

For Decision

ANNUAL PERFORMANCE IMPROVEMENT OBJECTIVES	19th April 2016
Corporate Policy and Resources Committee	

Linkage to Council Strategy (2015-19)	
Strategic Theme	Innovation and Transformation
Outcome	Performance improvement and meeting the Performance Duty as prescribed in the Local Government Act (NI) 2014.
Lead Officer	Stephen McMaw
Cost: (If applicable)	Costs allowed for within the annual budget

1.0 Background

- 1.1** The purpose of this report is to ask the Council to agree performance objectives and projects that will form the basis of the 2016/2017 Performance Improvement Plan in line with the Council's responsibilities under the Local Government Act (NI) 2014. Once agreed the projects will be presented in the form of baseline positions and improvement targets that will then be consulted on. The Council will be held responsible through the Local Government Auditor to the Department of the Environment for performance.
- 1.2** Part 12 of the Local Government Act (NI) 2014 (the Act) details the framework to support continuous improvement in the delivery of council services, in the context of strategic objectives and issues that are important to those who receive the services. Councils are required to gather information to assess improvements in their services and to issue a report annually on their performance against indicators which they have either set themselves or that have been set by Central Government Departments.
- 1.3** The guidance for Local Government Performance Improvement, designed to assist Councils with their Performance Duty remains in draft form until it has been formally agreed by the Stormont Executive. However, Councils have been advised by the Department of the Environment (DoE) to base their actions on the draft guidance. A copy is attached as Appendix 1.

- 1.4** The draft guidance states that the Council's Community/Corporate plan outcomes and objectives will form the basis of the Improvement activity undertaken by the Council.
- 1.5** According to the Legislation, each Council is required annually to publish an Improvement Plan with performance objectives framed along seven prescribed aspects of improvement namely; Strategic effectiveness, Service quality, Service availability, Fairness, Sustainability. Efficiency and Innovation. Each of these is defined within the Act. The plan should be published by the end of June each year.
- 1.6** The Act places a substantial level of emphasis on audit processes in relation to the Performance Improvement Plan. The Plan will be subject to a forward looking assessment carried out in each Council in June/July/August of that financial year and a retrospective assessment the following September. The forward looking assessment involves an audit of the Performance Improvement Plan and an assessment of whether the Auditor feels the Council is likely to comply with the statutory duty to make arrangements for continuous improvement during that financial year. The retrospective assessment, the following September, will involve the Auditor assessing two aspects of performance. Firstly the Auditor will track improvement over time and secondly the audit will assess the Council's discharge of its duties under section 92 (1) to (5) of the Act.
- 1.7** If the Auditor is of the opinion that the Council may fail to comply with the requirements of the Act or the DoE directs the Auditor to carry out an inspection, then the Auditor may carry out a special inspection of the Council. Should this occur, the Auditor will provide an inspection report to the Council and the DoE setting out matters in which the Council is failing to comply with the Act.
- 1.8** Following the retrospective inspection the Auditor will publish an annual improvement report. On the basis of the content of the report, the Auditor may recommend to the DoE that the DoE give a direction to the Council. The powers of direction are detailed as follows:
- “Where the Auditor recommends the Department to give a direction where a council is failing, or is likely to fail, to comply with any of the requirements in relation to Part 12 of the Act, the Department may direct a council to:
- Prepare or amend an improvement plan or to follow specified procedures in relation to such a plan;
 - Carry out a review of its exercise of specified functions;
 - Enter into specified arrangements with another council;
 - Set specified improvement objectives for itself.
- 1.9** The annual performance reports will be available on the Northern Ireland Audit Office website.

2 Detail

2.1 The draft Performance Duty guidance document states the following:

- “Firstly, the duty involves ‘making arrangements’ to improve: there is no absolute duty to improve, nor could there be. Delivering high-quality services and addressing multiple community needs is a complex and often difficult business, and no organisation, however competent or well-intentioned, can guarantee that its efforts will be successful. Councils should put in place arrangements which allow them to understand effectively local needs and priorities, and to make best use of their resources and capacity to meet them and to evaluate the impact of their actions”.
- “Secondly, the duty refers to ‘continuous improvement’. As the exact local meaning of ‘improvement’ will vary between councils and over time, this does not mean that everything needs to carry on improving in measurable terms. Rather, councils should seek continuously to ensure that their improvement objectives remain relevant, that the best arrangements for delivering them are in place, and that they are able to understand and demonstrate the impact on the outcomes for citizens”.

