BROMSGROVE DISTRICT COUNCIL

VALUE FOR MONEY STRATEGY

(1) INTRODUCTION

The Council has a statutory duty to deliver best value in the provision of its services. Best Value means that local Councils must aim to continually improve the economy, efficiency and effectiveness of service delivery. At Bromsgrove District Council providing excellent Value for Money is defined as providing the right balance between cost and performance for each service, where right is defined as what our customers want as represented by their Councillors.

(2) KEY FEATURES OF VALUE FOR MONEY

The Council is responsible for providing statutory services to the public as well as a range of discretionary services within the overall financial duty to Council Taxpayers. In this respect the key aspects to be addressed are as follows:

2.1 Economy

- Is the Council achieving the most economically advantageous cost in respect of the procurement of specified works and services (and goods relating to them) after allowing for quality considerations, relevant legislation and opportunities for joint procurement with partners?

- Is the Council maximising all income sources including external funding?

- Is the Council maximising the resources available for priority service delivery?

- Are the range of Council services affordable given Council Tax implications?

- Is the Council undertaking accurate budget preparation and then effectively monitoring and managing those budgets to ensure economical resource allocation and control?

- Is the Council looking to market test services to demonstrate they are providing the best value for money ?

2.2 Efficiency

- Is the Council maximising <u>outputs</u> whilst minimising resource inputs to meet defined needs?

- Are processes and procedures as streamlined as possible in service delivery including optimising IT solutions?

- Are unit costs as low as possible by comparison with similar Councils after taking local circumstances into account?

- Are realistic targets set and achieved to improve performance and efficiency in the use of resources?

2.3 Effectiveness

- Have the needs of the community been evaluated following effective consultation to inform the extent to which statutory/discretionary services should be delivered?

- Are statutory services, of the right quality and at the right time, delivered to enable the Council to meet the needs of the community it serves?

- Have the Council determined which discretionary services will be of most benefit to the community it serves and prioritised them?

- Are those priority discretionary services of the right quality and delivered at the right time to meet the needs of the community?

- Are available resources targeted to statutory and priority discretionary services?

- Is the council demonstrating improvements and quality of customer service?

- Is the experience received by the customer and valued ?

- Are statutory and priority discretionary services <u>outcomes</u> achieving defined needs equality in service provision and a positive economic or environmental or social impact?

These issues must be viewed collectively to gain an overall assessment of whether value for money is being achieved.

(3)   **HOW VALUE FOR MONEY WILL BE ACHIEVED BY THE COUNCIL**

3.1   **Overarching Measures**

(a)   **Corporate Commitment**

The Council and its staff will demonstrate commitment to achieving value for money in service delivery. This will be effected through implementation of the VFM strategy across all the Council and the delivery of the action plan.

(b)   **Business Planning**

The Cabinet, through Portfolio Holders and Heads of Service, will ensure that each Annual Business Plan meets the priorities in the Corporate Plan in a manner which aims at achieving value for money in service delivery. This will include identifying areas of improving VFM within each service area.

(c)   **Internal Control**

The Council will maintain effective systems of internal control including financial management, performance management, risk management, accurate data recording and internal audit arrangements as a basis for providing value for money. The Council recognises that unless effective internal control arrangements are in place the achievement of value for money would not be possible.

(d)   **Decision Making Protocol**

Cabinet complies with a decision making protocol which requires that the legal, policy, equality and diversity, customer, risk and resource implications are taken into account before any decision is made. This includes consideration of Value for Money .

(e)   **Service Reviews**

(i)   The Council will continue to strive for continuous improvement in service delivery.

(ii)   Scrutiny Steering Board will undertake service reviews of direct or cross cutting aspects of service. Through the process of challenge, consult, compare and compete, these reviews will test whether or not services are economic, efficient and effective.

(iii)   Cabinet will actively consider Scrutiny's action plan recommendations following each service review and implement those actions which will improve value for money.

(f)   Scrutiny & Overview Reviews

Cabinet will actively consider any recommendations from the Scrutiny Steering Board where the thrust is to improve value for money in service delivery and where it can be demonstrated that economy, efficiency and effectiveness can be improved.

(g)   Performance Management

(i)   The Council will continue to monitor performance in service delivery as a major contributor to achieving the tests of efficiency (eg unit cost performance indicators, processing indicators) and effectiveness (eg service satisfaction indicators, outcome indicators).

(ii)   The Council will develop benchmarking data with comparable Councils with a view to continuously comparing our costs, performance and outcomes with those Councils after allowing for local circumstances and local policy choices.

