Community Counts
Milnbank
Housing Association
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TO:	Management Committee
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SUBJECT:	VALUE FOR MONEY STRATEGY 2025/26
DATE OF MEETING:	11 NOVEMBER 2025
APPROVED BY:	Paul Martin (CEO)

VALUE FOR MONEY STRATEGY

LS/NOVEMBER.2025/REF.S17

CONTENTS **PAGE**

1. MHA's Strategic Objectives

2. MHA's Values

3. Regulatory & Legislative Requirements

4. Policy Introduction

5. Aims & Objectives of VFM Strategy

6. Defining Value for Money

7. Benchmarking

8. Responsibilities

9. Summary

10. Equalities

11. Data Collection

12. Monitoring & Review of Strategy

Appendices
A - VFM focus 2025/26
B – Equality Impact Assessment for VFM Strategy

1. MILNBANK HOUSING ASSOCIATION (MHA) STRATEGIC OBJECTIVES

MHA's mission is to provide excellent homes and services in a thriving community. We believe that people living in the MHA community should:

- Have warm, safe, and affordable homes, and receive excellent services from MHA.
- Live in neighbourhoods that are clean and well cared for, with real community pride.
- Have access to opportunities and services that promote a good quality of life.

2. MHA's VALUES

Working as 'One Milnbank' so that we offer the same quality of services, support and housing to all tenants and residents.

3. LEGAL & REGULATORY COMPLIANCE

The Management Committee leads and directs MHA to ensure good outcomes for its tenants and other service users. MHA adheres to the Scottish Housing Regulator's Regulatory Framework Financial & Regulatory and to all relevant legal employment requirements associated with this policy.

The Scottish Housing Regulator (SHR) Regulatory Framework (2019) provides clear guidance on VFM and linking to rent affordability, to ensure our approach is both robust and appropriate. The SHR expects housing associations to have a VFM Strategy and systems in place to ensure the strategy is being delivered.

Regulatory Standard 3 states "The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford".

SHR Standard 3.1 states "The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times".

The Scottish Government's Social Housing Charter, (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".

Section 4 below demonstrates how MHA achieve the above regulatory and legislative requirements.

MHA also works to the Gov. UK Value for Money Standard & Code of Practice which provides VFM standards that registered providers of social

housing must comply within and the supporting Code of Practice (June 2021)

4. POLICY INTRODUCTION

4.1 The application of Value for Money (VFM) is fundamental to Milnbank Housing Association (MHA) operation and underpins the achievement of the Association's vision and values. MHA's commitment to achieving VFM is relevant to the following strategic objectives stated in the Business Plan 2023/26:

> *1) To do what matters most for tenants, other customers, and the community.*
>
> *2) To manage our assets and resources well, maximising investment in our housing and providing new housing at a time of rising costs and other challenges*
>
> *3) To enhance the growth and development of MHA staff, while maximising the deployment of available technology as an integral part of our commitment to providing VFM and the highest standard of customer*

5. AIMS & OBJECTIVES OF THE VFM STRATEGY

VFM is about achieving the right balance between Economy, Efficiency and Effectiveness.

> *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.*

This essentially means that MHA needs to assess the impact of all its costs to best meet all its stakeholder's needs by spending efficiently. VFM needs to be achieve economic, social impact and environmental sustainability benefits. This approach incorporates economic, efficiency, and effectiveness and the SHR's VFM standard, but also captures the vision and values of MHA.

VFM is important to MHA as we want to ensure that we can achieve our Business Plan priorities every year to maintain our existing homes, manage liabilities, improve our operating cash flows, manage costs to not only protect but to also add value to the services we deliver to tenants and, where possible, continue our development programme. VFM is not only about achieving excellent quality services to the satisfaction of our

tenants and service users, it also about helping MHA to contribute to important services that the MC support.

