sustainment thus avoiding any further lost income.
- We now as a matter of policy and practice make use of debt recovery companies to assist in recovering, former tenant rent arrears and bad debts
- We make greater use of tenant profile and segmentation information to prevent rent arrears arising.

2.5 Investing in our future

We have a robust and funded 30-year investment plan for all our houses. We operate within this parameter on a 3-year basis and have approximately £700,000 worth of major investment works planned from 2020 to 2022. Although this is subject to change dependent on the results of a current stock condition survey of 60% of our property which we will have completed by 2021. In the previous 3-year period between 2017-19, MHA invested £2.2m in property improvements.

Community benefits such as employment support will be integral to all aspects of our investment works.

Our new procurement arrangements will provide us with an opportunity to achieve a reduction in comparative historical costs for investment works and still enable increased work content and improved works specification.

We are currently 100% compliant with both SHQS and EESSH, regulatory requirements.

We have introduced new audit and quality control arrangements, as well as increasing the standard of works we undertake in void houses.

2.6 Wider Social Impact

As a housing association our ambitions stretch beyond merely bricks, mortar and excellent service.

We want to play an integral role in creating a vibrant environment and thriving community within Muirhouse.

We both recognise and endorse the delivery of social value. We will continue to work with both SFHA and HACT to develop and embed tools to enable the Association to more accurately record the social impact of our commitments to the community.

We have embedded in our organisation a commitment to community engagement, the principal objective of which, is to identify and articulate community need and aspiration.

We have developed and embedded a 'community chest' fund to enable and support community development in Muirhouse.

3. Summary

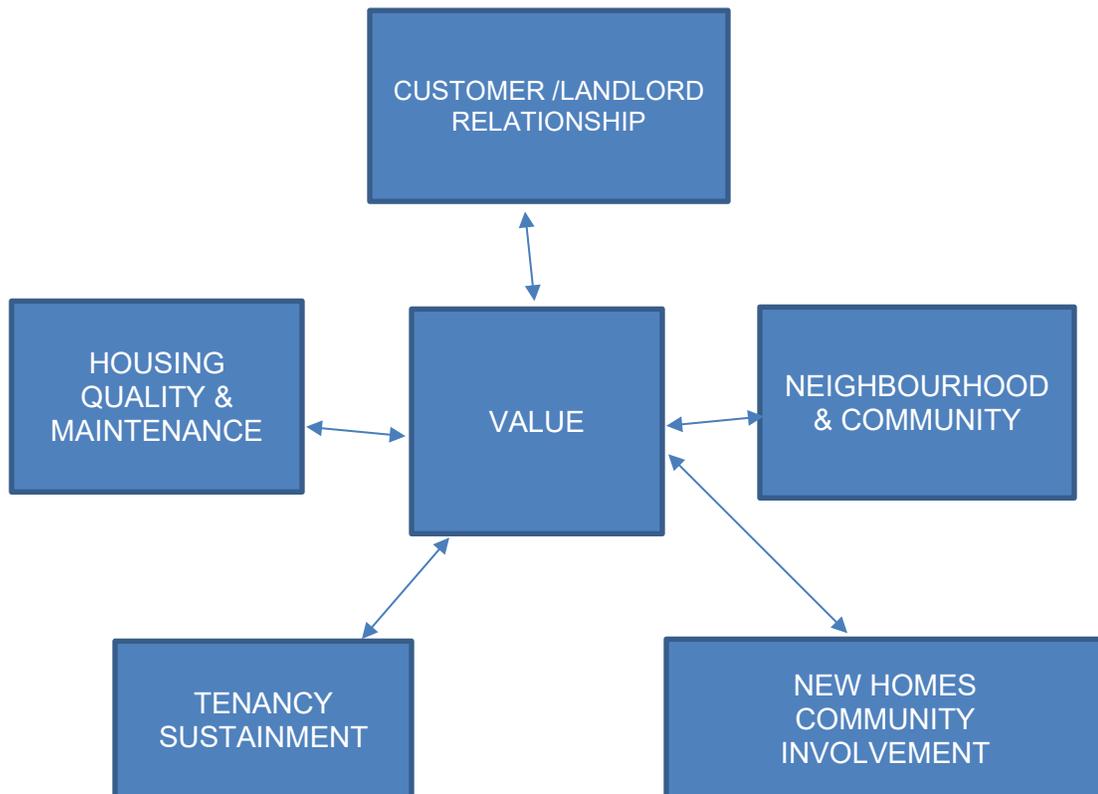
3.1 Local dimension

It is potentially a greater challenge for smaller organisations such as ourselves to achieve maximum output for minimal cost in every situation. This is particularly the case when size impacts adversely on our ability to secure greater economies of scale. However, there are through successful partnership and sharing of services opportunities to circumvent this challenge. As an organisation we accept our management costs are proportionately high. However, the success this organisation enjoys as a result of its staffing levels, vindicates this position.

Value for money is not a straightforward process and in particular the value component. Our tenants are our primary focus and it is incumbent upon us to be transparent and accountable in all that we do. Therefore we intend to make value for money a key component of all communication we have with tenants. We will utilise our scrutiny panel to reflect on our activities and outcomes from a value for money perspective.

3.2 Evaluation. Accountability & Communication

We will pro-actively ensure we utilise benchmarking information to assess and evaluate our services and costs. We recognise also that the Social Housing Charter provides a basis for assessing the value component at least of our actions;



We will issue tenants with a breakdown of 'How we spend your rent' which is included in the annual Landlord report.

We also provide tenants with a comparison of peer rents which is included in the annual rent consultation.