



TOOLKIT FOR PERFORMANCE MANAGEMENT, RISK MANAGEMENT AND INTERNAL AUDIT

Council of Europe Toolkit
Prepared by the Centre of Expertise
for Good Governance

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COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

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SUMMARY

Efficiency and effectiveness are among the [12 Principles of Good Democratic Governance](#). Performance management systems make it possible to evaluate and enhance the efficiency and effectiveness of the public services. The 2021 revision of the Performance Management toolkit developed by the Council of Europe's [Centre of Expertise for Good Governance](#) provides an overview of the concepts of performance management, risk management and internal audit and offers a practical guidance on how they can be applied in public sector. It also explains why they are important to public authorities in the Council of Europe member states as a way of enhancing good democratic governance and propounds some case studies to present how each concept is put into effect.

The first section of the toolkit focuses on performance management. It is defined as a tool that can help improve governance, and specifically the quality of public services for citizens. Processes linked to this instrument are increasingly used by local and national administrations throughout Europe. There are several advantages to managing the performance of services, such as the improvement of service standards. In order to measure performance, there are various performance indicators described in the toolkit, e.g., community strategy priorities, which are explained in detail. This section also provides suggestions on how to ameliorate performance management as well as a case study of the English National Outcome Indicator Set to illustrate how performance management works in practice.

The second part of the toolkit is about risk management, i.e., the process that identifies, evaluates and controls risks. These are the hazards posed by any event or action that will negatively condition an organisation's ability to reach its goals and to successfully implement its strategies. Risk management is related to effective performance management and is an invaluable part of the proficient management of an organisation. Integrating risk management in the work of local governments can bring benefits, like the protection of assets. This section offers guidance on how to respond to risks and how to assess them. It also comprises a risk assessment form that any public authority can use.

The third section looks at internal audit which is an independent, objective assurance and consulting activity aimed at adding value and upgrading the operations of an organisation. It is also important for assessing the usefulness of risk management, control and governance processes together with giving insights and recommendations that can strengthen these processes. This section provides an overview of the aspects that are associated with internal audit, including the audit lines of defence and the audit plan, before presenting a case study of the European Union's General Data Protection Regulation (GDPR).

The case studies and best practices are presented in the appendices. They include performance management tables developed by local authorities in Albania, Serbia, France and England as a part of projects implemented by the Centre of Expertise.

This general Toolkit can be adapted and used in different countries by public authorities at all levels in many different ways, but its underlying power is whatever the circumstances, it will see the improvement of services, and identify where improvements are needed to deliver community priorities.

All Council of Europe member states are encouraged to use the toolkit, provided that the copyright is respected, the Centre of Expertise is informed, and the qualified experts are engaged. The Centre of Expertise is available to provide support and assistance in its implementation.



CENTRE OF EXPERTISE FOR GOOD GOVERNANCE

The [Centre of Expertise for Good Governance](#) helps Council of Europe member states deliver good governance and promotes European standards and best practice in this field. It continuously invests in research and expertise, develops practical tools, creates partnerships with national and international actors, and enlarges its offer of cooperation programmes adapting them to the specific needs of the beneficiaries. Being directly linked to the [European Committee on Democracy and Governance](#) (CDDG), the Centre of Expertise has ready access to high-level government officials from the 47 member States and a reservoir of knowledge.

All Council of Europe member states are encouraged to use this and other toolkits of the Centre of Expertise, provided that the copyright is respected, the Centre of Expertise is informed, and the qualified experts are engaged. The Centre of Expertise is available to provide support and assistance in its implementation.

INTRODUCTION

Efficiency and effectiveness are among the [12 Principles of Good Democratic Governance](#). Performance management systems make it possible to evaluate and enhance the efficiency and effectiveness of the public services. This Toolkit brings together the important concepts of performance management, risk management and internal audit, because applying these principles supports better governance and improved delivery of public services.

Local authorities have, as provided by the European Charter of Local Self-Government (ETS No. 1220)

“ *the right and the ability ... within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population,* ”

these authorities are accountable to the citizens and the State authorities as provided by law. This places considerable responsibility on local government, using the toolkit will assist in local government discharging its functions appropriately.



This toolkit also supports the following Council of Europe recommendations:

- Recommendation CM/Rec(2019)3E - [Recommendation of the Committee of Ministers to member states on the supervision of local authorities activities](#) (4 April 2019). This recommendation sets out the importance of the 12 Principles of Good Democratic Governance, notably the openness and transparency, competence and capacity. It also encourages local authorities to create internal control procedures and services.
- CM/Rec(2007)12E - [Recommendation of the Committee of Ministers to member states on capacity building at local and regional level](#) (10 October 2007) stated that that

effective democracy and good governance at all levels are essential for preventing conflicts, promoting stability, facilitating economic and social progress and hence for creating sustainable communities where people want to live and work, now and in the future.

The tools in this manual support local government in the delivery of these responsibilities and increases the capacity to deliver high quality local public services and to engage the inhabitants in the democratic functioning of local authorities.

- CM/Rec(2007)4E - [Recommendation of the Committee of Ministers to member states on local and regional public services](#) (31 January 2007). This refers to local and regional authorities introducing a system of performance evaluation carried out regularly and publicly and, in particular, the use of performance indicators in local government. The tools covered in this manual support the delivery of quality, effective, efficient and economic local services.
- The 2020 Report on [“Democratic governance and Covid-19”](#) by the European Committee on Democracy and Governance (CDDG), which states that the major lesson learnt from the COVID -19 experience is that strong and effective multilevel-governance is essential to prevent, identify and manage emergencies, including pandemics. Further, resilience, flexibility, capacity and coordination are instrumental to good governance and to ensure that key services continue.



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1. PERFORMANCE MANAGEMENT

Introducing performance management as a method to assist in improving public services

Public sector workplaces are experiencing colossal changes that are challenging traditional ways of working and workforce expectations. The economic realities of ongoing fiscal constraints, reductions in headcount, and increasing public expectations are creating a demanding environment where employees are expected to deliver more with fewer resources. In addition, the working styles of a new generation and new technologies have created a hyper-connected. The COVID-19 pandemic has resulted in new ways of working, including remote working that has placed greater emphasis on public sector organisations managing performance in new ways.


By adapting performance management practices, leaders in the public sector can help employees identify organizational priorities and focus their efforts, while still emphasizing continuous self-improvement, ultimately helping to increase overall engagement. Effective performance management practices not only help organisations continue to raise the bar, but also engage employees on the efforts and behaviours required for both personal and organizational success, creating a win-win situation. Regardless of the maturity of the organisation's performance management practices, leaders that make it a priority to help manage employee performance ultimately build a more engaged, high-performing workforce.

“Performance management” is a tool to improve the quality of public services for citizens. It allows an organisation to set out what it wants to achieve and how it will deliver its aims. Elected members, officers and the public will all be clear about what success will look like. This could be improved infrastructure such roads, better waste collection and public open space cleaning services, and improved recycling.

It may seem like a technical and complex subject, but it is a logical process to manage better the delivery of public services. It will ensure that the best possible outcomes are secured from the limited resources that are available to those working in the public sector.

Performance management processes are increasingly used by national and local government in Europe to drive up the standard of services. The Council of Europe is promoting the improvement of services and delivering value for money through the development of performance management in local government.

Although many people may use the terms performance management and performance measurement interchangeably; they are different entities: performance measurement is about the past, and performance management is a method to manage the future delivery of services. This manual will lead you through the process so that the effective management of services leads to improved delivery for citizens.



Community strategies set out the vision and ambitions (aims and objectives) of a Local authority for the medium to long-term future. In preparing the Community Strategy, the Local authority needs to establish a clear understanding of what local people and other key stakeholders want. The vision and objectives should be encompassed in local authority Plans (also called Community Plans) and supported by programmes and projects that will enable the ambitions to be realised.

In order to ensure the successful delivery of the ambitions in a Community Strategy, it is vital to manage performance and give appropriate resources, including people and budgets. The management of performance is key to ensuring that everyone understands what is trying to be achieved. This requires establishing a systematic approach towards identifying, collecting and using performance information to monitor the achievement of targets and milestones in the Community Strategy and other Local authority plans and making people individually responsible for delivery.

1.1 WHY MANAGE THE PERFORMANCE OF SERVICES?

Why is managing the performance of services important?

- Citizens deserve and expect services of good quality. Taking a positive approach to managing services results in improved service standards.
- If performance information is available to the public local people can better understand the services being provided. They can see what services are performing well and where there are problems. This encourages local people to help look for solutions and get involved in democratic processes, thus strengthening local accountability.
- When performance information is available to managers and elected representatives, they can see the actual level of performance and how they might deliver better efficiency, effectiveness and value for money in specific services.
- Performance information should be available to the leadership of the Local authority. They have responsibility for the quality of local services and can use the performance information to celebrate success or take corrective action. Performance information allows them to identify more clearly their service priorities and therefore where resources should be allocated.
- Performance information provides a Local authority with a basis for comparing its own performance in specific services both with best practice and with performance in other local authorities. This provides the leadership with the basis for rewarding and sharing their own good practice or introducing new initiatives to drive up standards even further.
- Performance information can show regionally and nationally how local authorities are performing and to what extent they are meeting national standards and delivering national targets.

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

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

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

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

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

If you can demonstrate results, you can win public support

What gets measured gets done¹



¹ / David Osborne and Ted Gaebler. 1992. Reinventing Government: How the Entrepreneurial Spirit Is Trans-forming the Public Sector
New York, NY: Penguin

1.2 SUMMARY OF THE BENEFITS OF MANAGING THE DELIVERY OF SERVICES

The benefits of applying the concept of performance management and monitoring the delivery of services are:



To enable the Local authority to know whether it is making real progress towards the achievement of the vision of the Community Strategy.



To communicate to citizens and stakeholders the progress that is being made in delivering the Community Strategy.



To enable the Local authority and its managers to identify problems at an early step to enable managers to take appropriate corrective action.



To enable the Local authority to review the content of the Community Strategy from time to time to judge how realistic programmes and projects are in practice and make adjustments as appropriate.



To enable the Local authority to share information with the public about services delivery, and in doing so build local accountability and trust with the local community.

1.3 SETTING A CLEAR STRATEGIC DIRECTION

Those responsible for delivering public services need to be clear what it is that they need to achieve. This often involves working closely with the community to understand their aspirations and priorities. The Local authority needs to be clear about what it is it wants to achieve and what local services will be delivering in the future. Setting the strategic direction requires a clear analysis of the current level of services and an understanding of what local people and other key stakeholders including central government want. Using this knowledge, performance indicators can be developed which cascade and link high-level strategies to employee's personal targets.



It is vital that a Local authority establishes a set of performance indicators which it can control and has the ability to deliver. Performance indicators can also be set where the Local authority is working with others, such as utilities or private businesses, those targets should contain a mixture of individual and joint targets so that the overall objectives are clear and each organisation understands what they are expected to deliver.

In local authorities that prioritise well:

- there is evidence that stakeholders and the public have been involved to establish aims and priorities;
- councillors are involved in setting strategic aims and in ranking them;
- aims and priorities, and their relative importance, are clear and underpin the vision and overall aims of the Local authority;
- 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 Local authority's vision;
- priorities and plans of others (such as utilities) reflect Local authority priorities and vice versa;
- priorities are reviewed at appropriate intervals to reflect changing demands and current progress.

1.4 APPLYING PERFORMANCE MANAGEMENT AT ALL LEVELS WITHIN A LOCAL AUTHORITY

The delivery of services by a Local authority, and other related stakeholders, operates at a number of levels. Each level is supported by underpinning plans and strategies. This is shown in the diagram below:



Performance needs to be measured and managed at different levels within a Local authority. In this way the likelihood of delivering improved services are maximised. The levels where effective management is needed are:



The method for measuring performance should link the different levels. The objectives and performance indicators at the lower levels should reflect the objectives and performance indicators at the higher levels.

Community Strategy
Priorities

Work with partners in the public, private and voluntary sectors to improve the quality of life of people in the local authority

Local (local authority)
priorities

Identify how targets contribute to meeting the Community Strategy priorities

Key performance
indicators

Performance Indicators monitored by elected member, and the Corporate Management Team

Service performance
indicators

Broader number of performance Indicators monitored by the Directors and Service Management Team

Type of performance indicator	Use of performance information
Level 1: Community strategy priorities (usually long-term indicators)	Vision for locality including socioeconomic measures (e.g. unemployment rate)
	Partnership with civic society
	Strategic objectives
	Democracy and sustainable development
Level 2: Corporate indicators Targets that contribute to delivering against community strategy priorities (usually long- and medium-term indicators)	Strategic plans and priorities (monitored at strategic level – senior management team and elected members)
	Performance management system
	Corporate services (HR, finance, IT)
Level 3: Service indicators Operational objectives of quality of service and contribution to corporate indicators (usually medium term and short-term indicators)	Service plans
	Service delivery
	Contracts
	Management
Level 4: Team / individual indicators (job and activity indicators) (usually short-term indicators)	Staff targets
	Staff performance
	Staff appraisal

Note:

Typical time span of indicators: long term indicators 5+ years; medium-term 1 – 5 years; short term 1 year.

Example:

performance indicators for delivering economic growth.



COMMUNITY INDICATOR

Stimulate economic development through providing infrastructure requirements to deliver 1000 additional jobs by 2010/11.



CORPORATE INDICATOR

Set aside 10% (XX Euros) of budget in next 3 financial years for delivering the infrastructure requirements.



SERVICE INDICATOR

Through a phased programme of development put in place the infrastructure for a business plan that delivers 200 jobs in 2008, 250 jobs in 2009 and 650 jobs by March 2011.



TEAM INDICATOR

Have in place the specific work programmes and project planning – water & sewerage connections, energy supply and business units to deliver the service target



INDIVIDUAL INDICATOR

Complete the necessary utility connections in accordance with the project plan.

1.5 TYPES OF PERFORMANCE INDICATORS

To actively manage a Local authority's performance there first needs to be clarity over the overall strategic objectives. Supporting performance indicators can then be defined. The indicator needs to describe clearly what exactly is being measured and how. If the definition of a performance indicator can be interpreted differently by different people, the value of using performance indicators for comparison purposes will be partly lost.

For example, when defining the unit cost of a service, it is important that the definition specifies what cost elements (e.g., overheads) should be used to make up the unit cost. The definition should set out the mechanism for collecting the data where this is necessary to ensure uniformity.

National or local performance indicators?

Central governments in different countries have varying levels of control and monitoring of the delivery of services by local government. This is partly because local government is responsible for a significant proportion of public expenditure. Some governments such as in the UK set and monitor national standards for local public services.

National performance indicators should encourage uniformity by using standard definitions and procedures. This will enable robust comparisons of performance to be made between local authorities.

National performance indicators can stimulate local authorities into developing additional local performance indicators. However, it is important that local authorities are not overburdened with national performance indicators. Where applied, the number of indicators should be kept to a minimum, otherwise more effort could be made in collecting and managing performance than actually delivering services.

Local authorities will want to develop their own local performance indicators for local priorities as well as monitoring progress against any national indicators where they exist. It is easier to secure local ownership where performance indicators are locally developed: local ownership is essential if indicators are to be seen as more than a paper exercise.

The main types of performance indicators

The model below identifies four main types of indicators:



The following are some examples of such indicators:

<i>Input indicators</i> provide information on the resources committed to a service in terms of finance, staffing, equipment, land and property	unit costs
	number of staff
	area of property or land in use
<i>Activity indicators</i> provide information on the processes, systems, cultures and procedures needed to deliver a service	trend in use of information technology
	response time to complaints
	speed of telephone answering
<i>Output indicators</i> provide information on the performance of the service provided in terms of, for example, capacity, throughput and service level	number of service users
	number of hours of service provided
	passenger miles of transport services
	level of awareness of service
	proportion of service users to potential service users
	books lent by the library
	number of diplomas awarded
<i>Outcome indicators</i> provide information on the impact the service has on users and on the wider community	increased level of public participation
	reduction in crime committed by young people
	reduction in long term unemployment
	trends in literacy levels

It is easier to measure inputs and activities than outputs and outcomes. The risk is that there are more indicators for inputs and activities. However, the most important indicators will relate to the outcomes. The Local authority will be judged by local people on the impact (outcomes) it has in the community.

Performance indicators can be either quantitative (changes in absolute values of unit delivery) or qualitative (measures of the quality of services such as satisfaction indicators)

For this reason, it is important to identify a range of key performance indicators in the 'basket' of indicators of any one service or priority, including key performance indicators for outputs and outcomes.



ECONOMY

What are the costs of the service?

EFFICIENCY

What is the ratio of outputs to resource inputs?

Together economy and efficiency indicators measure value for money. Economy refers to the cost of the resource (e.g. staff costs). Efficiency is about the relationship between inputs and outputs (e.g. unit cost for delivering a service).

QUALITY

Is the service achieving quality standards and user satisfaction?

EFFECTIVENESS

Do actual inputs and outcomes achieve our intended objectives?

Quality and effectiveness indicators measure how far the service achieves defined standards and objectives. They are about whether the service has delivered the intended outputs and outcomes. They can also include indicators of user satisfaction and community participation.

IMPACT

What net improvement does the service make to the quality of life of the local community?

Impact indicators measure the effect of the service on the wider community, such as local economic development as a result of improved infrastructure.

EQUITY

Is the distribution of benefits from the service equitable?

Equity indicators measure, for example, the accessibility of the service to all social and ethnic groups in the community. This is an important measure in areas where there are communities with specific needs.

The emphasis on performance indicators has changed in many countries. There is now greater emphasis on outcomes rather than outputs.

1.6 CHARACTERISTICS OF EFFECTIVE PERFORMANCE INDICATORS

It is important to take great care in developing performance indicators. They have to play a constructive role in service management and accountability. There are certain characteristics that will determine their effectiveness.

RELEVANCE

Indicators should measure aspects of performance that are important to the Local authority; they should reflect the interest of users and other key stakeholders.

CREDIBILITY

Data should be accepted as reliable and accurate by stakeholders and should be capable of being verified independently. It is important to consider carefully and in detail about how the data will be collected. Participation by relevant staff will help ensure this.

TIMELINESS

Indicators should be able to provide information to managers and policy makers when they need it, e.g. for budget decisions and for quarterly reviews of performance. The mechanism for collecting data, including timing and frequency, is important.

CLARITY

Indicators should be simple, welldefined and easy to use; they must deliver clear messages.

FOCUS

A limited number of key indicators should be used that focus on the most important aspects of a service. Otherwise, performance management becomes a burden, not an opportunity.

COMPARABILITY

Performance data should be comparable over time and in comparison with other local authorities.

ATTRIBUTABLE

It should be clear to what extent changes in performance data result from the Local authority's own activities, and not from external factors. Where the Local authority only has partial control, care should be taken in interpreting the performance information.

COST EFFECTIVENESS

It must be possible to collect performance data at reasonable cost and over a period of time.

RESPONSIVENESS

Indicators should not limit innovation. They should be able to respond to change.



To be useful, indicators of performance have to be compared against one or more reference points. **There are four main types:**

BASELINE

A baseline is an established starting point. This allows a comparison of present performance over time.

It answers the question:

“ How fast is performance improving? ”

MINIMUM STANDARDS

Minimum standards can be set nationally or locally. This allows a comparison of present performance with standards below which performance should never fall.

It answers the question:

“ Are we meeting our minimum obligations? ”

TARGET

Targets can be set nationally and locally. They give staff a performance goal; performance information can tell them how far they have travelled towards that goal.

They answer the question:

“ ‘How much more do we need to improve in order to meet our objective? ”

BENCHMARK

A benchmark sets out the performance level of, say, a group of the best-performing local authorities or a set of agreed standards; this allows a Local authority to compare its performance within local government or against a recognised level of performance.

It answers the question:

“ ‘How good is the service compared to similar services elsewhere or against the recognised standard? ”

1.7 OBJECTIVES KEY RESULTS



Objective Key Results are another development in the robust management of organisations.

OKRs (Objective and Key Result) can be used at the corporate level (Tier 1), department/business unit level (Tier 2), and employee level (Tier 3). The distinctive features (in contrast to KPIs) are:

- Set and reviewed more frequently (typically quarterly)
- Transparent to all in the organization, both vertically and horizontally
- Seek that 'sweet spot' between being aspirational yet realistic
- Expectation that not all OKRs will be met each quarter (if they are, then they most likely are not a "stretch")

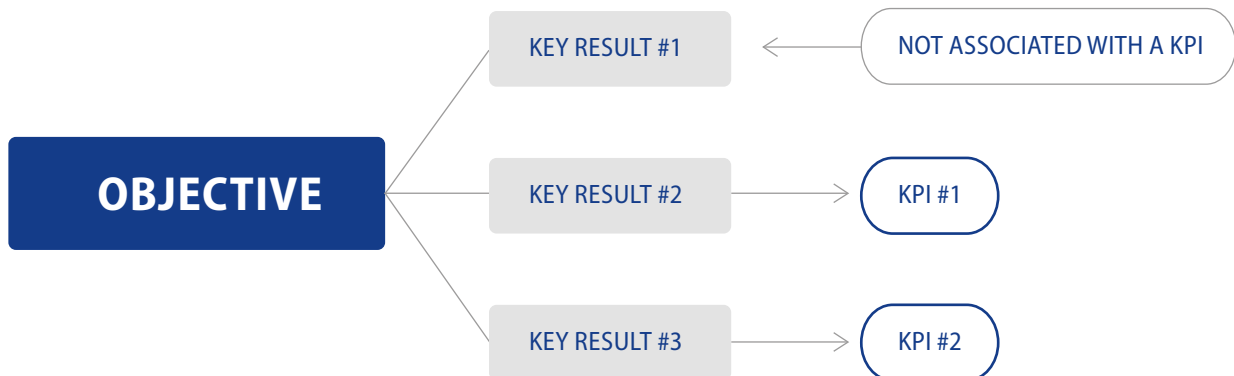
OKRs CONSIST OF TWO PARTS:

1. Objectives: where you want to go – your goals for a set period (often one-quarter).

2. Key Results: how far you progressed in the pursuit of these goals.

Like KPIs, OKRs start out at the high level – “What are the organisation’s main objectives for this quarter?” – and get progressively more granular. But unlike KPIs, they focus more on internal performance, from the organisation to project teams and individual employees.

