

# Value for Money Statement

## Introduction

Value for Money (VFM) is important to Westerham Town Council because the Council is committed to:

- ensuring that public money is spent efficiently to provide effective services for our residents;
- whilst delivering and maintaining a balanced budget;
- and continuously striving for improvement.

## VFM Principles

Value for Money (VFM) can be defined as the relationship between Economy, Efficiency and Effectiveness. It is a term used to assess whether the Council has obtained the maximum benefit from the goods and services it procures and provides within the constraint of limited resources facing the Council. Value for money is not about achieving the lowest initial price. The Town Council has adopted the National Audit Office's (NAO) practice of using the three criteria to assess the value for money of government spending:

**Economy:** minimising the cost of resources used or required (inputs) – **spending less;**

**Efficiency:** the relationship between the output from goods or services and the resources to produce them – **spending well;** and

**Effectiveness:** the relationship between the intended and actual results of public spending (outcomes) – **spending wisely.**

## Delivering VFM

We have integrated our approach to achieving value for money into all that we do. The Council seeks to achieve the optimum balance between the principles above in all aspects of service delivery, by the following means:

- a) Involving residents in our decision making by identifying community needs and priorities through regular consultation with all households; and ensuring that community needs and priorities are reflected in Council plans and strategy;
- b) Regularly reviewing, redesigning and modernising services to improve customer experiences and to address changing community needs;
- c) Allocating our resources in line with the Council's priorities, plans and strategy;
- d) Effectively managing the procurement process to secure the most advantageous combination of quality and price – the Council's Procurement Policy, Financial Regulations and Standing Orders must be observed. They provide clear guidance to officers on the limits for the purchase of goods and services above which three quotations should be sought and the limits that trigger a formal tendering process to award a public contract, as defined by the Public Contracts Regulations 2015;

- e) Having strong governance processes in place - reviewing Internal Controls and Internal Audit procedures annually and commissioning an annual programme of Internal and External Audit;
- f) Operating a robust budgeting process. Each committee reviews their budget lines in detail when setting the budget, seeking to identify savings and minimise increases to costs. The Responsible Finance Officer challenges whether there is built in under-spending. Finance & General Purposes Committee and Full Council consider the consolidated budget in detail before setting the precept to ensure that the Council is offering good VFM. Expenditure against budget is reviewed at each Committee and Full Council meeting, throughout the year;
- g) Working in partnership with community groups to minimise costs whilst bringing benefits to the town. For example, working with the Westerham Society each year to jointly provide the floral displays around the town;
- h) Enhancing our budget by maximising sources of income, including allotment rent, chamber hire, sport club usage fees and rental of Russell House ground floor to Winterton Surgery. We undertake annual reviews and regular benchmarking to ensure we implement fair and appropriate charging for services;
- i) Striving to obtain external funding to supplement our resources through sponsorship and grant funding;
- j) Managing performance – we regularly review our performance, tracking progress against objectives and seeking opportunities for continuous improvement and increased efficiency. We always seek to learn from and share best practice with other councils, asking whether our staff and other resources are being used to best effect?
- k) Transparency – VFM is communicated through the Council website, annual report, strategic plan and to each household through external publications (TN16 and Edenbridge magazine).

**REVIEWED BY F&GP 26<sup>th</sup> September 2022**

**ADOPTED BY FULL COUNCIL: 5<sup>th</sup> December 2022**

**NEXT REVIEW: December 2024**