KPMG

Audit Commission, National Audit Office, Audit Scotland and Wales Audit Office

Value for Money indicators for public sector Core Business Functions

Final report

Final

KPMG LLP

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1 Executive Summary

1.1 Introduction

The performance of the core business functions – estates management, finance, human resources (HR), information and communication technology (ICT) and procurement - is critical to the well-being of public sector organisations. The contribution they make should be recognised and appreciated throughout an organisation, from board level to staff delivering services on the frontline. At the same time, and not unreasonably, these same functions are under scrutiny to deliver significant efficiency gains, not least so that maximum resources can be channelled into frontline services.

Public service providers are expected to demonstrate to their communities that they are delivering better value for money addressing not only efficiency but effectiveness in delivery. However, discussions between the audit agencies (Audit Commission, National Audit Office, Audit Scotland and the Wales Audit Office), and with partner organisations in Central Government, confirmed the need for more robust methods to measure efficiency improvements. They identified that for these functions there was no consistent performance information across sectors, and that the effective use of benchmarking was patchy. This lack of consistency meant that there was insufficient evidence, for example, to help in assessing the benefits of shared services.

At the beginning of 2006 the audit agencies commissioned KPMG to develop a set of value for money (VFM) indicators that could be used by public service providers to help performance manage the five core business functions, for example, in spotting opportunities for improvement and in taking decisions about the right form of service delivery. Further, it was envisaged that at a national level the output may be capable of being used by audit agencies in line with their assurance and performance improvement roles, for example to inform the selection of future performance audit studies.

The aim of this initial phase of the project was therefore to develop a series of indicators for benchmarking the VFM performance of the estates management, finance, HR, ICT and procurement functions across five sectors: central government, local government, health, police, and fire and rescue. To ensure these indicators are fit for purpose and accepted as robust and relevant, it was seen as vital that they were developed and tested in consultation with key stakeholders including the professional leads in Central Government, the Scottish Executive, Welsh Assembly Government and representative bodies from each of the sectors across England, Scotland and Wales for example the Local Government Association, Wales Local Government Association and the Convention of Scottish Local Authorities.

The audit agencies agreed that the proposals should work towards achieving five aspirations:

• A low burden model which is voluntary and drives behavioural change to achieve improved value for money;
• A small number of high level, measurable indicators that no top manager would want to be without;
• The ability to drill down deeper and access other sources of support to increase understanding;
• Best practices against which organisations can benchmark themselves to aid modernisation; and
• A focus on better outcomes for customers, internal users, and end (external) users.

Between January and July 2006 KPMG carried out three stages of work:

- Consultations with over 70 stakeholders across the public sector, desk research on what VFM indicators were in use already and, using this evidence, developed initial proposals for each function;
- A series of functional workshops were held to enable representatives from all sectors and all managerial levels to challenge the proposals. On the basis of these workshops and wider consultations, a revised set of VFM indicators was developed for testing; and
- The VFM indicators were tested in 24 pilot sites covering all sectors and across Great Britain (GB) for which technical support was provided. Evaluation workshops were then held before bringing forward final proposals for the VFM indicators set.

1.2 The VFM Indicators Set

Before describing the proposed VFM indicators set there are a number of important principles to bear in mind:

- It is to be a tool by which organisations can begin to assess their performance and ask the right questions to help them understand and investigate their current situation. It is not intended to give all the answers;
- Assessing each indicator in isolation greatly reduces the potential value of the set to understanding the performance of an organisation's core business functions; and
- It is not a replacement for existing performance management frameworks, but is intended to be complementary, linking to these and facilitating further drill down into more detailed performance frameworks or benchmarking initiatives where relevant.

This VFM indicator set is thus designed to be complementary to other initiatives. These have been taken into consideration in the design of the indicators and where possible, we have sought to align the VFM indicators with existing initiatives. When the final VFM indicator set is rolled out, it will be important to articulate its relationship with other performance management frameworks. Over time it may be developed so users of the indicators can be signposted to information and advice including notable or best practice.

For each function we have created a dashboard of VFM indicators that comprise primary indicators (numbering between 5 and 8) and secondary indicators (numbering between 6 and 13). The primary indicators are aimed at senior management whilst the secondary indicators are those that operational managers may want to monitor. The combined set of indicators does not aim to cover all spend and all activities; instead the objective has been to devise indicators that reflect the key features that drive VFM performance. Where possible we have used existing indicators, but in the search for cross-sector comparisons it has been necessary to compromise on some of the definitions that are in common usage within specific sectors.

