



**Ag5.2(ii)**

# **Value for Money Statement**

## **April 2023 – March 2024**

## 1. Introduction

- 1.1 This is Cernach Housing Association's fourth corporate value for money statement. It updates the first three statements, which were approved by the Management Committee in June 2016, January 2018 and January 2020. It allows us to:
- Pinpoint more clearly how we achieve compliance with Scottish Social Housing Charter Standard #13 on value for money which states that social landlords should "*manage all aspects of their businesses so that tenants, owners and other customers receive continually improving value for the rent and other charges they pay*".
  - Respond to the increased focus and complexity associated with value for money; having a separate statement since 2016 has helped us be clearer on how we are going to ensure optimum value for money.
  - Help see the extent to which increased staff costs have impacted on the level of value for money we are able to achieve.
  - Explore ways of involving tenants in the Association's work in relation to value for money.
- 1.2 The statement is divided into the following sections:
- What is value for money?
  - The Quality and Efficiency Forum (QEF) benchmarking group
  - Review of rents and service charges
  - Operating costs
  - Procurement
  - Service user involvement
  - The role of the Committee
  - Possible future considerations
  - Next steps
- 1.3 It updates the January 2020 statement rather than attempt to rewrite it. However, in a departure from previous plans, we will keep this document live and under review. There are significant difficulties placed on RSLs at present in terms of longer term business planning, particularly in a financial and value for money context. This can be attributed to several factors, including Brexit, the current cost of living crises including the energy crisis, uncertainty over EESSH2 and the limiting of rent increases to below inflation levels. We intent to conduct an interim

review of this document no later than April 2024, which allows the Association to take account of revised stock condition information which will be gathered in 2023.

- 1.4 We have noted action points throughout the statement and, for ease of reference, these are listed in Appendix 1. Once these have been agreed, with appropriate revisions, we will incorporate them into a tracker so that progress can be monitored by the Assurance sub-Committee (and, consequently, the Committee).
- 1.5 Finally, the following should be borne in mind when considering performance in relation to others in the sector:
  - ❑ The average figures quoted have been calculated as simple averages unless otherwise stated.
  - ❑ The most recent national figures (as published on the Regulator's website) relate to 2020/21. Where 2019/20 figures are used, this is specifically highlighted.
  - ❑ We have removed two RSLs where the predominant client group is people with particular/special needs. This is because their costs per unit across a number of indicators tend to be very high and this can skew the overall results.

## 2. What is value for money?

- 2.1 There is no “golden rule” on what constitutes value for money, nor is there a simple test to establish whether it exists. Value for money is subjective and requires organisations to make judgements about (i) what it means to them in the first place and (ii) whether or not they are achieving it. Stakeholders, particularly tenants and other service users, also have an input to what constitutes good value for money; this is an area for particular action during the period of this statement and is reflected in one of the eight action points.
- 2.2 The HouseMark survey in 2015 (see section 3) brought together sector sounding boards which defined value for money as follows:
  - Delivering maximum value to the customer while minimising costs. This means understanding the customer's definition of value and focusing on the right things

- Providing an effective and high quality service which meets the needs and expectations of tenants as efficiently and cost effectively as possible. Although it's about keeping costs and wastage low, it's not just about the bottom line at any cost as effectiveness and responsiveness are crucial
- Making the best use of available, normally limited, resources. Working effectively and efficiently while maintaining, and improving, the service to our customers
- Ensuring a clear correlation between transparent and well understood costs, and the quality and level of service provided

2.3 These general principles remain valid today. Any work on defining value for money will therefore recognise the HouseMark definition.

## 2.4 **The Regulator's perspective**

2.4.1 The SHR's approach to value for money is rooted in its statutory objective of safeguarding and promoting the interests of tenants, future tenants and other service users. The Regulator has not, however, issued any specific guidance on what an individual RSL's value for money policy should contain, thus allowing individual RSLs the flexibility to define what value for money means for them and their stakeholders.

