|  |  |
| --- | --- |
| PCC Logo | TVP Logo**Value for Money Strategy** |

**Introduction**

This Value for Money (VfM) strategy sets out TVP’s approach to achieving the maximum impact for the resources we have available (across both the Force and OPCC). TVP has a responsibility to achieve VfM from all its activities however they are funded. With the ever increasing pressure on financial resources, making sure we make the right resourcing decisions is vital. Identifying, measuring and delivering VfM in all decision making will help the force achieve its objectives

**What is Value for Money?**

VfM reflects not only the cost of providing service but also the benefits. “Good Value for money is the optimal use of resources to achieve the intended outcomes where optimal = the most desirable outcome given the expressed or implied restrictions or constraints”.

VfM is not about the cheapest but the most advantageous combination of whole life cost, quality and quantity. It’s about delivering the right level of service at the right price and right time.

VfM considers the sustainability of the benefits in the longer term.

VfM informs how we plan, manage and operate to ensure that we make the best use of our limited resources to deliver our mission now and into the future.

**VfM Aims**

Our four VfM Aims are to support the delivery of our objectives by using our resources in the most economical, effective, efficient and equitable manner.

* **Economy** = obtaining the appropriate quantity and quality of resources at the lowest cost possible.
* **Efficiency** = maximising the output generated from each unit of resource used; optimising the process by which inputs are turned into outputs. Efficiency can be measured in terms of the cost of providing a service per unit of resource used, per unit of output or per beneficiary (member of the public) served. E.g. the number of calls taken by each call handler.
* **Effectiveness** = the relationship between the organisations intended and actual results, the extent to which it achieves its objective. E.g. The increase in detection rates.
* **Equity** = the extent to which services are available to and reached, the people they are intended for and whether the benefits from the services are distributed fairly.

**Delivering VfM**

VfM principles are considered at all stages of decision-making and project delivery in a way that is proportionate to the decision in question, and within existing management planning and review processes (avoiding additional bureaucracy):

* The governance and approvals framework has VfM as a key aim
* We ensure a rigorous consideration of options to give greater confidence in the final decision.
* We will ensure those staff engaged in resource decision making are appropriately skilled and trained.
* Procurement will be undertaken in accordance with best practice and our legal obligations.

**Reviewing VfM**

Through delivery of this Strategy, we look to continuously improve in delivering VfM, supported by the following:

* Internal Service Improvement Reviews and organisational structure reviews (e.g. Force Review).
* HMICFRS Reviews and Internal and External Audits.
* Governance Advisory Group review of the governance arrangements reported in the Annual Governance Statement.
* The PCC (and the PCC CFO in particular) scrutinise VfM within the Force.
* Force activities are benchmarked against other forces and organisations as appropriate.

**Measuring VfM**

Measuring VfM is complex as it is frequently qualitative rather than quantitative and depends on the position of the stakeholder. No single measurement provides a complete picture because VfM is holistic. Our strategy is to consider the various measurements of VfM, where it is beneficial and the constituent elements. This applies to individual decisions and the overarching VfM strategy. With each individual decision it is important that VfM is measured, depending on the decision, the elements of measurements will need to be considered.

* **Qualitative -** An assessment of the benefits compared to the whole life costs against the options. What will be the impact on the service delivery of the force? Which part of the community will the service benefit? What will be the impact on our staff?
* **Quantitative -** How can we measure the outputs? E.g. Comparison with other forces, Police overtime costs per officer/”000 population, Estate costs per sq. metre/per officer, Cashable and non-cashable savings.

Measurements of VfM relate to both financial and quality metrics, for example:

* Financial metrics include cashable and non-cashable savings, spend management, income achievement and savings plans.
* Non-financial metrics include service delivery, crime statistics, PEEL inspections and the Trust & Confidence survey.

Martin Thornley, CFO

Linda Waters, Director of Finance

September 2023