

CIPFA performance information for public services

BENCHMARKING

Why Bover??

CIPFA Benchmarking
Information Services, CIPFA
www.CIPFA.org.uk/benchmarking

CIPFA performance information for public services cipfa.org.uk

What is Benchmarking?

What is a Benchmark?



www.CIPFA.org.uk/benchmarking

CIPFA performance information for public services cipfa.org.uk

Is Benchmarking about league tables?

- NO

Is Benchmarking a map?

- YES

Benchmarking is data collection to establish your relative position in a universe.

www.CIPFA.org.uk/benchmarking

Why Benchmark?

- With budget limitations, the costs/outputs of your services are under detailed scrutiny from all sides.
- Whilst performance indicators give a pointer to the level of performance, it is benchmarking that can pinpoint areas of operation that require further scrutiny.
- This enables informed targets to be set for performance and cost improvements.

The Burning Questions

The Benchmarking process enables you to answer these questions:

- How are we performing?
- Are we improving year on year?
- What is our direction of travel?
- How do we compare with our peers?
- Can we learn anything from others?
- Are we providing value for money?

The Benchmarking Process (1)

Benchmarking aims to improve business processes, which is a search that never ends.

Benchmarking is not a single action, but a continuous, cyclical process.

A typical benchmarking cycle comprises the following steps:

- Performance assessment
- Performance improvement

The Benchmarking Process (2)

Performance assessment

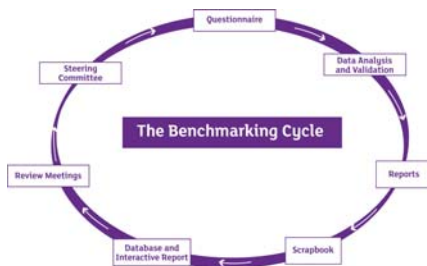
- define benchmarking objectives;
- define a model;
- develop tools;
- invite participants;
- collect data;
- analyse and validate;
- identify performance issues;
- report

The Benchmarking Process (3)

Performance improvement

- identify best practices – find out how other organisations do it differently/better than you
- prepare an action plan with targets and priorities;
- implement performance improvement measures;
- evaluate success

CIPFA Benchmarking Cycle



You now have the data – what does it mean?

- Does it show good and bad performance?
 - NO
- Does it produce league tables?
 - NO
- Does it show where you are relative to other organisations in the universe being benchmarked?
 - YES

Interpreting and utilising the data is the hardest part of the benchmarking process and is best done by the organisation being benchmarked – CIPFA can provide help if required

WHY CIPFA BENCHMARKING?

- Launched in 1998, CIPFA Corporate Services Benchmarking is a unique product
- 16 Corporate Services Clubs are available
- Delivered to over 300 local authorities across the UK over the last four years

CIPFA Corporate Services Benchmarking Clubs

1. Accountancy
2. Audit
3. Treasury Management
4. Insurance
5. Pensions Administration
6. Benefits Administration
7. Council Tax
8. NDR
9. Banking
10. Creditors
11. Debtors
12. Payroll
13. Human Resources
14. Legal Services
15. Democratic Services
16. Risk Management (In association with ALARM)

CIPFA Social Care Benchmarking Clubs

Adult

- Residential & Nursing
- Self Directed Support
- Early Intervention
- PSS Ex1 Reports

Children

- Children Looked After
- Adoption
- Special Educational Needs

Financial Assessments

Delivered to over 130 local authorities across the UK over the last three years.

Other CIPFA Benchmarking Clubs

- Police Financial Services
- Planning (In association with PAS)
- Counter-Fraud

Other CIPFA Information Services Products

- | | |
|--------------------|------------------|
| CIPFAstats Surveys | Library Profiles |
| Social Research | SeRCOP |
| VFM Toolkit | |

VFM Benchmarking Clubs

- Finance
- Human Resources
- ICT
- Estates Management
- Procurement
- Estates
- Communications

Delivered to over 400 public sector organisations across the UK over the last five years, based on the definitions agreed by the National Audit Agencies.

CIPFA Pensions Procurement & Efficiency – What is Best Practice?

