



Department of the
Environment

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Draft Guidance for Local Government Performance Improvement 2015

Consultation Document

February 2015

DRAFT GUIDANCE FOR LOCAL GOVERNMENT PERFORMANCE IMPROVEMENT 2015

This Consultation Document seeks views on the draft guidance attached to the paper.

Comments should be received by 20 March, 2015 at the address below:

**Local Government Policy Division 1
Department of the Environment
4th Floor, Causeway Exchange
1-7 Bedford Street
Town Parks
Belfast, BT2 7EG**

or by email to:

johanne.mullan@doeni.gov.uk

The following person will be able to answer queries in relation to the draft
Order:

| Name | E-mail | Telephone |
|----------------|--|------------------|
| Johanne Mullan | Johanne.mullan@doeni.gov.uk | 028 9051 2629 |

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DRAFT GUIDANCE FOR LOCAL GOVERNMENT PERFORMANCE IMPROVEMENT 2015

PURPOSE OF THE CONSULTATION DOCUMENT

1. The Department of the Environment is seeking views from consultees on draft guidance for councils performance improvement during the first year of its operation – 2015-16. The aim is to provide statutory guidance to assist councils to comply with performance improvement duties under the Act.

BACKGROUND

2. On 31 March 2008, the then Minister of the Environment, Arlene Foster, announced the Executive's decisions on the future shape of local government. Along with rationalising the current 26 councils to create 11 new councils, these decisions included developing appropriate performance management systems for district councils.
3. Consequently, Part 12 of the Local Government Act (NI) 2014 (the Act) puts in place a new 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 will be 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.

DETAILS OF THE CONSULTATION PROPOSALS

4. The statutory guidance for local government performance improvement is issued under powers contained in Section 111 of the Act, which provides that following consultation with councils, bodies representative of councils and others as appear appropriate, the Department may issue guidance to councils and that councils must have regard to guidance issued.
5. The statutory guidance for local government performance improvement aims to support councils during the first year of operation of statutory performance arrangements, such as improvement planning, setting improvement objectives, reporting on progress and describing the relevant dates and arrangements for auditing and assessment by the Local Government Auditor.
6. The Department would welcome responses to the following questions:

Question 1.

Do you think that the proposed guidance will enable councils to comply with the duty to make arrangements to secure continuous improvement in the exercise of their functions?

Question 2.

Do you agree with the proposed arrangements for assessment and auditing by the Local Government Auditor?

Question 3.

Do you agree with the proposed dates specified for implementing performance improvement in 2015-16 are appropriate?

Human Rights

7. The Department believes that the proposals are compatible with the Human Rights Act 1998.

Equality

8. Under the terms of section 75 of the Northern Ireland Act 1998, the Department carried out screening for equality impact and is satisfied that the proposed legislation will not lead to discriminatory or negative differential impact on any of the section 75 groups. A copy of the screening form can be viewed on the Department's website: http://www.doeni.gov.uk/index/local_government/local_government_consultations.htm

Regulatory Impact Assessment

9. The Department has not conducted a regulatory impact assessment as the proposed guidance does not give rise to any associated costs or savings on business, charities, social economy enterprises or the voluntary sector.

Rural Proofing

10. The Department has assessed the proposed guidance and considers that there would be no differential impact in rural areas or on rural communities.

Freedom of Information Act 2000 – confidentiality of consultations

11. The Department may publish a summary of responses following completion of the consultation process. Your response, and all other responses to the consultation, may be disclosed on request. The Department can only refuse to disclose information in exceptional circumstances. Before you submit your response, please read Annex B on the confidentiality of consultations. It gives guidance on the legal position about any information given by you in response to this consultation.

Alternative format

12. This document is available in alternative formats. Please contact us to discuss your requirements.

Consultation

13. Comments should be received by 20 March 2015 at the address below or by e-mail to: johanne.mullan@doeni.gov.uk

If you have any queries in relation to the guidance, you should contact:

Johanne Mullan

johanne.mullan@doeni.gov.uk

Tel: 028 9051 2629

This consultation document is being circulated to persons and bodies listed in Annex C and is also available to view at:

http://www.doeni.gov.uk/index/local_government/local_government_consultations.htm

Local Government Policy Division
Causeway Exchange

Level 4
1-7 Bedford Street
Town Parks
Belfast, BT2 7EG

GUIDANCE FOR LOCAL GOVERNMENT PERFORMANCE IMPROVEMENT

Performance Improvement under the Local Government Act 2014

1. Part 12 of the Local Government Act (NI) 2014 (hereafter “the Act”) puts in place a new framework to support the 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 will be 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.
2. This guidance is intended to assist councils with arrangements for the performance improvement framework during the 2015-16, the first year of its operation.

