

Value for Money Strategy

1. Introduction

- 1.1 The overall role of the Cheshire Constabulary is to ensure that people in Cheshire are safe, and feel safer.
- 1.2 The Strategic Aims outlined in the Authority Policing Strategy are:
- **Reducing Crime** - To reduce crime and disorder through prevention and detection in partnership with local authorities, other agencies and the public
 - **Investigating Crime** - To investigate reports of crime appropriately, concentrating efforts on those that offer the greatest potential for detection; and, in partnership with other criminal justice agencies, to ensure that the victim's needs are met and that opportunities for offences to be brought to justice are maximised.
 - **Promoting Public Safety** - In partnership with other agencies to provide services that improve and promote public safety and reassurance, particularly relating to crime, disorder and road use.
 - **Providing Assistance** - To provide improved, timely, professional and appropriate assistance to all calls for service concentrating efforts on those circumstances where our skills will be most effectively used and the greatest contribution can be made.
 - **Public Focus** - To provide and develop police services that meet the needs of the public and enhance the trust and confidence amongst the diverse communities of Cheshire.
 - **Resource Use** - To provide an efficient and effective service ensuring that people, technology, facilities and finance contribute to the delivery of policing services.
- 1.3 In pursuing these strategic aims, the Constabulary and Authority remain mindful of the need to ensure Value for Money for the residents and council tax payers of Cheshire, Halton and Warrington.

2. Defining Value For Money

- 2.1 Value for Money (VFM) is not a new concept for the police service or other public bodies. It is often defined as the relationship between economy, efficiency and effectiveness (see diagram 1 below).
- 2.2 VFM is a term used to assess whether an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. It not only measures the

cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness, and convenience, to judge whether together, they constitute good value.

2.3 VFM can be illustrated by the following diagram :

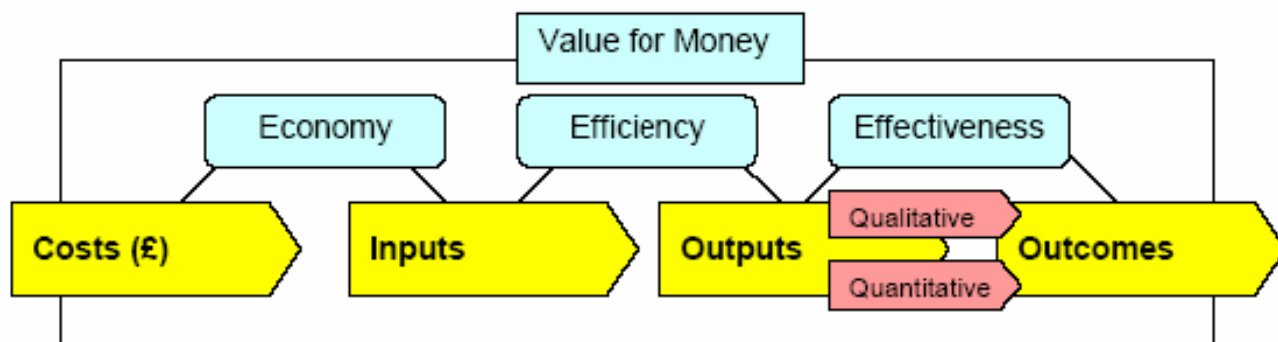


Figure 1 Value for money diagram

2.4 To help understand the diagram the following definitions are useful:

- **Economy** is a measure of the cost of providing a service, for example, the cost of Police Officers, vehicles and police stations. Focusing on economic services can often be about minimising the cost of resources for an activity, i.e. - 'doing things at a low price'.
- **Efficiency** is a measure of productivity - how much you get out in relation to what is put in. For example, the number of crimes investigated per Police Officer, or the number of scenes visited per Crime Scene Investigator. Efficiency is primarily concerned with the undertaking the process with reasonable effort, i.e. - 'doing things the right way'.
- **Effectiveness** is a measure of the impact achieved. For example the impact of crime detection on feelings of public safety. Effectiveness is primarily associated with the outcomes for customers or the extent to which objectives are met, i.e., 'doing the right things'.

2.5 VFM is high when there is an optimum balance between economy, efficiency and effectiveness, i.e, relatively low costs, high productivity and successful outcomes.

2.6 The Authority has a statutory duty to ensure Best Value in the provision of its services. Best Value means continual improvement in terms of the economy, efficiency and effectiveness of service delivery. The Constabulary and Authority constantly look for ways to improve economy, efficiency and effectiveness in the delivery of services.

3. VFM Strategy – Objectives

3.1 The Constabulary already monitors economy, efficiency and effectiveness across various functions and services and has recently expanded this to incorporate a performance regime for Business Services functions. The Force aims to undertake a more comprehensive review of processes to deliver better Value for Money by:

Economy – establish the unit cost of a current and proposed process / activity and establish a benchmark for future monitoring against workloads where feasible. Costs will be assessed using the established costing methodology.

Efficiency – the time taken to deliver a process will be identified and compared with workload volumes, processes changed and workload targets established to assess ongoing efficiency in use of hours available .

Effectiveness – The current suite of performance targets are being enhanced nationally to encompass both neighbourhood policing impact and potentially protective services. These will be compared as now with most similar forces and nationally for relative effectiveness.

3.2 To achieve value for money, the Constabulary and Authority will also pursue the following objectives:

- To target resources towards meeting the needs of local people;
- To integrate Value for Money and Best Value principles within existing corporate, business and financial planning arrangements as well as management, review and scrutiny processes;
- To promote a culture of continuous improvement;
- To engage with the community, customers, service users, partners and other key stakeholders so that they are consulted and play an active role in securing VFM for the services delivered;
- To raise the profile of resource management and value for money across the organisation through appropriate communication, training and development, and stakeholder engagement so that it becomes embedded within the culture and is an integral part of the way we deliver services;

4. VFM Tools / Methodologies

4.1 The Constabulary and Authority has a number of methodologies and tools for promoting and delivering Value for Money. These include:

- Structured reviews of services and functions as well as cross-cutting thematic reviews on a targeted basis and to act on review findings to improve performance and achieve Value for Money;
- Benchmarking Constabulary processes and services against other similar activities and organisations in the public, private and voluntary sectors.
- Activity analysis and activity based costing to understand and improve how resources are used as part of a wider resource management focus.
- Efficiency planning to demonstrate how savings are made and re-invested in to frontline delivery
- Partnership working and collaboration arrangements

- Identifying growth and savings through budget reviews and the financial planning process;
- Effective corporate procurement mechanisms with targets for savings
- A corporate development programme aimed at delivering large scale business change improvements to services.

5. Responsibilities

- 5.1 The responsibility for achieving VFM lies with all members of staff, Chief Officers and Authority Members and is not restricted to those with resource or financial responsibilities. The Authority should satisfy itself that VFM is being sought and achieved from all areas of the Constabulary, particularly through the Finance Panel, Performance Review Panel and Audit Committee.
- 5.2 The Chief Constable, the Chief Officer lead for VFM (Assistant Chief Officer), Area Commanders and Directorate / Department Heads have the executive responsibility to put in place arrangements that will ensure VFM is being sought.
- 5.3 Managers have the executive responsibility to maintain an awareness of good practices in their own area of operation and to ensure that these are followed appropriately. Managers need to satisfy themselves that VFM is being secured in the budgets that they manage.
- 5.4 All members of staff should endeavour to seek and achieve VFM in all their activities and bring to the management's attention any opportunities for improvement.