

STRATEGY / POLICY FRONT COVER



Name of strategy / policy:

Value for Money (VfM)

Date previously updated:

September 2017

Links to Council priorities:

Priority	Linked Yes / No?
Environment	Yes
Housing and Regeneration	Yes
Health and Community Safety	Yes
A Commercial and Democratically Accountable Council	Yes

Links to other strategies and policies:

Budget Framework, Service Action Plans, Procurement Strategy and asset management group action plans.

Action plan in this document?

No

Actions linked to corporate plan objectives?

Yes

Officer Monitoring

Name of officer responsible for co-ordinating and progressing the action plan:

N/A.

Member Monitoring

Name of member champion or committee responsible for over viewing progress of the strategy:

N/A.

Has the strategy been subject to a Diversity Impact Assessment?

No. Assessment done at individual service action level.

Has the strategy been subject to an Environmental Sustainability Impact Appraisal?

No. Assessment done at individual service action level.



Castle Point Borough Council

Value for Money Strategy

For the period 2019/20 to 2021/22

Prepared by:
Strategic Director (Resources).

Approved by:
Executive Management Team:

Frequency:
Subject to bi-annual review

Date:
September 2019

1 Introduction

As part of the current external audit process, the Council receives an annual “Value for Money (VfM) conclusion” from its external auditors Ernst and Young (EY). This is expressed within their annual “Audit results report” presented each July to the Council’s Audit Committee.

The report states whether in their opinion and in all significant respects, the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. This is based on the following overall evaluation criterion:

“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.”

The Council routinely receives an unqualified conclusion.

2 The Council’s definition of VfM

In Castle Point, services which deliver good value for money are considered to be:

- Of the right **quality** – determined and agreed with service users.
- **Economic** – regardless of the supplier (internal or external).
- Delivered **efficiently** - through a streamlined process that links seamlessly with partner organisations as necessary.
- Delivered **effectively** – meeting the needs of local people first time, every time.
- Targeted to **priority areas** – resources are diverted and released from areas that the Council does not have to necessarily deliver but are delivered by the Council’s partners in the voluntary and community sector.

Furthermore, service improvements and initiatives are funded on an invest to save basis, thus not relying on increases of Council Tax levels.

3 VfM outcomes

VfM is an expression used to describe the relationship between the value of resources invested in the delivery of a service (inputs) compared to the benefit realised by the end user of that service (outputs). As stated above, efficiency, effectiveness and economy are often adopted as three criteria for assessing the VfM of a service.

Inputs (resources) include: staff, information technology, assets employed and/or financial resources.

Usually, a change to a service input (or resource) will result in a change to some aspect of the service output, i.e. the service delivered to the end user. This change may include specific measurable changes such as in terms of the volume or cost of a service or it may be a less easily measurable change, but perhaps of more consequence, such as improved customer experience.

These changes are known as VfM outcomes.

The Council will express VfM outcomes in terms of “What benefit has actually been realised, either directly or indirectly, by the users of the service or function?” Outcomes will be evidenced through:

- Changes in customer satisfaction.
- Reductions in number of related complaints.
- Movement in national and local performance indicators.
- Cost implications will be reflected in budget statements/reports and may be expressed in terms of “Band D equivalent” Council Tax or % of service areas annual gross expenditure (as appropriate).

4 The Council’s Strategy:

The aim for achieving VfM in Castle Point Borough Council is to target resources towards meeting the needs of local people. In doing so, the Council will be guided by four key principles:

- To achieve improvement across the board, but to target it for those who rely on Council services the most.
- To embrace diversity, equality, social, environmental and sustainability principles in all the Council’s actions.
- To be a customer focussed organisation.
- To sustain improvements and plan to meet the needs of future users of Council services.

The Council’s strategic action to meet the aim will be to integrate best value principles in structured reviews, existing management of services and in promoting continuous improvement.

Managers and staff will continue to be trained and assisted in the process to ensure that services meet their obligations of achieving VfM as an integral part of their work and capturing VfM outcomes so that the Council can share good practice and evidence its achievements as a matter of routine.

