

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

7TH NOVEMBER 2007

VALUE FOR MONEY ACTION PLAN

Responsible Portfolio Holder	Geoff Denaro – Portfolio Holder for Finance
Responsible Head of Service	Jayne Pickering – Head of Financial Services

1. SUMMARY

- 1.1 To report to members the action plan in respect of improving Value for Money within the Council.

2. RECOMMENDATION

- 2.1 Members are asked to approve the Value for Money Action Plan.

3. BACKGROUND

- 3.1 The Value for Money Strategy (attached at Appendix 3) was approved by Cabinet in January 2007. This included the principles and mechanisms for the Council to delivery Value for Money and to demonstrate to the customers that we are making best use of our resources. It is recognised that the best way for the Council to release funds to allocate to priorities is by realising cash efficiencies by providing better value for money in the deliver of our services.
- 3.2 The Use of Resources scoring from the Audit Commission received for 2006 included a judgement for the achievement of Value for Money. The Council scored 1 out of 4 which reflects below minimum requirements and inadequate performance.
- 3.3 The key principles that underpin the Commission's approach to VFM are, where possible, to:
- take a community-wide perspective rather than that of individual service users;
 - look at gross costs as net costs can mask high spending if income is high;
 - take account of local context and quality of service;

- take account of long-term costs and benefits and the wider social and environmental impact;
- consider arrangements to ensure equity of access to services;
- use data on costs and performance to provide a starting point for questions;
- allow for local policy choices (alongside a national policy context) about priorities and standards of service;
- review current performance in achieving VFM and how VFM has improved over time, for example, using trend analysis; and
- rely on evidence of outcomes achieved and the effectiveness of activity to improve VFM.

3.4 Since March officers of the Council have been reviewing ways of improving Value for Money at Bromsgrove and a self assessment was submitted to KPMG in September 2007 to demonstrate the achievements made since the review. The self assessment is attached at Appendix 1.

3.5 The key recommendations from KPMG to improve Value for Money included:

- Developing a mechanism for presenting cost information and to review the Audit Commission profiles to address areas of high cost and low quality / performance
- To review the needs of service users and to build these assessments into decision making within the Council.

3.6 As part of the review a Value for Money team was set up to include; Improvement Director, Head of Financial Services and Portfolio Holder for Finance. Following sessions to discuss the arrangements for delivering Value for Money with the Heads of Service an action plan has been developed to actively address the changes that are required in the Council to drive Value for Money and release efficiencies to fund priority areas of spend across the District.

3.7 The plan focuses on 4 key stages in the development of a Value for Money culture within the Council. The completion of these stages will take between 2-5 years to undertake across the Council. These are:

- Identifying customer needs
- Undertaking cost & performance comparison
- Understanding how we will deliver our services
- Market Testing

3.7 The plan is attached at Appendix 2.

4. FINANCIAL IMPLICATIONS

- 4.1 The actions contained within the plan will be undertaken by existing resources

5. LEGAL IMPLICATIONS

- 5.1 There are no legal implications .

6. COUNCIL OBJECTIVES

- 6.1 The achievement of Value for Money will facilitate the Council to release resources for key priority areas

7. RISK MANAGEMENT

- 7.1 The main risks associated with the details included in this report are:

- Poor Use of Resources scoring.
- Inability to reallocate funding to priorities.
- Lack of an effective value for money culture.

- 7.2 These risks are being managed as follows:

- Poor Use of Resources scoring:

Risk Register: Financial Services

Key Objective Ref No: 9

Key Objective: Effective VFM culture and compliant procurement best practices

- Inability to reallocate funding to priorities:

Risk Register: Financial Services

Key Objective Ref No: 6

Key Objective: Efficient and effective Accountancy Service

- Lack of an effective value for money culture:

Risk Register: Financial Services

Key Objective Ref No: 9

Key Objective: Effective VFM culture and compliant procurement best practices

8. CUSTOMER IMPLICATIONS

- 8.1 By implementing the action plan the customer will receive better Value for Money from the delivery of our services.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

- 9.1 The procurement actions to include the review of suppliers who trade with the Council will enable all businesses to have the opportunity to understand how to trade and develop a professional relationship with the Council.

10. OTHER IMPLICATIONS

Procurement Issues Effective procurement is key to the achievement of Value for Money – the procurement manager will be involved in all actions in respect of the plan.
Personnel Implications None
Governance/Performance Management The achievement of VFM will improve the scoring within the Use of Resources framework and realise efficiencies as required within the new target as part of the Comprehensive Spending review.
Community Safety including Section 17 of Crime and Disorder Act 1998 None
Policy None
Environmental None

11. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

12. APPENDICES

Appendix 1 VFM action Plan
Appendix 2 VFM Strategy

13. BACKGROUND PAPERS

Notes from Heads of Service meetings

CONTACT OFFICER

Name: J Pickering
E Mail: j.pickering@bromsgrove.gov.uk
Tel: (01527) 881207