

a councillor's guide to  
**performance management**  
second edition

the performance, management, measurement and information project

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## introduction

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'Every month we get a short novel full of tables and charts and smiling faces and traffic lights. We look through it and try to ask a few questions then it goes away and comes back the next month.'

'I know it's important because it's in the Comprehensive Performance Assessment but I've never quite seen how my getting reports on all of these indicators improves life for the folk out there.'

'If a performance indicator has a red light then I'm supposed to ask the officers why and they are supposed to tell me.'

Maybe it's the dull title, maybe it's that councillors like to do the big picture stuff – lead local campaigns, open swimming pools and the like – and they get a bit turned off by things like performance management. Whatever the reason, performance management, or PM, rarely sets political pulses racing.

But performance management is far from just being a technical activity. It represents the **practical steps that are needed to turn the vision we have for our local community into a reality**. Whether or not we are aware of it, we are doing it all the time, though not always in a very systematic way.

There are clear parts to be played by councillors performing various roles – executive, scrutiny, community leaders – as well as by officers. In particular, as councillors, we need to set clear political priorities and ask the right questions of officers, in order to make sure that policy decisions are being carried out and that our citizens are being well served. We also need to be prepared to shift resources towards particular priorities if the evidence shows they aren't yet being achieved.

### Malcolm Grimston

Executive member at Wandsworth Borough Council and IDeA Peer Member

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## using this guide

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This is the second edition of a *Councillor's Guide to Performance Management* produced through the Performance Management, Measurement and Information (PMMI) project run by the Improvement and Development Agency (IDeA) and the Audit Commission. This edition was written by Councillor Malcolm Grimston and includes new information and hints that have emerged from the project's findings.

There is also the more detailed PMMI *A Manager's Guide to Performance Management*, based on wide-ranging research as to what works and what doesn't. If you get bitten by the performance management bug, you may like to give it a glance.

>> The PMMI website, [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance), follows the structure of these guides and has more detail, tools and guidance as well as links to other websites. Many other useful resources for councillors can be found at [www.idea.gov.uk/councillors](http://www.idea.gov.uk/councillors)

## acknowledgements

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This guide was written by Councillor Malcolm Grimston, Executive member at Wandsworth Borough Council, with Ingrid Koehler and the help of PMMI team members under the direction of Ian Carter (Audit Commission) and Richard Grice (IDeA). It is based on the previous edition of the PMMI Members' Guide to Performance Management and other PMMI products produced by Adrian Barker, Hilary Keogh, Ingrid Koehler, David Pottruff and Amanda Whittaker-Brown.

None of these could have been created without the help and advice of the many officers and councillors who supported the PMMI project and to whom we are very grateful. Through our performance management reference group, the PMMI community of interest, the action research programme and the councils who helped us publish stories of improvement, we have been able to bring together a wealth of knowledge to share among the wider local government community.

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# an overview of performance management

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## 1. what is performance management?

There are several definitions of performance management. For this guide, we're using:

**performance management is taking action in response to actual performance to make outcomes for users and the public better than they would otherwise be.**

Performance management is about both the systems and culture that turn ambition into delivery. As you can see, the definition implies a number of steps:

- what do we want to do?
- how do we intend to do it?
- how well are we doing it?
- what should we do next?

This is sometimes called a **plan-do-review-revise** framework.

**PLAN:** Based on current performance, prioritise what needs to be done, identify actions that need to be taken and plan for improvement.

**DO:** make sure that the proper systems and processes are in place to support improvement, take appropriate action, manage risk and help people to achieve better performance.

**REVIEW:** understand the impact of our actions, review performance, speak to users and stakeholders about their experience of performance.

**REVISE:** use the lessons learned from review to change what we do so that future action is more efficient and effective.

This framework emphasises both that performance management should be embedded in everything an authority does and that it is a continuous process.

In extreme cases, we may have to decide, based on the information we can gather from the front line, that our whole approach is unrealistic or badly thought-out. For example, we may need to use resources differently or work with new partners.

More routinely, we may find that the way we have planned to do it isn't working and that we need a new plan or that some things that we do are working very well and those successful approaches are shared and adapted.

figure 1: the performance management cycle from IDEA's *A Councillor's Guide 2005–06*.  
[www.idea.gov.uk/councillors](http://www.idea.gov.uk/councillors)



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## 1.1 why does it matter?

Performance management is at the heart of good management. For the council as a whole, it helps to ensure that we are achieving what we set out to do, giving value for money and making life better for our citizens. It is also intimately linked to good political decision-making, since it involves **using information about how things are to decide how to make things better**. Finally, it helps us to follow through and ensure that our decisions have been carried out.

It's deeply embedded in what central government expects from local authorities. It is also an important part of Comprehensive Performance Assessment (CPA) and one of the Key Lines of Enquiry in the corporate assessment element of this. Best Value gave us a statutory duty to review and improve services and report performance to local people. And as partnership working grows, it will be ever more important that responsibility for performance is shared with members of the Local Strategic Partnership and other colleagues.

>>For more information on the national and local emphasis on performance management, visit [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)



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## 2. getting performance management right

### 2.1 why some people find performance management hard

#### easy or hard?

The principles of performance management are quite straightforward – but research and CPA results show that some authorities do it more effectively than others.

