

*Reflections on the Performance
Verification Process in Local
Government 2003 - 2006*

Summary Report
Performance Verification Group (PVG)
September 2006

Contents

1) Introduction	2
2) The PVG Process in Local Government	3
3) Observations and Conclusions	5
4) Recommendations	9

Chairman's Introduction

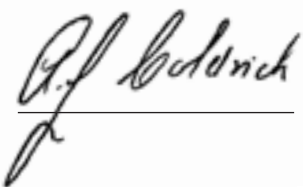
1.1 In July 2006 the Performance Verification Group (PVG) for the Local Government Sector held its last formal meeting since in effect its existence derived from within the terms of the National Agreement – *'Sustaining Progress'*, which Agreement was then terminating. Any future activity around the now established PVG process in the Sector must therefore await fresh developments that may follow from the ratification of the new National Agreement *'Towards 2016'* documentation now to hand (September 2006) or indeed from a similar accord that might be struck at some time in the future.

1.2 It is timely therefore to reflect on what has been achieved through the PVG process in the Sector to date and to encapsulate some of the insights acquired. Such reflection may assist the evolution of the PVG process in general but in particular it may be of some assistance to any future PVG or to its equivalent in the Local Government arena. This Report attempts to highlight a number of salient points gleaned from the experience so far and while compiled with a Local Government audience in mind, some of the points may be deemed relevant to the overall PVG process.

1.3 In bringing together a number of the ideas for this Report specific reference and acknowledgement must be made to the already published work by Professor Richard Boyle – *'Performance Verification and Public Sector Pay'- Committee for Public Management (CPMR) Discussion Paper No. 32.*

December 2005. This seminal document greatly helped the compilation here but it should also be acknowledged in turn that significant input to the Boyle Paper came from members of the Local Government PVG who were interviewed as part of the information gathering process for that Report.

1.4 As will be mentioned later in a slightly different context, the PVG process generated a considerable amount of documentation in the period in question and in a sense all such documentation complements the summary points made here. From among such a vast array of information, the Action Plans produced by individual local authorities are perhaps of particular significance as are the Sectoral Reports furnished at intervals by the Local Authority National Partnership Advisory Group (LANPAG) and the Reports and observations forwarded to the PVG at the appropriate stages by the Secretary General of the Department of the Environment, Heritage and Local Government. It is commended that any person or Group contemplating the PVG process in the sector to date might wish to peruse such documentation (*available on the relevant Websites*) in tandem with the present report and the key Boyle Discussion paper already alluded to.



Arthur Coldrick
Chairman

The PVG Process in Local Government

- 2.1** The Performance Verification Groups (PVGs) were established primarily to make recommendations on whether or not pay increases falling due under the Agreement, 'Sustaining Progress' and under the relevant complementary Benchmarking awards were merited given ongoing performance achieved against agreed criteria.
- 2.2** The PVG mechanisms and structures were laid down in the 'Sustaining Progress' documentation with five independent PVGs being created across the Public Sector, each dealing with a specific arena.
- 2.3** For the Local Government Sector the PVG comprised two management nominees, two trade union nominees and two independent members with a further independent third party chair.
- 2.4** It is pertinent to note that prior to creation of the PVG in the Local Government Sector, a Quality Assurance Group (QAG) had existed with a similar mandate and indeed four members of the original QAG were subsequently nominated to the PVG.
- 2.5** Executive and administrative support and advice to the Local Government PVG was provided on an ongoing basis by the Local Government Management Services Board (LGMSB).
- 2.6** By the end of its term of office in July 2006, the PVG had met formally on twenty one occasions. Its first meeting took place on the 7th July 2003 and meetings were arranged at appropriate intervals to integrate both with the dates on which awards fell due and with the relevant submission phases from individual authorities and from other sources, e.g. from the Department of the Environment, Heritage and Local Government. In addition to the reviews of submissions carried out at the PVG meetings, a number of guest contributors were invited as appropriate to complement the knowledge and insights already available.
- 2.7** A fundamental decision taken by the PVG, almost immediately after it was formed, was to agree to visit all the Authorities as part of its remit. In fact, all thirty four main Authorities were visited **twice** during the lifetime of the PVG, a feat achieved by splitting the PVG group into two smaller groups of three members each with the independent chair joining one of the groups.

