Performance management

Councillor workbook

Contents

This councillor workbook includes references to materials published by the Local Government Group (LG Group) and Local Government Leadership (LG Leadership), now both the Local Government Association (LGA).

Foreword

This workbook has been designed as a learning aid for elected members. It makes no judgement about whether you have been a member for some time, or whether you have been elected more recently. If you fall into the former category the workbook should serve as a useful reminder of some of the key elements involved in monitoring and managing the performance of a local authority.

Those members who are new to local government will recognise that they have much to learn. This workbook will provide you with an overview of performance management and an understanding of your role and responsibilities in monitoring and managing the performance of your council.

The workbook offers few firm rules for ward members as it is recognised that each individual must decide how best to approach their role in relation to performance management. This will be influenced by the performance monitoring processes which their particular authority has adopted and the extent to which members are involved in managing the day to day performance of the council. As such, the workbook should serve more as a direction marker rather than a road map.

In practical terms, the document will take between two to three hours to work through. You do not need to complete it all in one session and may prefer to work through the material at your own pace. The key requirement is to think about the issues presented and your role in monitoring and managing performance. In other words, how the material relates to your local situation,

the services you oversee and the council you represent.

In working through the material contained in this workbook you will encounter a number of features designed to help you think about your role in performance management. These features are represented by the symbols shown below:

Guidance – this is used to indicate research, quotations, explanations and definitions that you may find helpful.

Challenges – these are questions or queries raised in the text which ask you to reflect on your role or approach – in essence, they are designed to be thought-provokers.

Case studies – these are 'pen pictures' of approaches used by other people or organisations.

Hints and tips – these represent a selection of good practices which you may find useful.

Useful links – these are signposts to sources of further information and support, outside of the workbook, which may help with principles, processes, methods and approaches. A full list of useful additional information and support is also set out in the appendix to the workbook.

Introduction to performance management

What is performance management?

Despite the wealth of material written on the subject, performance management is not rocket science. Essentially, it is about the practical ways that a council can improve what it does and, more importantly, what it delivers, in terms of good quality services that meet the needs of local people – the key reason that most members stand for election in fact.

> ### 🗄 Performance management – a definition
>
> "Taking action in response to actual performance to make outcomes for users and the public better than they would otherwise be"
>
> **Local Government Improvement and Development, 2011**

So don't be fooled. Far from being a dull, technical activity, performance management is really about turning the vision that elected members may have for their community into tangible outcomes and benefits for all. And as a ward member, you have a number of important roles to play within this – from monitoring service delivery and achievement against targets to ensuring best value or value for money (VFM) in all that the council does.

Why is performance management important?

In the past three decades there has been an explosion in the amount of information collected, collated and reported on performance in local government. So, why all the fuss?

The ability to manage the performance of a council is critical to its success. It enables members and officers to assess whether the organisation is achieving what it set out to do, delivering VFM and making life better for its citizens. Others may require this information as well – including central government and regulatory bodies to name but a few. Without comprehensive, objective, information about the comparative performance of your council, these people would have to rely on subjective, largely anecdotal, accounts of what you do well and the areas in which improvements could be made.

Some knowledge of your council's performance may also be needed by local partner agencies, e.g. health, housing, criminal justice and education services, or collaborative bodies, such as local partnership organisations. Outside of this, there may be many others who might want to see some or all of the council's performance information, including local residents and council tax payers, media organisations, voluntary and community groups and other councils.

In fact, one of the biggest benefits in having information available about the performance of different councils is the extent to which we can compare, or benchmark, one authority against another.

By doing so, it enables us to ask the crucial question: 'why does the performance of that council look to be better than that of this council?' A good performance management process should enable us to begin to answer this.

Exercise 1 – performance management: who benefits?

Write down who you think might wish to know about the performance of your council and why:

Who has to know?   **Why?**

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Who might need to know?   **Why?**

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Who might want to know?   **Why?**

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Why measure performance?

Having emphasised the importance of having a process for performance management, why do councils spend so much time measuring their performance?

The simple answer is that performance measurement is the foundation on which all other elements of performance management are built. It can help councils to improve their performance by identifying good practice and learning from others. It can also ensure that the organisation is focused on its key priorities, and that areas of poor performance are questioned. But as we will see later, performance measurement is wholly reliant on the identification of good performance indicators.