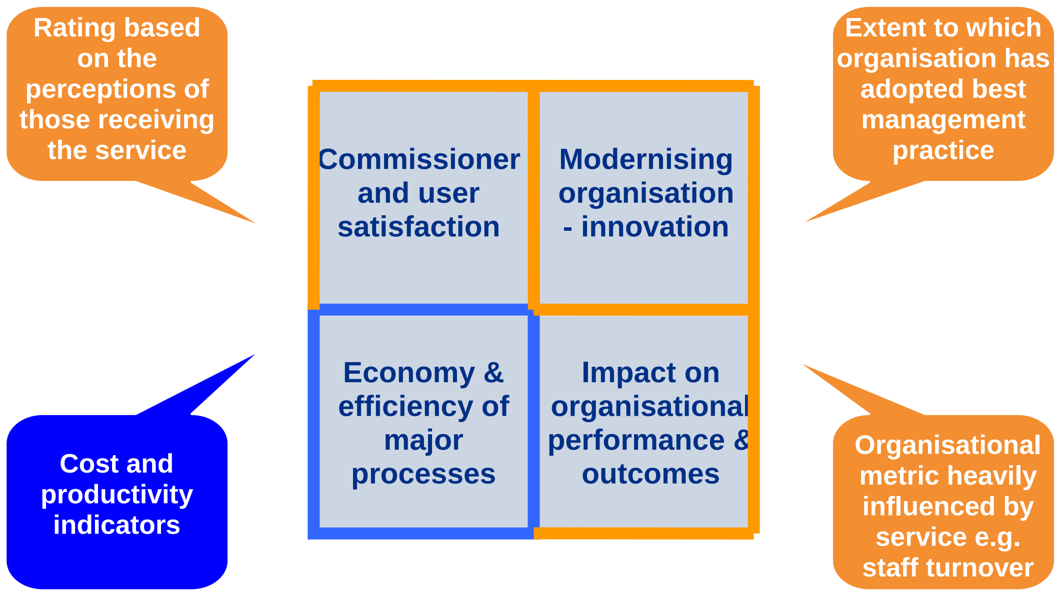
Organisations may be inclined to say that they are different from their peers in ways which preclude comparisons or reduce their value. We therefore consulted widely and evaluated potential “contextual factors”, that is, factors that are outside of an organisation’s control and have a (statistically) significant impact on comparative performance, either between organisations in a particular sector, and/or between sectors. At this stage we have not modified any of the indicators to take account of contextual factors because our consultations to date and evidence from the testing of the indicators have identified very few such factors.

The VFM indicator set has been designed to give an all-round perspective of the performance of core business functions. The indicators fall into two broad categories:

- Efficiency - unit cost and productivity indicators that show the ratio between inputs and outputs; and
- Effectiveness - which is sub-divided further into three categories:
    - impact - the output of all these functions either contributes to or influences corporate performance as a whole;
    - satisfaction - how the service is perceived by both senior management (the commissioners, for example, senior decision-makers within the organisation) and those internal staff that use the function (the users, for example, frontline managers and staff); and
    - modernisation - the extent to which the organisation has adopted management practices that would be regarded as being innovative and forward looking.

These four facets of the toolkit are illustrated in diagram 1 below.

Diagram 1: Assessing economy, efficiency and effectiveness



Efficiency and effectiveness are well understood terms and both are contained in the set of primary and secondary indicators for each function. Below, we discuss the effectiveness indicators relating to satisfaction and modernisation, both of which are a composite indicator in the primary indicator set.

To test satisfaction we devised for each function a set of five statements to test the perceptions of both commissioners and users, using a five-point scale from strongly agree to strongly disagree. Organisations can choose to collect this data through a one-off survey, by supplementing existing survey instruments, or by commissioning third parties to carry out the exercise.

To test modernisation we developed a set of ten management practices which we believe based on a review of existing good practice for each function, are indicative of a well-run and mature organisation. All these practices are capable of a "yes/no" response and should be independently verifiable with minimal effort. Our expectation is that the average score would be around five or six. Over time, the practices making up this indicator could be refreshed although, of course, that would hinder year-on-year comparisons.

The full set of VFM indicators is set out in section 1.5 of this executive summary.

