



Value for Money Strategy

2023 - 2026

Executive Summary

This Value for Money Strategy sets out how West of Scotland Housing Association will approach Value for Money for the period 2023 to 2026.

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. It details how we will seek efficiencies and how we will measure the impact of these efficiencies on the organisation, our customers and our communities.

The document also 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, assess the impact 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.

Quality Assurance Statement

While this strategy focuses on achieving value for money and efficiencies, we will ensure that we will not compromise on quality to achieve our value for money objectives. By achieving value for money, it is important that we do not reduce quality in terms of service provision or any other aspects of our activities.

Our Vision:

We go further to provide housing you call home

Our Strategic Aims

WSHA's Strategic aims are to:

- Deliver outstanding service to all our customers
- Maintain and improve our homes and communities and develop new homes to meet local needs
- Be the best we can be for our customers, staff and volunteers
- Work with others to improve tenant's lives and deliver sustainable communities
- Be well managed and financially strong

EQUALITIES

We will not unfairly discriminate against any person within the protected characteristic groups as contained within the Equality Act 2010. To ensure equal access to the information contained in this strategy for all, we are happy to provide copies in Braille, in larger print, translated into other languages or on tape to you or anybody that you know upon request and where practicable.

WSHA will seek to ensure that this strategy is delivered in a manner that is fair to all sections of the community regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

As with all Association policies and practices, the Association will adhere to Outcome 1 of the Scottish Social Housing Charter (Equalities): 'Social Landlords perform in all aspects of their housing services so that every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services'.

1.1 Stakeholder Involvement

When we first developed our Value for Money Strategy in 2019 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 was integral to the development of the initial strategy. We have continued to involve staff and customers in the implementation of this strategy and communicated to both groups in relation to progress. With this same approach, we have involved customers and staff in the review of our strategy. Feedback from both groups has been incorporated into the reviewed strategy. When consulting with our wider tenant group, the feedback centred around the recent rent increase and what WSHA would be doing to minimise future rent increases. Section 1.2. outlines the impact that the strategy approach has had so far in respect of being in a position to minimise rent increases as much as we can. Based on this feedback, it is important that we communicate effectively to our tenants in respect of efficiencies made and value for money obtained and how this impacts the services that we deliver.

One of the key elements of feedback from our Tenant Advisory Group (TAG) was that we should not compromise on quality to make savings and should continue to focus on delivering quality services. A example that they gave was our Grounds Maintenance service which now costs more than the previous service but the quality of service has improved significantly from being quite poor previously. As a result of this feedback we have added an assurance statement to the introduction of the strategy that our approach will not include reducing quality to achieve efficiencies savings, particularly when this would have an impact on our service delivery.

The strategy outlines how we will continue to involve customers and staff and ensure that we measure the outcomes and impact 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 service. 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 at a time where is a cost of living crisis which is likely to impact negatively on our ability to collect rent. There is also a significant challenge to the Association during this time as we are experiencing a significant increase in our costs due to the rise in inflation and rise in interest rates. With this context , 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 and ensure the financial viability of the Association.

As detailed above, we first developed our Value for Money Strategy and Efficiencies Plan process in 2019. The implementation of the strategy has resulted in significant savings for the organisation over the past 3 years. We carried out a cost

benchmarking exercise in 2019 against other housing associations of a similar size and found that our management and maintenance administration costs were significantly higher than peer housing associations. Over the past 3 years we have worked to reduce these costs to be more in line with other housing associations. For example, against a peer group of 7 RSLs (in terms of size and geography) our variance against the average unit management and maintenance administration cost has reduced over this period from £165 per unit higher to £72 higher (this is the equivalent of a reduction of around £340,000 in reduced annual costs). Whilst we have made excellent progress, we would like to continue to bring our unit costs to be more in line with the average for our peers where possible. *data based on SHR published Annual Financial Statements.*

The key benefit of this for our tenants is that during this period we have managed to minimise our rent increases and have implemented inflation or below inflation rent increases. The table below outlines our rent increases during the period of implementing our strategy:

Year	Business Plan Rent Increase (Inflation plus 1%)	Actual Rent Increase	Variance
2020	2.7%	2.5%	-0.2%
2021	1.5%	0.5%	-1%
2022	4.1%	2.5%	-1.6%
2023	12.1%	5.9%	-6.2%
Total	20.4%	11.4%	-9%

We have been able to do this as a result of efficiencies we have made in other areas through the implementation of this strategy.