Objectives are ambitious and should feel somewhat uncomfortable.
Key Results are measurable.



What is an OKR?

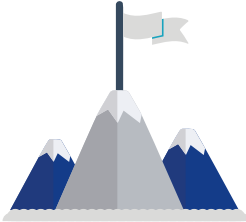


Objectives and Key Results are a popular goal management framework that helps local authorities implement strategy and deliver projects.

The benefits of the framework include improved focus, increased transparency, and better alignment.

OKR achieves this by organising employees and the work they do around achieving common objectives.

An OKR consists of an **Objective**, which defines a goal to be achieved, and up to 5 **Key Results**, which measure progress towards the **Objective**. Each OKR can also have **Initiatives**, which describe the work required to drive progress on the **Key Results**².

The framework includes a number of rules which help employees prioritise, align, focus and measure the outcome of the work they do. OKR helps to move from an output to an outcomebased approach to work.

What is an Objective?	What is a Key Result?	What is an Initiative?
<p>An Objective is a description of a goal to be achieved in the future. An Objective sets a clear direction and provides motivation. An Objective can be thought of like a destination on a map.</p> 	<p>A Key Result is a metric with a starting value and a target value that measures progress towards an Objective. A Key Result is like a signpost with a distance that shows how close you are to your Objective.</p> 	<p>An Initiative is a description of the work you'll do to influence a Key Result. If an Objective is your destination and a Key Result shows the distance to go, an Initiative describes what you'll do to get there e.g. take a car.</p> 
<p>“ Where do I want to go? ”</p>	<p>“ How do I know if I'm getting there? ”</p>	<p>“ What will I do to get there? ”</p>
<p>An Objective describes where you want to go and sets a clear direction – a point on a map.</p>	<p>An Objective describes where you want to go and sets a clear direction – a point on a map.</p>	<p>An Objective describes where you want to go and sets a clear direction – a point on a map.</p>

2 / <https://www.perdoo.com/okr-guide/>

Business Impact

Current research shows that when comparing groups of employees who used OKR against those that do not, those that used it proved much more effective at their jobs, resulting in better performance and increased sales. In fact, the group who did not use OKR actively asked to be involved in the process in future cycles.

Cultural Benefits

The biggest impact of using OKR compared to those who focus purely on metrics and KPIs, is a cultural shift from output to outcomes. OKR creates *focus*, *transparency* and *alignment* for all the work in a local authority. These three factors combine and lead to increased employee engagement.

OKRs are usually created following a cadence of two timeframes, yearly and quarterly. Organisation objectives run in yearly cycles. This makes it simple to take organisational strategy and translate it into objectives.

OKRs owned by teams and departments follow a quarterly cycle. This allows shorter review cycles and makes it easy for organisations to change direction if tactics are not driving progress towards the Company OKRs for the year.





1.8 ATTRIBUTES OF ORGANISATIONS THAT HAVE EMBRACED AN EFFECTIVE PERFORMANCE MANAGEMENT APPROACH

Organisations that are good at performance management have demonstrated that they:

- Are willing to be challenged and are keen to learn from others.
- Have managers who play an active/key role.
- Have managers who lead by example, seek opportunities for challenge, learn and create an atmosphere where people feel able to learn.
- Work with elected members.
- Encourage strong review and are supportive.
- Effective resource allocation.
- Consider diversity of community.

High performing organisations seek to establish corporate priorities based on community expectations³

- Consultation with community to find out their priorities.
- Monitored by elected members and senior officers.

Priorities supported by key performance indicators

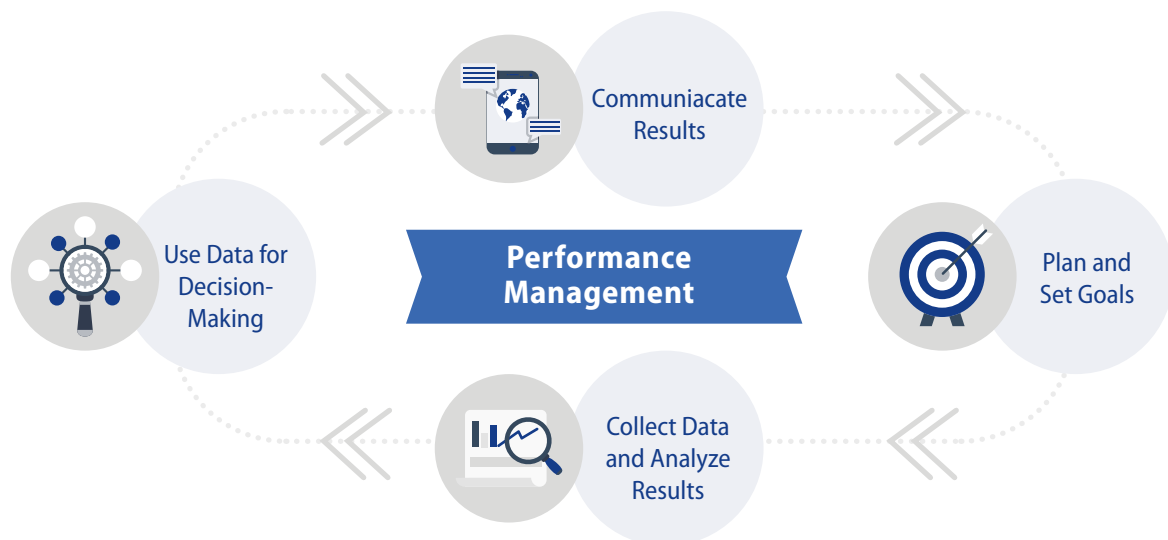
- Local government should have a realistic number of priorities – normally approximately 20 key priorities – to demonstrate organisational effectiveness.
- These priorities are locally determined and service specific targets.
- Some priorities can only be delivered in partnership and are therefore cross organisational.

From collecting data to using performance information

- Performance information should be regularly reported and be appropriate for the audience – elected officials, citizens, stakeholders.
- It should be presented in a way that enables analysis and comparison – a traffic light system may assist in this.
- Performance information is used to drive improvement.

3 / See Council of Europe Toolkit on Strategic Municipal Planning

1.9 KEY COMPONENTS OF ROBUST PERFORMANCE INDICATORS



A performance indicator should:

- Relate to a corporate or service objective.
- Be challenging.
- Be easily understood.
- Have the commitment of staff.
- Be linked to resources.
- Be linked to individual action plans.
- Performance indicators should have the following attributes:

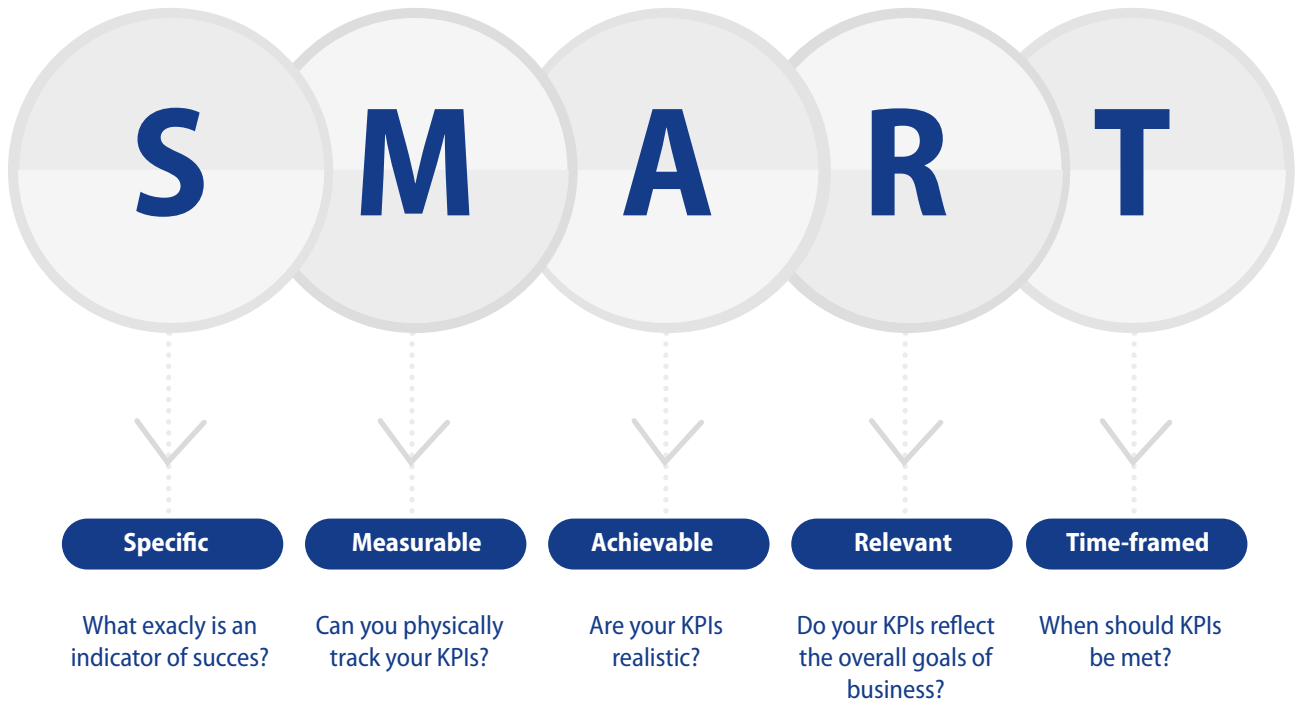
SPECIFIC: Clear, unambiguous and easy to understand by those who are required to achieve them.

MEASURABLE: Set a target for which success can be gauged by referring to a specific measure or measures. Establish workable processes for the timely collection of the information. Ask yourself the question 'can I prove it?'

ACHIEVABLE: Express specific aims that staff feel can realistically be achieved, with some effort. Ask staff involved if it is achievable. Involve staff in the process and ask them what needs to be done to achieve the target. Always consider available resources and priorities when considering achievability.

RELEVANT: Targets need to be relevant to those who will be required to meet them; they must have enough control over their work to be able to meet their targets. 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 lead to people giving up.

TIMED: There should be a set timescale for achieving a target; open ended targets do not encourage a focused effort on improving performance.



There needs to be a clear link between corporate objectives, departmental, team and personal goals if progress is to be made against performance indicators. There also needs to be a clear link between indicators set at each of these levels. For example, if there is a service indicator requiring a 10% improvement but indicators applied to individuals do not reflect this, then there is a risk that the overall service indicator will not be met.

1.10 A PRACTICAL EXAMPLE

Many Eastern European countries have seen the benefit of establishing Public Information Offices (PIO).

It is important to monitor the outcomes of the PIO to ensure they meet the expectation of those that use them, both in the range of services offered and the effectiveness at which services are provided to those that need them.

Why measure the performance of a Public Information Office (PIO) / one-stop-shops?

- Understand the drivers of staff and customer satisfaction and develop measures to improve both.
- Improve on the value-for-money efficiency of contact centres.
- Share best practice methods and experiences.
- Understand what best performance looks like.
- Develop better indicators together.
- Have a clear view of the performance of public services.

Performance indicators and targets could include:

- X% of telephone calls answered within 1 minute.
- X% of customers seen within 15 minutes.
- A target of 80% of enquiries resolved at first point of contact.
- Reduce avoidable contact by at least 50%.
- Increase the number of actions delivered by the PIO from X to Y (or increase the percentage of overall transactions undertaken by the PIO from X% to Y%).
- Increase satisfaction with the PIO from X% to Y%.
- Time spent to undertake a transaction in the one-stop-shop.
- This means that the operation of the PIO can be demonstrated as improving accessibility to services.

Many of the performance indicators are dependent on having the necessary systems to collect the data.

1.11 THE PERFORMANCE TABLE

The templates below that can be used that encourages the key aspects of performance management to be included is shown below.

Objective	<i>[State the overarching objective to be achieved]</i>
Outcome	<i>[State the outcomes that are to be secured]</i>
Activity / Milestones	<i>[State the activities that will be taken to deliver the objective – can be broken down into multiple activities or milestones to achieve more complex objectives]</i>
Performance Indicator (s)	<i>[Set out the KPIs that will be used to demonstrate delivery of the activities, ensuring they are SMART; the KPIs will usually be a mix of output indicators to ensure the objective delivery is on target, and outcome indicators to show that the outcomes sought from the outset are realised]</i>
Timescale	<i>[Insert Date]</i>
Monitoring arrangements	<i>[State how ongoing monitoring will be undertaken both to deliver output KPIs and longer-term outcome KPIs; can include confirmation about regularity of reporting and to whom / which committee or full council etc.]</i>
Budget	<i>[State the confirmed financial resources to deliver the objectives – can be broken down to stages of a longer-term project - XX Euro's]</i>
Person Responsible	<i>[Insert job title – people may change but job titles are less likely, but someone needs to have responsibility of delivery]</i>

The following is a worked example of an objective to improve the cleanliness of open spaces in a local authority. [Please not further detailed examples are provided in the appendices].

Objective	Improved cleanliness of streets and open spaces
Outcome	Improved standards of public open space, encourages usage by citizens and greater citizen satisfaction with the local area, improved local environment and reduced impact on macro-environmental measures (e.g. global warming) / improved sustainability.



Activity / Milestones	<p>Develop clear standards for cleanliness of open spaces and highways including through community consultation.</p> <hr/> <p>Set robust processes to enable delivery of standards (programme of street and public open spaces including cleaning weekend cleansing rota etc).</p> <hr/> <p>Confirm arrangements to assess quality of local environment.</p> <hr/> <p>Agree impact through public and stakeholder consultation.</p> <hr/> <p>Targets for cleanliness (% of area with litter & levels of public satisfaction)</p> <hr/>
Performance Indicator (s)	<p>Initial level of cleanliness and public satisfaction determined by [date]</p> <hr/> <p>40% of the highway is clean and has acceptable level of litter by [date]</p> <hr/> <p>40% of public consulted are satisfied with standards of public open space by [date]</p> <hr/> <p>Target for annual increase in standards and satisfaction set – raising from baseline to x % in year 1, Y% in Year 2 etc</p> <hr/> <p>50% of highways in acceptable condition in [Date]</p> <hr/> <p>50% of public satisfied with standards of public open space in [date].</p> <hr/>
Timescale	<p>[Insert Date]</p> <hr/>
Monitoring arrangements	<p>Annual survey of public satisfaction (random survey of 500 people)</p> <hr/> <p>Quarterly of a sample of open spaces and roads.</p> <hr/> <p>KPIs reported to council every month.</p> <hr/>
Budget	<p>XX Euro's</p> <hr/>
Person Responsible	<p>[Insert job title]</p> <hr/>



1.12 MONITORING, REPORTING AND DEVELOPING A PERFORMANCE CULTURE

Each year local authorities should set out their performance and plans which include indicators in an Annual Report. Some countries publish the plans and make them available for public debate and feedback.

Performance information should also be made available to elected representatives, staff and other stakeholders through information technology. The government or the National Association could develop the necessary databases on the internet to allow comparisons to be made in the relevant corporate and service areas. Each Local authority should have its own website showing what it aims to achieve and what process has been made against this.

Information should be presented in a way that facilitates analysis and comparison, and simple techniques, like traffic lights, can be used to identify when performance is improving, steady or declining.

Everyone in a Local authority has responsibility for performance management – but leaders must drive it. What they say and do sets the tone for everything that happens within the Local authority. Priorities should be agreed and clearly communicated throughout the council. When making decisions, leaders need to be seen using performance information if others are to become committed to using the systems that provide the information. Leaders at all levels must also be willing to understand the barriers to improvement and provide the necessary support to solve problems. Leaders and champions, those who embrace and encourage others to use performance management, are needed at all levels.

Strong leaders and managers are clear about what kind of performance they expect and communicate the importance of everyone's contribution towards meeting corporate and community ambitions.

The leadership of the Local authority must seek to develop a culture conducive to performance management.

It is possible to identify key elements in a performance management culture:

- A commitment by the leadership and managers to effective strategic planning and service planning.
- A willingness by the leadership and managers to accept bad news, learn from mistakes and take action to address performance problems.
- A focus on a small number of well-defined priorities and related performance indicators.
- A clear link between corporate priorities, performance indicators and targets, service plans and staff appraisal and reward systems.
- A clear and effective process for communicating the importance and use of performance management throughout the organisation.
- The publication of performance data in the public domain (e.g. in an Annual Performance Report) in an attractive and understandable way.
- Widespread understanding and ownership of the Local authority's performance management system.
- Encouraging managers and staff to achieve targets.
- A willingness to celebrate personal and team achievement.
- A close tie up between performance information and key strategic and budget decisions.

For many organisations' performance management will be a new tool for improving public services. In developing performance management arrangements, the following questionnaire can be used to identify what the Local authority has in place. Using this knowledge performance management has been developed in services and across the whole organisation.

*Please rate the following points on a scale of 1 - 5
1 = not at all, 2 = not very, 3 = quite, 4 = very, 5 = totally*

Self-assessment to ascertain the level of performance management maturity.

		1	2	3	4	5
1.	Does the authority have clear corporate priorities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Are priorities informed by local consultation and analysis of local needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Is delivery of the priorities measured?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Are there service plans and action plans to support delivery?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Are the plans comprehensive and have clear targets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Are the plans monitored regularly and action taken if they are not being delivered?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Do you have any performance management systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Is the performance information used?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Do resources link to the priorities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Is there an annual report which sets out the results of monitoring of outcomes and examines performance against priorities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Are there targets for individuals to deliver their part in plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Do you think performance management would help you improve services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1.13 THE ANNUAL PERFORMANCE MANAGEMENT CYCLE

Once an analysis of performance management arrangements has been undertaken the following is an example of an annual timetable for a Local authority which could be implemented.

It will vary between organisations depending on local circumstances such as resources and staffing capacity. The timetable identifies the importance of the role of elected members, all staff and the public in identifying the priorities and monitoring to support delivery of improved services.

Month	Activities
April	Review of previous years targets
	Development of corporate and service plans (then agreed with elected members)
May	Link corporate / service / individual targets as part of target setting process
June	Yearly monitoring of performance and service plan activity to management team and elected members
July	First quarter performance reporting (April – June) to elected members and senior management
September	Ongoing review of performance and corrective action taken if necessary
	Commence consultation with public regarding priorities
October	Second quarter reporting to CMT and members (July – September)
	Half yearly progress report against action plans
	Performance appraisals
November	High-level performance monitoring to elected members
December	Consultation on performance indicators for the next year
	Priority Consultation with elected members informed by outcome of public consultation
January	Third quarter performance reporting (October-December) to senior management and elected members
February	Setting / Reviewing priorities
	Complete performance target setting and review next year's performance indicators to ensure achieving improved services
	Finalisation of performance targets and outcomes for next financial year
March	Training and Development Plan agreed and budgeted
	End of financial year
	High-level performance monitoring to members
	Production of performance summary for the year (Annual Report)

1.14 A CHECKLIST FOR DEVELOPING PERFORMANCE TARGETS

Does the target reflect the local authority's priorities aims and objectives?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Does the target link to service plans and individual targets?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have staff at all levels been involved in target setting?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have elected members been involved in the target setting process and approved the targets set?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you compared your target with last year's performance?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you analysed previous results and used that information to inform your target setting?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you ensured the target is supported by strategies and plans and financial planning (including medium term plans)?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you established ownership for reporting the results of the PI on a regular basis?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Can you measure the target that has been set and prove the outturn figure?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Are there national target setting standards that must be applied?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you set targets for the next 3 years?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you considered operational issues that may mean targets need to be set at a lower level than achieved in a previous year?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Is progress towards achieving the target regularly monitored?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you reviewed local indicators?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Do your local indicators reflect your service plan and the current priorities for service delivery?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you introduced procedures for monitoring performance throughout the year?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Do you ensure that the end of year report is published only once you have validated the supporting information?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Does the monitoring report form an integral part of team meetings?	Y <input type="checkbox"/>	N <input type="checkbox"/>
DOES MONITORING LEAD TO ACTION PLANS AND REVISED TARGETS AND RESOURCE ALLOCATION		



1.15 AVOIDING PITFALLS

There are risks in developing a process of performance management to improve services, the main risks relate to attitudes.

- The need to report on specific performance indicators can distort the behaviour of service managers. There is a tendency to focus on those aspects of the service being measured (often inputs rather than outcomes) at the expense of other aspects. For that reason, it is better to use 'baskets' (a selection) of indicators so that data on all the main dimensions of a service are covered and to limit the number of indicators.
- Some performance indicators will be influenced by factors outside the control of the managers or the local authority (e.g. cuts in the overall budget). But in understanding performance, these factors must be taken into account.
- Some managers might take action, sometimes dishonest, to improve specific performance data where it is in their interest. Internal and external audit can reduce the level of dishonest reporting.
- Validation of performance data is important. But external audit can be expensive, and too much audit can reduce the local ownership of performance management. On the other hand, every Local authority should have some internal audit capacity that can support (rather than control) the development of a robust performance management system without losing local ownership.
- Competent managers will want to add their own performance indicators in the light of local circumstances. It is important to keep the number of obligatory performance indicators relatively small (i.e. just limited to the most important priorities).
- Staff can be demotivated where performance information shows that service provision is poor. Staff should see performance management as an opportunity to improve, to learn from others. In this way, they themselves learn and develop.

