



# VfM Indicators for Corporate Services

The Audit Agencies report “Value for Money in public sector corporate services,” published in May 2007, highlights the importance of benchmarking corporate services as a way of driving forward improvements in efficiency and effectiveness.

HM Treasury has recognised the successful use of the indicators over the last two years and has recommended – in the **Operational Efficiency Programme** published earlier this year – that all public sector organisations should collect and report against these indicators. This applies from June 2009 for central departments, agencies and NDPBs and from December 2009 for the wider public sector.

Your organisation may already have the foundations of good value for money as evidenced through inspection but can you articulate how you demonstrate value for money?

## How can we help?

CIPFA and KPMG, working together, are pleased to offer you the opportunity to benchmark your corporate services at a very affordable price. Here, we set out details of the service and explain how you can benefit from it.

## Key Points of the Service

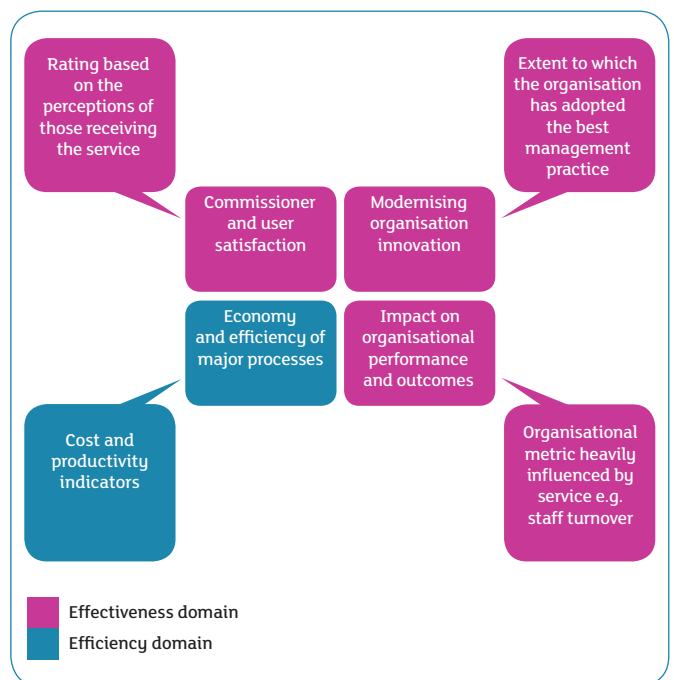
- Designed for use across the public sector
- Covers 5 main areas: **finance, human resources, information and communication technology, estates management and procurement**
- A holistic approach to VfM – effectiveness, as well as efficiency
- A low burden model using indicators no top manager would want to be without
- Concentrates on the key aspects affecting value for money allowing organisations to home in on key improvement opportunities
- Enables comparison across the public sector

## Summary of approach

A framework has been developed using a series of key indicators. The scorecard model has efficiency measures consisting of key cost and productivity indicators.

It also has three measures of effectiveness:

- **Impact** – how the output from each of the corporate services functions contributes to or influences corporate performance as a whole
- **Satisfaction of users and senior managers** – looking at how each of the corporate service functions are regarded by staff who use these services
- **Modernisation** – to consider the extent to which an organisation has adopted management practices regarded as innovative and forward thinking



## Why CIPFA and KPMG?

CIPFA is the market leader for public sector benchmarking and offer a range of cost effective services designed to meet your needs.

KPMG was commissioned by the Audit Agencies to develop the model and this was done with the help of over 100 public sector organisations across the UK.

*'This indicator set will be genuinely valuable for managing and understanding the performance and value for money of these corporate functions'.*

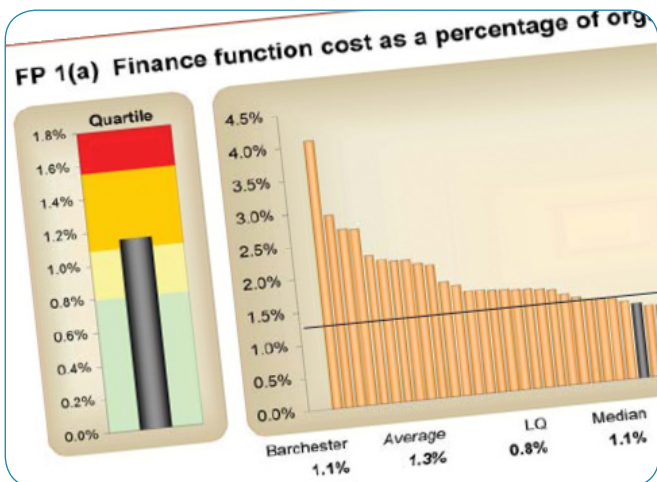


Together, we are the leading providers of the VfM Indicators Benchmarking for corporate services and this is the third year of our successful and growing benchmarking service. Over 140 organisations across the public sector participated in the second year of the service.

## How will benchmarking help me?

This benchmarking model will enable you to:

- self-assess your current performance using indicators the audit agencies see as robust and relevant;
- demonstrate commitment to improving use of resources;
- highlight areas for improvement;
- compare VfM with other similar organisations; and
- learn from others and investigate different practices.



It will provide comprehensive comparisons for each of the five areas and for all indicators, showing the organisation's performance against mean and upper/lower quartile scores for:

- all respondents;
- all respondents in the organisation's sector

## How much will it cost?

The service is very affordable and prices are based on the number of employees in the organisation and how many of the five areas the organisation signs up for.

Employees	Per Stream (£)	3 or more Streams (£)
Up to 1000	750	2250
1001-10000	1250	3750
Over 10000	1800	5400

## Contact details for further information

Organisations will have the opportunity to subscribe to the service from August onwards.

For a membership form and further information e-mail: [vfmindicators@cipfa.org.uk](mailto:vfmindicators@cipfa.org.uk) or go to [www.vfmindicators.co.uk](http://www.vfmindicators.co.uk)

Alternatively contact **Steve Straw (CIPFA)** on **020 8667 8181** or **Simon Allsop (KPMG)** on **0121 335 2583**.

*"Benchmarking our services is incredibly important. We need to demonstrate the relative value of our functions, across the corporate centre against similar organisations. That provides assurance about our value for money and also challenges us to think about our cost structure and respond. I fully endorse this work, it is a key element of moving forward with corporate services transformation".*

Source: Jon Thompson, Head of Government Finance Profession