2.4.2 Value for money is, however, contained as Standard #13 in the Scottish Social Housing Charter (issued by the Scottish Government) under a section that looks at getting good value from rents and service charges. According to the HouseMark study, this accentuates the link between what service users pay and what they get and infers that the SHR considers that its requirement to consult service users on setting rents and other charges provides a good forum for discussions on value for money. We have therefore ensured a focus on this to help the statement meet regulatory expectations.

2.4.3 The Association appointed an independent consultant to conduct a baseline assessment on compliance with the SSHC in 2018/19 and again in 2022/23. The results of the assessment were formally reported to the Committee and concluded that the Association demonstrates good value for money insofar as it is featured in the Charter.

2.3.4 Value for money is also evident in many parts of the SHR's Standards of Governance and Financial Management, specifically Standard number 2 which includes *taking account of the priorities of stakeholders* and Standard number 3



on *financial well-being and economic effectiveness*. The Association's own in-house self-assessments suggest good levels of compliance, and these were supported by the independent assessments of compliance with the Regulatory Standards carried out by the independent consultants alongside the SSHC assessment.

- 2.4 In summary, therefore, value for money at Cernach is about getting the best out of every pound paid to us by our tenants and other service users. This means that we will not necessarily select the cheapest option but, importantly, we will have to be able to explain why we have not opted for the cheapest option in any given situation.

### 3. The Quality and Efficiency Forum (QEF) benchmarking group

- 3.1 The Association is a member of the QEF benchmarking group. The group comprises 28 members based mainly in the central belt and undertakes statistical and processes benchmarking. The group was set up in 2008 and Cernach is one of the founding members.
- 3.2 One of the key statistical outputs from the group is the Annual Statistical Review (ASR) issued in mid-June each year. The report extracts key information from the ARCs submitted to the SHR at the end of May and provides a very up-to-date assessment of how the Association has performed in relation to other QEF members.
- 3.3 The results of the ASR are reported to the Committee in June or July each year – please see the Committee report or the full ASR for further information. The report includes a value for money scorecard and Cernach's is noted below:

## VALUE FOR MONEY SCORECARD – 2021/22 ASR

Indicator	Cernach (2021/22)	Scottish Median (2021/22)	Quartile			
			1	2	3	4
Rent collected	100.54%	99.48%	<b>1</b>			
Proportion of former tenant arrears written off	41.85%	37.66%	<b>2</b>			
Gross rent arrears	2.25%	4.42%	<b>1</b>			
Void loss	0.61%	0.92%	<b>2</b>			
Average re-let time	41.57 days	29.12 days	<b>3</b>			
Value for money from rents	78.43%	83.50%	<b>3</b>			
Proportion of repairs <i>right first time</i>	94.08%	93.21%	<b>1</b>			
Satisfaction with the repairs service	82.35%	91.54%	<b>3</b>			
Days lost through staff sickness	9.07%	3.68%	<b>3</b>			

- 3.4 The Association's performance is in the top quartile for three of the nine Indicators selected for the report and in the middle group for two indicators. Cernach currently sits in the bottom quartile for four of the nine areas which include i) average re-let time, ii) satisfaction with rent (value for money), iii) satisfaction with the repairs service and iv) days lost through staff sickness.
- At 41.57 days, the average re-let time for the Association is higher than in previous years. This is due to a combination of factors, but predominantly this can be attributed to continuing Covid-19 restrictions and measures alongside staff turnover within the entirety of the allocations function.
  - Satisfaction indicators, including value for money and satisfaction with the repairs service, have dropped from previous years. This is consistent with all satisfaction indicators we surveyed our tenants on in 2022 and reflects a sector wide decrease in satisfaction since the beginning of the Covid-19 pandemic.
  - Days lost through staff sickness were abnormally high in 2021/22. This was noted during the course of the year and raised with the Association's Management Committee prior to the submission of the ARC information. This was broadly contributed to several instances of long-term sickness across the staff team due to accidents. We anticipate that this will reduce to more typical



levels by the end of the current year and this is reflected in the year-to-date figure (as at December 2022).

