



## **VALUE FOR MONEY STATEMENT**

We recognise our duty of best value and our responsibility to achieve value for money in service delivery. We will seek to incorporate value for money principles in delivering services by taking account of costs, quality of services and the local context.

The objectives of our value for money statement are to identify the principles of value for money and to ensure that these principles are reflected in our service planning and delivery.

**June 2022**

## **Why achieving effective Value for Money (VFM) is important to the Council and its residents**

The Council has a clear vision as outlined in its corporate strategy (the Deal 2030) to *“make the whole of the Borough the best possible place to live and work over the coming decade”*.

The Deal 2030 is built around 10 strategic goals for the Borough grouped together as priorities for Our People, Our Place, and Our Future, viz.:-

### ***Our People-Together we feel happy, safe, included and look out for each other.***

- Best start in life for children and young people
- Happy healthy people
- Communities that care for each other

### **Our Place-Together we are proud of our towns and look after our environment.**

- Vibrant town centres for all
- An environment to be proud of
- Embracing culture, sport and heritage

### **Our Future-Together we will build a future where everyone has the opportunity to thrive.**

- Economic growth that benefits everyone
- A well-connected place
- Confidently digital
- A home for all

For the Council to achieve its long-term strategic vision it must ensure it achieves value for money in all of its activities and the services it provides.

Value for money is about obtaining the maximum benefit from the resources available to the Council by balancing inputs outputs and outcomes. In simple terms VFM measures costs, performance, and satisfaction, and is often defined as achieving the right balance between economy, efficiency, and effectiveness - spending prudently, well, and wisely.

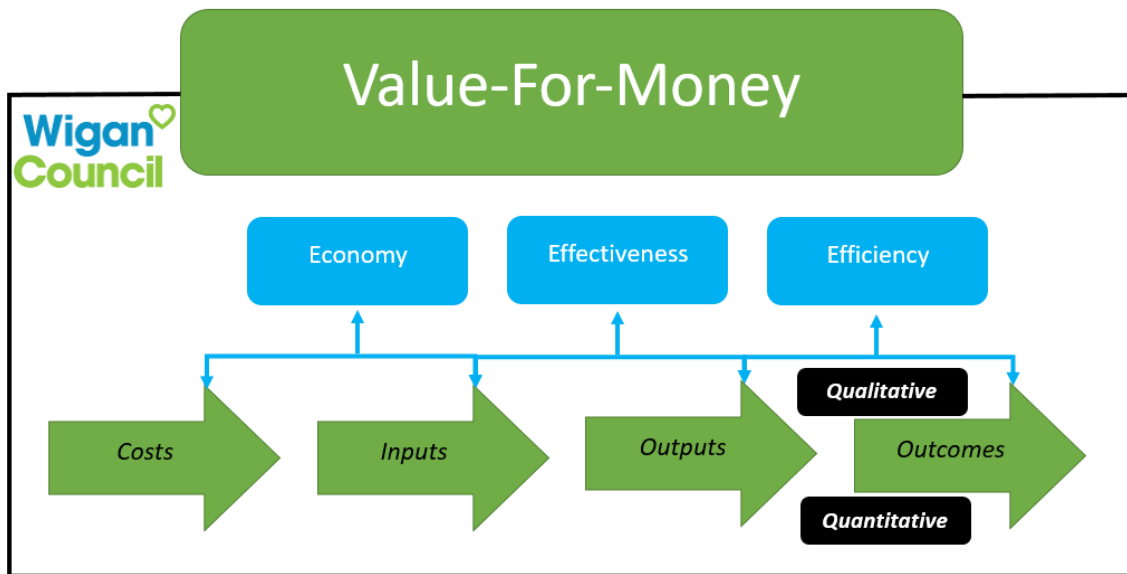
**ECONOMY** - the cost of providing services, are inputs of appropriate quality bought at a minimised price?

**EFFECTIVENESS** – the impact of the service/function, does it meet required outcomes. How well do these outputs achieve outcomes?

**EFFICIENCY** – productivity, what we obtain from what we put in. How well are inputs converted into outputs?

Achieving value for money through the use of cost and performance information to improve management and service delivery is integral to and a key outcome of both financial sustainability and strong governance, as represented by informed decisions and risk management processes.

## Value For Money Model



The Council achieves good VFM or cost effectiveness when it spends relatively low costs (within budget), has high levels of service delivery, and meets its projected service needs in terms of both outcomes and quality.

### A Strategic Approach To Value for Money

**To deliver services that are good value for money the Council will:**

Optimise the resources available for its services to:-

- Deliver the same output at reduced costs/additional output for the same cost.
- Exert downward pressure on costs (internal and market).
- Look at the availability of service delivery and support options.
- Ensure that service costs are commensurate with outcomes achieved.

Review all service standards ensuring they remain fit for purpose allied to changing economic conditions and associated demographic pressures.

Further develop its commercial appetite through innovative asset management.

Utilise best practice and cost-effective procurement practices including:-

- Regularly review services and look for continuous improvement across all Council functions.
- Benchmark service performance and costs against other organisations.
- Explore opportunities for shared services and other collaborative arrangements as appropriate.
- Develop excellent business cases to support applications for relevant funding to support services, recovery action and deprivation needs.
- Continue to fully embed VFM considerations into the culture of the Council and its partners.

