

# Value for Money Reviews

Assessing the value for money of in-house and externally-commissioned services

Delivering Excellent Value for Money

Decision Equipped.

# proving

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# Delivering Excellent Value for Money

## Context

The combination of significant budgetary pressure and the ever increasing expectations of stakeholders makes it essential for organisations to be able to deliver and demonstrate excellent value for money across all services. Not only will organisations want to evaluate the value for money of current services, they will want robust methodologies for establishing improvement plans and measuring the success of these over time.

Proving Services Ltd offers a research-based methodology and process, supported by a powerful software toolkit 'VfM Analyser', for the evaluation of current or proposed services using recognised and enhanced Value for Money (VfM) criteria. This process is accredited to Gold Standard by APMG and organisations that apply it typically realise improvements in value for money performance of between 20-30% over a 12 month period.

## Advantages and Benefits

The Proving approach to value for money assessment and improvement provides a wide range of proven business benefits, including:

- An up to a 31% improvement in value for money performance, with most organisations experiencing an above 20% improvement
- Enables VfM assessments to be defined and completed quickly and then repeated periodically to provide VfM assurance over time
- Provides a logical, structured and easy-to-follow process and toolkit for VfM assessment, based on industry-recognised best practice
- Enables a wide range of stakeholders to engage and contribute to the VfM assessment, capturing and reporting on stakeholder perceptions, concerns and commendations
- Clearly and accurately identifies value for money shortfalls in services, functions, commissions or contracts
- Enables the assessment of qualitative and quantitative factors within a consistent analytical framework enabling the analysis of subjective and objective factors
- Delivers clear and flexible reporting that supports confident decision-making at all levels of the organisation.

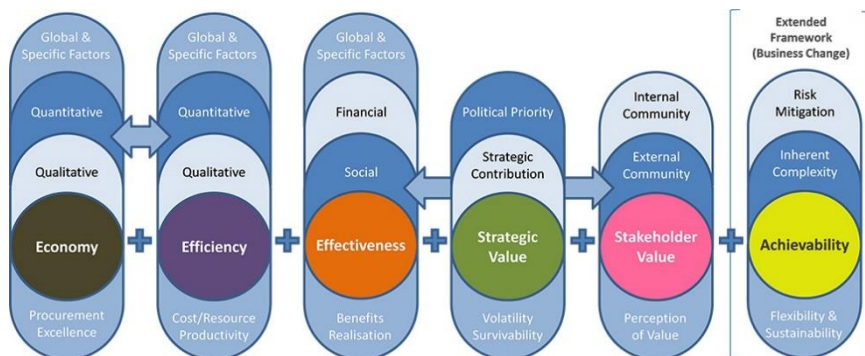
*'The Proving VFM process and toolkit provided a comprehensive, accurate and valuable analysis of VfM performance for a portfolio of Milton Keynes Council services. The conclusions supported the Authority in making objective and informed decisions regarding future service delivery.'*

**Tom Blackburn-Maze, Service Director, Public Realm, Milton Keynes Council**

## Approach and Methodology

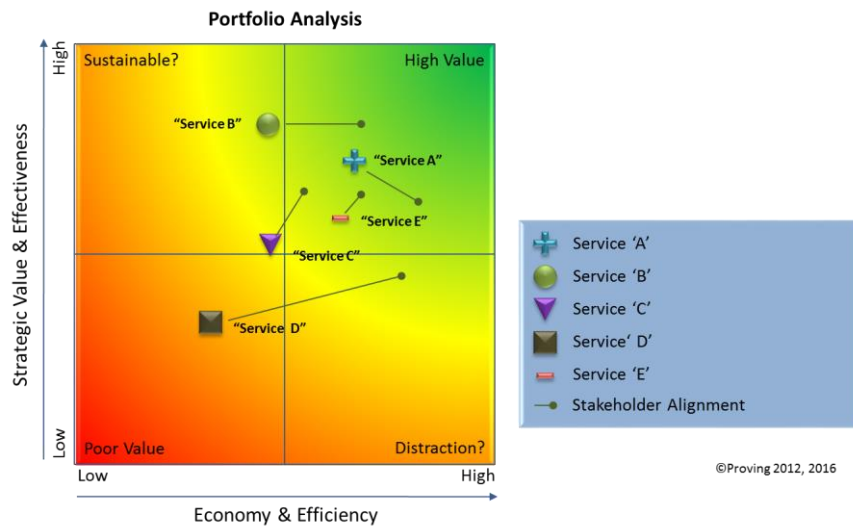
The Proving methodology combines the following factors to evaluate VfM:

- **Economy** – a measure of the inputs, considering whether a 'fair' price is being paid for the goods and services purchased.
- **Efficiency** – a measure of productivity, reliability, quality and sustainability, considering whether the resources purchased are being put to best use.
- **Effectiveness** – a measure of the impact that has been achieved, considering whether tangible benefits are being realised.
- **Strategic Value** -alignment & contribution of benefits to organisational drivers.
- **Stakeholder Value** – an analysis of stakeholder views and commitment.
- **Achievability** – a measure of Complexity Analysis, using the dimensions of Scale, Novelty, Interdependence, Diversity & Volatility. Other factors sets such as Capability & Capacity, Clarity & Perception & Change Readiness can also be included.



Research Programme (CVRC, 2011) ©Proving Farquharson & Wilson 2011

An example of how the outputs from a Proving VfM review can assist your decision making is set out in the diagram below:



## How we can support you

- Independent VfM reviews for individual services or functions
- The creation of a VfM portfolio of a range of services and / or functions
- Facilitation and support for internally-led reviews
- Provision of the tools and training for organisations to undertake and embed VfM assessment

If you are interested in a VfM review or any other of the services Proving offers, please contact us at [a.perrin@provingservices.co.uk](mailto:a.perrin@provingservices.co.uk)

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