



Wheatley  
Group

HouseMark  
Scotland



# How do you know if you are providing value for money?

Defining, managing and demonstrating  
Value for Money in Scotland



## Foreword

This report is intended as a contribution to the developing debate on Value For Money (VFM) in Scotland.

It is not a guide on how to achieve VFM but, instead, focuses on how to define, manage and demonstrate it.

Our findings reflect the practical experience in implementing VFM of housing workers and tenants from local authorities and housing associations across Scotland and the knowledge of HouseMark and the Chartered Institute of Housing, built up over ten years of providing advice and support on VFM.

Our recommendations are neither intended to be prescriptive nor to suggest substantial additions to regulatory workload.

Instead, we set out an optimum approach that individual organisations can select from and adapt depending upon their size, geography and purpose.

**Annie Mauger**  
CIH Scotland

**Hazel Young**  
Wheatley Group

**Kirsty Wells**  
HouseMark Scotland



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## Executive Summary

To date, the VFM debate in Scottish social housing has been driven by the Scottish Housing Regulator (SHR). The SHR deserves much credit for this.

Our research findings validate the decision by the SHR to make tenants the primary focus of its perspective on VFM.

However, discussions with senior SHR officials indicate that the regulator is continuously developing its approach to VFM, and in this context we offer the following recommendations:

- SHR should broaden its VFM perspective to include future tenants and communities at large – without losing its primary focus on existing tenants
- Instead of adding more data requirements to the Annual Return on the Charter (ARC), the SHR should encourage housing providers to collect this additional data voluntarily
- SHR should offer the Scottish housing sector the opportunity to develop its own perspective on VFM before, and as an alternative to, developing a more prescriptive approach

Our research indicates that the sector has not only 'got the VFM message' but is capable of developing its own 'bottom up' approach which obviates the need for a significant increase in the regulatory burden.

We encourage the sector to demonstrate that it can tackle VFM without significantly increased regulation by adopting the principles set out in this report. We recognise that there is a huge difference in the capacity to collect and analyse VFM data between large and smaller organisations and thus recognise that landlords will want to select from, and adapt, our recommendations.

Nonetheless, we believe that the guidance set out in this report should form the basis of the sector's response to the VFM issue.

We encourage tenants and other stakeholders to be demanding and determined in securing transparency on VFM. Even the smallest social housing landlord has the responsibility to deliver VFM to its customers. Capacity can moderate expectations in terms of data gathering and analysis but cannot excuse any lack of commitment to demonstrate VFM.

In terms of guidance our thoughts are as follows.

VFM is not a straightforward concept in social housing: outcomes are often intangible and a broad range of stakeholders benefit from the value created. While tenants are the primary focus for both landlords and regulator, executives, governing bodies and those tenants involved in decision-making have to recognise and balance diverse value perspectives.

Achieving VFM requires the landlord to be clear about its purpose and role in various localities, which stakeholders it produces value for, and define what value and VFM means locally as part of the dialogue with tenants during rent setting.

The relationship between service costs and service levels needs to be made transparent so that tenants can 'follow the money' and understand what is driving the rent and whether VFM is achieved. However, our research indicates that most tenants recognise that VFM needs to embrace the needs of future tenants and communities in general.

If tenants are to be meaningfully involved in VFM, landlords need to engage in capacity building, identifying an appropriate 'involvement menu' that recognises differing tenant appetites for participation.

Managing VFM is about leaders building on a clear sense of purpose and pursuing a similarly clear set of principles to achieve success. Social landlords are already involved in a broad range of VFM delivery activities which serve as a useful starting point for considering a strategic approach to VFM.

Getting a grip on service cost and performance, asset management and procurement is critical to the success of the business and achieving VFM. Detailed cost and performance benchmarking is an essential prerequisite when demonstrating VFM as it offers a more useful source of data than Charter indicators and annual accounts when seeking to understand cost and performance drivers.

There is no silver bullet or aggregate measure to instantly understand VFM performance; it is a case of identifying a suite of measures that map to the areas of 'value' created and help you understand 'money'.

Such a suite could be simplified to create a VFM scorecard to focus on the most essential indicators of business success and simplify engagement with stakeholders. From this top level, you can drill down, where necessary, for a deeper level of analysis and transparency.

Data, however, is only part of the VFM equation. The narrative around VFM is equally important, as it can explain the context and the difficult choices that landlords have to make in securing VFM.

An increasing number of social landlords are looking to better understand their social impact by adopting evaluation methodologies such as Social Return on Investment (SROI). There is a fair degree of scepticism too, but for a sector that makes much of its social mission, it is becoming more pressing to evidence what it says it achieves. Social impact is part of the VFM equation, but it is for landlords to decide how far they wish to take this and which methods to adopt.

In terms of demonstrating VFM, measuring it is half the battle: you need to communicate it as well. Landlords should reflect on the extent to which the VFM information they provide for tenants is accessible and transparent so that meaningful involvement in shaping services and scrutiny can take place.

Essentially, VFM should not be seen as a regulatory prescript but good business sense. The findings of our practitioner sounding board demonstrate that the Scottish social housing sector recognises this.



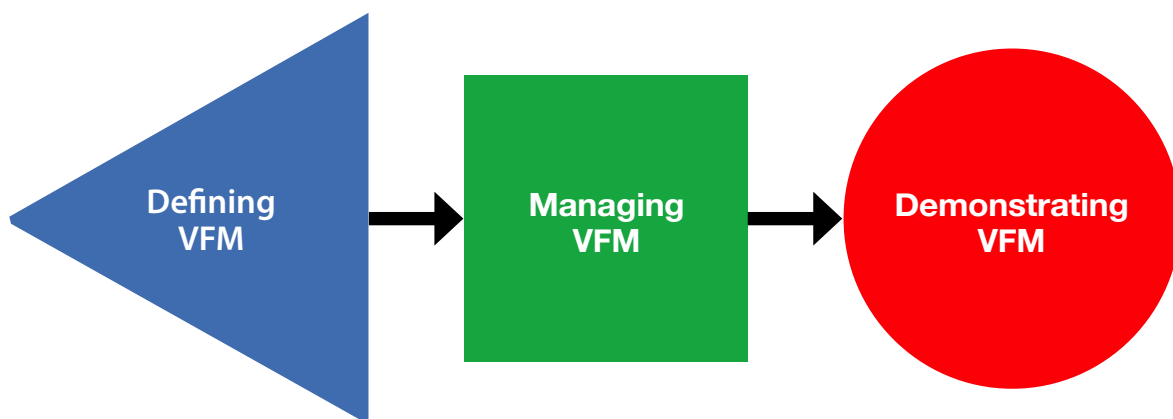
## Introduction: what is this about, why is it useful and who is it for?

This publication takes a fresh look at the value for money (VFM) of social housing in Scotland – an issue of growing importance across the sector.

VFM is achieved by doing the right things and doing those things right in the pursuit of social objectives that benefit a range of stakeholders. The importance of maximising value in this way is reflected in the regulatory framework. However, while the Scottish Housing Regulator (SHR) sets out high-level VFM expectations, not least of which is a focus on rent affordability and what tenants get for their money, there is significant capacity for social landlords, in conjunction with their tenants and other stakeholders, to define what VFM means locally in practice.

It is an opportunity for social landlords to set out their stall and assert what VFM means to them and their service users and how they will achieve and measure it. This publication aims to help you realise this opportunity.

It is a mix of 'thought leadership' - to get you thinking strategically about what VFM means to your organisation - as well as practical 'how to' guidance. It follows the format:



It is informed by research that drew on a range of sector perspectives, gleaned through a round table session, a sector sounding board, survey and interview work. We would like to acknowledge and thank all those who contributed. They are listed at **Appendix 1** along with further information about how we gathered the information.

This publication will be of particular interest to senior officers, members of governing bodies and those tenants involved in the decision-making and management of local authorities and housing associations.

## Defining VFM

VFM is not straightforward in social housing: we might be using the same language, but meaning different things. There is a range of value perspectives held by different stakeholders, and the outcomes that fall to them often have an intangible social dimension. As VFM is a regulated activity, the SHR's perspective is important too.

Generally, social landlords produce value by engaging in the following activities:

- building new homes
- tenant services
- community investment such as work to increase employability, financial inclusion and social cohesion
- supporting people to live independently
- commercial activity where the proceeds are reinvested in the above

Significant additional value may also be created in the process of delivering these activities, notably through good procurement practice and partnerships.

While tenants are the primary focus for this value, a significant amount of it extends to the wider community. It also benefits local and national government in the pursuit of their policy objectives<sup>1</sup>. Accordingly, executives, governing bodies and those tenants involved in decision-making must recognise and balance diverse value perspectives, including those representing existing and future tenants.

### SECTOR SOUNDING BOARD FINDINGS: VFM PERCEPTIONS

All of our social landlord respondents said they would be focused on VFM even if its achievement were not required by the Scottish Social Housing Charter. The main reasons given were:

- especially in tough times, tenants have a right to expect good value for rents
- to obtain maximum impact from available resources
- it is what effective businesses do
- so that tenants can hold us to account

What VFM means:

- 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 our 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, or 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

<sup>1</sup> The importance of working in partnership to achieve a broader range of outcomes for tenants, including the value of preventative work featured in the Wheatley Group/CIH publication: Frontline Futures. Available from: <http://tinyurl.com/l8n5h79>

'Money' needs to be understood in a social housing context. At its simplest, it means the rent tenants are charged. However, as the SHR expects transparency, this necessitates 'drilling down' to better understand the costs that underpin the rent.