- 3.5 Overall, the Scorecard represents a balanced picture of performance across the organisation. The areas of middle or low scoring echo areas of priority for the Association's Management Committee and management team and we expect to see improvements across performance areas.

## 4. Review of rents, service charges and factoring fee

### 4.1 Rents

- 4.1.1 Cernach's rents are low compared to other landlords locally, nationally and in relation to the QEF. The overall average weekly rents for 2020/21 are:

#### Average weekly rents – 2020/21<sup>1</sup>

● Cernach	£79.62
● Local Drumchapel RSLs (excluding GHA)	£80.83
● RSLs with fewer than 500 properties	£92.42
● RSLs with 500 to 999 properties	£84.89
● RSLs with 1,000 to 1,999 properties	£88.22
● RSLs with 2,000 to 4,999 properties	£92.16
● RSLs with 5,000 or more properties	£90.34
● All Scottish RSLs	£89.43

- 4.1.2 The independent tenant satisfaction survey carried out in 2022 reported that 78.43% of tenants surveyed thought that the rent for their property represented very good or fairly good value for money. This figure does not compare particularly well with other RSLs as per the table below:

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<sup>1</sup> It should be noted that this figure includes service charges as this is the SHR's preferred calculation method.

### Proportion of tenants saying rent represents value for money – 2021/22

● Cernach	78.43%
● Local Drumchapel RSLs (excluding GHA)	84.5%
● RSLs with fewer than 500 properties	85.8%
● RSLs with 500 to 999 properties	86.0%
● RSLs with 1,000 to 1,999 properties	81.2%
● RSLs with 2,000 to 4,999 properties	77.6%
● RSLs with 5,000 or more properties	81.6%
● All Scottish RSLs	82.8%

4.1.3 Despite the negative reflection presented in the above table, we, as an organisation, are optimistic that our rents do represent good value for money. As noted above, we have consistently had rents set low when measured against all other peer groups, and held a rent freeze during Covid-19 to help assist tenants at a vulnerable time. As well as satisfaction figures generally decreasing across all measures, we may have been affected by the timing of the most recent survey which took place shortly after the first rent increase notification following the Covid-19 pandemic.

4.1.4 There is a disconnect between what our tenants believe and how the Association's rents compare with others in the sector. A key action will therefore be to explore this in more detail and, if appropriate, we may consider bringing the next survey forward by a year or so. We need to try to understand why tenants do not believe our rents represent value for money.

#### ***Action point #1***

*In 2023/24, explore in more detail why there has been a reduction in the number of tenants who believe that their rent is very good or fairly good value for money.*

4.1.5 We will continue to try to identify ways in which we can keep rent increases to a minimum, particularly since many of our tenants have seen their benefits and salaries reduce in real terms in recent years, with many having to cope with transition periods whilst migrating to Universal Credit and the impact of low or zero hours contracts.

- 4.1.6 We moved to inflation-only increases throughout the 30-year business plan period (replacing the previous inflation plus 1%). We have also based increases on CPI rather than the previous RPI, with CPI generally being less than RPI. Whilst this may not have a significant impact, it is nonetheless a step in the right direction in terms of keeping rents low.
- 4.1.7 This document has been drafted during the rent consultation period for 2023/24 rents, which represents a substantially different picture from previous years. Due to the current economic crisis in the UK, there are currently inflation levels of around 11%. Had we followed the same approach as we had done in previous years, it is likely our CPI only increase in April 2023 would have been 10.1%. This was not something that the Association considered to be feasible, however given the Association remains beholden to market value on several large items of expenditure, such as labour and material costs, there did require to be some level of increase.
- 4.1.8 The Association therefore opted to consult on a figure of 5%, with an enhanced consultation period to ensure as many tenant views as possible are heard and taken seriously. The figure of 5% was based on a range of scenarios of long-term financial projections which were explored at a special meeting of the Association's Management Committee in conjunction with the Association's financial consultants. 5% represents the minimum rent increase which could be applied but would still allow the Association to complete the planned maintenance program over the following 30-year period.
- 4.1.9 While taking account of the above, the Association appreciates that 5% is still a large sum for most of our tenants. We therefore are exploring putting more resources into maximising the income of our tenants through grant funding and enhanced welfare benefits services.
- 4.1.10 Finally, it is worth noting that all of our rents are "green" when the Scottish Federation of Housing Associations' affordability tool is applied.