To be effective, it needs to be set within a performance culture, where everyone is determined to improve services and outcomes. There also needs to be a realistic assessment of what can be achieved and how fast. Sometimes it is better to start with the most serious difficulties, moving to other areas when these have been put right rather than taking on everything at once, in other words, to prioritise.

Performance management is a system – all the individual bits need to work. Some authorities, for example produce wonderfully clear presentations on how they are performing against key targets but don't seem quite as good at developing effective plans to improve areas of underperformance.

Performance management does require certain skills. For a councillor, these include the ability to:

- be very clear about what we are – and are not – trying to achieve
- focus on key priorities, sometimes for a considerable while, until delivery comes right
- offer firm and appropriate leadership in pursuing these issues
- identify and ask the right questions.

### 2.2 getting better at managing performance

Improving performance management can take time – but getting it right can bring significant rewards. Like any big change programme, **getting better requires planning and dogged determination**. Much of the work will be carried out by officers but we can play a big role in leading and supporting change. We should also work with officers to make sure that changes take account of our specific needs, such as easy-to-use performance reporting and clear lines of accountability for delivering political priorities.

#### what does good performance management look like?

The next two chapters set out the features of good performance management. This relies on both systems and people to make sure the right things happen. The hard systems, such as processes and data, are inseparable from softer aspects, such as culture, leadership and learning.

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### **in practice**

Eight local authorities took part in the PMMI action research programme, focusing on improving their performance management. South Tyneside was one of these and deputy leader Iain Malcolm was an active participant. As part of the programme, he spoke at an online conference on councillors' roles in performance management. He said:

'In South Tyneside, we need powerful tools. We face some huge challenges but we also have big ambitions. If performance management can help us to realise those ambitions and improve the lives of the people in our community, then we really need to make the most of it. ... I believe that performance management has to be an integral part of the councillor's role, not an optional extra that stands apart from everything else we do.'

>>For more detail, see the *PMMI Online Conference* report and the *Action Research* case studies at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

>>For help with getting better at performance management, the PMMI team have developed a resource called *The Improvement Journey*, which officers and councillors can use together. Find it at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

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## 3. the performance management system

The trouble with terms such as ‘the performance management system’ is that they suggest something that’s separate from what goes on in the day-to-day planning and management of the council. Far from it – effective performance management arrangements are essential tools in integrating planning, review, financial management and improvement systems to enable councillors and managers to **make informed decisions and improve services**.

### 3.1 the performance management cycle

Sometimes when people talk about the performance management cycle they are referring to the annual process of setting targets and collecting and reviewing performance information that runs alongside the budget-setting process. But there are other cycles of planning, doing, reviewing and revising over different time scales and at different levels. There is also a longer-term cycle, as we set and review council strategy for a number of years. On a day-to-day basis, for example, a manager might observe performance and offer helpful feedback, or a councillor might pass on suggestions from a constituent to the relevant service.

It’s important to make sure that all these levels are in touch with each other and work together to deliver the council’s aims. This interconnection has been likened to a ‘golden thread’ that should run through the council, from the highest strategic level through to service delivery on the ground. Good and improving councils usually describe their performance framework in a way that gives a clear picture of how different elements such as, community planning, corporate policy, service and financial planning fit together.

### 3.2 what do we want to do? vision and priorities

From a councillor’s viewpoint, performance management begins with our political priorities. There are vast numbers of worthwhile things we could do, if we had infinite resources. But we live in a world of finite resources that are often stretched. As democratically-elected representatives of local people, we have a duty to be as clear as we can about what we are trying to achieve and what is currently of less importance.

Some priorities are set for us by central government, others are a matter of the vision we have offered at and after elections. Some priorities will be long-term, others may have risen up the agenda because of an emergency or unacceptably low performance and may slip down again once they have been dealt with.

There are several ways of reflecting on our priorities. We can do it through the budgeting process,

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directing resources towards our key priorities. We can do it through target setting – we might set a challenging target against our key priorities and easier ones against lower priorities, to emphasise where we want officers to focus their efforts. We can also tell council staff and the people we represent what our priorities are, focusing attention on what's important and enabling the electorate to hold us to account for what is achieved.

In councils that prioritise well:

- evidence from stakeholders and the public has been used to establish aims and priorities
- councillors are involved in setting strategic aims and in ranking them, especially where there are big trade-offs
- aims and priorities, and their relative importance, are clear and underpin the vision and community strategy
- resources are linked to aims and priorities
- aims and priorities have been communicated internally and externally
- aims and priorities are cascaded down to individual actions and there are systems to support monitoring of this activity
- clear milestones and measures underpin the council's vision
- partners' priorities and plans reflect council priorities and vice versa
- priorities are reviewed at appropriate intervals to reflect changing demands and current progress.

### **in practice**

In Derbyshire Dales District Council, a process of engaging stakeholders and citizens identified what mattered most to the local community. This gave councillors the information they needed to rank priorities for the corporate plan.

