

A JOINT MANAGEMENT PAPER BY THE
AUDIT COMMISSION AND THE IDeA

acting on facts

using performance measurement to
improve local authority services



I&DeA
improvement and development agency

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Summary

Performance measurement helps authorities run and improve services. If you don't know how good or bad you are you can't identify the scope for improvement. But while some authorities are making good progress in using both national and local performance indicators to drive improvement, others have encountered difficulties and concentrated on merely collecting performance information rather than acting on it. These authorities could benefit by learning from those that are doing well to ensure that they move from mere compliance to driving improvement.

The authorities that make good use of performance measurement have resolved a number of organisational issues. In particular, they have established performance management as a key day-to-day management activity. To do this they will have recognised that:

- clear leadership from elected members and senior managers is required;
- staff need to be involved, and encouraged to help to devise and use performance indicators;

- there are clear roles in performance monitoring for elected members and managers;
- there needs to be openness about performance, where performance that is below expectations is analysed so that lessons are learnt, rather than used to blame staff;
- performance information needs to be used to drive improvement; and
- information needs to be seen to be used by, and to be relevant, to elected members and managers.

Performance indicators need to reflect priorities and be balanced.

- there needs to be a clear link between corporate objectives and departmental, team and personal goals;
- performance indicators should be balanced, with outcome and output indicators for elected members and senior managers, and with process indicators for operational managers so that they can check that they are on track to meet targets;
- 'project management' indicators need to be included, to make sure that new developments are achieved on time; and

- systems should be in place to ensure performance data are accurate and can be relied on.

Authorities should set ambitious but achievable targets, based on benchmarking comparisons, or planned changes in service delivery, and taking account of the resources available and other constraints.

Authorities need a range of performance reports that provide the right information to the right person at the right time, and reflect their different roles and responsibilities.

- reports should present information in an accessible way, such as using charts rather than tables;
- authorities should avoid information overload, limiting the number of indicators in any one report;
- reports should highlight indicators where performance is causing concern, for example, by using 'traffic lights';
- authorities should explain the reasons for any performance that is off target; and
- reports should set out the actions that will be taken to bring performance back on target, showing that the authority is 'Acting on Facts'.

Introduction

1. All effective organisations measure their performance in order to know how well they are performing and to identify opportunities for improvement. In 2000 the Audit Commission published the papers *Aiming to Improve* and *On Target*, which described the basic principles of measuring performance and devising performance indicators (Refs. 1 and 2). In 2001 the Improvement and Development Agency (IDeA) published a briefing on effective performance management *All in a Day's Work* and it has recently published a guide for local authorities titled *Making Performance Management Work* (Refs. 3 and 4). This paper, which has been jointly researched and written by the Audit Commission and the IDeA, builds on these papers and

looks at the practical experience of local authorities of using performance indicators to improve services. It addresses the difficulties that have been encountered, and describes the solutions that authorities have developed.

2. The paper is based on discussions held by staff from the Audit Commission and the IDeA with officers from over 20 local authorities. It takes account of the lessons learnt from the IDeA Local Government Improvement Programme Peer Reviews, the IDeA publication *A Year in Focus*, and from the study of best value performance plans and auditors' reports on the plans (Ref. 5).

Who is the paper for?

3. This paper is aimed at authorities that would like to improve their use of performance information and to start 'acting on facts'. While the paper focuses on developments in English local government, its messages are relevant to people who are responsible for developing and using performance indicators in the health service and in central government. In Wales, the Commission is working closely with the Local Government Data Unit and the Welsh Local Government Association in order to prepare a portfolio of support material around the performance management aspects of the Wales Programme for Improvement.



1. The importance of performance measurement: the national context

4. Many recent improvement and modernisation initiatives in local government emphasise how important it is that councils measure their performance. The white paper *Strong Local Leadership – Quality Public Services*, published in December 2001, states that councils will have constantly to seek new and more effective ways to deliver customer-focused services (Ref. 6). The white paper proposes a national framework of standards and accountability for the delivery of high-quality services and effective community leadership.

5. There will be a new process of comprehensive performance assessment that will be based, in part, on performance indicators. Authorities that are unable to demonstrate effective performance management or good performance are unlikely to receive a favourable assessment.

6. Local Public Service Agreements (LPSAs) are providing the opportunity for some authorities to agree 'stretching' performance targets with relevant government departments and, in return, receive additional funding and freedoms.

7. Best value reviews use performance measures to promote service improvement by challenging existing service delivery, comparing performance with those authorities that are doing well, and demonstrating that services are competitive.

8. Authorities must collect and publish information on their performance against a set of national performance indicators in their best value performance plans (BVPPs). Many authorities have added their own local performance indicators to their plan to provide a more rounded picture to their stakeholders.

9. The IDeA and the Audit Commission are giving practical help to authorities by jointly developing a Library of Local Performance Indicators to provide 'off-the-shelf' indicators with detailed and consistent definitions. These help authorities use indicators more effectively for comparison and benchmarking. The Commission has also developed a suite of 'Quality of Life' indicators for local authorities, helping them to measure the effectiveness of their community strategies.

...councils will have constantly to seek new and more effective ways to deliver customer-focused services.

2. How are authorities using performance information?

10. Although all authorities have been collecting and publishing performance information for nearly a decade, and a few have had performance information systems for longer than this, many authorities are still struggling to make full use of the information that they have:

- auditors made recommendations concerning the performance management frameworks in 60 per cent of authorities¹;
- reservations were expressed over the BVPPs, because of missing or inaccurate best value performance indicators, in over 17 per cent of authorities¹; and
- over 50 per cent of authorities said that they found it very difficult or fairly difficult to develop a corporate approach to performance management, or to set meaningful targets (Ref.7).

11. A key issue for authorities remains linking up vision, strategy and plans and recognising that performance planning and review are dynamic processes, and not an add-on to normal management activity. Some authorities have found it difficult to benefit from

performance measurement. In these authorities performance measurement is sometimes undertaken simply to comply with regulation, and the recipient of the results is seen primarily as the local auditor rather than managers, who should use the information to manage their services.

12. Authorities need to ensure that performance measurement is used as part of everyday management activity. It must be used to drive improvement and must not be merely a compliance activity. To achieve this, evidence suggests that authorities will have to overcome some of the following hurdles:

The absence of a performance management culture. Elected members and senior managers can be reluctant to use performance indicators (PIs) on a regular basis to manage services and drive improvement. They may not regard the information, which they may only see annually, as relevant or timely, and so do not value it. As a result, the collection and publication of performance indicators becomes a stand-alone activity, with little connection to the delivery of services. There can sometimes be friction between the

corporate centre and service departments, leading to the performance indicators being dismissed as ‘the chief executive’s indicators’. This lack of commitment may be reflected throughout the organisation by reluctance among frontline managers and staff to quantify what they do and to seek improvement. The recent publication *A Force for Change* reports that, in cases of intervention in failing services, a lack of awareness by the authority of poor performance is often a factor (Ref. 8).

The use of indicators that do not reflect local priorities. The information that the authority collects and reports to members and managers is often based on the national best value performance indicators. These may not reflect all the priorities of the individual local authority and, at an operational level, the indicators used may not be appropriate for the day-to-day management of services.

1 Auditors’ BVPP opinions 2001

Poor data quality. This can mean that comparisons and benchmarking fail to produce useful ideas for improving performance, and that the credibility of the information is weakened.

Targets and information are not used to drive improvement. Targets may either not be set at all, or they may not be sufficiently challenging. No attempt may be made to compare one year's performance with that of the previous year, or with the performance of other authorities.

Performance reporting that fails to highlight important issues. This could be because the indicators that are used do not address the issue, because too much data is reported, obscuring the issue, or because information is poorly presented and is produced at the wrong time, or is given to the wrong people.

