



Briefing 15/46 August 2015

The Duty of Performance Improvement in Northern Ireland – Corporate Performance.

To: contacts in Northern Ireland.

For information: contacts in England, Scotland and Wales.

Key issues

All NI councils have a duty of performance improvement

Corporate performance potentially reflects many functions of the council

APSE is in the process of developing a corporate performance template for use in Northern Ireland

1. Introduction

Part 12 of the Local Government Act (Northern Ireland) 2014 introduces a general duty of improvement on the new councils in Northern Ireland - "A council must make arrangements to secure continuous improvement in the exercise of its functions". In discharging this duty a council must have regard to their need to improve the exercise of its functions in terms of strategic effectiveness; service quality; service availability; fairness; sustainability; efficiency; and innovation.

2. Corporate Performance

Corporate performance can be interpreted in a number of ways. It can be viewed as the performance of the corporate body i.e. the council, or it could be viewed as the performance of the sections which make up the corporate centre. It could also be viewed as those issues that the public prioritises. So customer satisfaction with the council is an example of the former whilst time taken to pay invoices might be an example of the second. Satisfaction with street cleansing in the town centre or the level of cleanliness in leisure centre changing rooms might be examples of the latter.

It is reasonable to expect that all of the above would be reported on and information made available. The form of reporting may be different with financial management, customer satisfaction, service based costs or quality of service being more important for different audiences such as councillors, service managers, the public or senior management team.

Although the title of this briefing refers to 'corporate performance' it should be viewed as the first of the interpretations noted above. In organisations such as local authorities there is a high level of interaction between services, staff and assets. There will be an impact on the level of performance from both the corporate centre and the services. For example, the level of sickness absence can be influenced by leadership, policies, procedures and training provided by the corporate centre. Equally the way service managers put policies and procedures into practice and how they interact with staff will have an impact.

The corporate centre should manage the process for reporting performance across the local authority, ensuring relevant data is made public as well as making sure it is used as part of the annual planning and financial cycle. However this process cannot be completed without the full involvement of all departments and services. Corporate performance is not the responsibility of the corporate centre alone.

3. Performance Frameworks

A performance framework will have a number of elements - local priorities identified in a corporate or annual statement; identifiable measures; a service review plan; data collection and reporting cycles; links to the budget and service planning cycle; a process for making performance information publicly available; a role for audit and scrutiny; and benchmarking activities.

APSE's Performance Networks model is a performance management and benchmarking model which works alongside the internal arrangements in place within a local authority to support performance improvement.

As with all good performance tools it is based on adequate and appropriate data. This is vital for the elements of a framework for example helping to identify and justify local priorities for action; providing relevant performance information for service users; making sure the audit role and scrutiny role can take place; and enabling the sharing of experience and expertise to lead to improvement through benchmarking.

4. Service related issues.

All services need a service plan which can identify the requirements for a service for the coming year and further into the future, set targets and explain how it fits into the wider perspective of the organisation.

There needs to be collection and analysis of data about the service to identify how well it is performing for management purposes, provide some context for those in an audit or scrutiny role to assess how well it is meeting its objectives and to keep the public informed.

The DoE has consulted on a number of existing performance indicators as the first step in establishing a set of measures for local government. These measures cover waste, economic development and planning.

5. Corporate performance measures

Below are listed example measures which might be used to indicate corporate performance. Financial performance is clearly vital to the wellbeing of the organisation but the local authority is not fully in control of the performance of rates collection.

Financial	Net cost of Council services per head of population	
	% of Council's net expenditure compared with agreed revenue estimates	
	% of Undisputed Invoices Paid on Time	
	% of income spent on corporate / support services	
	Average costs of employing a member of staff	
People	Cost of agency staff as % of total staff costs	
	The average number of working days per employee lost due to absences	
	Top x% of Earners: Women	
	Top x% of Earners: Ethnic Minorities	
	Top x% of Earners: with a disability	
	% of Early Retirements	
	% of Ill-health Retirements	
	% of Employees with a Disability	
	% Ethnic minority representation in the workforce	
	Buildings Accessible to People with a Disability	
	Complaints	Number of complaints received
		% of complaints rectified within target time
Satisfaction	% satisfaction with the overall service provided by their authority	

	% satisfaction with the way they were treated when making their service request
	% satisfaction with the time it took to deal with their service request
	% satisfaction with individual services
Access to services	% of 'interactions' provided that are e-enabled
Energy performance	Electricity usage per member of staff
	Gas usage per member of staff
	Water usage per member of staff
	Energy cost per member of staff
Rates	% of rates not collected
	% of non-domestic rates not collected
	% of rates not originally collected which were pursued and collected
	% of non-domestic rates not collected

6. Comparative data

Comparative data is available in different formats from different sources. For example, the average cost of staff stands at £31,597 whilst the cost of agency staff makes up 5% of staff costs on average ('Local Government Auditor's Report – 2015', Northern Ireland Audit Office, p.17).

81% of undisputed invoices were paid on time by councils in Northern Ireland ('Local Government Auditor's Report – 2015', Northern Ireland Audit Office, p.35).