CIPFA Benchmarking Club Pensions Administration

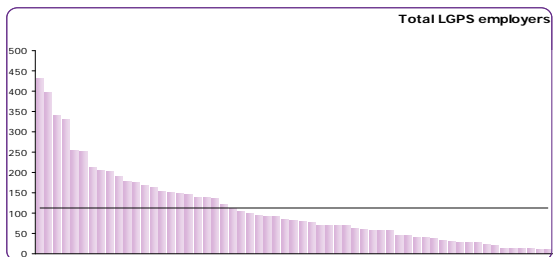
The work of administering LG Pension Funds varies in size

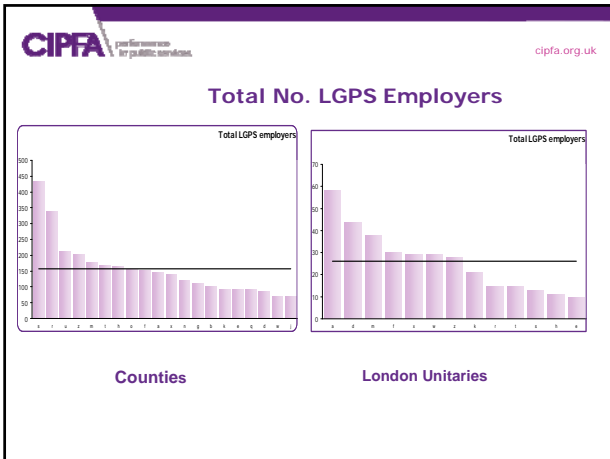
- By number of Employers
- By number of Members
- By number of Pensioners

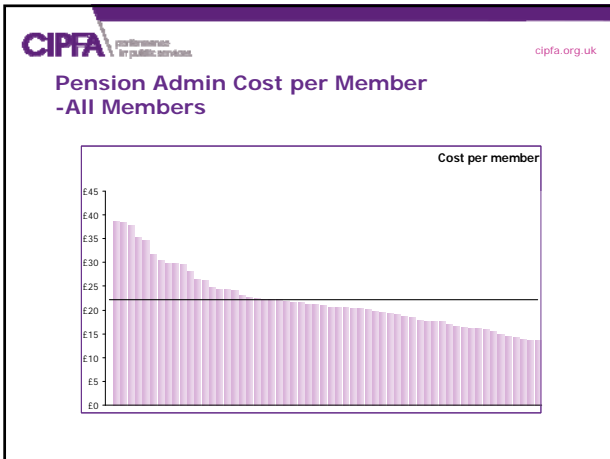
And may be delivered by a combination of methods:

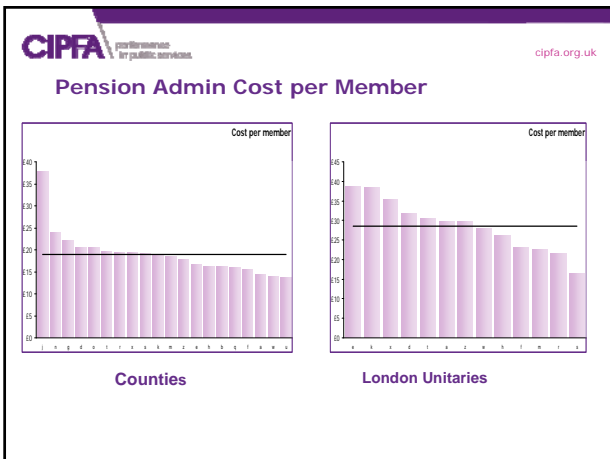
- In-house
- Shared Service with one or more other LG Funds
- Contracted Out
- OR a combination of any of the above

Total No. LGPS Employers – All Members









CIPFA Benchmarking Club Pensions Administration

Having completed and returned the benchmarking questionnaire – what do you get?