## 4.2 Service charges

- 4.2.1 The Association's only service charges relate to the properties at 35 and 41 Kingsmore Gardens. The two properties are home to six residents who have profound physical and/or learning disabilities and who receive round-the-clock care from Real Life Options (sleep over cover is also provided).

- 4.2.2 We had previously accumulated a surplus from service charges and began a consultation with residents, their families and Real Life Options in 2015/16 with a view to identifying a suitable programme of additional works; given that the residents spend most of their time at home, carrying out additional improvements represented better value for their money than a reduction in service charge would and, importantly, we also need to be cautious about reducing the service charge and then not having sufficient funds to replace an expensive item, such as a tracking hoist.
- 4.2.3 The Management Committee agreed a three-year programme at its meeting in May 2016 and we completed this a year early in 2018/19. The main piece of work (the building of a conservatory) has been met very favourably by the residents and their families.
- 4.2.4 We are conscious, however, that we have not yet carried out a formal survey on whether the residents consider the service charges to represent good value for money. This was initially planned to take place by December 2018 but, due to organisational challenges, we were unable to carry this out. It was then programmed in as an action point from the January 2020 VfM statement, but this was not progressed due to Covid-19. We will therefore liaise with families and Real Life Options to complete this by the end of 2023; this will allow any feedback to be taken into account for the 2024/25 service charge review.

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**Action point #2**

*Carry out a value for money survey on the rents and services charges at 35 and 41 Kingsmore Gardens by the end of 2023/24.*

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#### 4.3 Factoring fee

- 4.3.1 The Association provides a factoring service to 140 owner occupiers living within our area of operation. The fee is based on the actual cost (estimated) spent on providing the service and we recharge owners for works completed on an “at cost” basis.
- 4.3.2 The current annual fee is £70 (within the “core stock” area) and £81 (within the stock transfer area). The thematic study carried out by the Regulator three years

ago noted that the average fee charged by RSLs was £95.50 per annum, albeit there were broad variations.

- 4.3.3 The Association surveyed almost half of all factored owners in 2022. 73% said that they were fairly satisfied or very satisfied with the service they receive. This is higher than the national average of 65% but there has been a reduction from 79% in the 2018 survey. Along with rents VfM, this is something that we will explore in more detail, particularly given that we have frozen the factoring fee for the past six years.
- 4.3.4 The Regulator published a thematic study in 2016 which remarked that many RSLs have yet to undertake a robust assessment of value for money with the factoring service. We originally intended to complete this in 2018/19 but we were unable to do so and have had to postpone this several times since then, predominantly due to the covid-19 pandemic. We will therefore schedule it in to be completed by the end of 2023 to allow for any potential changes to 2024/25 fees.