2.2 The draft guidance states that a Council is required to publish an Improvement Plan as soon as practicable after the start of the financial year to which it relates and that the plan should set out the following:

- Why the improvement objectives were chosen;
- The outcomes expected to be achieved;
- A statement on the process followed in consulting on the improvement objectives and any issues that arose from the consultation;
- The evidence required to monitor the delivery of the improvement objectives; and
- Information on how stakeholders may propose new improvement objectives during the year.

2.3 The Causeway Coast and Glens Borough Council (the Council) is now required to agree performance improvement objectives for the 2016-2017 financial year in line with the requirements of the Act. These objectives will form the basis of the Performance Improvement Plan and will be subject to a robust stakeholder consultation process. The Council Departments will undertake a range of planned improvements additional to those included within the Performance Improvement Plan but these will be subject to internal audit as opposed to falling under the responsibility of the Local Government Auditor.

3.0 Proposed Performance Improvement Objectives

3.1 As a lead in to the annual estimates process, the Directors and Heads of Service identified a number of key projects for improvement within their work programme. The resources required for these planned improvements were allowed for in the 2016-2017 budget which Council agreed. A number of these improvement projects meet the criteria set within the Performance Duty

guidance particularly in relation to their intended positive impact on the outcomes for citizens. These projects also align with the prescribed performance objectives detailed within the Act. The proposed performance improvement objectives and projects for the Causeway Coast and Glens Borough Council for 2016/2017 are detailed in Table 1 below and link to the Innovation and Transformation theme within the Council Corporate Strategy.

3.2 Corporate Strategy Theme - Innovation and Transformation

- *The Council will continuously examine and introduce ways to provide services in more accessible and efficient ways;*
- *The Council will embrace new technologies and processes where they can bring about better experiences for citizens and visitors.*

Table 1. Proposed Annual Performance Improvement Objectives 2016-2017

Performance Objective	Projects	DoE Statutory Objective
We will transform and improve the services to ratepayers and customers	<ul style="list-style-type: none"> • Redesign of the caravan site management system across the Council to improve the service to customers • Develop an effective grant funding hub to support financial allocations to customer groups across the Council • To support businesses by improving the payment process to creditors • To improve the customer experience by providing an effective wifi service at the Council caravan parks • Introduce computer management software systems for incident reporting to reduce accidents to customers • Campaign to increase awareness and reduce complaints of dog fouling 	Innovation/Service quality/Service availability
We will improve the efficiency of services that the Council operates	<ul style="list-style-type: none"> • Introduce an efficient and effective customer engagement process • Introduce an efficient and effective customer focused Council building reception service • To develop and implement an Estates Strategy to provide a more effective and efficient geographical allocation of Council non front line services to meet customer needs • Improve the efficiency of the planning application process 	Efficiency/Fairness

3.3 The DoE performance improvement guidance states that proposed improvement objectives should be subject to consultation with ratepayers, service users and anyone who appears to have an interest in the Borough. The consultation process responses when analysed may require a review of the performance objectives and projects to be included within the Performance Improvement Plan.

3.4 Performance Improvement cycle timetable for financial year 2016/2017

Date	Action
19 th April 2016	Report to Corporate Policy and Resources Committee
26 th April 2016	Report to Council
May/June 2016	Public consultation on performance objectives and projects
June 2016	Council to publish its performance improvement plan
July/August 2016	Forward looking audit assessment by Local Government Auditor
30 th November 2016	Auditors initial forward looking assessment report to the DoE
April 2016-March 2017	Projects delivered, performance against targets by Council
June 2017	Council to publish its own performance assessment for 2016/2017
September 2017	Auditor to complete a performance audit
November 2017	Auditor to forward an audit report to the DoE
February 2018	Auditor to publish annual improvement report for each Council

4.0 Recommendation

It is recommended that the Causeway Coast and Glens Borough Council approve the performance objectives for the annual Performance Improvement Plan as detailed in Table 1.

GUIDANCE FOR LOCAL GOVERNMENT PERFORMANCE IMPROVEMENT 2016 ONWARDS

1. It is important to note that this guidance is intended to assist councils with their duty in relation to Performance Improvement as detailed in Part 12 of the Local Government Act (Northern Ireland) 2014 (the Act).
2. The guidance aims to clarify the duties placed on councils by Part 12 of the Act and sets out actions a council should take in order to meet its duties under performance improvement.