*"Austerity means that we need to demonstrate to the council that housing is delivering to a wider agenda too. There are layers of value that start with tenants but extend to others in our communities."*

**Eileen MacLean, Renfrewshire Council**

*"This raises the issue of value for whom? An onion might be the right analogy to describe the layers of value. Looking at VFM through the prism of different stakeholder perspectives might be helpful: who has a legitimate interest in your VFM, what specifically are they interested in and what kind of assurance do they need?"*

**Jim Hayton, ALACHO**

Achieving VFM requires the landlord to be clear about its purpose and role in various localities, which stakeholders it produces value for, and to define (in association with stakeholders) what value (and therefore VFM) means locally. This then needs to be communicated to stakeholders so they know what to expect.

*"In some ways 'money' is the easy thing to measure but what is 'value' in the context of social housing? For example, services to tenants, financial stability of the organisation, reductions in carbon emissions, improvements in community cohesion, we could go on..... there's so much the government is interested in."*

**Bill Barron, Scottish Government**

*"We need to better communicate the value of what we do too - to the public in general, potential employees and those that do business with us."*

**Jim Hayton, ALACHO**

## 2.1 Regulatory perspective on VFM – what does the SHR expect?

The regulatory perspective on VFM is important because social landlords must comply with it. However, the regulatory position simply reflects what any social landlord with a commitment to its purpose should be doing anyway: making the best use of resources to maximise the value it creates at an affordable price.

*"For the Regulator the starting point is the regulatory framework which sets out our requirements. It is for regulated bodies to decide how these are met."*

**Ian Brennan, Scottish Housing Regulator**

Within the Regulator's framework, however, there is significant room for landlords, tenants and other stakeholders to define what value and VFM means locally. This section seeks to unpack the regulatory perspective on VFM to enable you to reflect it in your approach.

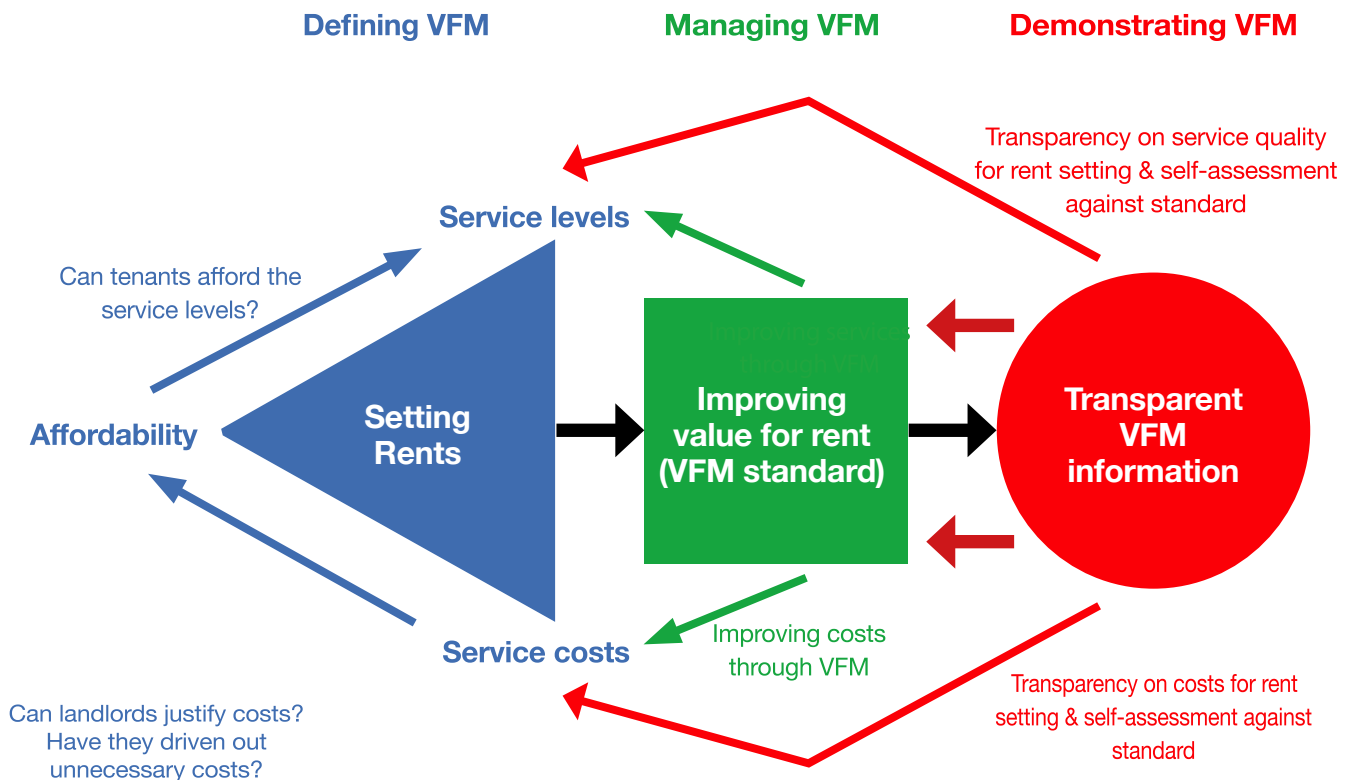
VFM regulation exhorts landlords to do two things: to manage and demonstrate VFM - both of which are dependent on a definition of VFM. The Regulator has, to date, consciously avoided setting out a definition of VFM. The social housing sector now has the opportunity to propose one.



Our analysis of VFM regulation is as follows and illustrated in **Diagram 1**.

The VFM standard is placed alongside outcomes for rent and service charge setting in a section of the Scottish Social Housing Charter (the Charter)<sup>2</sup> entitled 'Getting good value from rents and service charges'. This accentuates the link between what tenants pay and what they get and the fact that, to date, the Regulator's VFM perspective has been primarily tenant-focused. By implication, the SHR considers that its requirement for consulting tenants on rent setting provides a forum for discussions on VFM.

**Diagram 1. Regulatory VFM: building blocks**



Managing VFM - the VFM standard (Charter outcome 13) conforms to the longstanding regulatory expectation that landlords will take necessary steps to develop and implement a strategy of continuous improvement. Typically this means driving the three E's (economy, efficiency and effectiveness) through the business or doing the right things and doing things right. At its simplest, it is about being an effective business and getting the basics right, including providing quality services.

Demonstrating VFM – there is an expectation that landlords self-assess and report VFM performance alongside other Charter outcomes. As the VFM standard expects landlords to 'provide continually improving value for rent' it follows that the self-assessment should evidence the extent of their success in this endeavour.

Defining VFM - however, demonstrating VFM has another important dimension: to inform a meaningful and transparent dialogue in the course of rent setting. Accordingly the rent and service charge outcomes in the Charter (numbers 14 and 15) complete the regulatory framework for VFM:

- Consult service users when setting rents and charges to get the balance right between service costs, service levels and affordability
- Provide clear information on costs to inform the consultation

<sup>2</sup> The Housing (Scotland) Act 2010 requires Scottish Ministers to set standards and outcomes which social landlords should aim to achieve and to publish these in a Scottish Social Housing Charter. Tenants (and others) were consulted extensively on these outcomes over a two year period. The Scottish Social Housing Charter. (2012) Scottish Government. Available from: <http://tinyurl.com/mfu3t92>

In order to set rents and report against the Charter, the SHR expects landlords to be transparent about the relationship between service costs and service levels. Michael Cameron, the SHR's chief executive, has stressed the need for clear information:

*“Tenants should be able to demand and get transparency on how the costs landlords pass on to them help, or detract from, the provision of quality homes and services. So, landlords need to be able to demonstrate transparency on costs and a vigorous pursuit of value for money<sup>3</sup>.”*

The concern is that without transparency on costs and the outcomes of such spend, tenants might be shouldering unreasonable rent increases. Put simply, there is a difference between what something costs and what is charged – transparency enables tenants to ‘follow the money’ and understand what is driving the rent.

Ian Brennan, director of regulation, finance and risk at the SHR, has recently suggested what an effective dialogue with tenants on rent increases might look like in practice<sup>4</sup>:

- Give tenants genuine options and choices during rent consultations
- Have a mature dialogue with tenants about costs versus service levels
- Be clear on how tenants’ views are taken into account
- Be clear about what is affordable<sup>5</sup>

The SHR's concern about the incompatibility of inflation-busting rent increases and rent affordability has been restated robustly at conferences and in the press.

However, recent comments from Michael Cameron indicate that while tenants remain the SHR's prime focus, it is aware of the breadth of stakeholder interest in VFM and the potential tension between limiting rent increases and securing the resources required to develop new homes – a Scottish Government priority.

Michael Cameron states that:

*“We will view value for money from a tenant perspective, with a close relationship to landlords’ achievement of the Charter outcomes and the level and affordability of the rent tenants pay. ....That’s not to say that landlords should limit their consideration of value for money to this perspective; it is perfectly valid, and even necessary, for landlords to consider value for money from a range of perspectives.”<sup>6</sup>*

This underlines the challenging nature of making VFM decisions in social housing: equally valid stakeholder perspectives have to be reconciled in business planning.

## 2.2 Defining value locally

The Charter plays a key role in helping us understand the ‘V’ in VFM as it sets out expectations with regards to service outcomes for customers. So although there is a standard dedicated to VFM, it is the rest of the Charter that describes the value in question.