It is important to avoid these risks if staff and elected representatives are to use performance management proactively to drive up the standards of service provision and not reactively merely as a paper exercise in reporting.

These risks highlight the need for systems to manage performance to be carefully designed and to be introduced with sensitivity. They have to be seen as a tool for local authorities to raise the standards of service provision and not as a mechanism for greater external control.



Pitfalls	How to avoid them
<p>Indicators which merely focus on maintaining the current position can result in them not being ambitious enough.</p>	<p>Consider a stepped programme of change. It is useful to start by considering highly ambitious targets for improvement, then asking:</p> <ul style="list-style-type: none"> • 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? • can we make the changes that are necessary?
<p>No responsible officer: Without a responsible officer you will not have the mechanism for reporting performance, measuring achievement, reviewing indicators and achieving continuous improvement.</p>	<p>Ensure you have allocated responsible officers to manage achievement of targets and change programmes. Have more than one officer capable of providing the information when required.</p>
<p>Failing to put in place a robust system for collating performance information.</p>	<p>Design collection techniques that involve properly researched information gathering arrangements in advance of setting targets. Monitor the collection of this data to ensure it is robust.</p>
<p>Failure to monitor performance on a regular basis at operational level. There can be a tendency to just check up on performance quarterly when a report is being made. This can result in performance slipping to unacceptable levels in the interim periods and recovery impossibility.</p>	<p>Operational monitoring may need to be done on a timelier basis. Prioritise and consider monitoring by other means. Inclusion in team meetings or individual assessment meetings.</p>
<p>Not keeping on top of prioritised areas. Priority areas and key performance indicators can sometimes overshadow the non priority areas.</p>	<p>Put in place regular monitoring systems for all performance indicators. Frequency of monitoring will depend on priorities and performance.</p>
<p>Not keeping on top of prioritised areas. Priority areas and key performance indicators can sometimes overshadow the non-priority areas.</p>	<p>Put in place regular monitoring systems for all performance indicators. Frequency of monitoring will depend on priorities and performance.</p>
<p>Not reviewing local performance indicators.</p>	<p>Local performance indicators and local target setting is an ongoing process and should be subject to continuous review to reflect priority service delivery and provide relevant information to the public.</p>
<p>Not setting targets for new performance indicators. Failure to set a target can mean the performance indicators gets forgotten and by end of year you realise you have no collection procedures in place.</p>	<p>Ensure ownership of performance indicators at earliest opportunity. Establish processes for collection of data. Use any previous information you have.</p>



More generically, some of the challenges faced by public sector organisations include⁴:

- **EMPLOYEES THAT ARE UNINFORMED OF THEIR ORGANISATION'S OVERALL STRATEGY AND SUPPORTING PLANS**

Many public servants do not receive adequate communication from leaders regarding the organisation's strategy and what actions are required of employees to contribute to these goals. This gap in communication contributes to misalignment between the goals of employees and the organization's strategy. As such, employees may lack clarity on key priorities and struggle to determine which initiatives they should focus on. This often results in employees spending time on activities that do not contribute to the plans of the organization as well as employees feeling overwhelmed without a clear sense of direction.

- **SAVING FEEDBACK FOR THE FORMAL PERFORMANCE REVIEW CYCLE**

there is a tendency amongst public sector leaders to 'save' feedback or coaching opportunities for formal performance review cycles where employees tend to meet with their performance management supervisors or their manager one to two times per year to obtain formal feedback. With this approach, managers can struggle to integrate both formal and informal feedback and, as a result, run the risk of bottling up performance feedback instead of evenly distributing it throughout the year and/or delivering it to employees in the moment. This results in a performance management time lapse where employees are receiving feedback that has little relevance to their current performance situation, which can lead to an overall decline in the level of accountability employees' have, or feel they have, to address any formal feedback they receive. Leadership teams must take into consideration the expectations of a multi-generational workforce that increasingly demands a flexible performance management system, with timely access to coaching and feedback, when planning, preparing and modifying their organisations for the future. The younger generation expects to receive transparent and real time feedback from employers. Traditional and administrative performance management discussions that save feedback for the end of the year will not be instantaneous nor engaging enough for the emerging generation workforce.

- **PERFORMANCE INCENTIVES ARE LIMITED**

Performance incentives are often used by organisations to encourage top performance and desired behaviours. However, the link between incentives and performance management is not as clear in the public sector, which is highly policy based. From a performance management and compensation perspective, there are not always opportunities to distinguish between top performers and performers who are just meeting expectations. Rewards are generally based on tenure, and promotions are traditionally linked to an employee's ability to effectively meet standardized selection criteria, as opposed to their performance and personal 'fit' for the position. The lack of correlation between these activities within the public sector can result in a deterioration of the impacted employee's engagement.

4 / Deloitte – "Four performance management mistakes getting in the way of your team's success – and what you can do about them" <https://bit.ly/3spFc6k>



What can leaders do to address these challenges:

- **MAKE THE STRATEGY CLEAR & REALISTIC**

Leaders must establish, reiterate and reinforce the organisation's strategy and how their team contributes to meeting the objectives. Leaders are responsible for communicating goals and priorities to their teams, and ensuring employees understand how their work translates into the successful realization of the organization's goals. Leaders should identify and use all opportunities to communicate the goals of the organization. Doing this will help ensure the strategy remains top of mind for employees. In addition, tie all initiatives back to the key priorities of the strategy. This will help employees make clear connections and understand how their actions contribute.

- **CREATE COACHING MECHANISM**

Leaders have the ability to complement formal performance review cycles with real-time, ongoing coaching and feedback to help employees grow, develop and become more engaged. Leaders need to stop focusing on the formality of the performance review cycle and shift toward regular, on-the-job, real-time constructive coaching/development opportunities helping to increase overall employee engagement.

- **MEANINGFUL INCENTIVES HAVE MANY FORMS**

While approaches to raises and promotions can be difficult to influence in the public sector, leading practices suggest that performance recognition is not only about tangible rewards. Leaders should begin to better understand what makes their employees 'tick', recognising that this can be very different on an employee-by-employee basis. When there is a high level of clarity around what drives performance for an employee and a team, including their career development aspirations, it is easier to adjust the performance conversation in a way that is motivating for that particular employee. With the evolving expectations of a younger workforce for interactive and transparent work environments potential reward and recognition opportunities include: flexitime, indirect benefits, prestige and recognition, career planning sessions and special programs.

1.16 GLOSSARY OF TERMS

Performance Management	Process by which an organisation plans and monitors the delivery of improved services for citizens
Performance Measurement	Monitoring and collecting data on the performance of services
Performance Indicators	Measures by which progress against an activity can be monitored
Timescale	The period over which a project or activity will be delivered
Vision	Long-term ambition of the Local authority, set out in a community strategy
Indicator	A specific performance measure
Stakeholder	Individuals or groups of people with an involvement in the delivery of service (utility companies, citizens, interested groups etc.)
Objectives	The set of actions the local authority aims to deliver for improving public services, these underpin the priorities
Priorities	The stated aims of the local authority, set through consultation with the community and other stakeholders
Input indicators	Provide information on the resources committed to a service in terms of finance, staffing, equipment, land and property
Activity indicators	Provide information on the processes, systems, cultures and procedures needed to deliver a service
Output indicators	Provide information on the performance of the service provided in terms of, for example, capacity, throughput and service level
Outcome indicators	Provide information on the impact the service has on users and on the wider community
Baseline	A baseline is an established starting point. This allows a comparison of present performance over time
Benchmark	A benchmark sets out the performance level of, say, a group of the bestperforming local authorities or a set of agreed standards; this allows a local authority to compare its performance within local government or against a recognised level of performance

1.17 THE SELF-ASSESSMENT TOOL

For each of the aspects of good practice for performance management a descriptor is provided and then the opportunity to self-assess against the descriptor:

- a self-assessment section where local authorities are asked to identify their level of maturity for each area. The levels of maturity are the following: aware, developing, practicing and excelling.

Aware	A	Developing	D	Practicing	P	Excelling	E
We are aware of the key issues to be addressed but currently have no, or very few approaches developed to address them		We recognise key issues and are developing approaches to address them, although there has been limited practical implementation so far		We have well developed plans to address key issues, with significant examples of implementation		We can show clear evidence of good practice which can be shared and are further developing our approach to ensure long term and sustainable improvement	

- evidence to support the self-assessment provided by the Local authority.

A local authority would be expected to:

- read the information provided;
- consider the evidence they have available which would support their assessment;
- make a self-assessment of their maturity;
- record the evidence they would wish to offer in support of their self-assessment.

Information used as evidence to complete the self-assessment should be easily available to local authorities from a variety of sources for example: existing policies, procedure documents, operating rules and guidance, internal audit and review reports and external audit, inspection and review documents.

The Summary Maturity Matrix is used to give a local authority a view of how well it is doing in using performance management across a range of areas.

Implementation of the tool can be country or region wide. Some questions in this benchmark may not be applicable for every region/country.

The tool should be completed by officers and elected members so that there is a clear agreement of the position of the local authority. Other key stakeholders (such as NGO's and partners who are involved in the delivery of public services) can also be invited to complete the assessment so that the local authority is clear that their understanding is shared by others.

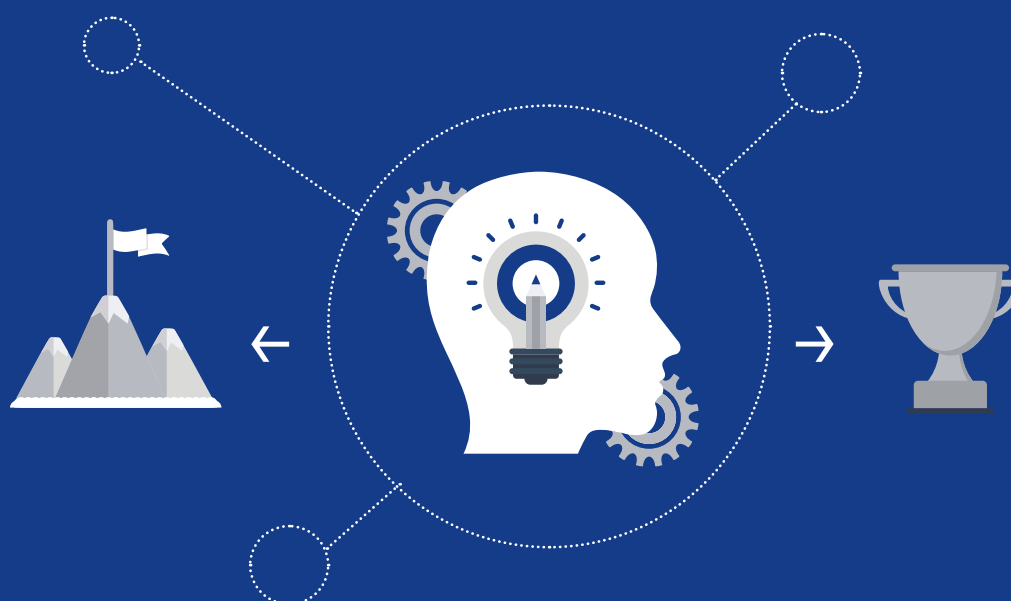
The key headings for performance management can be divided as follows:

Performance management

1. Is there a consistent, rigorous and open approach to performance management?

2. Does the council / local authority and partner organisations know how well they and each other are performing against planned outcomes?

3. Is knowledge about performance used to drive continuous improvement?



1.18 USING THE TOOL

- Read the descriptor carefully.
- Consider the evidence available to demonstrate your scoring.
- Put a tick in the relevant box for each of the descriptors.
- Add up all the ticks in each area and enter the total into the summary box at the end.
- This will give you a picture of where you are overall.

TOPIC	INDICATORS	EVALUATION Put a tick in the most appropriate box				YOUR COMMENTS
		A	D	P	E	
1. Is there a consistent, rigorous and open approach to performance management?	1. There are strong links between the council's / local authority's overall ambitions and community and corporate plans, through to service and individual plans, priorities and targets (including value for money targets).					
	2. Managing performance management is part of how people work and manage proactively rather than just monitoring. Senior officers set a strong example which cascades through the organisation.					
	3. Systematic monitoring and review ensure the council / local authority stays on track to deliver services. There is a culture of open debate and constructive challenge, with a focus on solutions rather than blame.					
	4. Elected representatives have a record of focused involvement in performance management, for example through meetings.					
	5. There is evidence that elected representatives make use of information to manage continuous improvement.					
	6. Elected representatives and staff have clearly defined roles in performance management.					

TOPIC	INDICATORS	EVALUATION Put a tick in the most appropriate box				YOUR COMMENTS
		A	D	P	E	
	7. The local authority / council adjusts the frequency of monitoring and review of different performance information. This takes account of risk and timescales for taking remedial action.					
	8. There are strong mechanisms to help sustain the focus on priority issues. The local authority / council has a track record of managing performance to help secure outcomes for the community that reflect its ambitions and priorities.					
	9. Staff, contractors and partners' views of their own priorities are usually aligned with those of the local authority / council and know how they contribute to delivery. The local authority / council is self-aware about strengths and weaknesses of its approach to performance management, and learns from others.					
	10. Effective management of performance is integrated with the management of resources so that resources follow priorities whilst retaining the flexibility to respond to performance.					
	11. There is a well-publicised, user-friendly and supportive system for service users and staff to submit complaints, grievances or representations. The council / local authority takes seriously the need to respond to grievances and complaints about service delivery at all levels and deals with these in a timely way.					
	12. There is feedback to complainants to say what (if anything) was done as a result of their complaint.					
	TOTAL for topic 1:					

TOPIC	INDICATORS	EVALUATION Put a tick in the most appropriate box				YOUR COMMENTS
		A	D	P	E	
2. Does the council / local authority know how well they are performing against planned outcomes?	13. Regular, robust and balanced information about performance is sought and produced throughout the council / local authority.					
	14. The information produced is simple to access and understand, and is user-focused. It includes national and local performance. It includes financial, budgetary and value for money information.					
	15. The council / local authority understands the level of importance and satisfaction that different sections of the community attach to its activities. This is a key performance measure that is assessed (such as through satisfaction and feedback questionnaires) and used to inform improvement priorities.					
	16. The council / local authority proactively uses comparisons and benchmarking to increase its self-awareness of costs and outcomes.					
	17. Internal actors (local authority services, staff) are given opportunities to influence how performance is measured and monitored and what targets are set. They have access to service standards and targets.					
	18. External actors (people who use council, other stakeholders) are given opportunities to influence how performance is measured and monitored and what targets are set. They have access to service standards and targets.					
	19. The council / local authority reports information about its performance in a coherent and accessible way while meeting statutory requirements for performance reporting.					
	20. The council / local authority, the community and its partners have a good picture of how well the council / Local authority is performing, especially against its ambitions and priorities.					
	TOTAL for topic 2:					

TOPIC	INDICATORS	EVALUATION Put a tick in the most appropriate box				YOUR COMMENTS
		A	D	P	E	
3. Is knowledge about performance used to drive continuous improvement?	21. The council / local authority sets realistic but challenging targets for improvement in performance, linked to resources.					
	22. The council / local authority uses performance information to focus on priorities and takes effective action to address areas of identified under-performance.					
	23. The council / local authority allows time to monitor and compare performance information.					
	24. Cross-departmental working is well advanced and the corporate centre is able to coordinate this effectively through the performance management system.					
	25. The council / local authority takes into account the needs of its diverse communities in planning and delivering joined up services.					
	26. The council / local authority uses its knowledge to solve areas of weaker performance at an early step.					
	27. Information about poor performance and problems is used to inform decision making. There is good understanding of what improves performance in all areas.					
	28. The council / local authority uses knowledge from complaints and user-feedback to drive improvement.					
	29. It is developing full access to these for the diverse communities served. It also makes use of staff suggestions, complaints and grievances.					
	30. The council / local authority makes good use of opportunities to learn from its own successes and failures.					
	31. The community strategy has a clear set of relevant ambitions and priorities. These are based on up-to-date evidence.					

TOPIC	INDICATORS	EVALUATION Put a tick in the most appropriate box				YOUR COMMENTS
		A	D	P	E	
	32. The council can show the difference it has made for example clear improvement in services successfully tackling issues in a joined up way such as attracting resources and inward investment.					
	33. The council's services and functions reflect the importance of national and local issues such as economic growth.					
	34. The relevant service plans and resources are aligned with the council / local authority's stated ambitions.					
	35. The council / local authority is delivering against clear interlinking plans and strategies to common themes. Examples might include; improving health and environmental quality; tackling local crime, antisocial behaviour, and increasing employment levels amongst all groups in the community.					
	36. The council / local authority has taken account of different stakeholders such as business and user groups' needs and acted upon them. Satisfaction with services has risen or has been maintained at a high level.					
	37. The council is accessing funding for regeneration projects because this is in line with its ambitions for the area, and it can demonstrate to its citizens that the funding is contributing to these ambitions.					
	38. Employment rates for local people have increased, particularly for lone parents, people who are over 50, people with disabilities, people from black and minority ethnic groups, people lacking qualifications, and those in areas of low employment or living in rural areas.					
	39. Environmental quality has been enhanced for all sectors of the community; particularly for those in areas affected by pollution and noise.					
	TOTAL for topic 4:					

Summary Maturity Matrix

Principle	Headline Definition	Aware	Developing	Practicing	Excelling
1	Is there a consistent, rigorous and open approach to performance management?				
2	Does the council / local authority know how well they are performing against planned outcomes?				
3	Is knowledge about performance used to drive continuous improvement?				
	Total Score				



1.19 SEVEN WAYS TO SUSTAIN PERFORMANCE MANAGEMENT IN THE PUBLIC SECTOR⁵



DEFINE MEANINGFUL PERFORMANCE METRICS

High achieving organisations need targeted indicators of performance that can be measured accurately and consistently.



SET STRETCH TARGETS

Organisations can motivate employees to reach for optimal performance by clearly communicating stretch targets that reflect the overarching vision.



CREATE DIGITAL TOOLS FOR SHARING INFORMATION

Key performance indicators and stretch targets should be visible and shared in real time to change the way people work across the organisation.



ENGAGE WITH EMPLOYEES

Managers should not just review targets during appraisals with staff but offer incentives and / or support to employees.



USE AGILE METHODOLOGIES

where possible work in fast moving project review cycles which can help launch performance improvement initiative more quickly.



EMPHASISE NON-FINANCIAL INCENTIVES

Organisational leaders should take all steps to incentivise the behaviors required to achieve high levels of performance.



BUILD THE SKILLS FOR SUCCESS

Capacity building is a crucial foundation for ensuring that high performance can be sustained long term [See Council of Europe Human Resources toolkit].

5 / McKinsey&Company Sustaining high performance beyond public-sector pilot projects [<https://mck.co/3n1rci3>] / Deloitte – “Four performance management mistakes getting in the way of your team’s success – and what you can do about them” <https://bit.ly/3spFc6k>



DEFINE MEANINGFUL METRICS

To perform at the highest levels, public-sector employees need a clear view on current performance, problems, and processes, as well as future goals. Such transparency is more common in focused, short-term pilot work, where everyone is focused on the outcome. But it can be more challenging when applied in the broader context of public service delivery where managers often think in functional or bureaucratic silos. This complicates efforts to establish and communicate meaningful performance metrics, set stretch targets, and create cross-organizational mechanisms to change the way people work. Moreover, many public-sector organisations face challenges in adopting robust approaches to data. In some, performance metrics are drowned out by the flood of incoming information, while in others the data needed to establish metrics in the first place may not even be available.

To address this, public-sector organisations need first to identify which strategic moves will best meet their overarching mission and then identify metrics for tracking progress for each strategic dimension. Service managers, staff and elected representatives should contribute to the process so that metrics are relevant ones that employees will use. They should consider financial factors, such as how cost-efficient processes are, but also non-financial ones, such as measures of quality or customer satisfaction. Performance metrics should be limited only to those that can be consistently defined and measured. Where possible, they should allow individuals to see their direct effect on performance. That can be a powerful motivator, since public employees often derive considerable personal purpose from working for the common good.

A common challenge is that the ultimate goal (outcomes) may not be measurable in the short term — consider long-term population health, for example. In such cases, organisations should focus on the most practicable indicators of performance they can measure.

SET STRETCH TARGETS

Traditionally, managers of public-sector organisations tend to set discrete, non-aspirational objectives for their teams. Those in the public-sector were more likely than their private-sector counterparts to describe performance targets as attainable. Further, managers often assign employees specific targets relating to their own roles without communicating those targets openly to all staff. As a result, employees often perceive performance with regard to their own teams meeting static targets rather than the performance of the overall organization.

Stretch targets can help boost employee engagement and motivation — as well as performance. Instead of simply asking employees to work harder, organisations should encourage their employees to innovate and think “outside the box” to meet their stretch targets. Publicly communicating stretch targets at the risk of failing to achieve them can have consequences in media coverage and in the organisation’s standing in public opinion. Managers, therefore, need to strike a balance between being perceived as overambitious and being perceived as sluggish for having no stretch goals at all.

Such overarching goals should be clearly communicated from the top in a compelling narrative that reflects the organisation’s values and vision. Also, the target-setting process should be a recurring process as organisational leaders achieve immediate goals and look toward new ones. Public-sector organisations commonly revisit employees’ performance goals annually.



CREATE DIGITAL TOOLS FOR SHARING INFORMATION

Performance metrics and stretch targets are only meaningful if employees pay attention to them. In the context of a pilot project where everyone knows what's being measured, that's usually a given — workers know their performance is being closely monitored. But more generally, where stretch targets exist, the consensus-driven, nonjudging culture of many public sector organisations often lack the kind of rigorous performance management that would enable them to change the way people work. Managers can remedy this by creating mechanisms that allow employees at all levels to share relevant performance management information in real time.