- A benchmarking report comparing you with all members
- A benchmarking report comparing you with members that you have selected
- A readback tool – to recreate the returned questionnaire for any member
- An interactive report tool – to create charts from the benchmarking reports for your own use and for any selection of members – by tier or specifically

CIPFA PENSIONS BECHMARKING REPORT

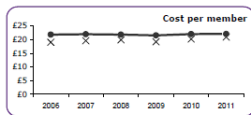
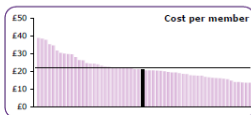
This compares your performance with a chosen group of other members – which may be all members, a specific tier or even a specified selection

The report is divided as follows:

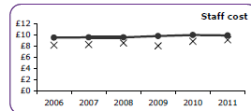
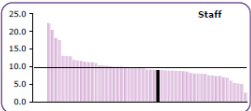
1. Summary
2. Cost Measures
3. Workload Measures
4. Staff Related Measures
5. Industry Standard Performance Indicators
6. Comparison with Private Sector
7. Timeseries

SUMMARY 2011 (1)

NET COST / MEMBER 2010-11

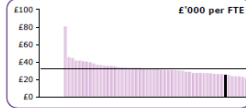


STAFF COST / MEMBER 2010-11

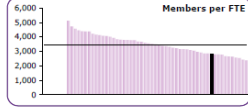


SUMMARY 2011 (2)

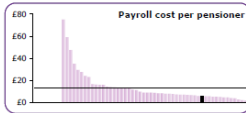
COST £'000 / FTE



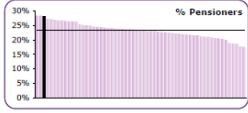
MEMBERS LGPS / ADMIN FTE



PAYROLL COST / PENSIONER

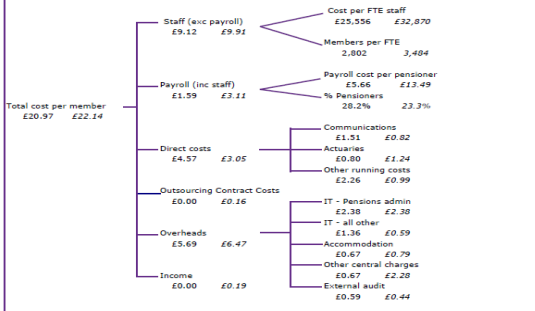


PENSIONERS AS A % MEMBERS



COST/MEMBER TREE 2010-11

This tree diagram analyses the cost per member. For each benchmark two figures are given the first being the authority's cost and the second (in italics) is the group average.



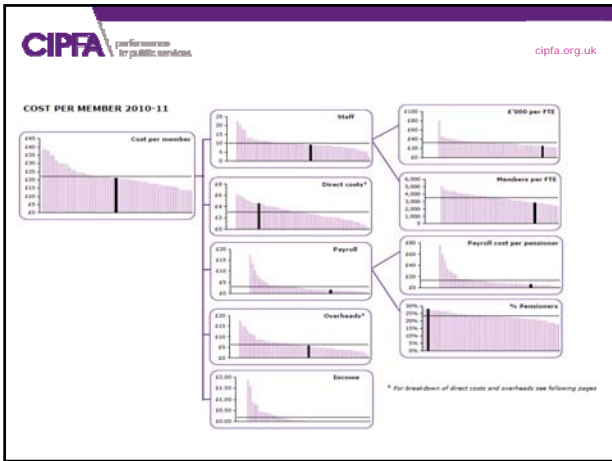
COST/MEMBER TREE DATA

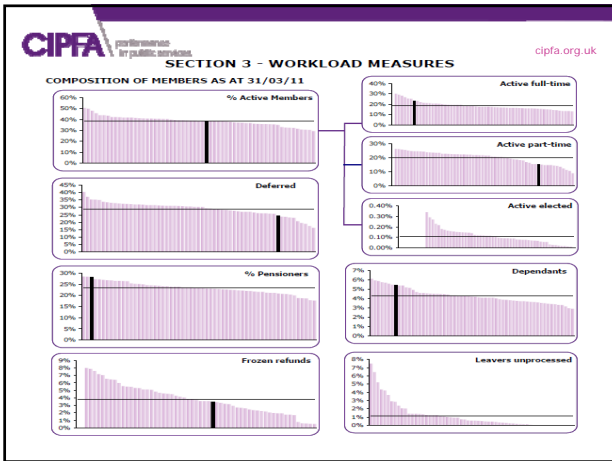
FTE staff	
Pension Section total	55.0
less	
IT staff	4.0
Payroll staff	5.0
Communications staff	3.0
Employing authority work	31.0
Work for other schemes	2.0
Other work	-
Admin of LGPS	45.0