While the Charter focuses on core landlord services, a meaningful and transparent dialogue about the cost of services in the context of rent setting necessarily takes you beyond the Charter because ‘the rent’ is not simply the sum of Charter service spend.

3 At the CIH's annual conference in Scotland in March 2014. Speech available from SHR's website: <http://tinyurl.com/k4wtxg9>

4 At CIH Scotland's Finance Conference. Speech available from SHR's website: <http://tinyurl.com/kyrsupb>

5 The SHR has called for a national debate about affordability and SFHA is looking to further its guidance to members in summer 2015.

6 Michael Cameron (2015) Valuing Money. Inside Housing [Online] 30 March 2015. Available from: <http://tinyurl.com/orn485r> [Accessed: 14 April 2015]

Quite apart from the rent potentially being inflated by inefficiency and poor procurement practice, it might also reflect costs associated with:

- building new homes
- community investment activity
- commercial activities<sup>7</sup>
- debt servicing
- non-social housing activity overheads
- expensive discretionary spend items such as final salary pension schemes

*“The reality is that if a provider wants to continue to develop, then it is at least possible that existing tenants will be paying higher rents as a consequence.”*

**Ian Brennan, Scottish Housing Regulator**

*“It’s a good point. We raised this very question with our tenants two years ago as part of our consultation on the business plan: should a percentage of the Housing Revenue Account support new build? We had a resounding ‘yes’ because people understand the need for new homes in the area.”*

**Douglas Edwardson, Aberdeenshire Council**

*“Unless the Scottish Government is about to win the lottery and give us lots of money to build, it raises a thorny question of how local authorities and housing associations use the resources available to them to improve supply. This might be about saying to tenants, ‘would you pay a bit more for new housing?’”*

**Jim Hayton, ALACHO**

The experience of our roundtable attendees suggests that tenants are prepared to sanction the investment of resources that are beyond a strict reading of the Charter, may not have a direct benefit to them personally, but do have a bearing on the rent they pay, providing the business case is understood. However, it is important that landlords get the basics right before taking on the challenge of ‘added value’ activities.



<sup>7</sup> The Scottish Housing Regulator’s Analysis of the Finances of Registered Social Landlords 2013 noted that Registered Social Landlords (RSLs) made ‘a substantial operating surplus on social lettings activities and an operating deficit (nearly £25m) on other activities....RSLs need to take care that losses incurred in other activities are not impacting unduly upon tenants.’ The 2014 analysis noted, in relation to other activities, that ‘RSLs have operated at a deficit in each of the last five years’. The deficit now stands at ‘almost £42m with more than half of that being attributable to wider role activities’. Both reports available from the SHR’s website: (2013) <http://tinyurl.com/huzvosk> and (2014) <http://tinyurl.com/p5ht5uv>

## 2.3 Tenant perspectives on VFM – what tenants want

SHR research<sup>8</sup>, undertaken in 2013, gives a sense of what Registered Tenant Organisations (RTOs) deem to be important.

- The most important services:
  - repairs
  - complaints
  - anti-social behaviour
  - security of buildings and entrances
- The most important aspects of those services:
  - ease of getting in touch with landlord
  - value for money of the rent
  - being treated fairly and with respect
  - being kept informed about things that might affect the tenancy
  - opportunity to be involved in decision-making about the home and services

*“My definition of VFM? A sustainable community that works. It has to go beyond the house, you have to broaden it out. Everybody has some kind of connection in the community, so everybody benefits. If you do that for the community, the community will pay back. What gets in the way of VFM is the way that local services are locked into the way they’ve always done things and are held back by service boundaries and policies.”*

**Ruth Fraser, tenant co-ordinator, Aberdeenshire**

HouseMark’s analysis of 2013/14 customer satisfaction data<sup>9</sup> also provides useful insight as to what drives overall tenant satisfaction. As with previous years, satisfaction with repairs and maintenance has the biggest influence on overall satisfaction, followed by ‘listening and acting’ on tenants’ views, VFM of rent and the quality of homes. It follows that these are the issues landlords need to get right to keep the customer satisfied.

*“Value for money means getting things right first time. It means tenants having a say on what they want to pay for, and an honest discussion between tenants and landlords to set the boundaries for this. It doesn’t always mean going for the cheapest option, but looking for the best options that will serve tenants over time.”*

**Betty Stevenson, convenor, Edinburgh Tenants’ Federation**

The Charter and these findings set out general principles of value – a ‘starter for 10’ - but it is not until value is explored locally that you will really be able to crystallise what your tenants want and expect.

Tenants need to see a clear relationship between what they pay, the cost of delivery and the outcomes achieved in terms of high quality homes and services.

Once agreement has been reached about the kind of service offer tenants will get for their rent, appropriate measures (e.g. service quality) may be identified to monitor delivery of ‘the deal’.

<sup>8</sup> Final Report on Additional Engagement with Registered Tenant Organisations. (2014). SHR. Available from: <http://tinyurl.com/p2zkoun>

<sup>9</sup> STAR benchmarking service: Analysis of findings 2013/14. (2015) HouseMark. Available from: <http://tinyurl.com/qfmw924>

This is revisited in section 4. Meaningful tenant involvement in VFM raises questions about the need for capacity building and identifying an appropriate 'involvement menu' that recognises differing appetites for engaging with what is effectively running the business.

### Defining VFM: checklist of key considerations

- Do you have a clear sense of what you are trying to achieve? Do you understand:
  - who your key stakeholders are and what they value?
  - what your role is in the various neighbourhoods you operate in?
- Are you able to articulate what VFM means to your organisation based on this?
- Is your understanding of your operating environment sufficient to deliver VFM?
  - Do you have the data you need to understand:
    - the profile of your tenants
    - the needs and performance of your assets
    - market intelligence for business development and procurement?
  - Do you have the business analysis capability to draw insight from such data?
  - Does the executive and governing body understand the regulatory position – and good practice - with regards to VFM?
- Given your purpose and operating environment, is your current organisational form the best approach to achieve your objectives and maximise VFM?
- Have you the leadership and business skills to achieve VFM? Where are the gaps and how will you fill them?
- Do you have effective channels of communication with tenants, and other stakeholders, to discuss VFM?
- Are VFM roles clear between governing body, executive, staff and tenants? Do the various players have the information they need to properly carry out their roles?
- When is the quality of home and services good enough? Is this a debate worth having with tenants on specific services or improvement programmes in order to establish:
  - where you stand on quality (should you be aiming to perform in the top quartile for everything or be prepared to accept better than average on some?)
  - if better value would be obtained from spending on other priorities?



## Managing VFM

Managing VFM is about leaders building on a clear sense of purpose and pursuing a similarly clear set of principles to achieve success. Thinking through the application of such principles takes you from strategy to targeted action.

This section explores the activity that typically underpins a strategic approach to VFM. We start by looking at the range of VFM activity our sector sounding board is involved in; it serves as a useful starting point for considering your approach to VFM. Then we focus on the good practice associated with the key areas of service cost and performance and asset management, both of which involve the procurement of goods and services. Getting a grip on these three challenges is critical to the success of the business and achieving VFM.

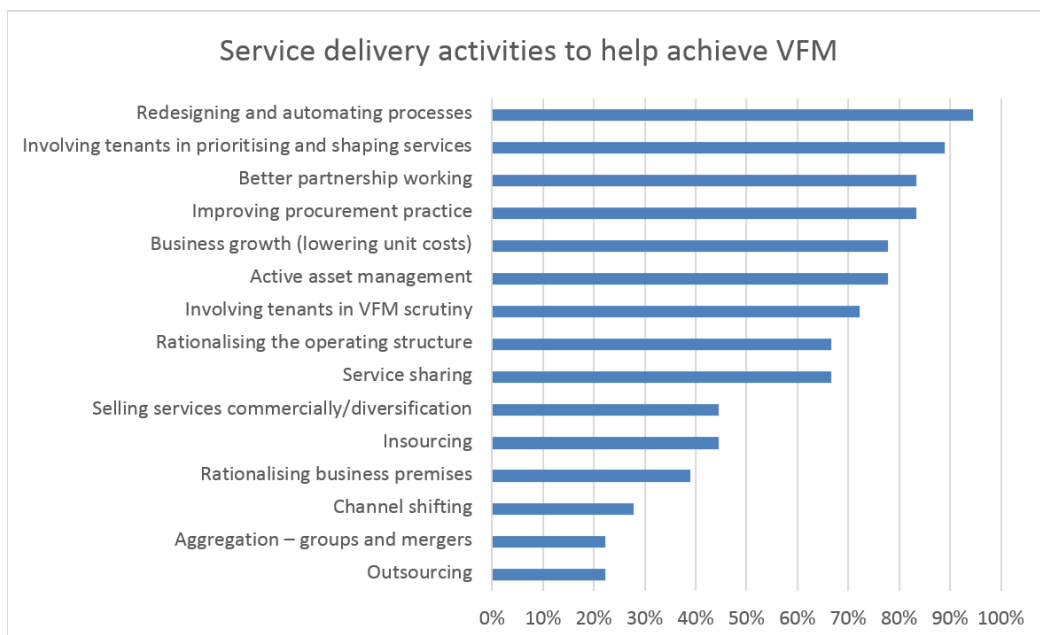
### 3.1 What are social landlords doing to achieve VFM?