Performance Improvement under the Local Government Act 2014

3. Part 12 of the Act details the framework to support continuous improvement in the delivery of council services, in the context of strategic objectives and issues that are important to those who receive the services. Councils are required to gather information to assess improvements in their services and to issue a report annually on their performance against indicators which they have either set themselves or that have been set by departments.
4. The Local Government (2014 Act) (Commencement No. 4) Order (Northern Ireland) 2015 (the Commencement Order) brings into operation on different dates the provisions of Part 12 of the Act, which relate specifically to the performance improvement and management framework for councils. A schedule of the provisions brought (or to be brought) into operation and the dates on which this occurred (or is due to occur) is appended to this guidance (Annex A).

The general duty of Improvement

5. Under section 84 of the Act, councils are under a general duty to make arrangements to secure continuous improvement in the exercise of their functions.

What is Improvement?

6. 'Improvement' in the context of the Act means more than just quantifiable gains in

service output or efficiency, or the internal effectiveness of an organisation. Improvement for councils should mean activity that enhances the sustainable quality of life and environment for ratepayers and communities.

7. Firstly, the duty involves **'making arrangements'** to improve: there is no absolute duty to improve, nor could there be. Delivering high-quality services and addressing multiple community needs is a complex and often difficult business, and no organisation, however competent or well-intentioned, can guarantee that its efforts will be successful. Councils should put in place arrangements which allow them to understand effectively local needs and priorities, and to make best use of their resources and capacity to meet them and to evaluate the impact of their actions.
8. Secondly, the duty refers to **'continuous improvement'**. As the exact local meaning of 'improvement' will vary between councils and over time, this does not mean that everything needs to carry on improving in measurable terms. **Rather, councils should seek continuously to ensure that their improvement objectives remain relevant, that the best arrangements for delivering them are in place, and that they are able to understand and demonstrate the impact on the outcomes for citizens.**

Improvement objectives

9. Section 85 requires a council, **for each financial year**, to set itself improvement objectives for improving the exercise of its functions and to have in place arrangements to achieve those objectives.
10. A council must frame each improvement objective so as to bring about improvement in at least one of the specified aspects of improvement as defined in section 86 of the Act:
 - strategic effectiveness
 - service quality
 - service availability
 - fairness
 - sustainability

- efficiency
- innovation.

11. The first of these, strategic effectiveness, is key to **linking** the community plan, and the ongoing processes that underpin it, with a council's improvement processes. The Department would expect that a council's strategic community planning outcomes and objectives should be central to that council's improvement activity and clearly contribute to the strategic effectiveness aspect.
12. While a council's community plan will form the basis for its strategic objectives in relation to strategic effectiveness (section 86(2)), there are another 6 headings under which a council can set improvement objectives.
13. The next three, specifically service quality, availability and fairness, all relate to service provision by aiming to meet the needs of citizens and ensuring fair ease of access to the most suitable services that meet their needs. Clearly, all of these objectives can be demonstrated individually or collectively. Fairness can also be demonstrated by exercising non-service functions in ways which reduce disadvantage and improve social well-being, for instance by improving citizens' access to information or by addressing inequalities experienced by Section 75 groups.
14. When carrying out its functions or providing services, a council may demonstrate improvement when it operates in a way that contributes towards the sustainability of its area, as required under the Northern Ireland (Miscellaneous Provisions) Act 2006 and the associated Northern Ireland Executive Sustainable Development Strategy. Equally, on-going efficiency may also be shown if fewer resources are utilised while maintaining provision of substantially similar or better services. Should a council choose to alter the manner by which a service is provided and in so doing it uses fewer resources or more integrated services, it will not only be demonstrating efficiency, but may demonstrate improved sustainability as well.
15. The innovation aspect is slightly different. It covers any changes to service design and delivery methods that are intended to yield improvement under any other aspect, and are reasonably likely to do so. This allows councils to make changes

which may not have tangible effects within the same reporting year, but are likely to in subsequent years, and still count them as improvements.

16. Thus, it follows that for a council to successfully discharge its general improvement duty, it should incorporate the seven aspects of improvement into its decision-making processes and its assessments of functions and services. This would also extend to a council's governance or scrutiny functions.

