

East Devon District Council

Benchmarking Policy

Reviewed

This policy was reviewed in the spring of 2007 and it supersedes the Best Value Comparison Strategy of 2001.

Policy Approval

Executive Board in June 2007 and Council in July 2007.

Reasons for introducing the Policy

Best Value came into force in April 2000 and one of its main features was Best Value Reviews. All services had to be subjected to a fundamental review and, in carrying out such reviews, authorities were required to apply the 'four Cs', Challenge, Consultation, Competition and Comparison. Comparison which is another name for Benchmarking, involved councils in improving service delivery through a systematic comparison of performance, processes and ways of working in different organisations.

A Comparison Strategy for Best Value Reviews based on the practice being used at that time, was approved in the summer of 2001 and applied to the fundamental reviews carried out on 80% of the Council's services.

The good practice on Benchmarking continued as part of the ongoing work of services and the value for money agenda and in June 2006 Heads of Service reported on the Benchmarking activity that they had undertaken in the recent past. Consequently, it was agreed that Heads of Service should provide details of the ongoing and planned Benchmarking activity in their Service Plans for 2007/10.

In October 2006 the Government published a Local Government White Paper, 'Strong and Prosperous Communities', which demonstrates the continuing importance attached to Benchmarking:

- "performance comparisons will continue to act as a driver for further improvement."
- the "need for clear information – for citizens, local authorities, partners and Government – about delivery in an area, including comparability with performance in other areas, remains critical."
- In several places in the White Paper, the Government makes it clear that it will work with public agencies such as the Regional Centres of Excellence, and other partners to develop benchmarking data and provide benchmarks to spread and extend best practice.

The White Paper was followed in December 2006 by a 'Local Government and Public Involvement in Health Bill' which is currently going through Parliament and is expected to be approved as an Act in the autumn of 2007. Best value authorities will still be "required to secure continuous improvement in the way in which functions are exercised" and the Government "will issue one piece of revised guidance which will strengthen the key principles of Best Value."

The resume of the recent past and likely future of Local Government demonstrates that Benchmarking is essential to continuous performance improvement and the rest of this policy establishes how the Council will use Benchmarking in this context.

Policy Statement

The Council believes that:

- Benchmarking is a means to an end, not an end in itself.
- Benchmarking is an everyday part of work within the Council as a means to aid continuous performance improvement.
- Benchmarking will assist the Council in achieving its purpose which is to 'improve people's quality of life without spoiling the outstanding local environment for the generations to come'.
- Benchmarking is a self-improvement tool with the goal of making changes in practices to become better not to justify doing nothing.
- Services must understand their own performance levels, processes and ways of working before they can Benchmark with other organisations in order to learn from their good practice and seek to improve.
- Benchmarking is an essential element of delivering Value for Money and so it makes an important contribution to the parallel activities of service planning and budget setting every autumn.
- Benchmarking activity needs to be properly planned and managed, with adequate resources, and a clearly defined purpose.
- At the same time, there is a need to be pragmatic about Benchmarking and avoid getting involved in large scale data collection exercises that add no real value.

Terms Explained

A 'Guide to Benchmarking' which accompanies this policy starts by defining:

- What Benchmarking is
- Why Benchmarking is undertaken
- What to Benchmark
- When to Benchmark
- Who to Benchmark against.

How will we go about it?

1. The Council will use comparative data from the national Performance Indicators (PIs) to assess the quality of the services we provide and to identify high performing organisations.
2. The Council will Benchmark itself with high performing organisations.
3. Where possible, the Council will Benchmark itself with other organisations in relation to other performance data, such as local PIs.
4. The Council recognises that the value of performance data benchmarking is in identifying high performing organisations and that comparing processes and ways of working with them is vital to making effective use of Benchmarking.
5. The Council will seek to Benchmark with some authorities which are acknowledged as "the best" through the possession of some form of quality recognition or award.
6. Where appropriate, the Council will play an active role in benchmarking clubs to encourage informal benchmarking to take place and to enable formal comparison with other members to take place.
7. The Council will take all reasonable steps to assist others with benchmarking requests, particularly where we perform well.
8. The Council will benchmark with high performing organisations to help:
 - Compare not only performance at a given moment in time but also trends in performance so as to understand why they improve at a faster pace than us.
 - Identify services for regular monitoring and improvement action.
 - Set targets.