- 2.8** The membership of the Group changed slightly during the term of office; in August 2004 Mr Tom Dowling, a management nominee, resigned and was replaced by Mr Danny McLoughlin while in July 2005 Mr Al Butler, a trade union nominee, resigned to be replaced by Mr Peter Nolan. Fr Pat Cogan and Mr Joe Harford served throughout as independent members as did Mr Matt Merrigan, a trade union nominee and Mr Joe Horan, a management nominee. Mr Arthur Coldrick served in the chair for the duration of the PVG remit.
- 2.9** While meetings were generally held within LGMSB offices, external venues were availed of as appropriate; meetings generally lasted between two - four hours and meeting times were arranged to suit the members.
- 2.10** The PVG observed the working system for performance verification as specified by 'Sustaining Progress' and in addition kept regularly in touch with developments through the LGMSB. It also liaised at intervals with the Department of the Environment, Heritage and Local Government and with LANPAG. A number of invitations to the PVG to discuss its role and remit were honoured and groups spoken with included the County & City Managers Association (CCMA), various Personnel and Trade Union officials, Partnership Facilitators and some academic associations. Progress of sister PVGs was monitored at cross sectoral 'chairs meetings' which were arranged at intervals.
- 2.11** For visits to local authorities a programme and timetable was agreed in advance. On the day presentations were made to the PVG group attending by nominated authority personnel and each session concluded with a discussion / Question & Answer session. Visits were either directly to an authority itself or to a venue at which a number of authorities convened by prior agreement but each authority always made a discrete presentation and was treated as a separate entity.
- 2.12** In dealing with the array of Action Plans forwarded to the PVG as laid down under 'Sustaining Progress', it was decided that each member and the chair should 'specialise' in a number of Authorities. Each member then shared insights at the meetings and the submissions were discussed as a whole. The subsequent visits served as an opportunity to test and review the information provided in the Action Plans and members were able to question the background to the progress cited.

Observations and Conclusions

General Comments

- 3.1** In general it is concluded that the PVG process has proved to be a valuable innovation and that the work of the PVG in the Local Government arena has assisted in achieving many of the modernisation goals set down in 'Sustaining Progress'.
- 3.2** As noted in the Boyle Discussion Paper, it is not possible to directly attribute changes achieved in the Sector to the verification process since much change was already in train but nevertheless the verification process brought a sharp focus to specific changes through the generation of an array of agreed indicators.
- 3.3** It is considered significant that the Sector as a whole and the individual Authorities themselves welcomed the PVG process since for them it provided a valuable platform to display progress and the visits from the PVG teams were viewed as an opportunity to draw attention to achievements otherwise perhaps taken for granted.
- 3.4** It can also be noted that the PVG process is a demanding one, not only for the PVG itself, but also for the Authorities and linked institutions in both generating and presenting the data required. Throughout its period of office the PVG was conscious of this and strove to achieve outcomes while being as un-intrusive as possible.

Specific Observations

- 3.5** The PVG process was part of an innovatory approach linking wage awards to performance particularly in the context of '*benchmarking*'. It is cautiously concluded that this link is now established and that future pay awards - such as might be included in any further National Agreements - could again be linked to specific performance criteria. Problems could arise however where changes occur not envisaged in a particular Agreement - or regarded by some parties to be at best complementary to such Agreement(s) -, and are then deemed in some quarters to merit awards additional to the prevailing Agreement(s).

3.6 In the early stages of the ‘Sustaining Progress’ Agreement a significant element of ‘progress’ within authorities was linked to capacity building and it was not always possible to envisage, much less measure, the extent to which such efforts might ultimately result in performance improvement. While the PVG is convinced that such efforts were vital in developing service potential it is not always similarly viewed elsewhere, for example, in sections of the media and such commentators will inevitably focus on measurable delivery of service or the perceived lack of same.

3.7 There is a clear case for both coherence and linkage between the various performance indicators set for and by local authorities. This observation is further influenced and complemented by the rising number of parties setting indicators and introducing parallel measurement systems. An individual authority, for example, can be expected to address local criteria generated by the ongoing democratic process at local level; can be expected to pursue goals set down in strategic planning; can be asked to assist in attaining the goals of related National Groups; can be actively seeking to achieve internal goals related to the PMDS system; while at the same time fulfilling PVG and Independent Assessment Panel (IAP) criteria – *the last named grouping operating in the customer service indicator arena*. Notwithstanding such a load, an authority may further be called to account in the media, in respect of a perceived area of perceived under-performance based perhaps on spurious criteria.

3.8 In the opinion of the PVG significant performance improvement has taken place in areas which include:-

- Longer and more flexible opening hours for a range and variety of services which include motor tax, library and planning;
- Enhanced service provision to disabled and other marginalised groups;
- Extension of waste management services;
- Development and application of new technology;

- Improvements in customer service methodology through both imaginative use of technology and the provision of enhanced access to customer friendly authority staff;
- Faster turn around of queries and applications;
- Better information access for the public generally;
- Rental Accommodation Scheme (RAS) implementation, etc.