>>For more detail, see the PMMI case study [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

>>For more information: see the PMMI priorities briefing at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance) and the chapter on *Strategy and Policy* from the IDeA's *A Councillor's Guide 2006/07* at [www.idea.gov.uk/councillors](http://www.idea.gov.uk/councillors)

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### 3.3 how are we going to do it? planning for success

We must develop ways of putting our priorities into practice. At the highest level, what we want for our communities and how we propose to do it should be set out in the corporate or community plan. More detailed operational plans, often called service or business plans, should always stem from the corporate or community plan and are largely in the domain of officers.

Councillors – especially those involved in scrutiny – may occasionally examine such plans, especially if they have evidence of underperformance, to see if they are **fit for purpose**.

We may also become more involved in overseeing action plans after identifying areas that need to improve.

#### **in practice**

In East Riding of Yorkshire, two councillors work with each service as critical friends, and use the service plans as the basis for discussion and review. This has helped them to become more familiar with services and supported better officer-councillor relationships.

>>For more detail, see the PMMI case studies [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

>>For an overview of corporate, community and corporate planning see the *Best Value and CPA* section of the IDEA's *A Councillor's Guide* at [www.idea.gov.uk/councillors](http://www.idea.gov.uk/councillors) or for more detailed information see the PMMI service planning guidance at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

### 3.4 targeting improvement

Councillors have a central role in making sure that resources are flowing from low to high priorities, as well as in setting targets.

Setting targets is not as simple as seeing what has been achieved this year and aiming to do a bit more next year, or aiming to do less just because we didn't manage to meet last year's target.

Targets have an important role to play in directing attention towards key priorities, especially when:

- you can positively affect the outcome, within the target timescale
- the area of performance is sufficiently predictable for a target to be meaningful
- a target will help to focus attention on a particular area of importance
- a target will motivate people to look for new and better ways to deliver

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- a target demonstrates our commitment to delivery – to users, stakeholders and others
  - it is possible to monitor progress without disproportionate cost.

Well-designed targets are sometimes described as **SMART**<sup>1</sup>:

**S**pecific

**M**easurable

**A**chievable

**R**ealistic

**T**ime-bound

We should not be afraid to ensure that targets are not only focusing attention on specific outcomes but are also sending messages about the authority's priorities. One question we might all ask ourselves is whether targets simply appear with the rations each year, set only incrementally higher, or are we directly involved in setting them.

To follow through on setting key targets, we can choose a small suite of performance indicators (PIs) which reflect our key priorities and publish – or at least review – their results from time to time to make sure we are still on track.

>>For more information: see the PMMI target setting tool for detailed advice and guidance on setting targets for improvement at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance).

### 3.5 the framework of performance measurement

#### how well are we doing?

This brings us on to measuring and reporting performance. While gathering data and producing comparisons is a job for officers, councillors have a number of roles to play in making sure that this stage delivers real outcomes rather than simply generating vast amounts of paper.

The outcomes we want for our various local communities can't be measured by a single performance indicator, so we often need to identify a group of indicators which together paint a picture of performance.

<sup>1</sup> There are a number of different ways of expressing this mnemonic, but this one captures the main points.

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Effective performance measurement systems have the following qualities:<sup>2</sup>

**F**ocused on the organisation's aims and objectives

**A**ppropriate to, and useful for, the stakeholders who are likely to use it

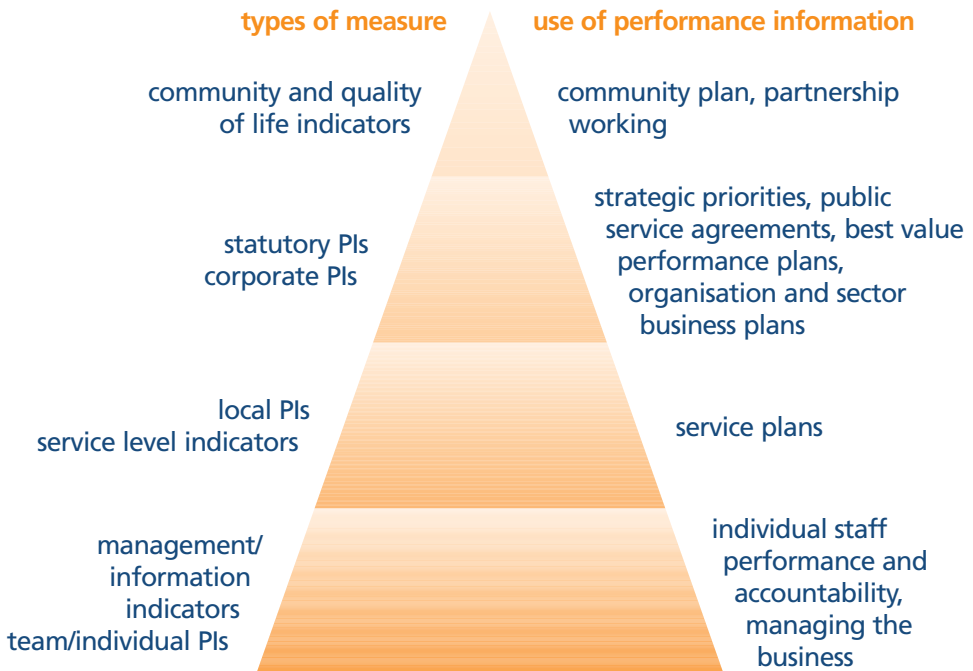
**B**alanced, giving a picture of what the organisation is doing, covering all areas of significant work

**R**obust, in order to withstand organisational change or individuals leaving

**I**ntegrated into the organisation, being part of the business planning and management processes

**C**ost-effective, balancing the benefits of the information against the costs

**figure 2: the hierarchy of performance indicators.**



<sup>2</sup> From *Choosing the Right FABRIC* – a joint publication by HM Treasury, the National Audit Office, the Audit Commission, Cabinet Office and the Office for National Statistics – available in full at: <http://www.hm-treasury.gov.uk/media/EDE/5E/229.pdf>

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Different parts of the organisation will have different information needs, so there should be a hierarchy of performance measures, reflecting the structure of your organisation, reinforcing the golden thread (see figure 2 on previous page).

