



Northern Ireland Audit Office

Performance improvement in local government

Learning the lessons of performance improvement: a good practice briefing





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Introduction

Introduction

- 1.1 The Local Government Act (NI) 2014 (the Act) places a statutory responsibility on councils to make arrangements for and report on continuous improvement in their functions or services. Improvement, in the context of the Act, means more than just quantifiable gains in service output or efficiency, or the internal effectiveness of an organisation. Improvement for councils should mean activity that enhances the sustainable quality of life and environment for ratepayers and communities. The Act also places a statutory responsibility on the Local Government Auditor to conduct an 'improvement audit and assessment' each year and report the findings.
- 1.2 The year 2017-18 was the final one of a three-year phased implementation of the performance improvement framework at all eleven councils. All councils met their key performance improvement responsibilities and all received the same overall audit and assessment, although councils are at different stages of development. This briefing summarises some of the key learning from audit and assessment work about the councils' implementation of performance improvement. It identifies some key aspects of improving performance, illustrated by examples drawn from councils' experience.
- 1.3 Examples of good practice are widespread. The challenge for councils is to establish and maintain arrangements that enable them to meet their statutory duties consistently while learning from others to deliver step change improvement for their citizens.

Councils demonstrate ambition in developing their performance objectives

Councils demonstrate ambition in developing their performance objectives

- 2.1 A number of councils show high ambition for improvement. They set themselves demanding targets for improving the quality of life of their citizens, leading them to change the way that they work to provide better services.

Belfast City Council has aligned its improvement objectives with the priorities within its community plan, the *Belfast Agenda*. As a result the objectives focus on an annual programme of delivery to support the longer term ambitions within the community plan. There are clear links between the improvement objectives and the high-level city outcomes within the *Belfast Agenda*:

- growing the economy;
- living here;
- city development; and
- working and learning.

Ards and North Down Borough Council's 2018-19 Performance Improvement Plan included a series of objectives clearly linked to the Community Plan and its Corporate Plan priorities. Each objective sets out specific actions, measures and associated outcomes, with designated officers responsible for delivery.

- 2.2 Ambition is key to delivering demonstrable and sustainable improvement within councils. Incremental change has benefits, but is unlikely to result in outcomes that have impact in the lives of citizens. Ambitious objectives that require a step change in performance to achieve planned outcomes are more likely to be effective in meeting citizens' expectations. Even if the outcome cannot be achieved, the progress made is more likely to be noticeable to citizens and stakeholders than, for example, small scale improvements in internal processes.
- 2.3 Developing the right improvement objectives is fundamental. Councils have wide flexibility to choose their improvement objectives and choosing wisely is essential. Ill-defined objectives are unlikely to contribute to meaningful improvement. Objectives that are highly strategic, aspirational and not anchored to delivery make it difficult to demonstrate improvement. Conversely, narrowly defined objectives are more likely to be achievable, but may have little or no impact with citizens.

Mid Ulster District Council has developed a suite of questions to support the process of developing improvement objectives, including:

- why have we chosen this improvement objective?
- what have we achieved so far?
- what actions are we going to undertake?
- how will we know that progress has been made?
- what visible improvements will ratepayers and other citizens expect to see?
- who do we need to engage in partnership working with to achieve (this objective)?
- what risks do we need to manage?

2.4 Key to the approach is clarity about council priorities and a commitment to delivery amongst officers and members. This can be challenging, particularly if progress appears slow and success is initially hard to find. It's not always going to be 'right first time'. Councils should not be afraid to refine their approach as their experience grows.

Fermanagh and Omagh District Council has been amending its approach to objective setting. The process now incorporates a range of data and information sources: analysis from selected statutory, corporate and performance measures; other performance report outputs; engagement with elected members, the Senior Management Team and Heads of Service and results from its annual consultation exercise. As a result, the Council is better placed to demonstrate improvement with more transparent outcomes supported by baseline measures and comparators from previous years' results.

Some councils are mainstreaming performance improvement

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- 3.1 Councils that are making progress most effectively are those that are able to embed performance improvement in their day to day operations. Where performance improvement is part of the 'day job', rather than an add-on to councils' business of providing services, the evidence suggests that improvement takes hold more readily. In practice, this means mainstreaming performance improvement within the councils' performance management arrangements. This has been referred to as 'the golden thread'.

Derry City and Strabane District Council has sought to integrate its improvement objectives within its overall community and corporate planning regimes. The Strategic Community Plan is the highest level plan. The delivery of its vision and objectives is supported through the objectives, priorities and actions in the Corporate Plan. Directorate delivery plans help ensure that those priorities set out at a corporate level are cascaded to individual directorates/services and actioned. Individual contributions to the delivery of directorate and team plans, and ultimately the corporate plan, are being embedded in personal development plans as part of the employee development process.

- 3.2 It may be necessary to consider how performance improvement relates to wider aspects of councils' functions, beyond community and corporate planning and front line service delivery. This could include policy development, reward systems and risk management.

Effective use can be made of consultation

Effective use can be made of consultation

- 4.1 Consultation is a statutory requirement of performance improvement. It also represents an essential tool to build engagement with citizens, stakeholders such as the business, community and voluntary sectors, and councils' elected members and staff to provide an internal perspective. Although consultations can be resource-intensive, councils' experience is that appropriately focused efforts can produce significant impact. The key is a wide engagement that utilises different approaches to connect with different groups.

Newry, Mourne and Down District Council's consultation exercises have included targeted discussions and focus groups; the circulation of clearly structured documentation; awareness-raising using news and online media sources and printed documentation made available at public buildings for walk-in consultees. A recent engagement process included meetings with 80 stakeholders and written survey responses from 92 individuals and organisations, directly informing the final content and direction of the council's performance improvement activities.