Performance information that is not acted on. When targets are missed, excuses are made rather than lessons being learnt and remedial action taken.

13. These obstacles are not new. They have largely been recognised in the guidance that has already been published. This paper draws upon the growing experience of authorities in using performance indicators, and shows how the guidance has been used in the performance measurement process [EXHIBIT 1, overleaf]. It focuses mainly on those elements where experience suggests that there are further lessons to be learnt. These include:

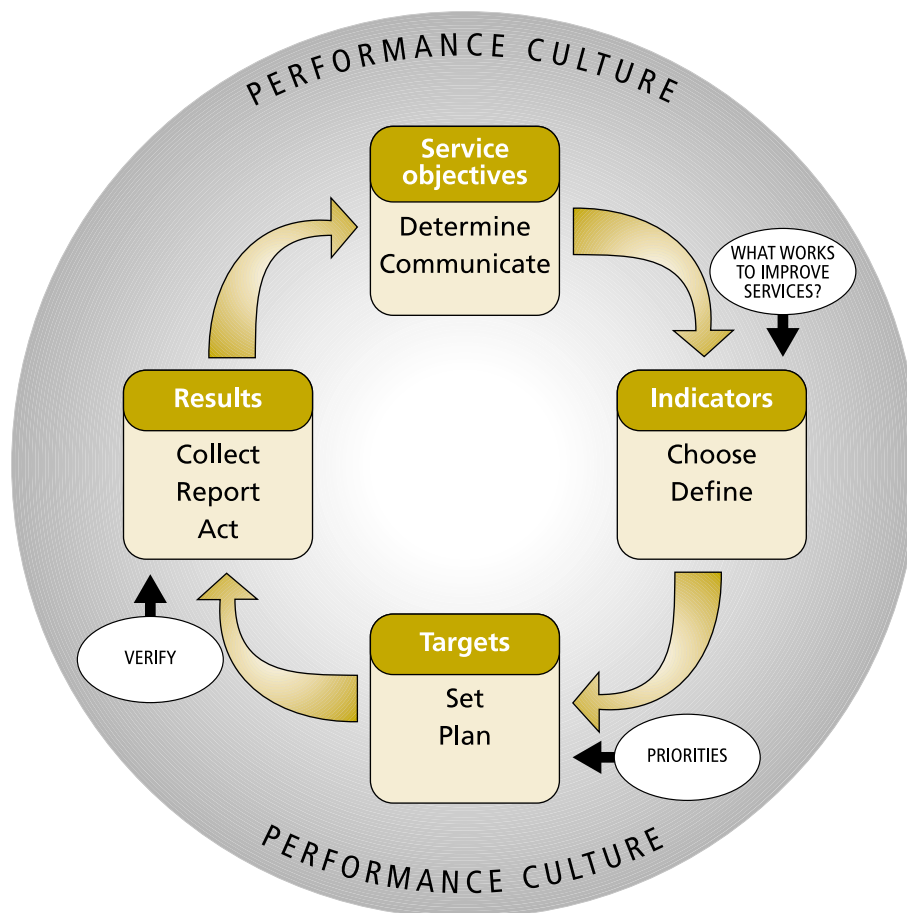
- stressing the importance of managing performance and developing a 'performance culture';
- linking corporate objectives to service plans and to individual's goals;
- devising a balanced set of indicators and improving data quality;
- setting ambitious but achievable targets; and
- monitoring and acting on performance information.

...performance planning and review are dynamic processes, and not an add-on to normal management activity.

EXHIBIT 1

The key components of a performance measurement system

A culture of performance measurement is an overarching component.



Source: Audit Commission 'Aiming to Improve' (adapted) (Ref. 1)

3. Gaining understanding and acceptance – creating a performance culture

14. Evidence from the fieldwork, and from the IDeA Peer Reviews and auditors' reports, suggests that effective performance measurement is not just about developing technically good indicators or targets. It is equally important to establish a culture in which there is a desire to measure what is being done and to develop an understanding of what is good performance and what is poor. There have to be both systems to manage the information flows and an understanding within the organisation that managing performance is part of everyday management activity. There should be a willingness to use measurement to plan and to manage services. Many authorities are currently in transition from a situation where they had collected performance data in order to comply with legislation, to one where there is a genuine desire to use performance measurement to improve the way that things are done. Some of the key elements of this transition are:

- leadership;
- staff involvement and commitment;
- willingness to learn from mistakes;

- support and advice;
- communication and language; and
- reinforcing the message – demonstrating the benefits and celebrating success.

15. Gaining understanding and acceptance of performance measurement undoubtedly takes time and commitment. But there are a number of practical actions that can be taken that will help to overcome the problems and generate a 'performance culture' in authorities.

Leadership

16. The political and administrative leadership within an authority need to take an active role in ensuring that those who work there are in tune with using performance information to improve services. They need to ensure that their policies and initiatives are based on knowledge, and that they are supported by measures of success. These measures may be quantitative, for example: 'we will reduce the number of children aged 0 to 15 years killed or seriously injured in the county by 2003'; or they may be more descriptive: 'an environmental action plan will be in

place for country parks by March 2001'.

17. Members play a key role in terms of representing the views of citizens in the use of performance information. To date, the role of members in performance measurement has primarily been in using information to hold officers to account, as well as to demonstrate their accountability to the electorate. But members' roles are changing. In some of the authorities visited, cabinet or executive members have been involved in monitoring the achievement of corporate objectives and in setting high-level targets, while scrutiny committees play a key role in monitoring performance. In other authorities the roles are more confused, with both the executive and scrutiny committees monitoring performance. Whatever the structure of the authority, good monitoring is key to it reaching its targets and achieving its objectives [CASE STUDIES 1 AND 2, overleaf].

CASE STUDY 1**Members should use indicators to improve services**

Members in the London Borough of Hammersmith and Fulham use performance indicators to help manage and improve services. They receive, on an annual basis, audited performance information on statutory indicators, and a report comparing performance in Hammersmith and Fulham with that of other London boroughs. The scrutiny panel, who focus on corporate priorities and under-performing services, receive quarterly reports, which often result in the commissioning of more in-depth investigations to aid understanding of the issues. Officers liaise with the relevant portfolio holder before finalising service plans, which are then also submitted to scrutiny.

Source: Audit Commission and IDeA fieldwork

CASE STUDY 2**A members' group monitors key performance indicators**

The London Borough of Islington holds 'Members' Performance Group' (MPG) meetings every month. The Group consists of the Leader, Chair of Performance Review, Chief Executive and the Executive Board Director responsible for performance. The director of a service, or head of service, often accompanied by the responsible councillor, discuss for up to 40 minutes the key performance indicators identified by members as being of crucial importance to the Council and to the public – the 'Hot 50' list.

Source: Audit Commission and IDeA fieldwork

18. In a few authorities, members are also beginning to be involved in identifying or developing effective measures, particularly where political goals are involved.

19. The evidence from peer reviews indicates that local authorities that have involved members in the development of their corporate performance management arrangements manage performance better than those that do not involve members. However, more clarity is needed regarding the respective roles of members and officers. Members should not be expected to take on the role of using performance information on a daily basis, but they should act more as a 'critical friend' in terms of developing meaningful measures and representing the views of citizens.

20. A common feature among many authorities visited as part of this study that had started making regular use of performance measurement was the active involvement and enthusiasm of the chief executive. Officers from several authorities made comments to the effect that 'before (the chief executive) arrived the authority used to be an information-free zone'. While performance measurement was often introduced by a newly appointed chief executive, this was not always the case. Sometimes the elected members or senior managers became actively involved in promoting performance measurement following an adverse audit report, or the discovery that the authority's performance was well below standard. In such cases leaders can use performance measurement to demonstrate the contributions that all managers and staff make to achieving specific outcomes, thereby securing commitment to improving performance, and making explicit the chain of accountability [CASE STUDIES 3 AND 4].