- Plan service delivery and prepare Service Plans.
 - Undertake reviews of services and prepare self-assessments for inspections.
 - Drive improvement.
 - Deliver Value for Money.
 - Develop major projects.
9. The Council will promote good practice in, provide support in and co-ordinate Benchmarking internally.
 10. The Council will encourage the sharing of outcomes and lessons from Benchmarking across services.

Specific Policy Areas

Research reveals that the permutations on categorising the types of Benchmarking appear to be limitless so, in this section and the 'Guide to Benchmarking', the focus is on those methods of Benchmarking most likely to be used in practice within the Council.

Quantitative Benchmarking

Where existing performance data at a national level is available, the Policy Officer would make comparison with the performance of the average, top 25% and bottom 25% of district councils on the most up-to-date information. The Council will use this BVPI quartile data as a means of identifying which services and BVPIs require focused improvement action and monitoring to improve performance and for use in target setting.

The BVPI data includes the headline results of the 4 User Satisfaction Surveys that are undertaken throughout England every three years - the General Survey covering a range of services, one of Planning applicants, one of Benefits applicants and one of Tenants - so satisfaction with some services is also comparable.

In the case of some other services, similar data from other sources may be readily available.

The benefits of comparing existing performance data are that it is quick, easy and cheap. The deficiencies of comparing existing performance data are doubts over its accuracy, its limited scope and it is not good on quality. Ideally, for the best outcomes, this type of quantitative benchmarking should be combined with the more qualitative methods of benchmarking referred to in the next section.

The main threat to invalidating quantitative benchmarking is inaccurate comparative data, particularly the danger of not measuring 'like with like'. For instance, in cost comparisons corporate overheads may be treated differently in different organisations and the same may be the case for employee numbers and the handling of administrative employees. To avoid such inconsistencies, therefore, there is a need to define clearly what is included and excluded in the data. This can be time consuming whether reviewing existing data or gathering new data through questionnaires which are best developed jointly by the benchmarking partners or a benchmarking club.

Qualitative Benchmarking

Reliance on comparing existing performance data alone is unlikely to be sufficient to enable the Council to identify significant gaps in performance and the reasons for them. It is also unlikely to provide details on the improvements needed. Therefore, additional Benchmarking would normally need to be undertaken.

It is important that the officers responsible for a service know how their service performs in comparison to other providers. If this work is carried out by the service officers themselves, they are more likely to accept the findings and become committed to improving performance.

Qualitative Benchmarking may involve a range of activities and members of the Policy Team would provide advice on determining the activities most appropriate in the circumstances. The main activities are:

- Questionnaires
- Process Mapping
- Literature Sources
- Best Practice
- Visits.

Details of these activities are provided in the 'Guide to Benchmarking'.

The benefits of these qualitative benchmarking exercises are that they offer greater scope and accuracy than quantitative benchmarking and can provide answers. Their deficiencies are that they are time consuming, they need partners and they can be expensive.

Service Plans

On the first page of this policy reference was made to the reports that Heads of Service had made on the Benchmarking activity that they had undertaken in the recent past. Heads of Service further developed these in the spring of 2007 for use when making presentations to members as part of the 'visioning' exercise in the summer of 2007. This will hold them in good stead for what is planned for the inclusion of Benchmarking in Service Plans in future.

It was also pointed out on the first page that Heads of Service provided details of the ongoing and planned Benchmarking activity in their Service Plans for 2007/10. This practice will be extended in future Service Plans so as to provide mechanisms to monitor the impact of Benchmarking. Heads of Service will be required to set out in their Service Plans each year:

- A brief description of the Benchmarking activities undertaken in the previous twelve months, including the Benchmarking Clubs and organisations with whom the service benchmarks
- An assessment of the positive and negative findings, the key lessons learnt and the outcomes, including the actions aligned to less favourable performance and the impact this has had or is having.
- A brief description of the Benchmarking activities that will contribute to improving the service over each of the next 3 years.

The outcomes of Benchmarking will also influence other sections of Service Plans, for instance planned performance enhancements will feature in the Service Improvements section, improving targets will be found in the PIs section and value for money will in the Efficiency Opportunities and Budget sections.