Each of these measures must be owned by an individual. In other words, a named person must be responsible for collecting the information and ensuring that it is fed back into the performance itself. Many councils use a well-known framework, such as the European Foundation for Quality Management framework or the Balanced Scorecard, to help them bring information together.

>>For more information: see *Choosing the Right Fabric: A framework for Performance Information* at [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk) and PMMI's *A Review of Performance Improvement Models and Tools* for a handy overview of well-known performance frameworks and improvement tools at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

### 3.6 performance information

Much of the routine business of choosing and designing performance indicators, collecting and analysing performance information falls within the remit of officers. But there are a few important aspects that are worth covering from a councillor's viewpoint.

Some indicators are handed down from central government, including Best Value Performance Indicators and many others. Many of these are used in Comprehensive Performance Assessment and other inspection regimes. Others are determined by the local authority. Some will be regarded as of high importance when gauging the authority's general performance, others of less importance for strategic decision-making.

Research suggests that the best performance measures are<sup>1</sup>:

- relevant to what the organisation is aiming to achieve
- not encouraging unwanted or wasteful behaviour
- attributable – the measured activity should be attributable to the actions of an organisation or an individual and accountability or responsibility for it should be clear
- well-defined – with clear, unambiguous definitions so that data can be collected consistently and the measure is easy to understand and use
- timely – producing information regularly enough to track progress and quickly enough for all the data to retain its usefulness

<sup>1</sup> *Choosing the Right FABRIC* [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)

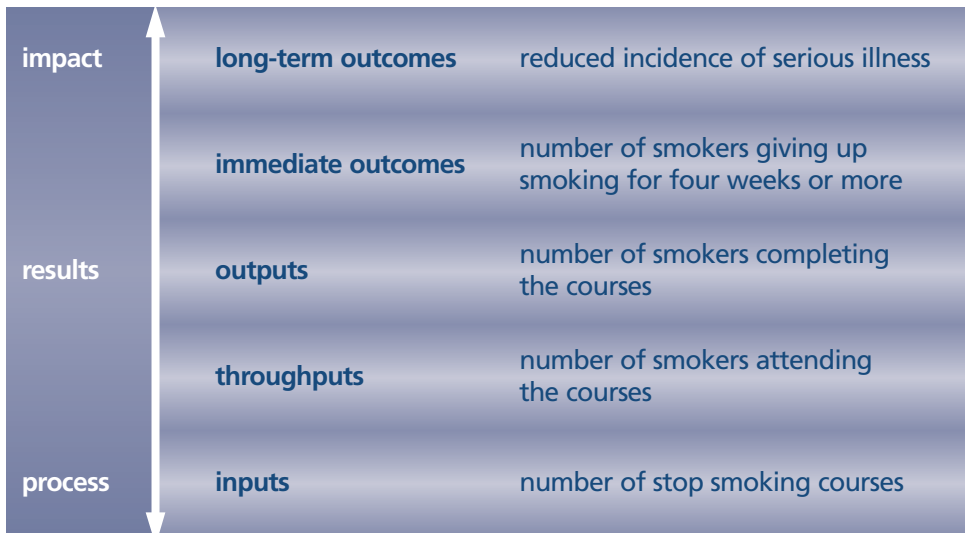


- reliable – accurate enough for its intended use and responsive to change, so that, if performance changes, the measure will show it
- comparable – either with previous performance or with other authorities
- verifiable – documented so that the processes of data collection can be validated and others can check that it is an accurate measure of performance.

Most importantly, councillors will want to focus on outcome indicators. It is tempting to mistake setting up a committee (an input measure) or producing a report (an output measure) for actual improvements in the lives of our residents. **Outcome indicators** tell us about the real effects and are based on our strategic priorities and aspirations for the communities we represent.

Visions and aspirations are notoriously difficult to measure, in part because they can take a long time to achieve. In cases where the relationship between certain actions or behaviours and long-term outcomes, such as the link between smoking and health, is well understood we can use a series of easier-to-collect **proxy measures** to review progress. A proxy measure is a substitute for things that are hard to quantify. So instead of having a measure of *healthiness*, we might measure

**figure 3: measuring progress toward longer-term outcomes with a series of related indicators**



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the incidence of certain diseases (number of heart attacks) or how many people are engaged in behaviours that promote healthier living (taking exercise or quitting smoking).