CASE STUDY 3

Senior management plays a key role in establishing a performance measurement culture

Canterbury has made big changes in its performance management culture over the last three years. The authority set about transforming itself from a council with little interest in performance management to one where performance is used for decision making and policy development, and is integrated into all key processes. The Director of Planning and Development is the chair of the Performance Management Group, and acts as the performance champion on the management team.

Performance management is integrated into all services, with corporate objectives cascading to service aims in detailed service plans, which incorporate local indicators and targets, to service-level goals. Targets are agreed with specific officers and are included in each person's performance appraisal. The council has also identified a handful of key local performance indicators that are subject to robust quarterly corporate monitoring, using a 'traffic light' system, alongside the best value performance indicators.

Departmental co-ordinators are responsible for making sure that performance information is recorded, reported and accurate.

Willing participation was achieved because staff began to find performance information useful and relevant. Managers were also made more accountable for performance and were expected to provide explanations for poor performance, and demonstrate how improvements would be made in the future.

Source: Audit Commission and IDeA fieldwork

CASE STUDY 4**The management team plays a leading role in instilling commitment**

Wycombe's senior management team has played a leading role in instilling commitment to improvement and enthusiasm for delivering the best services possible. The Chief Executive in particular sees it as his job to make staff customer-focused and dedicated to delivering value for money to Wycombe's citizens. The Chief Executive and Head of Strategic Development meet every new employee at staff induction courses to explain the authority's aims and culture. The message is reinforced at every opportunity; for example every staff member has the Council's vision on their personal identity/security card.

Source: Audit Commission and IDeA fieldwork

21. The way that senior managers reinforce the importance of performance measurement is also vital. They need to show that the performance indicators are being used. They need to provide feedback to staff, even if the message given is simple, such as commenting that performance is on target.

22. The introduction of performance measurement systems should go hand in hand with changes to other management systems and to organisational structures. Managers need to be empowered, for example by having greater control over financial and human resources. Accountability can be enhanced by creating

organisational structures that clearly identify the individuals or service units that are responsible for delivering specific services. Many IDeA Peer Reviews have found that if these issues are not dealt with, and if accountability remains unclear, the introduction of performance measurement can sometimes be seen as 'persecutory' in the eyes of managers and staff.

Staff involvement and commitment

23. Staff involvement and commitment are essential if performance indicators are to be used effectively to improve performance, but they need to be nurtured. First, staff need to

understand how the measurement process will affect them, and how it will work. Authorities have therefore invested in producing guides, and holding training seminars to explain what is happening.

24. East Sussex County Council developed a training programme involving 250 middle managers from across the authority. It was organised in groups involving officers from different departments, which provided an opportunity to share experiences, as well as to come to grips with the performance planning and measurement system.

25. Staff should be given some of the responsibility for developing indicators and setting targets. They are in a good position to know the issues involved in measuring the performance of their services, and to be aware of what is realistic in terms of target setting. They can interpret and understand the data and suggest reasons for variations. They can also be in a good position to identify opportunities for innovation. Many authorities now identify the people who are responsible for specific performance targets in their service plans. In some cases these responsibilities are

identified in job descriptions and are assessed in personal performance appraisals.

Willingness to learn from poor performance

26. Performance measurement can expose poor performance as well as good. If improvement is to be achieved, authorities need to embrace a culture of learning – one that is open about any poor performance, and analyses what happened in a constructive way, so that they can learn from their mistakes, and take action to improve. It is important to avoid a ‘blame’ culture. This could lead to problems being concealed from managers and members – recent research into failing services has found evidence of deliberate concealment of poor performance and a reluctance to set targets that are in any way stretching (Ref. 8). As one officer put it, ‘missing a target once is not a problem: missing it repeatedly without taking remedial action is’.

27. Effective performance measurement also demands a mature approach from members, who will need to consider how to respond if a target is not achieved. While failure to achieve targets is a legitimate subject for debate, this must not be allowed to block the opportunities for learning, or to create a culture where performance reporting becomes a ‘blaming’ activity.

Support and advice

28. Three key roles need to be addressed in relation to collecting and using performance information:

- the service manager role, which is to develop or agree performance indicators and targets that are linked to service plans, and that are sensible in terms of the day-to-day management of the service;
- the administrator role, which is to manage the generation and collection of the data; and
- the information manager role, which is to have an overview of all the data flows, ensure that all indicators are robustly defined and updated to reflect the changing environment, and that data quality is maintained.



29. Many authorities have found it necessary to provide some form of ongoing support to managers to make sure that performance indicators are defined sensibly and that data are reported in a timely fashion. This support may be provided by a small central team, or by departmental co-ordinators. However, care must be taken to avoid usurping the service manager's role [CASE STUDY 5].

Communication and language

30. Good internal communication plays a key role in securing commitment to performance measurement and improvement. Communication helps to raise awareness and understanding of performance measurement, promoting good practice and communicating successes. Language has an important role to play too. The language associated with performance measurement often tends to isolate it as the function of a central few rather than helping to integrate it across the organisation. For example, if a group of senior officers and members were asked to spend time talking about performance measurement the reaction would possibly be quite

CASE STUDY 5

Providing support to managers

A Strategic Development Unit (SDU) was established in Wycombe District Council in 1998. Among other things, the unit aims to support departments as they prepare information for corporate performance management of services. For instance, to compile the annual service plans containing the key performance indicators for the authority (Corporate Action Plans), the SDU initially drafts outline plans from information previously provided by services. The draft is then sent out to be checked, updated and completed, minimising the demands on service managers. This is repeated for the regular monitoring reports throughout the year.

To maintain close links with service areas, and to ensure a good working relationship between services and the corporate function, staff are seconded from departments to work in the SDU. The Head of Strategic Development also attends departmental management team meetings on a rotational basis, spending around three months with each Directorate. This enables him to see the organisation from the service end and so helps to tailor corporate support accordingly.

Source: Audit Commission and IDeA fieldwork

different to that if they were asked to spend a day reviewing how their services were doing. Several of the authorities approached during the fieldwork had started to implement 'plain English' in their reporting and had begun to promote performance measurement in a practical way that people could relate to [CASE STUDY 6].

CASE STUDY 6

Good communication helps secure commitment

When the Borough of Poole became a unitary authority a decision was made to avoid promoting performance management as a 'system'. Their philosophy in developing performance management has been to avoid performance management terminology, but to integrate the principles into the way that services are planned and delivered. As they were setting up structures for the new authority, it was important to develop a common form of 'service statement' for each service along with a common performance measurement approach, treating the former Poole Borough and Dorset County services in the same way. The approach has helped Poole to look at its services in a more cross-cutting way and in line with policies identified by the cabinet portfolio holders and by policy directors.

Source: Audit Commission and IDeA fieldwork

Reinforcement

31. Performance indicators on their own do not bring about change. What they do, however, is add to a collective pot of information that informs decisions. Authorities need to show staff how the information is being used to improve services. This will help to raise the profile and credibility of performance measurement, and celebrating successes will help to engage staff as well as boost morale.

Key lessons

1. The chief executive, members and senior officers need to demonstrate the importance of measurement, for example by ensuring that policy initiatives include measures of success, by actually using performance information, giving feedback to the staff responsible for producing the information, and by demonstrating the contribution of managers and staff to the achievement of outcomes.