For example, a digital situation can increase transparency into employee and organisational performance. This can be created by developing a fully digitized platform that employees can log into, at any time, from any device, to find real-time performance data. This enables a common, centralized view of the institution's processes, achievements, and bottlenecks.

INSTITUTE MOTIVATIONAL DIALOGUES

Conventional performance reviews in public sector organisations tend to focus more on past performance than on fostering a culture where everyone works toward overall organisational goals. Motivational, cross-cutting, solution-oriented dialogues can help public-sector leaders cast their feedback on employee performance in a more forward-looking light. This includes identifying the root causes of problems, instead of merely treating symptoms. [See the Council of Europe toolkit on Human Resource Management]. It includes helping employees break problems down so they can be addressed in manageable parts — and identifying any required counteractions. Structured and outcome-oriented discussions resulted in a set of clearly defined key todos, with assigned responsibilities for tracking progress. This is supported where there is a culture that encourages candid, frequent conversations among employees and managers to equip everyone with the tools needed to make them happen, such as the ability to master more challenging feedback conversations. The effectiveness of performance management, and dialogues in particular, rests on managers' capabilities, where there is clearly still room for improvement.

ADOPT AGILE PRACTICES

Broad-based efforts among public-sector institutions to improve performance often fall short of expectations. They often lack top-management support and clear timelines. They exhibit a low degree of collaboration among relevant stakeholders across departments as well as a resistance to change. Ideally, teams should move more quickly and efficiently and adopt definitions of success from the customer or citizen's point of view. In this approach, organisational leaders and teams come together every few weeks to review progress on relevant initiatives and address questions that have come up. This encourages senior managers to be closely involved in any changes that are being implemented. The frequency of their interactions with senior leaders empowers employees to implement changes more quickly. Teams should be able to own an outcome from end-to-end, with team members representative of the key stakeholders or value streams.



EMPHASIZE NONFINANCIAL INCENTIVES

The effectiveness and efficiency of public sector organisations is a direct reflection of the people who work there. Employees need training and appropriate incentives to deliver their best performance — an area where public institutions face limitations. For example, public sector salaries may sometimes be less competitive than those in the private sector and there is often a challenge in attracting sufficient talent to the public sector.

Nonfinancial incentives can help public organizations to engage and motivate employees. Nonfinancial incentives can be more effective for motivating employees than monetary rewards. For example, public-sector organisations can more readily adopt more flexible work models — such as flexible hours and homeworking (a positive outcome from the COVID-19 pandemic), and to offer additional learning opportunities.

Some employees are also motivated by the emotional validation they receive when they are recognized for good performance and for the sense of satisfaction they gain as they develop new capabilities. This can work particularly well in the public sector, where employees are often intrinsically motivated by a sense of purpose or a contribution to society. Strengthening positive incentives for high performers, such as more autonomy, freedom to work independently, leading special projects or task forces, and chances of gaining attention or recognition, can further boost employees' motivation.

BUILD THE SKILLS FOR SUCCESS

To ensure that organisational performance remains high in the long term, leaders in public organizations must develop new capabilities — filling skill gaps in various functional areas, for example, or training existing employees to work differently. Public sector managers need to use approaches that encourage giving feedback, motivate employees, and support development.

1.20 COUNCIL OF EUROPE PERFORMANCE MANAGEMENT PROGRAMMES

The Council of Europe has implemented performance management programmes across a significant number of countries and at a local, regional and national government level. The objectives of these programmes are however standard:

- To raise awareness of the elected representatives and the officials of the pilot local authorities to the role and importance of the measurement and performance management at local level which includes a range of processes, techniques and methods that facilitate the identification of targets and measurement of progress towards achieving these.
- On a local level it is used to compare performance of local authorities and to identify best practices. In recent use effective performance management has been seen by many European countries as a key ingredient of good governance and has played an increasingly important role in the management of public services.
- To assess the knowledge and experience of the pilot local authorities in the field of performance management and to identify the good practices to be learnt from.
- To identify distinct and / or, if possible, common indicators to improve the measurement and management of performance in the fields of budgetary and financial planning/management of property.
- To promote intermunicipal co-operation / exchange of experience with the formulation of recommendations aiming at improving the performance of local authorities from the same or from different countries.
- To consolidate the capacities of the National Association of Local Authorities and the link with its members.
- To facilitate the exchange of experience and the development, when appropriate, of lasting partnerships / projects between local authorities (*though development of actual twinning is not the objective of the programme in itself*).
- To use, where appropriate, the conclusions of the programme to support the revision of the legislation in different fields of the local administration where performance management mechanisms are applied, with a view to make sure it is in line with the needs and priorities of local authorities, through provisions of new legislative recommendations and subsequent testing of proposed changes in practice.



GENERAL METHODOLOGY OF THE PERFORMANCE MANAGEMENT PROGRAMMES

The aim of the Council of Europe's programmes on performance management is to allow local authorities and if possible their associations to work together in order to define critical factors / elements that determine a service provision's good results/quality, which constitute the principal performance indicators in various domains.

To begin with, local authorities, in cooperation with their associations, when these are involved, are invited to identify their performance indicators in key fields for the municipal administration such as for instance *local economic development, communication with the citizens, internal communication, waste management and management of staff*, and to define the norms that need to be applied for each indicator. Therefore, they can take as a start the reports / studies on performance management in other European local authorities (examples of the United Kingdom) that the Council of Europe has at its disposal.

Local authorities are then invited to decide, along with their department managers, to reach the corresponding or superior levels in comparison with the set performance standards. Managers are then invited to use the performance indicators to improve their own results / management. When performance indicators reveal in-sufficiencies, it will be necessary to identify the actions that should be undertaken in order to overcome difficulties and improve the situation.

Regular information reports prepared by local authorities will allow the comparison of performance data, for instance in the fields of local economic development, communication with the citizens, internal communication, waste management and management of staff. The government of the given country can then make use of this data and of the elaborated performance management tools in order to improve their results in political priority sectors that are linked to the local administration.

The Council of Europe's Centre of Expertise for Good Governance wishes to propose a method that takes this approach as a starting point for the implementation of a performance management system, including a list of standard indicators.

Such programme are implemented between local authorities from the same country but it may also associate local authorities from different countries such as the performance management programme implemented by the Council of Europe since 2007 in Serbia in the framework of a Joint Programme with the European Commission on "Strengthening local self-government in Serbia". It involved Serbian, French and German local authorities, together with the support of Serbian, French, German as well as British experts. In this way local authorities are able to have in-depth knowledge about their actual practices in applying their competences.

SUMMARY OF KEY ACTIVITIES IMPLEMENTED IN THE FRAMEWORK OF PERFORMANCE MANAGEMENT COOPERATION PROGRAMMES

1	Drafting and dispatch of a questionnaire on the experience of pilot local authorities in managing performance in given municipal administration fields of action.
2	Organisation of a joint Workshop to review the answers to the questionnaire and develop Performance Management Templates highlighting the objectives to be met in the chosen fields and related indicators.
3	1st series of Bilateral meetings of Council of Europe experts in the pilots to help them fulfil those templates and provide necessary advice.
4	Joint Workshop to discuss the conclusions of those field visits and finalise the Performance Management templates
5	2nd series of Bilateral meetings of Council of Europe experts in the pilots to assess the implementation of performance mechanisms, and the necessary actions to be undertaken to bring necessary improvements.
6	Publication of a national Guide to Performance Management to all local authorities with basic methodology
7	Joint Conference / Roundtable to discuss results of the Performance Management Project and agree on the necessary follow-up.



1.21 PERFORMANCE MANAGEMENT QUESTIONNAIRE

In order to ascertain the degree of maturity of the performance management approach in local government the following questionnaire can be used.

Please rate the following points on a scale of 1 – 5: 1 = not at all, 2 = not very, 3 = quite, 4 = very, 5 = totally

1.	Does the authority have clear corporate priorities?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Are priorities informed by local consultation and analysis of local needs?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Is delivery of the priorities measured?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Are there service plans and action plans to support delivery?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Are the plans comprehensive and have clear targets?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Are the plans monitored regularly and action taken if they are not being delivered?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Do you have any performance management systems?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Is the performance information used?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Do resources link to the priorities?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Is there an annual report which sets out the results of monitoring of outcomes and examines performance against priorities?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Are there targets for individuals to deliver their part in plans?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Do you think performance management would help you improve services?	1	2	3	4	5
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS SECTION

- A. Please state what you think are the three most important services for your authority?
- B. Give any examples where performance management has been used to improve services.
- C. Give an example where performance management could have been used to improve a service.
- D. Any other comments?



1.22 CASE STUDY: THE ENGLISH NATIONAL OUTCOME INDICATOR SET

In the UK there has been a real focus on improving outcomes for local people, local businesses and local places rather than on processes, institutions and inputs.

A range of national indicators have been developed to measure progress against outcomes for local people. This has resulted in a considerable reduction in the number of performance indicators collated by English councils. Where process or input indicators have been included it is in areas which Government considers to be important but where out-come measures cannot easily be set (such as safeguarding children), in new policy areas where outcomes have yet to be tested, or for cross-cutting issues that directly underpin better outcomes (such as efficiency and service transformation).

The successful adoption of nationally used comparative Indicators requires the following attributes:

RIGOROUS PERFORMANCE MANAGEMENT

By reducing the number of indicators required by the British Government, more focus can be given to the performance management of the indicators in the national set. The comparative information provided allows judgements to be made by central government and regulators as to where performance is better or worse and focus attention accordingly.

EMPOWERING LOCAL PEOPLE TO JUDGE THE QUALITY OF THEIR LOCAL SERVICES RELATIVE TO OTHERS

It is the responsibility of local authorities and their partners to report to their citizens and users on their performance during the year, including against the national indicator set, as they consider appropriate. This may include the local indicators identified in the first part of this appendix.

EFFECTIVE PARTNERSHIP

The national indicator set covers both services delivered alone and in partnership and encourages English local authorities and their partners to work together to deliver improved outcomes.

MAKING THE BEST USE OF SCARCE RESOURCES BY DRIVING OUT WASTE AND DUPLICATION

This is a single set of indicators which replaces all previous Central Government sets for local government, removing duplication and wasted effort. It represents a drastic reduction in the number of indicators against which local government is required to report.

Whilst there has been a further move away from many national performance indicators, instead preferring localities to develop measures what matter for them, there is still broad use of national indicators. These can be Seen in Appendix 3.

For each of the above indicators there is a need, especially when comparisons are to be made, to ensure that information is collected consistently. For this reason each indicator is supported with information to explain the rationale behind the indicator:

- A clear definition of the indicator.
- A formula to show how the indicator needs to be calculated (otherwise inconsistencies can arise resulting in comparisons being inaccurate).
- A worked example.
- Explanation of what is good or bad performance.
- How often data is collected, and
- Data source.

The following table shows the information displayed for each indicator. Appendix 4 shows three worked examples for indicators from the national indicator described above.

Indicator number and title			
Rationale	Explanation for the inclusion of indicator.		
Definition	Explains how the indicator will be measured and what is being measured. It also includes the precise meaning of any specific terms. It includes information that is essential to the calculation included in the definition. If data from another source is used in the calculation, information on the data provider will be provided.		
Formula	Explanation of the method of calculation.		
Worked example	Will show how the definition and formula will work in practice.	Worked example	Will show how the definition and formula will work in practice.
Collection interval	Will explain the frequency of collection	Data Source	Will give information on data series used, the form on which data will be collected and whether the collection is specifically for the national indicator set.

1.23 CONCLUSIONS

Effective performance management supports and develops public services to provide better outcomes for citizens and service users than would otherwise be achieved.

Performance management is a continuous process that helps to deliver lasting improvements to public services for local citizens. It can also be a catalyst for improvement by challenging what is expected of services. It involves measuring and monitoring actual performance and taking action to ensure the delivery to support achieving priorities. Good performance management helps elected representatives to make informed decisions on future priorities and resource allocation. It also helps the public to know if services are good and it will support elected members to make decisions and focus on key issues.

Measuring the achievement of performance is an important part of the delivery of public services. It is important to set clear meaningful indicators at all levels so that delivery of the community strategy can be demonstrated.

The aim of the framework is to develop a culture of performance management and service improvement to deliver the expectations of citizens. The benefits of the performance management system are that it:

- Helps the local authority to be clear about its vision, values, objectives and priorities;
- Helps cascade the higher level objectives and priorities into service delivery via service plans;
- Helps individuals to understand their contribution to higher level objectives through employee work / development plans and personal appraisals;
- Allows the local authority to manage and report its performance in regular updates to elected members, staff and the public.

The power of performance management has seen service quality dramatically improve. It has seen the delivery of improved services in many countries such as Sweden and England. For example through implementation of change and robust performance management the amount of recycling increased in one area of England from just 18% of waste created to almost 50% waste being recycled, thus helping to reduce the impact of climate change and preserving the world's natural resources.

This general Toolkit can be adapted and used in different countries by public authorities in many different ways but its underlying power is whatever the circumstances it will see the improvement of services and identify where improvements are needed to deliver community priorities.



2. RISK MANAGEMENT

2.1 WHAT IS RISK MANAGEMENT AND WHY IS IT IMPORTANT?

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully deliver its strategies.

Risk management is the process by which risks are identified, evaluated and controlled and is a key element of the framework of governance.

Public services need to consider risk management and how they handle risk in all its forms.

Risk management is an integral part of the effective management of an organisation and links directly to effective performance management. The integration of risk management into the culture and working practices of local government and its partnerships has numerous benefits, which include:


- Clearly identifying all the significant risks faced.
- Setting the evaluation of these risks in the context of corporate objectives.
- Prioritising risks to ensure management and resources are focused on the critical areas.
- Developing a suitable level of risk awareness by staff.
- Ensuring a positive attitude to risk management.
- More efficient use/allocation of resources within the Council .
- Keeping the Council within the requirements of the law.
- Safeguarding of assets, including reputation.
- More informed, transparent and accountable decision-making.
- Exploiting opportunities.

Risk Management is not an isolated activity, and in order to be effective it needs to be included in everything the council does.

Risk management can be defined as

“ a logical and systematic method of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable organisations to minimise losses and maximise gains ”

It is not about being 'risk averse' but is about being 'risk aware'.



Good governance requires that risk management is embedded into the culture of the organisation; with elected representatives and staff at all levels recognising that risk management is part of their job. At the highest level, risk management must be closely aligned to the organisation's strategic objectives, ensuring that there is a clear focus, at the top of the organisation, on those significant risks that would prevent the organisation achieving its key business objectives.

In carrying out its objectives, a council faces internal and external factors and influences that make the successful achievement of these objectives uncertain.

Risk arises because objectives are pursued against this uncertain background.

We define risk as

“ an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. ”

The definition clearly places risk in the context of what the organisation aims to achieve.

An authority should, therefore, be able to demonstrate that risk management has been embedded in its corporate business processes, including:

- strategic planning;
- financial planning;
- service delivery;
- policy making and review;
- project management;
- performance management.

To enable effective strategic risk management, the number of significant business risks should be limited to those that are considered business critical – say the 10 to 20 top risks. Having a higher number makes it more difficult to effectively manage and monitor risks.


Councils will also need to identify what is the most effective structure for them to manage risk.

At service or departmental level, service managers will need to be able to identify and manage those operational risks that could prevent or disrupt the delivery of services to citizens.

An organisation's risks will change over time as its objectives and service delivery arrangements change, in response to either local issues or national policies. Risk management arrangements must be flexible enough to respond to these changes. What is seen as a low-level operational risk today may be tomorrow's significant business risk.

To ensure an effective level of risk management, a council will need to be able to demonstrate, as a minimum, the following attributes:

- A risk management strategy/policy has been adopted and approved by elected representatives.
- The risk management strategy/policy requires the council to:
 - identify corporate and operational risks;
 - assess the risks for likelihood and impact;

- 
- identify mitigating controls;
 - allocate responsibility for the mitigating controls.

- The council maintains and reviews a register of its corporate risks linking them to strategic business objectives and assigning ownership for each risk. The risks arising from and within partnerships and other joint working arrangements should be identified as part of this process. The corporate risk register should ideally be supported by a series of department/service risk registers that identify and assign the lower-level operational risks.
- An elected representative committee has specific responsibility included in its terms of reference to consider corporate risk management.
- Reports to support strategic policy decisions, and project initiation documents, include a risk assessment and the identification of mitigating action.

As a council develops more robust risk management arrangements that reflect best practice, it should be able to demonstrate some or all of the following:

- A risk management process that is reviewed and updated at least annually.
- Risk management awareness training for those elected representatives with specific responsibility for risk management, and, ultimately, for all elected representatives.
- Relevant training and guidance for all appropriate staff to enable them to take responsibility for managing risk within their own working environment.
- Regular risk management reporting which takes appropriate action to ensure that corporate business risks are being actively managed.
- A senior officer that takes overall responsibility for embedding risk management.
- Consideration by the organisation of positive risks (opportunities) as well as negative risks (threats).



2.2 HOW DO WE RESPOND TO RISKS?

When risks have been identified a decision needs to be taken as to the response to the individual risks. The recognised approaches for controlling risks are described in the four T's; treatment, transfer, tolerate or terminate, as described below.

Treatment	Using control countermeasures to mitigate impact or likelihood. Ensuring effectiveness of existing mitigations and implementing new controls where considered necessary and cost effective.
Transfer	This involves another party bearing or sharing the risk; e.g. through insurance or strategic partnerships.
Tolerate	Where it is not possible to treat or transfer. Consideration needs to be given to how the risk and consequences of such are to be managed should they occur. This may require putting contingency plans in place, which is why Business Continuity is has such an important role to play in risk management, as it creates capacity to tolerate a certain degree of risk.
Terminate	Deciding, where appropriate, not to continue or proceed with the activity in view of the unacceptable level of risks involved.

As a principle when a risk is identified we need always to bear in mind the four T's. The most important consideration is that the chosen approach can be seen to be cost-effective so that risk control is not implemented where the cost and effort is disproportionate to the expected benefits.

2.3 RISK APPETITE AND TOLERANCE

For risk management to be effective a suitable approach must be decided upon. An important factor in this approach must be the appetite for risk that the local authority has. The graph below shows the importance of getting this decision right.



The appetite for risk should be one that embraces risk without creating a culture of blame or not progressing with change. By being positive about risk the local authority actively creates greater opportunities and increasing the chance of success, however the risks taken must be managed appropriately to ensure success.

The term risk appetite is widely used with it describing the attitude towards the amount of risk that can be accepted in trying to achieve strategic and other objectives.

It is not effective to take a broad brush approach does not take into account that it might be more effective to set different appetite levels for different kinds of risks. The attitude towards risk can differ across services and risk types, from risk averse to risk taking. Being unnecessarily averse to risk may miss good opportunities.

However, in taking some risks it is important not to over extend into territory where the local authority cannot afford the possible consequences.

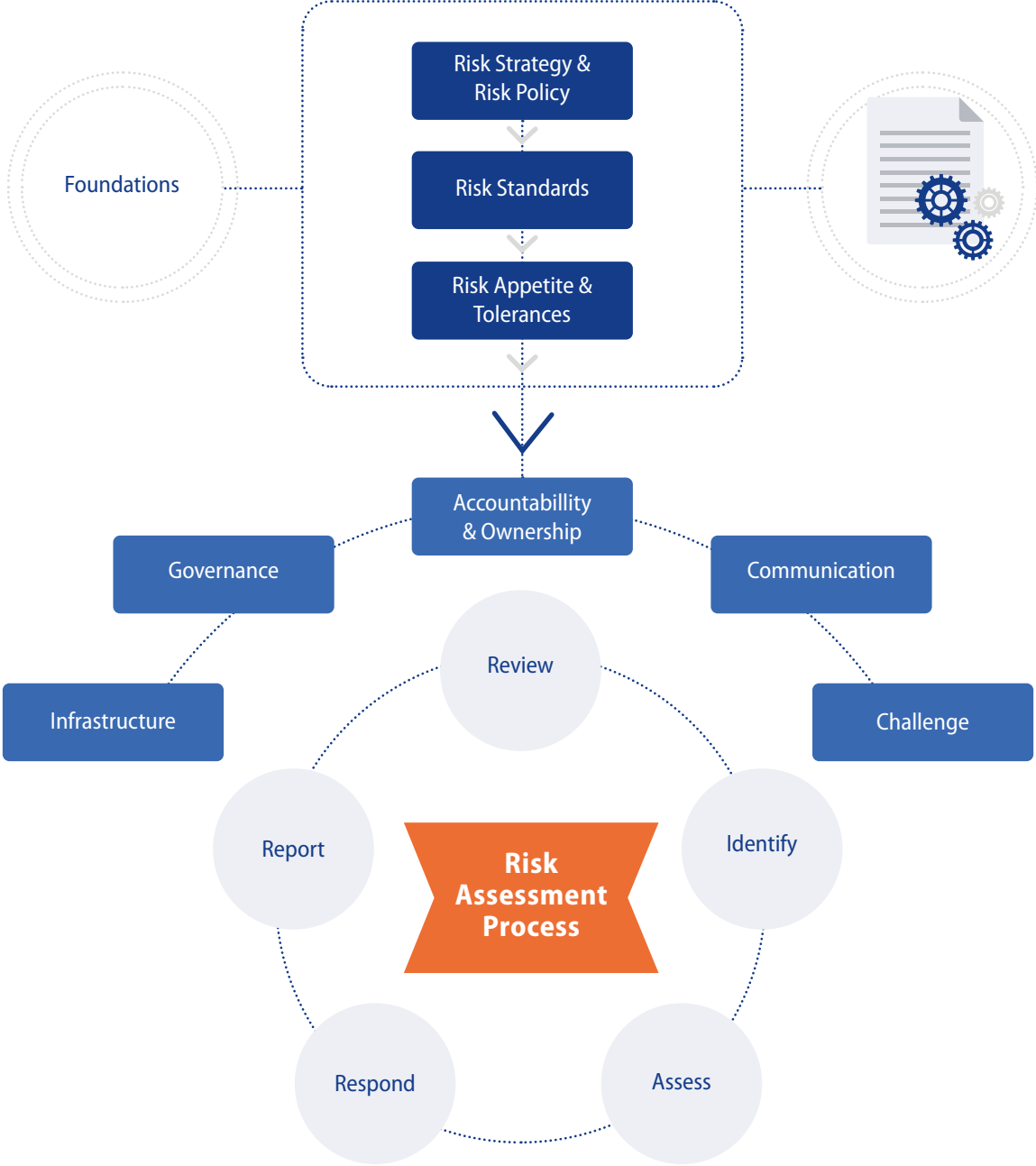
For instance, we might accept more risk in trying to achieve strategic objectives where innovative approaches are needed to implement imaginative plans. If we try to reduce the risk level too much here we may become bogged down in measures to prevent things going wrong, spending more on these controls than on the central effort.

