



VALUE FOR MONEY POLICY

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Author	Interim Director

POLICY SUMMARY

Purpose:	The purpose of this policy is to set out our policy and statement on value for money
Legislation/Guidance:	The Association is a company under the Co-operative and Community Benefit Societies Act 2014, and a company regulated by the Financial Conduct Authority (FCA).
Regulatory Compliance	<ul style="list-style-type: none"> • Standard 2 The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. • Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay. • Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose. • Standard 5 - The RSL conducts its affairs with honesty and integrity.
Linked policies	<p>RHA Rules</p> <p>Financial Regulations</p> <p>Rent Setting</p> <p>Procurement</p>
Financial Impact	Medium
Risk Assessment	Low
Equalities Impact Assessment	Low
Date Reviewed	25 May 2022
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1. INTRODUCTION

- 1.1 Reidvale Housing Association (RHA) is a community based organisation based in Dennistoun. Our core business is the provision of affordable housing and related services, and we recognise that we are an important part of the local community.
- 1.2 Ensuring that we offer value for money both in terms of our services and our rents is an integral part of our Business Plan along with ensuring that we use our financial resources effectively.

2. AIMS AND OBJECTIVES

- 2.1 The aims and objectives of the policy are to:
- Ensure we are delivering our vision & values and objectives in our business and operational plans;
 - Ensure we are financially sustainable and able to deliver on our objectives set within the Business Plan;
 - We are meeting our Key Performance Indicators;
 - We are becoming more efficient, which means having the same outcomes for reduced resources applied or better outcomes for the same resources applied
 - Ensure we have policies and practice in place to ensure we get best value from our assets and resources

3. LEGAL AND REGULATORY FRAMEWORK

- 3.1 Reidvale Housing Association Limited, is a registered society under the Co-operative and Community Benefit Societies Act 2014; a registered social landlord; and regulated by the Financial Conduct Authority (FCA).
- 3.2 The Management Committee, as the governing body, is responsible for safe-guarding our tenants income and our reputation for honesty and transparency in all that we do as an Association and through our subsidiary in furthering our aims and objects
- 3.3 We are regulated by the Scottish Housing Regulator (SHR). Their Regulatory Framework sets out seven Standards of Governance and Financial Management. Relevant to this Policy are particular elements under these Standards:
- Standard 2
The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

- Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- Standard 5 - The RSL conducts its affairs with honesty and integrity.

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.

4. VALUE FOR MONEY POLICY

4.1 Achieving 'Value for money' (VFM) is about assessing whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it.

It 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.

In order to achieve and monitor value for money within our services we will focus on the following key areas:

4.2 Strategic Decision Making and Budget Setting

Management Committee will set objectives and allocate resources appropriately to achieve the best possible outcomes for tenants and the business, including robust risk management and identifying potential chances to improve value for money.

Management Committee will have a robust approach to making decisions on the use of resources to deliver objectives, including an understanding of the trade-offs and opportunity costs of its decisions.

Understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so

4.3 Financial Sustainability, Rent Setting and Affordability

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.

We have robust practices in place to assess proposed rent increases against affordability, and processes to engage with our tenants over options for rent increases.

Our Financial Regulations will be regularly reviewed, and contain as statement on value for money.

4.4 Procurement

We have an updated policy in place to ensure that we procure our goods and services efficiently and effectively and within procurement legislation. We will ensure that through our procurement process we will take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price. This ensures we will accept the most economically advantageous tender for services and we seek to ensure community benefits are achieved through contracts wherever possible and appropriate.

4.5 Assets

We have a strategy for optimising the future returns on assets including a method for appraising potential options for improving value for money and considering the potential benefits in alternative delivery models.

We carry out a regular stock condition survey and specialist surveys to ensure that our assets are protected through investment. Our commercial assets are managed through lease agreements where we regularly assess market value and seek to balance that income with benefit to the overall community.

4.6 Performance Management

We have in place performance management and scrutiny functions which are effective at driving and delivering improved value for money performance. We do this both through internal monitoring; quarterly reporting to Management Committee and through setting out our annual internal audit plan.

We benchmark our performance with peer organisations and those Associations with similar characteristics to our own, through the performance information from the Annual Return on the Charter. We

We monitor our Business Plan Delivery Plan, our Improvement Plans and our risk register and present these to Management Committee quarterly.

5. STAFF TRAINING

- 5.1 RHA will ensure that all staff who are required to undertake work in relation to this Policy receive appropriate and regular training.

6. EQUALITY AND DIVERSITY

- 6.1 Reidvale Housing Association is an equal opportunities organisation. We are committed to providing an environment of respect, understanding, encouraging diversity and eliminating discrimination. No person or group of persons applying for housing and housing services will be treated less favourably than any other persons or groups of persons because of their age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

7. COMPLAINTS

- 7.1 Although we are committed to providing high levels of service, we accept that there may be occasions where a service user may not be satisfied with the service received from the Association. We value all complaints and use this information to help us improve our service. Any service user, complying with the procedure, but remaining dissatisfied with any aspect of the service they have received have the right to submit a complaint to the Association in accordance with the Complaints Handling Procedure.

8. GDPR

- 8.1 Reidvale Housing Association will treat your personal data in line with our obligations under the current General Data Protection Regulation and our Privacy Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Fair Processing Notice.

9. POLICY REVISION

- 9.1 The Association undertakes to carry out a comprehensive review of all aspects of this policy at least every three years. The review will take account of legislative changes, new policy guidance, best practice advice and the views of service users.