2. Ensure that staff understand and are trained in using performance indicators, and give frontline staff some of the responsibility for indicators and targets.
3. Promote a learning culture where people can be creative, and where they can be open about problems without the fear of blame, so that they can learn from poor performance.
4. Provide support to managers, but do not usurp their responsibilities.
5. Keep the language of performance measurement simple and avoid jargon.
6. Reinforce the message and show that performance measurement helps to improve services.
7. Ensure that arrangements for managing financial and human resources promote measurement, and review organisational structures to clarify accountability.

4. Link corporate objectives to service plans and personal goals

The 'golden thread'

32. A well-managed authority knows what it wants to achieve, and knows when it is successful. All performance measurement processes should be linked to the authority's aims and should show whether, and how, these aims are being met. Some authorities describe this link as a 'golden thread' [CASE STUDY 7].

33. Most of the authorities surveyed for this paper that had developed performance measurement processes had based their indicators on statements of aims or objectives. A few authorities had long-standing performance measurement systems that were not explicitly linked to any set of objectives, but they had since found it helpful to formalise their objectives.

34. In many cases, the authority's objectives did not readily lend themselves to measurement. Authorities had, therefore, developed series of statements expanding upon the overall aims and objectives and ending up with a 'cascade' of linked plans and service statements that could be measured. These statements have different titles in different

CASE STUDY 7

All performance measurement should be linked to the authority's aims

The Telford and Wrekin approach to performance management involves four key levels:

- corporate plan;
- portfolio plans (policy area documents);
- business plans; and
- personal plans.

Through these levels, corporate objectives are devolved to service-level objectives, which are measured using local and national performance indicators. Targets are attributable to named managers and devolved to individual staff through their personal development and action plans. The system is based around extensive and detailed documentation, brought together in various companion and summary documents. The purpose of this is to bring together and co-ordinate all of the council's statutory and financial planning processes, a process that is not yet complete.

Source: Audit Commission and IDeA fieldwork

authorities, such as 'corporate objectives', 'departmental service plans', and so on, but most follow a similar structure to that set out below:

Corporate vision or aims – a high-level statement of intent, typically focusing on no more than six or seven issues. The issues frequently describe both what the council will do and how the council will behave [CASE STUDY 8].

...performance measurement processes should be linked to the authority's aims...

Service objectives – these expand the vision and typically describe the specific actions that the council will undertake. These are often included with the vision in the best value performance plan. This document should include a description of the way that success will be measured. A few authorities nominated an executive or cabinet member to take on specific responsibility for achieving each objective, but rather more identified a senior officer as having the responsibility.

Service plans – these expand the service objectives, and state what will be done and when, usually at a level of detail that can be measured, and will have targets set. Many plans nominate specific officers who are responsible for the service, and for meeting the performance targets in the plan.

Personal plans and objectives – these focus on the individual’s or the individual team’s tasks. There is often a shift of emphasis in the indicators and targets, from being output – or outcome – focused, to

addressing the question ‘what do I (or the team) need to do to help to deliver the service plan and to achieve the service objectives?’ These indicators are sometimes incorporated into the individual performance appraisal process.

35. In some larger authorities there may be additional ‘layers’ between the best value plan and the personal level. East Sussex, for example, has departmental and divisional plans between the best value plan and the individual plan. A small authority may have fewer ‘layers’, for example combining vision with service objectives, and service and personal plans in order to simplify the process.

CASE STUDY 8

The vision statement sets the top-level aims of the council

Bedfordshire County Council has developed a performance management framework based on a community vision of 7 objectives and 32 priorities that are cascaded into business plans:

1. Make Bedfordshire a healthier and safer place.
2. Make Bedfordshire more prosperous.
3. Work towards making sure that everyone is treated equally.
4. We will give you better value for money.
5. We will involve you more in decisions about your community and how we are working to improve the quality of your life.
6. We will protect our environment for future generations.
7. We will give everyone an equal chance to learn and to enjoy Bedfordshire’s arts and sports facilities.

Source: Audit Commission and IDeA fieldwork

The benefits of linking objectives to plans and targets

36. While there is a risk that the sequence of plans in the cascade can generate a lot of paperwork, authorities generally have found that the benefits outweigh the costs. Evidence from Peer Reviews suggests that linking up the various statutory plans is very difficult, and the white paper has recognised this by announcing a reduction in the number of plans that authorities have to prepare (Ref. 6). However, and perhaps more importantly, Peer Reviews have also found that those authorities that are most successful in measuring and reporting their performance have carefully designed their planning systems and review arrangements around a clear view of their own needs. They avoided trying to manage their organisations solely through externally required plans.

37. The benefits of plans include:

- cascading objectives to plans enables all staff to see how their efforts can contribute to the authority's work. This helps to overcome problems that can arise when several sections in an authority are jointly involved in delivering a service;
- the plans provide a clear framework for the key performance targets to be included in any outsourcing arrangements; and
- clearly stated objectives reinforce partnerships with other organisations, such as in community safety partnerships, or local strategic partnerships. Agreed objectives ensure that all the partners are signed up, and any disagreements about what will be achieved or about priorities can be identified at an early stage. Service plans help to clarify the contribution that each organisation will make to the partnership and the priority that each will give to achieving its aims; and developing indicators and targets enables the partnership to assess its overall impact, as well as assessing the contribution made by each partner.

Key lessons

1. Performance measurement processes should be linked to corporate aims.
2. Corporate objectives or aims should have clearly defined measures of success, and should be the basis for service plans and personal goals that can be readily measured.
3. Plans should clearly identify who is responsible for achieving the performance target.
4. Planning arrangements should be kept as simple as possible.

5. Devising a balanced set of indicators and improving data quality

Identifying appropriate indicators

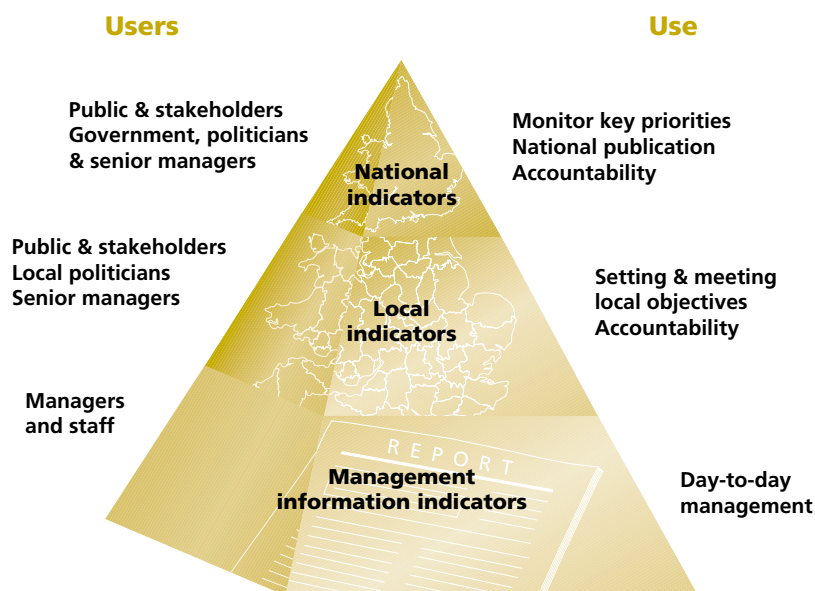
38. A performance measurement system should focus on the agreed outcomes for the local community, and should use the right indicators to measure their successful achievement. These indicators will vary depending on the purpose of reporting – whether the indicators are used for accountability and publication in BVPPs, or for day-to-day service management – and the audience. This leads to a hierarchy of indicators, described more fully in *Aiming to Improve* [EXHIBIT 2] (Ref. 1).

