



# Cloch Housing Association

## Value for Money Strategy

<b>Policy Name</b>	Value for Money Strategy
<b>Policy Category</b>	Corporate & Governance
<b>Policy Number</b>	005
<b>Approved by</b>	Board
<b>Responsibility of</b>	CEO
<b>Date Adopted</b>	25 March 2025
<b>Last Review</b>	n/a - New Strategy
<b>This Review</b>	25/03/2025
<b>Next Review</b>	March 2028
<b>Equalities Impact Assessment Required</b>	Yes
<b>Link to other policies</b>	See section 7 for details
<b>Consultation</b>	Yes – Completed with Board and Customer Advisory Panel
<b>Need for Procedure</b>	Yes – data capture / analysis and action plan

## 1. Introduction

1.1 This document sets out Cloch HA's approach to achieving value for money (VfM) for our tenants and other customers. It provides an overarching framework to guide the Association in pursuing VfM across all our activities.

## 2. Defining VfM

2.1 At Cloch HA, we believe that value for money is about achieving the optimal balance between competitive costs and high-quality services. We aim to deliver efficient, effective services that meet tenant needs while ensuring costs remain sustainable and provide long-term value.

## 3. VfM Vision

3.1 Cloch HA is committed to embedding VfM in our culture and decision-making processes. We have agreed the following VfM vision to guide us:

***“At Cloch HA, we are committed to embedding value for money in our organisation by striving to provide high-quality services at competitive costs, driving efficiencies, and delivering impactful outcomes for tenants.”***

## 4. VfM Objectives

4.1 To achieve VfM, Cloch HA has set the following objectives:

- To ensure our VfM approach meets the needs of our tenants and other customers.
- To embed VfM into Cloch HA's culture.
- To benchmark our activities against similar organisations.
- To promote a culture of continuous improvement across the organisation.
- To ensure all staff recognise their role in delivering VfM.
- To demonstrate to internal and external stakeholders our VfM actions and achievement.

## 5. Regulatory Framework

5.1 The Scottish Housing Regulator (SHR) is the independent regulator of social landlords in Scotland. Its Regulatory Framework, [\*Regulation of Social Housing in Scotland\*](#), outlines how it regulates Registered Social Landlords. A key aim of the SHR is to help tenants assess whether their landlord is well-run and provides value for the rent they pay. This strategy demonstrates our commitment to VfM and ensures compliance with the SHR's Standards of Governance and Financial Management within the Regulatory Framework.

5.2 The Regulatory Framework requires RSLs to have an internal audit function and effective oversight of an internal audit programme, either by an audit committee or otherwise. Cloch HA has appointed Internal Auditors to provide assurance on the adequacy of our internal control arrangements, including risk management and governance. Internal Audit will conduct assurance and appraisal reviews to assess system/process objectives, identify risks, and evaluate the effectiveness of controls. The annual audit programme will detail the scope of each audit, providing further assurance that our processes and systems comply with regulations, are effective and align with best practice.

## **6. Tenant Engagement**

6.1 Cloch HA is committed to tenant scrutiny through our Customer Advisory Panel (CAP) and increased tenant participation. We value the input tenants provide in shaping our services to meet their needs and driving continuous improvement. A key aspect of our VfM strategy is engaging with tenants to ensure our approach meets their expectations and keeps them informed of our achievements. To this end we will agree with our tenants:

- Our draft VfM strategy prior to adoption.
- The VfM metrics that matter to tenants.
- The monitoring format to demonstrate our VfM actions, progress, and achievements.
- Ways to embed VfM into our scrutiny and tenant participation activities.

## **7. Links to Other Strategies**

7.1 This strategy aligns with other strategies, policies and procedures adopted by Cloch HA, including:

- Procurement Strategy
- Asset Management Strategy
- Financial Regulations
- Treasury Management & Borrowing Policy
- Risk Management Policy
- Customer Involvement Strategy
- Rent Setting Policy
- IT Strategy

## 8. VfM Objectives

- 8.1 Cloch HA will maintain an annual VfM matrix to track metrics and budgets, enabling us to assess VfM and, where possible, benchmark against peers. Peers will be agreed annually and will include a mix of rural and local operators of a comparable size to Cloch HA.
- 8.2 Metrics will be set for the duration of this three-year strategy to allow trends to emerge, enabling ongoing measurement of progress. Key metrics are detailed in Appendix 1 and based on considering four themes.