6. DEFINING VALUE FOR MONEY

As the governing body, the Management Committee (MC) set the strategic priorities for MHA achieving VFM. The MC will subsequently, on a regular basis, review these aims and objectives to ensure that MHA is achieving VFM. The is done as follows:

MHA Customers	*Tenants and factored owners express high levels of satisfaction with our services in all out main services areas.*
	Tenants find our rents affordable and good VFM
	Customers receive a consistently high level of service from MHA.
	MHA has good knowledge about customers expressed needs and priorities
	MHA deals promptly and fairly with customer complaints and seeks to learn from complaints.
	MHA makes increasing use of technology in our customer services.
MHA's Services	*We continually seek ways to improve and make changes to our services.*
	MHA's services and use of resources are responsive to tenants' priorities.
	VFM Indicators show that MHA is a high-performing organisation in comparison with our peers.
	The Asset Management Strategy provides a framework for MHA to manage our stock proactively and support Business Plan objectives. It links knowledge of the stock gained to date, the property requirements in response to local demand and tenant aspirations and what is affordable within our financial plan.
MHA's people and organisation	*Our staff work in an efficient and effective way and receive training and support to achieve this.*
	Have performance management and scrutiny functions which are effective at driving and delivering improved VFM performance
	We make increasing use of modern technology to help us to work smarter and more efficiently, using tools such as automation and workflows.
	We make changes to our organisational structures to improve outcomes.
MHA's Resources	*MHA remains a financially viable and sustainable business.*
	We set budgets and control expenditure to achieve VFM.

	Our business processes avoid waste and are designed to facilitate efficiency and simplification where possible.
	We get the best value when we are procuring works, goods, and services. *MHA's Procurement Policy recognises the importance to achieve optimum VFM in a sustainable manner by ensuring that whenever appropriate, we assess quality, cost and sustainability. It is recognised that the lowest cost will not necessarily be the best value in the longer term, and that we cannot award contracts based on price alone. Therefore, MHA will use where appropriate all available mechanisms to obtain VFM from spending on goods, works and services. This may involve the use of framework agreements, partnering, collaboration with other organisations, and procurement processes.*
	We work in partnership with like-minded organisations to achieve better VFM. *Wider Role is a high priority for MHA and one of our Key Values within our Mission Statement as we recognise that providing homes is only one element of our service. MHA will ensure VFM is achieved by seeking and working with grant funders to maximise income and with community organisations to assess the requirements and needs of the community and ensure, where we can, the best fit of the limited resources to provide best value.*
	We seek to make efficiencies without compromising the overall quality of our services, to help keep rents affordable and support investment in tenants' homes.

7. BENCHMARKING VFM

MHA sets out actions for achieving VFM as highlighted in Business Plan priorities approved by the MC. These actions along with responsible persons, resource requirements and timelines are detailed in Appendix A.

In addition to the action plan, MHA is committed to continuous improvement and uses key performance indicators to manage and improve our performance. The mechanisms used are noted below and will be regularly discussed by the MC and Leadership Team to provide assurance that our services strive to achieve VFM.

- Regular updates of our Business Plan.
- SHR data (e.g. measuring our range of services against other housing providers).
- Having achievable VFM targets against the continual review of our service provision

• Tenant satisfaction surveys used to gauge the quality of our services provided, which is a critical component of VFM.
• Benchmarking the outcomes with external sources (e.g. internal audits, Scottish Housing Network Benchmarking reports)
• Providing a detailed business case for any investment or partnership opportunities.
• Updated financial planning identifying areas for investment and the allocation of resources
• Acknowledging that MHA staff have the skills and expertise to deliver the VFM strategy and noting the value of opinions of all staff in setting these.

8. RESPONSIBILITIES

8a. Management Committee (MC)

●Is responsible for maintaining a robust assessment of all its assets and resources and a robust approach to decisions on the use of resources to deliver the Business Plan.

●Approves the VFM strategy and action plan.

●Seek to ensure a culture of VFM in all aspects of MHA's activities and ensure that challenging but achievable efficiency targets are agreed as part of the annual financial planning process. VFM is a standard consideration in all reports primarily identified within the sections 'Relevance to Business Plan', 'Financial Implications' and 'Risks' and this is designed to ensure that the MC are aware of all the options and implications for each decision.