39. For accountability to the public, and for use by elected members and senior managers, the right indicators will be designed to show whether objectives have been achieved. They should also provide a balanced picture of services. The Department of Transport, Local Government and the Regions (DTLR) report on the use of local performance indicators found that authorities are developing more outcome measures, and are using a number of frameworks to provide a rounded picture of a service, such as balanced scorecards, or the best value framework of strategic objectives, cost-efficiency, service

EXHIBIT 2

The different users and uses of indicators

Indicators should form a coherent set, with operational indicators supporting local and national top-level indicators.



Source: Audit Commission, 'Aiming to Improve' (Ref. 1)

delivery outcomes, quality and fair access (Ref. 9). These frameworks are described in more detail in *On Target* (Ref. 2). In addition, authorities need to regularly review the indicators that they use to make sure that they are still relevant, and to balance the benefits of using an indicator with the cost of collecting the necessary information. Some

authorities are, therefore, reducing the number of indicators that they are monitoring in order to focus on their priorities.

40. But for performance indicators to be used to manage services, different categories of indicators need to be developed to address different questions [EXHIBIT 3]. Service delivery depends on processes: if these are not functioning effectively, services will not be delivered, and the overall outputs and outcomes will not be achieved. At an operational level, process indicators are needed to ensure that delivery is on track. These measures may also focus more on the raw data – for example, ‘number of visitors to a leisure centre’, rather than ratios, such as ‘visitors as a percentage of population’. A hierarchy of indicators that includes process indicators enables managers to ‘drill down’ and identify where problems may be developing, or identify the reasons why targets may not be met. However, with the recent emphasis on measuring outcomes, this aspect of performance measurement is sometimes being given less attention by authorities [CASE STUDY 9].

EXHIBIT 3

Different types of indicator

Monitoring process indicators will give early warning of problems with outputs or outcomes.

Indicator type	Question
Outcome	What is the impact of this service?
	Is the authority achieving its objectives?
	Does the problem that led us to adopt this objective still exist? -----
Output	What level of service is being provided?
	How many units of service are being delivered? -----
Process	Is what needs to be done to deliver the output being done?
	Are we on track to meet targets? -----
Input	What resources are used to deliver the service? -----

Source: Audit Commission

CASE STUDY 9

Process indicators are needed to manage services

Suffolk Coastal District Council completed a best value review that highlighted the need for a speedier turnaround of benefit claims. The review concluded that operational targets – such as the number of claims processed per member of staff per week – would be needed if significant improvements were to be made.

Source: Audit Commission and IDeA fieldwork

CASE STUDY 10

The EFQM Excellence Model can provide a framework for developing performance indicators

Warwickshire County Council treasurer's department uses the EFQM Excellence Model as its principal tool to drive continuous improvement at the departmental level. The department is assessed externally each year against the criteria of the model through the Midlands Quality Awards, a competition which it won in 2001. The assessment critically reviews the performance of the department overall, its systems and its processes. Improvement plans focusing on leadership, policies and strategies, people management, resources and partnerships, processes and results are incorporated into the departmental service plan.

Source: Audit Commission and IDeA fieldwork

performance, typically involving finance, customer service, internal management, and continuous improvement, although the emphasis may vary from authority to authority.

43. Another type of performance indicator relates to 'projects' rather than to the regular delivery of services. Many corporate plans include objectives that focus on new developments, such as 'developing supported housing and lodgings for young people leaving care', with a top-level output indicator relating to the number of projects completed or an outcome indicator relating to the council's objectives in supporting children leaving care. But if projects are to be managed effectively, performance indicators for each project will need to be developed. These will focus on the detailed project management plans and timetable, and will show whether target dates are met (Ref. 10). 'Project' indicators will also be needed where changes are being made to improve service delivery, or to react to poor performance.

41. A few authorities visited during research for this report base their operational indicators on the European Foundation for Quality Management (EFQM) Excellence Model, finding that it provides a framework for developing

performance indicators that addresses processes [CASE STUDY 10].

42. Other authorities use a 'balanced scorecard' as a framework for devising performance indicators that balance different aspects of

Ensuring the quality of data

44. The effective use of performance measurement depends on indicators that are sufficiently accurate for their intended use. Best value performance indicators, for example, are expected to have a high degree of accuracy, and are subject to external validation. The quality of performance information will become increasingly important as authorities agree local public service agreements, as comprehensive performance assessment is introduced, and as authorities begin to benefit from achieving target levels of performance. Yet the quality of the data for the best value performance indicators for 2000/01, while better than that found in the previous year, is still not as good as it might be, with nearly 5 per cent of indicators missing, and 2.5 per cent qualified as unreliable.

45. The quality of all indicators will depend on the systems used by the authority to assemble the information, and, additionally, the quality of any local performance indicators will depend on the way that the indicator has been developed. Guidance on developing indicators can be found [in On Target](#) (Ref. 2).

46. In spite of the growing importance of using accurate information in helping to manage services, some authorities have few controls over the quality of the data of their own, and rely on the validation checks that are carried out by the external auditor. In a few cases, people at the centre of the organisation, who are responsible for collating all the best value information, appear to have little detailed knowledge of the quality of the data that they are dealing with.

47. Other authorities, however, have set up procedures to ensure that there is a clear 'audit' trail back to the information source, and that these procedures are validated by internal audit. Some authorities ensure that only specific, named people are responsible for generating the data. Manchester City Council, for example, tasks each department with maintaining up-to-date information on all BVPIs, and all core targets and other key service performance areas that are included in the BVPP. Data are held on an electronic performance information management system that allows staff to view the performance information, although only named departmental officers can update it, and data cannot be entered unless an agreed audit trail checklist has been completed.

48. An increasing number of authorities are using electronic communication to send performance information between those who are responsible for generating the information and those responsible for reporting it. This process reduces the chance of transcription errors occurring.

49. Ensuring that performance indicators make use of existing information systems, where possible, is a valuable way of improving data accuracy, and of reducing the cost of data collection. However, as yet, very few authorities have begun to link the systems that generate performance reports to other computer systems in order to transfer data automatically, although some authorities visited were exploring this possibility.

50. While it is important that national performance indicators and indicators that are used in BVPPs and LPSAs are validated, authorities should avoid setting up systems that are excessively complex and expensive for validating local internal performance measures.

51. In the end, the performance culture of the organisation will have a considerable impact on the accuracy of the data. Information that is used on a regular basis will become more reliable, as staff become aware of the benefit of providing accurate information.

Key lessons

1. Ensure that there are both indicators that measure whether objectives are being met, and indicators necessary to control the process of service delivery.
2. Include performance measures for 'projects' in the performance management process to make sure that developments and changes are achieved on target.
3. People responsible for collating best value indicators should ensure that there is an audit trail linking the indicator to the operational service data.
4. Use information regularly: this will help to improve its accuracy.



6. Setting ambitious but achievable targets

52. Having objectives, and performance indicators that are linked to them, may lead to some improvement as people get a clearer understanding of what they should achieve. But a key driver for improvement is setting and achieving ambitious targets.

53. The authorities visited all set targets, although several noted that they had found it difficult to pitch targets correctly. In some cases they were concerned that staff or elected members were focusing on maintaining the status quo, and, as a result, were setting targets that were not ambitious enough. At the other extreme, some authorities were setting highly ambitious targets that appeared to have little connection to the authority's current performance. This could be due to:

- the over-optimism of the staff concerned;
- management or members seeking to emulate high-performing authorities with little appreciation of the changes that would be needed to do this successfully; or

- over-ambitious managerial or political expectations.

54. There is a delicate balance to be struck between ambitious targets that inspire and challenge people to achieve them, and targets that are unachievable, which can leave those tasked with achieving them aware of the impossibility of success and can lead to their giving up. Authorities should also bear in mind the need to focus on key priorities in order to achieve deep and durable change (Ref. 10).