8.3 In measuring VfM, Cloch HA will consider:

- The materiality of a budget.
- Material budget movements between years.
- The link to service delivery.
- The importance to tenants.
- The importance to the financial health of the organisation.
- An aging tenant population, increasing demand for adaptations and support services to maintain independence
- Rent strategy decisions, balancing affordability (e.g. limiting increases) with the Association's long-term financial sustainability.
- Reduced public funding, such as declining local authority budgets in areas like Inverclyde, creating service gaps we may need to fill.
- Financial landscape pressures, including limited acquisition funding and higher borrowing costs impacting our ability to build.
- Macro-economic factors, such as rising costs of goods and services due to global events (e.g. Ukraine conflict), increased National Insurance, or shifts in public spending priorities.

8.4 The VfM matrix will be updated annually using data from Cloch HA's financial and performance records, as well as published data from the SHR's Annual Return on the Charter (ARC) and Audited Financial Statements (AFS). Customer indicators will draw on three-year rolling tenant satisfaction survey results from the Scottish Housing Regulator Annual Return on the Charter, ensuring trends reflect sustained performance.

## 9. Value for Money Action Plan

9.1 Following the annual VfM matrix update, Cloch HA will assess results and track progress against Appendix 1 indicators. A cross-section of staff will co-produce an action plan to address strengths and improvement areas, empowering teams to deliver VfM initiatives. To embed VfM across the organisation, responsibilities are assigned as follows:

- *Leadership Team*: Review matrix outcomes, set strategic priorities, and oversee action plan implementation, reporting progress to the Board.
- *Managers*: Identify operational efficiencies, monitor service-level KPIs, and support staff in delivering VfM initiatives.
- *Staff*: Implement day-to-day VfM practices, provide frontline insights, and contribute to action plan development.
- *Board*: Approve the action plan, ensure alignment with strategic objectives, and hold the Leadership Team accountable for KPI progress.
- *Customer Advisory Panel, (CAP)*: Outcomes and the draft action plan will be shared with the CAP and Board for approval.

## 10. Monitor and Review

10.1 This strategy will be monitored by the Chief Executive Officer (CEO) and reviewed every three years, or sooner if significant regulatory or legislative changes occur.

10.2 In addition to this three-year strategy, Cloch HA will produce an annual VfM statement outlining progress against the previous year's action plan and highlighting our most significant VfM achievements. The statement will summarise VfM assessment outcomes, year-on-year improvements, and new actions for the forthcoming year. It will be included in our annual report to demonstrate our VfM outcomes and achievements to internal and external stakeholders.

## **11. Equality & Diversity**

11.1 Cloch HA believes in equality of opportunity, embracing diversity and promoting inclusiveness. Our Board and staff believe that embedding equality in everything we do is the right thing to do.

11.2 Cloch HA is committed to placing human rights, equality and fairness at the heart of everything we do. We strive to ensure that all staff, customers, partners and contractors are treated with dignity and respect, and that everyone understands their rights and responsibilities.

11.3 Cloch HA promote an inclusive culture by valuing and protecting diverse identities and experiences, ensuring our policies and services are fair and accessible, and challenging any behaviour or practice that undermines human rights or equality.

11.4 Cloch is committed to tackling discrimination on the grounds of:

- Age
- Disability
- Gender reassignment
- Marriage or civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

11.5 We seek to embrace diversity, promote equal opportunities for all, and eliminate unlawful discrimination across all areas of our work.

11.6 To ensure the inclusion of equality and diversity practices in all Cloch does and ensure that customers, employees, Board Members, contractors, and the general public are treated with fairness and respect we undertake an equality impact assessment on our key strategies and policies.

## APPENDIX 1

### Value for Money Metrics

Internal Indicators		
Employee Costs Indicators		
<i>Indicator</i>	<i>Information source</i>	<i>Reporting Rationale</i>
Frontline/Support staff ratios	SHN annual VFM analysis	Optimal staff resource balance
Employee costs to turnover ratio trend	SHR – Audited Financial Statements Return	Staff benchmarking & efficiency trend
Staff costs per unit	SHN annual VFM analysis	Staff benchmarking & efficiency trend
Year on year absence trends	KPI report /SHR-ARC	To assess if there is a problem with absence levels / identify common reasons to consider root cause & prevention

Office Costs Indicators		
<i>Indicator</i>	<i>Information source</i>	<i>Reporting Rationale</i>
Office costs / turnover ratio trend	Management Accounts	Office cost benchmarking & efficiency trend

