

VALUE FOR MONEY - FAREHAM BOROUGH COUNCIL

How do we challenge Value for Money?

Corporate:

The council's vision is to ensure that Fareham is a prosperous, safe and attractive place to be.

This vision is guided by a set of values, one of which is '*Being efficient, effective and providing value for money*'

The vision is achieved by seven corporate objectives, one of which is '*To be a dynamic, prudent, progressive, and best practice council*'

This corporate objective is supported by a range of desired outcomes that are as follows:

- Confidence that the Council is continuously seeking to improve performance.
- Confidence that the Council complies with all legal and audit requirements.
- Increases in the Council's proportion of the Council Tax are kept to a minimum.
- Confidence that the Council is a good employer.
- Confidence that the Council's Support services are meeting the needs of the Council and providing value for money
- A transparent, accountable, and efficient decision making process.

Specific services contribute to the achievement of these outcomes through the implementation of various corporate strategies (e.g. Organisational Transformation Strategy) and specific service improvement plans (e.g. Performance & Improvement Plan)

Value for Money Framework

The VfM framework is a corporate approach to managing value for money that was implemented during 2005 in response to the Audit Commission's Use of Resources assessment. The framework consists of two parts:

Part 1 - VfM Self Assessment – all services are required to complete an annual (at the moment) self assessment. Based on 12 factors:

<ul style="list-style-type: none">• Comparative Performance• Customer Satisfaction• Improvement Plans• Capacity• Performance Management• Impact of Service Failure	<ul style="list-style-type: none">• Cost of Service• Budgetary Control• Linage to Corporate Priorities• Statutory Duties• Internal / External Inspection• Customer Standards
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Each factor is rated as High / Medium / Low and a weighted score is allocated accordingly. A high score indicates a greater risk that the service is not providing value for money.

e.g. Criteria for Comparative Performance is as follows:

- High (20 pts) = bottom quartile performance or no robust comparison information
- Medium (14 pts) = middle quartile performance
- Low (4 pts) = top quartile performance

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Scores for all services are collated and ranked in order of priority to determine a schedule of value for money reviews. Fareham's priority areas for review are:

- Concessionary Travel (2005 to 2006)
- Environmental Services (2005 to 2008)
- Ferneham Hall (2006 to 2008)
- HRA Functions (2005 to 2007)
- ICT Services (2007 to 2008)

Part 2 - VfM Reviews

Stage 1 – Define Scope

Stage 2 – Position Statement

- Measure & compare economy, efficiency and effectiveness
- Gap Analysis

Stage 3 – Options Appraisal

- 2½% Efficiency Improvements
- Cost Benefit Analysis

Stage 4 – Approval

Stage 5 – Implementation

Service:

At a service level, all services are required to identify improvements as part of the annual service planning process. Service Improvement Plans are in two parts:

Part 1 – Service Improvement with appropriate performance measures and targets.

Part 2 – Service Improvement Actions

Service improvements fall into one or more of the following categories:

<ul style="list-style-type: none">• Improved Effectiveness (improving outcomes or quality)• Improved Efficiency (more outputs for the same input of same output with less inputs)• Improved Economy (reduced cost of inputs)• Mandatory (ensure compliance with legal or mandatory requirements)	<ul style="list-style-type: none">• External Priorities (contribution to national, regional priorities)• Risk Reduction (reduce likelihood or impact or potential threats)• Revenue Enhancement (changes that generate additional income)• Strategic Fit / Enabling (no direct benefits but support other initiatives)
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Corporate guidelines state that all services must include service improvements that deliver a 2½% efficiency Improvement.