55. Some authorities reported that they used comparative data from neighbouring authorities or benchmarking exercises to determine target levels of service, while others used the results of best value reviews. Some authorities stressed the importance of involving staff in setting realistic targets.

National performance targets

56. The Government has given guidance on setting targets for best value indicators (Ref. 11). Local authorities are also expected to meet individually specified standards for waste management and for planning applications. In addition, targets are set for improvement in Education Development Plans, Crime and Disorder Reduction Partnerships, Drug Action Partnerships, Transport Plans and Waste Management Plans. But for most performance indicators, each authority still has to determine its own targets, taking account of national Public Service Agreement targets where appropriate.

57. LPSAs require authorities to commit themselves to achieving 12 specific stretching targets, which are negotiated between the authority and the government. While the authority is able to select some of the issues on which to set targets (which should reflect its own priorities), the majority of targets must reflect specific national PSA targets.

Targets should be based on plans and linked to resources

58. Targets should reflect the way that service improvements can be achieved. The Audit Commission report, *Change Here!*, identifies two ways of looking at the scale of change: incremental change and step change (Ref. 10). For some services steady improvement can be achieved as small improvements are made to the way that services are managed. Authorities can build this into their target-setting processes, for example, demanding that all services meet a 2 per cent improvement target. But the Prime Minister has made it clear that over the next five years step changes in productivity and more effective, user-focused services must be delivered. Authorities need to plan how these changes will be delivered, and should include them in their target setting [BOX A].

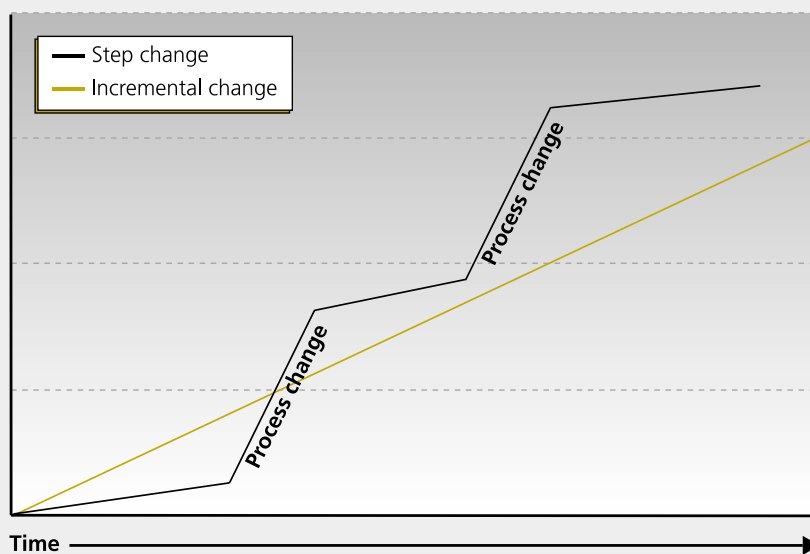
BOX A

Step changes in performance

Major improvements in service delivery can sometimes come from changing the delivery process. This can lead to a step change in the standard of performance, after which there may be a period when there may be only a small amount

of improvement until the next change in service delivery is introduced. In these cases, performance improvement takes place in steps as each change is introduced.

Performance



Source: Audit Commission and IDeA fieldwork

59. Plans that are drawn up to enable targets to be delivered also need to address the associated resource issues. There might be less resources for a specific activity as a result of a cost reduction exercise, or an increase to provide investment. Such changes need to be incorporated into the organisation’s financial and service plans and budgets.

Setting ambitious targets

60. It is important that local authorities base their targets on achievable, if demanding, plans for change. While it is useful to start by considering highly ambitious targets for improvement, these need to be moderated by asking:

- is anyone achieving these targets – and if so, how?
- can we see a way of achieving the targets?
- what changes must we make to do this? and
- can we make the changes that are necessary?

61. But while it is often straightforward to identify the change needed, actually making the change can be more difficult, and calls upon specific project management skills and resources. A further question needs to be answered:

- when will we make the changes, and who will be responsible for managing the change project?

Key lessons

1. Authorities should set demanding targets as a key part of improving performance.
2. Authorities should use benchmarking, best value reviews, and good practice guidance to identify target levels of service.
3. Targets should be ambitious but realistic, based on consideration of what can be achieved.
4. Planning for targets needs to be reflected in organisations’ financial and service planning cycles.
5. Authorities should manage the change process to deliver improved services.

7. Monitoring and acting on performance information

62. Effective reporting, monitoring performance, and taking action when indicators show that targets may not be met, are essential aspects of managing services and delivering improvement. However, there is a risk that monitoring can be seen as an end in itself. And while many authorities are developing monitoring systems that reflect the need to present the right information to the right person at the right time, fewer have set up processes to act upon the information.

Providing the right information to the right person at the right time

63. Local authorities are responsible for providing a wide range of services. This can mean that they may have many performance indicators in total in order to manage every service. Across the authority there could be several hundred indicators. Authorities that have set up effective performance monitoring systems have usually limited the information presented in order to avoid the problem of information overload, and the attendant risk that performance that is going off track will not be spotted. There are

two main ways in which this can be achieved.

64. First, the indicators presented can be limited to those relating to the responsibilities of the recipient, as shown in Exhibit 2 (page 21). At a senior level, this means that managers and cabinet or executive members receive information on performance against the key corporate objectives. Members who have responsibilities for specific services, and service heads, receive information on the key targets for their service, and so on. Manchester City Council, for example, reports 23 core indicators to its senior management team on a quarterly basis. Cambridgeshire now reports about 30 indicators each quarter to its senior management team and

cabinet, based on their LPSA and on key objectives. Bedfordshire uses about 30 key performance indicators selected mainly from the best value indicator set. The number of indicators that are included in a report can also be reduced by reducing the frequency of reporting for those indicators that change only slowly, or that are generated only once a year, such as examination results in schools.

65. Secondly, some authorities highlight aspects of performance that need attention by 'exception reporting'. Indicators that are off target by a set amount are reported, while indicators that are on target are either not reported or are reported on a separate schedule [CASE STUDY 11].

CASE STUDY 11

Avoiding information overload

Guildford Borough Council uses a mix of best value and former Audit Commission performance indicators, with some key local indicators. These are reported on a bi-monthly basis to the management team and quarterly to the audit committee. The report is split into three schedules:

Schedule 1 – meeting or beating targets;

Schedule 2 – close to target; and

Schedule 3 – not going to achieve target.

66. Authorities that are developing exception reporting systems need to be alert to the risk that reporting only poor performance can give the impression that nothing is going well. This can demotivate staff, which in turn will lead to poor performance. To overcome this problem, some authorities have adopted different ways of highlighting performance indicators that recognise good performance, as well as performance that should be carefully monitored and poor performance.

67. Several authorities use ‘traffic lights’ – marking each performance indicator with a green, amber or red symbol, depending on whether performance is on target, close to the target, or unlikely to achieve the target¹. This can be an effective way of guiding users towards problem areas, but at the same time providing an overall impression of the level of satisfactory performance as well.

68. Other authorities use ‘smiley’ – or ‘sad’ – faces, or stars to indicate good or poor performance. But whatever approach is considered, it should be based on consultation with the potential recipients of the reports to avoid any suggestion that the performance measurement system is ‘patronising’ or inappropriate.

Presenting information at the right time – function dictates frequency

69. The third criterion for effective use of performance information is that it should be reported at the right time. Authorities have developed performance measurement systems that report at different intervals, ranging from annually and half-yearly, to quarterly, monthly and even weekly. But the function of the reporting – whether it is for the accountability of managers to elected members or of the council to its stakeholders, for service planning, or for operational management – should be a prime consideration when determining frequency [EXHIBIT 4].