8b. Chief Executive Officer (CEO) and the Leadership Team (LT)

●Responsible for ensuring that VFM is considered in both the day-to-day management of their services and in respect of any new proposals or service reviews. They need to ensure that VFM is understood by all and that actions relevant to their services are completed.

●Responsible for ensuring that a VFM culture is embedded throughout MHA and that decisions taken consider VFM across all activities.

8c. All MHA Employees

●Are made aware of the importance of VFM through training, and team meetings, and encouraged to contribute ideas for improving VFM.

●Assist in the implementation of improvements and the development of performance targets, and all employees will have at least one VFM related objective contained within their annual staff appraisal.

8d. Other partnerships

●MHA is committed to developing partnerships with community groups, GCC and other registered providers where the partnership will achieve

VFM and deliver services that MHA could not deliver as effectively on its own.

●Partnerships will only be entered into where the aims and objectives are clear and can be linked to the strategic objectives of MHA, and the association is satisfied that joining the partnership is the best way of meeting its objectives. Our partners will be briefed on how we are approaching VFM and how they can contribute to the strategy where appropriate.

9. SUMMARY

9a. MHA's strategic framework is designed to ensure that all activity is considered, developed, and delivered through a VFM approach. This means that VFM will be woven into all supporting strategies and policies, committee reports, business plans, work plans and MHA's business strategic objectives, thus ensuring that VFM is considered at every level of the organisation.

9b. MHA business strategic objectives are set out the high-level principles and strategic direction for the Association. Customer and stakeholder engagement forms a key part MHA's VFM approach. This includes engagement with tenants, owners and other customers, funders, lenders, boards, local authorities, strategic partnerships, and regulatory bodies to ensure our strategies are delivering against VFM principles.

9c. MHA business strategic approach to VFM during 2025/26 is as follows:

We will hold conversations with our tenants to understand what their needs and priorities are, to inform decisions about where we should provide better VFM.
Improved performance achieved on VFM indicators where MHA's results are significantly poorer than our peer group (as stated in MHA key performance indicators).
Keep firm control over MHA's running costs and reduce non-essential expenditure, to maximise the resources available for investment in tenants' homes.
Seek opportunities for efficiencies in procurement costs through partnership working with other CCHAs.
Continue to implement the new MHA rent structure, which seeks to make our rents fairer and more consistent.
Develop a financial plan for covering MHA's operating costs and funding required investment in the housing stock. This will include a plan for future rent increases to bring MHA's current exceptionally low rents to a level that will bring MHA's income and costs into a more sustainable balance and continue to offer tenants good VFM.
Test rent affordability against the MHA benchmark which is that a working household (one full-time earner on the NLW) should not spend more than 30% of their net earnings on rent. In 2024/25, all MHA rents pass this test comfortably, which provides some headroom for the future increases that will be needed.

(Appendix A provides details of areas where VFM will be examined during 2025/26).

10. EQUALITIES & HUMAN RIGHTS

MHA's is committed to equal opportunities, and we will respond to the different needs and service requirements of individuals, and we will not discriminate against any individual for any reason outlined in Equality & Human Rights Legislation. Appendix B provides details of our Equality Impact Assessment Statement of the VFM Strategy

11. DATA COLLECTION

MHA will manage all personal data in accordance with our obligations under the GDPR regulations and the Association's Policy.

12. MONITORING & REVIEW OF STRATEGY

The VFM Strategy will be reviewed by the Management Committee annually in line with the Business Plan updates, or as otherwise deemed necessary.