Performance Improvement link with Community Planning

3. There is a clear link between the community planning process and the 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.
4. Each council is required to prepare an improvement plan containing improvement objectives, which includes the strategic objectives for 10 to 15 years ahead set out in the community plan. The community plan identifies long term outcomes using a solid, reliable evidence base as a baseline upon which decisions can be made and against which progress can be monitored. The council must annually monitor its performance against the objectives identified in its improvement plan and publicise the information. In order to measure performance against its strategic objectives, the council can consider setting

short to medium term objectives through action plans or their existing corporate and business plans.

5. Community planning partners should also build into their corporate and business planning regimes their commitments contained in community plans.
6. Performance improvement and community planning should inform, and be informed by, each other. It is expected that:
 - improvement should take full and proper account of the strategic vision as set out in the community plan. This provides the frame within which many short-term improvement priorities should sit. Although there will be other such priorities which do not, either because they are too short-term or too confined to one organisation, they should at least not conflict with the community plan;
 - community planning should be based both on an understanding of what appears reasonably deliverable by a district council and/or its partners, and on continual monitoring of how effective that delivery is. If and when it becomes clear, from shorter-term information, that community planning objectives are not deliverable or no longer relevant, those objectives should change;
 - the use of the new flexibilities and freedoms offered by the general power of competence should be influenced significantly by issues identified through the community planning process. Similarly, performance improvement considerations should influence a council's choices in using the general power of competence and how it engages with its community planning partners.

NOTE: depending on the final community planning guidance currently being consulted upon (consultation closes 9 March 2015), community planning partnerships may not have Community Plans in place until after 2016. In the absence of a Community Plan, councils should therefore ensure that its Improvement Plan is compatible with and takes full account of its corporate plan.

The general duty of Improvement

7. 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?

8. ‘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.
9. 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.
10. 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

11. Section 85 requires a council, for each financial year, to set itself improvement objectives for improving the exercise of particular functions of the council and to have in place arrangements to achieve those objectives.

12. 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:

- strategic effectiveness
- service quality
- service availability
- fairness
- sustainability
- efficiency
- innovation.

13. The first of these, strategic effectiveness, is key to linking the community plan (or corporate plan, in the absence of a community plan), and the ongoing processes that underpin it, with a council's improvement processes. The Department would expect that a council's community planning outcomes and objectives should be central to that council's improvement activity. In doing this, councils should be able to develop a clear narrative around their plans for improvement that will resonate with the citizens and communities that they serve.

14. Strategic effectiveness is likely to be a key focus for a council's performance improvement activity, and the Department acknowledges that councils will require time to build the required consensus to establish their community plans. Therefore, during 2015-16, a council may select strategic objectives as performance objectives even if its community plan has not been agreed – the objectives will be part of the council's corporate plan, as noted above.

15. The next three, 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.

16. 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. 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.

17. 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.

18. 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 scrutiny functions.

Identifying Improvement objectives

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 them. 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 its community plan (in the absence of a community plan, the council's corporate plan) and as up-dated through the on-going community planning process for an area.
- the council's 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;

- audit, regulatory and inspection reports,
- the results of peer reviews and the outcomes of, and recommendations from, a council's scrutiny processes;
- priorities identified through an 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;
- 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 the council's 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 should 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;
- 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 aspects of improvement in the Act set out in broad terms the sorts of purposes which councils will wish to achieve. Many, if not most, objectives will contribute to more than one aspect of improvement - for instance, action to improve access to services might simultaneously address the 'fairness' and 'service availability'

aspects, while reducing a council's carbon footprint might address 'sustainability' and 'efficiency'.

23. How many improvement objectives to set is again a matter for the 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") and too narrow or operational 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 Scrutiny" below.
25. Councils should have regard to the general definition of improvement (see paragraph 7, 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.

For the first year of the operation of the new performance arrangements (2015-16), the objectives which have been identified in the council's corporate or business plan will be sufficient to discharge the council's duties under sections 84(1), 85(2) and 89(5) of the Local Government (NI) Act 2014. (see page 11 below, **Publication and audit of improvement objectives in 2015-16**)

Consulting on Improvement

28. Consulting on the general duty to improve and a council's improvement objectives can happen at any time during each year, although it would 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 and/or standing orders. In so doing a council should aim to develop an on-going dialogue with the 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.