(i) Why measure performance?

- What gets measured gets done.

- If you don't measure results, you can't tell success from failure.

- If you can't see success, you can't reward it.

- If you can't reward success, you're probably rewarding failure.

- If you can't see success, you can't learn from it.

- If you can't recognise failure, you can't correct it.

- If you can demonstrate results, you can win public support.

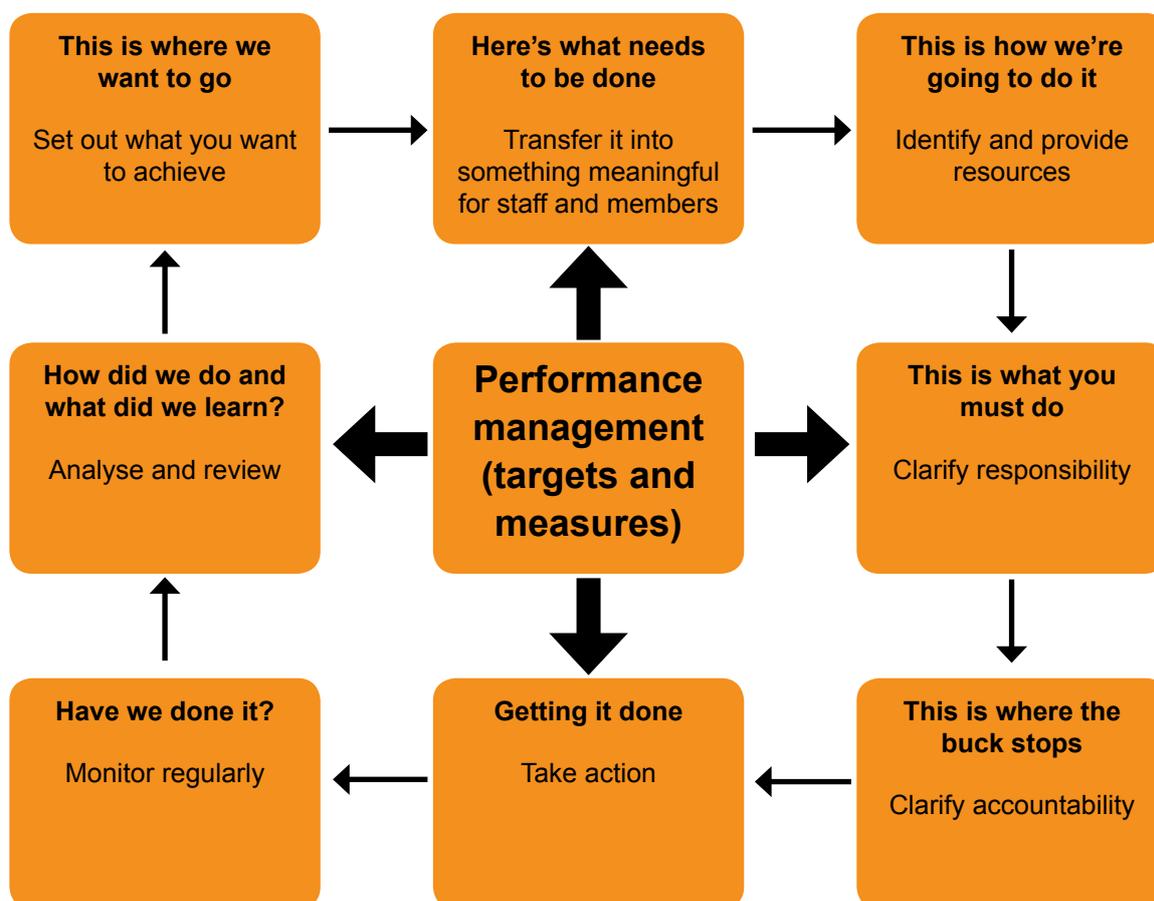**Extract from Reinventing Government, Osborne & Gaebler, 1992**

The process

Performance management – the basics

The performance management approach in your council should provide you with an overview of both the systems and the culture by which the organisation manages, monitors and improves its performance and achieves its objectives.

In other words, it should be able to tell you not just how well your services are performing against set targets, but the reasons why performance is at the level identified.