1.3 Feedback

In total 33 public service organisations spanning the five sectors and across GB volunteered to act as pilot sites and test the VFM indicator set over a six week period. These included 14 local authorities, 9 central government bodies (including departments, and non-departmental public bodies), 4 health bodies, 4 fire and rescue authorities, and 2 police forces. Nine of these sites subsequently withdrew, mainly citing lack of resources as the reason for withdrawal. Unfortunately this left only one health body - in Scotland - which was only able to provide a limited data return. In total twenty-four sites submitted a return.

The pilot sites have given a strongly welcoming and largely positive response to the draft VFM indicator set. Although the primary aim of piloting was to test the feasibility and validity of collecting the data, many sites stated they had already derived some value from the exercise. Examples of this included collecting more comprehensive data across the organisation, carrying out bilateral comparisons with peers, using the indicators to strengthen local performance indicators, and suggesting that the data would help in considering future delivery models. Some sites were surprised at their own data, for example on their supplier base, which prompted them to undertake further work.

In parallel to the pilot exercise, KPMG and the audit agencies continued consulting with key stakeholders including HM Treasury, the Office of Government Commerce, the Local Government Association, the Cabinet Office Shared-Services Team and the National Health Service Confederation. These stakeholders rightly see it as a priority that the VFM indicator set is as consistent as possible with existing initiatives, such as the property benchmarking scheme for the Government civil estate, the Society of Information Technology Managers' (SOCITM) ICT database, and (where practical) definitions such as those used for the Best Value Performance Indicators.

The top ten key points arising from the pilot sites' feedback were:

1 The completion rates i.e. the percentage of all questions answered across all pilot sites, ranged from nearly 80% (HR) to 45% (estates management). The overall message was that these rates could be increased significantly with more notice and a longer collection period to enable any information system constraints to be addressed;

2 The number of VFM indicators was seen by most pilot sites as about right, although some pruning would be welcomed providing it did not detract from the overall value of the model. However, there were very few suggestions for indicator deletions. Having reviewed all the indicators in the light of the feedback, we have made a net reduction of six, equivalent to 9% of the total;

3 While there was widespread support for maximising cross-sector comparisons, in some areas a sector-specific approach would be needed. Sector-specific approaches apply to the estates management function in particular, but also to procurement, for example, in capturing higher value, sector-specific spend in a basket of goods and services. We agree with this feedback and have made recommendations for the implementation of the model along these lines;

4 There was some confusion about the accountability for these VFM indicators, and whether it should be for the professional functions or the whole organisation. The clear view from the evaluation workshops is that this initiative is about looking at organisations holistically and not at functional silos;

5 The management practice indicator was well received and regarded as valuable. We would concur with this view given that the scores were normally distributed around an average of five with no instances of zeros or tens. We have therefore made only minor changes to the sets of ten management practices for each function. In response to feedback, we considered the pros and cons of using a binary (yes / no option), or graduated scale (ratings scale such as one to five) and, on balance for simplicity and ease of use, opted for the former;

6 There was constructive feedback on where more work was needed on the indicator definitions, including to improve their alignment with definitions in common use. We have taken as many of these comments on board as possible in the revised set proposed. Adopting existing definitions is less easy in some cases if the model is to preserve the ability to make cross-sector comparisons;

7 More practical guidance was required on the operation and handling of the user and commissioner survey. As a result of discussions in the evaluation workshops we have now proposed that there should be one rather than two surveys, treating all people as users and enabling "commissioners" to define themselves by reference to a set of guidance;

8 The cost indicators were regarded as having the right focus. However, for each function we now propose to retain one VFM indicator that relates the total cost of the function (employee costs plus ICT, accommodation, supplies and other overheads) to the organisation's operational expenditure (running costs). This will enable organisations to compute an aggregate cost across the business functions. In each case with the exception of ICT, we will add a supplementary indicator that relates cost to an alternative denominator (driver);

9 When calculating the cost of each function we excluded people who spend less than 50% of their time on that function. Feedback suggests that for procurement, especially in small organisations such as district councils, this cut-off is too high and ignores significant activity. Whilst we appreciate this argument, our recommendation is to retain the 50% cut-off across the board on the grounds that dispersed activity with little or no central professional input is not likely to be good practice, and thus low values should raise further questions in such organisations; and

10 The VFM indicators in HR dealing with aspects of equality and diversity (for example, ethnicity, age, disability and gender) prompted considerable discussion. The draft indicators used in the pilot phase focused on specific aspects which we believed to be areas for improvement, rather than seeking to cover all issues. The evidence from testing supported this approach and we have therefore retained these as secondary indicators. The testing also highlighted the need to simplify some of the more complex ratios. We have done in revising the HR indicators.

