



Briefing 14/13 April 2014

**Local Government Bill – Part 12 Performance Improvement  
How should new councils in Northern Ireland address performance improvement?**

To: all Northern Ireland Contacts  
For info: all other contacts

**Key issues**

Local Government Bill Part 12 focuses on performance improvement (Northern Ireland)  
New councils to consider arrangements to address their duties under the legislation  
Requirement for benchmarking as part of performance improvement

**1. Introduction**

The Local Government Bill (NIA 28/11-15) dedicates Part 12 to Performance Improvement and highlights the following issues:-

- General Duty and Improvement objectives
- Performance indicators & improvement standards
- Improvement planning and information
- Improvement audits and assessment
- Special inspections
- Powers of direction

The general duty states that ‘A council must make arrangements to secure continuous improvement in the exercise of its functions’.

It goes on to state that ‘In discharging its duty under subsection (1), a council must have regard in particular to the need to improve the exercise of its functions in terms of –

- a) strategic effectiveness
- b) service quality
- c) service availability
- d) fairness
- e) sustainability
- f) efficiency and
- g) innovation

This briefing discusses a number of issues that local authorities should consider as they look to implement the requirements of the Bill.

**2. Content**

In general terms this part of the Bill is attempting to introduce a formal performance framework both within individual councils and across all 11 new councils. A number of the existing 26 councils will have some of the elements of such a framework in place already and an understanding of what they would like to have in place. Arrangements will be in place for collecting data, reporting performance and for disseminating information out to a range of audiences and via a number of channels. Some will have access to benchmarking which is another major issue highlighted in Part 12.

There are different levels of sophistication brought to performance improvement arrangements in the existing 26 councils and attempting to instill some consistency is no doubt one of the reasons for the Department of Environment incorporating performance improvement into the Bill. The creation of the new councils is an ideal

time to introduce a more standard approach to performance across the sector and to look to bring the councils together to act in harmony as they look to improve services both individually and as a sector.

There is no single method of managing performance improvement which is appropriate for all local authorities. There will be different priorities across different areas, different ways of delivering services, separate measures used and localised service standards and expectations. The indicators, targets, standards and outcomes will be distinct within each authority. However, there are some principles which should apply across all local authorities who are looking for improvement through a formal and informal performance framework.

### **3. Managing performance**

As a generic term, we all have slightly different interpretations of what managing performance involves but it is universally recognised as something we should all be doing because it is one element which is fundamental to making sure services are provided as effectively and efficiently as they can be.

At all levels within an organisation there is a requirement to collect some information so that it can be analysed and compared and so give an indication of how well the service is performing. Those delivering services need to know how they are performing and that involves collecting some data.

The responsibility to manage performance does not lie solely with a 'Quality Inspector, 'Improvement Manager' or 'Performance Manager'. Officers and managers throughout the organisation are constantly managing the performance of something – whether it is a process, a piece of equipment, their own time, a group of staff, customer relations and expectations or any one of a number of other things. It could be argued that managers don't do anything else except manage performance. This is the basis of management and it is vital for good productivity levels across an organisation. As such performance management might not be spelt out as such but it is the responsibility of all officers and councillors. It is also the responsibility of all lead councillors and senior management team to ensure all staff and other councillors realise their own obligations in this regard.

In simple terms, managers need to know how services perform, that means collecting some data, and being able to compare with others and then learn from them.

Managing the performance of resources is something that councillors, managers and officers do continually. Introducing a formal performance management framework and ensuring it is effective is normally an exercise in building on existing arrangements rather than starting from scratch. Those responsible for the delivery of services must understand that such a formal model is a fundamental part of planning and management as well as internal scrutiny and engagement with citizens.

### **4. Informal arrangements**

In order for a performance framework (and the kind of arrangements described in the Bill) to be effective, those working in the organisation must embrace a culture of service delivery, improvement and pride in the organisation whilst those within the organisation must understand the need to provide a good service, constantly look to improve what they do and be proud to deliver services.. There must be a focus on customer requirements with services being informed by customer surveys.