Identifying Improvement objectives

17. There is a clear link between the community planning process and a council's performance improvement regime. Community planning focuses on achieving better outcomes for citizens through the collaborative working of organisations to improve service delivery and the economic, social and environmental wellbeing of citizens. A successful community plan will consist of a long term vision for the area, underpinned by a set of outcomes identified for key themes, with clear accountability and interim performance measures. The community planning process should achieve better integration of public sector services and investment resulting in performance improvements for organisations involved.
18. Each council is required to prepare an improvement plan containing improvement objectives, which may include those aspects of the strategic objectives for 10 to 15 years ahead set out in the community plan that are within the remit of the council, or, if no community plan has yet been developed, its existing corporate and business plans. In order to measure performance improvement against its strategic objectives, the council can consider setting annual objectives within its improvement plans.
19. Councils should determine their own priorities for improvement based on a thorough, evidence-based understanding of the communities they serve, local needs and their capacity to address those needs. Improvement objectives should correspond directly with the council's priorities for improvement. Councils will, therefore, select their improvement objectives on the basis of critical self-analysis, taking account of a wide range of evidence such as:

- the outcomes and priorities identified for an area in the community plan and, as up-dated, through the on-going community planning process for an area;
- the councils' corporate and service priorities;
- the outcome of councils' assessment exercises of both corporate functions and services provided using the most appropriate performance data and information from other sources, such as citizen and user needs and satisfaction information and wider knowledge of community needs;
- regulatory, inspection and audit reports, including those relating to councils' equality requirements and councils' audit of inequalities;
- the results of peer reviews and the outcomes of, and recommendations from, councils' governance or scrutiny processes;
- priorities identified through analysis of performance data on previous year's performance and in comparison with other organisations;
- evidence gained from consulting on improvement objectives in the previous year; and
- Programme for Government priorities as expressed by the NI Executive.

20. Improvement objectives that have been chosen as a result of the above processes should have credibility with citizens, stakeholders and councils' staff. This should translate into a better sense of ownership of the ambitions for the communities and the area.

Setting council improvement objectives

21. Completing the above processes will allow councils to draw up their improvement objectives for consultation. These can be in any form a council chooses, but all improvement objectives should be:

- legitimate: making a demonstrable contribution to at least one (or, probably, more than one) of the aspects of improvement listed in the Act;
- clear: setting out the visible improvement that citizens can expect;
- robust: with defined terms of success (whether quantitative or qualitative);
- deliverable: with established links to individual service programmes and budgets; and

- demonstrable: capable of being supported by objective (but not necessarily measured or quantitative) evidence.

22. The first of these points is worth further consideration. The improvement aspects listed in section 86 of the Act set out in broad terms what councils will most likely wish to achieve. Many, if not most, objectives will contribute to more than one aspect of improvement. For instance: an action to improve access to services might simultaneously address the 'fairness' and 'service availability' aspects; or reducing a council's carbon footprint might simultaneously address 'sustainability' and 'efficiency'.

23. The number of improvement objectives a council wishes to set is a matter for each council to decide. This is largely a question of an appropriate level of detail. Objectives that are too broad and aspirational may lack the ability to inform effective action and accountability (e.g. "we will support healthier communities"). Objectives that are too narrow or operational in nature may lack an overall sense of purpose (e.g. "we will refurbish our leisure centres"). Objectives should ideally both describe the overall purpose and the scope of action to deliver it (e.g. "we will provide more and better opportunities for citizens to engage in physical activity").

24. Each council must agree its improvement objectives formally. The processes for doing so will be set out in each council's governance arrangements and standing orders but the importance of improvement objectives would normally dictate endorsement by the full council. (See also the section on "Role of governance and scrutiny" at paragraphs 34 and 35).

25. Councils should have regard to the general definition of improvement (see paragraph 6, above) when considering objectives. **Councils must ensure that the objectives set relate to improving functions and services to their communities and citizens.** Council improvement needs to be more than simply setting corporate improvement objectives. Internal improvement activity can obviously contribute to the achievement of higher level objectives but these should not be the only improvement objectives of the council.