The Council carries out its consultation activities using an established framework, supported by a toolkit. This has resulted in a substantial level of response from citizens and other key stakeholders, both individually and within groups. The Council also seeks out other innovative ways to promote performance improvement concepts around its functions and services, with the aim of maximising meaningful engagement.

- 4.2 Feeding back the results of consultation is important. Good quality feedback says that councils value the views of their citizens and stakeholders and in itself can act as encouragement to take part in future consultation exercises. On the other hand, without feedback participants may conclude that councils do not pay regard to their views.
- 4.3 Several councils collate and publish consultation feedback summaries on their websites, with some also circulating this information to individual respondents. In addition, some councils are providing feedback to a wider audience, including internally local councillors, committees, departments/directorates and frontline staff and externally to partners, service users and residents. An established consultation and engagement policy is a useful tool for ensuring that councils get the best results from consultation.

Following a recent consultation, **Lisburn and Castlereagh City Council** found that using more structured and better managed focus groups than in previous exercises, the results were robust enough to feed directly into performance improvement and related business processes.

A summary of consultation findings was presented to the Governance and Audit Committee. This more formal approach is one element within a wide-ranging engagement and participation strategy.

Councils can use data effectively to improve performance

Councils can use data effectively to improve performance

5.1 Performance information provides the facts to support decision-making for the planning, budgeting, management and evaluation of council services. Councils are required to monitor and publish a set of seven established performance indicators under the Local Government (Northern Ireland) Act 2014. To complement these, councils are also expected to set their own performance indicators and targets, and to monitor and publish their performance.

5.2 A number of councils have established systems for data collection, monitoring and reporting performance against a range of performance indicators. The information produced is used for several purposes:

- to measure progress towards improvement objectives;
- to monitor service performance; and
- to identify opportunities for improvement.

Lisburn and Castlereagh City Council has developed a small group of non-statutory key performance indicators for each service. Work is underway to ensure that supporting data and information is available to establish baselines and to monitor and report outcomes.

The Council's performance management system has been developed to promote efficient data collation and to facilitate timely reporting. Arrangements are in progress to provide independent validation and assurance over the data collected, as part of the internal audit process.

Antrim and Newtownabbey Borough Council's performance management system was established in 2018. It provides baseline data to measure functional and service performance. Among other purposes, the Council is using the system to identify the areas which would benefit most from improvement.

5.3 The challenge for councils when developing performance indicators is to ensure that they are meaningful. It is easy to produce so many indicators that it becomes hard to focus on the true performance of the organisation. An emphasis on the 'need to know', and avoiding the trap of the 'nice to know' indicators, is essential to focus attention on the important issues facing the council.

- 5.4 Setting targets can be helpful to drive improvement. It is crucial that the targets are realistic (not a 'wish list'), but at the same time challenging. Targets that are SMART (Specific, Measurable, Achievable, Relevant and Time-bound) are almost always the best option.

Good and bad targets

Good targets

We will reduce the number of missed household collections by 10 per cent by next year

We will increase the number of visits to leisure centres by 20 per cent before the end of 2021

We will reduce the volume of waste that we send to landfill by 25 per cent by 2022

Bad targets

We will improve the way we handle complaints

We aim to have the best leisure facilities in Northern Ireland

We will answer 80 per cent of all correspondence within 5 days (this is a poor target if the remaining 20 per cent take 6 months to answer)

- 5.5 Good quality data is necessary to the process. Performance information must be verifiable, based on reliable data collection systems that are capable of standing up to scrutiny. A number of councils have introduced independent data validation arrangements, principally through internal audit. Others have gone further, using internal audit to provide assurance over wider aspects of councils' performance improvement arrangements.

Newry, Mourne and Down District Council used its internal audit to provide assurance on data collection procedures and to validate data accuracy.

Antrim and Newtownabbey Borough Council has introduced data verification of a small range of non-statutory performance indicators to ensure that they meet internal and external inspection standards to provide assurance that the information generated is robust. The Council has also commissioned internal audit to undertake a review of different aspects of performance improvement over a period of two years.

Derry City and Strabane District Council's internal auditors carried out a general review of performance improvement during 2018.

Councils are beginning to compare their performance

Councils are beginning to compare their performance

- 6.1 Comparing councils' performance is a statutory requirement of the Act. Comparison between and within councils is also an effective tool for identifying opportunities for improvement. While it remains the most under-developed aspect of the performance improvement regime, most councils are now engaged in some form of benchmarking activity using information provided by the statutory performance indicators and from other sources held in common, for example, prompt payment statistics.
- 6.2 Eight councils have come together with APSE¹ to develop a suite of performance indicators to facilitate comparison. This approach, however, remains a work in progress.

Antrim and Newtownabbey Borough Council has used the information it gathers about its improvement objectives and its statutory and local performance indicators to compare its performance against other councils.

Fermanagh and Omagh District Council uses a wide range of data, which is generated both internally and sourced externally from APSE to form a suite of performance measures for benchmarking.

Newry, Mourne and Down District Council has worked with selected APSE data over the past two years to collate, analyse and report benchmarking data internally for a range of services. This data has been incorporated into Performance Profiles for each Directorate which are being used to assist in understanding key trends within the external and internal environment, considering areas of good and under performance, and identifying key improvements. This approach will facilitate a performance led approach to business and service planning and help embed a performance improvement culture across the organisation.

¹ The Association for Public Service Excellence (APSE) Performance Networks is a public sector benchmarking service available to UK local authorities.



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