Performance management – a definition

This is where we want to go	Here's what needs to be done	This is how we're going to do it
Set out what you want to achieve	Transfer it into something meaningful for staff and members	Identify and provide resources

How did we do and what did we learn?	Performance management (targets and measures)	This is what you must do
Analyse and review		Clarify responsibility

Have we done it?	Getting it done	This is where the buck stops
Monitor regularly	Take action	Clarify accountability

In doing so, any performance management approach will be concerned with measuring and monitoring four basic aspects of service delivery:

- **Inputs** – the resources used in delivering a service, e.g. the financial and staffing costs of delivering a housing benefits service each year. In VFM terms, a service that operates to minimise the inputs required is described as economic in its use of resources.

- **Processes** – the approach that an organisation takes in using its available financial and staffing resources to deliver a customer service, e.g. the method of processing housing benefits claims. In VFM terms, a service which makes best use of the inputs it has available in delivering high quality processes is described as efficient in its use of resources.

- **Outputs** – the services that are delivered as a result of the inputs and processes of the council, e.g. the number of customers receiving their housing benefits payments as planned each month.

- **Outcomes** – the improvements in the quality of life experienced by those in the community as a result of the outputs delivered by the council, e.g. the reduction in poverty resulting from the efficient delivery of housing benefits to those in need. In VFM terms, a service which delivers a high volume of quality outputs and/or outcomes is described as effective in its use of resources.

The measurement and monitoring of economy, efficiency and effectiveness is of crucial importance within performance management. If a council service is uneconomic or inefficient, there is a risk that it will waste some valuable resources. However, if an economic and efficient service is ineffective, it risks wasting all council resources. Your local community wants economic and efficient services (if only to keep the council tax low), but it wants effective services even more. This is one reason why systems and culture are so important – both can help to deliver effective services and continuous improvement. Good processes and resource management will deliver many benefits, but it is the attitude, creativity, commitment and dedication of the people delivering services that is most essential.

> "A poor working culture is unlikely to deliver any benefits if service delivery processes are poorly designed and under-resourced. However, even if starved of resources and working with badly designed processes, it's amazing what a positive working culture can deliver"
>
> **Local authority service manager**

Exercise 2 – performance management: what do you need to know?

Imagine your council has asked you to sit on the management board of a new multi-agency body which has been set up to tackle anti-social behaviour (noise, graffiti, litter etc.) in your town centre over the next five years. The partnership involves the council, police, business community and various community representatives. It also has a delegated budget to spend on the projects it decides are important. Ignoring the fact that you may have very little knowledge or expertise in this area, what are the Top Five things you would want to monitor over time in making sure that the multi-agency body is doing its job?

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Reflect on the items you have listed. Does it include inputs (e.g. the completion of all projects within the agreed budget), processes (e.g. the way that the management board delivers against its planned schedule of work), outputs (e.g. the number of projects achieving their set targets) and outcomes (e.g. the impact that projects have had on levels of anti-social behaviour in the community)?

There is no right or wrong answer in deciding what to measure and monitor in assessing whether a service is delivering what is expected of it. After all, each of us may judge performance – and ultimately success or failure – on the basis of different criteria. However, it is important to remember that performance management is not just about the quantitative performance indicators that we might include for monitoring inputs, processes, outputs and outcomes.

Wherever possible, we should also identify some of the qualitative, or cultural, features that contribute to effective performance. For example, in the exercise you have just completed this might have included a wide range of factors from:

(a) the extent to which the partner agencies were able to work together, building trust and rapport,

(b) the effectiveness of the board in providing leadership and direction to the individual projects,

(c) the extent to which the multi-agency body successfully engaged the community in working to change behaviours and challenge anti-social activity.

In monitoring qualitative performance there is no substitute for direct action. In other words, ask the people that matter what they think!

Ideas for monitoring qualitative performance

- Conducting questionnaire surveys, e.g. asking all members of the management board to give their views on the effectiveness of the joint working arrangements.

- Asking pertinent questions, e.g. probing to find out from a project manager why a particular anti-social behaviour scheme failed to engage the interest or attention of young people.

- Carrying out satisfaction surveys, e.g. asking members of the community to give their views on the effectiveness of individual projects or the overall campaign.