70. Information that is presented annually does not allow the user an opportunity to intervene managerially should a service be failing to meet its targets – presenting information half-yearly is little better. Information that is presented in this way will primarily be used for accountability, or for long-term planning, rather than for service management.

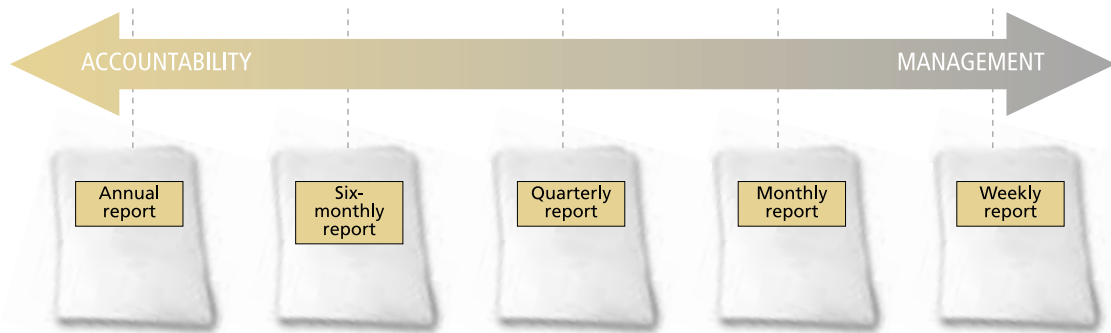
71. Information that is presented quarterly can be used to inform high-level management of services, as well as providing information to allow those responsible for services to be held to account. Many of the authorities involved in fieldwork for this report had adopted quarterly reporting for members and senior management, as it represented a balance between keeping them well informed, the cost of data collection, providing the opportunity for management to intervene, and overloading them with information. But for effective management, quarterly reporting should be supplemented by more frequent operational performance reporting.

1 Colour coding needs to be supplemented by an additional way of indicating performance, such as varying the shape or location of the colour symbol, as colour-blindness affects an appreciable proportion of the population.

EXHIBIT 4

Reporting frequency

The function of the report should determine the frequency.



Source: Audit Commission and IDeA

72. Information that is presented more frequently than quarterly will be used primarily for management, rather than for members. Effective operational management of services depends on making sure that any problems that arise are identified and resolved swiftly. This means that information should be reported on a monthly or weekly basis. But in order to avoid information overload, the information should be tightly focused on the responsibilities of the person receiving the information [CASE STUDY 12, overleaf]. It can be useful to ask 'what will the

recipient of this information do as a result of receiving it?' If the answer is 'nothing', there is little benefit in reporting it. Providing monthly reports to committees may lead to a risk that the lines of accountability for performance could become blurred, and elected members might become involved in low-level operational decisions.

Effective management depends on making sure that any problems are identified and resolved swiftly.

CASE STUDY 12**Staff monitor performance to identify problems quickly**

Staff in Leisure Services at Telford and Wrekin discuss performance indicators and progress against targets at weekly meetings and also via the monthly staff newsletter. At the meetings, staff discuss what actions they can take to address poor performance. When a course of action is agreed the effectiveness of this action is reported and discussed at future staff meetings. Targets are also set for the coming year, based on discussions on a range of information, including BVPI top-quartile data, customer satisfaction surveys, past performance and feedback from members. Staff in Telford and Wrekin are used to operating within a performance culture and the set of performance measures has been adjusted over the years to ensure that it provides information that they find useful.

Source: Audit Commission and IDeA fieldwork

Making information accessible

73. It is not sufficient to produce performance information: it should be presented in a way that is accessible to the reader. A few authorities visited in the fieldwork reported engaging in dialogue with the people who receive the information, in order to develop better ways of presenting it [CASE STUDY 13].

74. Other information that might be reported includes:

- ‘tolerance lines’, indicating the extent to which performance may vary before management intervention occurs;
- the previous year’s performance; and
- comparative performance of similar authorities.

75. In some cases it can be unclear what constitutes good performance. Reports might include notes to indicate whether high or low values are ‘good’. In some cases ‘good performance’ might be some middle value.

76. Consideration should also be given to the medium that is used for presenting information. While most fieldwork authorities produced paper reports, a few were using their authorities’ intranets, sometimes with packages that allowed graphs and other forms of presentation to be used. At the other extreme, some managers found that wall-charts of key performance measures are an effective way of keeping track of performance, with the added advantage that staff can see that the team’s performance was being monitored by their manager.

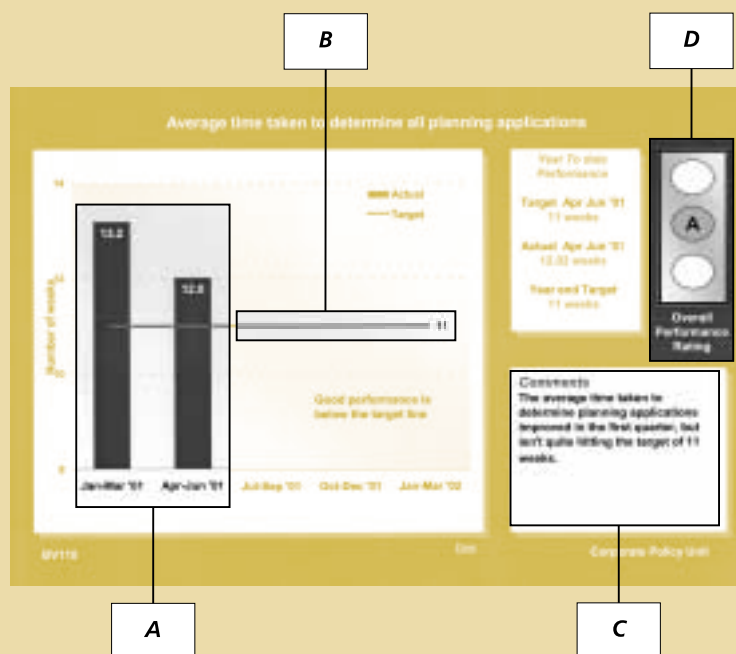
The role of elected members in monitoring

77. Member structures are changing. Many authorities have established a ‘cabinet’ or ‘executive’ with overall responsibility for strategy and setting high-level targets, and with scrutiny or audit committees to challenge the executive. Some authorities have found that the new structure leads to ‘executive’ members having clearer accountability for service delivery, with the scrutiny function charged with holding the executive to account.

CASE STUDY 13

Visual presentation makes information accessible

Sheffield City Council has devised a set of performance management reports, putting considerable effort into the visual presentation of the information in order to maximise the impact it makes. Various methods of presenting information were tested. The reports consist of information on each key indicator presented in graphical form in colour (showing actual and target performance over the year) (A), alongside data on targets (B), commentary (C) and a 'traffic light' symbol (D) to highlight those indicators where there are concerns about trends.



The charts also indicate whether high or low values of performance are good or bad and the report contains guidance notes to help readers to interpret the information.

Source: Audit Commission and IDeA fieldwork

The question of what information is presented to the executive, and what to the scrutiny function needs to be addressed. There appears to be little consistency at present. IDeA peer reviews continue to find that most authorities are still developing their scrutiny functions and are still learning from their initial efforts. Some authorities provide high-level reports to the executive, and the detailed management information to the scrutiny function; others report only the high-level information available to both executive and scrutiny functions, while others make available a compendium of all the performance information used in the authority. Authorities need to consider the roles of each group, and ensure that they have access to sufficient information to discharge their responsibilities [CASE STUDY 14, overleaf].

