

**BROMSGROVE DISTRICT COUNCIL**

**CABINET**

**2ND SEPTEMBER 2009**

**VALUE FOR MONEY ACTION PLAN & PROCUREMENT UPDATE**

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

**1. SUMMARY**

- 1.1 To report to members the action plan in respect of improving Value for Money within the Council and to update Members of the progress in procurement activities.

**2. RECOMMENDATION**

- 2.1 Members are asked to approve the Value for Money Action Plan as attached at Appendix 1.

**3. BACKGROUND**

- 3.1 The Use of Resources judgement in December 2008 included a separate score in relation to the VFM provided by the Council. The scoring of 2 in relation to VFM was an improvement from 2008.

- 3.2 The scoring on VFM was mainly due to the demonstration of improved financial monitoring and reporting, in particular the integration of finance and performance reports together with the focus on the Capital Programme and its subsequent revision as approved by Members in September together with the procurement activities and the linking of funding to priority services.

- 3.3 The new Use of Resources framework within the CAA assessment does not separate VFM but refers to the delivery of this across each area of the judgement:

- Managing Finances

- Governing the Business
- Managing Resources

3.4 The VFM assessment delivered as part of the CPA detailed a number of projects that had been undertaken by the Council to improve our Value for Money. In addition to these projects as were detailed in the report to this meeting in February the following actions have been undertaken to support our VFM culture:

- Approval of Joint CEO between Bromsgrove and Redditch and the initial review of the single management structure
- Renegotiation of advertising contract with TMP for planning adverts to save a potential 20%
- Renegotiated insurance contract jointly with Worcestershire Districts to save £54k on contract
- Ensuring customer consultation in the planning and design of the high dependency toilet in the town centre
- BDHT absorbing additional staff costs of implementing CBL, 25% of CBL IT system running costs and 100% of new IT Homeless Module running costs.
- Provision of support to other districts and generating income to the Council ( equality and diversity , environmental health, ICT, procurement)
- Implementing restructures to realise savings (Planning Department, front of house, Dolphin Centre)
- Full implementation of the Spatial Project – Planning Portal and Document Imaging
- Seminars with external suppliers to raise awareness of trading with the Council
- Improved financial monitoring to officers and budget holders
- Member training on procurement undertaken, specifically to raise awareness of social and environmental issues
- Officer training on achieving VFM
- Further extension of the use of Government Procurement Cards to improve efficiency of payment
- Achievement of the planned target for efficiencies in 2008/09 £80k and the highest Council across Worcestershire in securing savings over the CSR period £2.6m.
- Sale of advertising space on Council Roundabouts
- Full implementation of the Purchase Order Processing System

#### **4. VFM Action Plan**

4.1 The current VFM action plan was approved in November 2007 and has been monitored on a quarterly basis through CMT.

4.2 The majority of the actions that were included in the plan have now been implemented including significant improvements in procurement, consultation and culture change within the organisation.

- 4.3 The Audit Commission have recognised the improvements achieved by the Council in the delivery of Value for Money. However, the recommendation included in the Annual Audit and Inspection Letter stated:

*The Council should undertake routine evaluation of all projects, initiatives and partnerships to ensure that the Council's resources make the most impact and deliver the best value for money. There are a number of areas that need further focus and attention to ensure the Council is securing best value in the use of our resources.*

- 4.4 In addition it has been recommended that the Council undertake an assessment of its cost base and comparison of such with other Councils.
- 4.5 In recognition of the need to improve our delivery of VFM and to target specific areas a revised VFM action plan is included at Appendix 1.

## **5. FINANCIAL IMPLICATIONS**

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

## **6. LEGAL IMPLICATIONS**

- 6.1 There are no legal implications.

## **7. COUNCIL OBJECTIVES**

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

## **8. RISK MANAGEMENT**

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

- *Inability to realise efficiencies to fund priority services*
- *Poor judgement on Use Of Resources*
- *Council at risk of challenge by contractors*

- 8.1 These risks are being managed as follows:

- Inability to realise efficiencies

Risk Register: *Financial Services*

Key Objective Ref No: 8

Key Objective: *Effective VFM culture and compliant procurement best practices.*

- Poor judgement on Use Of Resources

Risk Register: *Financial Services*  
 Key Objective Ref No: 8  
 Key Objective: *Effective VFM culture and compliant procurement best practices.*

- Council at risk of challenge by contractors  
 Risk Register: *Financial Services*  
 Key Objective Ref No: 8  
 Key Objective: *Effective VFM culture and compliant procurement best practices.*

**9. CUSTOMER IMPLICATIONS**

9.1 By ensuring the Council maximises its opportunities in delivering Value for Money all of our customers will receive quality services at the best price possible and will enable the Council to realign resources into priority services

**10. EQUALITIES AND DIVERSITY IMPLICATIONS**

10.1 In considering procurement and Value for Money opportunities the Council has a number of criteria that contractors are expected to comply with to ensure access to services and engagement with the Council is available to all of our residents and customers.

**11. OTHER IMPLICATIONS**

Procurement Issues – as stated in the report
Personnel Implications - none
Governance/Performance Management – improving VFM is a key element of improving performance in the Council
Community Safety including Section 17 of Crime and Disorder Act 1998 - none
Policy - none
Environmental – environmental and sustainability issues are all included in the procurement considerations

**12. OTHERS CONSULTED ON THE REPORT**

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

**13. APPENDICES**

Appendix 1 VFM Action Plan

**14. BACKGROUND PAPERS**

None

**CONTACT OFFICER**

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