



Briefing 10/49 September 2010

# Progress through performance management in Northern Ireland

To: All contacts in Northern Ireland

To: All contacts in England, Scotland and Wales

## Key issues:

Performance management approaches embedded into local government.

Benefits for officers, councillors and service users

Examples of projects and efficiencies made as a result of applying performance management

## 1. Introduction

APSE believes that performance management promotes a culture of responsibility, accountability, challenge and ownership across the organisation, whilst providing a framework to meet national initiatives and secure the achievement of local priorities. In a local authority and public services context performance management has become common parlance over recent years. In responding to CCT in the 1980's local authorities began to adopt business management approaches, including performance management, in some of their services. The principles became further embedded in local authorities as a result of Best Value and now drive business planning, service improvement plans and can be used to link individual performance to organisational objectives.

## 2. UK context

As the management of the public services evolved over the last two decades, new measures were introduced to monitor public services and hold them to account. Terminology such as value for money, customer care, performance indicators and risk assessment began to be used more commonly in local government and other public services. This wasn't something completely new in the public sector. Consultation exercises were a growing practice, there was a financial planning cycle in place, a lot of information was in the public domain and accounts could be scrutinised by the public.

When the Best Value Regime was introduced (1999 Local Government Act in England and Wales and in Scotland in 2003) it formalised a lot of things which were already in place. So existing performance indicators were expanded and guidance became much clearer and focused; there had been ad hoc arrangements in place for services to be reviewed if they were not performing and these were made more consistent and detailed; customer satisfaction surveys were introduced which enabled comparison. It was an attempt to put in place a framework which brought together existing best practice and applied it to all. This has been accompanied by a trend towards more joined up working and a regular cry to move away from silos towards much greater co-operation within and between councils and other providers. The rationale behind Best Value was to move towards value for money, quality and continuous improvement,

demonstrable through performance assessment, as an alternative to the focus on lowest cost (often to the detriment of quality) which was the focus of CCT.

Many of the original themes are now fully embedded in councils and approaches to performance management, satisfaction surveys, regular reviews of services, greater transparency, partnership working, efficiencies and a drive for continuous improvement are in place within local authorities and other public service providers and in general councils have taken these ideas on board.

More recently the emphasis has been on the place rather than the provider with approaches such as Comprehensive Area Assessment, Local Strategic Partnerships and Multi Area Agreements and their equivalents reflecting the need to identify priorities within an area and address them holistically employing whichever public service provider, or group of providers, is most relevant. The Total Place project looked at budgets and resources and the coalition government appears willing to take the same agenda further through its focus on localism.

Although there is a move to encourage councils in Northern Ireland to take on the approaches mentioned above and Best Value legislation exists, the approach to implementation of such measures has not been uniform due to reorganisation dominating the policy debate over recent years. However now more than ever there is an expectation that Council's will embed performance management within their internal arrangements and the forward thinking are doing so already. The responsibility on local authorities to inform people about service performance ensuring they are aware of changes in quality and so can make the link between how the council is managing and providing services and what they are experiencing as service users, means it will be vital to have a performance management framework in place.

The Comptroller and Auditor General from the Northern Ireland Audit Office prepared a document in July, 2010 titled 'Improving public sector efficiency. Good practice checklist for public bodies'. The document is intended to promote improvement and facilitate detailed review and self assessment by audited bodies by providing a consistent tool to assess approaches to efficiency during challenging times. Several recommendations are made to use benchmarking to identify potential efficiencies especially with regard to frontline services. For example, the document specifies using benchmarking to identify potential efficiencies and asks "Does the organisation have a clear strategy for benchmarking each of its main services?" and "Is the organisation able to monitor and benchmark all front-line services?"