In terms of accountability and responsibility, local authorities provide services to local citizens and should provide evidence of how well they are performing to those citizens. They also need to provide evidence about performance to councillors so they can be held to account within the council. Local authorities must be given licence to provide their services without undue interference from central government or other external bodies. There must also be opportunities for learning within the organisation with councillors, managers and officers from different local authorities and other organisations coming together to learn from each other about how services are provided and to view performance information

### **5. Formal arrangements**

Introducing a general duty of performance improvement, as the Bill does, will of course formalise the arrangements which are already in place in some councils whilst encouraging others to put a more substantial performance framework in place.

Corporate annual plans, council strategies, financial plans, service and topic action plans, committee performance reports and publicly available information are examples of the existence of a formal framework.

Detail from the Bill covering performance indicators standards and reports are specific and will need to be followed closely. This will include identifying factors (performance indicators) and performance standards. The factors should relate to performance at both a strategic level and at a service level.

The setting of appropriate standards will be dependent upon there being relevant information on which to base a decision. If there is no historic data standards, it will be difficult to identify accurate figures. The data to inform the standards will emerge over time.

A performance framework must aim to inform a number of audiences – management team, senior management, officers, elected members, citizens, partners and central government departments. Some of the data collected will for external use and some for internal use, some of the data will for performance indicators set by the Department and some set by the council itself and some will be for benchmarking.

Part 12 also identifies comparison and benchmarking as elements in the framework as one way of securing continuous improvement.

### 5.1 Performance indicators

Neither the council nor individual services can be measured by a single performance indicator. Local authorities provide many services and each is made up of a range of different elements and whilst one may be performing well, others may be performing badly. As such, a suite of measures is required for each service. Equally there is a danger that too many measures are identified which means it is difficult to focus on what is most influential. Therefore it is important to ensure an appropriate set of indicators is in place which fully reflect the performance of the service without going into too much detail or taking an inordinate period of time to collect.

There is also a need for corporate measures which provide a more strategic view of the performance of the council as a whole. These might address issues such as absence levels, complaints or payment of invoices.

Much of the work of local authorities is project based such as the introduction of a new initiative. Although the impact of this initiative might be tracked by performance indicators over the long term, its introduction can be tracked as a series of steps in a project plan and these types of plans should also be reported on as part of a performance framework.

Indicators must be clearly defined and understood and the data which applies to them be readily available. For benchmarking purposes, all those involved must be working from the same definitions, applying the same criteria and working over the same time period.

Equally there is no single collection period for data as it may be collected on a weekly basis for some indicators or a monthly or annual basis for other indicators and this will vary between services and local authorities.

Defining performance indicators, targets and standards to be used in each council will be local decisions. For benchmarking purposes, there must be an element of consistency so that comparisons are appropriate.

There is danger that too much time is spent on data collection. It is therefore important that measures are identified which will add value to corporate, service and financial planning. The value in the data emerges when it is used and too much time collecting or establishing procedures to collect it is likely to be wasted. Equally it is important that appropriate measures are collected so that the performance of services can be monitored and improved. This is a delicate balance to achieve.

### 5.2 Benchmarking

Benchmarking enables the sharing of performance information and processes between a number of similar organisations. By comparing performance information and the method by which services are delivered, one can learn from another about the likely outcomes of following a particular approach. The more local authorities that

are involved the better, ideally representing all parts of the UK, all political parties, all types and size of council. Such diversity adds robustness to the data and provides variety to the discussions.

For effective benchmarking there is no need to collect data on a weekly or monthly basis. It is likely that the time period for changes to be made to a service and the outcomes of changes to be subsequently tracked will often take up to 12 months. Annual data will identify changes in performance levels and reflect trends over time.

Benchmarking requires those taking part to be willing to come together, be open and honest with their data and processes, explain their problems as well as their successes and share their experience and knowledge. This enables lessons to be learnt and those intending to make changes to be informed about the likely outcomes.

There is a need for contextual data to be collected for benchmarking purposes. If costs are to be compared (e.g. at a leisure centre) it is important to have throughput data (i.e. service users). Although it is helpful to know the context of any two authorities delivering services which are being compared (e.g. urban v rural), such different contexts do not rule out the chance that services can learn from each other.