This strategy and our annual action plan outlines our aims for the year ahead, however, as detailed above we are working in a difficult economic climate which means our costs are subject to increase which may impact on some of our objectives in the next year. If this is the case, we will ensure that this is communicated to tenants, staff and Board as part our regular communications on this matter.

1.3 Regulatory Background

The Scottish Housing Regulator (SHR) has advised 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 has a Corporate Business Plan in place which outlines its strategic direction. Value for money is a key foundation of the Corporate Plan and will underpin all supporting strategies and business plans, 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. In 2021, our internal auditors carried out a Value for Money audit and the recommendations from this audit have been incorporated into this revised strategy.

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

- Continued 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 monthly in house customer satisfaction surveys on value for money and act on any feedback
- Procure external company to carry out annual customer satisfaction surveys on value for money and act on any feedback
- Undertake a new dialogue with our tenants about rent affordability and investment priorities.

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

- Determine whether we want to participate in Scottish Housing Network's Value for Money Tool to benchmark our performance against other RSLs
- Implementation of the CX Project Plan to improve our housing management and finance systems
- Development and implementation of an Annual Efficiencies Plan which drives efficiencies in respect of processes and costs
- Quarterly review of our Failure Demand Action Plan which aims to reduce workload caused by inefficient and ineffective processes.
- Identification and prioritisation of time-consuming manual tasks to be digitalized and identify options for delivering more efficiently through existing and new software investment
- Develop and improve our data, data analysis and reporting on data to improve our operational efficiency
- Continue to improve void management and reduce re-let days
- Continue to maximise rent collection and mitigate the risk of further increase in arrears
- Ongoing monitoring of overhead costs with a view to managing these costs effectively
- Implementation of our IT & Digital Strategy to increase efficiencies in terms of processes e.g. Encourage sign ups to Customer App, digitalisation of processes to reduce postage and printing costs and full implementation of Microsoft Office 365 to improve our internal processes

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

- Review of our Asset Management Strategy and Five Year Plan
- Improve our understanding and knowledge of our reactive maintenance expenditure across our assets to inform our component replacement & cyclical maintenance programmes.
- Implement and regularly review our Consolidation Strategy
- Undertake annual review of our strategic options including growth of stock to achieve economies of scale
- Further develop our Asset Management System to ensure our stock data is robust and accurate and kept up to date
- Implementation of internal stock condition survey programme
- Achieve Value for Money through our Development Programme – homes for life approach and considering methods of construction
- Introduce new sustainable 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 and obtain efficiencies where possible

- Implementation of our Procurement Strategy
- Undertake Procurement Capacity Assessment
- Ensure implementation of our quotes procedure for lower level purchasing to ensure we are obtaining value for money
- 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

- Implementation of our People & Culture Strategy – key strands of the strategy are performance management, training and development, recruitment and selection and retention of staff and reward and recognition of staff
- Implementation of CX Project Plan to improve the efficiency of our Housing Management and Finance Systems
- Further development of 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 strategy, 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 our Sustainability Strategy
- Improve energy efficiency of existing stock through our Asset Management Strategy
- 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
- Consider whether establishing a social enterprise is a viable option for the delivery of services to tenants e.g. close cleaning, grounds maintenance
- Delivery of our Willowacre Trust Business Plan & Funding Strategy

2.7 Measure, Assess the Impact and Communicate our approach to VFM

- We will set clear Key Performance indicators around our VFM objectives particularly those relating to efficiencies
- Improve our data, data analysis and reporting of data analysis to assist to measure our approach
- Create a framework for assessing the impact of the efficiency savings on service delivery, including the impact on both tenants and the quality of service that they receive and also on staff and the impact that there may have been in respect of workload and morale
- Continue to benchmark our costs with previous year and other RSLs on annual basis
- 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 on progress made and value for money, efficiencies achieved and the impact of these efficiencies
- Provide regular updates on Board and Staff on progress made and value for money, efficiencies achieved and the impact of these efficiencies
- Produce an annual VFM report for all tenants to support dialogue on rent consultation and service standards which includes efficiencies made and the impact of the efficiencies made in respect of service delivery

3 Relevant Strategies, Policies and Procedures

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

- Asset Management Strategy
- Consolidation Strategy
- People & Culture Strategy
- Sustainability Strategy
- Development Strategy

- Customer Engagement Strategy
- Procurement Policy and Procedures
- Contract Management Policy and Procedure
- Financial Regulations

4 Monitoring and Reporting

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

A report against progress on the strategy will be provided to Board on an annual basis.

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

The strategy will be reviewed every three years, however, we will develop an action plan on an annual basis which details the actions for the next year.