APPENDIX A

VFM FOCUS 2025/26

VFM ACTICITY	DETAILS	REPORT TO	COMPLETION DATE
Tenant Satisfaction with MHA services	MHA conduct a comprehensive face to face and/or telephone TSS to at least 40% of tenants across the community. Prepare the tender document for a consultant to undertake a comprehensive tenants satisfaction survey for use from April 2026.	Management Committee Management Committee	Feb. 2026 Jan. 2026
Benchmark MHA's performance against other housing providers	Using the ARC information from the SHR's website, benchmark MHA's performance against peer groups and against East End peer groups. These covers: ●Efficiency (repair service, voids, tenancy offers, staff absence). ●Financial (staff costs, rent collected, arrears due, void loss). ●Value to the customer (Tenant overall satisfaction, rent is VFM, SHS, EESSH, satisfaction quality home, tenancies sustained) Repeat the above using the Scottish Housing Network Benchmark figures.	Management Committee MHA residents (website & annual report)	Aug. 2026 From Sept. 2026
Benchmark MHA's costs against other housing providers	Using the ARC information from the SHR's website, benchmark MHA's costs against peer group. These covers: Turnover & debt cost per unit, staff costs, surplus/deficit, and management & maintenance costs.	Audit & Risk Sub-Ctmm.	March 2026 Aug. 2026

		MHA residents (website & annual report)	
Benchmark MHA's **rent levels** and **rental comparisons**	MHA's rent levels are one of the lowest in Scotland when compared against other housing providers peers and national averages. The MC will continue to monitor rent levels and comparisons as part of the Rent Strategy 2026/27.	Management Committee	Nov. 2025 Jan. 2026 February 2026
Organisational structure & on-going monitoring	As highlighted in the Business Plan and supporting Work Plans, key areas will be examined during the financial year to ensure that VFM is demonstrated. Reports will be presented to the relevant committee meeting to provide supporting details of any proposed changes. MHA will continue to implement the 3-year rolling programme of internal audits to ensure MHA meets the aims of the VFM Strategy and to work on recommendations made. Achieving VFM links into our Customer First Strategy. To re-enforce the importance of MHA achieving VFM, staff will be encouraged to contribute ideas for improving VFM at staff/MC development days. This will also be raised at the next staff appraisals.	Governance Sub-Ctmm. Management Committee Audit & Risk Sub-Comm. Management Committee Governance Sub-Ctmm. Management Committee	On-going until Dec. 2026 Feb & Aug. 2026 Feb, May, Aug & Nov. 2026
Partnership Working	The financial pressures facing MHA mean that we will continue to be identifying further suitable opportunities for partnership working as a possible route for achieving efficiencies that can be re-invested in achieving our core landlord objectives. (Examples include joint gas servicing procurement with 2 local HA's)	Management Committee MHA residents Management Committee	On-going until Dec. 2025

	Our recently introduced Wider Role Framework aims to provide clear accountability & consistency through outlining the selection and prioritisation of wider role projects and monitor KPI's on an annual basis. A working group has been established to implement & monitor the framework. Our maintenance procurement framework sets out how MHA procures contracts for the supply of services, goods, materials of works ensuring that MHA maximises VFM when procuring contracts. The Procurement Policy is scheduled for review in December 2025.	Management Committee Management Committee	Ongoing from Nov. 2025 Dec. 2025
Annual **rent increases**	Whilst keeping to our guiding principles for applying annual rent increases and being mindful of the cost-of-living pressures, MHA's future cashflows will need to be strengthened with rental income sufficient to cover operating costs. ●As with the last financial rent increase, the 2026/27 rent increase will need to take the above into consideration. ●Work on seeking efficiencies in our costs will continue for the foreseeable future with the MC reviewing reports monthly. ●Any agreed changes to the above will be incorporated into our new Business Plan review (2026/29)	Management Committee MHA tenants Budget Briefing Session Management Committee Management Committee	Feb. 2026 Feb. 2026 Dec. 2026 Until Dec. 2026 Feb. 2026 March 2026 April 2026
Rent Restructuring exercise	This did not alter our global income, it rationalised rent charges so that rent levels for individual properties of the same size and sharing the same characteristics were set		

	in a fair and consistent way. As part of the Rent Strategy 2026/27, a report will be provided to show the results of the first year of implementation.	Management Committee	October 2025
Rent Affordability	As part of the Rent Strategy 2026/27, an exercise will be undertaken to ensure that MHA tenants pass the 30% rent to income test as this affordability measure provides better VFM.	Management Committee	February 2026