Conversely, we may consider it wise to be very much more careful, having a lower risk appetite, where looking after money is concerned, such as in using measures to control fraud, etc. Here we may want to consider an acceptable risk level would be for quite a low score (see below). Perhaps an acceptable risk level for damage to reputation may be somewhere in between.

Setting different levels for risk appetite across different risk types will provide a starting point when considering how much effort to put into controlling risks. This will lead to decisions being taken on a cost-benefit basis. For some risks this will then mean introducing further controls whereas in others controls may be relaxed as a less cautious attitude to risk, or more positive approach to risk-taking, is found acceptable.

2.4 THE OVERALL RISK MANAGEMENT PROCESS

The graphic below shows a visual representation of a risk management framework.



2.5 HOW MUCH RISK CAN WE ACCEPT?

Risks are assessed on a scale of one to five on the likelihood of the risk occurring multiplied by the impact caused if the risk should occur. A score of one being low and five being high. This gives rise to risk scores that can range from one (1 x 1) to twenty five (5 x 5). Scores are traditionally divided into bands with the highest being 20 to 25 (purple) very high, 12 to 16 (red) high, 8 to 10 (amber) medium and 1 to 6 (yellow) low. The highest bands are treated with the highest priority. Those risks that are managed at scores below 12 have been considered well managed and within normal risk appetite ranges.

LIKELIHOOD	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
	IMPACT				

2.6

HOW DO WE ENSURE EVERYONE IS AWARE OF RISK AND RISK MANAGEMENT?

Training and raising awareness are important means of ensuring that Risk Management is embedded in the culture of the organisation. Every individual will encounter risk at some level, whether strategic or operational, and we all have responsibility for ensuring that these risks are well managed. It is therefore in the interests as an organisation to provide a range of training and development opportunities in this area.



2.7 GLOSSARY

Risk	An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives.
Risk appetite	The level of risk an organisation is prepared to tolerate to deliver its corporate objectives.
Strategic risk	any event impacting on the delivery of the corporate strategy.
Operational risk	any event that impacts on the organisations day-to-day business.
Assurance	comfort/satisfaction that actions taken to address risks are effective.
Inherent risk	the level of risk prior to any mitigating actions being taken to address the risk.
Residual risk	the level of risk following mitigating actions taken to address the risk.
Risk analysis	The process to understand the nature of risk and to determine the level of risk, providing the basis for risk evaluation and decisions about risk treatment.
Risk category	The type of risk, for example political, economic, environmental, social, etc.
Risk treatment action	Measure that is modifying or treating the risk, including any process, policy, device, practice, or other actions which modify or treat the risk.
Risk treatment owner action	A person with the accountability and authority to manage a risk treatment.
Risk evaluation	The process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is tolerable or not, that assists in the decision making process about risk treatment.
Risk identification	The process of finding, recognising and describing risks involving the identification of risk sources, events, their causes and their potential consequences as well as reviewing historical data, theoretical analysis, obtaining informed and expert opinions and considering stakeholders' needs.
Risk impact	The affect the risk may have on the objectives of the Council, sometimes referred to as risk consequence.
Risk level	The level of risk that has been identified by the impact/likelihood analysis, e.g. high, medium, low.
Risk likelihood	The chance of something happening.
Risk management framework	A set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the Council.



Risk management policy	A statement of the overall intentions and direction of the Council related to the management of risk.
Risk matrix	A graphical table that facilitates the risk analysis process, shows degrees of likelihood and impact and plots risk scores.
Risk progress/ Risk prospect	An estimation of the prospects that the risk target score will be achieved by the target date, based on the progress made. Expressed as Red (serious concerns), Amber (some concerns), Green (on schedule) or White (met target).
Risk response	The option selected to treat the risk. This may include: avoiding a threat, exploiting an opportunity, reducing a threat, enhancing an opportunity, transferring a risk, sharing a risk and accepting a risk.
Risk score	The numeric total of a risk calculated by multiplying the likelihood and impact scores.
Risk tolerance level	The Council's readiness to bear the risk after risk treatment, in order to achieve its objectives.
Stakeholder	A person or organisation that can affect, be affected by, or perceive themselves to be affected by, a decision or activity.

2.8 RISK IMPACTS

Likelihood Scores (time-framed descriptors frequency)

Likelihood Score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost Certain
Frequency	Not expected to occur for years	Expected to occur at least annually	Expected to occur at least monthly	Expected to occur at least weekly	Expected to occur at least daily

RISK ASSESSMENT FORM

ASSESSMENT DATE:		REVIEW DATE:			
VERSION:		REFERENCE NUMBER:			
DIVISIONAL SIGN OFF:	Departmental Manager			CORPORATE SIGN OFF	

	Description of activity being assessed Identify risks	Consequence	Likelihood	Gross Risk	Existing Control measures in place. Are these adequate?	Additional control measure to mitigate hazard / action required	Consequence	Likelihood	Target Risk	Responsible Person	Target Date
1											
2											
3											
4											



LIKELIHOOD		IMPACT				
		Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
1	Rare	G1	G2	G3	Y4	Y5
2	Unlikely	G2	Y4	Y6	A8	A10
3	Possible	G3	Y6	A9	A12	R15
4	Likely	Y4	A8	A12	R16	R20
5	Almost Certain	Y5	A10	R15	R20	R25

Gross Risk/Target Risk = Likelihood x Impact

A WORKSHOP TO ASSESS RISK ACCORDING TO A COMMON THEME



STEP 1

- i. Prior to the workshop all participants fill in the RISK IDENTIFICATION TABLE (see below) based upon a common theme.
 - ii. Prior to the workshop and these are 'clustered' in advance.
-

STEP 2

- i. The RISK IDENTIFICATION TABLE is reviewed and validated by the group.
- ii. Participants are divided in sub-groups.
- iii. In sub-groups, participants assess risk, per output, in terms of "likelihood and impact" (ref. RISK ASSESSMENT MATRIX).

(max 25 mins)

STEP 3

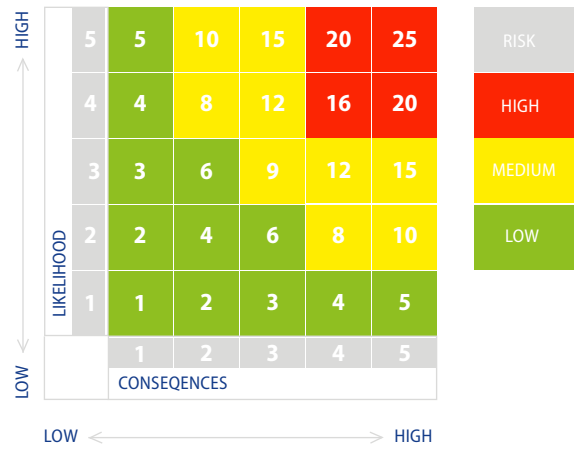
- i. In Plenary, each group presents its work highlighting 1 low / low and 1 high/high risk.
- ii. For each highlighted risk (6 in total – 2 for each group/objective), local trainers fill in the RISK IDENTIFICATION FORM together with participants.

(max 25 mins)



Objective	Outputs	Risk: Which events or actions will adversely affect the delivery of the output?
Objectives 1	Output 1	
	Output 2	
	Output 3	
Objectives 2	Output 1	
	Output 2	
	Output 3	

#	RISK DESCRIPTION
1	
2	
3	
4	
5	
6	





Description of Hazard (s) / Activity being assessed	Existing Control Measures in place	Current score			Additional Control Measure to mitigate hazard / Action Required	Target score			Responsible Person	Target Date
		Consequence	Likelihood	Gross Risk		Consequence	Likelihood	Gross Risk		
Identify who may be Harmed and how	Are these adequate?									



3. INTERNAL AUDIT

The toolkit does not take into account different legislative requirements for audit in different countries. However regard should be given to European standards including recommendation CM/ Rec(2019)3 of the Committee of Ministers to member States on supervision of local authorities' activities (Adopted by the Committee of Ministers on 4 April 2019). It makes specific reference to the delivery of financial, accountancy or management audits, as well as value-for-money assessments, which should normally be undertaken by public authorities or by appointed auditors. Each country will have its own legislative framework which should set out the requirement for robust audit of local government functions – in particular to ensure economy, efficiency and effectiveness in the delivery of functions.

With regards audit, the toolkit does not, in any way, substitute the extensive training required to become an auditor through nationally and internationally recognised programmes. This toolkit sets out the key steps that should be incorporated in developing a robust approach to internal audit in the local government environment.

Internal Audit (IA) is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

“ to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively ”

“ expectation that internal audit delivers innovation, added value and effective support delivery of organisation priorities ”

According to the International Internal Auditing (IIA) Standards

“ Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. ”

The internal auditors should be careful not to compromise their objectivity and not to assume management responsibility.

3.1 WHAT IS INTERNAL AUDIT (IA)?

IA is responsible to assess the effectiveness of risk management, control and governance processes and to provide insight and recommendations that can enhance these processes, particularly relating to:

- Effectiveness of operations;
- Reliability of financial management and reporting; and
- Compliance with laws and regulations.

IA may also involve conducting fraud investigations to identify fraudulent acts and conducting post investigation fraud audits to identify control breakdowns and establish financial loss.

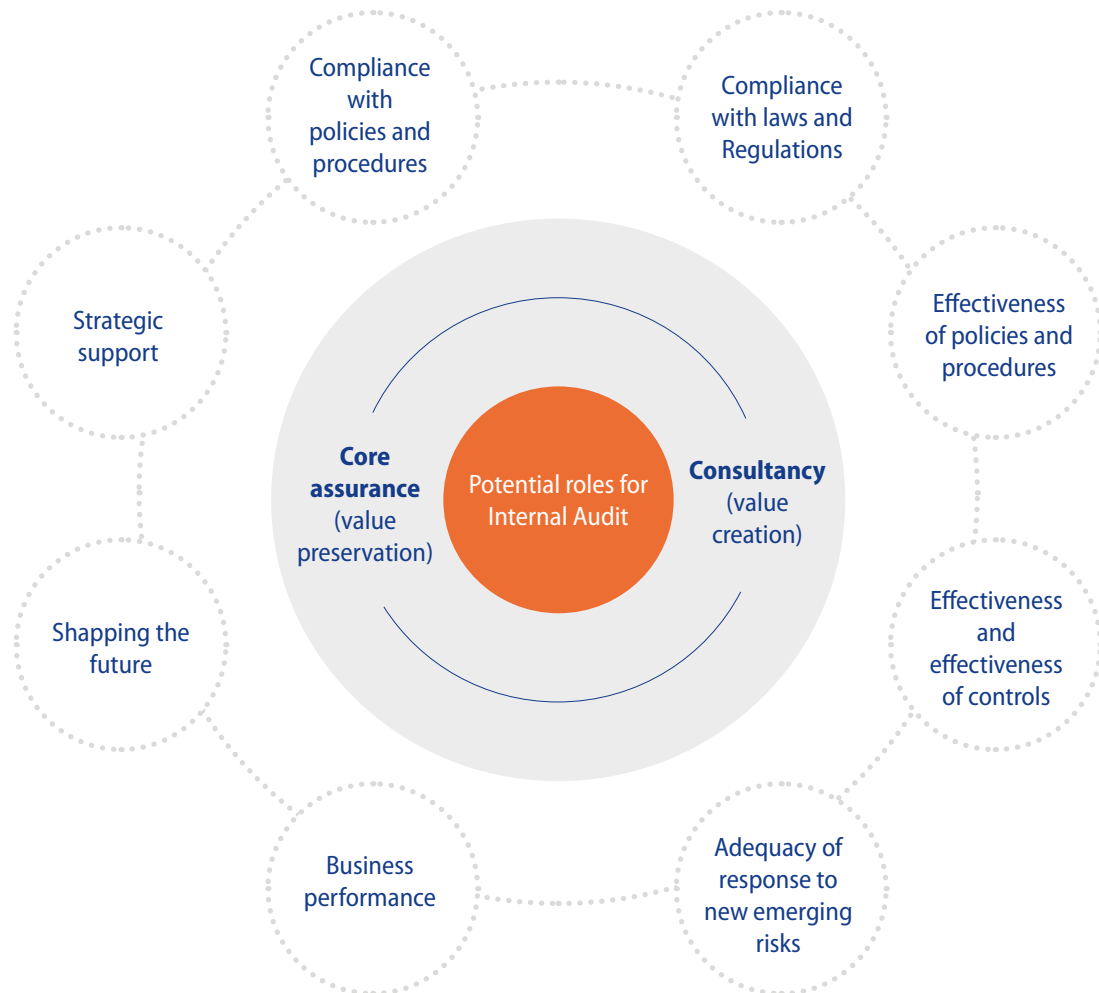
An internal activity of the Municipality:



Although IA can provide assurance across all local government functions the most frequent areas of focus are :

Risk Management	Governance
Emerging Risks	Data Security
Value for Money	Efficiency
Compliance	Technology
Health & Safety	Financial Development

However, more thematically IA has a role in a range of compliance and strategic support roles for the organisation.



Internal audit must ensure it continues to provide assurance on systems and processes that support the day to day core operations of the organisation. Audit plans (see below) and resources also need to be allocated to these emerging risks and high impact areas that have been highlighted by respondents.

Audits, depending on the time, are distinguished into regular audits and into extraordinary audits that are carried out based on a risk assessment (and aligned to organisational objectives). In addition, they are distinguished in different categories depending on their object and purpose:

- Compliance audits.
- Efficiency audits – regarding the governance of the organisation, the capacity of organisations to implement public policies, to deliver services to population and to implement the commitments made by elected officials.
- Follow-up audits – to check that control measures have been appropriately implemented.

The internal auditors should be careful not to compromise their objectivity and not to assume management responsibility.

Internal audit provides the following functions for an organisation:



Independence – exemption from conditions that prevent the internal audit function from performing duties in an impartial manner. In order to achieve the necessary degree of independence, the Head of Internal Audit should have direct and unhindered access to the senior management and the Audit Committee (if exists).

Objectivity is the impartial attitude and mind-set, which allows the internal auditors not to compromise on their quality. Objectivity requires not influencing the judgment of auditors on matters of control by others. Threats against objectivity must be managed at the individual auditor, engagement, functional and at the organizational level.

According to IIA Standard 2050 – Coordination

“ The Head of Internal Audit should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts. ”

In some cases (for example regarding state owned companies), internal audit may have to cooperate with external auditors.

Internal auditors must adhere to an unbiased, impartial attitude and avoid conflicts of interest. A conflict of interest could arise when the internal auditor, who enjoys the trust of the organisation, has a conflicting professional or personal interest.



3.2 HOW INTERNAL AUDIT (IA) ADDS VALUE

- IA works closely with management to review systems and operations to identify how well risks are managed, whether the right processes are in place, and whether agreed procedures are being followed.
- This provides an indication of the integrity of the organisation's systems and processes, their capability to support the set goals and also helps identify areas for improvements.
- IA works across all areas of an organisation, review tangible (e.g. supply chain/ IT systems) and intangible (e.g. organisation culture and ethics) aspects of operations.
- IA looks beyond financial statements and financial risks, and consider wider issues, e.g. organisation's reputation, growth, impact on the environment, and how employees are treated.
- Any process that has an impact on the effective operation of an organisation may be included in internal audit's scope.
- IA traditionally reports through an audit committee, and provides an independent viewpoint on the internal controls and their effectiveness.

The IA cycle is normally driven by the risks facing the organisation to mitigate as far as possible their consequences on the organisation.

3.3 THE DIFFERENCE BETWEEN INTERNAL AND EXTERNAL AUDIT

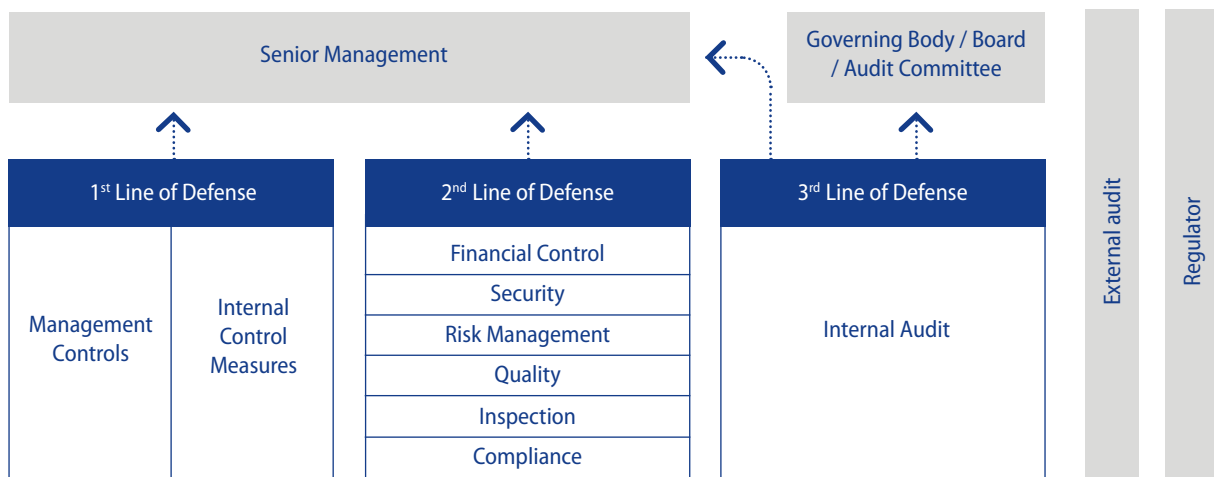
There are fundamental differences between the roles of internal and external audit – the differences are shown in the table below.

Area	External Audit	Internal Audit
Focus	Considers whether the annual accounts give a 'true and fair view' and are prepared in accordance with legal requirements	Considers whether business practices are helping the business manage its risks and meet its strategic objectives
Staffing	External firm / organisation	Can be employed by company, outsourced or co-sourced
Reports to	In local government external audit will report directly to the audit committee (in private companies external audit reports to the shareholders and stakeholders outside the organisation's governance structure)	The internal stakeholders including senior management. Internal audit reports will also be considered by the Audit Committee
Objectives	Normally more focus on financial management. Add credibility and reliability to financial reports by giving opinion on the report	Evaluate and improve the effectiveness of governance, risk management and control processes. This provides the audit committee and senior management with assurance that helps them fulfil their duties
Coverage	Financial reports and financial reporting risks	All categories of risk and their management from organisational down to service level
Responsibility for Improvement	None; however, there is a duty to report problems	IA's role is to advise, coach and facilitate management on improvements, in order to not undermine the responsibility of management
Approach	Risk based approach, covering risks of financial misstatement	Risk based approach, covering all business risks

3.4 THE AUDIT LINES OF DEFENCE

Audit forms a key part of organisation defence.

The Three Lines of Defense Model



1. First line of defence

Operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks

2. Second line of defence

Activities covered by several components of internal governance (compliance, risk management, quality, IT etc). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organisation

3. Third line of defence

Internal audit forms the organisation's third line of defence. An independent internal audit function will, through a risk-based approach to its work, provide assurance to the organisation. This assurance will cover how effectively the organisation assesses and manages its risks and will include assurance on the effectiveness of the first and second lines of defence. It encompasses all elements of an organisation's risk management framework (from risk identification, risk assessment and response, to communication of risk related information) and all categories of organisational objectives: strategic, ethical, operational, reporting and compliance

3.5 THE INTERNAL AUDIT PLAN

The audit plan is one of the pivotal tasks performed by an Internal Audit Department. An IA plan sets out the range and scope of audits that will be undertaken over the year. It should be agreed annually (subject to review by the Audit Committee) and be driven by the organisation's risk register, addressing the top risks that local authorities face, such as infrastructure, financial stability, health and safety, cyber security, reputation, human resources, asset protection, funding, planning, environmental matters, governance, legal and regulatory framework, operations etc. The key considerations of the internal audit plan are:

- Ensures major risk areas are tested and assurance can be provided on the internal control systems operating.
- The internal audit plan should be balanced with internal control, risk and governance areas.
- Consideration should also be given to the degree of advisory versus assurance reviews included.
- Audit Committee.
- Receive quarterly/periodic reports from internal audit.
- Monitor implementation of internal audit's recommendations.
- Review the performance of internal audit against relevant performance indicators.
- Evaluate internal audit's compliance with mandatory audit standards.
- Ensure that internal audit is sufficiently resourced.