### **Action point #3**

*Carry out a value for money review of the factoring service in 2023/24.*

## **5. Operating costs**

### **5.1 Staffing – costs and numbers**

- 5.1.1 The Association's highest cost centre relates to staffing costs. We employ 17.45 full time equivalent members of staff – within this, there is a Community Connector post (0.85 full-time equivalent) that is fully funded by Glasgow City Council. To complement the work of the staff team, we buy in finance manager services for approximately one day per week on average.
- 5.1.2 Because of variations in job descriptions within the sector and the fact that many posts are now cross-functional or generic, it is difficult to carry out like-for-like comparisons without detailed knowledge of the comparator organisations. The HouseMark study on value for money report compared the number of units per staff member and we believe that this is still a relevant comparator. The 2020/21 results (most recently available) are noted in the following table:



### Number of units per staff member – 2020/21

● Cernach	50.1
● Local Drumchapel RSLs (excluding GHA)	56.1
● Average fewer than 500 units	40.7
● Average 500 to 999 units	52.4
● Average 1,000 to 1,999 units	44.5
● Average 2,000 to 4,999 units	48.9
● Average >5,000 units	55.2
● Average all Scotland	47.8

5.1.3 The above shows that Cernach has a higher than average number of units per staff member compared to other RSLs. At 50.1 units per staff member, each of our staff has a higher number of units when compared with landlords of all sizes up to >5,000 units. Interestingly, the Drumchapel RSLs' average also compares very well with the national figures and Cernach's is generally slightly higher than other RSLs in Drumchapel.

5.1.4 In relation to the number of staff alone and using the HouseMark indicator of number of units per staff member, it is clear that Cernach is achieving efficiency in that we are achieving very good outcomes with a smaller than average staff team. While our staff team has increased in recent years following i) higher number of units following newbuild developments and ii) increased focus on cost of living crisis and welfare reform, partially mitigated by directly employing a full-time Welfare Rights & Tenancy Sustainment Officer as well as increased housing management staff.

5.1.5 In considering value for money, it is necessary also to look at costs. Because RSLs are of varying sizes, the staff costs to turnover indicator is often used. The most recent publicly available figures relate to 2020/21. These confirm that Cernach's staff costs are in line with the nation and local Drumchapel averages and are less than the average for RSLs of similar size. Cernach's staff costs were previously exceptionally low and this was something that the Committee wished to address.

5.1.6 The figures below do represent a percentage increase on staff costs as a percentage of turnover, as we have added members of staff since this exercise was last completed (Corporate Services & Assurance Manager and a strengthening of the housing management function). Even taking account of this,



the figures indicate that our costs remain low when compared against all peer groups.

#### Staff costs as a percentage of turnover – 2020/21

● Cernach	19.5%
● Local Drumchapel RSLs (excluding GHA)	20.6%
● Average fewer than 500 units	26.1%
● Average 500 to 999 units	22.0%
● Average 1,000 to 1,999 units	23.0%
● Average 2,000 to 4,999 units	22.4%
● Average >5,000 units	21.2%
● Average all Scotland	23.0%

5.1.6 Whether we compare staff costs to turnover or number of units to each staff member, the results show that Cernach's service is delivered cost-effectively. When this is considered alongside our outputs (both qualitative and quantitative), it is difficult to conclude anything other than that good value for money exists.

## 5.2 Reactive maintenance costs

5.2.1 The Committee has been closely monitoring spend on reactive maintenance for the past few years as costs have been increasing in this key budget area. Within the current financial climate, costs are estimated to increase as much as 25% in years to come – this is being seen across the whole sector. The Depute Director conducts regular analyses and it would appear that several factors are contributing to this:

- a) Following Covid-19, there has been an increase in the number of repairs reported as people adjusted to spending more time in their homes, as well as the knock-on effect of not having repairs carried out for several years.
- b) Labour and materials costs have substantially increased, and the Association is seeing a cost increase of as much as 40% on some types of works.

5.2.2 The Depute Director and Senior Maintenance Officer will monitor this so that any underlying increases can be identified at an early stage. Full reports on any large-scale works and associated procurements continue to go to the Management Committee with a range of recommendations depending on how

different the tender returns are in line with the budgeted figure. Reports will be presented to the Operations sub-Committee as part of the current reporting cycle and an annual report will be considered by the Management Committee as part of the year-end performance reports.