Progress toward longer-term outcomes can be measured with a series of related indicators, for example this year you can measure the number of stop smoking courses on offer (an **input measurement**), how many smokers are attending courses (throughput) and the number of smokers completing courses (an **output measurement**) An early outcome measurement is the number who gave up smoking for four weeks or longer but the longer-term outcome is a healthier population or reduced incidence of serious illness.

### **in practice**

The London Borough of Harrow has developed Vitality Profiles which compare contextual, performance and demographic information ward by ward. This puts performance and priorities into context and helps councillors understand how well council activity is contributing toward community aspirations such as more employment or better health.

>>For further details, see the PMMI case study at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

>>For more information see *Choosing the Right Fabric: A framework for Performance Information* at [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk). The Audit Commission's Area Profiles project also has a wealth of outcome information at [www.areaprofiles.audit-commission.gov.uk](http://www.areaprofiles.audit-commission.gov.uk)

## **3.7 performance reporting**

It's worth asking the question "What do I need to know, in my role, to make sure things get better?" Councillors need to decide what information they should receive, in what format and at what intervals – and what they should do with it.

For example, a council and its executive can define a suite of performance indicators that summarise overall performance and monitor that performance, including the work of partners, against key targets. High performance should be recognised and praised by the executive or portfolio holder. If there is underperformance, officers are challenged to discover the reasons for weakness and to ensure that an appropriate response is developed. The response should include a timescale for improvement, with milestones, and a movement of resources from other budget headings if necessary.

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Scrutiny should ensure that the structure for monitoring and reporting performance is fit for purpose and should focus on any performance indicators directly relevant to their work programme.

It takes time to monitor multiple performance indicators, so you need to prioritise. Many councils choose to report around 20 or 30 key indicators that summarise the achievements of the authority in general. Otherwise performance indicators are reported by exception. This means that officers only report on indicators that are performing particularly well or particularly badly, or require attention for other reasons. This demands a considerable degree of trust between senior councillors and officers. Perhaps a discussion about the criteria under which an indicator is judged exceptional, for example if performance falls below a certain level, would be fruitful.

No matter how performance is reported, it can only tell you where a problem exists. To find out why there's a problem or how to fix it, we must ask questions and dig deeper. When we focus on particular areas, we need to ask ourselves if the information we are getting tells a story about performance. Is there enough background information? If performance isn't good enough, **is there an action plan to improve it?**

Increasingly, authorities are using a common IT system across all departments to present performance data in a consistent but tailored format to councillors and senior officers but different councils still report in different ways. For example, choosing to look at the current and previous year might be easily manageable but it could mask a longer-term trend.

Do you want to benchmark against other authorities – that is compare performance against a specific measure? If so which councils do you compare with? These comparisons are not just of academic interest. An apparent difference in performance between your authority and the one next door might mean they are measuring data differently or have less of a problem – but it might also mean that they have had a great idea which would also work for you. **The best councils are shameless about stealing good practice wherever they find it.**

>>For more information see: the PMMI online conference report *Members' Roles in Performance Management* at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance).

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## in practice

If you are unsure, ask. These are some questions you could use to dig deeper into performance reports and support action plans for improvement. You won't need to ask all the questions for every report, provided you are clear about what lies beneath performance data and confident that plans for action will deliver the desired changes.

### Why is performance at the current level?

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Are we meeting our target?

- Are you sure?

Is any variance (above or below) within previously agreed limits?

- Is there any other reason?
- What was our target based on?

Why has the variance occurred?

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Do we have a complete picture of performance?

- Is this an appropriate measure?
  - What else should we know?
- 

What performance do you predict for the next month/ quarter?

- How good was your forecast last time?
  - Have you identified all the risks to achievement?
- 

### What difference does it make?

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What are the implications of not meeting this target?

- What impact does this have on service users and/or the public?

or where performance exceeds expectations...

- Will this affect our corporate priorities?
- Will it affect other services, our partners?

Can we move resources from this area to one of a higher priority?

- Is there an impact on equalities, sustainability or efficiency?

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## How can we make sure things get better?

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How will performance be improved?

- How will the causes of underperformance be addressed?
- Are additional resources/training/support needed?
- If additional funding/resources are needed, where will they come from?
- Does this additional investment line up with service/corporate aims?
- Will that address the problem?
- When will performance be back on track?

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Who else should be involved?

- Can other services or teams contribute to improvement?
- Who else needs to be consulted? Staff, partners, users, the public?

## What next?

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What decision do you need us to take?

- What do we need to know to make a decision?
- What are the risks in the assumptions we might make?
- When do we need to review progress?

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What can we learn from this?

- How well are other councils/service providers performing in this area? What are they doing differently?
- How will this change what we do?
- Are there successes to share in the council?

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### in practice

Hastings Borough Council reports quarterly monitoring to councillors and officers but also *hot-houses* indicators by focusing greater attention through more frequent reporting and improvement planning if performance has slipped.

>>For more information, see the PMMI case studies for each council at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

## 3.8 performance reviews

All councils are under the Best Value duty to review services and performance although there is a great deal of flexibility about how this takes place.

Councillors play a very important part in performance reviews of specific services or themes. In many councils scrutiny panels regularly carry out reviews, particularly in relation to how well services are meeting policy objectives. We can also take part in other reviews, ensuring that these are rigorous and focusing on the perspectives of residents as well as the council's bigger picture.