## **Arrangements In Place To Ensure Effective Delivery Of Good VFM**

To embed VFM in the way the Council works it has strong processes in place, viz.:-

### Governance

- Detailed financial and performance reports are presented to SMT and Members (Audit, Governance and Standards, Cabinet, Scrutiny, and Council) scheduled appropriately throughout the financial year.
- VFM is a key part of any business case submitted and all decision-making groups take decisions with a focus on VFM – especially in the light of the current uncertain financial situation (short term Government financial settlements and COVID-19 recovery).
- A Risk Management Framework which ensures risks and actions to mitigate their impact are considered as an integral part of decision making and service delivery.
- Large and strategic procurements are overseen by Procurement/Project Boards which include relevant senior officer and functional membership.
- Three Scrutiny Committees with responsibility to scrutinise decisions made by Cabinet and the Council and review service and financial performance (against cost, performance, and satisfaction). These functions have VFM achievement as a core consideration. In addition, decisions can be “Called In” to hold Portfolio Holders to account and monitor Council performance and VFM achievement.
- The Council has representation at Councillor and Officer level in its related companies.
- The Council’ “Deal” consultation strategy ensures that it involves customers and thus enhance satisfaction.
- The Annual Governance Statement focuses on all aspects of governance.
- The Annual Audit Letter – contains an independent statement from the Council’s external auditor on the Council’s ‘arrangements to secure economy, efficiency, and effectiveness in its use of resources’.

### Financial Stewardship

- The Authority has a three-year rolling Medium Term Financial Plan in line with its Corporate Strategy (Deal 2030). that identifies service requirements and associated risks, etc. In addition, Capital and Treasury Management strategies have been developed in accordance with the Prudential Code. The required level of efficiency needed to cover the period of the plan (referenced to the indicative nature of years 2 and 3 (currently due to a one-year Government financial settlement)).

- The Budget Management Board is led by the Deputy Chief Executive (CFO) supported by other senior Finance officers to review key budget areas to ensure that planned savings are delivered and to also critically review service areas that run at a loss and to oversee the development of savings plans to form part of the subsequent Annual Budget. A key aspect of this Board is to ensure that VFM is delivered at a strategic level with a key theme to ensure that appropriate actions are taken to deliver the required budget savings.
- The Deputy Chief Executive (CFO) uses information from Internal Audit work sourced from Internal Audit reports and discussions with the Chief Internal Auditor to identify areas where the Council could look to improve VFM. The CFO uses such intelligence to challenge Directors about their efficiency.
- All capital appraisals are discussed at the Capital & Assets Strategic Management Group, chaired by the CFO. This group meets quarterly in line with capital programme reviews and as per the Council approved Capital Strategy policy.
- The Council operates a Corporate Property Management Board chaired by the CFO that approves all related asset management activity which informs the Council's capital programme requirements.
- The Finance Section has a Strategic Finance Manager responsible for each service who attends the respective departmental management team to provide professional support and accountability and enable service transformation, etc. This support delivers interpretation of actual performance in addition to advice and support on key business decisions to manage service provisions and ensure VFM is considered at all stages.
- Service review – to assess whether the Council is taking the most cost-effective route to providing services and where appropriate this includes fair charging and debt management policies. Consideration is also given to maximising opportunities for green initiatives and community wealth building.

### Performance Management

The Council's performance framework includes the following quarterly reports to SMT:

- A robust model that provides an overview of the progress that is being made at meeting the Council's key organisational priorities. It is made up of the following distinct, but interconnected tiers, within the VFM chain:

**Deal 2030 framework** – selection of metrics and monitoring information to demonstrate the practical delivery of Deal 2030, as well as the impact

**Corporate Performance dashboard** provides an overview of priority/exception indicators from directorate frameworks as agreed by each Director, or their designated performance leads, along with core organisational health information.

**Departmental Performance Framework** – suite of metrics aligned to departmental priorities, to monitor the performance of our services

Additional information showing connections between performance, activities and budget is also produced.

- The Council's has a suite of financial and performance-based reports (the aim is to ensure the services we provide demonstrate continuous improvement as well as value for money) to provide:-
  - Comprehensive accrual based accurate and timely data that meets service management requirements.
  - Accurate and timely transactional financial services.
  - Risk based Treasury Management processes.
  - Effective and timely budget monitoring arrangements.
  - Compliance with all relevant and professional; regulatory standards.
  - Support for organisational change.
  - MTFP linked to Deal 2030 objectives.
  
- A suite of annual governance reports (Annual Internal Audit Report, Local Code of Corporate Governance, Annual Fraud report, Strategic Risk Register) are provided to the Audit, Governance and Standards committee to support the review of the Annual Governance Statement and Statutory Accounts.

Communication of VFM to customers and staff through:

- Big Listening Project
- The annual Council Tax booklet
- Articles in Borough Life
- The external website
- Face to face consultation in advance of the budget and Council tax level setting
- Listening Into Action Sessions
- Weekly and adhoc Employee Communications

Delivering excellent customer service which is a key component of VFM –as measured by: ▪

- Proactive customer external consultations (on-line, web/social media)
- Focus groups
- Surveys
- My Account – to ensure Residents needs to be able to access Council services at anytime from anywhere, in a safe, secure, and cost-effective way

## External Review

The Council is subject to periodic reviewed by designated bodies all with a key emphasis on VFM, e.g. OFSTED and LGA Peer Review.

The Council will commission specialist external reviews on a needs basis to undertake targeted work linked to budget risks and demand pressures to ensure scenario analysis is available to support decision making.

## **Responsibilities**

While everyone within the Council has a general duty to ensure the achievement of value for money in service delivery, responsibilities may be summarised as follows:

|                           |   |
|---------------------------|---|
| Executive and Council     | Ensuring that their direction of the Council delivers good VFM.   |
| Scrutiny Members          | Holding the Executive to account in their duty to deliver VFM. Undertaking an annual programme of scrutiny reviews.                             |
| Strategic Management Team | Ensuring that the Council's strategic direction is consistent with the contents of this statement to deliver good VFM.                          |
| All Officers              | Ensuring that services are delivered in the most cost-effective way and that services are kept under continuous review to identify efficiencies |