(h)   Budget Process

Cabinet, when considering each service or function budget will take into account:

(i)   accuracy of budget preparation (ie: last year's actual outturn to budget and current year trend) to ensure economy in resource allocation;

(ii)   the outcome of annual VFM tests on whether or not each service or function has achieved economy, efficiency and effectiveness in use of resources allocated;

(iii)   opportunities to reduce the cost of the function or service without reducing the level or quality of output/outcomes required OR increase the level of output and improve outcomes for the same cost;

(iv)   opportunites to release resource from low priority discretionary elements of service to help ensure the sustainability of top priority services.

(i)   Capital Investment

The Council has approved a Capital Investment Strategy, which seeks to ensure value for money in respect of capital investment decisions. This Strategy will be followed in determining the Council's capital investment programme priorities within affordability limits and subsequently to manage the programme to ensure projects are delivered on time and within budget.

(j) **Asset Management**

The Council has approved a Corporate Asset Plan which seeks to maximise the benefit of Council land and property to meet corporate priorities or priority service needs. This Plan will be followed in respect of the management of land and property assets including constantly reviewing the efficiency and effectiveness of these assets in service delivery and setting targets to improve efficiency in use of Council assets wherever possible.

(k) **Self Assessment/External Assessment**

The Council will undertake a self assessment against the Audit Commission's Value for Money key lines of enquiry and submit this for external assessment.

The Council will consider and act on agreed External Audit recommendations to improve value for money.

(l) **Listening**

The Council is always receptive and open to consider suggestions which will improve the economy, efficiency or effectiveness of its operations and will act on any suggestions which can be demonstrated to improve value for money.

3.2 **Specific Measures**

(a) **Economy**

(i)   The Council will use its Procurement Strategy to achieve the most economically advantageous cost in the procurement of specified goods, works or services taking into account:

- joint procurement opportunities which have economic benefits;

- requirements of legislation relating to procurement and equalities legislation;

- partnership working opportunities.

(ii)   The Council will attempt to maximise the available resources at its disposal by:

- pursuing the collection and recovery of all income due to the Council;

- maximising capital receipts from the sale of land not needed for service provision;

- maximising fees, charges and rents for services subject to supply and demand considerations, service impacts and anti-poverty considerations;

- pursuing opportunities to establish new sustainable income sources;

- developing a more strategic approach to seeking external funding sources open to the Council (both capital and revenue) including Government grants and external trading opportunities;

- maximising the joint funding benefits of partnership working where such funds are earmarked to meeting Community Plan or Corporate Plan requirements;

- identifying resources which can be saved or transferred (ie from low priority discretionary services to high priority discretionary services).

- accurate budget preparation and effective budget management, monitoring and control.

(iii)   The Council will ensure that its service delivery is kept within affordability assessments after taking into account the impact on Council Taxpayers.

(b)   **Efficiency**

Through ongoing management and internal audit work the Council will:

- as part of the Medium Term Financial Plan, review each service and function to identify any opportunities to increase outputs from the same level of resources deployed or make savings whilst maintaining the same level of output;

- identifying opportunities to "invest to save" wherever appropriate to meet optimum cost efficiency in-service delivery;

- periodically review processes and procedures to ensure they are as streamlined as possible for efficient and effective service delivery; (including constantly reviewing opportunities to maximise IT solutions to streamline or improve processes);

- regularly review performance measures highlighting how efficient the Council is (by comparison over time, against national targets and with other Councils) and to set ambitious targets to improve efficiency where necessary and ensure they are met.

(c) <u>Effectiveness</u>

- The Council will strive to ensure the data at its disposal is up to date, accurate and relevant for effective decision making and for use in assessment of VFM objectives.

- The Council will continue to develop "user focus" arrangements and use its Consultations and Communications Strategy to help:

  o identify priority service needs;

  o identify how those service needs can best be met;

  o identify if service outcomes are meeting defined needs.

- The Council will undertake impact assessments of its various strategies and service delivery to gauge the impacts on its diverse population to ensure equality (eg in terms of access to services) and identify if there are any priority needs not being met.

- The Council will prioritise discretionary service delivery so that resource is directed to meeting areas of most need.

- The Council will re-direct resource from non or low priority discretionary services to ensure top priority discretionary services can be delivered to meet defined priority needs.

- The Council will review Business Plans to assess if identified needs are being met and amend service delivery to meet defined needs wherever this has been identified as necessary and is affordable and consistent with the Corporate Plan.

4   <u>Annual Review</u>

There will be an annual review of the effectiveness of this Strategy so that any necessary amendments can be introduced in the spirit of continuous improvement.