

Use of Resources: Value for Money Self-Assessment.

How well does the council currently achieve good value for money?	Evidence Sources
<p>Please provide brief details and evidence to support your assessment with focus on:</p> <ul style="list-style-type: none"> • how the council challenges value for money through services and corporately; and • the relationship between local taxation, overall expenditure and costs; and • the level and performance of services provided, taking account of local priorities <p>In our Corporate Plan – Growing Success – we have identified the key processes in which we must excel if we are going to achieve our six, quality of life, priorities. These processes include –</p> <ul style="list-style-type: none"> • Continuous improvement in the quality, effectiveness and efficiency of our services; • Strong (partnership) relationships which deliver better services; • Efficient financial and resource management; and • Effective prioritisation and allocation of resources. <p>Our performance in achieving these outcomes is assessed through our comprehensive performance management framework, budget (capital and revenue) monitoring and reporting and is challenged through the budget and Medium Term Plan processes and targeted reviews, such as Scrutiny reviews, service (Best Value) reviews, efficiency reviews and base budget reviews.</p> <p>Service (Best Value) Reviews now are concentrated on the Council’s 6 overall priorities, and will specifically –</p> <ul style="list-style-type: none"> • Challenge the allocation of resources to ensure that they are in line with the priorities 	<ol style="list-style-type: none"> 1. Corporate Plan 2. Service Review/BVR Methodology 3. Base Budget Review briefing paper 4. Overview and Scrutiny Budget Review Briefing paper. 5. & S Performance monitoring Budget Cycle and MTP process 6.

- Challenging costs compared with outcomes.

The Council has carried out two base budget reviews in the last 3 years. They have reduced costs by £290k (2003/04 onwards) and a further £523k from 2005/06 (subsequently rising to £578k) without affecting services and the achievement of priorities.

The Overview and Scrutiny Panel (Planning and Finance) is undertaking value for money study and its findings will contribute to the review of the Medium Term Plan. The Overview and Scrutiny Panels routinely examine national BVPIs including cost indicators.

Huntingdonshire's Council Tax (£99.71) for the year 2005/06 is in the lowest 8% of Council Tax levels for all Shire Districts in England. Range £59 to £275, average £145.

ADD comparative data on performance.

How well do the council's overall and service costs compare with others?

Please provide brief details and evidence to support your assessment – please attach the VFM Profiles summary report provided. Key areas of focus:

- current level of overall costs and costs for key services;
- planned spending in relation to others; and
- level of overheads and how they are accounted for.

The VFM profiles shows that by comparison with our 'nearest neighbour' councils, the Council, consistently, has had one of the lowest average band D council tax rates. In 2004 only two other councils in the comparison group had a lower average rate.

VFM Profile produced by the
Audit Commission
MTP and Financial Strategy

The total amount of money spent per head on services is in the upper quartile, this largely reflects the fact that our spending per head on environment, planning, transport services, housing services and home office services are all in the upper quartile. This spending reflects the Council's priorities– a clean, green, attractive environment; housing that meets local needs; and safe and active communities and Accessible Services and Transport. Total expenditure on central services per head is in the lower median quartile.

ADD details of investment to improve performance eg refuse and recycling.

The Council is in the top quartile for the collection of council tax and non-domestic rates. We are also in the lower quartile for money spent per head on tax collection, showing that local tax collection at HDC is very efficient in comparison with other councils.

ADD additional comparative data, particularly for excellent council's if available.

ADD details of MTP plans and % on priorities and savings etc to meet/maintain tax limits in financial plan.

The Council complies with the CIPFA Accounting Code of Practice and allocates all overheads to services. It is impossible to compare levels of overheads with other authorities as one authority's overhead may well be a direct charge to a service at another. It is for this very reason that CIPFA recommends full allocation so that comparison can properly be carried out at service level.

How do external factors affect costs and how do adjusted costs compare?

Please provide brief details and evidence to support your assessment:

- external local contextual factors that influence costs (such as deprivation, geography, demography); and
- demand and supply levels.

Huntingdonshire is a large rural district (ADD upto date data), has been one of the fastest growing districts for past 20 years or so and currently sits in the London – Stansted – Cambridge – Peterborough Growth area. The speed and level of growth has been an important influence on costs.

Growth has largely been confined to the 3 market towns of Huntingdon, St Ives and St Neots as a consequence some communities and localities, particularly some areas of the market towns and larger settlements and rural areas have experienced relative structural and social decline. While the district is a prosperous area with a good quality of life enjoyed by local residents there are pockets of deprivation which deep rather than widespread.