5.2.3 However, even though our own costs have risen, they compare well with the Scottish average and are similar to (and slightly lower than) the average for RSLs of our size. The table Regulator's 2020/21 (most recently available) figures:

Spend on reactive maintenance per unit – 2020/21

● Cernach	£351
● Local Drumchapel RSLs (excluding GHA)	£333
● Average fewer than 500 units	£529
● Average 500 to 999 units	£466
● Average 1,000 to 1,999 units	£589
● Average 2,000 to 4,999 units	£577
● Average >5,000 units	£618
● Average all Scotland	£539

5.2.4 The above figures are positive, and we need to bear in mind the following:

- a) Our costs are slightly higher than the local Drumchapel RSLs, however have reduced significantly in the past three years, and used to stand around 30% higher than others.
- b) Having a significantly lower reactive maintenance spend can be indicative of close budget management and optimal value when procuring contracts via our reactive maintenance framework, however we must continue to carry out repairs timeously and to a high standard to ensure that spend remains consistent with the value of rent that tenants pay for their homes.

5.2.5 It needs, however, to be acknowledged that the published figures do not show the impact of Covid-19, the cost of living crisis, the conflict in Ukraine nor the impact of Brexit. These figures may not be available until 2025 (when the costs to 2023/24 have been reported and published), albeit a picture will begin to develop later in 2023 and in 2024. We will, of course, take all of these figures into account (not just for the VfM statement but for overall financial planning)

when they are available. In the meantime, all we can conclude is that our maintenance costs have been comparable with other RSLs.

### 5.3 Other key costs – loan repayments

5.3.1 In the year to 31 March 2023 the Association had budgeted to spend £380,000 servicing the loans taken out in the past, to facilitate the rehabilitation and new build programmes. This includes capital of £345,000 and interest of £35,000. The balance of outstanding loans at March 2023 was budgeted to be £1.905m. This is the equivalent of £2,131 per unit, compared to the national average of £11,637 at March 2022.

5.3.2 During 2022/23 the Association repaid two loans amounting to £1.1 million and is facing increasing interest rates on remaining loans. All remaining loans are on variable rates with margins between 0.45% and 0.475%, on top of reference rates being (i) the Bank of England base rate and (ii) the Sterling Overnight Index Average (SONIA) rate. The Association is now forecasting that for the remaining loans, interest costs in the year will be £23,000 and capital repayments will be £160,000. The balance of loans outstanding at March 2023 is now forecast to be £983,00.

5.3.3 We routinely review our loans and the rates attached but we do not believe that we could obtain better deals. We did, however, pay off £2 million towards the Clydesdale Bank loan in 2015 given that this represented better use of the capital at the time. We also paid off a further two Clydesdale loans in the region of £1.1 million in 2022 as it represented a similarly better value for money against varying interest rates at the time. We self-funded the non-grant element of the two new build development phases that were completed in 2020 and 2021 (84 new homes) from reserves.

5.3.4 The Association's treasury management policy and annual treasury management report provide details of how loans are managed and how the Association continues to aim for value for money in this area. We are not aware of any action that the Association can take to improve value for money attached to loan repayments. We will, however, keep this under review – informally on an ongoing basis and more formally as part of the annual treasury management report to the Management Committee.