The scale at which effective benchmarking operates is such that it is very difficult for one local authority to manage it on behalf of others – having an independent body to administer and oversee benchmarking is the most effective model.

Benchmarking is by its nature a sectoral approach to improvement. As the Bill states 'A council must use the information it collects...to compare its performance...with...the performance of other councils in exercising those or similar functions'. This will involve data benchmarking and process benchmarking meaning all councils in Northern Ireland coming together to track performance, to learn from good practice (both in NI and in the rest of the UK), to identify priorities for action and to improve services.

### 5.3 Using performance information

Any data that is collected and published must be used. Effective corporate and service planning through the budgetary cycle depends upon reliable information. Identifying weaknesses within services, areas in which to invest and the potential impact of changes are examples of activities which take place in the planning cycle.

## 6. Disseminating performance information

Just as managers can not run services without relevant information, so councillors are unable to properly scrutinise services without such information. The same is true of citizens who need to have access to appropriate levels of data in order to remain informed about the quality of services provided. Clearly the information should be provided at a level of detail which is helpful and is not overly detailed.

## 7. Audit and Inspection

An audit and inspection role should be welcomed as long as those involved are committed to adding value to the service. In this case, it means the local authority being open and honest about the levels of performance, available data, any issues which it is dealing with and its future plans. Auditors and inspectors must be able to understand the context of and limitations upon the service, have the knowledge and capacity to provide suggestions for addressing problems within the service and generally act in a supportive and positive manner.

Where there is a need for the Department to give direction or carry out a special inspection this should also add value to the service and its users.

## 8. Next steps.

### 8.1 Existing councils should:-

- Identify how their existing performance arrangements work, both formally and informally, so that shadow councils are able to consider which elements to take forward into the new councils.
- Continue to make performance data available to officers, councillors, citizens and external bodies.

## **8.2 Shadow councils should:-**

- Identify a set of high level performance indicators which reflect the performance of the council at a high level ( e.g. customer satisfaction levels, rates collection levels, absence levels).
- Review the performance arrangements across their clusters to identify which elements should be brought into the new council and where problems exist.
- As part of their high level planning exercise, the shadow councils should consider what their vision, aims and objectives will be and how they can be tracked, reported and built into a performance framework.
- Identify a set of performance indicators which reflect the quality, productivity and cost of services.
- Put in place systems which enable the collection and analysis of performance data.
- Consider whether there is adequate information available to identify standards which reflect preferred service delivery levels
- Look to establish arrangements enabling them to learn from other local authorities in a facilitated benchmarking environment.
- Establish arrangements for comparing performance between local authorities across Northern Ireland and the rest of the UK.

## **8.3 The DoE should:-**

- The Department should encourage the shadow councils, chief executives and change managers to come together and identify a suite of measures to track the performance of their council at a strategic and service level.
- Ensure that arrangements are in place to enable the local government auditor to access benchmarking data easily and identify if the local authority is undertaking the benchmarking element of Part 12.
- Ensure the local government auditor has access to information from other local authorities providing similar service in order to inform its decisions and actions concerning special investigations.

## **9. What support can APSE offer?**

APSE has 15 years' worth of experience of performance management and benchmarking, establishing performance measures and information, analysing data, reporting information and reviewing and updating benchmarking models. We also run themed events to ensure that those who submit data to the model have the chance to learn from others about the processes behind the data – process benchmarking. The model is called 'Performance Networks'.

### **APSE Performance Networks**

APSE Performance Networks is the largest public sector benchmarking and performance management model in the UK with nearly 200 councils and other organisations participating including councils in Northern Ireland. The model is flexible enough to accommodate high level or service based performance indicators. There are currently 14 service areas covered by the model.

Events which are designed to ensure the data is used and process benchmarking can occur are held on a regular basis and are specific to the services. These enable use of the data by councillors, managers and officers with service responsibilities and opportunities for learning between local authorities and improvement across the sector.

Membership of Performance Networks enables local authorities to meet a large number of the requirements written into Part 12 of the Local Government Bill.

APSE is happy to support the new councils in Northern Ireland to meet the requirements from Part 12 of the Local Government Bill. We would recommend that all of the new councils follow the lead of nearly 200 local authorities across the UK and sign up to Performance Networks.

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