#### SECTOR SOUNDING BOARD FINDINGS: VFM ACTIVITIES

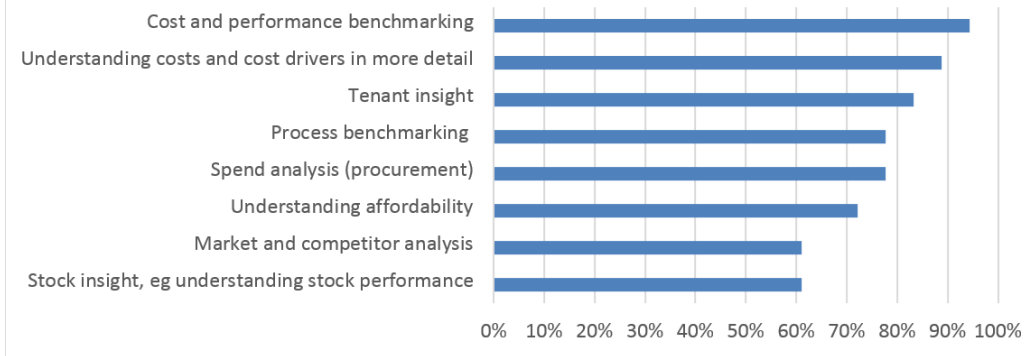
We asked our sector sounding board what kind of activities their organisation is undertaking to help achieve VFM, dividing the options under the headings of:

- service delivery
- business analysis
- behind the scenes

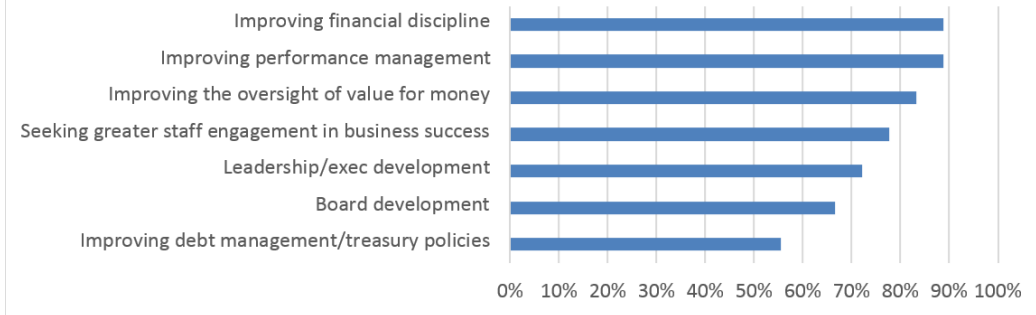
While the data are not meant to be a statistically representative snapshot of the sector, it does provide a sense of the scope of VFM activity.



### Business analysis activities to help achieve VFM



### Behind the scenes activities to help achieve VFM

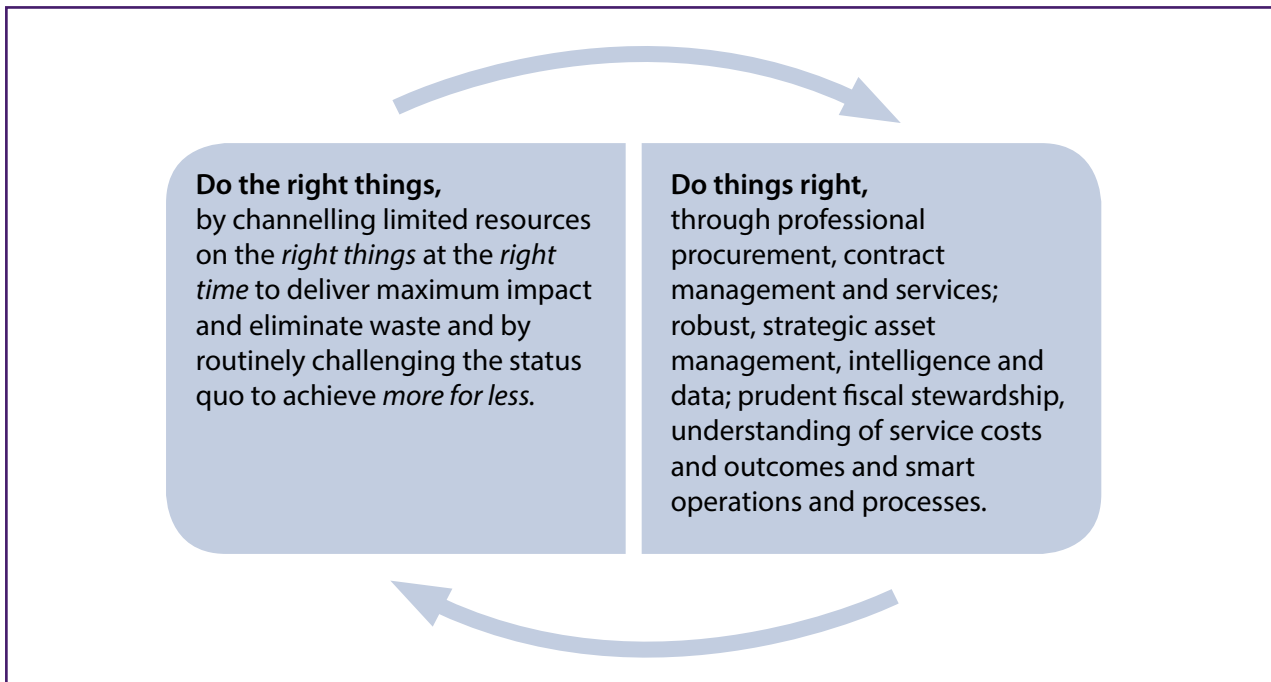


The least reported activities are as interesting as the most popular. For example, there seems to be a limited appetite for rationalising business premises, channel shifting, exploring groups and mergers and outsourcing. Surprisingly, although debt management has significant capacity to improve VFM, it appears not to be a great priority.

The activities reported by the sounding board are component parts of doing the right things and doing things right as they each reflect a contribution to the economy, efficiency and effectiveness landlords are seeking in their quest to secure VFM. To what extent do these activities represent issues you need to consider or address and how important are they?

For more ideas, take a look at the checklists at the end of sections 2, 3 and 4 as they each consider principles for a successful approach to VFM.





### 3.2 Tackling the big issues

#### Getting a grip on the costs and performance of services

*"Before you can deliver VFM, you need to find out how you are doing, which takes us back to benchmarking. It takes time to get it right but you need it before you can realistically speak to tenants and boards about strengths and weaknesses and have debates about balancing costs. Our scrutiny group is now looking at two years' worth of data asking questions about whether we are in the right place."*

**Hugh Carr, Dumfries and Galloway Housing Partnership**

Understanding the present state with regards to cost and performance is a prerequisite to identifying the issues that need attention and the solutions that will secure continuous improvement going forward. This requires objective benchmarking data of sufficient detail to enable analysis and insight. The resulting story of 'why it is so' serves as both a business improvement tool and a means of being transparent with tenants and other stakeholders.

The key data and narrative considerations for bringing such a story together are:

- What does cost data tell you about your spending on specific services and overheads?<sup>10</sup>:
  - does your resource allocation reflect organisational priorities?
  - what are the key cost drivers for specific services and what can you do about containing them?
  - are there contextual issues that need to be factored in?
  - what are you doing to contain overheads?
- How do costs relate to performance? Do performance levels justify the cost?
- How do you compare to:
  - appropriate peers – what kind of cost and performance is possible? How ambitious are your targets?

<sup>10</sup> Accounting practice varies across the sector, e.g. in terms of defining what is 'social housing' or 'non-social housing' spend as well as settling on an equitable approach to overhead apportionment between the two. This underlines the need for transparency with regards to overhead spending.



- yourself over time – are you getting better or worse? Remember this is about continual improvement.
- What are your strengths and weaknesses?
  - what are the priority areas you need to improve?
  - what action will you take, who will lead and what is the timescale?
- What overall conclusions can you draw about the efficiency and effectiveness of your operating model?

## Getting a grip on asset management

In social housing, excellent asset management is not about maximising financial returns, but securing maximum value from assets through understanding the stock and making intelligent (social) business decisions based on that understanding.

- Do you understand:
  - stock condition, maintenance costs and investment needs?
  - demand within the communities and markets you operate in?
  - the performance of the stock at an appropriate and proportionate level of detail for your business? Do you understand the variation in performance across the stock?
  - your strengths and weaknesses in terms of the current approach to assets? What are the priorities for improvement?

*“We’ve just completed a detailed Asset Management Planning (Net Present Value) exercise and it really was useful. We can see which of our properties are not viable on GIS, e.g. they’re draining us financially and difficult to let and/or maintain. We have the evidence now to help us make challenging decisions, e.g. to sell them when they become void.”*

**Douglas Edwardson, Aberdeenshire Council**

- Does this understanding inform:
  - an intelligent asset management strategy that aims to improve the performance (VFM) of the stock financially and in social and environmental terms (e.g. satisfaction with home and neighbourhood, energy efficiency)?
  - improvement, change of use, demolition and sale in accordance with the strategy, and where the benefit of such action on the future rental stream and social outcomes is understood?
- Do your key asset decisions over the past year evidence an active approach to executing the strategy and improved VFM?

Going forward, we expect the SHR to emphasise the importance of excellent asset management in achieving VFM.

## Getting a grip on procurement: an expert view from PfH Scotland

Good procurement practice has the potential to contribute to the achievement of VFM more than it has in the past, where the focus on implementing reform and managing compliance has sometimes ‘got in the way.’