1.4 Conclusions and Next Steps

With regard to the future development and application of this VFM indicator set we have consulted with the pilot sites, the audit agencies and other stakeholders across the five sectors involved with this project.

There is a strong and consistent view from stakeholders that the VFM indicator set has significant potential to assist public service organisations with performance improvement. Indeed, a number of pilot sites have asked whether the initiative could be extended to other business functions such as legal services, communications, and corporate policy and performance.

The feedback from consultation and the evidence from the testing of the indicators show that organisations see the value in looking beyond their own sector to compare performance and identify good practice. The limited number of contextual factors that impact on performance also reinforce that cross-sector comparisons are feasible and relevant in terms of the core business functions.

Consultations and the piloting phase have confirmed that when rolling out the indicator set to facilitate benchmarking comparative VFM performance, the following principles would be important:

• It should enable organisations to make robust comparisons with their peers, with organisations in other sectors and, where appropriate, the private sector;
• Its use should be voluntary, but audit agencies would expect public bodies to use these or similar indicators actively to help understand whether their corporate services provide VFM; and
• It should be compatible as possible with existing approaches to performance management and should act as a diagnostic tool to help organisations ask the right questions of themselves.

On this basis we suggest the next steps for the audit agencies are:

1 Finalisation of the indicator set, where the priorities are:

- considering adjustments to the indicators and definitions in response to a final round of senior stakeholder consultation;
- providing further guidance on carrying out the user/commissioner survey; and
- testing the current indicator set with health bodies. We have provisional agreement from the NHS Confederation to support this work.

A timetable has already been agreed for testing the indicator set with the NHS bodies. This additional pilot phase is due to be completed by December 2006 which we believe should be sufficient time to complete these actions, together with a further round of consultation with key stakeholders.

2 Looking further ahead, organisations have said that to maximise value, the indicator set needs to be supported by a comprehensive and flexible database which facilitates

benchmarking. We concur strongly with this view. Further work is now required to consider:

- the ownership and management of this central database;
- likely costs, benefits and risks; and
- how it would operate in practice.

Additionally, some further consultation is required, perhaps initially with the pilot sites, to find out what types of outputs would best help them drive performance improvement. We suggest that this work could be completed by the end of December 2006 and, if appropriate, a survey launched in 2007 to compile a comprehensive database.

3 Once a final VFM indicator set has been agreed, as well as management and operational arrangements between the audit agencies (and third parties, if necessary), there needs to be a co-ordinated communication exercise across the public sector. We suggest drawing up a marketing and communications plan by the end of December 2006 that could be rolled out in the first quarter of 2007. This should articulate the relationship between this VFM indicator set with other initiatives and performance frameworks. In the interim, it is important that the audit agencies give consideration to continuing the engagement of key stakeholders including those involved in the pilot work for this project, particularly how the outputs of this project will be communicated to them.

The timescales we have proposed are initial estimates. The pace of development may necessarily need to vary depending on the wider context and the audit agencies' own plans for encouraging the use of the indicator set as part of their work programmes. The detailed timetable will of course require further discussion and we have provided timescales by way of illustration in terms of elapsed time that the further development may take.

In conclusion, we are encouraged by the support and reaction from all stakeholders – audit agencies, Central Government stakeholders, and the sample of pilot sites where we have tested the model. The collaborative and consultative approach that has been adopted to date has created a draft toolkit with significant potential to drive performance improvement in core business functions across the public sector.