There is a constant danger of reviews becoming too bureaucratic. We need to remember that they are about **making sure we achieve what we want to achieve** – overcoming problems, meeting needs better or improving efficiency – and not about charts and tables.

>>For more information see the IDeA's *A Councillor's Guide 2006/07* section on *Overview and Scrutiny* at [www.idea.gov.uk/councillors](http://www.idea.gov.uk/councillors); and PMMI's *Checklist for Challenging Service Reviews* and the *Review of Performance Improvement Models and Tools* for some specific review tools at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

### in practice

The Centre for Public Scrutiny maintains a library of service and policy reviews on its website as well as a range of publications with useful case studies on the benefits of scrutiny reviews.

>>For more information, visit [www.cfps.org.uk/reviews/index.ph](http://www.cfps.org.uk/reviews/index.ph)

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### 3.9 taking action for improvement – what are we going to do about it?

So how do we turn all of this strategic and process-focused stuff into real improvements?

Some highly-effective councils have a single senior group who bring performance and improvement together – but all effective councils manage performance and improvement together.

The performance indicators tell a useful story. If one of the council's key indicators suggests the current actions are failing to deliver the desired results then we should be prepared to put time into working with officers to find a way forward – a new plan, switch of resources, new ways of working with partners and so on. Less vital indicators may not need such exertion and may even be allowed to drift if more important ones need attention. Priorities shared with external partners may involve discussion about who is responsible for what.

Research suggests that best practice involves:

- regularly monitoring and acting on key performance indicators that reflect corporate priorities
- setting standards for performance and expectations of when action needs to be taken
- asking challenging questions about performance
- ensuring that there are robust action plans to address underperformance, redirecting resources where necessary
- following up planned actions to ensure they have led to improvement
- sending out a clear signal that performance and improvement are being taken seriously at the highest level.

#### **in practice**

At Chichester District Council, executive members and senior management meet together in the Performance Improvement Group. This group reviews performance and ensures that action plans are in place and are followed through.

>> For more detail, see the PMMI case study at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

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## 4. people and performance

### 4.1 users and citizens

Local people should be at the heart of a local authority's performance management system and culture – and a successful system can help to keep us focused on them.

We start with community planning, so that the council and its partners are clear about what is important for users and citizens. This needs to follow through to what the authority is trying to achieve and the tools used to support achievement, such as performance reporting, business planning, staff appraisals and service reviews.

Councils need to engage with local people in a variety of ways. These can include systematic means like surveying users or using citizens' panels. Councils also need to use customer intelligence – information about who is using each service, how and when. This information should be supplemented with other information like that gained through constituency work. Some councils have made more progress than others in understanding not only how satisfied different groups are with council services but also the relative importance that different groups attach to services – vital information when setting priorities. This data can help officers to design and deliver effective services, to check that services are reaching priority groups of users and to make sure that goals such as diversity and equality are being met.

Local people are increasingly getting involved with planning and assessing services. Some councils have been worked with users and citizens in evaluating service performance and then in tailoring services more closely to local needs. As ward representatives it can be very rewarding to get involved with this work.

Some policy debate<sup>3</sup> has suggested that we will need to devolve functions and powers to partnerships, communities and neighbourhoods. Of course, this is nothing new to many councils – but for some it may require a new approach to performance management. Councils will increasingly be working with citizens to define service standards and identify priorities. Users will demand, and should be helped to express, a greater voice in managing council performance.

These working relationships offer great promise for better-targeted services but they also present new challenges to performance management frameworks and approaches. The job for councillors

<sup>3</sup> Speeches and policy discussion papers can be found at the ODPM local:vision section of their website <http://www.odpm.gov.uk/index.asp?id=1137789>



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and officers will be to develop the necessary skills – negotiating, influencing and even simply listening – that will help them to work better with users and other stakeholders in order to achieve improved performance.

### **in practice**

South Tyneside has engaged ward councillors and a range of user groups to help it set performance standards for its grounds maintenance service and to judge the service against those standards. This has led to some changes in performance specifications for the grounds maintenance contractor – but users of the service are more satisfied and engaged with the services they receive.

>>For more detail, see the PMMI case study at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

>>For more information, see the PMMI public involvement in performance management briefing at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

## **4.2 leadership**

Everyone in a local authority has responsibility for performance management – but the **leaders must drive it**. Those in leadership positions, both managerial and political, need to make clear their commitment to improving performance and ensure that performance management plays its proper role in helping to reach their goals.

### **political leadership**

Performance management flourishes in a culture where all participants prioritise improvement. The councillor's role is vital no matter where you sit within the political arrangements (e.g. executive or overview and scrutiny). Although you must take a strategic role rather than trying to micromanage daily delivery, you should also play a suitably hands-on role in performance management.

Ways in which you can become involved include:

- setting or scrutinising strategic direction, priorities and budget options
- monitoring performance – you should receive performance reports that are concise and create a clear picture of performance trends

- 
- challenging performance – asking questions about current performance and improvement plans
  - using your local knowledge to draw out the bigger picture from complaints, casework, constituent surgeries and consultation events
  - creating strategic solutions
  - undertaking or participating in service or policy reviews
  - making sure that adequate systems are in place to manage performance, risk and resources.