5 VfM themes

No	Area	Theme
1	Commissioning of services	<ul style="list-style-type: none"> • To consider the entire service cycle through assessing the needs of people in a local area, designing services, and then securing them. • To consider a range of service delivery solutions, selecting the best option based on cost, quality and the best fit with the needs of the community for each individual service.
2	Structured service and management review	<ul style="list-style-type: none"> • Use of best value principles in undertaking service and management reviews as required. • Use of a zero-based budgeting technique to reassess budgets assigned to service areas during the service review process. • Use of VfM key indicators as specified by EMT, including national comparative data obtained from the Local Government Association (LGA) website: https://vfm.lginform.local.gov.uk/ • Participation in benchmarking exercises as necessary and where possible. • Identification of improvement actions.
3	Financial management	<ul style="list-style-type: none"> • Identification of growth and savings options through the budget setting process. • Setting clear corporate and service targets for savings as part of annual review of efficiency savings. • Maintaining and modernising systems for financial management and internal control. • Reporting budgetary and other service performance to EMT and members in order to provide an assurance role of effective financial management across the organisation.
4	Making effective use of ICT	<ul style="list-style-type: none"> • Using e-government principles to reduce costs and make services efficient. • Make corporate investment in ICT that are targeted and prioritised to deliver key services, in line with the ICT roadmap. • Continuing to develop and expand e-procurement and/or e-payment methods and electronic consultation. • Use of social media as appropriate.
5	Effective procurement	<ul style="list-style-type: none"> • Proactively managing contracts throughout their lifecycle. • Continuously improving purchasing arrangements to reduce administration. • Communication and promotion of procurement strategy to all staff involved in the procurement process, increasing council wide awareness and understanding of procurement and commissioning options and practices.

No	Area	Theme
		<ul style="list-style-type: none"> • Continuously improving services through the adoption of innovative practices so that service users see an improvement in both quality and VfM. • Compliance with the Council's procurement procedures and toolkit. • Operation of a procurement group (periodic sub meeting of Operational Management Team).
6	Partnership working	<ul style="list-style-type: none"> • Develop partnership working with the community and voluntary sectors to deliver those services that the Council is unable to deliver directly itself. • Work with and extend partnership working with a view to securing joint funding. • Work with partners to increase income. This could be working with other local authorities or the third sector. • Explore partnership arrangements with other providers to share resources to deliver enhanced services for our residents. • Review Service Level Agreements to ensure that VfM is intrinsically considered within the funding arrangement.
7	Working with customers	<ul style="list-style-type: none"> • Use existing mechanisms to engage with customers to inform service standards and quality. • Develop approaches with users in monitoring service standards and service quality. • Engaging customers in decisions relating to the commissioning of services. • Develop and promote methods of self-service so that customers can access information and carry out transactions with the Council in an efficient way and at a time that suits them.
8	Organisational structures and development	<ul style="list-style-type: none"> • Ensure the Council's performance management framework is embedded across the organisation and helps drive VfM. • Maintain effective and well understood political structures that are effective, efficient and transparent to our residents. • Agreeing clarity of standards and modernising corporate governance mechanisms. • Ensuring Scrutiny plays a key role through reviews, monitoring and informing service reviews. • Reviewing and providing on going training to ensure that all staff are skilled to secure VfM in everything that they do. • Ensuring that Internal Audit has a high profile in providing independent and objective opinion on the Council's approach to VfM, including providing advice and assistance to managers and providing assurance that financial responsibilities are being properly fulfilled.

No	Area	Theme
9	Culture and awareness	<ul style="list-style-type: none">• Continuing to develop and maintain an organisation culture favourable to securing VfM across all the Council's activities.• Ensure VfM themes are reflected in all cross departmental work streams/corporate working groups.
10	Applying commercialism strategy principles towards VfM in services	<ul style="list-style-type: none">• Deliver services in the most appropriate ways: Consider new and more effective ways of service delivery.• Procure goods & services in the best way: Purchase only goods and services that are essential, and at the best available cost.• Maximise return on existing assets: Use the assets the Council has to their full potential.• Maximise income from fees and charges: Ensure the Council obtains the maximum income it can for the services it delivers.• Maximise Council Tax and Business Rates revenue: Ensure services are paid for fairly.