## 6. Procurement

- 6.1 The Association's procurement policy outlines when and how we will seek value for money when procuring services, works and goods and supplies. As a general rule, cost is not the only criterion we taken into account when variations in quality and/or output could have an effect on the overall quality of the outcome.
- 6.2 Where we wish to take qualitative elements into account, we will procure on the basis of quality and price and the split to be used will be advised to all tenderers as part of the tender documents/brief. We also seek to be as open and transparent as possible when selection is being based on subjective criteria as well as costs.
- 6.3 The policy also allows procurement by negotiation, but there must be a value for money assessment carried out in all instances. Contracts above the Scottish Government and UK thresholds must always be tendered in the prescribed manner.
- 6.4 The procurement policy was last reviewed in October 2021 and was updated from the July 2018 version to help ensure that we continue to observe legal, regulatory and best practice requirements. Several of our staff involved in procurement have received specialist training to ensure best value and correct procedure when issuing tenders.
- 6.5 **Maintenance procurement**
- 6.5.1 Maintenance, both reactive and planned/cyclical, is an area of key procurement activity for the Association – in 2023/24, for example, the combined budget is in excess of £2.2 million.
- 6.5.2 We use the services of an external consultant to assist in the procurement of the planned and cyclical maintenance contracts and this helps ensure legal and regulatory compliance as well as establish value for money. The current planned maintenance contracts were procured competitively via the Public Contracts Scotland website and we consider good value for money to exist; we have received extremely positive comments and high satisfaction levels from tenants in relation to the planned works we have completed in recent years and we will continue to assess satisfaction.

6.5.4 We have also opted to use established frameworks where relevant, for example we used the Scotland Excel Framework in 2021 to appoint City Building to the Association’s gas servicing contract. This demonstrated good value for money both in the established pricing through the framework, and the reduction in costs by avoiding advertised procurement while still ensuring high quality scores from City Building as the preferred supplier.

6.5.5 In relation to reactive maintenance, we established a framework with three of the four local Drumcog partners and this has operated since 1 April 2017 and was retendered in April 2021. It was first tendered in line with the April 2016 Scottish procurement regulations and this framework has indicated that:

- Qualitative results continue to be very good
- Rates overall continue to be low compared to elsewhere in the sector, but evidence from one of the other partners shows some isolated examples of higher than usual costs as the framework settled down but this has now been addressed

6.5.6 The framework is due to be retendered by April 2025.

6.5.7 Tenant feedback is routinely sought for reactive maintenance, with comparatively high levels of satisfaction amongst Cernach’s tenants. The following percentages of tenants are very satisfied or satisfied with the responsive repairs service:

Tenants satisfied/very satisfied with the repairs service – 2020/21

● Cernach	82.4%
● Local Drumchapel RSLs (excluding GHA)	94.6%
● Average fewer than 500 units	91.7%
● Average 500 to 999 units	90.2%
● Average 1,000 to 1,999 units	86.7%
● Average 2,000 to 4,999 units	84.9%
● Average >5,000 units	86.3%
● Average all Scotland	88.2%

6.5.8 In line with other satisfaction indicators gathered in March 2022, our satisfaction has dropped significantly from previous surveys. Feedback received from both the survey administrators (Research Resource) and others in the industry

suggest this is a pattern which is repeated across the sector following the Covid-19 pandemic. However, due to large-scale satisfaction surveys only requiring to be carried out on a three-yearly basis, around half of landlords are referencing surveys conducted prior to the Covid-19 pandemic.

- 6.5.9 From analysing the commentary around those expressing views of neutrality or dissatisfaction, around 45% of these responses surround the length of time taken to start the repair. When looking at the timeframe of the survey, this was only around ten months after the end of Covid-19 restrictions which severely limited what visits or repairs could be carried out within homes, so may represent a limited view of issues.
- 6.5.5 It is also the Association's practice to seek tenant feedback on planned and cyclical maintenance. Feedback has historically been very good and this continues to be the case.

## 7. Service user involvement

- 7.1 Value for money balances economy, efficiency and effectiveness. The "economy" part of the equation is straightforward and can be drawn from our accounts and other financial documents. Efficiency and effectiveness are more subjective and the most important views are those held by our customers (the vast majority of whom are our tenants).
- 7.2 We involve service users via:
- Residents panel
  - Meetings on specific topics
  - Consultations (both via text/post/email and in person at community events)
  - Independent and in-house surveys
- 7.3 All new and prospective tenants are advised of all types of involvement (from responding to consultations to serving on the Committee) when they first engage with the Association and this is discussed in more detail when a new tenant signs up. Tenant participation has always been strong in Cernach and we are continually seeking tenants' views via both formal and informal channels; for example, the formal consultation on the 2023/24 rent reviewed resulted in over 200 responses.