29. 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;
- other bodies with which collaborative working is taking place or is being planned.

30. The council should retain evidence of their consultations, or broader engagement activity, to enable it to demonstrate that improvement objectives, and the plans for meeting them, have been properly set. In the interests of scrutiny and accountability, this evidence should be retained in an easily accessible form.

Recording and reporting progress

31. 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.

32. Councils will need to collect evidence of their progress in achieving their improvement objectives during the year. Except for those indicators or standards set by the Department, it is for councils themselves to determine what constitutes the best evidence for the progress that they are seeking to make, and that is best done when improvement objectives are set. Evidence will need to meet the requirements of the Local Government Auditor . Evidence may include one or more of the following:

- performance indicators; both those set locally and by NI 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 scrutiny enquiries and other evidence from Members;
- any other sources of evidence that appear to be relevant.

33. 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.

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

Government Auditor.

35. This improvement evidence should be collated together and communicated in a report or reports, which Section 92 of the Act requires councils to publish before 30 September in the following financial year. During the first year of operation of the new performance framework, councils will be unable to fully comply with the comparison requirements of this section until two financial years have elapsed.

36. Therefore, during the financial years 2015-16 and 2016-17, the publication of a council's performance assessment, need not refer to comparison with their own performance or that of other councils, in previous financial years.

Role of scrutiny

37. There is a clear role for a council's scrutiny function 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:

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

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

Improvement planning and information – use and publication

39. Section 91 of the Act requires a council to use this information to measure its performance against a previous year's performance and compare its performance, so far as is practicable, with the performance of other councils and other public bodies.
40. In addition, a council must use the information it collects to assess whether it could improve its performance and, based on that, must decide on steps to take to improve its performance in exercising its functions.
41. For the first year of the operation of the new performance arrangements (2015-16), councils will not have collected performance information to make the required comparison, and so that duty will only be applicable from 1 April 2016.
42. Section 92 of the Act places a requirement on a council to make arrangements to publish specified information relating to its performance before 30 September immediately following the financial year to which it relates. A council must ensure it publishes a summary of any report relating to a special inspection by the Local Government Auditor. This will not be a requirement in 2015/16, as there will be no previous year on which to report.
43. A council is also required to publish an 'improvement plan' which sets out its plans for discharging its duties under Sections 84, 85 and 89 for a financial year and, if appropriate, subsequent years. This must be published as soon as practicable after the start of the financial year to which it relates.

Publication and audit of Improvement objectives in 2015-16

44. For the first year of the operation of the new performance arrangements (2015-16), the objectives which have been identified as meeting the requirements of performance improvement and which have been published in the council's corporate or business plan, including those performance indicators and standards specified by the Department, will be sufficient to discharge the council's duties under sections 84(1), 85(2) and 89(5) of the Local Government (NI) Act 2014.

45. The improvement objectives as set out in the council's corporate plan for 2015-16 should be in place and published by May 2015 .
46. The Department will also direct the local government auditor to ascertain from each council a timetable and the steps being taken to develop and progress the specified 'improvement objectives'. This should also be in place by May 2015.
47. The local government auditor will assess whether or not the council's corporate plan contains valid performance improvement objectives and whether the measures proposed to meet those objectives are likely to comply with the council's duty under the Act.

Role of the Local Government Auditor - inspection and assessment

48. The following section provides an overview of the statutory functions of the Local Government Auditor, as set out in the Local Government (Northern Ireland) Act 2014 and how these will operate during a financial year under full commencement of the Act.
49. The main piece of work for the Local Government Auditor under the performance framework programme is an annual improvement assessment (conducted under section 94 of the Act) for each council to determine whether a council is likely to comply with the requirements of Part 12 of the Act. The Local Government Auditor will also undertake an improvement information and planning audit, (as required under section 93 of the Act), in order 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. In order to fulfil these statutory requirements, the Local Government 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;

- a retrospective assessment of whether a council has achieved its planned improvements in order to inform a view as to the council's track record of improvement.

51. The Local Government Auditor may also, in some circumstances, carry out Special Inspections (under section 98), in respect of which she will provide a report to the Department and the relevant council, and which she may publish (under section 99).

52. These items of work are described in more detail below. In addition, the Local Government Auditor will prepare and publish a voluntary statement of practice in 2016 which will be aligned to her Code of Audit Practice. The information set out in this guidance will not replace or form part of that statement. The statement of practice will describe the way in which the Local Government Auditor intends to exercise key functions in relation to the Act in accordance with the principles that:

- the Local Government Auditor's functions are exercised consistently between councils;
- functions are discharged independently (except where directed by the Department in accordance with the Act);
- functions are discharged proportionately and do not impose an unreasonable burden upon councils;
- functions are exercised with a view to assisting councils to comply with Part 12 of the Act.