ADD details of spending/costs as a consequence or in advance of growth.

ADD examples of rural sparsity and additional costs, eg refuse collection

It is the council's policy to target resources and to seek to attract external funding to meet areas or communities of need.

To what extent are costs commensurate with service delivery, performance and the outcomes achieved?

Please provide brief details and evidence to support your assessment in relation to the key areas of focus – please refer to the VFM Profiles tools for evidence:

- quality and standards achieved, including targeted investment to improve poorer services and quality of life;
- results of service inspections; and
- range of discretionary services provided.

Performance management and external inspection has revealed limited need for improvement. Investment has been targeted at services which contribute to our key priorities, together with essential processes and organisational development which support achievement of priority outcomes. ADD eg's such as recycling and refuse, planning, performance management, risk management and procurement, communications.

ADD details of discretionary services in priority areas

To what extent do costs reflect policy decisions?

Please provide brief details and evidence to support your assessment in relation to the key areas of focus:

- how costs are assessed when decisions are made;
- the extent to which higher spending is in line with stated priorities; and

the extent of long term cost considerations with major investments or partnerships.

Every proposal for spending variations explains the impact on the council's budget. When the medium term plan is reviewed the long term impact is also considered and highlighted.

ADD analysis of spending in line with priorities.

The Council has for some years been carrying out an annual long term forecast of spending and Council Tax levels. This year's (considered by Cabinet on 1 September) runs to 2016/17. Our biggest partnership scheme – the provision of a new health centre and offices for the PCT was considered over a 15 year time frame together with residual values at the end of that period in

<p>order to set the rent level.</p>	
<p>How well does the council manage and improve value for money? Please provide brief details and evidence to support your assessment focusing on:</p> <ul style="list-style-type: none"> • how the council manages its costs, whilst maintaining the quality of services and responding to local needs. <p>The Council undertake appropriate consultation and research to support the identification of local needs. Specifically in 2004 the Council commissioned detailed research into our spending and future plans.</p> <p>This information has been used in our prioritisation processes. ADD details of results and use in future decision making and budget setting.</p>	<p>Research and Consultation briefing note.</p> <p>Prioritisation briefing note</p> <p>Report to Cabinet and O&S</p>
<p>How does the council monitor and review value for money? Please provide brief details and evidence to support your assessment:</p> <ul style="list-style-type: none"> • current processes for monitoring and reviewing costs, including: <ul style="list-style-type: none"> - consideration of value for money in the annual budget process; - internal reviews (including Best Value reviews); and - cost indicators 	

Do procurement and other spending decisions take account of full long-term costs?

Please provide brief details and evidence to support your assessment:

- how value for money is built into the council's procurement practice;
- the extent to which a 'whole life' approach is taken to spending and procurement decisions;
- identifiable savings achieved through procurement; and
- use of external funding to deliver council priorities.

Achieving Value for Money is a cornerstone of the Council's approach to procurement and is clear requirement the regulations (Code of procurement) through effective processes, valid competition and open markets. Value for Money is support by specific techniques in the Council's Procurement Strategy and explained in procurement guidance.

Although appraisal of whole life costs are normally a feature of capital projects (e.g.: fleet purchase of refuse vehicles where reliability and vehicle life was weighed against purchase cost or a major building project where total cost includes analysis of future energy and operating costs) there also examples of work done to understand the cost /re-use /re-cycling opportunities for consumables.

There are a number of examples where the Council is achieving savings through the use of consortia catalogues and frameworks and collaborative frameworks with other Councils. Two specific examples includes:

- Insurance. Insurance was competed through EU Negotiated procedure and savings of £61k achieved.

- Wheeled Refuse Bins. Originally quoted £16.67 each. Comparison with a neighbouring Authority showed they were paying £15.15 per bin. One company offered us bins at £15.50. Eventually achieved £15.15 per bin. Represents a notional saving of £26k or an extra 1,800 bins.

The Council has a good record in attracting external funding to meet our priorities and to address needs in the District.

Provide totals and examples – including Oxmoor, Ramsey.

The Council created a post of External Funding officer in 1999 and the postholder has been successful in helping to raise £1.8M for Council projects and £1M for Community projects since that time.

To develop these achievements the Council has recently restructured this role and responsibility for external funding has been relocated in the corporate Policy Decision. The rationale for this change includes the strengthening of the links with strategic priorities, specifically the local strategic partnership and community strategy outcomes