



Gardeen Housing Association Ltd
Building a Better Future

GARDEEN HOUSING ASSOCIATION

VALUE FOR MONEY STATEMENT

Policy Implemented From	2020/21
Next Review	2023/24

What does Gardeen Housing Association mean by 'Value for Money'

Value for money (VFM) means making the best use of Gardeen's resources to maximise the value tenants and the community receive, at a price that is affordable to tenants and the Association.

Achieving value for money is also often described in terms of the 'three E's' – economy, efficiency and effectiveness. The definition of the three E's is as follows:

- Economy – careful use of resources to save expense, time or effort;
- Efficiency – delivering the same level of service for less cost, time or effort;
- Effectiveness – delivering a better service or getting a better return for the same amount of expense, time or effort.

We aim to promote and embed a value for money culture across the Association. Demonstrating value for money is a core Business Plan objective. Through the careful use of resources, we continually strive to deliver efficiencies and improve the quality of our properties and services.

The Association seeks to achieve:

- Resources directed towards the organisation's key priorities and objectives;
- A balance between cost and performance;
- Tenant satisfaction.

Our value for money objectives in respect of our business activities include:

- Affordable rents;
- Maximising income;
- Reducing our costs;
- Efficient procurement;
- Investing in the future;
- Continuous service improvement;
- Wider role.

The Scottish Housing Regulator (SHR) has set out its expectations in relation to VFM within its Regulatory Framework, most notably in relation to rent affordability and transparency over costs and the service that landlords provide.

The Scottish Social Housing Charter further sets out the standards and outcomes which RSLs should achieve.

Outcome 13: Value for Money

Social landlords manage all aspects of their businesses so that:

- tenants, owners and other customers receive services that provide 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; giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.

How we achieve value for money for Gardeen Housing Association.

Affordable Rents

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

This aim is supported by the most recent tenant satisfaction survey results. 94% of our tenants stated that they thought that their rent represented value for money (2018 survey).

Our current level of rents compares favourably in comparison with peer group RSL's, local housing allowances and other local housing providers rent charges. The Association has used two methods to test the affordability of our rents – the SFHA Affordability Tool and our own affordability calculations for tenants. These calculations are detailed in full in the VFM section of the Business Plan.

Our Management Committee are determined to ensure that our rent levels are affordable to our tenants. 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) an increase of CPI plus 1%.

During 2021/22, we will carry out a rent review to ensure that our rents have been checked by an independent organisation.

Maximising Income

We recognise the vital and integral link between the income that we generate and the services that we aim 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 continue to make use of our knowledge of our tenant profile and use the data we have to prevent rent arrears arising. We use the detailed knowledge we have about our tenant's individual circumstances to assist each tenant as required.

Our performance is strong in this area but it is important not to become complacent. We benchmark against our peers in the Easterhouse Housing and Regeneration Alliance (EHRA). We also submit a quarterly benchmarking return to Scotland's Housing Network to enable us to benchmark against our peers of a similar size across Scotland.

Further information about our performance is available online at the Scottish Housing Regulator's website or via our Performance Report. This is compiled annually and is available to download from the Gardeen website.

Reducing our costs

Some of our recent value for money exercises are listed below:

- Phase 1 and 2 bin pilot – cost savings were made by volunteering to be an early adopter in partnership with Glasgow City Council;
- Annual review of the Association's assisted close cleaning and grass cutting schemes;
- Use of a Framework of Contractors which allows us to compare costs and service levels for several local contractors;
- Tendering our insurance contract with our Insurance Broker to ensure best value;
- Introduction of a Gardeen App to allow tenants to access more services online;
- Following a consultation period and review, staff are now members of a defined contributions pension scheme and the Association has closed the final salary pension scheme.

Efficient procurement

Our procurement policy aims to ensure good decision-making, transparency and best practice. We will continue to use the procurement policy to provide cost and efficiency savings whilst ensuring our service standard remains high and that tenants are satisfied.

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 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.

We buy in finance services from FMD Financial Services Ltd. FMD provide a wide variety of expertise across their staff team.

Our Maintenance Consultant, Atkinson Partnerships, shares knowledge from across the sector to ensure that we obtain best value in line with other associations.

Investing in the future

The Association has detailed 30-year budgets which are based on the following objectives:

- To provide quality homes at affordable rents for tenants;
- To provide a high quality and responsive management and repairs service which also provides value for money;
- To ensure that improvements and major repairs are provided for and carried out as required, to protect existing investment in our stock;
- To provide new homes in the Gardeen area through our development programme, where this meets the objectives of the Association and contributes positively to its financial viability;
- To consider new business opportunities which meet the objectives of the Association and contribute positively to its financial viability.

The budgets are also based on the following financial viability objectives:

- To ensure that the Association has sufficient cash reserves at all times to meet its obligations as they arise, and
- To comply with all lenders' financial covenant requirements at all times.

Further details including sensitivity analysis' are included in the Association's Business Plan.

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

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

We carry out an internal audit annually and a further independent audit of our Annual Return on the Charter indicators annually in accordance with best practice recommendations.

Continuous service improvement

We are currently amongst the top performing housing associations in Scotland however we aim to continually improve the service that we provide. At present 98% of our tenants are satisfied with our overall service and 98% of tenants are satisfied with the quality of their home (2018 survey).

We evaluate the standard of our service on a regular basis. Some examples of this are listed below:

- We carry out 'mini' tenant satisfaction surveys in between our full survey every three years. We use these mini surveys to focus on particular local issues and publish a 'you said, we did' article in our quarterly newsletter to update tenants afterwards;

- We are working towards the introduction of a fully online housing application to streamline the process for applicants;
- As a result of the Covid-19 pandemic, we are communicating with tenants differently. We use emails and social media to communicate much more than traditional letters in the post. This has resulted in savings on postage costs.
- We review our complaints at our monthly staff meetings to ensure lessons learned are embedded in our business. A complaints report is also prepared for our Management Committee annually;
- We frequently request tenant feedback about the service we provide. We have introduced a text system to request feedback from tenants regarding our repairs service.

Wider role

As a community based housing association we also want to help the local community thrive. We work with local partners such as Connect Community Trust to deliver wider role services such as provision of a welfare rights adviser for our tenants one day a week.

We also hope to re-start our community gardens plans once it is safe to do so.

Summary

It is potentially a greater challenge for smaller associations to achieve maximum output for minimal cost in every situation. Sometimes our size can impact adversely on our ability to secure greater economies of scale. For example, our management costs are higher than some of our peers however, we believe that we deliver a high level of performance and a service tenants are satisfied with as a result of our staffing levels.

We will proactively ensure that 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' in our Annual Report. We also provide tenants with a comparison of peer rents which is included in the annual rent consultation.

Our priority is to ensure that the Association delivers excellent services, is financially sound and remains a well-managed organisation both now and in the future.

Review

This statement will be reviewed at least every 3 years.