1.5 Proposed VFM indicators

1.5.1 Procurement

Primary indicators	
PP1	Total cost of the procurement function: a) Cost of the procurement function as a percentage of organisational running costs (expenditure); and b) Cost of procurement function as a percentage of non-pay expenditure.
PP2	Actual spend committed against pre-established contract arrangements as a percentage of non-pay spend .
PP3	Percentage of non-pay spend which is actively managed by procurement professionals.
PP4	Average (weighted) savings achieved through procurement for the 5 largest procurement projects delivered in the previous financial year.
PP5	Commissioner and user satisfaction index - a composite indicator compiled from the responses to a set of statements by commissioners and users. Commissioner statements: • The Procurement function supports the overall objectives of the organisation. • The Procurement function is proactive in sourcing goods and supplies which represent best value. • The Procurement function provides appropriate advice and support on major strategic procurement projects. • The Procurement function is responsive to my ad hoc needs. • The Procurement function provides value for money. User statements: • There is a consistent and easy to follow process for ordering goods and supplies. • The goods and supplies that we are given are of appropriate quality. • Technology is used to make the process of ordering and paying for goods easy and efficient. • The Procurement function is responsive when I need help in sourcing or ordering goods and supplies. • The Procurement Function is helping staff to develop their skills in relation to the procurement process.
PP6	Management practice indicator – the number of practices that have been adopted by the organisation out of a possible total of 10:

	1) The individual with lead responsibility for procurement is a member of, or reports directly to, the Organisation's Senior Management Team, and there is a Board / Cabinet member with responsibility for procurement. 2) Customer satisfaction surveys are undertaken at least annually to understand user views on the added value brought about by the professional procurement function, with the results published internally and fed into an improvement plan which is regularly monitored. 3) Future demand for goods and services is forecast on at least an annual basis alongside analysis of new technology and commodities, and emerging market developments, both of which inform the organisation's procurement strategy and results in a prioritised work-plan for the next 12 months. 4) Specific and measurable targets have been set in relation to the cashable and non-cashable benefits to be delivered by procurement, and the organisation can demonstrate that at least 85% of targets were met for the previous financial year. 5) Specifications for high value purchasing decisions are made based on a detailed understanding of the total cost of ownership (TCO) (also known as whole life costs). 6) The organisation keeps a comprehensive and cross referenced record of all contracts worth over £10,000, which can be sorted (at least) by supplier and by contract end date. 7) Benchmarking data from both public and private sector sources is actively used to undertake price comparisons on key goods and services. 8) The organisation has identified and developed strategic partners for collaborative procurement and can demonstrate measurable cashable benefits over the previous 12 months from this collaboration (in larger organisations this will include having facilitated collaborative procurement with smaller organisations). 9) The organisation has clearly defined ethical procurement standards in place which are in line with the CIPS Ethical Code and which are actively applied and monitored across the organisation, with any breaches recorded and acted upon. 10) A rolling programme is in place to develop procurement skills and capabilities across the organisation at all levels.
Secondary indicators	
PS1	Professionally qualified procurement employees (FTEs) as a percentage of total procurement employees (FTEs).
PS2	Average invoice value.
PS3	Number of the organisation's top 10 suppliers (by spend value) who have a formal partnership / framework agreement with the organisation.
PS4	The percentage of non-pay spend that is channelled directly through SMEs (Small and Medium sized Enterprises).

PS5	The percentage of total non-pay spend channelled through collaborative procurement arrangements with other buying organisations.
PS6	Management of supplier base: a) Average spend per accredited supplier; b) Percentage of total non-pay spend represented by the top 20% of suppliers (by value); and c) Percentage of suppliers on an accredited list with no orders in the previous 12 months.
PS7	The use of technology within procurement: a) The percentage of total goods and services spend that is sourced electronically; and b) The percentage of total goods and services spend managed through ePurchasing.
PS8	Benchmarking a defined set of good: a) Relatively low value generic items applicable to all sectors; and b) Relatively high value specific items applicable to a specific sector (to be developed).

1.5.2 Finance

Primary indicators	
FP1	Total cost of the finance function as a percentage of organisational running costs (expenditure).
FP2	Cost of finance in relation to business decision support as a percentage of the total cost of decision support plus reporting and controls.
FP3	Cycle time in working days from period-end closure to the distribution of routine financial reports to all budget managers.
FP4	Commissioner and user satisfaction index - a composite indicator compiled from the responses to a set of statements by commissioners and users. Commissioner statements: • The Finance function supports the financial implications of the organisation’s strategy, policy and delivery discussions by providing effective support and challenge. • The financial information provided for financial planning and management is accurate, timely and easy to access. • The organisation's financial systems are secure and efficient. • The Finance function proactively anticipates my needs. • The Finance function provides value for money. User statements: • Finance regularly provides the information needed to understand the level of delivery in my area of responsibility and the related cost • Finance policies and procedures are clear and understandable • The organisation has clear and easy to use financial systems • Appropriate financial management training for non-finance staff is provided • I know who to contact if I have a query regarding finance.
FP5	Management practice indicator – the number of practices that have been adopted by the organisation out of a possible total of 10: 1) The responsibilities of budget holders are clearly understood and embedded in performance appraisal. 2) Service levels and expectations have been set with key internal customers using a documented approach such as an SLA or Customer Charter, with regular service review meetings held. 3) A rolling programme of reviewing and benchmarking the organisation’s costs is in place across major service areas. 4) Standardised organisation-wide integrated software is in place with centralised data processing. This should cover as a minimum purchase to payment of supplier and invoice to cash receipt from a customer.