The value-added by internal audit starts with understanding the strategy and objectives of local authority and then determining how their achievement can be best supported by internal audit.

For the development of the annual risk-based audit plan the Head of Internal Audit should follow the steps below:

- Defining the audit scope – what are the potential audits that could be undertaken?
- Preparing Risk Assessment – the process of Risk Assessment (see previous section on risk management) involves reviewing how potential events might affect the achievement of the local authorities' objectives. Risk of potential events is assessed in terms of likelihood and impact.
- Defining the risk criteria and grading the risks – to ascertain the relative risk ranking, each risk needs to be examined relative to each other.
- Allocating the audit resources – the audits then need to be further prioritised in terms of available resources, since it is rare to have enough resources to audit everything. Once this step has been taken, the resulting list constitutes the audit plan.
- Developing and approving the audit plan.

These steps should be undertaken while keeping in mind existing organisational risk analysis, Government and Upper management's objectives, strategy and expectations, as well as potential internal and external risks. Risk analysis does not need to be complex and can involve information collection activities, such as surveys, interviews or workshops.

THE PLAN FORMS PART OF THE IA CYCLE:



3.6 THE INTERNAL AUDIT CHARTER

The internal audit charter provides the internal audit function with a formal mandate for its work.

According to IIA Standard 1000: Purpose, authority, and responsibility

“The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the IIA Definition of Internal Auditing, the Code of Ethics, and the Standards. The Head of Internal Audit must periodically review the internal audit charter and present it to Upper management and the board for approval.”

The internal audit charter should define the following items regarding the internal audit function:

- Establish the position of the Internal Audit Department within the organization and define the scope and nature of its activities.
- Authorize the internal auditors' access to, among other things, all records, personnel and property needed to accomplish audit and consulting projects.
- Grant the Head of Internal Audit the authority to allocate resources, establish schedules, determine the scope of audit work, and set audit objectives, without undue interference from management.
- Clearly outline the department's reporting structure, giving the Head of Internal Audit full and unrestricted access to Upper management.
- Clearly communicate that the purpose of internal audit activity, as identified by the respective laws, is to serve the organization by evaluating the effectiveness of risk management, control, and governance processes consistent with the IIA's definition of internal auditing, standards, and code of ethics. This also includes coordinating internal audit activities with others, such as the Court of Auditors and other inspection bodies, to achieve the most effective and efficient results.

3.7 THE AUDIT COMMITTEE

The Audit Committee is responsible for the independent review of Internal Control, risk management and the internal audit function, including monitoring the independence of the internal audit function. These committees are comprised of 1-3 members who are independent from the entity's executive management and should ideally be consisted by the upper management of local authority (i.e. Mayor or General Secretary) and / or independent persons from an external body (such as the Court of Auditors) and/or independent persons of an inspection body. The Audit Committee can approve staffing, the risk-based annual internal audit plan, the budget of Internal Audit department and cooperates with the external auditors. Such a committee can be considered as an advisory committee. If an Audit Committee does not exist the Head of Internal Audit proposes the department's budget to the senior management of the local authority for approval.

The Audit Committee above all, guarantees that Internal Audit Department functions properly.



3.8 CASE STUDY: INTERNAL AUDIT AND THE EU GENERAL DATA PROTECTION REGULATIONS – A UK EXAMPLE



As part of the EU General Data Protection Regulations (GDPR) regulations, organisations are expected to demonstrate accountability and understanding of the Personal Data they process and being able to evidence that the appropriate steps are being taken to secure and manage risks to the confidentiality and integrity of the data throughout its life cycle. Failure to comply with the GDPR has a maximum fine from €500,000 to 4% of global turnover or €20 million whichever is the higher.

Data loss incidents, privacy violations and ransomware attacks have become regular events for both public and private sector organisations. These are not limited to malicious activity but include incidents where personal data is published or shared inadvertently without the subjects approval or consent. Under GDPR regulations, all such instances will now present a risk of investigation and significant penalties being issued.

A key risk therefore relates to insufficient or ineffective management of privacy controls related to the customers and employees personal information, leading to a potential data breach, regulatory fines or sanctions and substantial reputational damage.

IA has the unique position and responsibility to highlight that noncompliance can heavily impact the organisation. IA’s findings are an effective management tool to advocate the adoption of a proactive and best practice approach toward GDPR compliance. IA assurance audits ensure that senior management are kept aware of GDPR compliance.

Due to the technical aspects of GDPR compliance, some local government organisations work together to develop the knowledge and then the processes that are most appropriate for their environment. This provides a robust and cost effective approach.

Working together (including through Inter Municipal Cooperation arrangements) can build internal audit capacity for technical audit that would otherwise be hard to achieve alone, especially for smaller local government organisations. IA processes can therefore be more comprehensively developed to address the fundamental aspects of GDPR compliance audits of the following areas:

Physical Data Security Controls	Retention Schedule Adherence
‘Clear desk’ policies	Retention Schedule and Disposal Policy
Information Security Policy	
Policy Framework	Staff Understanding
Data Protection Policy	An agreed procedure to assess employee understanding of the policy framework
External Privacy Notice	
Procurement Policy	
Subject Access Request Procedure	
Incident Management Policy	

The diagnostic tools that can be developed to support IA of the GDPR regulations can include:

GDPR Diagnostic Review

Provide management with a diagnostic review over the maturity of key data management components to allow the organisations to understand its current maturity level. The review will consider the following elements of data management and assess controls and their implementations.

Objective area	Audit Approach
1. Physical controls review	<ul style="list-style-type: none">• Review policies in regards to physical management, including any relevant clear desk policy.• Clear Desk: conduct a walkthrough of the organisation, to ascertain the staff adherence to the clear desk policy. This will include inspection of work stations, and physical storage facilities.• Onsite Access: observe onsite adherence to the physical access controls of the site.
2. Policy review	<ul style="list-style-type: none">• Inspect the Organisation's framework of polices and produres pertaining to data privacy within the organisation.• Inspect individuals policies the extent to which they meet the requirements of the GDPR. This include inspection of:<ul style="list-style-type: none">– Data Protection Policy– Information Security Policy– External Privacy Notice– Procurement Policy– Subject Access Request Procedure– Incident Management Policy– Retention and Disposal Policy

3.9 A SURVEY TO ASCERTAIN THE MATURITY OF INTERNAL AUDIT PROCESSES IN LOCAL GOVERNMENT

Information on the existence and operation of an internal audit unit in your organisation	
1. Does your organigram include an internal audit unit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Is the internal audit unit of your organisation sufficiently staffed? <i>(if inexistent, please mark "not at all")</i>	<input type="checkbox"/> Not at all <input type="checkbox"/> Somewhat <input type="checkbox"/> Partially <input type="checkbox"/> Quite a lot
2a. Please write the number of staff of this unit	<input type="text"/>
3. Does the internal audit unit have access to all available information in your organization?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. How many internal audits were carried out in the previous year? <i>(if no audits carried out, mark "not at all")</i>	<input type="checkbox"/> None / 0 <input type="checkbox"/> Very few / 1-2 <input type="checkbox"/> A few / 3-4 <input type="checkbox"/> Several / 5+
5. Have you outsourced some internal audit activity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Are there internal internal procedures approved for the operation of the internal audit unit? <i>(if internal audit unit does not exist, mark "no")</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
6a. If YES report examples (eg approved audit plan, audit manuals and policies, etc.)	<input type="text"/>
7. Are there approved internal risk assessment procedures within the organisation?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9. Have you identified the potential risk factors of the organisation and its management framework (eg human resources training, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Do you use a management-approved audit plan to plan internal audits?	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Are internal auditors sufficiently qualified to perform their duties?	<input type="checkbox"/> Yes <input type="checkbox"/> No
11a. If not, please explain the required qualifications	<input type="text"/>

Information on the level of internal audit in your organization

1. How regularly is an internal audit done (from your entity's internal unit or from an external entity that has been assigned to it)?

	Not at all	Rarely	Sometimes	Often	Very often
a. Scheduled General Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Scheduled Partial Audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Adhoc audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Is there a process of preserving the findings and audit results to be used for further action?

Yes No

3. What tools do you use to monitor the execution of the audit plan and to record audit evidence. *(select one or more)*

- a. Specialized software
- b. Non-Specialised Software
- c. Office Application Software
- d. Physical copies
- e. Other: *(please describe)*

4. Is there a designated person or body appointed by the Administration who oversees the implementation of the internal audit plan?

Yes No

4a. If YES, please explain:

5. Is there a procedure for accepting findings from the supervised service?

Yes No

6. Is there a procedure for accepting recommendations for corrective actions?

Yes No

7. How many final internal audit reports (not third-party audits) have been forwarded to Management over the past 3 years?

0 1-3 3+

8. Has an annual report been drawn up of the internal audits carried out over the last 3 years?

Yes No

8a. If you do not, why?

9. Are you monitoring the progress of implementation of the improvement actions for the failures resulting from the follow up process?

Yes No

10. Identify the standards you use in internal audit.

4. APPENDIX 1

Examples of performance management tables developed in Albania, Serbia, France and England

The Council of Europe has worked in a number of countries including Albania and Serbia in the framework of cooperation programmes, as well as in France and in Great Britain.

The following performance tables have been developed from working with local authorities on the performance management programme.

4.1 ALBANIA

Target	Activity/milestones	Timescale	Performance Indicator	Monitoring arrangements	Budget	Outcome	Responsible Person
50% increase in the number of green areas in the city	Activity/milestones Enlarge by 200m ² per year of the city green space/parks from 2010. <i>Baseline:</i> The green areas are 1800 m ²	December 2015	1000 m ² new green spaces up to the year 2015. Broken down to annual indicators	Monitoring the increase of green space twice a year and reporting to the Mayor	5.000.000 leks	The green space increase by 50% improving significantly the environment and the image of the city. Increasing citizen satisfaction	The chief of the public services unit

The approach can also be used for smaller scale projects, not just long term strategic objectives as is seen below.

Target	Activity/milestones	Timescale	Performance Indicator	Monitoring arrangements	Budget	Outcome	Responsible Person
To organize an annual Wine Fair involving more local businesses	Organizing annually the Wine Fairs <i>Baseline:</i> 50% of wine & culinary businesses currently participate and promote their products in the Fair	May 2010	80% of wine & culinary businesses participate and promote their products in the Fair	Monitoring the participation of wine, and culinary businesses in the Fair through a survey of participants	2.600.000 leks	The improvement of wine, and culinary business climate in Permet and increase of opportunities for the domestic businesses	Public services chief

4.2 SERBIA

Target	Activity/milestones	Timescale	Performance Indicator	Monitoring arrangements	Budget	Outcome	Responsible Person
Improved transport infra – structure	1. 30 Km roads repaired 2. 100 Km roads repaired	March 2008/09 March 2010/11	Improved condition of the highway network as determined against agreed standards.	Quarterly monitoring of road network against agreed standards.	XX Euros	Improved transport infrastructure encouraging business development. Improved satisfaction with transport network	XX
	Implement range of congestion reduction measures Enforce parking restrictions on main routes.	April 2009					
	Develop clear standards for acceptable conditions of highway (free from holes for example)	April		Survey of businesses to determine impact of improvements			



4.3 FRANCE

Under the programme on performance management at local level implemented in Serbia between 2007 and 2009, 6 French local or regional pilot authorities (**Bricquebec, Le Creusot, Nevers, Suresnes, Territoire de Belfort and Boulogne Billancourt**) conducted activities giving a measure of the progress made with their action in five sectors of local government. The table below is a compilation of the proposals prepared by these authorities.

4.3.1 Case study 1: The authority's contribution to local economic development

Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
Construction of a light industrial estate	Settling tradesmen in a dedicated area. Obviating the disadvantages of town centre locations (space, parking)	Number of established tradesmen setting up in the area. Elimination of cars used by tradesmen's employees and freeing of space for other businesses	Quantitative	Mayor	10 tradesmen in light industrial area. Zone fully occupied. Fewer cars and more turnover in parking around shops
Development of enterprise zones	Aiding the accommodation of new activities in the territory and developing existing enterprises	Occupancy of the areas. Budget for their development	Adding up the investments made	Economic development officer	13 enterprise zones in existence 67,437 m ² of sites for economic activity on sale
Vitalisation of the economic fabric	Developing the fabric of enterprises established in the territory to aid employment in the authority's labour catchment	Number of development projects Unemployment rate	Survey of actions carried out under the allocated budget Trend of the unemployment rate (national labour exchange data)	Economic development officer	16.4% reduction in jobseekers 250 potential jobs over next 3 years
Prospecting	Identifying schemes to create activities	Number of on-site prospecting visits, installations and estimated jobs	Participation in fairs, economic promotions, mailings	Association director	5 industrial companies set up over one year and 80 estimated jobs
Mobilisation of financial support	Aiding creation or development of economic projects	Number of applications for subsidies followed up	Annual profit and loss accounting	Director Economic development officer	169 applications by enterprises followed up

Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
Enterprise Creation / Resumption Service	Aiding inception of initiatives. Providing safeguards for conveyance of enterprises	Socio-economic effectiveness: success rate of projects assisted. Managerial efficiency: • average management cost of a completed scheme for creation or resumption; • percentage of expenditure on support functions compared to overall appropriations for the activity	Statistical data derived from internal management systems: number of projects completed / number of projects submitted. Unit cost expressed by ratio of resources expended to activities conducted or services delivered. Percentage of outlay on support expressed by ratio of support costs to appropriations administered	Agency head	Short-term effect: small-scale enterprises maintained, possibly developed. Longer-term effect: contribution to reduction of unemployment, chiefly among young people and over-50s
Physical planning	Maintaining established enterprises and accommodating new enterprises (Local Urban Development Plan / balanced development agreement between state / locality)	Socio-economic effectiveness: occupancy of the new spaces provided	No. of m ² occupied / no. of m ² created	Town planning department manager	Impact: number of jobs created at n+1, n+2
Collective action	Delivering on-the-spot training in keeping with the locality's needs and the enterprise's time constraints – Adaptation to job	Relationship between resources invested in the action and results obtained. Effectiveness: results generated by the collective action/main objective of the action	Budget / jobs filled. No. jobs filled / no. jobs vacant	Lead agency of collective action scheme	Impact: number of jobs consolidated and created
Enterprise and Employment Centre (MDEE)	Assembling the partners (labour exchange + unemployment benefit fund + local authority). Furthering work with the associations	Employment situation with employers. Responsiveness to a situation. Co-ordination of actions	Internal statistics. External criteria in preparation	Director of Enterprise and Employment Centre	Diminishing unemployment rate. Growing number of enterprises
Light industrial estate	Ensuring commercial diversity. Now and in the future (cf. Société Anonyme d'Economie Mixte viz. consortium)	Ensuring an affordable real estate price for new tradesmen. Number of tradesmen settled. Helping tradesmen achieve alignment of leases with market	Comparison with proportion of small business owners present on free market	Enterprise and Employment Centre. Deputy Director General of "Employment, Solidarity and Housing Pole"	Positive

Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
Urban development	<p>Operation to develop a new district.</p> <p>Balanced planning.</p> <p>Integration with existing fabric.</p> <p>Sustainable development</p>	<p>Implementation schedule.</p> <p>Compliance with financial objectives.</p> <p>Compliance with environmental objectives</p>	<p>Logging of implementation and financing.</p> <p>Annual Activity Report to local authority.</p> <p>Agreements on the environmental aspects (energy consumption)</p>	<p>Consortium + Correspondents in municipal services</p>	<p>Comparison of Activity Reports.</p> <p>Performance regarding management costs</p>
Proximity of the economic and social spheres through contractual undertakings between the department council / employer / employee ("Department Job Access Contract")	<p>Developing an original device in aid of employment</p>	<p>Number of employment contracts concluded.</p> <p>Number acceding to contracts of indefinite duration</p>	<p>Statistics.</p> <p>Meeting with enterprises</p>	<p>Director of Integration Department</p>	<p>100 contracts in 2007, 300 foreseen in 2008</p>
Maintenance of department road network	<p>Multi-year application of coatings and road surfacing; reprofiling and engineering</p>	<p>Verification of results against objectives</p>	<p>Number of km built.</p> <p>Number of engineering works dealt with</p>	<p>Director of Roads</p>	<p>Annual review of the operation</p>

4.3.2

Case study 2: Local / regional authority's communication with citizens for better participation

Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
Annual neighbourhood meetings	Receiving residents' requests, remarks and opinions	Number of meetings organised per year	Record of proceedings	"Urban Policy" department	Replies to citizens
Initiating a new mode of decision through public consultation	<p>Conducting public consultation meetings: young people, secondary students, enterprises, neighbourhoods.</p> <p>Thematic workshops with residents</p>	<p>Attendance at meetings.</p> <p>Partners' satisfaction.</p> <p>Information on the consultation process</p>	<p>Prior qualitative Survey.</p> <p>Attendance sheet.</p> <p>Questionnaire on satisfaction.</p> <p>Consultation of the local website.</p> <p>Sociology of participants</p>	<p>Director of Mayor's personal staff.</p> <p>"Public Affairs" Consultancy</p>	<p>150 persons present at last meeting.</p> <p>Majority satisfied, minority of objectors.</p> <p>Expectation of tangible results</p>
Rallying local players and citizens around an ambitious yet realistic perception harnessed to the vitality of the town	Arriving at general guidelines for mobilising all local players; professionals, citizens, associations, youth	<p>Partners' contributions.</p> <p>New ideas.</p> <p>Convergent ideas.</p> <p>Publicity documents.</p> <p>Diversity of players.</p> <p>Youth involvement</p>	<p>Number of notes and on-line contributions completed by participants.</p> <p>Number of general guidelines identified.</p> <p>Questionnaire on satisfaction</p>	<p>Director of Mayor's personal staff.</p> <p>Director of Communication</p>	<p>4 themes chosen: communal living, surroundings, economy and employment, identity and outreach.</p> <p>20 guidelines validated by Mayor and municipal council.</p> <p>Presentation of urban project and release of publicity document</p>
Laying plans of action in partnership for implementation of the above	<p>Working groups set up.</p> <p>Long-term partnership agreements drawn up concerning the guidelines identified</p>	<p>Partners' dedication and diversity.</p> <p>Implementation of guidelines by means of action plans</p>	<p>Number of participants.</p> <p>Sociology of the partners.</p> <p>Number of action schedules drawn up.</p> <p>Number of agreements made</p>	Director of Mayor's personal staff	2008

Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
<p>Publishing 4 page brochure "Associations"</p> <p>Interviewing two local associations / month, transcribing interviews, taking delivery of mail/e mail; small ads for the "Info Flash" and rewriting</p>	<p>Letting the players in the local voluntary sector have their say and present their actions, goals and projects.</p> <p>Giving this supplementary input a practical facet via announcements and practical information</p>	Positive feedback	<p>Number of messages and telephone calls extending the thanks of the associations for articles published and encouragement to persevere</p> <p>Impacts regarding membership increase following publication</p> <p>Number of associations asking to appear in a "helping hand" supplement</p>	Staff	
Creating a municipal website	<p>Advertising of child minding services.</p> <p>Personalised e-mails.</p> <p>E-library.</p> <p>On-line reservation of activities</p>	3 000 connections per day on average	Statistical tool	Staff	
Local procurement unit	Rationalising costs to balance the quality / price / lag ratio	Comparison of prices before and after bargaining	Constitution of records of profit and loss: cumulative chart	Staff	Aggregate profits / losses: -20%
Public procurement portal	Enabling enterprises to receive more speedy and regular information on calls for tenders issued, by with-drawal of the corresponding bidding files and transmission of bids with complete propriety and confidentiality to encourage dematerialisation of withdrawal procedures	<p>Ratio for number of dematerialised procedures.</p> <p>Ratio for number of bids submitted on line.</p> <p>Monitoring of registrations on the procurement platform</p>	Counting	Scrutineer of public contracts, procurement platform adviser	<p>95% of procedures dematerialised.</p> <p>8% of replies on line.</p> <p>5 800 enterprises registered (i.e. 61% increase in 2 years) including 380 local enterprises</p>

4.3.3

Case study 3 : Internal communication for mobilising staff

Principal objective	Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used
Fostering personal effectiveness and integration	<p>Organising induction days for new recruits.</p> <p>Circulating staff memoranda.</p> <p>Flash Human Resources.</p> <p>Induction booklet.</p> <p>Intranet</p>	Affording access to all decisions taken (on organisation, procedures, resource management ...)	<p>Relevance of information received by staff according to level of seniority.</p> <p>How well the regular dissemination of information meets the staff's evolving informational needs.</p> <p>Level of confidence felt by staff in fair application of the same rules</p>	<p>E.g.: Extent and level of application of new method or procedure.</p> <p>Inquiries.</p> <p>Ratio of no. of staff requests /number of documents dealing with request.</p> <p>Staff satisfaction level.</p> <p>Determinations of the social climate</p>
Fostering collective effectiveness and pooling of skills	<p>Organising meetings for exchanges at the various tiers of authority and transsectoral levels.</p> <p>Organising "window on" type operations on a given topic.</p> <p>Intranet</p>	Encouraging the expression of everyone's needs and expectations at all levels to for better adjustment of organisation to specific objective	Management team's capability at the various levels for listening to and / or consulting staff	<p>Number of meetings actually held out of number to be organised.</p> <p>Number of meeting reports / number of meetings</p>
Winning the conviction and support of all municipal staff for the local enterprise project and its objectives	<p>Producing the inhouse newspaper "Trait d'union".</p> <p>Organising seminars for professional staff and middle management.</p> <p>Intranet</p>	Increasing motivation and staff loyalty	<p>Level of "loyalty".</p> <p>Level of presenteeism</p>	
Encouraging teamwork	<p>Releasing Flashes on actions/ projects.</p> <p>Organising staff working and concept groups (blend of levels of responsibility and career streams).</p> <p>Intranet</p>	Optimising the "project mode" and allowing managerial change to proceed	<p>Readership of the flashes</p> <p>Effects of the improvements made in terms of satisfaction of the stakeholders in the project</p> <p>Rate of success of projects within the specified time</p>	