### **3. Effects of public spending cuts**

Public sector spending cuts will inevitably put pressure on all services to avoid duplication and wastage and continue the push for greater efficiency. Performance management will help to address these issues and to drive a council through the actions needed when radical changes are made. Tracking performance, making informed decisions to change based on robust data, learning from other providers, justifying actions to councillors and citizens and ensuring there is a base for future plans are just some of the reasons for establishing performance management in a council.

### **4. Performance Management**

#### APSE Performance Networks

There is a requirement for accurate and robust information to provide a base position for each service and then to track performance over a period of time. This provides a clear picture of performance within a service and means that the impact of changes made can be monitored.

APSE understands the benefits of performance management and service improvement and has an established performance management service, the largest public sector benchmarking service in the UK. It covers 14 service areas and over 700 performance measures providing analysis of council performance, comparison between local authorities and reports detailing the figures. APSE provides a data collection tool with guidance on what should be included in each piece of data returned with submissions made via our website.

The consistent nature of the guidance means comparisons can be made on the same services between different councils so enabling benchmarking which highlights areas of best practice and concern for individual councils. This can be followed up either individually through contact with those councils as part of a networking group or more favourably via one of the service specific Advisory Groups or regional meetings APSE runs to provide a platform for good performers as well as addressing other issues which will impact on the service.

More detailed process benchmarking groups are in place to look at detailed operational approaches to elements of frontline services and enable members to learn about and incorporate alterations to services which have been tried and tested in other councils.

The arrangements APSE have in place to make the most of the data collected provide a ready framework for service improvement alongside other councils. There is no need to create reports, networking groups or meeting arrangements –all of these are already in place.

Specific service areas are catered for in Performance Networks and there are arrangements in place for comparative analysis between similar councils within family groups. Performance Networks service areas and advisory groups include:

#### Performance Networks Service Areas and Advisory Groups

- Building cleaning
- Building Maintenance and Management (housing and non-housing)
- Civic, Cultural and Community Venues
- Culture, Leisure and Sport
- Education Catering
- Highways and Winter Maintenance
- Other (civic and community) Catering
- Parks, Open Spaces and Horticultural Services
- Refuse Collection
- Sports and Leisure
- Street Cleansing
- Street Lighting
- Transport Operations and Vehicle Maintenance
- Welfare Catering

#### Advisory Groups

- Citizen engagement
- Efficiencies, procurement and service transformation
- Workforce strategy and employee relations

#### Internal performance management arrangements

The base data collection process noted above is something which is a fundamental part of service management and improvement. It is this data which forms the content of internal senior management team performance reports and goes on to inform committees, councillors and citizens about council service performance. Service action plans are informed by this data and actions within plans can be based on changes made in other councils and highlighted by benchmarking.

There will be pressures to change services as a matter of course over time and this may involve relatively small scale changes such as new shift patterns, mobile working or new ICT equipment through to significant changes such as establishment of partnership arrangements or internal re-organisation. Having access to relevant data and benchmarking information provides an opportunity to justify decisions made and developments expected.

## Issues

There is a need to ensure the resources allocated to collecting and reporting data are balanced by the amount of benefit gained from the information. There is no point in collating the data if it is not used in a performance management framework or improvement process. The benefit of using a benchmarking service such as APSE Performance Networks is that it minimises the effort needed to collect, analyse and report the data, provide benchmarking reports or advisory groups or forums to aid improvement – all of this is done by APSE.

There has been a move over recent years to lessen the amount of performance data reported back to government as performance management is considered well embedded now within many councils. However the need to report performance internally and to local citizens and businesses remains.

### **5. Opportunities for frontline services**

Below are a number of case studies from front line council services which show real financial and organisational benefits from employing performance management and process benchmarking approaches. Further details are available from APSE.

