

WYRE FOREST DISTRICT COUNCIL

Value for Money Policy

1. Introduction

Value for Money (VfM) is defined¹ as the relationship between **economy**, **efficiency** and **effectiveness** ('3Es'). Achieving VfM means achieving a balance between all three: relatively low costs, high productivity and valued outcomes.

This is consistent with the duty of Best Value placed on the Council under the Local Government Act 1999 to "secure continuous improvement in the way in which [it] exercises [its] functions, having regard to a combination of economy, efficiency and effectiveness".

The Council recognises its duty of Best Value and its responsibility to achieve VfM in service delivery. It will seek to incorporate VfM principles in delivering services by taking account of **costs**, **quality** of services and the local **context**.

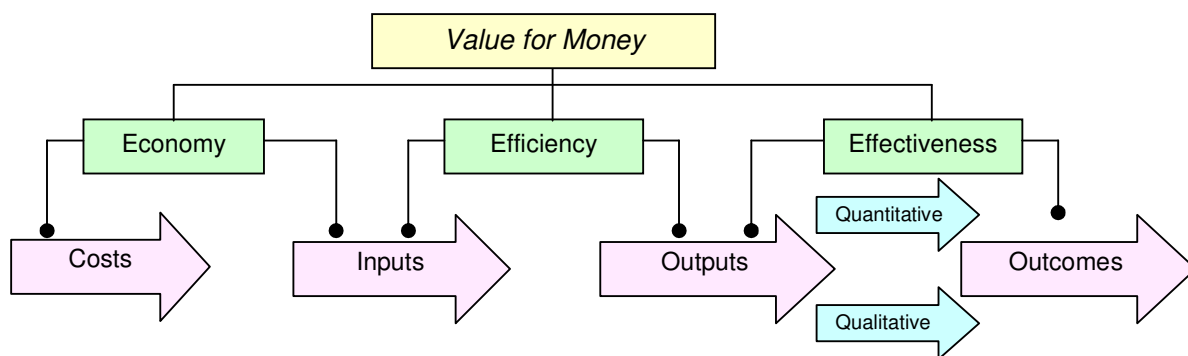
2. Objectives

The Objectives of this VfM Policy are to:

1. Identify the Principles of VfM (see 3 below), and
2. Ensure that these Principles are reflected in the Council's service planning and delivery (see 4 below).

3. VfM Principles

- The Principles of VfM are illustrated in the following diagram:



- **Economy** is the price paid for inputs (of a given quality) to a service
- **Efficiency** is the level of productivity (the outputs produced for the level of inputs used)
- **Effectiveness** is the quantitative or qualitative impact achieved by the outputs.

4. Putting the Principles into Action

To demonstrate VfM, the Council will seek to achieve the optimum balance between the above Principles and strive for continuous improvement in all aspects of service delivery by the following means:

a) Identifying local needs and priorities

We will:

- Involve stakeholders through our Consultation and Communication Strategies, including through the use of citizens' panels, user-satisfaction surveys and other customer feedback
- Identify priorities to meet the needs of our community, both as an individual service provider and a partner, and ensure that these take account of national and regional priorities
- Ensure that community needs and priorities are reflected in our plans and strategies, e.g. Community Strategy, Corporate Plan and Service Business Plans.

b) Securing resources at the appropriate price having regard to the level of quality required

We will:

- Implement our Procurement Strategy to secure the most advantageous combination of price and quality
- Consult, and work in partnership as appropriate with, WM Regional Centre of Excellence and other public and private sector service providers
- Use all appropriate methods to achieve economies, including e-procurement, joint working, shared services and market-testing.
- Ensure that these methods are recorded in our formal procedures, including Standing Orders Relating to Contracts and Financial Regulations
- Restrict any budgetary growth and increases in Council Tax to the minimum necessary to achieve our declared aims
- Strive to attract external funding to supplement our own resources where appropriate
- Ensure that long-term ('whole life') costs are taken into account in the acquisition of resources

c) Allocating resources in accordance with agreed aims

We will:

- Ensure that resources are allocated in accordance with our plans and strategies, including our Medium Term Financial Strategy and Annual Budget
- Demonstrate a clear link between our agreed priorities and allocation of resources
- Continuously seek to identify opportunities for increased efficiency without adversely affecting service quality

d) Ensuring services are delivered to meet customers' needs, utilising the minimum level of resources required and by the most appropriate means, including via partnerships

We will:

- Deliver services in accordance with our Business Plans and Customer Service Strategy
- Monitor cost levels to ensure they are commensurate with agreed service quality

e) Reviewing service delivery to ensure good practice is adopted and to secure continuous improvement

We will:

- Adopt working practices – independently and in partnership – to support the drive for increased efficiency and effectiveness, including promoting the use of electronic service delivery and working with other service providers as appropriate
- Implement our Performance Management Framework to assist in achieving economy, efficiency, effectiveness and continuous improvement in services, including:
 - Regularly monitoring performance and ensuring elected Members have quality information to perform the scrutiny function
 - Comparing the Council's performance with that of other similar service-providers
 - Challenging our own performance by a variety of methods, for example through service reviews, scrutiny exercises, budget reviews, human resource reviews, compliance with our Corporate Governance Framework, internal audit functions and working with external auditors, inspectors and other agencies

f) Undertaking necessary training and development to promoting a 'VfM culture' within the Council and its partners

We will:

- Ensure that the structure and processes of the organisation are conducive to the achievement of VfM
- Utilise training & development programmes as appropriate to inform Members and officers and to foster a VfM culture within the organisation

5. Responsibilities

While everyone within the Council has a general duty to ensure the Council provides value-for-money services, responsibilities may be summarised as follows:

Body	Responsibility
Cabinet	Ensuring that the VfM Policy is adopted and adhered to
Scrutiny Members	Holding the Cabinet to account in this duty
Corporate Management Team	Ensuring that the Council's strategic direction is consistent with the contents of this Policy
Divisional Management Teams	Ensuring that services are delivered in accordance with this policy