

POLICY

VALUE FOR MONEY POLICY

Wellhouse - The Place To Be

Policy Created: November 2019

Date of Next Review: January 2021

VISION AND VALUES

1. WELLHOUSE – THE PLACE TO BE.

This simple statement is our vision of Wellhouse as an attractive place where people feel happy and safe, benefit from having a good home and an attractive environment and feel proud to be part of a vibrant community.

We believe that our values of **Trust, Honesty, Integrity, Excellence, Accountability and Sustainability** supported by a comprehensive policy framework will help make our vision a reality.

2. GOVERNANCE

Wellhouse HA is a community controlled registered social landlord and is managed by a group of local people who are elected onto the Management Committee. Their role is to make sure that the Association is well run, meets the needs of the local area and is responsive to what is important to local people. We may co-opt other people onto the Management Committee from time to time where we feel we need specialist support.

The Management Committee appoints senior staff, agrees all the Association's policies and takes all the key decisions. The Director and the senior team support the Committee in these responsibilities.

3. EQUAL OPPORTUNITIES & HUMAN RIGHTS STATEMENT

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.

4. INTRODUCTION

Welcome to the Value for Money (VfM) for Wellhouse Housing Association. The application of VfM is fundamental to Wellhouse's operation and underpins the achievement of the Association's 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.

5. REGULATION AND LEGISLATION

In terms of regulation, the new regulatory framework introduced by the Scottish housing Regulator (SHR) in the first half of 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, Wellhouse 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.

6. CONTRIUTION TO ORGANISATIONAL GOALS

The vision and values of Wellhouse effectively set the headline rationale and culture for the Association. This policy operates within the vision and values.

Vision

Wellhouse – The Place To Be.

Values

- Trust
- Honesty
- Integrity
- Excellence
- Accountability
- Sustainability

Wellhouse's 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.

Wellhouse's 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.

7. MONITORING AND REVIEW.

7.1 Engagement and Communication

Engagement of staff, committee members and stakeholders will be critical to ensuring the success of this policy. A key component of the Association's ethos is a belief in the capacity of people and their ability to contribute. To this end, the Association has robust methods of communicating with staff, committee members, customers and other stakeholders and a track record of true engagement.

In order to enable all stakeholders to be both engaged in the development of this policy and informed of progress against its objectives, an engagement and communications plan will be developed to enhance existing frameworks and the success of our engagement and communications will be measured via existing feedback mechanisms.

Progress against the policy action plan will be reported to Audit and Risk Committee and to stakeholders via the VfM Self-Assessment which will be published annually.

7.2 Ensuring Success

Effective monitoring and review mechanisms will be critical in ensuring that this policy is applied in practice. To this end, a three-year action plan will be developed, incorporating headline targets. The policy will be reviewed annually to measure progress against those targets and to ensure that objectives remain fit for purpose.

Governance in the Association will be strengthened to ensure performance management and scrutiny are effective and drive improved value for money performance.

The Association's performance framework, will be further developed to establish links between leadership, strategy, processes, partnerships and resources, people and customer and the achievement of VfM.

Challenge will be encouraged and introduced via a Business Improvement Approach, and the application of why, how and what challenge.

Responsibility for delivery of this strategy rests with the Wellhouse Management Team who will be accountable to the Management Committee. Detailed analysis of progress will be considered by Audit and Risk Committee on a 6-monthly basis.

7.3 The Policy

What is Value for Money?

VfM is generally defined as the relationship between economy, efficiency and effectiveness, sometimes known as the “value chain” or 3 E’s:

- **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.

This can be summarized as “doing the same for less or more for the same” (Peter Gershon)

In Wellhouse, 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 Wellhouse.

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. To achieve this, we have identified 9 VfM objectives.

8. OUR VfM OBJECTIVES.

8.1 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.

8.2 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.

8.3 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.

8.4 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.

8.5 Ensure the Association's approach to VfM is transparent to all stakeholders.

- We will communicate our strategy across a variety of media in a way that is clear and easy to understand.
- We will evaluate and publish how effectively VfM is performing in relation to our strategic objectives.

8.6 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.

8.7 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.

8.8 Deliver social and environmental value that achieves the Association's vision and values

- We will establish an effective social accounting framework within the context of our operating environment.
- We will put in place methods of assessing how well the Association's environmental sustainability activity is performing.

8.9 Create a framework to measure our approach to VfM

- We will put clear KPI targets in place for every one of our VfM objectives.
- 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.
- We will publish an open and honest report every six months on how VfM approach is progressing.

9. GENERAL DATA PROTECTION REGULATIONS

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 Wellhouse HA's Fair Processing Notice.

10. FREEDOM OF INFORMATION

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.