



## Value for Money Strategy

December 2021

### Purpose

Value for Money (VfM) is a key factor in the Cambridgeshire Constabulary Corporate Plan underpinned by the Organisational Priority for Resources (extract below) as well as being a key aspect that runs through all of the Organisational Priorities. Our People have an important role to ensure that in every duty undertaken VfM is understood and considered. Our approach to Partnership and commissioning arrangements is to ensure the best possible outcomes are achieved for our communities and we strive to be innovative through our Enterprise Strategy and STRA process to achieve our Transformation priority.



VfM is a cornerstone of good financial management and stewardship of public funds. Austerity over recent years, the economic recovery from the covid-19 pandemic and funding settlements requiring efficiency savings are all elements reinforcing the need to ensure VfM in everything the Constabulary does.

Further still, the Constabulary is required to demonstrate the VfM of decisions as part of its compliance with the Financial Management Code and is subject to an annual external audit assessment on its VfM arrangements.

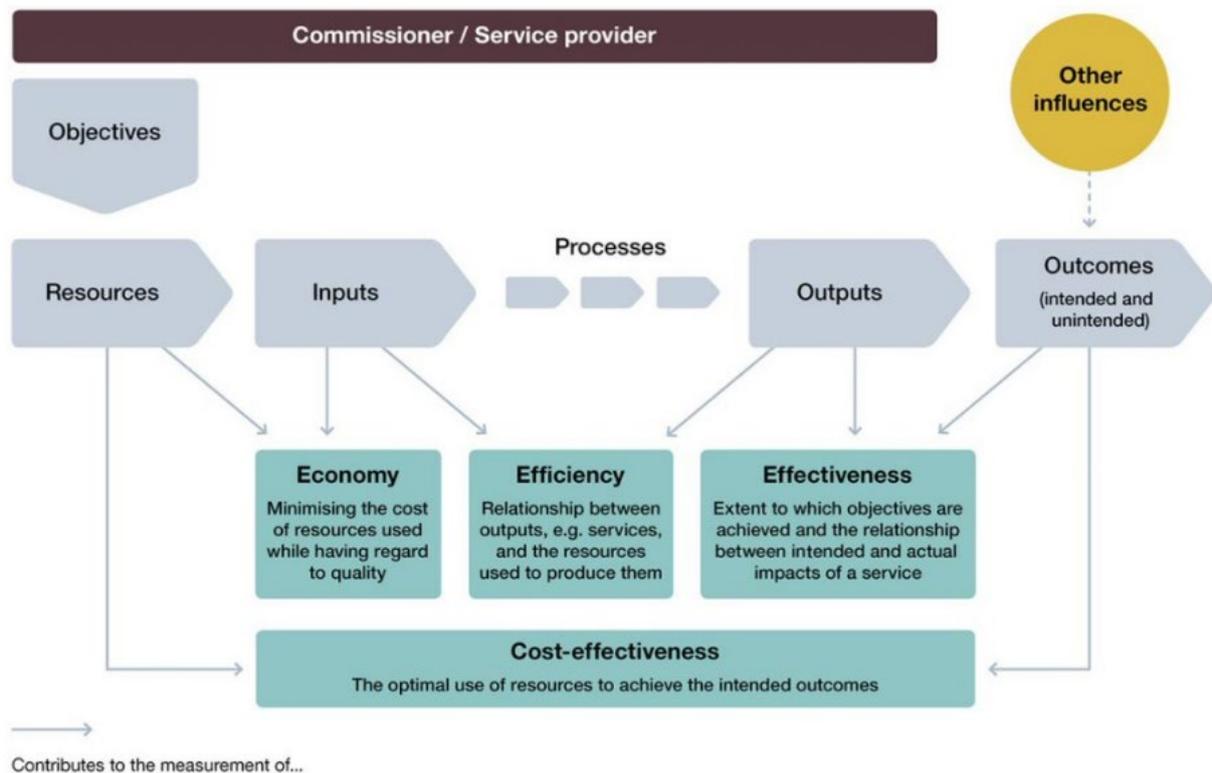
This VfM Strategy sets out the Constabulary's approach to VfM and how it seeks to demonstrate VfM through all elements of its business activity and service provision.

## The Constabulary's VfM Definition

Cambridgeshire Constabulary's definition of VfM is in line with the criteria that the National Audit Office uses (NAO - National Audit Office [Assessing value for money- \(nao.org.uk\)](https://www.nao.org.uk)), being the 3E's as follows:

- **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**.

