

Value for Money Profiles

Wokingham Council

08 February 2017

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Agenda Item 53.

Agenda

1. What are the Value for Money (VFM) Profiles?
 - Definition;
 - Purpose and Use;
- 42 2. What do the VFM Profiles say about Wokingham Borough Council?
3. Questions

VFM Profiles

The current VFM Profiles are published by the PSAA.

<http://vfm.psaa.co.uk/NativeViewer.aspx?Report=/profiles/VFM>

The VFM Profiles bring together data about the costs, performance and activity of local councils and fire and rescue services.

4 The data is displayed under different sections that give an overview of the chosen organisation and the services it delivers.

Using the profiles you can see:

- how an organisation is spending its resources, and how well services perform;
- how the costs and performance of an organisation compare to others;
- latest planned budgets; and
- outlier reporting.

VFM Profiles & the Comprehensive Spending Review

Councils currently face a number of challenges not least:

- managing the implications of the economic climate
- significant reductions in central government funding

To respond to this councils are looking at all aspects of their remit to ensure that they are well placed to cope with these challenges. It is argued that councils that have proper arrangements for securing economy, efficiency and effectiveness are more financially resilient.

The VFM profiles provide a detailed data profile covering the following areas:

- financial resilience; and
- service delivery

VFM Profiles – Key Comparators

A key feature of the VFM Profiles is the ability to benchmark a selected council against a comparator group. This helps councils and external organisations (such as external audit) benchmark performance and outcomes.

✎ The key comparator groups are:

- statistical nearest neighbour/s
- similar type of organisation e.g. unitary council versus all other unitary councils

NB – For the purposes of this presentation we will present data for Unitary Councils only.

VFM Profiles and External Audit

As external auditors we are required to consider whether the Council has put in place proper arrangements to secure 'economy, efficiency and effectiveness in its use of resources'.

Proper arrangements are defined by statutory guidance issued by the NAO as:

- taking informed decisions;
- 46 - deploying resources in a sustainable manner; and
- working with partners and other third parties.

EY will use the VFM profiles to assist with their work and risk assessment on the value for money conclusion.

VFM profiles may indicate a significant VFM risk or a particular area of focus.

VFM Profiles – Key Areas

The following are some of the key areas for which VFM profiles can be obtained:

- financial resilience;
- service expenditure and performance per service e.g. adult social care; children & young people; and environmental services;
- 47 - planned budget;
- outliers reporting i.e. where Wokingham performs at the upper/lower quartile in relation to the comparator group.

We will now take a look at some areas which are likely to be of significance to the Audit Committee.



Points to remember when using VFM profiles

1. The VFM profiles don't always provide an answer but may indicate a particular area of focus for improvement, further efficiency or lobbying;
2. The VFM profiles are compiled using data submitted by the Council or from readily available Council published data
3. The VFM profiles show performance relative to the comparator group and can include:
 - direction of travel;
 - relative performance e.g. best 5% or worst 5%
 - % year on year change

Key VFM Profile Results – Wokingham Borough Council

Area of Focus = Planned Budget (vs comparator group all unitary councils)

1. Planned Funding from Central Government for 2016/17:

Indicator	Period	Value	% change	DoT	Rank (Percentile)	Average
49 Planned funding from central government (adjusted) per head of population	2016/17	£222 per head	-10%		 In the lowest 5%	£445 per head

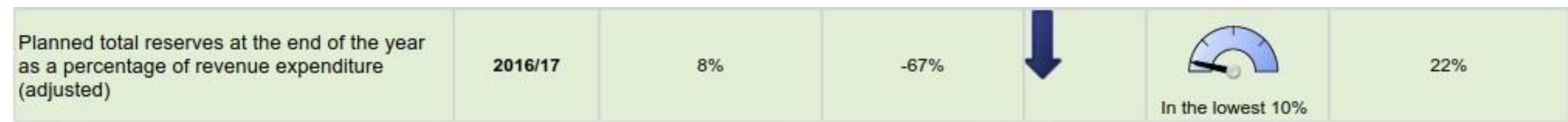
Rank Percentile = Lowest 5%

Value = £222/head vs £445 average

% Change = 10% decrease and the Direction of Travel shows a decline

Key VFM Profile Results – Wokingham Borough Council

2. Planned Total Reserves at the End of Year as a % of Revenue Expenditure:



50 Rank Percentile = Lowest 10%

Value = 8% vs 22% average

% Change = 67% decrease and the Direction of Travel shows a decline

Key VFM Profile Results – Wokingham Borough Council

Area of Focus = Financial Resilience (vs comparator group all unitary councils)