The average sickness absence rate in councils in Northern Ireland for 2013-14 was 11.63 days ('Local Government Auditor's Report – 2015', Northern Ireland Audit Office, p.36).

The APSE Performance Networks model figure for absence is measured as the number of days (or hours) lost as a result of sickness as a % of the total days (or hours) deployed annually. The average figure for 2013-14 is 4.06% across a range of frontline services. Individual figures are available for example the figure for refuse collection is 6.1% (APSE Performance Networks Summary Reports, April 2015)

Overall satisfaction with how the council runs things was found to be at 68% in a survey carried out across the country although this did change between types of council. (Polling on resident satisfaction with councils Final report, LGA, October 2014)

Further questions in this survey noted the following results –

'To what extent do you agree or disagree that your local council(s) provides value for money?' – 51% strongly agreed or tended to agree.

'Overall, how well informed do you think your local council keeps residents about the services and benefits it provides?' – 66% felt very or fairly well informed.

'How much do you trust your local council?' – 59% trusted the council a great deal or a fair amount.

7. The Corporate Centre

There is pressure on all services to reduce costs and be as effective as possible corporate services are no different. Although some might argue that functions such as Human Resources, Legal or ICT only exist as support for frontline services and so should be considered in some way inferior there is no doubt that the best support services provide assistance which is invaluable to the frontline. Close integration is a pre-requisite if excellence is to be achieved by support services. An example of how to improve support services might be to move an accountant who is responsible for environmental services out to be part of the environmental services management team. Encouraging staff from the corporate centre to get involved with frontline services and for

the services to welcome that involvement (for example by inviting them along to annual service planning meetings) is another way of ensuring all are able to add value for the benefit of local citizens and service users.

8. Questions

A number of questions arise when looking at the list of measures above:-

Q. Are these measures right for Northern Ireland?

Some of them will be appropriate and some may not. What is important is that the sector comes together to identify those measures that are correct for the new councils. Ensuring that the figures being compared are as similar as possible is an important factor but not so important that if it cannot be verified comparison should not go ahead. This does not mean that all measures collected by each local authority should be the same but that there should be a group of measures which can act as a basis for benchmarking.

Q. Do you have the data to complete an agreed template?

All councils have data, and lots of it, within the organisation. If other councils regularly collect and use information that you do not, it is reasonable to ask 'why not?'

Q. Do you have the resources for this type of work?

The larger councils should now have the scale to manage performance effectively. Some were not in that position under the old regime but the new duty of performance improvement means this is an area of work which can no longer be avoided. Once systems and a framework are in place and a culture of effective performance management exists, performance improvement is not an additional responsibility but becomes part of the normal day job.

Q. What other factors should be considered?

Historically data relevant to corporate performance has been more accessible by the public for example information about customer satisfaction or complaints. It is important that performance data is made visible to the public so that they are aware of the quality of services they are receiving, that councillors can be held to account and that the council can identify how they are doing well, and not so well.

9. Five next steps

If you still have some way to go in terms of performance management data, what should you do next?

1. You should join with colleagues with similar responsibilities from other councils to identify those measures and data you will need to manage your service or to manage performance across the council corporately.
2. It is important that you begin to put systems in place which mean you can access the data you need on a regular basis.
3. The sector should take the lead on this agenda working with the Department to ensure arrangements are appropriate for councils primarily as well as meeting the Department's needs.
4. It is vital that any data collected is used. Local authorities should ensure that the senior management team, service managers, councillors and audit staff have the skills to analyse performance data.
5. Consider APSE's Performance Networks model as the tool to help you meet your responsibilities for performance improvement under the Act and instil a culture of performance management across your organisation.

10. Northern Ireland context

Trend data depends on having data from previous years available for comparison over time. As one of the aims of local government re-organisation was to improve services and make savings, it would be reasonable to expect that predecessor councils had information in place which could be combined to make such comparisons.

The DoE has said that a set of measures will be introduced for local government to aid performance improvement and benchmarking. Ideally the councils should come together and work as a sector to take this agenda forward themselves rather than let the Department lead the way. The councils should work with the Department to ensure they put in place a framework which results in manageable arrangements being in place that enable the sector to improve and learn from each other – both in Northern Ireland and the rest of the UK.

11. APSE Support

APSE's Performance Networks is the largest public sector performance management and benchmarking model in the UK. It covers 14 service areas, many of which are directly applicable to the services provided by the councils in Northern Ireland.

It is an established model with 180 local authorities submitting data with a focus on sharing experience and expertise. Comparison of performance data and, more importantly, the processes that lead to good performance, helps the identification of better ways of working, improved outcomes and a sector which interacts for the benefit of all. We understand that collecting data is a pointless exercise unless it is used to improve services and inform interested parties. As such we run a series of benchmarking events to enable process benchmarking to occur.

APSE is in the process of developing new templates including one for corporate performance for use in Northern Ireland.

Bearing in mind the amount of work involved in establishing and developing the new councils, re-inventing the wheel in terms of performance improvement and benchmarking is not an option in Northern Ireland.

This is one of a series of briefings APSE will draw up over coming weeks addressing performance improvement in both corporate and service areas.

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