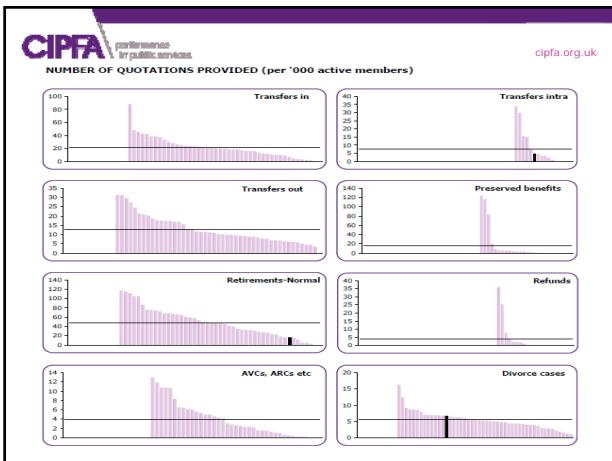
Scheme membership	No.
Active full-time	29,257
Active part-time	19,287
Active Elected members	-
Active total	48,544
Deferred	30,823
Pensioners	35,513
Dependants	6,065
Frozen refunds	4,357
Leavers unprocessed	-
Total	126,102

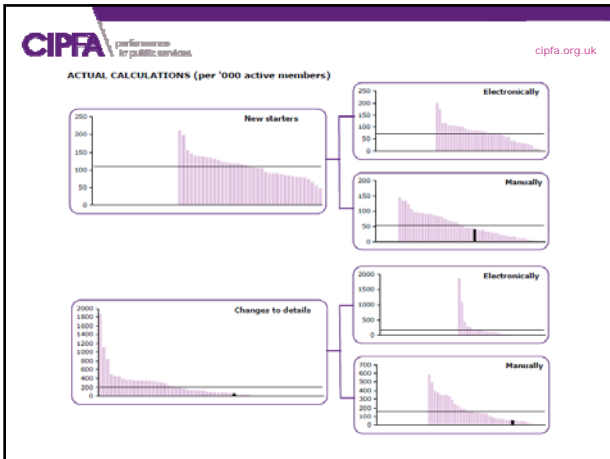
Costs £'000	£'000
Pension Section total	2,743
less	
Work for other schemes	99
Employing authority work	-
Other work	-
Admin of LGPS	2,644

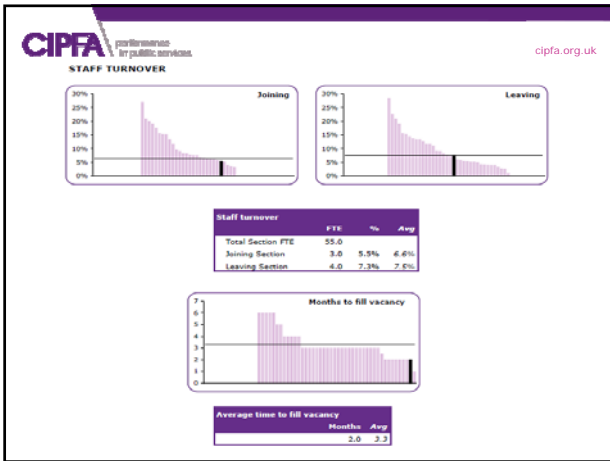
Admin of LGPS costs	£'000
Staff - administration	1,150
Staff - payroll	102
Payroll	99
Communications	190
Actuaries	101
External audit	75
Outsourcing contract costs	-
Other running costs	285
IT - Pensions admin	300
IT - All other	172
Accommodation	85
Other central charges	85
Income	-
Total	2,644

