

# VANTAGE BULLETIN

## Housing associations face Budget dilemma: how to make savings while preserving services –

### Vantage's Desktop Review can deliver the answers

Hello and welcome to my final bulletin before the summer break.

Firstly, I would like to thank everyone who contacted me following the previous bulletin. I had an incredibly busy time in Manchester at the CIH Housing Conference, meeting new and old clients and having some good debates about what appears to be the latest trend of bringing your repairs and maintenance service back in-house.

My phone has also not stopped ringing since last week's Budget, when Chancellor George Osborne revealed that there will be a **one per cent cut in the rents housing associations can charge every year for the next four years**

The Financial Times commented that "the stance Mr Osborne has taken towards housing associations risks exacerbating the housing supply problem."

While Mr Osborne sees the measure as a way of reducing the housing benefit bill by £4.3billion by 2021, **housing associations and local authorities are faced with the daunting challenge of delivering efficiency savings,**



making better use of the £13billion annual subsidy received by registered social landlords from the Government.

This is a significant change to the previous established rent policy and will generate per annum savings of £1.45bn. The one per cent reduction is from a "where you are now" position and not tagged to CPI and the reduction will apply to both social and affordable rents.

The question facing housing associations is: **How are we going to make savings which, in effect, mean your rental income is going to be 19% lower by 2021 than your current business plan indicates?**

I purposely use the word **we** rather than **you** because the work Vantage does with its clients is always in partnership rather than as a consultant. This is one of our many unique selling points that we have over our competitors.

I strongly believe from the evidence-based work we have carried out that **the largest financial savings you can make are by taking a long hard look at how you deliver your maintenance and capital investment programmes.**

We have a serious alternative to the traditional slash and burn culture that we have seen in some parts of our industry. By working with Vantage you will achieve the necessary savings but without services being affected.

## **Vantage Desktop Review**

In the aftermath of the Budget, we have updated our Desktop Review Service in order to quickly highlight how much of your lost income can be recovered through economy and efficiency savings.

Our review will give your organisation a high-level analysis of your Repairs and Maintenance Service and Major Works Programme and a snapshot of the improvement opportunities that could be made by transforming the way you do things.

### **Why should you do this**

Many organisations struggle to achieve optimum performance across Repairs and Maintenance. Typical challenges include:

- Some of our rates and charges seem expensive but I'm not sure why?
- How can we get maximum value from our procurement?
- How can we demonstrate VFM from our in-house service?
- Benchmarking is not helping us. What does "good" actually look like?
- Are we getting the best productivity from our operatives?
- Should we bring the service in-house?
- Are we managing our contractors in the most effective way?

### What will you get?

An overview report and a consultation meeting with the following outputs:

- High level review of your current repairs and maintenance costs;
- Initial assessment of whether you are receiving overall competitive prices and excellent service from your contractors;
- Feedback on your general approach to performance management compared to the best in sector;
- Feedback on your general approach to contract management compared to the best in sector;
- Advice on how you can get your data to start talking to you;
- And finally how much financial savings you can make without impacting on the service.

Below are a few of the kind comments we have received from clients we have worked with:

*"As a result of our long term relationship with them, they have enabled us to transform what was a tired in-house DLO into an excellent customer focused, efficient and commercial Repairs Service. We have made savings in excess of £3m pa which has put us on a very firm foundation for the future."*

*"I have seen many consulting firms that claim to be experts in VFM and Procurement, but the approach, skills and experience that these guys have is the best I have seen to date."*

## Long term relationships

Finally **our business is about long term relationships**. We want to support you to help deliver your business objectives by ensuring you really are delivering value for money.

So why don't you **contact me today** to arrange a meeting so we can look at how you are going to make the necessary savings to ensure you can still deliver your business plan objectives, despite the Government's significant change in rent setting policy.



Kind Regards

A handwritten signature in black ink that reads "Tony Bryan".

Tony Bryan,  
Managing Director, Vantage Business Solutions

*Copyright © 2015 Vantage Business Solutions, All rights reserved.*

**Our mailing address is:**

Vantage Business Solutions  
Orchard Chambers, 4 Rocky Lane  
Heswall, Wirral CH60 0BY  
United Kingdom