Establishing good performance indicators

An effective performance management system needs robust performance indicators. These should be:

- Relevant to the aims and objectives of the council.

- Clearly defined, to ensure consistent collection.

- Easy to understand and use.

- Cost effective to collect.

In addition, the indicators should be SMART, ie specific, measurable, achievable, realistic and time-related.

Over recent decades, a large number of performance indicators have been used in local government to provide performance information for a variety of strategic and operational purposes (see diagram).

A hierarchy of performance indicators

Types of indicator	Use of performance information
Community and quality of life indicators	Community plan, partnership working
Strategic and corporate PIs	Strategic priorities/plans
Service specific PIs	Service plans
Management information, team/individual PIs	Managing the business/individual staff performance
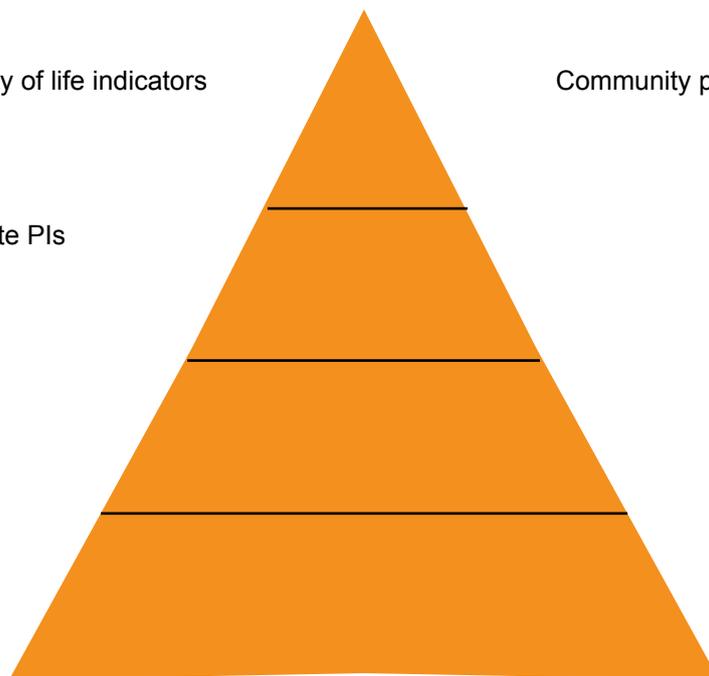
The range of indicators include general measures for the state of the local area, indicators for monitoring performance across all main council services and locally-determined measures for managing day to day service delivery and individual/team performance. Whatever indicators your council uses, it is important to recognise that performance measurement is never an exact science. Most indicators are, at best, designed to measure one aspect of performance which is believed to be important. As such, they need to be seen in context and used alongside other information when you are forming judgements.

Most performance indicators will also have three component parts:

- The measure itself – the feature of the input, process, output or outcome that requires investigation (see box).

- The comparator – the benchmark or yardstick on which the performance will be compared (see box).

- The target – the level of achievement expected over the period being reviewed. In some cases, the comparator and target may be combined.

Some examples of ??????????

Cost indicators – the cost of providing a service, e.g. expenditure per full-time staff.

Productivity indicators – the amount of work produced in a defined period of time, e.g. the number of housing benefit applications processed per officer each month.

Utilisation rates – the extent to which available services are used, usually expressed as a percentage, e.g. the proportion of customers using a helpline.

Time targets – the average time taken to carry out defined units of work, e.g. time taken to process grant applications or a milestone/completion date.

Demand indicators – a broad measure of potential demand, e.g. housing benefit recipients per 1,000 population.

Examples of performance benchmarks

Time – comparing this month's performance with last month's.

Standards – comparing actual performance with some standard or yardstick which may be nationally or locally derived.

Intra-service – comparing the performance of one internal department or unit with another.

Inter-service – comparing against the performance of other councils, e.g. all other authorities, similar types or neighbouring councils.

External provision – comparing performance against a potential external provider, e.g. unit costs of vehicle maintenance work in the private sector.

Targets are important in directing attention towards key priorities, particularly when the expected performance:

- Motivates people to look for new or better ways to deliver.

- Demonstrates the commitment of the council to continuously improve what it does.

- Relates to a service that is sufficiently predictable for the target to be meaningful.