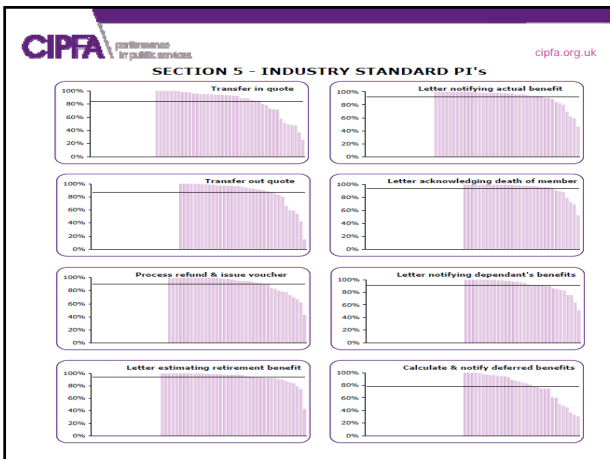


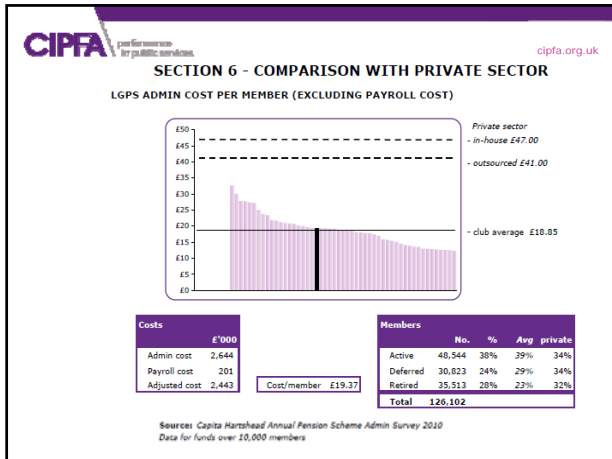


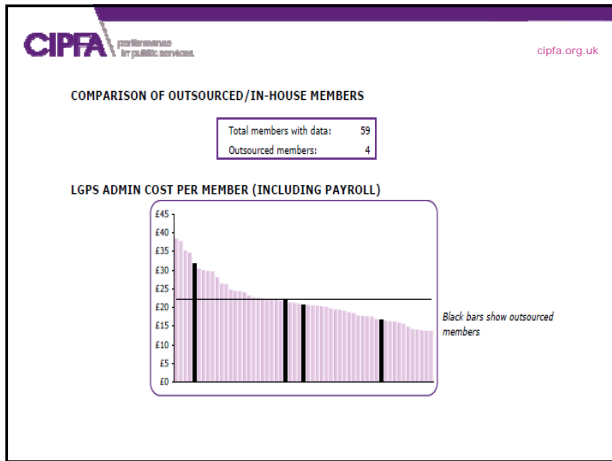


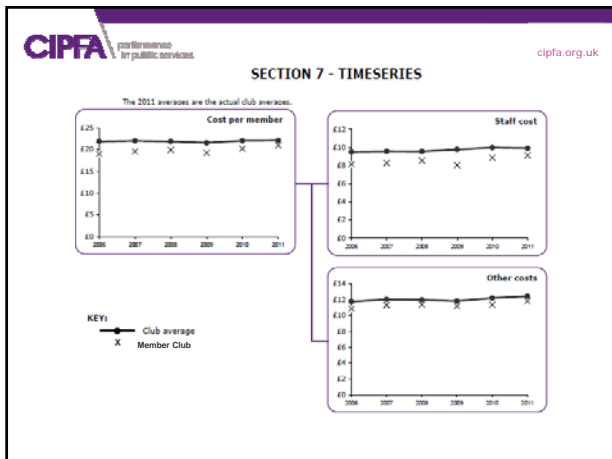












So now you have the reports, data and tools.

What now?

- You can now see where you stand relative to other members
- You will have contextual as well as activity and cost data
- There will be areas where you are different
- There will be areas where you may not expect to be similar

- There will be more questions than answers
- You will have the contact details of members submitting data
- **so ring them up and talk about it**

Benchmarking – Why Bover??

If you don't benchmark yourselves, then somebody else will.

- They will not know your business as well as you.
- They will have their own agenda.
- They will draw their own conclusions.

**In the words of Lord Baden-Powell:
"Be prepared"**

CIPFA Benchmarking

**For further information,
please check out our website:**

cipfa.org.uk/benchmarking

- current brochures
- details of the individual clubs
- prior year questionnaires
- sample reports
- membership forms and costs