We can learn from those organisations that are delivering best procurement practice by looking at the

principles that underpin their success. They fall into three themes which form the basis of Procurement for Housing (PfH)<sup>11</sup> Scotland's stepped approach to improving the VFM of procurement.

- Step 1 - develop a clear understanding of the current state of procurement practice and the potential contribution it can make. Principles include:
  - analysing and understanding spend, including who you spend it with and what you get for your money
  - assessing procurement capability, effectiveness and maturity
  - assessing regulatory compliance – now and readiness for the future (European Union, Social and Procurement Reform)
  - evaluating procurement and suppliers' performance and their current contribution in delivering VFM
  - identifying potential areas of improvement in procurement that could deliver better VFM
- Step 2 - develop and deliver an effective procurement VFM strategy. Building on the learning from step 1 this is about focusing resources on the actions most likely to deliver results. Principles include:
  - quantifying the opportunities identified in stage 1 through benchmarking
  - sharing the burden where possible - saving money, time and effort by working with others and using collaborative frameworks
  - changing the approach to delivery – VFM might best be delivered if the landlord focuses on its strengths: this might mean working with others (shared services), bringing services back in house as well as out-sourcing. It requires self-awareness and honest assessment
  - investing in developing procurement skills and processes
  - use of technology such as single point billing to simplify the business and reduce indirect costs

All of which needs to be kept proportionate - what works for a large landlord may be totally inappropriate for a smaller one.

- Step 3 - continually improve the contribution procurement makes to VFM. This is about building on success and ensuring that the procurement VFM strategy delivers year-on-year improvement in tenant satisfaction, yet at the same time delivers savings for future investment:
  - work with suppliers to develop the capabilities needed to deliver outstanding services and tenant experience
  - continue to benchmark to ensure that costs and service offerings remain competitive
  - ensure effective cost and contract management. Monitor maverick spend (purchases made that are not in compliance with standing orders, agreed contract terms or procurement processes)
  - Monitor procurement and supplier performance in delivering the VFM procurement strategy and take corrective action when necessary

Finally, landlords should not lose sight of the principle that procurement is more than saving costs; it is about using assets to maximum benefit, providing quality services and delivering high tenant satisfaction at an optimal price.

<sup>11</sup> [www.procurementforhousing.co.uk](http://www.procurementforhousing.co.uk)

## Managing VFM: checklist of key considerations

- Do you do the right things to maximise value for your stakeholders?
  - does your approach to VFM meet tenant priorities?
  - can you provide tenants with costed service delivery options during rent setting?
  - have you balanced the tenants' VFM perspective with that of other stakeholders?
  - do you have the right service delivery structure and staff to ensure VFM?
  - do your commercial endeavours contribute or detract from resources available for social housing activity?
- Do you do things right?
  - do you understand the actual and comparative cost/performance of services?
  - do you understand the cost, investment needs and performance of assets?
  - do you have a grip on procurement and treasury management?
  - do you get the best out of staff? How good is performance management?
  - how good is financial management and cost control?
  - are service charges calculated and recharged correctly?
  - can process engineering and new technology improve VFM of service delivery?



## Demonstrating VFM

This section is about helping you answer the question: how do you know you are any good? It provides a practical approach to measuring and demonstrating VFM that draws on Charter indicators, benchmarking and your own data and suggests how this may be complemented by social value measurement.

### 4.1 Making VFM judgements

There is no silver bullet or aggregate measure that allows you to instantly understand VFM performance, because of the complex and diverse nature of what social landlords do. It is a case of identifying a suite of appropriate measures that:

- map to the areas of 'value' you create (outcomes/outputs) – effectiveness
- help you understand 'money', i.e. service costs (inputs) – economy
- indicate how effective the process of converting inputs to outputs is – efficiency

Such a suite can be condensed to create a VFM scorecard to focus on the most essential indicators of business success and simplify engagement with stakeholders. We suggest a way of doing this at 4.4.

Making a VFM judgement is arguably a qualitative judgement based on an objective assessment of such data 'in the round' in the context of your operating environment and purpose.

Qualitative evaluation is important too, e.g. service reviews undertaken by tenant scrutiny groups or external experts, accreditations, complaints and awards. You might also undertake some form of social impact evaluation to better understand and demonstrate the added-value of a specific initiative or intervention such as housing support or community investment.

Reporting performance against the VFM standard is best served by a succinct, accessible, honest and self-aware narrative that draws on data to evidence the extent of continuous improvement in performance and cost within the organisation and compared to other landlords. This movement is often described in terms such as 'more for less', 'same for less' and 'more for the same'.

### 4.2 Measuring 'value'

The SHR has mapped a suite of indicators, the Annual Return on Charter (ARC), to the Charter outcomes to facilitate its own analysis of landlord performance as well as to enable scrutiny by tenants and stakeholders.

*"There is an opportunity to take [ARC] measures, extend them, and make them more about VFM by balancing performance with inputs – the resources that go in to services. It has potential to work well."*

**Craig Sanderson, Link Group**

According to a consultation document, issued when the current regulatory approach was being developed, a significant number of these indicators were identified as facilitating VFM assessment<sup>12</sup>. However, while this supports the assertion that the Charter provides us with a tenant-focused framework for understanding 'value', it overstates the role that Charter indicators can play in understanding 'money'.

<sup>12</sup> Available from the SHR's website: <http://tinyurl.com/ppuv5xq>

In seeking to measure value, some Charter indicators might be more important than others, depending on local context, and it is likely that they will need to be complemented by a broader range of actual and comparative performance data than contained in the ARC.

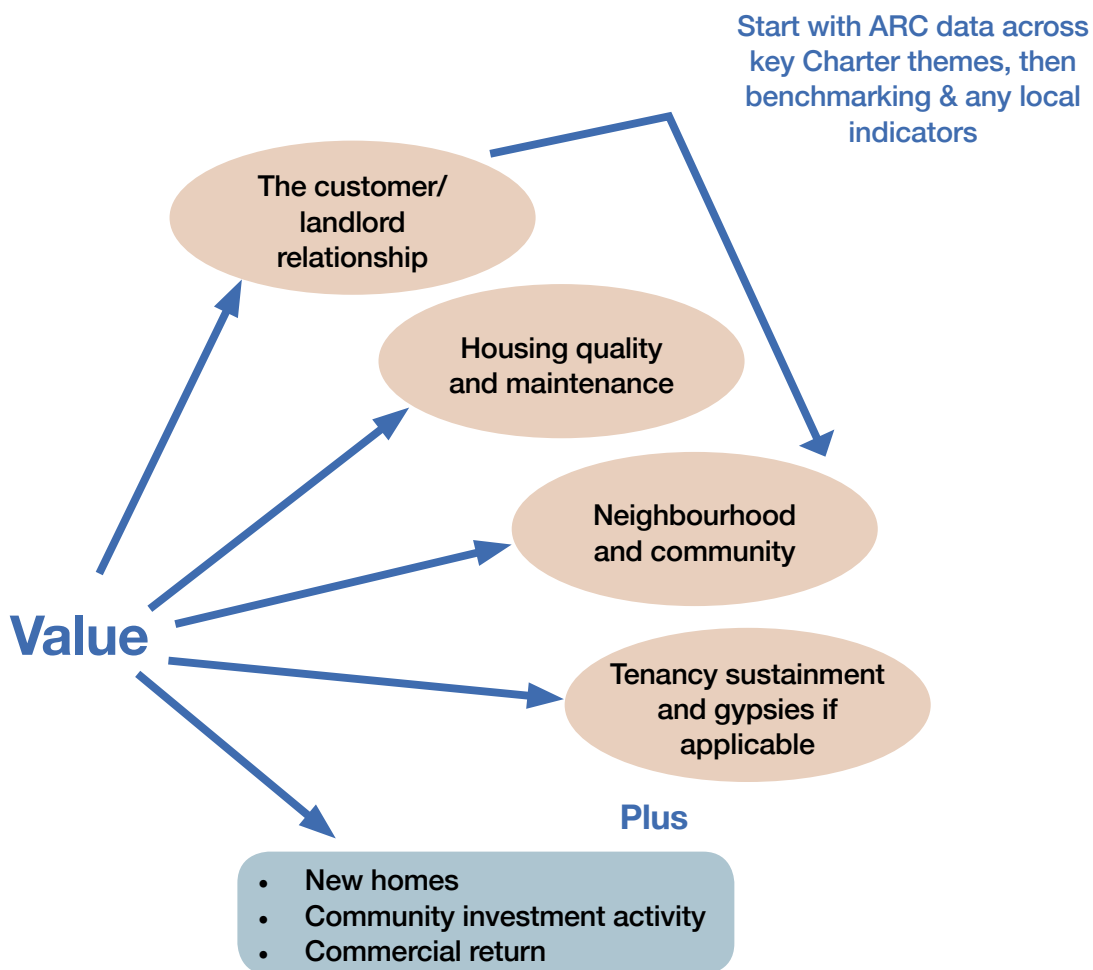
This is because your value is not confined simply to the social landlord services defined by the Charter but also covers:

- building new homes (e.g. units developed, ratio of grant/own resources invested)
- community investment activity (e.g. the number of people helped into work, percentage satisfied with programme)
- any commercial return reinvested in social activities

Benchmarking clubs play a key role supplying this broader range of data. In some cases you might even need to define your own performance measures<sup>13</sup>.

Diagram 2 shows how you can map your value to existing Charter and benchmarking club indicators, filling gaps, if necessary, with locally-defined indicators as well as those measures that reflect other value-generating activities.

