

Report of	Meeting	Date
Director of Finance (Introduced by the Executive Member for Resources, Councillor A Cullens)	Executive Cabinet	05/12/06

VALUE FOR MONEY – SELF-ASSESSMENT AND FRAMEWORK

PURPOSE OF REPORT

1. a) To update Cabinet on our Audit Commission Use of Resources VFM Self-Assessment for 2006.
- b) To present our suggested framework for achieving good value for money and how we will manage and improve value for money in the future.

CORPORATE PRIORITIES

2. Achieving Value for Money is a core requirement of the strategic objective of ensuring Chorley Borough Council is a performing organisation, and successful achievement of VFM will be a major contributor to CPA and Use of Resources Assessments.

RISK ISSUES

3. The issues raised and recommendations made in this report involve risk considerations in the following categories:

Strategy	3	Information	
Reputation	3	Regulatory/Legal	
Financial	3	Operational	3
People		Other	

4. Failure to achieve and manage Value for Money and to evidence outcomes that demonstrate this will potentially adversely affect our Use of Resources scores, our Efficiency Targets and as a consequence, the Council's reputation.

BACKGROUND

5. As part of the Use of Resources first round assessment in 2005, the Council scored 3 out of 4 for the Value for Money theme.
6. This recognised that we were providing good value for money in the provision of services in comparison with other similar District Councils.
7. Our VFM Self-Assessment for 2006 (Appendix 1) has now been submitted to our external auditor for consideration and review.
8. Final scores for all Councils 2006 Value for Money Cost Profiles, are expected to be published by the Audit Commission sometime in the spring of 2007.



9. Achieving a good score on this assessment will be a vital part of our drive to becoming an excellent Council.

VFM FRAMEWORK

10. As mentioned earlier, our progress on VFM has been recognised by the Audit Commission. In particular our work on developing shared services, our dramatic reduction in overhead costs without any detriment to service delivery and the way we have embedded good procurement practice into the organisation, have all been positively received.
11. The VFM framework (Appendix 2) has been developed in the light of the Audit Commission's feedback on the 2005 Use of Resources Assessment.
12. The document sets out our strategic objectives and approach, key principles, how we will create and maintain a VFM culture within the organisation and roles and responsibilities.
13. We believe it creates a platform to ensure a corporate approach is taken and demonstrates our commitment to ensuring that the achievement, improvement and management of VFM is effectively tackled at all levels of the organisation.
14. I have also built the staff resource I believe is required to deliver VFM into my proposed Directorate Restructure, which is also included on this committee agenda.

COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES

15. There are no Human Resources implications to this report.

CONCLUSIONS

16. We are making good progress in ensuring VFM is effectively achieved in the delivery of services.
17. We need however to ensure a more strategic approach is taken in the future and this we believe can be achieved through implementation of the VFM framework included with this report.

RECOMMENDATION(S)

18. That Executive Cabinet note the Use of Resources VFM Self-Assessment Document for 2006.
19. That Executive Cabinet approve the VFM Framework for implementation within the Council.

GARY HALL
DIRECTOR OF FINANCE

Background Papers

Document	Date	File	Place of Inspection
Use of Resources Audit Commission Guidance for Councils – 2006 Assessment			DoF's office

Report Author	Ext	Date	Doc ID
J Douglas	5203	21 November 2006	ADMINREP/2111DJ01