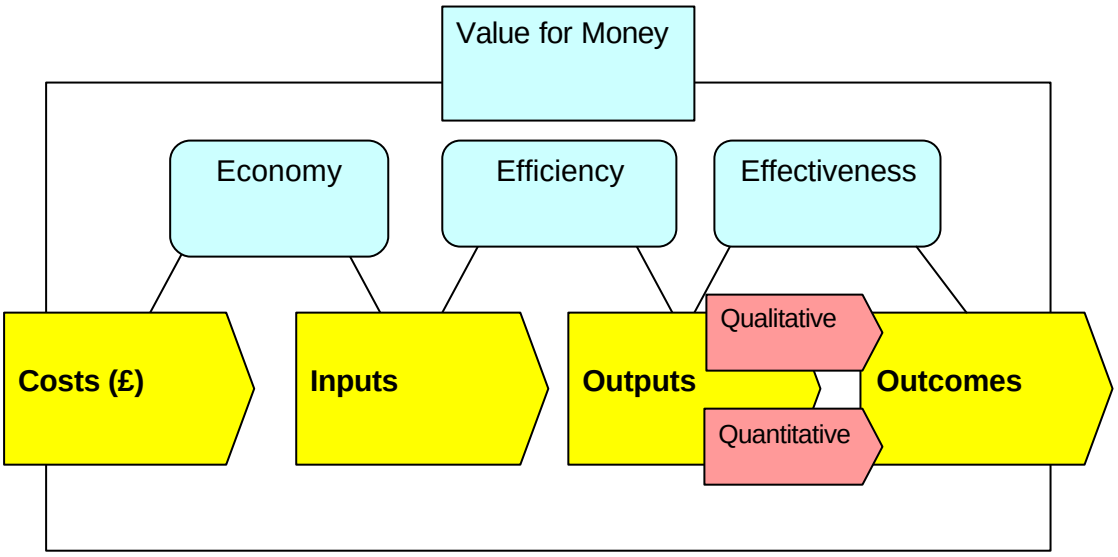
Walsall Council

Scrutiny Value for Money (vfm) Assessment Framework

Introduction

Value for Money is defined as the relationship between economy, efficiency and effectiveness (or spending less, spending well and spending wisely), as shown in the diagram below:



VFM Chain, Audit Commission

It is important to note that it is not just about saving money- Value for Money is high only when there is a strong balance between all three elements; when costs are relatively low, productivity is high and successful outcomes are achieved.

This vfm assessment tool provides a framework for members in partnership with services to work through and is divided into 3 broad themes:

1. What does it cost to provide this service? (economy)
2. How is this service performing? (efficiency)
3. What quality is the service being provided? (effectiveness)

For each of these themes there is the opportunity/potential for scrutiny panels with the service being assessed to benchmark with other service providers to give a clearer picture of relative performance. Guidance on benchmarking is given at Appendix One.

The aim is that on completing this assessment scrutiny members will be able to make a judgement regarding the vfm provided by the service and identify and recommend any potential further action.

The Process

Once a service has been identified for a Value for Money review, the panel should allocate a lead member (or lead members) who will be the link between the service area undertaking the review and the Panel.

Through the scrutiny team, the lead member(s) should arrange a handover meeting, outside of the full panel meeting, with the head of the service area. This meeting will be the start of the vfm assessment review.

Information discussed at the handover meeting should include:

- timescales for completion
- dates of the hand back meeting
- dates of when the information is being presented to panel
- agreement of what information will be provided
- a discussion about the process, jointly going through the whole document to identify any potential concerns.

