

Value for Money (VfM)

Social housing landlords have always aimed to provide Value for Money. However current economic climate and greater tenant awareness & transparency of rent paid, the pressure is on landlords to make the best use of resources (funds).

Landlords need to be more pro-active about Value for Money and using their assets (properties) and revenue (income) more effectively to build and maintain homes.

What is Value for Money? (VfM)

Value for Money is not a single standard and has several definitions. However, VfM is usually described as the **3 Es**. For VfM to be achieved, all 3 criteria/measures need to be met:

Effectiveness = achieving what you set out to do (objectives and outcomes)

Economy = careful use of resources/funds within agreed controls to limit expense, time and effort

Efficiency = carrying out the same level of activities/processes in a well-timed, simple manner with minimum waste

An example of the above may be a programme to replace boilers:

Effectiveness = customers living in warm, quality, well maintained and low energy home (outcome)

Economy = the cost of supplying, installing and maintaining each boiler

Efficiency = the number of boilers fitted satisfactorily/right first time, within a reasonable time period.

Which services can Value for Money be used in?

Put simply, Value for Money can be applied to the majority of the services provided by the landlord including:

- Repairs and maintenance;
- Estate Management;
- Tenant/Resident Participation;
- Anti-social behaviour;
- Supporting people;
- Office functions;
- Gas Servicing;
- New developments

What are the benefits of Value for Money?

Achieving VfM shows that landlords are using their assets to maximum benefit, saving costs whilst giving quality services and delivering high satisfaction at a suitable price.

Other benefits of VfM are:

- Improves key services;
- Improves tenant/resident satisfaction;
- Improves social value (benefits the society and the economy);
- Reduces service charges;
- Creates jobs

Tenants, Stakeholders, Welsh Government, and the Regulation department want to see that this is happening.

Involving Tenants in Value for Money (VfM)

Working towards VfM should be a partnership approach with shared responsibility being taken by both landlord and tenants. Involving tenants in the VfM process can take several forms and it's important that tenants feel they are able to get involved using methods which are suitable for them.

Tenant involvement has been successful in:

- 1. Shaping VfM services**
- 2. Assessing/monitoring/scrutinising services**
- 3. Making decisions about VfM**

Some practical examples of the above are:

- VfM monitoring group;
- Tenant suggestion/email scheme;
- Monitoring trends in compliments/complaints;
- Task and finish groups
- Tenant Auditors/Inspectors
- Scrutiny Groups

Landlords are now being asked to show that VfM is 'embedded' in everything they do: Tenants have an important role to play in this process.

We can help you...Whether you are a Landlord or Tenant Group...Get in touch