- 7.4 Whilst the feedback from the independent satisfaction survey was positive across most areas, we are keen to further improve services and, ultimately, to do this in line with tenant expectations and wishes.
- 7.5 Since the beginning of the Covid-19 pandemic, there was an understandable decrease in the amount of resident engagement activity which could reasonably take place. We therefore ensured that re-engaging with residents was an organisational priority in 2021/22 and 2022/23. This resulted in reformation of the residents panel who were consulted on a range of matters including policies, annual reports, annual assurance statements and events planning.
- 7.6 We would also like to get more feedback from customers on the value for money statement and do some work around what's important to customers in relation to value for money. All indications are that we achieve very good results (as noted throughout this document), but:
- It would be useful to get customer views on this and
  - There is always room for improvement and getting input from customers may help us identify ways in which value for money could be enhanced
- 7.7 One of our key tasks over the course of this plan period will therefore be to involve customers with a view to further improving value for money.

#### **Action point #4**

*Consider how we can involve customers in helping define what value for money means to the Association and how this can be measured.*

## **8. The role of the Committee**

- 8.1 The Committee agrees the strategic direction of the Association and sets strategic and key operational targets and objectives. The Committee is ultimately responsible for what the Association achieves (or fails to achieve), and this includes ensuring that we achieve good value for money in all areas of our work.
- 8.2 This statement is first and foremost the Committee's. It provides a framework that Committee members can consult in relation to how the Association is

meeting its value for money objectives and can help give assurances, or otherwise.

- 8.3 The Committee routinely looks for the best outcome for the funds available and we have a prudent attitude towards spending and budgeting; this can be borne out by the fact that we are continuing to provide good services (as has always been the case), within what is (and has always been) a strong financial position.
- 8.4 Ongoing monitoring is carried out by the staff team, with formal reports on progress in relation to the action points starting to go to the quarterly Assurance sub-Committee from May 2023 and to the Management Committee as required (but at least once a year).
- 8.5 The Committee will continue to expect good value for money in everything the Association does and will oversee the implementation of the action points included in this statement.

## 9. Possible future considerations

- 9.1 In line with the Association's commitment to continuous improvement, we will continue to seek ways of delivering better value for money. Possible considerations for the future include:
- Further improve value for money by seeking more opportunities for joint working with other RSLs, particularly the other local Drumcog members.
  - Assess the degree to which further investment in welfare rights and wider role services would represent good value for customers' money.

### **Action point #5**

*Continue to seek ways in which joint working could further improve value for money.*

- 9.2 Value for money is fluid rather than static and other opportunities will present themselves throughout the period covered by this statement. These will be identified and considered by the staff team in the first instance and then discussed with the Committee who will decide what course of action to take.

## 10. Next steps

- 10.1 This statement will be reviewed no later than April 2024, and earlier in response to legal, regulatory, best practice or business requirements. In the meantime, and as noted in section 8.4, the Assurance sub-Committee will receive exception reports where action points are not going to be met and the Management Committee will receive an annual progress report in the first quarter of each financial year.

## Appendix 1

### Action points

Ref	Action	Lead officer(s)	Timescale
1	<i>Explore in more detail why there has been a reduction in the number of tenants who believe that their rent is very good or fairly good value for money.</i>	DD/CSAM/SHO	October 2024
2	<i>Carry out a value for money survey on the rents and services charges at 35 and 41 Kingsmore Gardens by the end of March 2024</i>	DD/SHO	March 2024
3	<i>Carry out a value for money review of the factoring service in 2023/24.</i>	DD/CSO	March 2024
4	<i>Consider how we can involve customers in helping define what value for money means to the Association and how this can be measured.</i>	CSAM/CSO	December 2023
5	<i>Continue to seek ways in which joint working could further improve value for money.</i>	D/DD/CSAM	From April 2023