TaFFs and Think Tanks

Members involved in Task and Finish Forums (TaFFs) and Portfolio Holders Think Tanks should be encouraged to challenge services, in particular on the Benchmarking activities

being undertaken to assess whether or not they are offering Value for Money. At the initial meetings of TaFFs when terms of reference are being established and at the first meeting of the year of Think Tanks when forward plans are being established, consideration should be given to the part that Benchmarking could play in the work of each TaFF and Think Tank.

Committee reports

A new heading will be added to the end of the template for Committee reports for Benchmarking so that members may see what Benchmarking activity has been carried out in respect of each report.

Sharing Best Practice

Within the Council we recognise the need to learn from high performing organisations. This places responsibilities upon the Council to help others in areas in which we have been identified as providing good services or having developed best practice.

We shall be willing to join in meaningful benchmarking exercises to help others improve in any areas in which the Council has been awarded a Charter Mark, Beacon status or other quality recognition for service quality or practices adopted. Every effort should be made to assist others to improve, taking into account the resources available within the particular service.

Sharing best practice and lessons from Benchmarking is a key outcome of Benchmarking and opportunities will be co-ordinated across the Council, particularly through the Corporate Management Team and the Middle Managers' Forum.

Value for Money

In an effort to bring the Benchmarking Strategy and Guide to the attention of a wide variety of members and officers and encourage the practical application of Benchmarking across all service areas, the key elements of the strategy and guide will be launched in a co-ordinated and gradual fashion. This will include encouragement to service officers to play an active role in two benchmarking clubs that the Council has recently signed up to, the Performance Profiling Service run by the Sparsity Partnership for Authorities delivering Rural Services (SPARSE) and the Performance Networks provided by the Association of Public Service Excellence (APSE).

This will contribute to the ongoing drive to embed Value for Money principles within the Council. It will encourage the availability of a wider range of information on overall service and unit costs and increase understanding of how these compare to other organisations and the reasons for differences. It will help members and officers to assess results by balancing costs with service outcomes, allocate and move resources in accordance with priorities and policy decisions and evaluate the impact of spending changes.

Outcomes

The fundamental outcome expected of Benchmarking is continuous improvement. Through comparing ourselves with other organisations, particularly high performing ones, and learning from best practice it is expected that improvements will be made to the Council's performance, processes and ways of working.

Benchmarking will also help officers to understand differences between our performance and that of others, assist members in challenging services and, through the introduction of

efficiencies, demonstrate our value for money services to our communities. The co-ordination of shared learning from Benchmarking will reinforce the importance and benefits of Benchmarking and encourage service officers to undertake it on a regular basis.

Who is responsible for delivery?

Benchmarking will be led by Heads of Service or the service officer responsible for the service area to be benchmarked.

Whenever a Head of Service or service officer is considering undertaking a benchmarking exercise, they must make initial contact with the Policy Officer. This is to avoid duplication of effort and overburdening other organisations and to assist in the effective co-ordination of benchmarking across the Council.

The Policy Manager and the Policy Officer will co-ordinate Benchmarking activity and shared learning from it across the Council. They will offer advice and support to service officers leading and planning Benchmarking exercises and Heads of Service.

Approaches to the 'family group' should be made through the Policy Officer.

Heads of Service will make sure the results of each benchmarking exercise are analysed and summarised before being presented to members so that the key findings may be drawn out.

Performance Monitoring

For each benchmarking exercise a short checklist must be completed. The checklist is available in electronic format on the intranet or from the Policy Officer. Completion of the checklist will allow details of each benchmarking exercise to be entered onto a benchmarking database being established by the Policy Officer.

Full details of all benchmarking exercises must be maintained on file by the relevant service so that they may be referred to at any time, particularly by other services thinking of benchmarking in a similar way.

Information on the past and planned Benchmarking activity contained in Service Plans will be collated and presented in a report to Scrutiny Committee each year to monitor the impact that Benchmarking is having on service improvement.

Policy Consultation

Reference has been made to the Audit Commission's management paper 'Getting Better all the Time', a discussion on Benchmarking on the IDeA's website, our Family Group, the Benchmarking Strategies of South Hams DC and Warwick DC and our own Comparison Strategy for Best Value Reviews, the recent Local Government White Paper and the draft 'Local Government and Public Involvement in Health Bill'.

The Strategic Management Team and the Audit Commission were consulted on an earlier draft of this policy.

Policy Review

This policy will be reviewed by the Policy Manager in the summer of 2009.

Related Policies and Strategies

Consultation Strategy.
Communications Strategy.