4.3.4 Case study 4 : Waste recycling: all citizens committed?

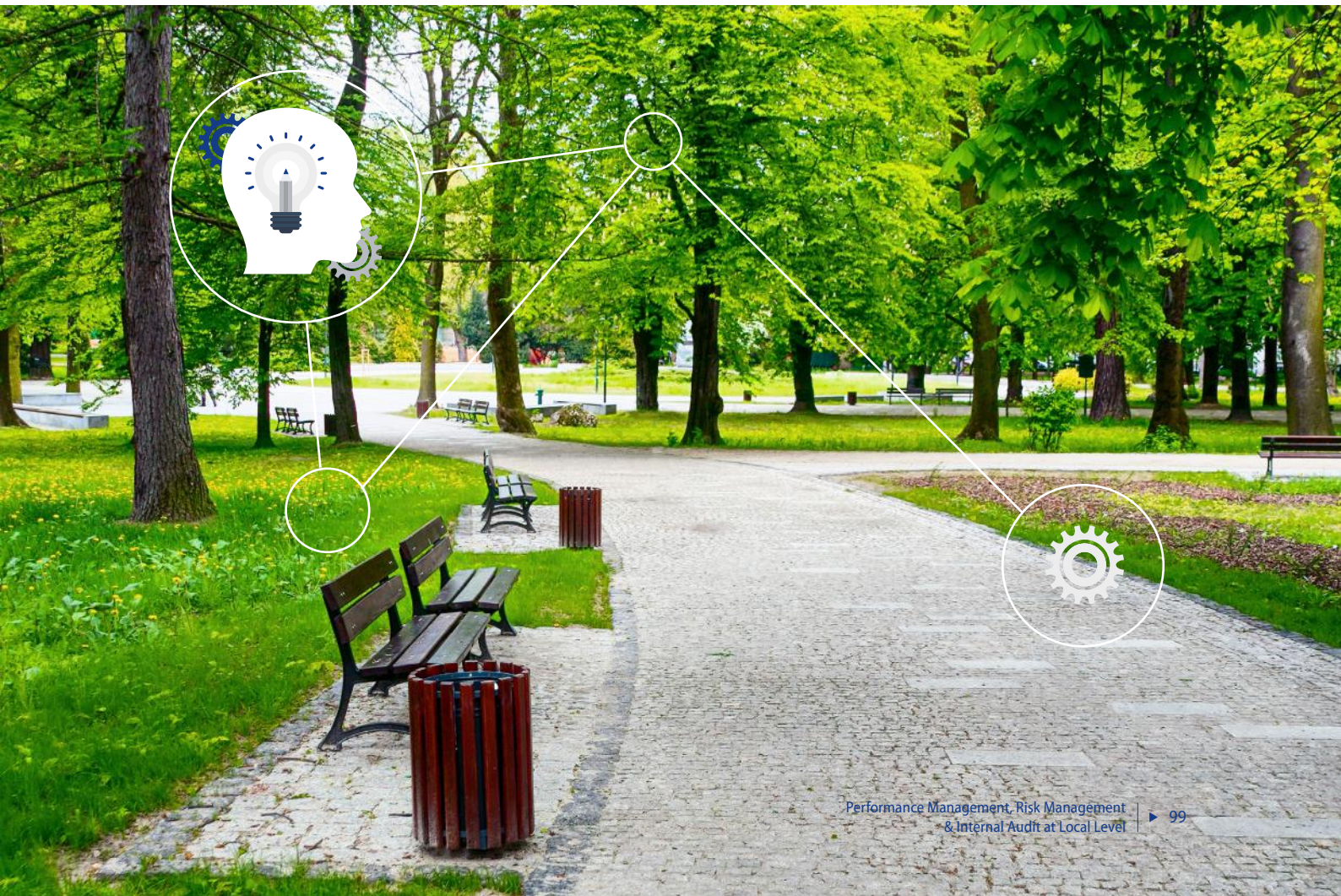
Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
Provision of a selective disposal facility operating by voluntary input	Permitting better sorting of waste and averting fee increase through enhanced recycling	Trend of tonnage and fee	Weighing tickets Communication with users and schools Provision of a sorting guide	Mayor	10 % reduction of tonnage and no fee increase
Household refuse collection by "streams": 2 for collective housing, 4 for detached housing	Improving the sorting of household refuse at source	Monthly tonnages according to stream	Collection of weighing tickets at processing plant	Mayor Waste disposal officer	In 2007: Fermentable substances (28%), containers (11%), paper, cardboard (15%), sorting in collective housing (7%), residual household refuse (39%)
Collection of glass at voluntary bottle banks	In 2007: 35 kg / resident / year	Tonnage per resident per year % of deposit	Weighing of refuse collection vehicles	Waste disposal officer	In 2007: 2 786 tonnes collected, or 30 kg / resident
Selective disposal centres	1. Providing users with recycling channels for classes of waste not collected door to door. 2. Curbing unauthorised tipping	1. Minimum ratio consistent with objectives set under the support contracts (tonnages per stream and per resident). 2. Number of complaints	1. Collection of weighing tickets at the various disposal or processing sites. 2. Routing of complaints received at the call centre (free phone number) according to subject	1. Waste coordinator. 2. Head of contact unit	Principal results 2006: 13 000 T bulky materials, 1 400 T cardboard, 1 900 T scrap metal, 7 500 T green waste, 4 700 T rubble, 260 T special household waste
Waste processing	Recycling and reuse of waste. Ratios stipulated by eco-packing contract	Rate of reuse per product. Rate of rejection	Recording of tonnages for inward and outward movements at the plant and in the processing centres	Waste disposal officer	For 2007: rejection rate 32.4%
Distribution of door-to-door collection bags	Raising citizen awareness about selective disposal. Reducing the number of collection bags	Number of homes visited Number of bags distributed	Compilation of a "users" register	Distribution team leader	From 1 August 2007 to 15 January 2008: 80% of homes visited

Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
Information points in two central towns	Bringing the service to the users. Selective disposal awareness. Informing users	Number of citizens received per information point. Nature of complaints	Compilation of a register of complaints	Head of contact unit	Established in November 2007: 40 clients / day / info point
Freephone call centre	Informing citizens. Considering their complaints	Number of calls. Nature of calls.	Compilation of a register of complaints	Head of contact unit	Number of complaints received in 2007: 5 461
Household refuse collection	Selective collection	Number of kilos per year per resident of recycled waste	Weight of skips when emptied		
Collection of bulky items and other unauthorised dumping	Measuring volume of waste deriving from improperly dumped bulky items	Tonnage collected in a round of 2 hours on average per neighbourhood	Volume of bulky items collected	Collection service	Average of 700 / 800 kg per neighbourhood
Cleaning up dog droppings	Appealing to each dog owner's sense of responsibility / cleanliness of public spaces	Provision of dog dropping disposal bags: quantity distributed	Number of dog owners reached by recommendations	Cleaning service – road maintenance operatives	Some fifty
Combating of graffiti and flyposting on street furniture	Spreading information about prohibition and necessary limitation	Number of surfaces and items of street furniture cleaned	A perimeter for each district and along main thoroughfares	Cleaning service	A hundred or so posters and graffiti
Raising awareness of selective disposal	Explaining the eco-civic actions of waste sorting and the recurrent errors	Checking with the selective disposal organisers that each yellow skip meets the requirements for recycling materials	Instruction and practice in apartment buildings and residences and for caretakers	Selective collection – organisers	Number of skips accepted for recycling

4.3.5 Case study 5 : Municipal staff management aimed at greater efficiency

Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
Creating a digest of official policies	Evaluating official policies by policy aims Improving comprehensibility of local policy action		Annual reviews	General Directorate Budget and Finance Directorate Directorate of Organisation and Information Systems	Better apportionment of resources according to priorities
Introduction of objective-setting contracts for each Directorate	Switching from a rationale of means to a rationale of ends	Level of achievement of objectives set at start of year Planning of tasks	Management charts: Evaluation of objectives achieved per action Determination of the difficulties encountered Annual review by Directors General	General Directorate Budget and Finance Directorate Each Directorate signs an objective-setting contract	Objective-setting contracts signed by Directorates Random levels of achievement according to the objectives Draft annual review
Installation of "Plano-ramic" collaborative project management software	Pooling of resources for each official policy Improving continuity of projects	Continuity and conduct of steps in projects	Number of strategic projects included in the arrangement Number of "small projects" included ad hoc	Mayor's personal staff General Directorate Directorate of Organisation and Information Systems Strategic Organisation and Planning Group	Evaluation of projects for each official policy
Service to clients Service quality charter	Information / Satisfaction of clients	Call centre (answering rate) Mail reply lag Monitoring of receptionists	Audits Quantitative measurements	Staff Head of citizen reception service	"Qualiville" certification for quality of municipal administrative services
Staff management: example of Full Web and GPEC (forward management of human resources)	Improving information to staff		Decree of January 2008	Staff Human Resources Director	Compliance with the law of February 2007

Activity fulfilling theme / objective set	Specific objective	Performance indicator	Measurement technique used	Responsible person	Result
Internal communication for municipal staff	Informing staff at all locations	Number of Intranet connections (per article)	Instant counting	Deputy Director of Communication	Flow of communication (form and substance) for the better information of staff agents
	Communicating about up-to-date services	Participation in forum	Classification of articles according to popularity		
	Developing a corporate culture	Staff proposals for articles	Life of the forum (contributions)	Staff	Staff satisfaction in monthly newsletter "Au fil des mois"
			Satisfaction survey		



4.4 GREAT BRITAIN

Aim	Activity/ milestones	Time- scale	Measure of Success (Performance Indicator)	Monitoring arrangements	Budget	Outcome	Respon- sibility
Improved street cleanliness	<p>Develop clear standards for cleanliness of public open spaces and high-ways.</p> <p>Set targets against which standards are met across the local authority.</p> <p>Targets for cleanliness (% of area with litter & levels of public satisfaction).</p> <p>Put in place a clear programme of street and public open spaces cleaning (April 2016)</p>	XX / XX / XX	<p>Initial level of cleanliness and public satisfaction determined</p> <ol style="list-style-type: none"> 40 % of the highway is clean and has acceptable level of litter 40 % of public consulted are satisfied with standards of public open space <p>Target for annual increase in standards and satisfaction set</p> <ul style="list-style-type: none"> 50 % of highways in acceptable condition in 2016 50 % of public satisfied with standards of public open space. 	<p>Annual survey of public satisfaction (random survey of 500 people).</p> <p>Quarterly of a sample of open spaces and roads.</p>	XX Euros (for street cleaning and satisfaction survey)	Improved standards of public open space encourages economic vitality of the local authority	Name

5. APPENDIX 2

Performance Indicators used in local government in England

The following shows examples of the range of performance measures used by an English local authority. These indicators are segregated into broad outcome areas such as ‘education’, ‘the environment’.

The English national indicator set which has been used by all public services to reduce the number of performance indicators measured by individual organisations. This part is accompanied by some guidance about what is needed to define performance indicators to ensure that a consistent approach is adopted to allow comparison between service providers. This is intended to complement the main performance management guide.

PERFORMANCE MEASURES USED BY BRITISH LOCAL COUNCILS

Target description		Previous YEAR	Where are we - this YEAR			
		Actual result - previous year	Result - this year	Target for this year	Target Met?	
Target reference number	Description of indicator	Actual result for last year	Actual result for this year - to be collected at the end of the year and reported as soon as possible	Target set - identify what the target was set at the beginning of the year to easily see if this was met	Statement as to whether the target set was met	<ol style="list-style-type: none"> 1 2 3 (see key at bottom)
Corporate Health – ‘internally focused’ indicators						
	Percentage of invoices paid on time					
	Percentage of local Council Tax collected (domestic property tax)					
	Percentage of non-domestic rates collected (business tax)					
	Percentage of employees from ethnic minorities backgrounds					
	Percentage of working days lost due to sickness absence					
	Percentage of employees with a disability					
	Percentage of buildings accessible to people with a disability					

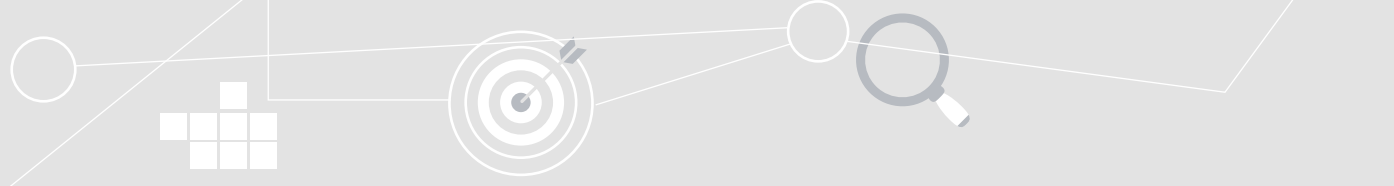
Target description	Previous YEAR	Where are we - this YEAR			
	Actual result - previous year	Result - this year	Target for this year	Target Met?	
Education					
Percentage of 15 yr olds with 5 or more GCSE's (General Certificate in Secondary Education) at grade A*-C or equiv					
Number of pupils with a statement of special educational needs					
Percentage of total absence in secondary schools (age 11-16)					
Percentage of total absence in primary schools (age 5-11)					
Key Stage 3 performance English - Level 5 (age 14)					
Key Stage 3 performance Maths - Level 5 (age 14)					
Key Stage 3 performance Science - Level 5 (age 14)					
Key Stage 3 performance Information Communication and Technology - Level 5 (age 14)					
Key Stage 2 English Performance (age 11)					
Key Stage 2 Maths Performance (age 11)					
Children					
Children who are looked after (e.g. foster care) who have had three or more placements in the year					
Educational Qualifications of Looked After Children					
Employment, education and training for care leavers					
Percentage of child protection cases reviewed					
Percentage of children who have been adopted (out of all children who have been looked after for six months or more)					
Teenage pregnancies (percentage change)					
Adults					
Intensive home care per 1000 population (supporting those adults with specific needs)					
Number of older people helped to live at home					
Equipment and adaptations delivered to support continued living at home instead of a care home					
Assessment waiting time (time taken to assess adults with specific care needs)					
Acceptable waiting time for care packages (time taken to deliver a package of care after assessment)					
Direct payment of benefits					

Target description	Previous YEAR	Where are we - this YEAR			
	Actual result - previous year	Result - this year	Target for this year	Target Met?	
Housing					
Energy efficiency of housing stock					
Vacant dwellings returned to occupation/demolished					
Rent collection and arrears recovery					
Percentage of Local Authority tenants with more than seven weeks rent arrears					
Percentage of tenants served Notices Seeking Possession (first stage of eviction)					
Percentage of tenants evicted					
Percentage of non decent homes (homes not meeting specified standards)					
Percentage change in non-decent homes					
Average time to re-let housing (days)					
Homelessness					
Average length of families' stay in hostel (weeks)					
Number of rough sleepers					
Housing advice - preventing homelessness (per 1000 pop)					
Housing benefit (HB) and Council tax benefit (CT)					
Housing benefit security - investigators					
Housing benefit security - investigations					
Housing benefit security - prosecutions/sanctions					
Speed of processing - new HB/CT claims (days)					
Speed of processing - speed of processing changes to HB/CT claims (days)					
Accuracy of HB/CT claims					
Percentage of recoverable HB overpayments					
Percentage of recoverable HB Overpayments recovered					
Waste and Cleanliness					
Percentage of household waste recycled					
Total tonnage of waste sent for recycling					



Target description		Previous YEAR	Where are we - this YEAR			
		Actual result - previous year	Result - this year	Target for this year	Target Met?	
	Percentage of waste sent for composting or anaerobic digestion					
	Tonnage of household waste sent for composting or anaerobic digestion					
	Percentage of waste used to recover heat, power and other energy sources					
	Tonnage of household waste used to recover heat, power and other energy sources					
	Percentage of waste landfilled					
	Tonnage of household waste arisings landfilled					
	Kg of waste collected per head of population					
	Percentage change in kilograms waste collected per head of population					
	Cost of waste collection per household					
	Cost of waste disposal per tonne of waste					
	Percentage of households served by kerbside collection of recyclables					
	Percentage of households served by kerbside collection of at least 2 recyclables (e.g. paper / glass)					
	Proportion of land having combined litter and detritus deposits below an acceptable level					
	Proportion of land and highways from which unacceptable levels of graffiti are visible					
	Proportion of land and highways from which unacceptable levels of fly-posting are visible					
	Local Street and Environmental Cleanliness - Fly-tipping					
Transport						
	Number of people killed or seriously injured (KSI) in road traffic collisions					
	Percentage change in number of people killed or seriously injured in road traffic collisions since the previous year					
	Number of adults killed or seriously injured in road traffic collisions					
	Number of children (aged under 16) killed or seriously injured in road traffic collisions					
	Percentage change in number of children killed or seriously injured in road traffic collisions since the previous year					
	Percentage change in number of children killed or seriously injured in road traffic collisions					

Target description		Previous YEAR	Where are we - this YEAR			
		Actual result - previous year	Result - this year	Target for this year	Target Met?	
	Number of people slightly injured in road traffic collisions					
	Percentage change in number of people slightly injured in road traffic collisions since the previous year					
	Total number of local bus passenger journeys each year					
	Percentage of pedestrian crossings with facilities for disabled people (e.g. to assist deaf people)					
	Average days taken to repair street lighting fault					
	Average time taken to repair a street lighting fault					
	Percentage of principal roads where structural maintenance should be considered					
	Percentage of non-principal classified roads where maintenance should be considered					
	Percentage of unclassified road network where structural maintenance should be considered					
Environment						
	Score against best practice checklist for Environmental Health (a defined checklist is used such as the number of food hygiene inspections in restaurants)					
	Land contamination - number of sites of potential concern					
	Percentage of new reports of abandoned vehicles investigated within 24 hours					
	Percentage of abandoned vehicles removed within 24 hours					
Planning						
	Percentage of new homes built on previously developed land					
	Percentage of major applications determined within 13 weeks (major relates to construction of 10 or more homes or large scale business / commercial development)					
	Percentage of minor applications determined within 8 weeks (minor application includes single dwellings)					
	Percentage of planning appeals allowed against a local authority planning decision					
	Score against 'quality of planning services' checklist					
Culture and related services						
	Number of visits to museums and galleries per 1000 population					
	Number of pupils visiting museums and galleries in organised groups					
	Compliance against Public Library Service Standards					



Target description	Previous YEAR	Where are we - this YEAR		
	Actual result - previous year	Result - this year	Target for this year	Target Met?
Community Safety and Wellbeing				
Domestic burglaries per 1,000 households				
Violent crime per 1,000 population				
Robberies per 1000 population				
Vehicle crime per 1000 population				
Racial incidents recorded by Local Authority				
Racial incidents resulting in further action				
Actions against Domestic Violence				

Key to Terms and Symbols Used	
①	Symbol to identify if the Council's performance this year has improved on its performance since the last year
②	Symbol to identify if the Council's performance this year has remained the same as its performance since last year
③	Symbol to identify if the Council's performance this year has declined from its performance since last year



6. APPENDIX 3

The UK National Indicator Set

The following tables show the total number of national indicators from which partners delivering services in local areas select approximately 30 indicators which are most relevant to the needs of the local area. This approach has been adopted in other countries such as in Russia where the Russian Federation has required a maximum of 30 performance measures to be reported centrally.

The following indicators are categorised against broad local outcomes such as stronger communities. Partners, including local councils select a maximum of 30 indicators from the following list. Selection will depend on what locally important issues are.

