



*Promoting choice and value for all gas and electricity customers*

## **Ofgem Value for Money Strategy**

**May 2011**

### Introduction

Ofgem recognises its responsibility to achieve value for money from all its activities.

We are committed to the pursuit of economy, efficiency and effectiveness as part of our overall strategy. We will seek to adopt good practice and incorporate value for money (VFM) principles in all our activities.

### Objectives

To achieve good VFM, Ofgem has set itself these objectives:

- to integrate VFM principles within existing management, planning and review processes
- to adopt recognised good practice where this makes sense
- to undertake VFM studies on areas of activity identified as worthy of review
- to benchmark activities against other similar activities and organisations where this is considered useful
- to respond to opportunities to enhance the economy, efficiency and effectiveness of activities
- to promote a culture of continuous improvement
- to demonstrate actively to both internal and external observers that the achievement of VFM is sought in all activities undertaken
- to ensure that all staff recognise their continuing obligation to seek VFM as part of their routine activities.

### Responsibility

The responsibility for VFM lies with all Ofgem members of staff and is not restricted to those with resource or financial responsibilities.

The Authority is required to satisfy itself that VFM is being sought and achieved from the use of public funds.

The Audit Committee is required to satisfy the Authority that satisfactory, systematic review of the operational control arrangements relating to effectiveness, efficiency and economy.

The Senior Management Team has the executive responsibility to put in place arrangements that will ensure VFM is being sought.

Directors 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.

All staff should endeavour to seek and achieve VFM in all activities and to bring to management's attention any opportunities for improvement.