

# Value for Money Strategy

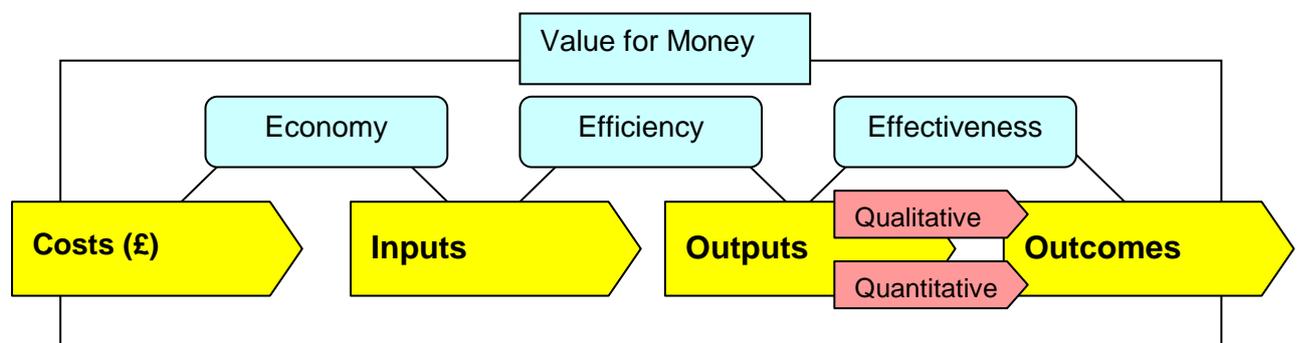
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## Value for Money Strategy

### 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

**The Council's vision for the Borough is a healthy population with high aspirations, living in good quality housing with decent jobs in a diverse economy.**

Given the severe constraints on Council income it is necessary to think and act more like a business, drive efficiencies from services, generate more income and support innovation and best practice within services. The Council has identified the following cross-cutting objectives to achieve efficient and effective services:

- Provide short and medium term financial stability in the General Fund by implementing the agreed 2016-2020 Budget Strategy;
- Measuring customer satisfaction with Council services;
- Developing a more cost effective procurement process by maximising the use of purchasing frameworks;
- Refreshing and implementing the Councils workforce strategy;
- Identifying opportunities to generate additional income;
- Provide training and support for innovation and adoption of best practice within services and requiring managers to demonstrate this.

In addition four thematic priorities have been identified as drivers to support the Councils vision:

- Developing the local economy to secure a long term economic future for all our community;
- A strong and vibrant town centre community;
- Closing the gap on health inequalities;
- Providing a greater choice of good quality housing and regenerating the oldest and poorest housing in the Borough.

These Priorities will be used as the basis for all future business planning and to direct the activity of any spare capacity and resources.

## Raising Awareness

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

- Publishing the VFM Strategy.
- 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 Medium Term Financial Plan.