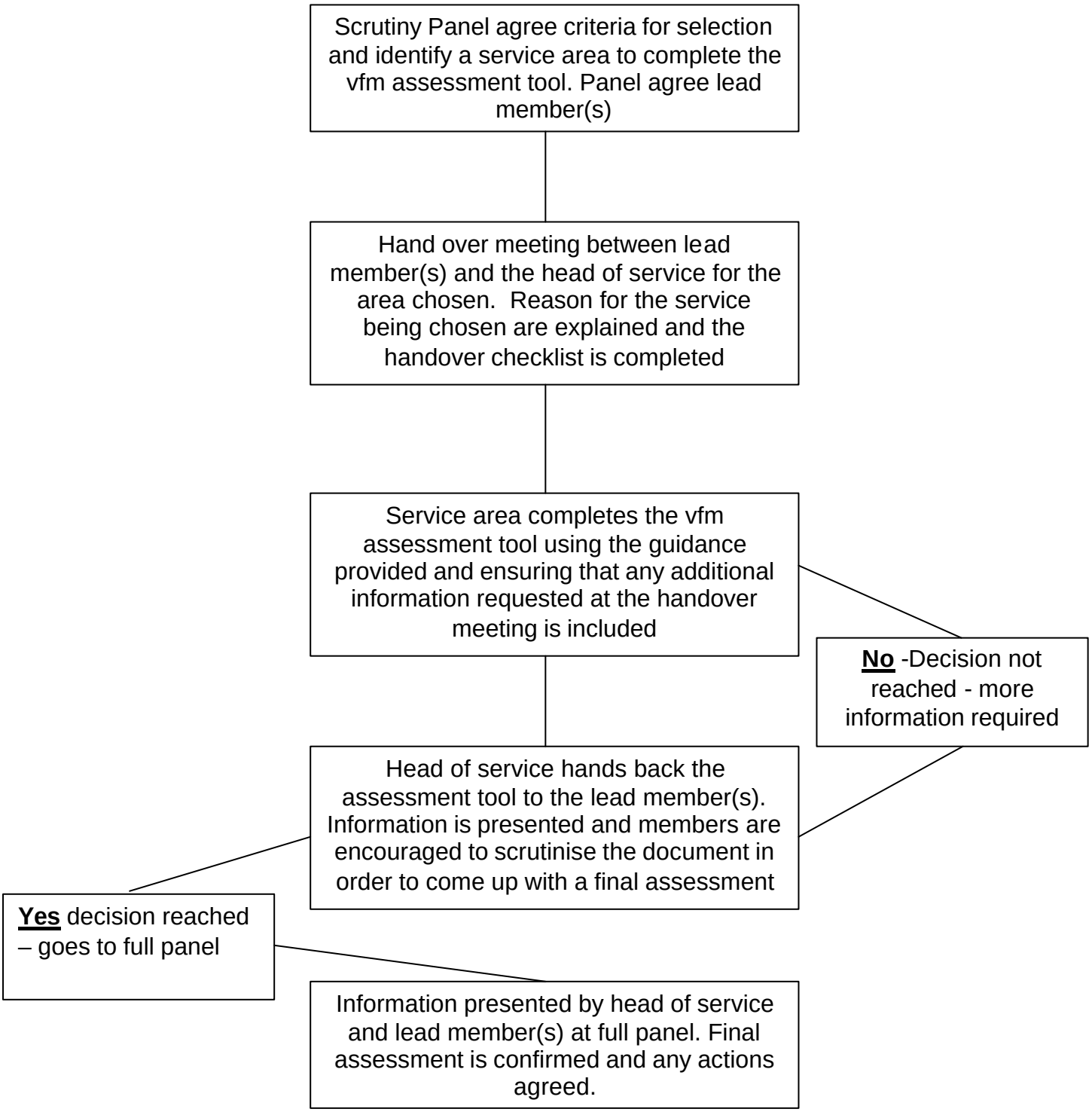
The service area is then given a period of time, (mutually agreed at the handover meeting) to complete the vfm assessment tool. The service area **MUST** complete all sheets including the summary sheet, officer's findings of assessment sheet and forward looking assessment sheet.

This information is then presented back to the lead member(s) by the head of service at the hand back meeting. This will allow the service to present any information and allow the members to question and scrutinize the data and information contained within the document. This may result in a request for more information, which would require a further meeting, or a decision being reached with the members completing the final assessment sheet.

This information will then be submitted through to full panel for member's comments and agreement of recommendations. The lead member(s) and head of service should attend full panel to answer any further questions and to provide an update as to the reasons for the decision reached.

Depending upon the outcome of the assessment, the panel may request the service area to produce a vfm action plan to address any issues raised within the assessment and the Panel should also consider how it will monitor implementation of any recommendations.

Process Flowchart



Scrutiny Panel Value for Money (vfm) Assessment

Summary

Scrutiny Panel Value for Money (vfm) Assessment

Reason for considering / assessing this service	
How does this service support the priorities of the council?	
COSTS	
What does this service cost us? Gross revenue budget Capital Budget (If applicable)	**£** **£**
How this is distributed:	
Employee related expenses (*Salary costs, Internal/External training etc*)	**£**
Premises related expenses (*Energy/Water/Accommodation recharges*)	**£**
Transport related expenses (*Vehicle, fuel, public transport, car allowances etc*.)	**£**
Supplies and Services (*Furniture, Professional Fees, Insurances, Advertising)*	**£**
Other (*link into Annual Efficiency Statement and Gershon*)	**£**
Income – Fees and Charges	**£**
Other Income (*Include Grant income)*	**£**

QUESTION? **How do the costs identified above compare to other authorities / service providers?**

PERFORMANCE DATA
What is the inspection rating of this service and how has it changed over the last 3 years? *(if applicable)*
What performance indicators does this service have to demonstrate vfm?
What is in the Beacon Index?
Is this service on target to deliver efficiencies identified in their service plan? (If not, what corrective action has been taken?)
What control measures are in place?

QUESTION? How does performance identified above compare to other authorities / service providers?

