

POLICY

VALUE FOR MONEY POLICY

Policy Reviewed December 2024

Wellhouse - The Place To Be

Policy Created:	November 2019	Reviewed October 2023 and December 2024
Date of Next Review:	December 2027	

VISION AND VALUES

1 WELLHOUSE – THE PLACE TO BE.

- 1.1 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.
- 1.2 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

- 2.1 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.
- 2.2 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

- 3.1 We aim to ensure that all services, including the delivery of this policy, provide equality of opportunity.
- 3.2 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

- 4.1 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.
- 4.2 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

- 5.1 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.

5.2 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:-

5.3 “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”

5.4 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.

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

5.6 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 CONTRIBUTION TO ORGANISATIONAL GOALS

6.1 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

6.2 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.

6.3 Wellhouse's business strategic objectives set out the high level principles and strategic direction for the Association.

6.4 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 DEFINING VALUE FOR MONEY

7.1 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.

7.2 It can be summarised as "doing the same for less or more for the same" or also as "doing the right things and doing them in the right way".

7.3 Whilst each of the Es are important it is worth noting that outcomes, performance and impact are as critical to securing VfM as cost. There needs to be at least as much focus on what is achieved and not too strong a focus on cost (economy element).

7.4 VfM is also considered to be a journey of improvement. The aim is to keep delivering better value for money. This means VfM is about continuous improvement and being a learning organisation as much as it is about minimising cost.

7.5 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.

7.6 VfM is a corporate or organisational objective. It is about how well we are doing as a collective rather than looking in too much detail at individual transactions/issues. It is important to demonstrate VfM as an organisation and not simply on individual transactions.

7.7 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 support this we have identified the VfM objectives set out below.

8 SECURING AND MONITORING OUR VfM OBJECTIVES.

A robust approach to strategic decisions

- 8.1 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.
- 8.2 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.
- 8.3 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.

Ensure the financial sustainability of the Association

- 8.4 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.
- 8.5 We will ensure that our financial management processes clearly identify any potential risks and take into account how our business is performing.
- 8.6 We will appraise our financial reporting arrangements so that our risk analysis, business performance and mitigation decisions are both sound and clear.

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

- 8.7 We will look at every aspect of the Association's assets to ensure we are getting the best possible return on those resources.
- 8.8 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
- 8.9 We will identify how any economic or social issues in the neighbourhoods we look after are affecting the value of our assets.

Ensure robust management of all performance and costs

- 8.10 We will make a detailed analysis of costs across the whole Association.
- 8.11 We will roll out the way we benchmark performance so that each year it covers a wider range of activities.
- 8.12 We will create a golden thread of scrutiny throughout the Governance structure to ensure that we are really driving improvements in VfM performance.

8.13 We will look develop and deliver improvements in our business processes.

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

8.14 We will communicate our strategy across a variety of media in a way that is clear and easy to understand.

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

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

8.16 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.

8.17 We will work with contractors to ensure the best possible cost is achieved across the board and include Community Benefits as appropriate.

Maximise the value and capacity of our people

8.18 We will examine the Association's approach to people, leadership and culture to make sure that VfM is evident in them all.

8.19 We will ensure that all levels of the business understand our behavioural map and performance.

8.20 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.

8.21 We will create ways to measure how significantly training initiatives are helping with personal development and put in place realistic targets for improvement.

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

8.22 We will establish an effective social accounting framework within the context of our operating environment.

8.23 We will put in place methods of assessing how well the Association's environmental sustainability activity is performing.

Create a framework to measure our approach to VfM

8.24 We will develop a VfM scorecard and report this annually to the Management Committee.

- 8.25 The scorecard would cover:
Satisfaction
Performance/Operations
Asset Management
Staffing
Financial Strength
If there were reliable and comparable data on procurement and IT that could also be included.
The precise measures will be reviewed annually based on the availability of comparable and meaningful information.
- 8.26 The measures used would be those already collected and available on a national basis so we have “accepted/standard” measures (so comparable between organisations and over time) and that are already collected (so no additional burden). This means information collected for the Annual Return on Charter and other data returned to SHR.
- 8.27 The value for money scorecard will be reported annually to the Management Committee. The outcome would be improvements to be built into the next round of organisation plans and not a separate set of value for money action plans that create more bureaucracy.

9 GENERAL DATA PROTECTION REGULATIONS

- 9.1 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

- 10.1 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.