**Diagram 2. Measuring the 'V' in VFM**



<sup>13</sup> Written in 2009, HouseMark's How to Develop and Monitor Local Performance Measures explores what a number of English tenant focus groups judged as being the most important services, and within those services, the aspects (or hallmarks) of what a good service looks like. It goes on to suggest how locally defined indicators may complement regulatory or benchmarking indicators to build up a system of VFM measurement that reflects the local tenant perspective and suggests how the data may be presented to facilitate tenant scrutiny. Available from: <http://tinyurl.com/6n2pe6>

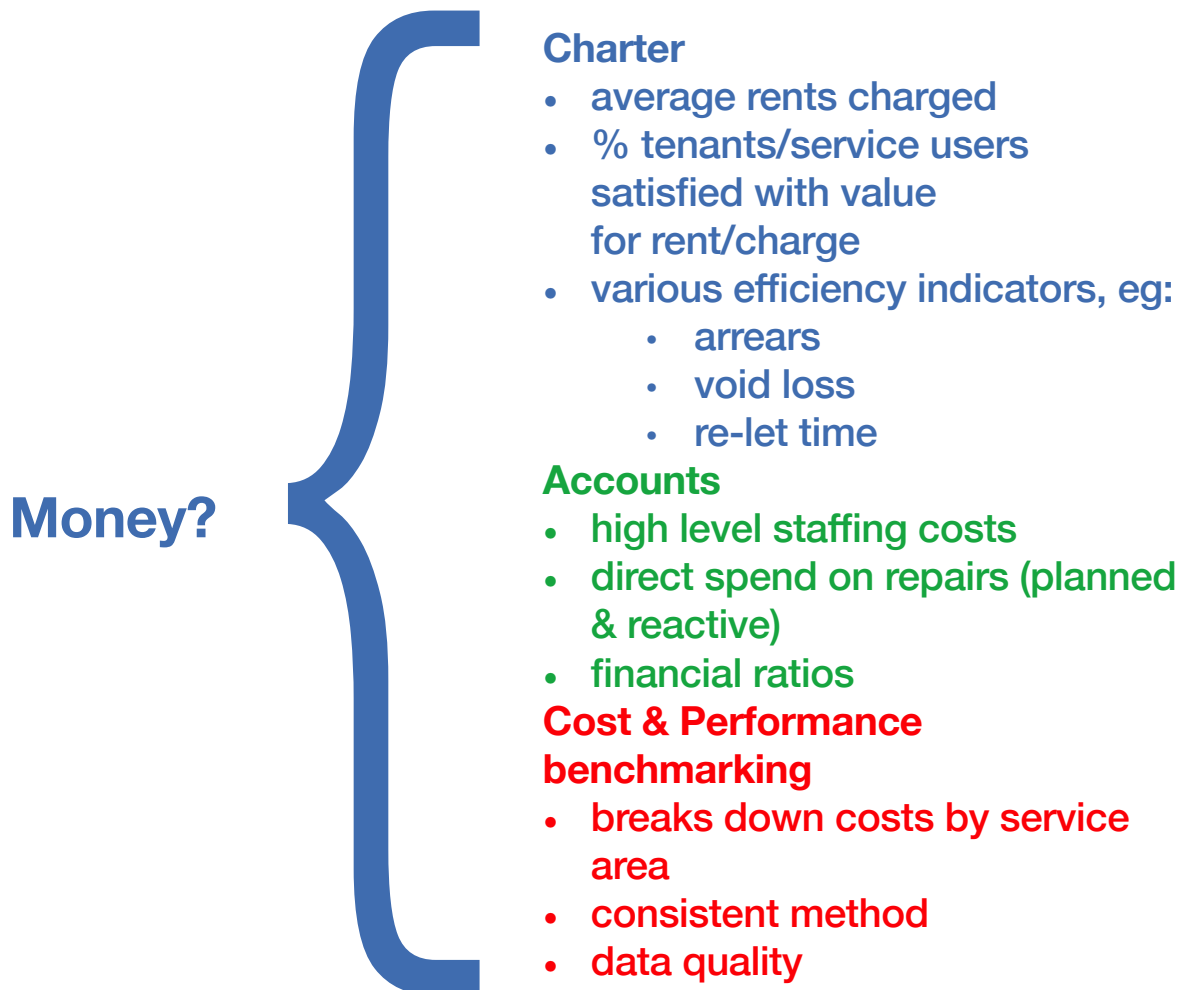
### 4.3 Measuring 'money'

Although some of the Charter indicators – see Diagram 3 - give us a limited sense of efficiency, e.g. void and arrears measures, they are insufficient to understand service costs, overheads and cost drivers.

Similarly, while housing association and local authority accounts data provide a high level cost indicator of management and maintenance costs, they do not explain 'where the money goes' within management and maintenance, e.g. between services and on overheads.

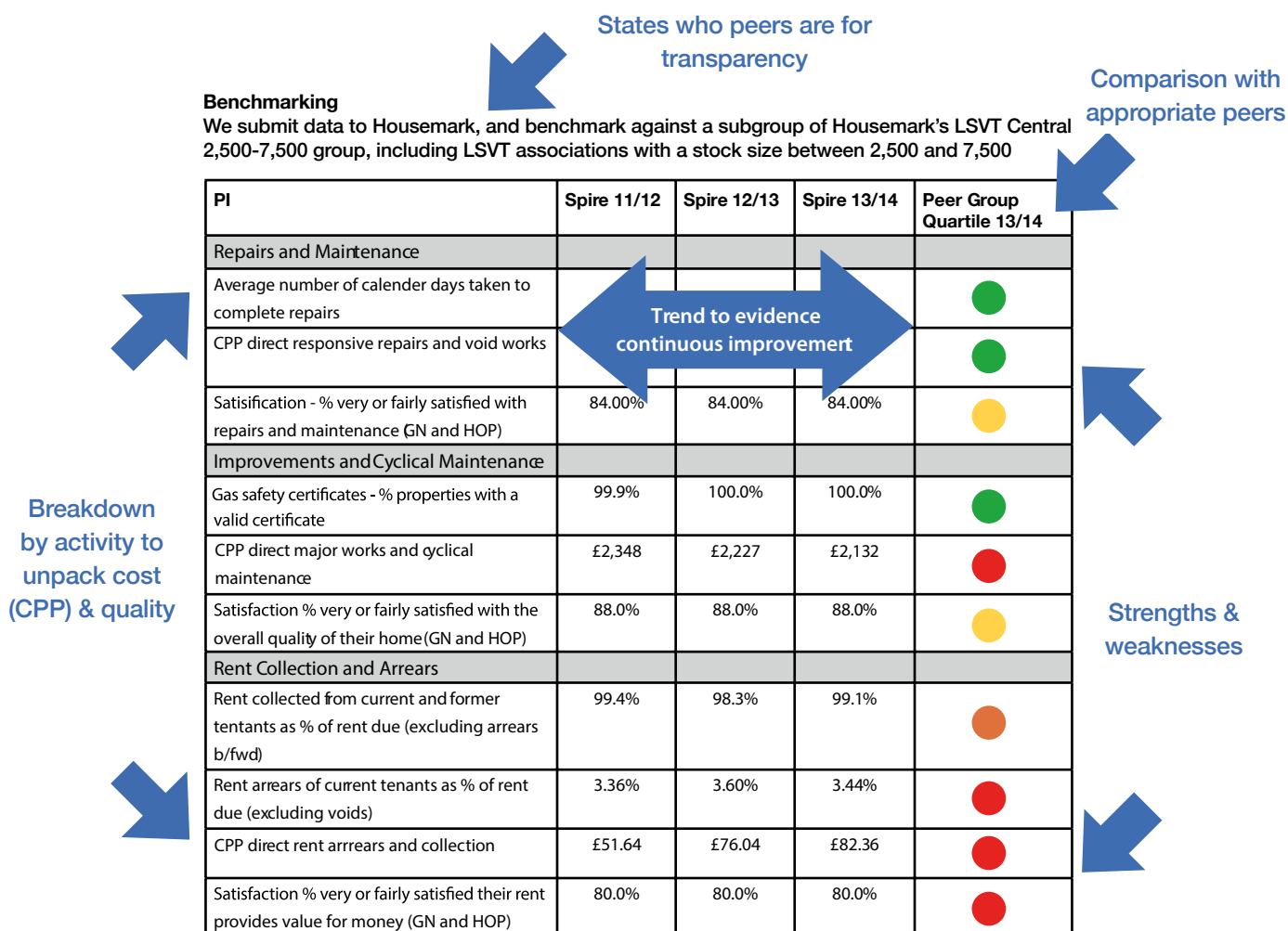
Differences in accounting practices among social landlords also limit the potential for credible peer comparisons at this high level. For example, practice varies in terms of capitalising major works, allocating direct and indirect social housing costs, and differentiating 'social housing' spend from 'other' activities. This is not a deficiency in accounting practice, it simply reflects that the accounts are limited as an analytical tool for understanding and improving costs. Conversely, accounts shine an important light on corporate VFM, as we note below. Diagram 3 explores the options for understanding 'money'.

**Diagram 3. Measuring the 'M' in VFM**



The principal means of demonstrating both 'value' and 'money' and the relationship between the two is through the transparent use of cost and performance benchmarking data, reported at a service level. This is illustrated in the following example from an English VFM statement.

**Diagram 4. Drilling down into individual services with transparent cost and performance data**



Cost and performance benchmarking was cited by both our round table and sounding board as the most important form of VFM measurement, followed by comparing cost and performance over time and tenant satisfaction results.