If you require further information regarding this strategy please contact Jennifer Cairns, Director of Corporate Services on 0141 550 5625 or at 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.

Value for Money Strategy Action Plan – Actions for 2023/24

Objective	Action	Timescales	Person (s) Responsible
1. Ensure customer needs and views are central to our VFM Approach	Launch VFM Strategy to tenants using summary document	Summary Westworld	Alistair Reid/Sabrina Allan
	Analysis of quarterly satisfaction results – VFM question	Every quarter	Alistair Reid
	Include VFM in scrutiny review scopes to ensure that the scrutiny panel assess VFM as part of their reviews	May 2023	Alistair Reid
	Schedule regular updates/discussions with TAG in relation to VFM	Ongoing	Alistair Reid
	Undertake a new dialogue with our tenants about rent affordability and investment priorities	May to October 2023	Chief Executive
2. Review and improve operational efficiency and internal processes to achieve value for money and obtain efficiencies	Implementation of CX Project Plan	August 2023	Jennifer Cairns/Project Team
	Development and implementation of an Annual Efficiencies Plan which drives efficiencies in respect of processes and costs	June 2023	Donna Paton
	Quarterly review of our Failure Demand Action Plan which aims to reduce workload caused by inefficient and ineffective processes.	Quarterly	Leadership Team
	Identification and prioritisation of time-consuming manual tasks to be digitalized and identify options for	Complete	Leadership Team

Objective	Action	Timescales	Person (s) Responsible
	delivering more efficiently through existing and new software investment		
	Implementation of our IT & Digital Strategy to increase efficiencies in terms of processes e.g. Encourage sign ups to Customer App, digitalisation of processes to reduce postage and printing costs and full implementation of Microsoft Office 365 to improve our internal processes	As per Strategy Action Plan	Andy McVey
	Improve our understanding and knowledge of our reactive maintenance expenditure across our assets to inform our component replacement & cyclical maintenance programmes (establish reports which allow interrogation of reactive repairs data by spend and frequency).	March 24	Brian Gannon/Andrew Kubski
	Develop and improve our data, data analysis and reporting on data to improve our operational efficiency	December 2023	CMT
3. Optimise the use of assets including new build to achieve VFM of our customers and the Association	Further develop our Asset Management System to ensure our stock data is robust and accurate and kept up to date	December 2023	Andrew Kubski/Scott Cunningham
	Improve our understanding and knowledge of our reactive maintenance expenditure across our assets to inform our component replacement & cyclical maintenance programmes.	March 2024	Brian Gannon/Andrew Kubski/Stephen Murphy
	Implementation of internal stock condition survey programme	March 2024	Andrew Kubski/Scott Cunningham

Objective	Action	Timescales	Person (s) Responsible
	Achieve Value for Money through our Development Programme – homes for life approach and considering methods of construction	As per Development Strategy	Andrew Kubski/Karen Shaw
	Undertake annual review of our strategic options including growth of stock to achieve economies of scale	CMT/Board	September 2023
4. Ensure that we procure goods, services and works in the most sustainable economic way possible	Undertake Procurement Capacity Assessment	May 2023	Scotland Excel/Jennifer Cairns/Karen Shaw
	Implementation of Procurement Strategy	March 2024	Jennifer Cairns
	Explore opportunities to carry out joint procurement exercises with other RSLs	March 2024	CMT
5. Maximise the value and capacity of our staff	Implementation of People & Culture Strategy	As per Strategy Action Plan	Jennifer Cairns
	Implementation of CX Project Plan	August 2023	Jennifer Cairns
	Develop work flow processes	March 2024	Leadership Team
	Implementation of effective internal communications plan	March 2024	Jennifer Cairns/Sabrina Allan
6. Deliver social and environmental value	Development of Sustainability Strategy	May 2023	Brian Gannon
	Identify what actions are required to improve energy efficiency of our stock	March 2024	Scott Cunningham
	Achieve high energy efficiency in new build properties in line with the Development Programme	March 2024	Karen Shaw
	Delivery of WT Business Plan and Funding Strategy	March 2025	Linda Allan

Objective	Action	Timescales	Person (s) Responsible
7. Create a framework to measure, assess the impact and communicate our approach to VFM	Development of KPIs for VFM objectives	December 2023	Jennifer Cairns
	Create a framework for assessing the impact of the efficiency savings	September 2023	Jennifer Cairns / Donna Paton
	Improve our data, data analysis and reporting of data analysis to assist to measure our approach	December 2023	CMT
	Produce annual VFM Report for tenants to support dialogue on rent consultation and service standards/investment	May 2024	Jennifer Cairns/Alistair Reid