- **Case study 1: Process benchmarking to reduce procurement costs.** A process benchmarking project was carried out by 17 authorities in Scotland via [APSE](#) to compare the arrangements by authority for the management and delivery of a selection of key building maintenance activities. Activities covered included procurement, fleet management, schedules of rates, response repairs and post inspections. By comparisons, the councils identified both differences and similarities in processes, rates and practices, which could result in improvements and savings.
- **Case study 2: Transforming customer services through the use of real time performance management.** This council in the north East of England has implemented new technology alongside the introduction of a career graded staffing structure, increased staff development and training and real time performance management. This has transformed the customer services telephony centre and generated £200k efficiency savings. Productivity has increased from 45% to 62% and staff absence has halved.
- **Case study 3: Using performance management corporately for efficiency and improvement.** This district council in the south of England needed to reduce costs by £3 million, whilst ensuring that the rationalised authority continued to be 'fit for purpose' and customer focused with improving service quality and customer outcomes. They launched a programme with an emphasis on four key areas; innovation and efficiency, people and performance, customer service and communications and engagement. Results include reduced costs through innovative changes as well as an improvement in 73% of their performance indicators, which placed them 18th out of 388 local authorities for improvement in 2007-8.
- **Case study 4: A holistic review of street lighting performance.** This county council in central England reviewed its street lighting performance in 2007. By working with senior managers, design staff, electricians, night patrollers and electricity companies, they have managed to reduce the time taken to repair a street lighting fault from 7 days to 4.8 days. The action plan included improvements to the scheduling of repairs and route planning, introduction of IT equipment whole life cost investment strategy and working with electricity companies to restore supplies quickly, when the fault is due to a supply failure.
- **Case study 5: Using data to demonstrate the effectiveness of the leisure service to partners and potential funders.** This metropolitan council in the north of England has used [APSE's benchmarking data](#) to monitor the effectiveness of its leisure service, provide evidence of substantial improvements and demonstrate to partners and potential funders its ability to deliver services. The service generates over £1.5 million of external funding every year from a

variety of partners to deliver programmes and services. They have also used their site-by-site comparisons to implement a range of cost cutting initiatives by amending operational practices to reflect those undertaken at best performing sites.

- **Case study 6: Adopting new ideas through process benchmarking.** This unitary council in the south of England introduced a 4 day a week collection service for waste and recycling, an idea inspired by process benchmarking with peers via APSE, and conducted on-site visits to learn from other councils' experiences. This new service will help them to achieve efficiency savings through the better use of vehicles and fleet. By avoiding Monday collections they have ensured that the residents understand the schedule and are unaffected by collection day changes following bank holidays, with the exception of Christmas and the New Year.

- **Case study 7: Using benchmarking data in service reviews to identify efficiency savings.** This council in the south of Wales commissioned [APSE](#) to undertake a review of its grounds maintenance unit. The review used benchmarking cost and performance related comparators to assess the competitiveness, performance and qualitative standard of the grounds maintenance service provision. The review identified £150k efficiency savings through the reprogramming of seasonalised working hours and increased machinery utilisation.

- **Case study 8: Introduction of a weekly performance system to improve productivity in primary school kitchens.** This council's education catering service maintains high productivity via the operation of a weekly performance management system for each kitchen, allowing them to proactively monitor productivity. This data is then used in the allocation of staff across the kitchens to ensure maximum output of meals whilst minimizing staff time wasted.

## 6. Summary

As local government moves forward in Northern Ireland and the 'Improvement, Collaboration and Efficiency' agenda gathers pace, the requirement to collect, analyse and compare performance will develop with local authorities meaning the benefits of using benchmarking arrangements such as those provided by APSE Performance Networks will continue to increase.

The more recent shift in focus from assessing the performance of groups of delivery organisations (such as Comprehensive Area Assessment in England) towards unit costs and the ability to make efficiencies through cost management highlights the benefits to be gained from APSE's Performance Networks benchmarking service.

APSE has produced a briefing paper on 'Improving public sector efficiency. Good practice checklist for public bodies' (Comptroller and Auditor General from the Northern Ireland Audit Office document) noted above and can be found by clicking [here](#)

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