26. Overall, it is probably better in the interests of clarity and accountability to err on the side of having fewer objectives, with detailed links to service programmes, than to have a greater number of more detailed objectives. Either way, if the objectives taken together adequately address the main local priorities and needs, the exact number of them is less important.
27. The Act requires that councils set improvement objectives every year. However, that does not mean that all improvement objectives should change every year, or that they should all be deliverable within one year. Councils can set objectives which span more than one year, perhaps with intermediate milestones, provided that these are reviewed annually to ensure their continued relevance.

Performance Indicators and Standards

28. The statutory performance indicators and standards, specified by the Department through the Local Government (Performance Indicators and Standards) Order (Northern Ireland) 2015, should form part of a council's improvement objectives and be included in the subsequent improvement plan as provided by section 92 of the Act.

Consulting on Improvement

29. Section 87 of the Act requires a council to consult with ratepayers, service users and anyone who appears to have an interest in the district when deciding how to discharge its duty under section 84 and 85 of the Act. As section 85 of the Act specifies that a council must set itself objectives for each financial year and must make arrangements to secure achievement of those objectives, it follows that consultation must also take place on a yearly basis. There is no statutory duty to consult on an improvement plan, however as the plan includes the improvement objectives this would be a valid approach for the duty to consult under section 87.
30. Consultation on the general duty to improve and a council's improvement objectives can be done at any time during **each** year. It will, however, make sense to align it with established or planned community engagement processes and events. The council should aim to make the process of choosing improvement objectives as open and transparent as possible. The council should

also ensure that this process is in keeping with its constitution, standing orders and/or its Equality Scheme. In so doing, a council should aim to develop an on-going dialogue with communities and areas that it serves, so that the setting of improvement objectives is a jointly owned process centred on a balanced assessment of the needs of the community as a whole, rather than any particular organisation or interest group within it.

31. It is recommended that a council should consult the following before setting its improvement objectives:

- citizens and stakeholders;
- local businesses and, where appropriate, potential businesses;
- its statutory and other community planning partners; and
- other bodies with which collaborative working is taking place or is being planned.

32. A council should retain evidence of the consultation process used or broader engagement activity to enable it to demonstrate those improvement objectives, and the plans for meeting them, have been properly set. This might include, but is not necessarily limited to:

- methods used to consult;
- the consultation document;
- list of consultees;
- summary of the responses received; and
- the impact that any responses had on the final selected improvement objectives.

33. In the interests of good governance, scrutiny and accountability, this evidence should be retained in an easily accessible form.

Role of governance and scrutiny

34. Whether a council decides to operate a committee system or executive arrangements, there is a clear role for a council's governance or scrutiny function (e.g. governance/audit committee or a scrutiny committee) in its improvement

processes as part of its role in holding local decision makers and policy makers to account and in its policy development role. This should extend to:

- processes that a council has gone through in the discharge of the general duty to improve;
- fitness of the council to discharge the general duty to improve;
- processes that the council has gone through in the selection of its improvement objectives, including a review of the level of engagement with stakeholders;
- monitoring of the progress of the delivery of the council's improvement objectives; and
- promoting innovation by challenging the status quo and encouraging different ways of thinking and options for delivery.

35. If a council's governance or scrutiny processes are sufficiently developed to discharge the above, and there is clear evidence that this is the case, then this monitoring activity can be drawn upon by the Local Government Auditor (the Auditor) in the course of his/her dealings with the council. It will be for the Auditor to decide whether monitoring processes are sufficiently robust to be relied upon in the exercise of his/her audit functions.

Recording and reporting progress

36. Section 90 of the Act requires a council, during each financial year, to collect information which will allow it to assess its performance in achieving its improvement objectives and to measure its performance against performance indicators or standards set by the Department or any other indicators or standards which the council chooses to use.

37. Councils will need to collect evidence of their progress in achieving their improvement objectives during the year. For those indicators or standards set by the councils, the councils themselves should determine what constitutes the best evidence of the progress that they are seeking to make. That is best done by setting improvement objectives. Evidence of progress will need to meet the requirements of the Auditor. Evidence may include one or more of the following:

- performance indicators, both those set by the councils and by departments;
- qualitative information such as citizen satisfaction surveys conducted by the council or by other bodies;
- progress in introducing or completing programmes, facilities or ways of working which contribute to the attainment of improvement objectives;
- the outcome of governance or scrutiny enquiries and other evidence from members; and
- any other sources of evidence, (including councils' annual governance, value for money and sustainability statements etc., that appear to be relevant.