All of us have some part to play in setting priorities and encouraging service improvement but executive and non-executive roles in performance management may be different. Executive members have an explicit responsibility to monitor and review performance regularly. In some councils there may be a specific portfolio for performance management or organisational development. In others the responsibility is shared among all executive members. Scrutiny or non-executive councillors may find it less useful to monitor all aspects of the council's performance but may focus instead on improvement or specific service reviews.

The role of overview and scrutiny panels in performance management could include:

- scrutinising the executive's use of performance management
- scrutinising officers' use of it
- very occasionally undertaking reviews of the system as a whole
- looking closely at the contribution of partners in specific areas
- undertaking policy reviews (ensuring actions are meeting policy objectives)
- undertaking less frequent in-depth reviews of service or cross-cutting areas of performance.

Whatever the performance management role, all councillors need to have a good understanding of how the system works and where they fit in. Some authorities have developed specific coaching or training programmes, sometimes bringing in outside trainers. In any case, the differing roles of different groups of councillors should be discussed.

### **in practice**

At the London Borough of Wandsworth, performance management is very much driven by councillors, with a focus on performance measurement, cost and comparison with other authorities.

>>For more detail, see the PMMI case study at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

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## managerial leadership

Officers and managers are responsible for the day-to-day delivery of performance management. Working with us, they must make sure that an effective framework is in place and that it links to other aspects of corporate governance, such as risk and financial management. They must demonstrate to us that systems are robust and that they are helping staff to develop and perform as well as possible.

They (and we) can champion performance management among staff by:

- modelling the behaviours associated with good performance management
- clearly communicating performance expectations
- sticking with it, following through on improvement priorities
- allowing staff the space and time for learning and development.

### in practice

At Derbyshire, councillors and senior managers have created an empowering approach that supports a positive attitude towards performance and improvement throughout the organisation. There is a helpful balance between providing structure and flexibility for learning.

>>For more detail, see the PMMI case study at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

## 4.3 culture

PMMI research has shown how important a council's culture is to the operation of performance management. Culture can be thought of as the sum total of the beliefs, values and behaviours of individuals within an organisation.

Because it is about what people believe and do, it has a huge effect on:

- what a council sets out to do, its vision ambitions, priorities and targets
- how people are managed, motivated and supported to do their jobs
- how individuals or groups respond to demands for improved performance
- how individuals and the council as a whole view and make use of performance management information and systems.

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A performance-oriented culture exists when there is both a real desire to improve the lives of local people and when performance management is seen used as a tool for achieving this goal.

### **essentials for a performance-oriented culture**

- customer focus – the end result for users and residents is the focus of performance management
- can-do attitude – people feel empowered and supported to innovate and they take responsibility without fear of blame
- learning – performance information and feedback from staff, councillors and users is used to bring about improvement
- a positive approach to performance management – it's a tool for improvement, not just a form-filling exercise.

>> Identified by participants of the PMMI online conference on Embedding performance management frameworks and developing a PM culture – proceedings report at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

>> For more information, see the PMMI briefing *Performance Management: A Cultural Revolution* and the proceedings from the PMMI Online Conference: Embedding performance management and developing a PM culture at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

### **4.4 skills and capacity**

Improving performance overall involves improving the performance of individuals within the council. For employees, this may mean improving skills and capacity, motivation and the systems that are available or the organisational structures they work in. It may be about investing in the tools people work with, such as IT or communications systems or moving resources around to address areas of concern. It may also be about helping individuals to focus on performing better or building teams with the right balance of skills.

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Many councils offer some kind of councillor development or training, particularly for those who are newly-elected. Training on performance management can be especially useful because there are a few tricks to reading and understanding performance information. It's helpful simply to understand the jargon, so that you can be certain that you and your officers are talking about the same thing. Most importantly, there is a skill to getting underneath performance information and asking challenging questions about it. Much of this is learned on the job but training can help you to get up to speed quickly and relatively painlessly.

### **in practice**

South Tyneside has developed a training workshop on performance monitoring for its scrutiny councillors. They were keen to explore and develop their role in performance improvement but as performance was already monitored by the officers and the executive cabinet members they decided to concentrate on performance improvement instead.

>>For more information, see the PMMI case study at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

## **4.5 learning**

A positive attitude towards learning is crucial to developing a performance-oriented culture that helps to deliver better services. Officers and councillors who share good practice and learn from mistakes are developing both their own and their organisation's capacity to improve. Learning is about gathering and understanding information about what has succeeded or failed and using this information to change what is done.

For learning to be useful there needs to be a willingness to challenge and to be challenged. People need to feel comfortable and confident that what they share will be used in a constructive dialogue and not simply become ammunition for the critics.

In a political environment, it can be particularly difficult to have an open, learning approach – perhaps particularly between parties in control and those in opposition. In some authorities, councillors have regular away-days where they can discuss strategic and performance issues. Others have regular joint events for officers and councillors to formulate strategy and build good working relationships. Some authorities find councillor networking events particularly useful.

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### **in practice**

The IDeA has a range of programmes designed to facilitate learning and councillor development. For more information on the Leadership Academy (which includes an optional module on performance management) and the councillor mentoring programme, visit [www.idea.gov.uk/councillors](http://www.idea.gov.uk/councillors)

>> For examples of learning in action, see the PMMI research case studies and the *Action Research* case studies at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance).

