

Value for Money Strategy

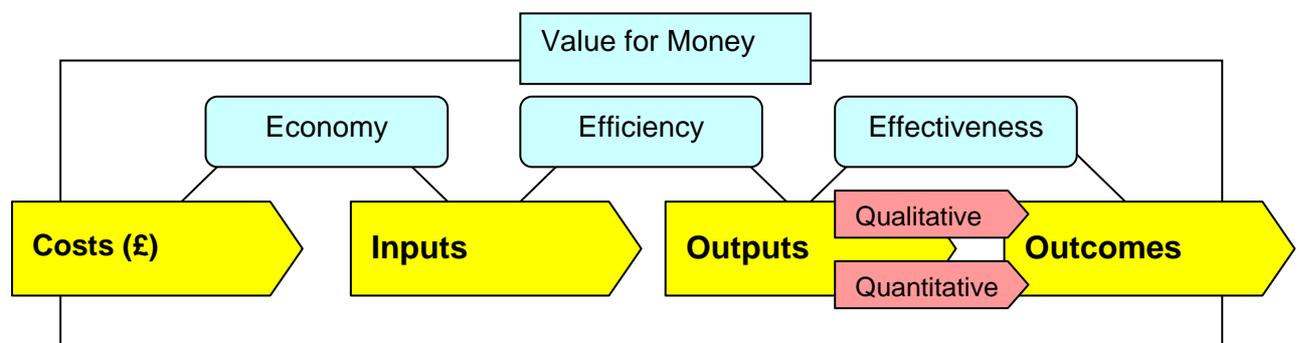
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Value for Money Strategy

Introduction

Value For Money (VFM) can be defined as the relationship between Economy, Efficiency and Effectiveness. It is a term used to assess whether the Council has obtained the maximum benefit from the goods and services it procures and provides within the constraint of limited resources facing the Council.

The VFM Strategy for Barrow Borough Council is not to spend as much (Economy), to spend it well and not wastefully (Efficiency) and to spend it wisely on what is needed (Effectiveness) to achieve the Council's Priorities.



There are three recognised ways of efficiency savings and therefore VFM by:

- Reducing inputs of resources whilst maintaining the same level of service delivery.
- Improving the level of service delivery whilst maintaining the same level of resources input.
- Improving the level of service delivery by a higher proportion than an increase in the level of resources input; investing for results.

VFM is therefore not about reducing the level of service delivery or providing less quality services.

VFM remains a major consideration for decision makers in providing quality public services. It is also a cornerstone of the concept of public accountability.

In delivering the identified Priorities the Council is committed to achieving VFM in all aspects of its activities.

Council Priorities

Housing: The Council is committed to continuing to provide a greater choice of good quality housing and regenerate the oldest and poorest housing in the Borough.

Regeneration and Public Realm: The Council is committed to working with partners and service providers to enhance the built environment and public realm.

Local Economy: The Council is committed to work on mitigating the effects of cuts in public spending, their impact on the local economy and working to secure a long term economic recovery for our community.

Service Delivery: The Council strives to provide good quality, efficient and effective services while reducing overall expenditure.

Raising Awareness

To realise VFM as an organisation, raising awareness is vitally important and this is achieved by:

- Publishing the VFM Strategy on the Council's Intranet and Internet.
- Following best practice and continually reviewing business processes.
- Making the best use of the Council's assets and resources.
- In preparing budget estimates, Heads of Service are encouraged to consider VFM and efficiencies when setting their spending plans.
- Ensuring that the Council's Purchasing Procedure are adhered to.
- Setting appropriate and robust Contract Standing Orders.
- Invest to save projects.
- Training and development for staff and Members.
- Maximising returns from revenue and capital investments.

Achieving VFM

The Council's Medium Term Financial Plan includes allowance for various items that are known to increase over time, including contractual inflation. However, there is an expectation that efficiency savings will be realised over the term of the Plan in order to fund those items that increase over time but are less predictable or certain and those items identified but not yet built into the Financial Plan.