38. Most sound improvement objectives will probably need a range of evidence to demonstrate their accomplishment. Councils should avoid using performance indicators, targets and standards as objectives in themselves. In almost all cases they will be too narrow and too far removed from public understanding and need. Consequently, they should be seen as only one of the tools to help demonstrate improvement.

39. In collecting evidence, such as outlined above, a council should seek to collect together a body of evidence that will allow it to provide a narrative description of how successful it has been in pursuing its improvement objectives so that it can give account for its performance to its citizens, stakeholders and the Auditor.

40. This improvement evidence should be collated and communicated in a report or reports to be published before 30 September of the following financial year (section 92 of the Act).

Improvement planning and information – use and publication

41. Section 91 of the Act requires a council to use this information to assess its performance against:

- a previous year's performance; and
- **from 2017 onwards** compare its performance, **so far as is practicable**, with the performance of other councils in the exercise of the same or similar functions.

42. A council must use the information it collects to assess whether it can improve its performance and, based on that, must decide on steps to take to improve its performance in exercising its functions.
43. Section 92 of the Act places a requirement on a council to make arrangements to publish the comparison and assessment information relating to its performance before 30 September immediately following the financial year to which it relates.
44. For **2016-17**, a council must use information collected under section 90 in relation to its statutory performance indicators and standards completed during 2015-16 to establish baseline figures for 2017-18 and subsequent years. This information should be published by the Council by 30 September 2016. This baseline information will be audited in 2016-17. No comparison or assessment is expected for 2016-17.
45. A council is also required to publish an 'improvement plan' which sets out its plans for discharging its duties under Sections 84(1), 85(2) and 89(5) for a financial year and, if the council thinks fit, subsequent years. This must be published **as soon as practicable after the start of the financial year to which it relates**. Given that the Auditor is tasked with undertaking an improvement information and planning audit (under section 93 of the Act) and is required to issue a report that includes the result of this by 30 November of each year, it is suggested that the publication of an improvement plan should take place by **end of June** of each year.
46. An improvement plan should set out:
- why the listed improvement objectives were chosen;
 - the outcomes expected to be achieved;
 - a statement on the process followed in consulting on the improvement objectives and any issues that arose from the consultation;
 - the evidence required to monitor the delivery of the improvement objectives; and
 - information on how stakeholders may propose new improvement objectives during the year.

47. Any improvement plan developed before any community plan is in place could be built into a council's corporate plan. This could be as an appendix or other additional document but must be easily identifiable.

Role of the Local Government Auditor - inspection and assessment

48. The following section provides an overview of the statutory functions of the Auditor, as set out in the Act, and how these will operate during a financial year under full commencement of the Act.

49. The main piece of work for the Auditor under the performance framework programme is an annual improvement assessment (conducted under section 94 of the Act) for each council to determine whether the council is likely to comply with the requirements of Part 12 of the Act. The Auditor will also undertake an improvement information and planning audit (as required under section 93 of the Act) to ascertain whether the council has discharged its duties under section 92 and the extent to which it has acted in accordance with any Departmental guidance relevant to the section.

50. To fulfil these statutory requirements, the Auditor will undertake the following:

- a forward looking assessment of a council's likelihood to comply with its duty to make arrangements to secure continuous improvement; and
- a retrospective assessment of whether a council has achieved its planned improvements to inform a view as to the council's track record of improvement.

51. The Auditor may also, in some circumstances, carry out Special Inspections (under section 98) in respect of which a report will be provided to the Department and the relevant council. This report may be published (under section 99).

52. These items of work are described in more detail below. In addition, in the revised Code of Audit Practice, the Auditor sets out the way in which he/she intends to exercise key functions in relation to the Act in accordance with the principles, namely:

- consistently between councils;

- proportionately so as not to impose an unreasonable burden on councils; and
- with a view to assisting councils to comply with their duties in relation to securing continuous improvement.

53. It should be remembered that the Auditor also has functions under other legislation that lie outside the Act. In particular, the Auditor has duties and powers under the Local Government (Northern Ireland) Order 2005 to undertake studies for improving economy, efficiency and effectiveness, to ascertain whether a council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Similarly, the Auditor has duties to undertake the audit of the accounts of councils and report on any matters of public interest.

54. The work performed by the Auditor in discharging these other duties, whilst independent of the Act and the performance improvement framework, will, where possible, be co-ordinated and used to inform work under the Act and vice-versa.