3.9 Such tangible achievements have in turn been supported by internal developments of significance which have included:-

- The innovation use of the partnership process
- The piloting and development of a PMDS system
- Enhanced training & development provision which has included and expanded on career opportunities for all staff including outdoor workers.

3.10 Overall the PVG is of a view that the introduction of pay related performance management as laid down within the terms of both 'Sustaining Progress' and the benchmarking arrangements has contributed to the attainment of a stable industrial relations environment. This is evidenced by the virtual elimination of any significant industrial unrest within the sector during the term of the Agreement.

3.11 Of major consequence for both current and future service provision, are the growing pressures on the entire local authority system for a dramatic increase in the volume and complexity of services themselves, which pressures reflect economic and social progress within the Nation as a whole. The significant migration to Ireland of large numbers of citizens from abroad is one manifestation of this phenomenon.

Limitations

While the PVG has witnessed a range of significant achievements as listed above a number of observations can be made around certain limitations that may exist:-

3.12 Given the radically different local demographic and other profiles addressed by the various authorities it is difficult to

design and operate a simple framework for progress assessment as priorities will both vary and shift with the passage of time.

- 3.13** Achievement in relation to certain variables may depend on factors not entirely within the control of a particular authority; for example the approval or sanction of the parent Department may not be forthcoming or might be delayed in certain circumstances. Any national or local embargo on recruitment into certain grades, for example, could also hinder expected achievements.
- 3.14** While there is evidence of the cross-transfer of experience between authorities, allied to the emergence of a sophisticated piloting system for certain initiatives, e.g. the PMDS system, a greater overall awareness might pertain in relation to the introduction and adaptation of new initiatives by individual authorities.
- 3.15** As already mentioned a plethora of indicators exist for authorities often designed by differing groups and constituencies. Any further expansion of this trend could not only be counter productive and could in the longer term totally undermine processes such as a PVG system by alienating those charged with the delivery service from those responsible for independent scrutiny. There is also the possibility that a 'break- even' point is being approached where the effort and demands on the system to produce evaluative data together with the complementary expenditure involved might not totally justify the end result.
- 3.16** Notwithstanding significant achievements, some of which have been alluded to, public reaction to service delivery can still be negatively influenced in part by a critical media process. This factor in turn can stimulate reaction within either the local or national democratic process resulting in possible shifts in priorities. The PVG process has itself been the victim of negative media attention particularly at the outset with little by way of balancing comment when significant results were forthcoming.

- 3.17** It can be overlooked at times that a PVG, as presently constituted, is in essence a group of voluntary individuals all of whom are fully engaged and committed to responsibilities beyond the PVG remit. It is not possible therefore for a PVG to expand its activities in the manner of a conventional executive and indeed a major task for the local government PVG was to structure its activities so as to make best use of the limited time and resources available to its members.

Recommendations

PVG related

- 4.1** The PVG for local government considers that a further implementation of a PVG process is justified for the sector either under the terms of any new National Agreement or under a similar arrangement.
- 4.2** The membership of the PVG and its size should continue to reflect the present profile with perhaps some stipulations that members might step down at intervals while equally ensuring a degree of continuity. Administrative and advisory supports should continue to come through the LGMSB with perhaps an additional agreed budget for limited research /consultancy support that might be needed from time to time.
- 4.3** The generation and use of a standard template for all Authorities should continue. As remarked by Boyle - *'this can serve as a means of ensuring consistency and encouraging comparison across action plans and progress reports'*. (CPMR Report No. 32, 2005).
- 4.4** Any new PVG should devote attention to the nature and objectives of visits to specific Authorities with a view perhaps to concentrating attention on specific variables and on discussion measurable progress between set intervals. The compilation of any new templates should reflect this process with Action Plans and Progress Reports being designed to allow incremental progress to be evident and where possible measurable.

- 4.5** The PVG agrees with the conclusion of the Boyle Report that progress on modernisation should not be seen as separate from the everyday running of the organisation and that any reporting on agreed indicators should be seen as reflecting everyday achievement.
- 4.6** Particular attention should focus on the nature and number of indicators chosen for the Sector under which progress will be recorded. A further substantial exercise may be needed in relation to indicator selection so that coherency can be achieved between any future PVG process and the work of parallel Groups equally concerned with the verification of local authority outputs and service delivery. For example the annual publication (since 2005) of *'A Report on Service Indicators in Local Authorities'* is underpinned by a substantial information gathering process which places a considerable onus on authority staff and is additionally supported by an independent assessment/audit group – The Independent Assessment Panel (IAP).
- 4.7** An innovation of the present PVG whereby it encouraged named authorities to conclude relevant local I.R. negotiations within a specific short time period - *this would arise on occasions where certain grades or individuals within such Authorities were unlikely to receive due payments due to non-compliance with criteria* - might continue and be modified since the intervention of the PVG in this manner resulted in many positive outcomes.
- 4.8** Dialogue might take place between the parties to any new National Agreement or Accord on the extent to which delayed compliance with agreed criteria should merit or otherwise retrospective payments. Such considerations might in turn encompass a review of a possible enhanced role for a PVG in relation perhaps to recommendations for partial awards; this latter point however could prove contentious in practice.