	5) The organisation can demonstrate that it has used at least two of the following to steam-line financial processes in the last 3 years; a) bar coding, b) invoice scanning/imaging, c) workflow, d) web technologies to build extranets with external stakeholders, e) intranet to build self service capabilities for staff to check status, run reports, f) on-line travel and expense system used by claimants that is fully integrated with the accounting system. 6) Fully automated accruals system based on purchase order and good/services received information held within a fully integrated accounting system. 7) Budget holders have on-line, real-time insight into the status of their budget and can run standard financial and manpower reports through their desk top PC. 8) A needs based budget based on activity levels rather than historical baselines, is prepared at least every 3 years. 9) Customer satisfaction surveys are conducted at least annually with results openly published and acted upon. 10) A comprehensive professional development programme is in place for Finance staff which ensures that they receive at least 5 days of continuing professional development per annum.
Secondary indicators	
FS1	Cost of decision support processes as a percentage of organisational running costs (expenditure).
FS2	Professionally qualified finance staff (FTEs) as a percentage of total finance staff (FTEs) undertaking reporting, controls and decision support processes (i.e. excludes those staff involved in transactional processes).
FS3	a) Cycle time in working days from year-end closure to submission of the accounts to the external auditors; and b) Were the latest set of annual accounts qualified by external audit?
FS4	Cost of the Customer Invoicing function per customer invoice processed.
FS5	Proportion of outstanding debt that is more than 90 days old from date of invoice.
FS6	Debtor days.
FS7	Credit notes as a percentage of total customer invoices raised.
FS8	Cost of Accounts Payable per accounts payable invoice processed.
FS9	Creditor days.
FS10	Proportion of all payments made by electronic means.
FS11	Payroll admin cost per employee paid.

1.5.3 Human Resources (HR)

Primary indicators	
HRP1	Cost of the HR function: a) Cost of the HR function as a percentage of organisational running costs (expenditure); and b) Cost of the HR function per employee.
HRP2	Ratio of employees (full-time equivalents) to HR staff.
HRP3	Average days per full-time employee per year invested in learning and development.
HRP4	Leavers in the last year as a percentage of the average total staff..
HRP5	Average working days per employee (full time equivalents) per year lost through sickness absence.
HRP6	Commissioner and user satisfaction index - a composite indicator compiled from the responses to a set of statements by commissioners and users. Commissioner statements: • The HR function supports delivery of the organisation's strategic objectives. • The HR function provides quality advice when I need it. • The HR function enables me to address people management issues. • The HR function anticipates the organisation's workforce issues and addresses them. • The HR function provides value for money. User statements: • The organisation offers flexible remuneration and benefits options which take account of the different needs of staff. • The organisation takes the well-being of staff seriously. • The appraisal process helps me set measurable objectives which make clear what is expected of me. • I receive appropriate learning and development in relation to my needs. • I know where to go if I have a query relating to an HR issue.
HRP7	Management practice indicator – the number practices that have been adopted by the organisation out of a possible total of 10: 1) Within the last three years the HR Function has rationalised the number of sets of Terms and Conditions in use in the organisation by 25%.