Improvement Assessment

55. The improvement assessment (Section 94 of the Act) will include a retrospective assessment and a forward looking assessment to inform the Auditor's view of the council's track record of improvement. Both assessments will be informed by the improvement information and planning audit (section 93). While section 93 and section 94 each amount to distinct legal functions and are described here as distinct elements, they are linked and will be used together to inform the Auditor's assessment of each council.

56. The section 93 audit of improvement information and planning will be undertaken in two parts to align with the council's publication of its improvement plan (section 92 (4)) and its retrospective assessment of its performance (section 92(2)).

57. The Auditor will be carrying out work throughout the year to inform both assessments and will be feeding back findings to the council. The Auditor will undertake council wide reviews of relevant governance and management

arrangements, supplemented where necessary by reviews of specific functions and activities. Where appropriate, the assessment may involve gathering and reviewing information from members of the public and other stakeholders, as well as information from within the council. It will also be informed by audit work done in relation to the council's accounts and proper arrangements.

Forward looking Assessment

58. For each financial year, the Auditor will assess each council in terms of whether it is likely to comply with the requirements of the Act. The Auditor will consider, among other things, the council's published improvement plan (section 92(4)), which will contain its improvement objectives and plans for meeting them, as well as the general duty to make arrangements to secure continuous improvement.
59. The Auditor will consider the council's track record of improvement and whether its governance and management arrangements effectively support improvement.
60. The first part of the section 93 audit will be an audit of the council's discharge of its duties under section 92(4) and (5) (the publication of an improvement plan - see paragraph 45) and 92(6) (the extent to which the council has acted in accordance with guidance issued by the Department). This will take place during the early part of the financial year and will inform the assessment. The exact timing of an audit will depend on when the council finalises and publishes its improvement plan (section 92 (6)). Councils are required to publish their plans 'as soon is reasonably practicable after the start of the financial year'.
61. For each financial year, the Auditor will issue an Audit and Assessment Report (section 94) to each council and the Department by 30th November, unless otherwise directed by the Department. The Auditor's report will state whether he/she thinks the council is likely to comply with the statutory duty to make arrangements to secure continuous improvement during the current financial year. The Auditor may also comment on whether the authority is likely to comply in subsequent years.

Retrospective Assessment

62. From 2017-18, and thereafter for each financial year, the Auditor will undertake a retrospective assessment of performance with the main purpose of tracking improvement over time. When making an assessment of performance, the Auditor will consider, among other things, the council's own published assessment of performance (section 92(2)), as part of the section 93 audit, and the findings from any work undertaken by the Auditor to assess service performance. As with the forward looking assessment, this work may, where appropriate, involve gathering and reviewing information from members of the public and other stakeholders. It will also be informed by the audit work done in relation to the council's accounts and proper arrangements. For 2016-17, the auditor will audit the 2015-16 baseline data as described in paragraph 44.

63. The second part of the section 93 audit will be an audit of the council's discharge of its duties under section 92 (1) to (5), i.e. the council's assessment of performance. This will inform the Auditor's performance assessment, which will review:

- the overall level of improvement attained;
- progress made on meeting improvement objectives;
- inclusion of performance indicators;
- achievement of both the Department's specified and the council's self imposed performance standards;
- performance over time and against other councils (where reasonably practical); and
- arrangements for data collection and use, and the overall adequacy of performance information.

The performance assessment will be reported annually by 30 November each year.

Special inspections

64. If the Auditor is of the opinion that a council may fail to comply with the requirements of the Act, or if the Department directs the Auditor to carry out an

inspection, then the Auditor may carry out a special inspection of the council. Such inspections may relate to some or all of a council's functions. Before deciding whether to carry out a special inspection, the Auditor must consult the Department. Where the Auditor is minded to inspect and has stated this in an assessment report, the Auditor must consider any response made by the council.

65. Where the Auditor undertakes a special inspection, a report will be issued to the council and the Department. This will set out any matters in which the authority is failing or may fail to comply with the Act. If a council received a special inspection report in the previous year in which the Auditor believes that the council has, or is failing to comply with Part 12 of the Act, then the improvement plan should record that fact and any action taken, or to be taken, as a result of the report.

Published annual Improvement reports

66. From 2016-17, and thereafter for each financial year, the Auditor will publish an annual improvement report in respect of each council, which:

- summarises the reports relating to section 95; and
- summarises or reproduces any special inspection reports that may have been undertaken.