In practice, housing organisations will combine ARC data, accounts data and cost/performance benchmarking data when making VFM judgements and demonstrating these to stakeholders. Smaller organisations need to take a proportionate approach to data collection, particularly in terms of the extent to which they routinely seek to disaggregate costs, e.g. by activity. They may benefit from collaborating with similar organisations to establish the most essential measures for comparisons.

#### 4.4 Demonstrating VFM via a scorecard

A corporate VFM scorecard operates as a top-level view of the business and draws on the most essential indicators of organisational success.

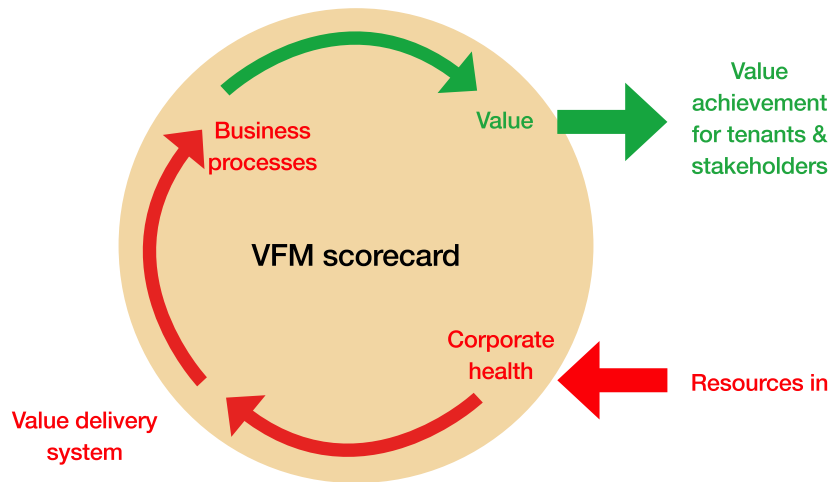
In addition to 'value' and 'money' measures, an overall corporate VFM scorecard needs to cover the efficiency of the 'value delivery system'.

Good social housing services are built on well-trained, engaged and motivated staff that turn up to work and want to stay. So it is important that the productivity and commitment of staff is understood.

Accounts data can also help us understand corporate health, e.g. operating margin and the relationship between growth in turnover and growth in costs. The use of surpluses and borrowing capacity (leverage) tell us something about the extent to which assets are being maximised in the interests of delivering on your purpose.

Diagrams 5 and 6 borrow from the classic balanced scorecard approach and HouseMark’s VFM scorecard to provide a starting point for thinking through what your scorecard might look like<sup>14</sup>.

**Diagram 5. VFM ‘in the round’: building your own scorecard**



Within this framework, we suggest the indicators set out in diagram 6.

**Diagram 6. What kind of measures?**

**Business Processes**

- rent/service charge collected
- average re-let time
- relets accepted at first offer
- calls handled at first contract
- repairs at first visit
- appointments kept

**People**

- staff satisfaction/engagement
- sickness absence
- staff turnover
- number of staff per unit
- key local measures on organisational development

**Business Processes**

- units developed as a % of stock
- satisfaction with new home
- overall satisfaction/net promoter
- satisfaction with VFM, repairs, ASB, neighbourhood, etc
- average SAP rating
- % vulnerable achieving independent living
- number of beneficiaries of key community investment activities
- key locally set measures

**Corporate Health**

- growth turnover, operating margin, etc
- operating costs per unit: management, maintenance, development, overheads
- overheads as % direct costs
- protecting income: void loss, arrears, bad debt
- non-social housing turnover, spend, margin
- average cost of capital
- leverage

Drill down for transparency on specific service costs and additional data on people, processes and value

<sup>14</sup> HouseMark members can access such a scorecard populated with the latest data they have submitted. From June 2015, members will be able to self-select the indicators they want to show in each quadrant of their scorecard from the HouseMark basket of Pls. HouseMark has also developed Charter storyboards which provide a flexible, interactive tool for benchmarking Charter performance. Available from: <https://www.housemarkbusinessintelligence.co.uk/Pages/Scotland.aspx>



## 4.4 Measuring social value

The previous section underlines the fact that you can get quite far in terms of measuring VFM by using existing available data sources such as ARC, accounts, cost/performance benchmarking and local indicators. This is essential if organisations are to keep things proportionate and avoid making an industry out of measurement.

However, an increasing number of social landlords see a business case for developing a deeper perspective on the VFM of their social and environmental impact, particularly with regards to activities such as tenant support and community investment. Typical drivers include the need to understand if key objectives are being met, to inform future plans and resource allocation and as vital evidence for winning business. There is no specific regulatory requirement to adopt social impact methodologies; it's for landlords to decide how far they wish to take this and which methods to adopt.

The value of support and community work often manifests in positive but nebulous changes to individual and community wellbeing, as well as resource savings to partner organisations, e.g. the preventative work of front-line or specialist support staff often benefits health, social care and the police. It is difficult to imagine a way of understanding the landlord's cause and effect here, beyond simply counting the number of people helped, that does not involve some form of impact evaluation that focuses on the initiative in question.

Journey to Impact<sup>15</sup> provides an excellent introduction to those who want to better understand the measurement of social impact in a social housing context and the options available. Key points:

- Selecting an appropriate method should be guided by who the audience is and the purpose of the study
- Social Return on Investment (SROI) and cost benefit analysis (CBA) are the most commonly cited methodologies for housing
- Both approaches have much in common, they:
  - seek to answer the questions: has my intervention caused a change in outcome and what is the value of that change?
  - require the identified outcomes to be converted into money to allow a comparison between costs and benefit
- However, putting too much store on the comparison of the monetised benefits across projects is not advisable as the underlying techniques and assumptions are likely to be different
- Other approaches include:
  - cost effectiveness analysis – similar to SROI and CBA but it does not monetise the outcomes. It is useful for comparing interventions where the outcome is the same, e.g. where you might have a number of projects associated with job creation
  - social accounting – a broad framework for communicating the social value of organisations (rather than specific interventions). The output is generally a set of social accounts that complement the financial accounts

While SROI's headline multiplier ratio often raises sceptical eyebrows, it is the evidence base underpinning 'a story of change' – mapping the impact for a range of partners/stakeholders and then seeking to quantify the benefits - that is most important. Link Housing Association's impact summary for its older persons' advice project in the case study at Appendix 2 illustrates how change has benefited a range of partners (and is the precursor to quantifying the benefits financially).

<sup>15</sup> Journey to Impact: A practitioner perspective on measuring social impact by Stephen Russell. (2013) Midland Heart and HouseMark  
Available from <http://tinyurl.com/na3olp4>

The case study also explains the association's rationale for adopting SROI.

Organisations like HACT and New Economy recognise that it is not always practical to undertake a full SROI or CBA evaluation and have sought to offer more scalable solutions. HACT's social value bank<sup>16</sup> includes a range of methodologically consistent wellbeing values (the benefit to the individual as opposed to partners) for a broad range of interventions, including employment, local environment, health, financial inclusion and youth. An increasing number of English associations are incorporating these 'off the shelf' values in their reporting arrangements. Providing the cost of the activity or intervention is known, a simple relationship between inputs and value may be inferred.

New Economy's unit cost database<sup>17</sup> brings together more than 600 cost estimates, most of which are national costs derived from government reports and academic studies. They cover crime, education and skills, employment and economy, fire, health, housing and social services and enable the value of prevention to be estimated. The SROI Network also hosts a growing database of values and indicators - the Global Value Exchange<sup>18</sup> - that can be used in social value evaluation exercises.

As the Scottish health and social care integration agenda advances, social landlords have the potential to make a significant contribution to the nation's wellbeing but they cannot offer a convincing narrative to partners and the Scottish Government without evidence. The sector's efforts in advancing the measurement of social value are therefore necessary and welcome. It is also worth noting that the social housing sector is only at the start of what looks to be an extremely long and interesting journey<sup>19</sup>.

#### 4.5 Communicating VFM performance

In terms of demonstrating VFM, measuring it is half the battle: you need to communicate as well.

Landlords should therefore reflect on the extent to which the VFM information they provide for tenants is accessible and transparent so that meaningful involvement in shaping services and scrutiny can take place.

The regulatory downgrades in English housing association governance ratings associated with the regulatory VFM self-assessment have largely been about a failure to communicate in an accessible and transparent manner. So what are the lessons?

VFM reporting should:

- Be objective, balanced, open and honest:
  - representing a true and fair picture of VFM
  - providing systematic coverage and narrative across activities and not be weighted to strengths
- Be clear about who you produce value for and what you are trying to achieve
- Maximise understanding:
  - a clear and logical structure which also helps the reader to navigate to areas of interest
  - be succinct and use plain English
  - use tables, scorecards and data visualisation which also reduces the need for text
  - explain why the data selected is useful if not self-evident – what does it tell you?
  - briefly explain any key relevant contextual issues

<sup>16</sup> Social Value Bank: <http://www.hact.org.uk/social-value-bank>

<sup>17</sup> New Economy Unit Cost Database: [http://neweconomymanchester.com/stories/832-unit\\_cost\\_database](http://neweconomymanchester.com/stories/832-unit_cost_database)

<sup>18</sup> The Global Value Exchange: <http://www.globalvaluexchange.org>

<sup>19</sup> Led by the voluntary sector and supported by the Cabinet Office amongst others, the Inspiring Impact programme is noteworthy because it aims to change the way the UK voluntary sector thinks about impact and make high-quality impact measurement the norm for charities and social enterprises by 2022. It is likely that the outcome of its endeavours will be of significant interest to social landlords. Website: <http://inspiringimpact.org>

- make other forms of communication available, e.g. braille
- Provide sufficient information to enable the reader to form a rounded judgement
  - include trend information – remember this is about continuous improvement
  - include appropriate comparisons with others – how do you know if it is VFM otherwise?
- Provide the opportunity for tenants to seek more information, get involved and challenge

The contextual narrative is crucial. Some of your costs might be justifiably high because of demographic or geographic issues such as a high proportion of elderly tenants or dispersed stock, or you may have invested more in a service in a bid to improve standards. Telling your VFM story is about the intelligent use of high-level and detailed measures in context.

