



CITY OF
Lincoln
COUNCIL

Together, let's deliver
Lincoln's ambitious future



Value for Money Statement

August 2017

Agreed by Corporate Leadership Team – October 2017

Owner: Policy Unit, CX

To be reviewed: August 2020



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Why Value for Money is important to us

The council has a clear vision – “Together, let’s deliver Lincoln’s ambitious future” This is driven by our commitment in Vision 2020 to provide “Professional, high performing service delivery”

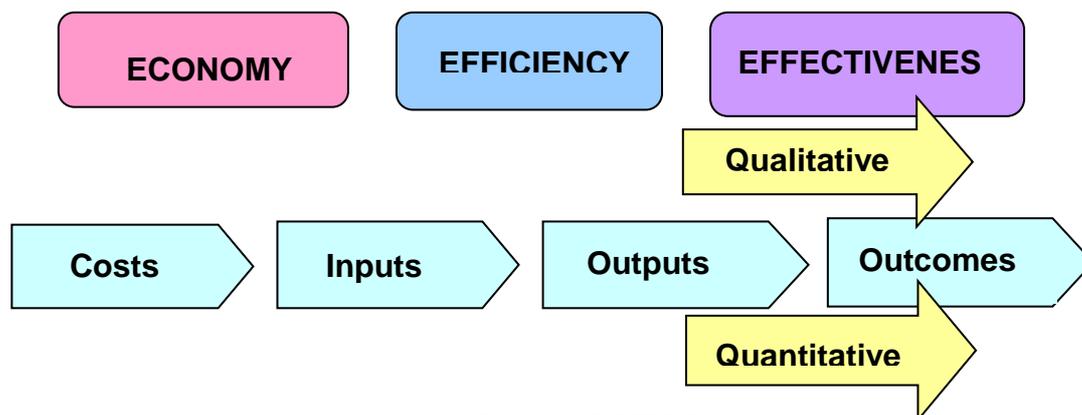
As part of Vision 2020, our corporate strategic plan, we have four key priorities:

- Let’s drive economic growth
- Let’s reduce inequality
- Let’s deliver quality housing
- Let’s enhance our remarkable place

For the council to play its part in achieving this vision we must ensure we achieve value for money in all our activities

Value for money is about obtaining the maximum benefit from the resources available to the organisation – balancing inputs outputs and outcomes. In simple terms it measures costs, performance and satisfaction, and is often defined as achieving the right balance between economy, efficiency and effectiveness - spending less, spending well and spending wisely.

The value for money model (VFM)



Our strategic approach to VFM

To deliver services that are good value for money the council will:

- Optimise the resources available for our services
 - Deliver reduced costs for the same output
 - Deliver more output for the same cost
 - Continuously exert downward pressure on costs
 - Ensure that service costs are commensurate with outcomes achieved
- Review service standards provided, ensuring they fit with prevailing economic conditions
- Further develop our commercial appetite through innovative asset management and new inventive ways of income generation
- Utilise cost effective procurement methods
- Regularly review services and look for continuous improvement
- Benchmark service performance and costs against other organisations wherever possible
- Explore opportunities for shared services and other collaborative arrangements
- Embed VFM considerations into the culture of the council



Arrangements in place to ensure delivery of VFM

To embed VFM in the way we work we have strong processes in place in the following areas:

- **Governance**

- VFM is a key part of any business case submitted and all decision making groups take decisions with a focus on VFM – especially in the light of the current economic situation
- Performance Scrutiny Committee – reviews service and financial performance (against cost, performance and satisfaction) on a quarterly basis and uses its remit to periodically review key (off target) services. Both of these aspects have VFM as a core consideration.
- Policy Scrutiny ensures that any changes to policy with financial aspects delivers VFM as part of the proposal – e.g. restructures, retention of discretionary services etc.
- Although Community Leadership Scrutiny committee has primarily got an external focus, it will occasionally review VFM in terms of whether best use is being made of funding where multiple pots exist across partners
- Lincoln Project Management Model – this compulsory method of managing projects within the council contains key templates for financial assessments and risk management
- The Strategic Plan Implementation Team ensures that all projects demonstrate VFM initially and through the change approval process – ensure any changes requested continue to deliver VFM. The ownership of this will move to AD Group in late 2017, with a similar remit
- Annual audit letter – contains an independent statement from the Council's external auditor on the council's 'arrangements to secure economy, efficiency and effectiveness in our use of resources'
- Our consultation strategy ensures that we involve customers and thus enhance satisfaction

- **Financial stewardship**

- The Medium Term Financial Strategy (MTFS) – delivers a robust financial plan through a rigorous budget setting process. One of the key objectives of the MTFS is to provide cost effective services which demonstrate value for money.
- In response to the current financial situation, and building on the success of previous review programmes, the council has developed the "Towards Financial Sustainability Programme", concentrating on the following three key strands:
 - Asset Rationalisation - managing the City's property and land portfolio to optimise usage and commercial returns
 - Commercialisation/income generation – development of plans to drive new and innovative income streams (e.g. from advertising)
 - Cost reduction/shared services and demand management – ensure that we are taking the most cost effective route to providing services

We will of course continue to monitor and deliver services with the original considerations:

- Driving greater value from procurement and commissioning activity
- Ensuring that we have fair charging in place
- Consideration of green and sustainable choices

A range of projects are now being progressed under each strand. All business cases have to demonstrate evidence of how VFM savings can be achieved. The aim is to ensure the services we provide demonstrate continuous improvement as well as value for money.

- In 2008, the council entered into an agreement for the provision of a Shared Procurement Service for Lincolnshire. We have now given notice that as of April 2018, we will be withdrawing from this service and will instead provide procurement services in house
- The Asset Management Group ensures the best use of corporate assets



- **Performance management**

- Our performance framework includes the following:
 - Regular monitoring of Vision 2020 projects to ensure that the key aims of the council are progressed to budget, timescales and outcomes
 - Demonstrable VFM service performance trends in (in the IMPS performance management system) covering :
 - Cost – including baseline unit costs of service delivery and income achievement through quarterly monitoring against budget
 - Performance measures – covering areas such as throughput, time taken and outstanding work
 - Customer satisfaction - feedback on services through satisfaction monitoring and complaints and compliments monitoring
 - Focussed comparisons of services externally for those services within benchmarking groups – for example HouseMark, CIPFA, APSE, East Midlands performance network group and LGInform
 - Quarterly performance and budget management and reporting to Corporate Management Team and Members
 - Benchmarking section on the contextual report presented with each Portfolio report to Performance Scrutiny Committee
 - Quarterly Dashboard summarising all aspects of performance within the VFM chain
- Communication of VFM to customers and staff through:
 - The annual Council Tax booklet
 - Articles in Your Lincoln
 - The external website
 - The internal City People network
 - Face to face consultation in advance of the budget and council tax level setting
 - The Annual Report
 - The on-line 'Engine Room' and the developing Vision 2020 visuals in Committee Room 4 at City Hall (late 2017)
- Delivering excellent customer service which is a key component of VFM –as measured by:
 - Proactive customer external consultations
 - Tenant's panel
 - Citizen's panel
 - Focus groups
 - IMPS satisfaction measures
 - Telephone surveys
 - Our newly-adopted Customer Experience Strategy has key themes relating to VFM, Efficiency and Engagement.
- External Review
 - Peer Challenge reviews conducted by LGA, including a review of financial processes
 - The initial review led to a glowing report, with minimal suggested improvements. We are however monitoring all aspects to ensure we maintain standards.
 - Follow up reviews to be arranged for 2019