67. Based on the work done during the year, the Auditor will consider, in light of the annual improvement report, whether to make a recommendation to the Department to give a direction to the council under section 100 or exercise any other Auditor functions in relation to the council. This section 100 provision applies in relation to a council if the Department is satisfied that the council is failing, or is likely to fail, to comply with any requirements of Part 12 of the Act, including ensuring the performance standards specified under section 89 are met.

68. The annual improvement reports will be available on the Northern Ireland Audit Office website and will be written in such a way as to make them accessible and meaningful to members of the public.

Co-ordination of audit and assessment work

69. The Auditor will produce a timetable for each authority setting out the dates and times during which Local Government Audit staff will undertake their work in relation to the council. The Auditor will consult with the council before setting the timetable. In producing the timetable, the Auditor will follow the principles of the Audit Statement of Practice. For example, the Auditor will ensure that the work of the other Audit Office functions are co-ordinated so that they are taken together and exercised proportionately.

70. The timetable will take all audit and inspection activities into account and attempt to establish a programme of activity that meets the needs of the council, the Auditor and the Department to provide public assurance and drive forward service improvements and fulfil the requirements of the Auditor's relevant functions. Once set, the Auditor and the council must take all reasonable steps to adhere to the timetable. Clearly it is in the council's interests that the Auditor is able to adhere to this timetable. It is, therefore, important that councils provide any requested support to the process.

Powers of Direction

71. Where the Auditor recommends the Department to give a direction where a council is failing, or is likely to fail, to comply with any of the requirements in relation to Part 12 of the Act, the Department may direct a council to:

- prepare or amend an improvement plan or to follow specified procedures in relation to such a plan;
- carry out a review of its exercise of specified functions;
- enter into specified arrangements with another council; and
- set specified improvement objectives for itself under section 85.

72. Any Northern Ireland Department may direct the council to take any action which they deem necessary or expedient to secure compliance with their requirements under part 12 of the Act (such as their requirements under section 89 "Performance indicators and performance standards"). This may include that a

specified function of the council is carried out by the department for a specified period or for so long as deemed necessary and the council concerned must comply with any instructions of that department in relation to the exercise of such function and provide any assistance that may be required by the department.

Timetable for Performance Improvement activity

- **June:** council to publish Performance Improvement Plan as soon as reasonably practicable after the start of the financial year to which the plan relates (it is suggested that this is completed by end of June of each year);
- **June/July/August:** Auditor to complete fieldwork;
- **September:** council to publish an assessment and comparison of a its performance by 30th September in the financial year following that to which the information relates;
- **September/October:** Auditor to carry out audit of council's self assessment, draft report and to agree the facts with council;
- **By 30 November:** Auditor to issue final reports to councils and the Department; and
- **February/March:** Auditor to publish Annual Improvement report for each council.

The Local Government (2014 Act) (Commencement No. 4) Order (Northern Ireland) 2015

Provisions of the Act, relating to Performance Improvement, coming into operation on 1st April 2015

Section 84	Improvement: general duty
Section 85	Improvement objectives
Section 86	Improvement: supplementary
Section 87	Consultation on improvement duties
Section 88	Appropriate arrangements under sections 84(1) and 85(2)
Section 89	Performance indicators and performance standards
Section 90	Collection of information relating to performance
Section 91(3)	Use of performance information
Section 92(4)-(6)	Improvement planning and publication of improvement information
Section 94	Improvement assessments
Section 98	Special inspections
Section 99	Reports of special inspections
Section 100	Powers of direction, etc.
Section 101	Power to modify statutory provisions and confer new powers
Section 102	Application of certain local government audit provisions
Section 104	Power of any Northern Ireland department to direct council to make reports etc.
Section 105	Inquiries and investigations
Section 106	Power of any Northern Ireland department to intervene in case of default by council

Provisions of the Act, relating to Performance Improvement, coming into operation on 1st April 2016

Section 91(2)	Use of performance information
Section 92(1)-(3)	Improvement planning and publication of improvement information
Section 93	Improvement information and planning
Section 95	Audit and assessment reports
Section 96	Response to section 95 reports
Section 97	Annual improvement reports

Provisions of the Act, relating to Performance Improvement, coming into operation on 1st April 2017

Section 91(1)	Use of performance information
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