- 4.9** The present PVG was steadfast in its position with regard to feedback to specific Authorities on their perceived performance; the process was deemed to be that of *'verification'* only and no reports to individual authorities were generated. Several local authorities sought feedback and it is commended that the position of any new PVG on this matter might be reviewed.
- 4.10** It is suggested that the PVG identify and make available at intervals examples of 'best practice' in particular areas. Such examples are naturally identified through scrutiny of returns combined with information and insights gained during site visits.
- 4.11** Prior to the commencement of any new PVG process, time might be devoted to a one day meeting of all PVG members across the designated public service sectors, in order to clarify and identify common issues and challenges. Such a meeting might also act as a catalyst for further linkage between individual PVGs in addition to the valuable meetings of the chairs which formed part of the current process.
- 4.12** The designated PVG website should be regularly updated and promoted in order that local authority personnel and indeed the public at large can monitor progress and download information as it becomes available.

Linkage with Pay awards

- 4.13** The system whereby the PVG simply recommends payment or not may merit attention within any future arrangement. Some thought might be given to the model which was in part adopted by the PVG for the Health Sector and which was commented upon in some length in the Boyle Discussion Paper. Such an approach envisaged a range of options being available:-
- Payment
 - No payment
 - Deferred payment
 - Payment with qualification

- 4.14** Where it is contended that a particular change sought in one or more authorities falls outside the scope of the relevant Agreement or Accord then the role, if any, of the PVG in relation to such change should be clarified.
- 4.15** Where considerable time elapses between target dates and actual compliance by an individual, grade or authority with performance criteria, then as already mentioned the question of backdating of awards should be the subject of clear guidelines.
- 4.16** It is commended that somewhat longer intervals might exist between the nominated dates for the submission of Action Plans and Reports, although to an extent reporting logically links with payment dates within a National Agreement. Short intervals as at present place a considerable burden on individual authorities to justify incremental progress and can result in a substantial generation of data and effort which is then repeated.

General Recommendations within the Sector

- 4.17** It is suggested that enhanced links be developed between the PVG and the parent Department particularly in those areas where Departmental action or involvement may have a bearing on the actual performance of individual authorities (*An exchange of views between the Secretary General of the Department and the current PVG which took place towards the end of the present cycle proved very beneficial*) At or before each ratification of award date an exchange of views between the PVG and Departmental personnel might be initiated.
- 4.18** Some clear differentiation might be made between indicators which are internal by nature and reflect capacity building and those which directly report on achieved performance. In the former category come items such as 'training' 'partnership development' and 'the introduction of enhanced financial systems', etc. while the latter might cite indicators such as 'opening times', 'flexible working practices in operation', 'the opening of service centres' and

direct actions involving specific societal groups such as the elderly, ethnic minorities or the disabled. The latter should also include indicators in areas such as planning and waste management where measurable incremental improvements are possible. *(In this context it would again be important to link with any parallel 'Service Indicator' Groups and with its attendant assessment process; this linkage was in part achieved during the present cycle in that the PVG chair was appointed to the IAP on Customer Service indicators. Ideally however the linkage should transcend individual memberships and embrace the actual nature of the indicators themselves).*

- 4.19** A clearly articulated PVG policy on its communication strategy with the Sector and with the public at large should be developed. Throughout the present cycle there was constant referral at PVG meetings with local authorities to the significant strides been made by some or all authorities across a range of indicators and generous comment made as to how such achievements had greatly impressed the PVG members. Yet similar impressions were rarely if ever carried in the media and indeed any comments made tended to be critical or negative and at times prominent institutions or representative bodies such as Employer or Community groups were critical. This subject of course transcends the PVG process and is to a degree being addressed within the Sector itself, for example by the increasing publication of local news sheets and information bulletins and the promotion of 'open days' etc. Nevertheless a PVG should be in a position to contribute to the dissemination of positive information without detriment to its independent remit.

Membership of the PVG

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Mr Joseph Harford,

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Mr Joe Horan,

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