### **Demonstrating VFM: checklist of key considerations**

- Can you measure VFM?
  - Do you have you appropriate cost and performance data that reflect the value you create?
  - Do you understand what drives costs and the relationship between cost and performance over time and compared to others?
  - What other forms of evaluation are required to complete the VFM story?
- Would a top-level VFM scorecard help you better understand and communicate VFM?
- Is there a business case for considering the measurement of social value?
- How accessible and transparent is the information you provide on VFM?
  - Does the data used evidence VFM performance in an objective and intelligible manner?
  - How good is the accompanying narrative in terms of telling the VFM story?



## Conclusion

The regulatory position on VFM simply reflects what any social landlord with a commitment to its purpose should be doing anyway: making the best use of resources to maximise the value it creates at an affordable price. Just as public limited companies seek to maximise shareholder value, social businesses should be looking to provide as much value as possible for stakeholders. At the heart of this mission are tenants and other service users.

Getting a grip on VFM requires landlords to define, tackle and demonstrate it. This means:

- being clear about purpose and what you are trying to achieve for stakeholders
- communicating purpose, value and role to stakeholders
- meaningful involvement of tenants in shaping services and scrutiny
- having the right leadership and business skills to achieve your purpose
- doing the right things – focusing resources on activities that will achieve this purpose
- doing things right – having a strategic approach to VFM that is honest, self-aware and addresses the principles of what you need to get right to be successful
- being able to measure your product and the costs associated with production, and demonstrate this relationship to stakeholders in an accessible and transparent manner

To put it another way, a business should know why it exists, who it serves, what it needs to do to be successful and be able to measure and demonstrate the extent of its success.



# Appendices

1 and 2

## Appendix 1. Approach and acknowledgements

This publication was written by Steve Smedley of HouseMark and informed by research that included valued contributions from the sector. We acknowledge and thank the people involved.

### VFM round table

The round table was chaired by Steve Smedley and hosted by Wheatley Group. The debate focussed on the key themes of the project: defining, managing and demonstrating VFM.

#### Attendees:

Douglas Edwardson	Aberdeenshire Council
Jim Hayton	ALACHO
Ian Harrington	Blackwood Homes
Hugh Carr	Dumfries and Galloway Housing Partnership
Anne Allen	Glasgow West Housing Association
Kirsty Wells	HouseMark Scotland
Craig Sanderson	Link Group
Neil Manley	Queen's Cross Housing Association
Eileen MacLean	Renfrewshire Council
Bill Barron	Scottish Government
Teresa McNally	Scottish Federation of Housing Associations
Ian Brennan	Scottish Housing Regulator
Lesley Baird	TPAS Scotland
John Kerr	West Dunbartonshire Council
Olga Clayton	Wheatley Group
Ronald Brown	Wheatley Group
Lorna Wilson	Wheatley Group

### Sector sounding board on VFM

Eighteen organisations (15 housing associations and three local authorities) participated in our sector sounding board, each filling out a questionnaire (14 of them completed by people at chief executive or director level).

Questions sought to better understand:

- respondents' perspective of VFM
- respondents' understanding of VFM regulation
- engagement in VFM activities
- involvement of tenants in VFM
- challenges and obstacles to achieving VFM
- measuring VFM and social value

#### Participants:

- Ardenglen Housing Association
- Cairn Housing Association
- City of Edinburgh Council
- East Renfrewshire Council
- Hanover (Scotland) Housing Association
- Horizon Housing Association
- Kingdom Housing Association
- Link Group
- Lister Housing Co-operative
- Lochfield Park Housing Association
- Port of Leith Housing Association
- Queens Cross Housing Association
- River Clyde Homes
- South Ayrshire Council
- Southside Housing Association
- Viewpoint Housing Association
- Waverley Housing
- Wheatley Group

#### Other contributions include:

- Ruth Fraser, tenant co-ordinator, Aberdeenshire
- Norman Landels, service development officer, Aberdeenshire Council
- Jill Stuart, technical officer, Aberdeenshire Council
- David Ogilvie, CIH Scotland
- Betty Stevenson, convenor of Edinburgh Tenants' Federation
- Clare MacGillivray, Edinburgh Tenants' Federation
- Linda Reid, chief executive, Glasgow West Housing Association Limited
- Ross Fraser, HouseMark
- Kirsty Wells, HouseMark Scotland
- Samantha Fernando, sales director, Keela
- Russell Clink, community relations manager, Nairn's
- Ian Taylor, PfH Scotland
- Alan Thomson, head of corporate relations, Scottish Water
- Maureen Dowden, community governance and compliance leader, Wheatley Group
- Lorna Wilson, research and development manager, Wheatley Group



## Appendix 2: SROI at Link

### Why SROI?

We wanted a methodology to understand and demonstrate the additional impact of our services at a deeper level than just citing costs and benefits, and to use this to improve our service delivery and develop partnerships with stakeholders. SROI seemed like the best option.

Each of our SROI analyses was led by an in-house accredited practitioner. The majority of the cost is in the form of staff time with additional costs associated with the stakeholder engagement. The extent of stakeholder engagement and scope of the analysis also influences costs. We see this investment as excellent VFM as it is about understanding the additional value generated through our spending on specific activities and service objectives.

Each social return analysis tells the story of change that results from our intervention from the perspective of the stakeholder who experiences this change – this story is far more powerful than the financial ratio that is generated at the end of the process.

SROI has benefited Link Group, its customers and stakeholders in a variety of ways as follows:

- Better bids and funding applications - we discovered different dimensions to our service delivery that we were not previously aware of. This has given us access to other funding sources and new partnership relationships
- Better decision-making – although the main reason for adopting SROI was to gain access to funding by demonstrating our impact, it has helped evaluate and improve our services. For instance, SROI exercises provided the following insight and action:
  - RealLiving Befriending Service in West Fife - a service to help older people including those affected by dementia. We found that the service actually made an equally significant difference to the carer of the client, as to the client themselves. This helped us to change the way we thought about and delivered this particular service
  - Care and Repair services in West Lothian. We realised we needed to improve our relationship with the NHS and partnerships with other health and social care providers to improve outcomes
- Better monitoring and evaluation practice - SROI principles have been mainstreamed into our general approach to understanding success, e.g. we routinely take baselines and include questions about 'difference made' afterwards rather than just count outputs. This has improved the quality of our surveys, feedback and insight across the business

Other benefits include raising our profile in terms of what we do as a sector innovator, and crucially, providing staff with evidence of the difference they are making, which enhances morale and motivation.

### Taking a closer look at the older persons' advice project (OPAP)

OPAP is an income maximisation and holistic advice service for older tenant households:

- £93,999 was invested in OPAP from July 2008 to March 2009 by a partnership of registered social landlords, Scottish Government (Wider Role Fund) and Falkirk Council on behalf of the Falkirk Community Planning Partnership



- The SROI analysis<sup>20</sup> shows how OPAP made a real difference to the 351 older person households who engaged with the project. Benefits totalling £404,429 were secured, representing an average increased household income of £1,152 for those engaged with the programme. Over the next three years this figure rose to £12m
- A wider range of additional outcomes benefiting a range of stakeholders were identified during the impact mapping process, e.g.:
  - improved quality of life (better diet, reduced isolation, able to afford more help in the home, increased use of public transport)
  - improvement in long term health conditions
  - reduced fuel poverty
  - increased uptake and access to services targeted at older person households
  - improved safety and security in the home and older people able to stay in home for longer as a result of installation of aids and adaptations
  - improved staff and board understanding of income maximisation and benefit uptake issues amongst older person households
  - reduced demand on NHS services by older person households (reduced falls and accidents, improved health, securing private community health services such as chiropody)
  - increased income to Scottish economy due to the multiplier effect of increased household income and resulting expenditure

Applying SROI methodology, Link monetised this value over future years and discounted it back to net present values which provided a social return to a range of stakeholders of £27.53 for every £1 invested. The OPAP SROI report was assured by the SROI Network. As has been previously noted the actual monetary value of this multiple is not as important as unravelling the social value story and understanding where the benefit lies.

On the back of this learning Link was able to make a robust business case for investment in proactive income maximisation and advice services targeted at older people and mainstream OPAP as part of Linkwide's core advice team. Indeed the business case was persuasive enough to attract the attention of the Scottish Government Housing Minister who sanctioned a further £700,000 investment to extend the service until 2013.

Other SROI case studies are also available on Link's website.



<sup>20</sup> [http://linkhousing.org.uk/images/uploads/OPAP\\_SROI\\_Final\\_Jan\\_10.pdf](http://linkhousing.org.uk/images/uploads/OPAP_SROI_Final_Jan_10.pdf)

