

WELWYN HATFIELD BOROUGH COUNCIL  
CABINET – 2 AUGUST 2016  
REPORT OF THE DIRECTOR (FINANCE & OPERATIONS)

**VALUE FOR MONEY STRATEGY 2016-19**

**1 Executive Summary**

- 1.1 Like all other councils and public bodies we seek to achieve value for money in how we plan and deliver services to the residents of Welwyn Hatfield.
- 1.2 This report provides the annual update to our Value for Money Strategy for the period 2016-19.
- 1.3 The strategy includes an Action Plan for this year which takes us up to setting the budget for 2017/18.

**2 Recommendations**

- 2.1 To adopt the Value for Money Strategy for 2016-19 in appendix A, and note the Action Plan activities.

**3 Explanation**

- 3.1 The drive for value for money has always been a duty and priority for the council, but has been heightened in the current economic climate and at a time of reducing central government support to local authorities.
- 3.2 Value for money still remains part of the assessment by external auditors of our final accounts work every year. This is formally reported to the Audit Committee in August.
- 3.3 Value for money is concerned with obtaining the maximum benefit from the resources that are available to us. It means finding the optimal balance between what are known as the 3E's – economy, efficiency and effectiveness and is achieved when our costs are relatively low, our productivity is relatively high, and successful outcomes have been accurately measured. It can be explained as:

*Low Cost + High Performance + High Satisfaction = Value for Money.*

- 3.4 There are a range of processes and systems we deploy to help our services achieve value for money. These include our performance management framework, our annual budget challenge, our procurement strategy, our internal audit and governance arrangements and other Member scrutiny of our services.

**Implications**

**4 Legal Implications**

- 4.1 The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The external auditors

concluded that such arrangements were in place for financial year 2014/15. Their opinion for 2015/16 will be reported to the July meeting of the Audit Committee.

## **5 Financial Implications**

- 5.1 The adoption of a new Value for Money Strategy has no direct financial implications for the council.
- 5.2 This Strategy sets out our approach to achieving value for money across all of our services. Its principles are considered when setting service budgets and targets, and in commissioning and delivering our services. At a time when the Authority is facing an increasing budget gap the delivery of these principles are even more important.

## **6 Risk Management Implications**

- 6.1 The risk of growth in net expenditure which may impact on the relative value for money of services is managed through the budget setting process and the ongoing review of the Medium Term Financial Strategy.
- 6.2 The annual review of the value for money strategy and the delivery of the action plan is the means by which the Council is choosing to manage the risk of not achieving value for money.

## **7 Security & Terrorism Implication(s)**

- 7.1 There are no security or terrorism implications as a result of the value for money strategy.

## **8 Procurement Implication(s)**

- 8.1 The adoption of the value for money strategy will not directly result in the purchase of goods or services and so there is no procurement implication. The procurement procedures are an important part of the way the Council demonstrates it is achieving value for money.

## **9 Climate Change Implications**

- 9.1 There are no direct climate change implications to consider.

## **10 Link to Corporate Priorities**

- 10.1 The subject of this report is linked to the Council's Corporate Priority of engaging with our communities and provide value for money and specifically with regard to delivering value for money.

## **11 Equalities and Diversities**

- 11.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report.

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## **Background Paper:**

Value for Money Strategy 2015-18.