For example

Outcome	National indicators	
Stronger communities	NI 1	% of people who believe people from different backgrounds get on well together in their local area
	NI 2	% of people who feel that they belong to their neighbourhood
	NI 3	Civic participation in the local area
	NI 4	% of people who feel they can influence decisions in their locality
	NI 5	Overall/general satisfaction with local area
	NI 6	Participation in regular volunteering
	NI 7	Environment for a thriving third sector
	NI 8	Adult participation in sport
	NI 9	Use of public libraries
	NI 10	Visits to museums or galleries
	NI 11	Engagement in the arts
	NI 12	Refused and deferred Houses in Multiple Occupation (HMO) license applications leading to immigration enforcement activity
	NI 13	Migrants English language skills and knowledge
	NI 14	Avoidable contact: The average number, of customer contacts per received customer request
Safer communities	NI 15	Serious violent crime rate
	NI 16	Serious acquisitive crime rate
	NI 17	Perceptions of anti-social behaviour
	NI 18	Adult re-offending rates for those under probation supervision
	NI 19	Rate of proven re-offending by young offenders
	NI 20	Assault with injury crime rate
	NI 21	Dealing with local concerns about anti-social behaviour and crime by the local council and police
	NI 22	Perceptions of parents taking responsibility for the behaviour of their children in the area
	NI 23	Perceptions that people in the area treat one another with respect and dignity
	NI 24	Satisfaction with the way the police and local council dealt with anti-social behaviour
	NI 25	Satisfaction of different groups with the way the police and local council dealt with anti-social behaviour
	NI 26	Specialist support to victims of a serious sexual offence
	NI 27	Understanding of local concerns about anti-social behaviour and crime by the local council and police
	NI 28	Serious knife crime rate
	NI 29	Gun crime rate

Outcome	National indicators	
Safer communities <i>(continued)</i>	NI 30	Re-offending rate of prolific and priority offenders
	NI 31	Re-offending rate of registered sex offenders
	NI 32	Repeat incidents of domestic violence
	NI 33	Arson incidents
	NI 34	Domestic violence – murder
	NI 35	Building resilience to violent extremism
	NI 36	Protection against terrorist attack
	NI 37	Awareness of civil protection arrangements in the local area
	NI 38	Drug-related (Class A) offending rate
	NI 39	Alcohol-harm related hospital admission rates
	NI 40	Drug users in effective treatment
	NI 41	Perceptions of drunk or rowdy behaviour as a problem
	NI 42	Perceptions of drug use or drug dealing as a problem
	NI 43	Young people within the Youth Justice System receiving a conviction in court who are sentenced to custody
	NI 44	Ethnic composition of offenders on Youth Justice System disposals
	NI 45	Young offenders engagement in suitable education, employment or training
	NI 46	Young offenders access to suitable accommodation
	NI 47	People killed or seriously injured in road traffic accidents
	NI 48	Children killed or seriously injured in road traffic accidents
NI 49	Number of primary fires and related fatalities and non-fatal casualties, excluding precautionary checks	
Children & Young People		<i>Be Healthy</i>
	NI 50	Emotional health of children
	NI 51	Effectiveness of child and adolescent mental health (CAMHS) services
	NI 52	Take up of school lunches
	NI 53	Prevalence of breastfeeding at 6 – 8 weeks from birth
	NI 54	Services for disabled children
	NI 55	Obesity among primary school age children in Reception Year
	NI 56	Obesity among primary school age children in Year 6
	NI 57	Children and young people's participation in high-quality PE and sport
NI 58	Emotional and behavioural health of children in care	
Children & Young People <i>(continued)</i>		<i>Stay Safe</i>
	NI 59	Initial assessments for children's social care carried out within 7 working days of referral
	NI 60	Core assessments for children's social care that were carried out within 35 working days of their commencement
	NI 61	Stability of looked after children adopted following an agency decision that the child should be placed for adoption
	NI 62	Stability of placements of looked after children: number of moves
	NI 63	Stability of placements of looked after children: length of placement
	NI 64	Child protection plans lasting 2 years or more
	NI 65	Children becoming the subject of a Child Protection Plan for a second or subsequent time
	NI 66	Looked after children cases which were reviewed within required timescales
	NI 67	Child protection cases which were reviewed within required timescales
	NI 68	Referrals to children's social care going on to initial assessment
	NI 69	Children who have experienced bullying
	NI 70	Hospital admissions caused by unintentional and deliberate injuries to children and young people
	NI 71	Children who have run away from home/care overnight
		<i>Enjoy and Achieve</i>
NI 72	Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	
NI 73	Achievement at level 4 or above in both English and Maths at Key Stage 2 (Threshold)	

Outcome	National indicators		
	NI 74	Achievement at level 5 or above in both English and Maths at Key Stage 3 (Threshold)	
	NI 75	Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Threshold)	
	NI 76	Achievement at level 4 or above in both English and Maths at KS2	
	NI 77	Achievement at level 5 or above in both English and Maths at KS3	
	NI 78	Achievement of 5 or more A*-C grades at GCSE and equivalent including GCSEs in English and Maths	
	NI 79	Achievement of a Level 2 qualification by the age of 19	
	NI 80	Achievement of a Level 3 qualification by the age of 19	
	NI 81	Inequality gap in the achievement of a Level 3 qualification by the age of 19	
	NI 82	Inequality gap in the achievement of a Level 2 qualification by the age of 19	
Children & Young People <i>(continued)</i>	NI 83	Achievement at level 5 or above in Science at Key Stage 3	
	NI 84	Achievement of 2 or more A*-C grades in Science GCSEs or equivalent	
	NI 85	Post-16 participation in physical sciences (A Level Physics, Chemistry and Maths)	
	NI 86	Secondary schools judged as having good or outstanding standards of behaviour	
	NI 87	Secondary school persistent absence rate	
	NI 88	Number of Extended Schools	
	NI 89	Number of schools in special measures	
	NI 90	Take up of 14-19 learning diplomas	
	NI 91	Participation of 17 year-olds in education or training	
	NI 92	Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	
	NI 93	Progression by 2 levels in English between Key Stage 1 & 2	
	NI 94	Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2	
	NI 95	Progression by 2 levels in English between Key Stage 2 & 3	
	NI 96	Progression by 2 levels in Maths between Key Stage 2 and Key Stage 3	
	NI 97	Progression by 2 levels in English between Key Stage 3 & 4	
	NI 98	Progression by 2 levels in Maths between Key Stage 3 and Key Stage 4	
	NI 99	Children in care reaching level 4 in English at Key Stage 2	
	NI 100	Children in care reaching level 4 in Maths at Key Stage 2	
	NI 101	Children in care achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4 (including English and Maths)	
	NI 102	Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 and 4	
	NI 103	Special Educational Needs – statements issued within 26 weeks	
	NI 104	The Special Educational Needs (SEN)/non-SEN gap – achieving Key Stage 2 English and Maths threshold	
	NI 105	The Special Educational Needs (SEN)/non-SEN gap – achieving 5 A*-C GCSE inc. English and Maths	
	NI 106	Young people from low income backgrounds progressing to higher education	
	NI 107	Key Stage 2 attainment for Black and minority ethnic groups	
	NI 108	Key Stage 4 attainment for Black and minority ethnic groups	
	NI 109	Number of Sure Start Children Centres	
		<i>Make a positive contribution</i>	
	NI 110	Young people's participation in positive activities	
	NI 111	First time entrants to the Youth Justice System aged 10 – 17	
	NI 112	Under 18 conception rate	
	NI 113	Prevalence of Chlamydia in under 20 year olds	
	NI 114	Rate of permanent exclusions from school	
	NI 115	Substance misuse by young people	
	<i>Economic Wellbeing</i>		
NI 116	Proportion of children in poverty		
NI 117	16 to 18 year olds who are not in education, training or employment (NEET)		
NI 118	Take up of formal childcare by low-income working families		

Outcome	National indicators	
Adult health and wellbeing	NI 119	Self-reported measure of people's overall health and wellbeing
	NI 120	All-age all cause mortality rate
	NI 121	Mortality rate from all circulatory diseases at ages under 75
	NI 122	Mortality from all cancers at ages under 75
	NI 123	16+ current smoking rate prevalence
	NI 124	People with a long-term condition supported to be independent and in control of their condition
	NI 125	Achieving independence for older people through rehabilitation/intermediate care
	NI 126	Early access for women to maternity services
	NI 127	Self reported experience of social care users
	NI 128	User reported measure of respect and dignity in their treatment
	NI 129	End of life access to palliative care enabling people to choose to die at home
	NI 130	Social Care clients receiving Self Directed Support (Direct Payments and Individual Budgets)
	NI 131	Delayed transfers of care from hospitals
	NI 132	Timeliness of social care assessment
	NI 133	Timeliness of social care packages
	NI 134	The number of emergency bed days per head of weighted population
	NI 135	Carers receiving needs assessment or review and a specific carer's service, or advice and information
	NI 136	People supported to live independently through social services (all ages)
	NI 137	Healthy life expectancy at age 65
NI 138	Satisfaction of people over 65 with both home and neighbourhood	
NI 139	People over 65 who say that they receive the information, assistance and support needed to exercise choice and control to live independently	
Tackling exclusion and promoting equality	NI 140	Fair treatment by local services
	NI 141	Number of vulnerable people achieving independent living
	NI 142	Number of vulnerable people who are supported to maintain independent living
	NI 143	Offenders under probation supervision living in settled and suitable accommodation at the end of their order or licence
	NI 144	Offenders under probation supervision in employment at the end of their order or licence
	NI 145	Adults with learning disabilities in settled accommodation
	NI 146	Adults with learning disabilities in employment
	NI 147	Care leavers in suitable accommodation
	NI 148	Care leavers in employment, education or training
	NI 149	Adults in contact with secondary mental health services in settled accommodation
	NI 150	Adults in contact with secondary mental health services in employment
Local economy	NI 151	Overall employment rate
	NI 152	Working age people on out of work benefits
	NI 153	Working age people claiming out of work benefits in the worst performing neighbourhoods
	NI 154	Net additional homes provided
	NI 155	Number of affordable homes delivered (gross)
	NI 156	Number of households living in Temporary Accommodation
	NI 157	Processing of planning applications as measured against targets for 'major', 'minor' and 'other' application types
	NI 158	% decent council homes
	NI 159	Supply of ready to develop housing sites
	NI 160	Local Authority tenants' satisfaction with landlord services
	NI 161	Learners achieving a Level 1 qualification in literacy
	NI 162	Learners achieving an Entry Level 3 qualification in numeracy
	NI 163	Working age population qualified to at least Level 2 or higher
	NI 164	Working age population qualified to at least Level 3 or higher

Outcome	National indicators	
	NI 165	Working age population qualified to at least Level 4 or higher
	NI 166	Average earnings of employees in the area
	NI 167	Congestion – average journey time per mile during the morning peak
	NI 168	Principal roads where maintenance should be considered
	NI 169	Non-principal roads where maintenance should be considered
	NI 170	Previously developed land that has been vacant or derelict for more than 5 years
	NI 171	VAT registration rate
	NI 172	VAT registered businesses in the area showing growth
	NI 173	People falling out of work and on to incapacity benefits
	NI 174	Skills gaps in the current workforce reported by employers
	NI 175	Access to services and facilities by public transport, walking and cycling
	NI 176	Working age people with access to employment by public transport (and other specified modes)
	NI 177	Local bus passenger journeys originating in the authority area
	NI 178	Bus services running on time
	NI 179	Value for money – total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008-9 financial year
	NI 180	Changes in Housing Benefit/ Council Tax Benefit entitlements within the year
	NI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events
	NI 182	Satisfaction of businesses with local authority regulation services
	NI 183	Impact of local authority regulatory services on the fair trading environment
	NI 184	Food establishments in the area which are broadly compliant with food hygiene law
Environmental sustainability	NI 185	CO ₂ reduction from Local Authority operations
	NI 186	Per capita CO ₂ emissions in the LA area
	NI 187	Tackling fuel poverty – people receiving income based benefits living in homes with a low energy efficiency rating
	NI 188	Adapting to climate change
	NI 189	Flood and coastal erosion risk management
	NI 190	Achievement in meeting standards for the control system for animal health
	NI 191	Residual household waste per head
	NI 192	Household waste recycled and composted
	NI 193	Municipal waste land filled
	NI 194	Level of air quality – reduction in NOx and primary PM10 emissions through local authority's estate and operations
	NI 195	Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting)
	NI 196	Improved street and environmental cleanliness – fly tipping
	NI 197	Improved local biodiversity – active management of local sites
	NI 198	Children travelling to school – mode of travel usually used

7. APPENDIX 4

Worked examples of performance tables

The following three examples show the type of information given to support the indicators.

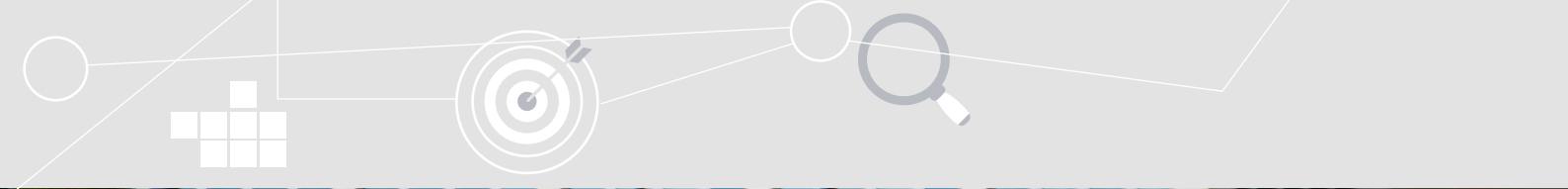
NI 192: Percentage of household waste sent for reuse, recycling and composting			
Rationale	The indicator measures percentage of household waste arisings which have been sent by the Authority for reuse, recycling, composting or anaerobic digestion. This is a key measure of local authorities' progress in moving management of household waste up the hierarchy, consistent with the Government's national strategy for waste management. The Government expects local authorities to maximise the percentage of waste reused, recycled and composted.		
Definition	<p>The percentage of household waste arisings which have been sent by the authority for reuse, recycling, composting or anaerobic digestion.</p> <p>The numerator is the total tonnage of household waste collected which is sent for reuse, recycling, composting or anaerobic digestion.</p> <p>The denominator is the total tonnage of household waste collected.</p> <p>'Household waste' means those types of waste which are to be treated as household waste. The amounts deemed to be collected shall include:</p> <ul style="list-style-type: none"> • All waste collected from domestic properties, plus • All waste arisings from Civic Amenity Sites, and • Waste collected by third parties for which collection or disposal reuse or recycling credits are paid <p>For the avoidance of doubt 'Household waste' includes waste from the following sources:</p> <ul style="list-style-type: none"> • Waste collection rounds • Litter and refuse collected from street cleaning waste, park litter and gully sweepings • Bulky waste collections, where "bulky waste" is defined as <ul style="list-style-type: none"> – any article of waste which exceeds 25 kilograms in weight – any article of waste which does not fit, or cannot be fitted into a domestic waste bin • Garden waste collections • Household clinical waste collections • Hazardous household waste collections • Re-used waste material from household sources as defined below <p>Household waste does not include:</p> <ul style="list-style-type: none"> • Beach cleansing wastes, rubble (including soil associated with the rubble); Vehicles (whether abandoned or not); Grass cuttings, leaves etc in parks. 		
Formula	<p>The percentage rate is calculated as below:</p> <p>The percentage of household waste sent for reuse, recycling, composting or anaerobic digestion is calculated as: $X/Y \times 100$, where:</p>		
	$X =$ Tonnage of household waste collected which is sent for reuse, recycling, composting or anaerobic digestion.	$Y =$ Total tonnage of household waste collected.	
Worked Example	<p>Household waste collected directly for recycling = 30,000 tonnes</p> <p>Household waste rejected for recycling = 500 tonnes</p> <p>Household waste sent for reuse = 300 tonnes</p> <p>Household waste sent for composting = 8,000 tonnes</p> <p>Recyclate sorted from residual waste MRF = 2,200 tonnes</p> <p>Total household waste = 100,000 tonnes</p> <p>$X = (30,000 - 500 + 300 + 8,000 + 2,200) = 40,000$ tonnes</p> <p>$Y = 100,000$ tonnes</p> <p>$X/Y \times 100 =$ $(40,000 / 100,000) \times 100$ NI 192 = 40.00 %</p>	Good performance	Good performance is typified by a higher percentage
Collection interval	Financial year	Data Source	

The following guidance supports the indicator measuring the cleanliness of streets and the local environment.

NI 195: Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting)			
Rationale	<p>The percentage of relevant land and highways that is assessed as having deposits of litter, detritus, graffiti and fly-posting that fall below an acceptable level.</p> <p>Reducing unacceptable levels of litter, detritus, fly-posting and graffiti forms a key part of the 'Cleaner Safer Greener Communities' agenda. Through the improved management information delivered to authorities by the indicator, they should aim to reduce the score year-on-year.</p>		
Definition	<p>e indicator is reported as four parts, one for each element of environmental and street cleanliness: (a) Litter, (b) Detritus, (c) Graffiti, (d) Fly-posting.</p> <ul style="list-style-type: none"> • litter is 'anything that is dropped, thrown, left or deposited that causes defacement, in a public place'. <p>Grade A is given where there is no litter or refuse; grade B is given where a transect is predominantly free of litter and refuse except for some small items; grade C is given where there is a widespread distribution of litter and refuse, with minor accumulations; and grade D where a transect is heavily littered, with significant accumulations.</p> <ul style="list-style-type: none"> • Detritus comprises dust, mud, soil, grit, gravel, stones, rotted leaf and vegetable residues, and fragments of twigs, glass, plastic and other finely divided materials. • Graffiti is defined as any informal or illegal marks, drawings or paintings that have been deliberately made by a person or persons on any physical element comprising the outdoor environment, with a view to communicating some message or symbol etc. to others. • Fly-posting is defined as any printed material and associated remains informally or illegally fixed to any structure. Fly-posting includes any size of material from small stickers up to large posters – often advertising popular music recordings, concerts and other events. Fly-posting <i>excludes</i> formally managed and approved advertising hoardings and valid, legally placed signs and notices. 		
Formula	<p>Once all sites have been surveyed, the formula to be used for each of the four elements of the indicator (litter, detritus, graffiti and fly-posting) is:</p>		
	$\left[\frac{T + \left[\frac{T_b}{2} \right]}{T_s} \right] * 100$	<p>where:</p> <p>T = number of sites graded C, C –, or D for each individual element (litter, detritus, graffiti and fly-posting);</p> <p>T_b = number of sites graded at B – for each individual element (litter, detritus, graffiti and fly-posting) (this grade counts as half);</p> <p>T_s = total number of sites surveyed for the relevant element (litter, detritus, graffiti and fly-posting) (900 minimum with the exception of the detritus indicator which may be less than 900 where sites are not suitable for detritus grading).</p>	
Worked example	<p>For example, where 30 sites have been graded either C, C –, or D and 90 sites have been graded B –, the calculation would give:</p>		
	$\left[\frac{30 + \left[\frac{90}{2} \right]}{900} \right] * 100 = 8\%$	<p>NB – This calculation will automatically be given using the standard spreadsheet available to download from www.ni195.com</p>	
Good performance	<p>The lower the percentage score the better the standard of cleanliness</p>		
Collection interval	<p>Annually (1st April – 31st March) Based on surveys carried out over three four month periods: April – July; August – November; December – March.</p>	Data Source (if external)	Local Authorities

The following guidance supports the indicator measuring the cleanliness of streets and the local environment with regards to fly tipping.

NI 196: Improved street and environmental cleanliness – fly tipping																										
Rationale	Reducing the incidents of illegally dumped waste or ‘fly-tipping’ forms a key part of Government’s Cleaner Safer Greener Communities work and its Waste Strategy for England which was published in May 2007.																									
Definition	<p>The indicator measures a local authority’s performance based on a combination of calculating its year on year change in total incidents of fly-tipping dealt with, compared with its year on year change in enforcement actions taken against fly-tipping.</p> <p>Good performance is indicated by a decrease in incident numbers in and an increase in enforcement action. A better score will be achieved if incident numbers only are reduced as opposed to enforcement numbers only are increased</p> <p>Enforcement actions consist of investigations, warning letters, statutory notice, fixed penalty notice, duty of care inspection, stop and search, formal caution and prosecution.</p> <p>Fly-tipping</p> <p>It is an offence to illegally dispose of waste. It is an offence to:</p> <ul style="list-style-type: none"> • Deposit waste, or knowingly cause or knowingly permit waste to be deposited without a waste management licence; • Treat, keep or dispose of waste, or knowingly cause or knowingly permit waste to be treated, kept or disposed of except under or in accordance with a waste management licence; or • Treat, keep or dispose of controlled waste in a manner likely to cause pollution of the environment or harm to human health. <p>As fly-tipping may involve a number of factors, including intent, it is down to a local authority to decide whether a deposit of waste is a fly-tip.</p>																									
Formula	<p>The indicator measures a local authority’s performance based on a combination of calculating its year on year change in total incidents of fly-tipping dealt with, compared with its year on year change in enforcement actions taken against fly-tipping.</p> <p>A weighting is applied to each type of incident and enforcement action in order to recognise the differing effort involved in clearing larger fly-tips and the deterrent effect of enforcement. For example, ‘significant multiple loads’ are weighted greater than ‘single items’; while for incidents ‘prosecution’ are weighted higher than ‘warning letters’.</p> <p>The table below illustrates the marking awarded to the various combinations:</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th colspan="5">Number of Enforcement Action</th> </tr> <tr> <th rowspan="4">Number of Incidents of Fly Tipping</th> <th></th> <th>Increasing actions</th> <th>Same level of actions</th> <th>Decreasing actions</th> </tr> </thead> <tbody> <tr> <td>Decrease</td> <td>Grading 1 Very Effective</td> <td>Grading 2 Effective</td> <td>Grading 2 Effective</td> </tr> <tr> <td>Same</td> <td>Grading 3 Not Effective</td> <td>Grading 3 Not Effective</td> <td>Grading 3 Not Effective</td> </tr> <tr> <td>Increase</td> <td>Grading 3 Not Effective</td> <td>Grading 3 Not Effective</td> <td>Grading 4 Poor</td> </tr> </tbody> </table> <p>The table illustrates the effectiveness of an authority in reducing the total numbers of incidents over the year but also highlights enforcement action taken to prosecute and prevent incidents in future. It is important for authorities to focus on this type of proactive prevention rather than only clear incidents.</p>				Number of Enforcement Action					Number of Incidents of Fly Tipping		Increasing actions	Same level of actions	Decreasing actions	Decrease	Grading 1 Very Effective	Grading 2 Effective	Grading 2 Effective	Same	Grading 3 Not Effective	Grading 3 Not Effective	Grading 3 Not Effective	Increase	Grading 3 Not Effective	Grading 3 Not Effective	Grading 4 Poor
Number of Enforcement Action																										
Number of Incidents of Fly Tipping		Increasing actions	Same level of actions	Decreasing actions																						
	Decrease	Grading 1 Very Effective	Grading 2 Effective	Grading 2 Effective																						
	Same	Grading 3 Not Effective	Grading 3 Not Effective	Grading 3 Not Effective																						
	Increase	Grading 3 Not Effective	Grading 3 Not Effective	Grading 4 Poor																						
Worked example	N/A	Good performance	Good performance is indicated by a decrease in incident numbers in and an increase in enforcement action. A better score will be achieved if incident numbers only are reduced as opposed to enforcement numbers only are increased.																							
Collection interval	LA’s report on a monthly basis – analysis is completed on a financial year.	Data Source																								



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