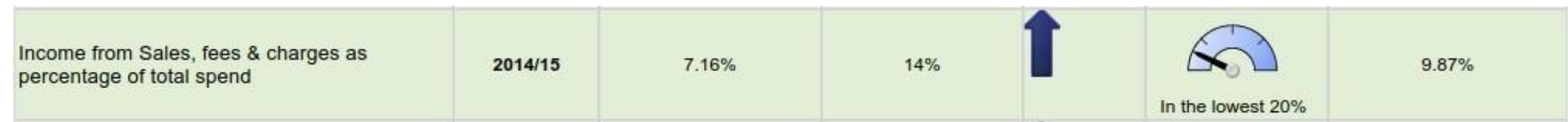
1. Spend on back office services as a proportion of total service spend:

51	Spend on management and support (back office) services as a proportion of total service spend	2014/15	8.1%	-12%		 In the lowest third	10.3%

Rank Percentile = Lowest third
Value = 8.1 % vs 10.3% average
% Change = 12% reduction and Direction of Travel shows a decline

Key VFM Profile Results – Wokingham Borough Council

2. Income from Sales, Fees and Charges as a % of total spend:



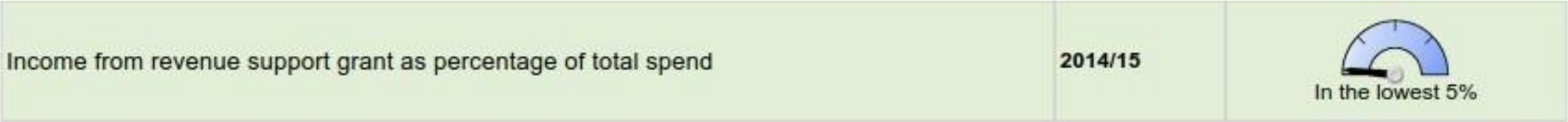
Rank Percentile = Lowest 20%
Value = 7.16 % vs 9.87% average
% Change = 14% increase and Direction of Travel shows an increase in this area

Key VFM Profile Results – Wokingham Borough Council

Area of Focus = Outliers Reporting (vs comparator group all unitary councils)

1. Income from Revenue Support Grant as a % of total spend:


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Rank = lowest 5 %

Key VFM Profile Results – Wokingham Borough Council

2. Planned Council Tax requirement per head in 2016/17:

Planned council tax requirement per head	2016/17	 In the highest 5%
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Rank = highest 5%

Key VFM Profile Results – Wokingham Borough Council

3. % of initial assessments for children’s social care carried out within 10 days of referral:




Rank = in the best 5%

Key VFM Profile Results – Wokingham Borough Council

Area of Focus = Outliers Reporting (vs comparator group all unitary councils)

4. The % of looked after children with a stable placement for at least 2 years:

56 The percentage of looked after children with a stable placement for at least 2 years	2014/15	 In the worst 5%
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Rank = in the worst 5%

Key VFM Profile Results – Wokingham Borough Council

5. Corporate and democratic core costs as a proportion of net spend:

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Corporate and democratic core costs as a proportion of net spend	2014/15	
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Rank = in the highest 5%

Key VFM Profile Results – Wokingham Borough Council

6. % of pupils with stated special education needs achieving 5/more GCSE's A-C

Percentage of pupils with statements of special educational needs achieving 5 or more A*-C GCSEs including English & Maths	Sep 2014 to Aug 2015	 In the best 5%
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Rank = in the best 5%

Questions?

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Thank you

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