CASE STUDY 14**Members should ensure that they have sufficient information to fulfil their roles**

As part of the introduction of new political structures, Telford & Wrekin is developing arrangements to ensure that performance management features strongly in the information provided to elected members. High-level monitoring reports, showing performance against indicators and targets in the BVPP, plus local key performance indicators and quality of life indicators, will be submitted to Cabinet and then forwarded to Scrutiny quarterly. Portfolio holders will also agree more detailed portfolio action plans, which will then be monitored regularly with the senior management teams.

Source: Audit Commission and IDeA fieldwork

need to carry out an investigation to establish what was happening. Others indicated that it was unlikely that they would be caught unawares, as they had developed a hierarchy of indicators, and operated a policy of 'no surprises'. Any manager who sees that performance is not on target should warn his or her senior manager, who may in turn warn the member responsible for that service. As a result, when the performance report flags up the problem all parties are prepared.

79. Occasionally, authorities found it difficult to engage members' interest in using performance indicators. While members played an active role in best value reviews, and in setting targets, they were less interested in monitoring. This may reflect a lack of clarity about their role. Members should set the strategic goals for the authority, in conjunction with their partners, while officers should manage services and achieve target performance, and be accountable for doing so. The confusion can sometimes be exacerbated by the frequency of reporting provided to members and the level of detail provided. If members receive weekly information, focused on

operational issues, there is the risk that they duplicate the managers' role, which could lead to tension and frustration for both parties. It is essential that the role of elected members in setting goals and agreeing performance information is clear to both officers and members.

Acting on facts: ensuring 'no surprises'

80. One question for authorities to consider when reviewing their performance measurement systems is how they respond when the system indicates that targets may not be met. Some authorities suggested that the officers would

Explanation rather than description

81. Reporting performance, though important, is only part of the picture. What is done as a result of the information is crucial if service improvements are to be delivered. Many authorities provide a commentary on their performance, either as a note on the report, or as an accompanying report. While some of these are little more than a description such as 'performance this quarter was below target', the better reports provide an explanation of the causes of the variation. These provide elected members and senior officers with useful additional information, particularly when targets are not being met.

Taking action

82. One or two authorities have developed the idea of providing an explanation, to ensure that action is taken. They require the manager responsible for a service area whose performance is causing concern to identify the action that will be taken in order to improve performance. The action should be aimed at meeting the targets if possible, or at sorting out the problem and arresting the decline if not.

83. The need to provide explanations and action plans suggests that information should not be published to all the recipients – managers, senior managers and members – simultaneously but should be phased. As the information should be built up from the operational level to the corporate objectives this should be achievable. But some authorities publish their performance information electronically, with the consequence that all the potential audiences can access it at the same time. These authorities need to establish procedures that allow the managers who are responsible for services to have time to comment on performance before senior managers or members challenge the information.

Key lessons

1. Avoid information overload by focusing on priorities, or by exception reporting.
2. Present and highlight successes as well as problems.
3. Involve users in the design of reports.
4. The frequency of reporting should be driven by the function of the report, and by the variability of the data.
5. Define the roles of executive or cabinet members, and of scrutiny committees, and make sure that they have the necessary information to discharge their responsibilities.
6. Always ask 'what will the recipient do as a result of receiving the information?'
7. Service managers should monitor their own service areas and provide early warning of developing problems to senior management and members.
8. If performance is not on target, reports should explain why, and, most importantly, what will be done to rectify matters.

8. Conclusion

84. Performance measurement is a vital component in the drive to improve services. Authorities have begun to develop processes that will help them to manage services in order to meet their objectives, and to deliver improvement.

85. Many authorities are setting up systems to ensure that managers' – and in some cases individuals' – goals are clearly linked to the authority's corporate objectives. Local sets of core performance indicators are being developed that focus on local priorities, and targets are being set. Reporting systems are being developed, sometimes with input from users, to provide members and senior managers with the information that they need to monitor progress. Authorities are taking steps to ensure that performance information is focused on the responsibilities of the person receiving the information.

86. But there are still some issues that need to be addressed by many authorities:

- Having effective performance measurement systems in place is absolutely vital to effective performance management. Local authorities cannot begin to improve without a clear picture of their overall performance.
- Systems alone will not provide effective performance measurement. They have to be introduced hand-in-hand with changes in organisational culture that make measuring performance part of everyday management activity. This means that local authority leaders, both administrative and political, have to demonstrate the importance and value of performance measurement.
- Indicators should provide a clear view of how each member of staff and each manager contributes to the achievement of the authority's goals.

- Although targets are being set, some authorities are finding it difficult to balance the desire to set ambitious targets with the need to be realistic. Authorities need to work out how they will achieve their targets, and should plan any changes to service delivery that are necessary.
 - In addition to outcome and output measures, there needs to be sufficient operational-level data for managers to be sure that performance is on track, and so that an early warning can be given if targets may be missed.
 - Authorities need to consider how they respond to performance that is failing to meet targets, and must plan how they will correct the problem.
- 87.** Authorities should now review their use of performance measurement against the lessons set out in this paper, and identify and rectify any weaknesses that might prevent them from reaping the full benefit of measuring performance.

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Acknowledgements

The Audit Commission and the Improvement and Development Agency are grateful to the officers of all the local authorities that were visited, who freely gave their time to discuss the ways that their local authorities were using and developing performance measurement.

The Audit Commission and IDeA have produced a number of studies covering related issues. The following may be of interest to readers of this paper:

Aiming to Improve: The Principles of Performance Measurement

Performance measurement is an increasing priority for all managers in the public sector. This paper is aimed at helping public service managers to develop and use effective performance measurement as an important component of their overall strategic and operational management. It builds on the lessons learnt by the Audit Commission, and the ideas of other experts in the field. A companion paper, *On Target: The practice of performance indicators*, has also been published giving detailed advice on devising performance indicators.

Audit Commission Management Paper, 2000,
ISBN 1862402272, £15, stock code LMP1400

Getting Better All the Time: Making Benchmarking Work

Getting Better All the Time looks at the increasing use of benchmarking to help to deliver better services in local government and the health service. It discusses the factors that lead to successful benchmarking. It also examines in detail the barriers preventing organisations from achieving improvements in service delivery, and how they may be overcome. This title complements the management papers, *On Target* and *Aiming to Improve*.

Contents: What is happening now; Making benchmarking work; Conclusion; Appendices – bibliography and useful website addresses

Audit Commission Management Paper, 2000,
ISBN 1862402531, £15, stock code LMP1497

On Target: The Practice of Performance Indicators

The Commission has extensive experience of developing and using performance indicators (PIs). This paper sets out the lessons that have been learnt. It is aimed at helping managers and practitioners in local government, the NHS and central government to develop their own set of balanced and focused indicators. It describes ways to ensure that PIs are robust and well framed. A companion paper, *Aiming to Improve: The principles of performance measurement*, covers systems and the overall strategic management of services.

Audit Commission Management Paper, 2000,
ISBN 1862402280, £15, stock code LMP1398

Changing Gear: Best value annual statement 2001

The 2001 best value statement from the Audit Commission reviews progress made by councils in implementing the new best value regime. It draws on a wide range of best value evidence to get below the headlines and see what is happening on the ground. It examines how councils can use their experience to build capacity to deliver further improvements, and how inspection and audit need to change to make best value work better.

Contents: How Well are Councils Performing?; How are Councils Responding to Best Value?; How Can Councils Make Best Value Work Better?; Improving Inspection and the National Framework; Targeted to Improve; Conclusions

Audit Commission National Report, 2001,
ISBN 1862403074, £10, stock code LNR1849

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The paper will be of particular interest to local authorities that want to make best use of performance information, and to improve services. It will also be of interest to all managers in the public sector responsible for developing performance measurement in their organisations.

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