	2) The organisation has undertaken equality impact assessments across all key service areas within the last three years, and is implementing an action plan which targets areas of vulnerability. 3) There is employee self-service through desktop access to modify non-sensitive HR data. 4) All employees have clear and measurable outcome based targets set at least annually. 5) All employees have had the opportunity for a formal, documented performance review at least on an annual basis which can track personal/professional improvement. 6) The organisation carries out a survey of staff satisfaction levels at least annually, publishes the results, has developed an action plan and monitors delivery of that plan on at least a quarterly basis. 7) The organisation explicitly requests that employees declare that they have complied with any Continuous Professional Development (CPD) requirements of their professional institute (where applicable). 8) The organisation has a statement which anticipates the workforce requirements of the organisation over the medium-term (at least 5 years) and an action plan agreed by the Executive / Corporate Management Team which sets out how those requirements are met and is monitored on a six monthly or more frequent basis. 9) A comprehensive professional development programme is in place for professional HR staff which ensures that they receive at least 5 days of continuing professional development per annum. 10) It is possible to apply on-line for all vacancies for which external applications are invited.
Secondary indicators	
HRS1	Cost of learning and development activity as percentage of the total pay-bill.
HRS2	Cost of agency staff as a percentage of the total paybill (excluding those counted in HRS3).
HRS3	Percentage of posts currently in the leadership of the organisation which are filled by people who are not permanent in that position.
HRS4	Average elapsed time (working days) from a vacancy occurring to the acceptance of an offer for the same post.
HRS5	Cost of recruitment per vacancy.
HRS6	Reported injuries, diseases and dangerous occurrences per 1,000 employees per year.

HRS7	Percentage of people that are still in post after 12 months service.
HRS8	Cases of disciplinary action per 1,000 employees.
HRS9	Percentage of staff who receive (at least) an annual face to face performance appraisal.
HRS10	Percentage of leadership posts occupied by women.
HRS11	Percentage of employees who consider themselves to have a disability.
HRS12	Percentage of employees aged 50 or over.
HRS13	Percentage of Black and Minority Ethnic (BME) employees in the workforce.

1.5.4 Information and Communication Technology (ICT)

Primary indicators	
ITP1	Cost of the ICT function (i.e. spend on the ICT department or equivalent including employee costs and associated overheads) as a percentage of organisational running costs (expenditure).
ITP2	ICT competence of users. The competencies are defined as follows: a) use electronic mail to send, receive, forward and delete e-mails including opening and attaching documents; b) able to use search tools to find and retrieve information from the intranet / internet; c) use standard office support products to compose letters and reports; d) use standard office support products to produce presentations; e) use standard office support products to develop spreadsheets; d) take responsibility for resolving basic applications queries through use of the help menu; e) able to manage files and appropriately back-up work; and f) successfully completed ICT training relevant to your role.
ITP3	Organisational ICT spend (investment in ICT infrastructure and hardware across the organisation): a) as a percentage of organisational running costs (expenditure); and b) per user.
ITP4	Percentage of incidents resolved within agreed service levels.
ITP5	Project governance and delivery index.
ITP6	Percentage of the top five transactional based activities which are made via e-enabled channels.
ITP7	Commissioner and user satisfaction index - a composite indicator compiled from the responses to a set of statements by commissioners and users. Commissioner statements: • The ICT function effectively supports delivery of the organisation’s strategic objectives. • The ICT function is proactive and innovative in providing technological solutions to meet business needs. • The ICT function manages the implementation, maintenance and enhancements

	of major business systems in a consistent, effective and timely manner. • The ICT function provides excellent value for money. • The ICT function has the capacity and capability to support major business transformation. User statements: • The ICT function responds within agreed service levels when I ask for help. • ICT systems are robust and reliable. • The support provided by ICT meets my needs effectively. • The organisation makes full use of ICT to improve services. • ICT systems provide me with the information I need when and where I need it.
ITP8	Management practice indicator – the number of practices that have been adopted by the organisation out of a possible total of 10: 1) Formal Service Level Agreements are in place with key internal customers governing business requirements, with regular service review meetings held at agreed intervals. 2) There are formal procedures in place supporting the operation of the ICT function, based upon good practice guidance such as Control Objectives for Information and Related Technology (COBIT), IT Infrastructure Library (ITIL) and/or other sector specific guidance / methods. 3) Information security management capability is in place with BS7799 / ISO 27001 accreditation already achieved. 4) User satisfaction surveys are conducted at least biannually with results openly published, supported with improvement plans where necessary. 5) A short survey is undertaken upon resolution of all reported incidents and the data is collated and analysed at least monthly and used to drive service improvements. 6) The most senior officer in the organisation with a dedicated ICT role has a direct report to the Executive / Corporate Management Team of the organisation. 7) The organisation has a designated individual with the role of Chief Information Officer who has a seat on the board. 8) The organisation has assessed the ICT competence of end users within the last 12 months and put in place an appropriate training and development programme to address areas of weakness. Delivery of this programme is monitored on a quarterly basis. 9) A comprehensive professional development programme is in place for ICT staff which ensures that they receive at least 5 days of continuing professional development (relevant accredited training) per annum, covering technical, management and business focused training. 10) Business continuity management processes are in place to recover business and ICT services in the timescales as specified by the business. These processes are