⧗ ## Exercise 3 – performance management: shall I compare thee...?

Imagine your council has decided to run an annual air show to attract tourists to the area and add to the cultural activities which it promotes. What performance measures, benchmarks and targets could you identify for the annual event to enable members to monitor the success or failure of the show over the next five years?

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Councillors and performance management

The role of members in managing performance

Depending on the nature of your council and the specific roles you may have, there may be formal ways in which you are involved in monitoring aspects of the council's performance, e.g. as a member of an overview & scrutiny committee you may undertake periodic performance reviews.

However, regardless of any specialist duties, all ward members have an important role to play within the performance management process, including:

• Making sure that the needs of customers and citizens are taken into account when policies, strategies and plans are put together. If your council has clarity about what it intends to do, performance measurement and target setting should be easier.

• Helping to identify priority areas, where you believe performance should be targeted and improved.

• Monitoring progress on priorities and plans using the performance information that the council produces.

• Regularly reviewing a selection of key performance indicators and asking pertinent questions about the reasons why performance is at the level suggested. Challenging all examples of over and under-performance and constantly questioning whether VFM is being achieved in the areas concerned.

• Acting as the link between the council and local people who wish to get involved in planning and assessing services (see text box).

Engaging with residents in managing local performance

Traditionally within councils it has been locally elected members who have taken major decisions in relation to the performance of their authority. The LGID's wiki on Managing Local Performance can provide you with some thoughts on what other councils are doing to better engage residents in this important area:

http://tinyurl.com/buj8kls

The performance information you receive

Many members are often overwhelmed by the volume of performance information their council produces. Alongside the volume, the information can be difficult to understand and full of technical and professional jargon.

Performance management does not need to be difficult. The most important question to ask is: 'What do I need to know, in my role, to make sure things are getting better in the council?' Having decided this, consider what information you would like to receive, in what format and at what intervals. Then speak to your officers and ask how the performance information produced by the council can be tailored to your particular needs. In doing so, you will probably find:

- There are a small number of key **performance indicators** that will provide you with everything you need to know about the general performance of the council.

- Much of the performance information can be produced in a variety of formats, some of which may better suit your needs and preferences.

- Some of the performance information will be accessible in electronic format, enabling you to 'drill down' into as much or as little of the information as you need to.

Regardless of what is produced, you need to recognise that performance information can only give you a feel for where their may be problems and what can be done to tackle those concerns. Your focus should be on asking pertinent questions to dig deeper:

Used properly, the performance information you receive should enable you to probe and investigate areas of interest to you and to challenge areas where performance looks to be better or worse than predicated. It should not be used to make snap judgements, unfounded criticisms or to draw immediate conclusions. This serves only to reduce its potential for service improvement.

"Every quarter we get a bewildering array of data in a publication the size of a small telephone directory. Each of the indicators has traffic lights next to them and we zoom in on those and debate why there is poor performance and what is being done about it"

Ward Member quoted in Managing in a Political Environment, SOLACE, 2005

Key questions to ask in monitoring performance

Why is performance at the current level?

Are we meeting our target?

Why has the variance occurred?

What difference does it make?

What are the implications of not meeting this target?

Do resource levels need to be looked at?

What impact will this have on service users, local people and partner agencies?

How will this affect our corporate priorities?

Is there an impact on equalities, sustainability or efficiency?

How can we make sure that things get better?

What performance is predicted for the next period?

How can performance be improved (are additional resources or training required)?

When will performance be back on track?

Could other people be brought in to assist (internally or externally)?

What do we do next?

What decisions need to be taken?

What are the risks involved?

What can we learn from this for the future?

⧗ Exercise 4 – performance management: getting the full picture

Imagine you are monitoring some of the performance information produced by your council. You are presented with the following scenario:

(a) Performance in a particular service area looks to have fallen short of a key corporate target.

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(b) Expenditure in the service area concerned is below budget.

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Are the two indicators linked in any way? Why?

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The simple answer to the question posed is 'they might be'. But without further questioning and analysis it would be difficult to draw any conclusions. Performance information can help to flag up areas of concern and matters that need to be further investigated. Rarely will it give you a complete picture of performance.