The relationship between the 3E's is presented in the NAO diagram below. Every situation against which VfM is assessed will have a different set of circumstances and may at times require an element of subjective judgement and interpretation. The balance between economy, efficiency and effectiveness will therefore be considered on a case-by-case basis.



Source: National Audit Office [Assessing value for money- \(nao.org.uk\)](https://www.nao.org.uk)

In some instances, an additional fourth 'E' may be relevant to consider based on **Equity**. This is the extent to which services are available to and reach all people that they are intended to – **spending fairly**. Policing services are available to all who need and require them however, it may be more expensive to provide policing services to some members of the public than others due to factors such as underlying deprivation and socio-economic characteristics of a community.

## Intended Outcome

The overarching strategic outcome of the VfM Strategy is to ensure the Constabulary achieves optimal service provision and performance outcomes within the resources available, taking steps to continually check and improve VfM where necessary.

The VfM Strategy applies equally to all areas of Constabulary business whether they relate to local policing or collaborated functions at a regional or national level.

To deliver optimal service provision within resources available, there may be times when transformation is required. The Constabulary will seek to pursue change and transformation where appropriate and affordable to enhance VfM, performance and / or outcomes for the public of Cambridgeshire. The Constabulary's Enterprise Strategy is one tool that sits alongside this VfM Strategy as is the Change Board and broader governance structure to ensure the delivery of VfM.

## Approach to VfM

The Constabulary will achieve VfM through the following:

**Business and Financial Planning** - having robust business plans linking policing plans with the resources available. Continuing the use of the Strategic Threat and Risk Assessment (STRA) to underpin business planning within the Constabulary to inform financial planning. The STRA is a business tool used to provide the platform for the Corporate Plan to be delivered therefore providing a business approach helping to achieve VfM. Where necessary a priority-based approach to budgeting will be used to align key business risk and opportunity with resource allocation. This will include a planned programme of value for money reviews both in-force and within collaborated functions.

**Partnership and Collaboration** - services will be delivered in partnership with other bodies where better VfM can be achieved including improved service efficiency and/or lower costs. This may include:

- Working collaboratively with partners, particularly other police forces in the region and other public sector bodies in Cambridgeshire; and
- Effectively commissioning services from third parties where necessary and appropriate; and
- Through the work of the Office of the Police and Crime Commissioner in working with local partners and communities underpinned by commissioning and governance arrangements.

**Business Case Approach** - applying a rigorous business case process for all major projects involving new revenue or capital spending. All business cases must include the Chief Finance Officer's approval of financial implications and compliance, and assessment by all Chief Officers of risk and value for money. Benefits realisation and improved service efficiency will need to be clearly demonstrated for all new investment.

**Procurement** – a key activity that drives VfM is the Constabulary's approach to procurement. Procurement will be undertaken in line with Contract Standing Orders and for major procurement exercises through the 7 Force Commercial Team joining up procurement of services across the eastern region where it makes sense to do so. The Constabulary will also use national procurement arrangements through Blue Light Commercial to support in the delivery of VfM.

**Staff Training and Development** – the Constabulary will develop a people culture focused on VfM ensuring that VfM is part of everything we do.

**Effective Governance** – major projects, business cases and significant decisions will be taken through the appropriate governance Boards with ultimate sign off by the Force Executive Board and / or Business Coordination Board.

## Demonstrating VfM

The Constabulary will demonstrate VfM by:

**Monitoring VfM** – through the use of benchmarking, VfM reviews, benefit tracking and delivery of outcomes. Where possible the Constabulary will seek to integrate finance and performance reporting as part of VfM monitoring.

A monthly **VfM focussed Senior Leadership Team (SLT) meeting** to oversee the full range of activity related to VfM through delivery of projects, consolidation of projects across collaborated functions and locally in-force. The SLT will seek to ensure VfM is delivered by receiving regular updates, post-implementation reviews and benefit / outcome tracking.

Producing an **Annual VfM Statement** providing a summary of the VfM from activities, significant pieces of work and key decisions during the year. The statement will be produced to coincide with the financial year end alongside the Annual Governance Statement.

An **external audit assessment** where the external auditor will review the Constabulary's arrangements for securing VfM which will be reported to the Joint Audit Committee.

The **HMICFRS inspection** arrangements are a key factor in assessing the Constabulary's approach to the use of resources and consideration of the VfM arrangements within the Constabulary.