Income Indicators		
<i>Indicator</i>	<i>Information source</i>	<i>Reporting Rationale</i>
Rent collected as % of total rent due	SHR - ARC	Debt recovery efficiency / maximise rental income received
% of rent due lost due to properties being empty	SHN annual VFM analysis / KPI report	Efficiency in managing property re-lets to maximise rental income
Total Gross Rent Arrears	SHR - ARC	Debt recovery efficiency
Bad debt provision trend	SHR – Audited Financial Statements Return / SHN annual VFM analysis	Debt recovery efficiency
Percentage of Rechargeable repairs – invoices raised within 30 days of work complete	New indicator / internal report	Speed of recharging to help with debt recovery
Percentage of Rechargeable repairs – debt collected within 1 month	New indicator / internal report	Debt recovery efficiency
Factoring arrears / collection rate trend	KPI report	Debt recovery efficiency

<b>Property Maintenance Indicators</b>		
<b>Indicator</b>	<b>Information source</b>	<b>Reporting Rationale</b>
EPC Ratings trend	% stock with valid EPC	Energy efficiency trend / impact on energy costs for customers
Energy efficiency improvement rate e.g., % reduction in average energy costs per unit or SAP Ratings etc.	<i>Currently assessing how to collect this data</i>	Energy efficiency trend /impact on energy costs for customers
% Homes meeting SHQS	SHN & SHR-ARC	Assessment of quality of homes
Component replacement costs versus peers	SHN annual VFM analysis	Cost assessment of maintenance versus peers
Average cost of repair	SHN annual VFM analysis	Cost assessment of maintenance versus peers
Maintenance expenditure per property (including responsive repairs)	SHN annual VFM analysis	Cost assessment of maintenance versus peers
Reactive repairs as a proportion of maintenance spend	SHN annual VFM analysis	Cost assessment of maintenance versus peers / reactive versus preventive investment
Average time to complete responsive repairs, (days)	SHR - ARC	Speed of repair's service versus peers

<b>Letting Properties Indicators</b>		
<b>Indicator</b>	<b>Information source</b>	<b>Reporting Rationale</b>
Allocations cost per unit	SHN annual VFM analysis	
Average re-let time	SHR - ARC	Efficiency in managing property re-lets to maximise rental income
% of tenancies sustained for more than 1 year	SHR - ARC	Customer retention / homeless prevention

Customer Indicators		
<i>Indicator</i>	<i>Information source</i>	<i>Reporting Rationale</i>
Overall Satisfaction	SHR - ARC	Customer retention
Percentage of tenants satisfied with repairs service	SHR - ARC	Customer retention
Percentage of tenants who feel rent for property represents good value for money (B)	SHR - ARC	Customer retention
Percentage of tenants satisfied with quality of home (B)	SHR - ARC	Customer retention
Percentage of tenants satisfied with landlord contribution to management of neighbourhood (B)	SHR - ARC	Customer retention
Percentage of tenants satisfied with quality of home (B)	SHR - ARC	Customer retention
Percentage of tenants satisfied with opportunities given to participate in landlord decision making (B)	SHR - ARC	Customer retention
Percentage of digital transactions (e.g. rent payments, repair requests)	New Indicator / assessing how this data can be collected	Efficiency of service delivery
Percentage of active users on Tenant portal	New Indicator / internal report	Efficiency of service delivery
Percentage of customers marked as engaged on CX-Feedback engagement platform	New Indicator / internal report	Efficiency of service delivery
Percentage of customers with correct contact details on CX-Feedback engagement portal	New Indicator /internal report	Efficiency of service delivery

<b>Added Value Indicators</b>		
<b>Indicator</b>	<b>Information source</b>	<b>Reporting Rationale</b>
Procurement savings as a percentage of total spend	New indicator / assessing how this data can be collected	Efficiency of service delivery
Percentage of staff employed from Cloch HA's operating area	New indicator / internal report	Investment in local community
Volume and value of Cloch HA's fundraising events	New indicator / internal assessment	Commitment to fund raising / community benefits
Number of occasions goods and services offered free of charge to local companies / charities / organisations	New indicator / internal assessment	Community benefit assessment
Number and value of contracts awarded to contractors based within Cloch HA's operating area	New indicator / internal report	Investment in local community
Community anchor / wider role projects	Business Plan KPI	Investment in local community
Number of community events offered by Cloch HA staff	New indicator / internal assessment	Investment in local community
Number of partnership working initiatives and costs savings as a result	New indicator / internal assessment	Efficiency of service delivery

<b>External Indicators</b>		
<b>Indicator</b>	<b>Information source</b>	<b>Reporting Rationale</b>
Percentage of internal audits with substantial assurance	Internal Audit reports	Assurance for Stakeholders re: best practice service
Percentage of internal audit recommendations implemented within agreed timelines	Internal Audit follow up reports	Assurance for Stakeholders re: best practice service