

VALUE FOR MONEY STRATEGY

1 Introduction and our Vision for Herefordshire

This document sets out Herefordshire Council's strategy for assuring ourselves of Value for Money (VfM) in the planning and delivery of all of its services.

The Chartered Institute of Public Finance & Accountancy Financial Management Code states that in making decisions, allocating resources and planning the delivery of services, the authority should seek to ensure that its services are economical, efficient, effective and equitable and break the concept of value for money down into four 'pillars' which are more readily measurable:

- Economy
- Efficiency
- Effectiveness
- Equity

This Strategy has been developed as we want to improve the way we manage our approach to Value for Money to ensure we provide financial, social, economic and environmental value and are able to show the real impact that we have on our residents and our communities.

Our ambition for Herefordshire is set out in the County Plan 2020-2024 and sets the strategic priorities of which value for money is central to its delivery:

“Respecting our past, shaping our future - we will improve the sustainability, connectivity and wellbeing of our county by strengthening our communities, creating a thriving local economy and protecting and enhancing our environment”.

A new Delivering Value for Money Policy is in place and value for money will be incorporated into the performance review process to ensure that services and the council as a whole are constantly reviewing and improving the use of our resources and the quality of services that are offered.

2 Key Drivers

In seeking to fulfil its vision of delivering services that perform well and outcomes that improve our residents' quality of life, at a cost that compares favourably with other similar councils, the council has identified four key drivers:

- Ensure that Value for Money remains a clear and sustained focus for the council and is integral to its key decision making processes
- Promote a shared understanding across the council of what Value for Money means in practice and a culture of continuous improvement

- Deliver savings that will provide resources for improving services
- Demonstrate to residents and other stakeholders that the council achieves good Value for Money

3 Approach to Value for money at Herefordshire Council

Value for Money at Herefordshire Council is:

“Achieving our business priorities economically, efficiently, effectively and equitably whilst maximising social and environmental value”

Value for money is about achievement of the 4E's:

- Economy - doing things at the best price
- Efficiency - delivering with the least waste of time and effort
- Effectiveness - delivering what we said we would deliver
- Equity – spending fairly

Achieving VfM is not simply about one-off reviews, it is a process of continuous service review and improvement.

4 Our Value for Money priorities

- Integrate VfM and Social Value as part of the Herefordshire Council culture
- Manage our assets to optimise our return on investment
- Gain best possible value out of procurement
- Understand and be able to report on social and environmental value
- Fully understand our costs their impacts across Herefordshire Council and how they link to performance and how we compare with others
- Increase service efficiency and effectiveness – understanding our residents and community needs (performance and continuous improvement)
- Further involve our Staff and Stakeholders in gaining value for money
- Be transparent, accountable and have accessible communication

5 Framework for Delivering Value for Money

To support delivery of these opportunities, a structure has been put in place around which the plan can be developed and success achieved:

VfM Delivery Framework



6 Who is involved?

Value for Money needs to be embedded across the council and involves all our governance structures, customers, staff and contractors.

The council's executive, Management Board, are ultimately responsible for ensuring the delivery of value for money, monitoring progress and ensuring that it is embedded into the council's policies and procedures.

However, the responsibility for increasing value for money lies with all Members and officers at all levels of the council. It is not restricted to those with resource or financial management responsibilities, or to the directors of service.

Managers have the executive responsibility to maintain an awareness of good practices in their own area of operation and to ensure that these are followed appropriately. Value for money must be delivered in all of the budgets that they manage. Managers also have the responsibility to keep up to date with developments in good practice in their own service areas. They should actively attempt to identify and review new and developing good practices and apply them to Herefordshire where appropriate.

Every member of staff at Herefordshire Council has a responsibility for delivering value for money on a day to day basis for our customers and working with contractors to get value for

money from contracts. All members of staff should attempt to seek and achieve value for money in all of their activities and to bring to management's attention any possible areas for improvement.

The responsibilities of Members are set out in the terms of reference for both the offices they hold and the committees and panels of which they are Members. This information is contained within the Constitution.

7 Measuring and monitoring how well we are doing

We will use a variety of ways to assess if we are delivering value for money:

- High level financial, operational and satisfaction measures will be reviewed regularly
- Management accounts are reviewed monthly
- Key performance measures identified in the council's Delivery Plan are reviewed quarterly
- We will compare our costs and performance with our peers through internal benchmarking
- Internal audit carry out reviews as agreed in the internal audit work planning process?
- Our external auditors will conduct an annual review and provide findings and suggestions for improvement, where appropriate

Related Council Documents

- 1 Herefordshire Council County Plan 2020-2024
- 2 Herefordshire Council Delivery Plan 2020-2022, Respecting our Past Shaping our Future
- 3 Herefordshire Council Medium Term Financial Strategy 2021/22 – 2023/24
- 4 Herefordshire Council Treasury Management Strategy
- 5 Herefordshire Council Social Value Statement
- 6 Herefordshire Council Contract procedure rules
- 7 Herefordshire Council Procurement and Commissioning Strategy
- 8 Herefordshire Council Annual Report
- 9 Herefordshire Council Risk Management Policy
- 10 Herefordshire Council Digital Strategy
- 11 Herefordshire Council Performance Management Framework
- 12 Herefordshire Council Customer Service Standards
- 13 Herefordshire Council Workforce Strategy