QUALITY OF SERVICE

How does this service identify and evidence the quality of service provided:-

Performance Indicator/ comparable data:-

Achievement of recognised standards, for example:-

- Service Standards in-house
- Charter Marks
- International Organisation for Standardisation (ISO)
- Investor in People (IiP)
- Service specific

Customer Satisfaction:-

- Compliments / complaints / comments
- Surveys - Place survey
  - Tracker survey
- Service initiated feedback from customers
- Local Neighbourhood Partnership (LNP) feedback
- Partner feedback

Employee Satisfaction:-

How does the service plan to engage with the public / customers in the future?

- consultation strategy

How does the service effect the 6 strands of equality (Age; Disability; Gender; Race; Religion or Belief; Sexual Orientation)

Is there a higher or lower participation in take up of the service from any of the six groups?

Does the service have any negative or positive impacts on any of the six groups?

QUESTION? **How does the quality of service identified above compare to other authorities / service providers?**

OFFICERS TO COMPLETE
FINDINGS OF THE ASSESSMENT BASED ON EVIDENCE GATHERED:

(Brief statement summarising the view of the Officers conducting the assessment)

It is our view that this service, in terms of vfm is:-

Delivering services in an efficient and effective manner and demonstrating vfm in all areas ☐

Generally delivering an efficient and effective service and demonstrating vfm but needs to address the following issues: ☐

1.

2.

3.

4.

In the majority of areas examined is not able to evidence that service delivery is efficient and effective or that vfm is being delivered. Our recommendation is that…. ☐

Scrutiny Panel Value for Money (vfm) Assessment

Forward Looking Statement

MEMBERS TO COMPLETE
FINDINGS OF THE ASSESSMENT BASED ON EVIDENCE GATHERED:

(Brief statement summarising the view of the members conducting the assessment)

It is our view that this service, in terms of vfm is:-

Delivering services in an efficient and effective manner and demonstrating vfm in all areas ☐

Generally delivering an efficient and effective service and demonstrating vfm but needs to address the following issues: ☐

1.

2.

3.

4.

In the majority of areas examined is not able to evidence that service delivery is efficient and effective or that vfm is being delivered. Our recommendation is that…. ☐

Appendix One
Benchmarking Guidance Notes

Overall consideration

- The idea behind benchmarking something is to improve it by learning from others. Measuring the impact of changes made as a result of benchmarking will require tracking of cost, performance and quality of service over a period of time.
- Benchmarking is not new, it is not separate from the day job and it is not a corporate responsibility.
- Effective and regular data collection and analysis, the capacity to learn from others, and an openness to new ideas and willingness to introduce them are all essential elements of effective benchmarking.
- Benchmarking against other authorities will aid us in improving the service we offer to residents.

Costs

- What data benchmarking has taken place against costs with:
    a. previous periods in this authority?
    b. other authorities? (e.g. www.cipfastats.net)

- What process benchmarking has taken place? I.e. what is the reason for differences in costs?

- What has been the resultant outcome? I.e. what alterations have been made following process benchmarking and what impact have they had on costs?

Points to consider on cost

- Is a cost comparison with other authorities possible? Does the unique nature of the service make such comparisons irrelevant?

- Has a conscious decision been made to spend more money on a service due to it being a priority to the community or being under-funded in previous years for example? Just because we spend more on a service than other authorities doesn't automatically mean that something is wrong.

- The level of performance versus the cost is often a more rounded measure of how we're doing in relation to others. The ideal is to spend the least and perform the best and such a position cannot be gauged by cost analysis alone.

Performance Data

- What data benchmarking has taken place against the indicator/s with:
    a. Previous performance in this authority?
    b. Performance in other authorities?

- What process benchmarking has taken place?

- What has been the resultant outcome? i.e. what alterations have been made following process benchmarking and what impact have they had on performance?

Points to consider on performance

- Are output figures available? A service doesn't always have measures in the National Indicator Set (NIS) with which to gauge performance against. Clearly the use of NIS is the most effective way of data benchmarking as they are national standards with agreed and audited methods of collection.

- Direct comparisons are not always possible if authorities do not use the same measure of performance.

- There is no 'one size fits all' when it comes to process benchmarking. Just because a particular initiative works well for one authority doesn't necessarily mean it will work equally well for another. It may be more appropriate to select certain elements of a process from elsewhere and integrate them into our current practices.

- In a similar way to spending, each authority has its own priorities. We may decide something is a non-priority and as such are willing to accept it will compare unfavourably against other authorities. When considering benchmarking it is better to select priority areas to compare against as it is clearly not possible to benchmark everything.

Quality of Service

- What data benchmarking has taken place against the measure of quality of service with:
    a. previous periods in this authority?
    b. other authorities?

- What process benchmarking has taken place?

- What has been the resultant outcome? I.e. what alterations have been made following process benchmarking and what impact have they had on quality of service?

Points to consider on quality of service

- There is little point in making improvements in quantity if this is at the expense of quality.

- The ultimate aim is to provide the highest output at the lowest cost whilst maintaining the highest quality.

- Quality of service is often the hardest element to compare as it is more subjective and cannot easily be statistically analysed (unless an indicator exists around satisfaction).