Creating a performance improvement culture

We have already suggested that to be effective, performance management needs to be set within a culture of improvement where everyone in the council is determined to improve services and outcomes. There also needs to be a realistic assessment of what can be achieved and how fast. Some recent research by SOLACE, the Society of Local Authority Chief Executives, has suggested that there are a number of 'cultural characteristics' of highly performing councils. It suggests they are:

• Aspirational.

• Well led.

• Well organised.

• Empowering.

• Able to change.

There is also a lot of evidence to suggest that the councils which have been most successful in introducing performance management are those that have moved from a 'traditional' to a 'performance improvement' culture.

If the prevailing culture of your council resembles the more traditional approach, you should challenge why this is the case. Performance is the responsibility of everyone in the organisation, not just a select few.

"Performance management does not alone guarantee improvement. Improvement comes through process redesign, innovation, and other forms of continuous improvement. Performance management highlights how a range of activities needs to come together in a conscious, single process of reflection"

Local Government Improvement and Development, 2011

Introducing a performance improvement culture

Traditional culture	Performance improvement culture
Members and managers focus on tasks and operational service issues.	Members and managers focus on strategic issues and citizens' needs – they have a clear vision.
New ideas are not encouraged. The motto is: 'don't fix it if it's not broken'.	New ideas are constantly sought and tried. The motto is: 'how can we do better?'
Members and managers are resistant to challenge: the status quo prevails.	There is an openness to challenge and a willingness to tackle difficult problems.
It is hard for people to see how their efforts contribute to realising community aspirations.	They are there to help you and can advise you on most aspects of the role. Invest some time early on in building good working relationships with the mayoral support staff in particular. They will be crucial to your success.
Managers use meetings for one-way communication from themselves to employees.	People see a direct connection between what they do and how it benefits the community.
Boundaries between departments interfere with working towards achieving corporate targets.	Managers facilitate discussions on how performance can be improved – meetings are 'two-way'.
Only a few people at the top feel personally responsible for the council's performance.	Everyone has a sense of responsibility for the performance of the council.

Wokingham Borough Council – the performance management framework and the 'golden thread'

The council's performance management framework is based around the following principles: plan, do, review and revise.

The 'golden thread' links performance management and strategic planning documents through the organisation. The aim of the golden thread is to provide stakeholders with a better understanding of the importance of relating decision making to performance and the council's overall vision. The golden thread follows the performance management cycle.

There are also strong links between good service planning and effective performance management. Service plans identify the objectives for the council and its services – stating what they aim to achieve. Performance management provides the mechanisms for how the council achieves these objectives and for monitoring progress with delivery.

http://wokingham.gov.uk/council/performance/performance-management/

Final summary

Performance management is not an end in itself, although many councils have used it successfully to deliver improvement.

What is clear is that everyone wants public services to continue to improve. Your role within this is to constantly challenge, probe and question how this can be achieved. And while any performance management process should have some basic, systems-based, elements, it will be the underlying culture of the organisation that will deliver the greatest benefits to local people.

"Culture is the habit of being pleased with the best and knowing why"

Henry Van Dyke, American writer

Where do you go from here?

Look back over the material contained in earlier sections of this workbook and consider the following:

(a) What key action points can you identify to improve your effectiveness as a ward member within the council's performance management system, i.e. what three or four things might you start doing, keep doing or stop doing?

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(b) Have you identified any gaps in your knowledge or shortcomings in your personal skills? If so, please set these out below and identify how any further training or development might help you, e.g. further reading/research, attending courses, coaching, mentoring, work shadowing etc.

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Appendix – sources of further information

Printed publications

'A Councillor's Guide to Performance Management', IDeA.

'Aiming to Improve: The Principles of Performance Measurement', Audit Commission.

'The Working Council: A Toolkit for Exploring Culture and Building High Performance', Solace Enterprises.

Useful websites

www.local.gov.uk
The LGA website is an invaluable source of help and advice for all those in local government. It has a range of information on performance management processes and principles, including case studies on approaches tried by individual councils and those working in partnership.

www.performanceportal.org
The PMA seeks to be the world's foremost academic-practitioner association devoted to advancing knowledge and insight into the fields of performance measurement and management. One of its principal roles is to encourage the development of a multi-disciplinary community centred on performance measurement and management.

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