	tested at least annually and are reviewed on a regular basis to confirm appropriateness.
Secondary indicators	
ITS1	Cost of providing support: a) Per user; and b) Per workstation.
ITS2	Users per workstation.
ITS3	Unavailability of ICT services to users.
ITS4	Average number of support calls per user.
ITS5	Percentage of users who are able to access the network remotely.
ITS6	Acquisition costs per workstation.

1.5.5 Estates Management

"Area" can be measured by either Gross Internal Area (GIA) or Net Internal Area (NIA), according to what is normally used in a particular organisation. If organisations can complete PMS9: GIA/NIA ratio, then they could use either or both denominators for comparison.

Primary indicators	
PMP1	Total property costs (occupancy, operational and management) per square metre.
PMP2	Total accommodation (square metre) per employee.
PMP3	Property maintenance backlog – *for further consideration.*
PMP4	Commissioner and user satisfaction index - a composite indicator compiled from the responses to a set of statements by commissioners and users. Commissioner statements: • The property management function supports the overall objectives of the organisation. • The property management function manages maintenance and capital programmes effectively (on time, budget and specification). • The property management function helps the organisation to make best use of its accommodation. • The property management function helps the organisation to reduce energy and water consumption. • The property management function provides value for money. User statements: • The buildings / offices are easily accessible for staff, service users and visitors. • The buildings / offices are appropriate for my needs. • The buildings / offices are appropriate for service users' / visitors' needs. • The buildings / offices are appropriately secured to protect people and property. • There is a clear point of contact for any building or accommodation related queries.
PMP5	Management practice indicator – the number practices that have been adopted by the organisation out of a possible total of 10. 1) For the last financial year, planned property maintenance costs equate to 60% or more of total property maintenance costs.

	2) There is a formal environmental management system in place covering all significant administrative buildings. 3) The organisation has the ability to 'zone' buildings in terms of heating to reduce energy consumption. 4) A comprehensive professional development programme is in place for professionally qualified property management staff which ensures that they receive at least 5 days of continuing professional development (relevant accredited training) per annum. 5) The Officer responsible for Property Services reports directly to a member of the Executive / Corporate Management Team and there is an identified individual at Board / Cabinet level with responsibility for the estate. 6) The organisation has clear and well publicised arrangements for staff who have property related queries, and all queries are logged and monitored. 7) Staff and user 'built environment' satisfaction surveys are undertaken at least annually and the results published and developed into an action plan which is monitored and regularly reviewed. 8) Surveys of the estate in relation to sufficiency, suitability, condition and costs have been carried out in the last five years and inform the capital strategy and plan and these are updated according to risk. 9) The organisation does not allocate individual 'owned' desks to staff who work in the office less than 50% of their time, and regularly monitors workstation utilisation. 10) The organisation has undertaken an assessment of property requirements across the organisation within the last 3 years and has identified property that is either currently surplus to requirements or will become surplus within the next 3 years and has a plan agreed by the Board / Cabinet to address this surplus.
Secondary indicators	
PMS1	Cost of the organisation's property management function; a) per square metre; and b) as a percentage of organisational running costs.
PMS2	Total property occupancy/occupation costs (revenue) per square metre
PMS3	Total building operation (revenue) costs per square metre
PMS4	Percentage of property related capital projects completed within the project budget and timetable during the last three years.

PMS5	Space use efficiency: a) Workstations per full-time equivalent staff (FTE); and b) Area (square metres) per workstation
PMS6	Average annual property capital expenditure over the last five years per square metre.
PMS7	Total annual energy consumption (kw/h) per square metre.
PMS8	Total annual water consumption (cubic metre) per square metre.
PMS9	Total accommodation (square metre NIA) over total accommodation (square metre GIA) – *for further consideration.*
PMS10	Percentage of solid waste that is recycled.
PMS11	The percentage of buildings which are used by the public in which all public areas are suitable for, and accessible to, disabled people.