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## 5. performance management in partnerships

Increasingly, public agencies are working together to achieve shared community aspirations and needs. There is pressure from government to work in partnership and a growing realisation that better community outcomes cannot be achieved through the efforts of one organisation alone.

The principles of good performance management apply equally to partnerships although working across organisational boundaries introduces additional complexities.

You need to ask:

- how does the partnership add value?
- does the partnership have clear objectives?
- how is it achieving them?
- how can partners get maximum benefit from working together?
- what are the risks, costs and benefits associated with the partnership?

As councillors, we have a fundamental leadership and representational role in our communities. By working within high profile, multi-agency partnerships such as Local Strategic Partnerships (LSPs) we can ensure that:

- the council's priorities are reflected in partnership strategies
- community priorities identified through partnership working are reflected in the council
- the interests of the local community come first.

>>For more information: see the *Community Leadership* chapter in the *IDeA's A Councillor's Guide 2006/07* at [www.idea.gov.uk/councillors](http://www.idea.gov.uk/councillors)

## and finally

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Performance management is not an end in itself, but many councils successfully use performance management to deliver improvement. There are still authorities that have wonderful systems in place but where councillors and officers do not know how their work has made life better for local residents. Many local authorities are excellent at designing and carrying out consultation but are less successful at integrating this information into decision-making.

Now and then, it's worth reflecting on why we went into this business in the first place – to help people, not just to sit in committee meetings and read reports. Processes are only ever a means to an end. The only real measure of success is whether we are delivering the vision that we put together so carefully with local residents.



## appendix

### further reading and additional resources

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The PMMI team have developed a range of performance management resources as well as signposting existing tools and guidance. These can be found on the PMMI website [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance) in the PMMI resource pack.

#### PMMI guidance, reports and toolkits

- **A Manager's Guide to Performance Management**, 2nd edition
- **The Improvement Journey** a set of resources to help you improve performance management.
- **Review of performance improvement models and tools** – a handy guide to popular performance management models and other resources
- **Performance management: A cultural revolution** – assessing and changing the performance management culture in your organisation
- **Service planning** – supporting and developing service plans in your council
- **Target setting** – practical advice on using targets to drive improvement
- **Performance management IT systems** – is one appropriate for your council and if so how should you go about choosing one?
- **Public involvement in performance management** – looking at the ways users and citizens can be engaged to improve outcomes
- **Prioritisation guidance** – useful tools and guidance for the prioritisation process
- **PMMI interim findings**
- **PMMI online conference reports**, covering performance management in partnerships, members' roles in performance management and embedding performance management

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## PMMI research and action research authorities

- Bath and North East Somerset
- Chichester District Council
- Cornwall County Council
- Derbyshire County Council
- Derbyshire Dales District Council
- Doncaster Metropolitan Borough Council
- Dudley Metropolitan Borough Council
- East Riding of Yorkshire Council
- Harrow Council
- Hastings Borough Council
- Lancashire County Council
- Lewes District Council
- London Borough of Merton
- Scarborough Borough Council
- South Tyneside Metropolitan Borough Council
- Stockton-on-Tees Borough Council
- Wandsworth Borough Council
- West Sussex County Council

>> For case studies visit [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance)

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## other key performance management resources

### publications

Councillors new to performance management may find these particularly useful.

- *A Councillor's Guide 2006/07*, IDeA, May 2006 – which covers some aspects of performance management as well as a range of other resources for councillors
- *A glossary of performance terms*, IDeA, 2003
- *Better Services for Local People: a guide for councillors*, IDeA, July 2002

### for a more detailed look at performance management

- *Acting on Facts: Using Performance Measurement to Improve Local Authority Services*, Audit Commission, 2002
- *Change Here!: Managing to Improve Local Public Services*, Audit Commission, 2001
- *Choosing the Right Fabric: A framework for Performance Information*, HM Treasury, the Cabinet Office, the National Audit Office, the Audit Commission and the Office of National Statistics, 2001
- *Making Performance Management Work*, IDeA, 2002
- *On Target: The practice of performance indicators*, Audit Commission, 2000
- *Performance Breakthroughs*, Audit Commission, 2002
- *Routes to Improvement*, IDeA, 200

### useful websites

- Area profiles: [www.areaprofiles.audit-commission.gov.uk](http://www.areaprofiles.audit-commission.gov.uk)
- The Audit Commission: [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)
- The Centre for Public Scrutiny: [www.cfps.org.uk](http://www.cfps.org.uk)
- HM Treasury: [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)
- Library of Local Performance Indicators: [www.local-pi-library.gov.uk](http://www.local-pi-library.gov.uk)
- The Improvement and Development Agency: [www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk), performance management resources can be found at [www.idea.gov.uk/performance](http://www.idea.gov.uk/performance) and resources for councillors can be found at [www.idea.gov.uk/councillors](http://www.idea.gov.uk/councillors)
- The Improvement Network: [www.improvementnetwork.gov.uk](http://www.improvementnetwork.gov.uk)
- The Office of the Deputy Prime Minister: [www.odpm.gov.uk](http://www.odpm.gov.uk)

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