53. It should be remembered that the Local Government Auditor also has functions under other legislation that lie outside the Act. In particular, the Local Government Auditor has duties and powers under the Local Government (Northern Ireland) Order 2005 to undertake studies for improving economy, efficiency and effectiveness, if required by the Department and to ascertain whether councils have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Similarly, the Local Government 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 Local Government Auditor in discharging these other duties, whilst independent of the Act and the performance improvement framework, will be co-ordinated and used to inform work under the Act and vice – versa.

Improvement Assessment

55. The improvement assessment (section 94) will include a forward looking assessment and a retrospective assessment in order to inform the Local Government 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 Local Government 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 Local Government Auditor will be carrying out work throughout the year to inform both assessments and will be feeding back findings to the council. She 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 will 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 authorities' accounts and proper arrangements.

Forward looking Assessment

58. For each financial year, the Local Government Auditor will assess each council in terms of whether it is likely to comply with the requirements of the Act. The Local Government 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 Local Government 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 and (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 audit will depend on when the council finalises and publishes its improvement plan (section 15 (6)). Councils are required to publish their plans 'as soon as reasonably practicable after the start of the financial year'.
61. For each financial year, the Local Government 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 Local Government Auditor's report will state whether she believes that the council is likely to comply with the statutory duty to make arrangements to secure continuous improvement during the current financial year, she 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 Local Government Auditor will undertake a retrospective assessment of performance with the main purpose of tracking improvement over time. When making an assessment of performance, the Local Government 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 Local Government Auditor to assess service performance. As with the forward looking assessment, this work will, 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.

63. The second part of the section 93 audit will be an audit of the authority's discharge of its duties under section 92 (1) to (5), the council's assessment of performance. This will inform the Local Government 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 in the Local Government Auditor's Annual Improvement Report.

Special inspections

64. If the Local Government Auditor is of the opinion that a council may fail to comply with the requirements of the Act, or if the Department directs the Local Government Auditor to carry out an inspection, then the Local Government 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 inspect, the Local Government Auditor must consult the Department. Where the Local Government Auditor has stated in an assessment report that she is minded to inspect, she must consider any response made by the council.

65. Where the Local Government Auditor undertakes a special inspection, she will issue a report 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.

Published annual Improvement reports

66. From 2016-17, and thereafter for each financial year, the Local Government Auditor will publish an annual improvement report on 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 Local Government 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 Local Government Auditor functions in relation to the council.

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 Local Government Auditor will produce a timetable for each authority setting out the dates and times during which her staff will undertake their work in relation to the council. The Local Government Auditor will consult with the council before setting the timetable. In producing the timetable, the Local Government Auditor will follow the principles of her statement of practice. For example, she will ensure that the work of her other 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 Local Government Auditor and the Department to provide public assurance and drive forward service improvements and fulfil the requirements of the Local Government Auditor's relevant functions. Once set, the Local Government Auditor and the council must take all reasonable steps to adhere to the timetable. Clearly it is in the council's interests that the Local Government Auditor is able to adhere to this timetable. It is, therefore, important that councils provide any requested support to the process.

Set out below is a overview of the requirements for year one 2015/16

Timetable for Performance Improvement activity 2015/16

| | | |
|---|---|------------------|
| 1 | Council to identify (at least one) performance improvement objective(s). These can form part of the council corporate plan, but must be in accordance with the criteria specified in the Act and easily identifiable as performance improvement objectives. | By 30 April 2015 |
| 2 | Council to consult upon its performance improvement objective(s). This consultation can be achieved as part of the corporate planning process. | By 30 April 2015 |
| 3 | Council to publish its performance improvement objective(s). This can be part of the publication of the council's corporate plan. | By 31 May 2015 |
| 4 | Council must put in place a timetable and plan to develop and progress the specified performance improvement objective(s). | By 31 May 2015 |
| 5 | Local Government Auditor to ensure that performance improvement objective(s) are in place. | By 30 June 2015 |
| 6 | Local Government Auditor to issue a report (to council and the Department) confirming that performance improvement objective(s) are in place and a satisfactory timetable and plan to develop and progress the specified performance improvement objective(s) | By 31 July 2015 |
| 7 | <p>Local Government Auditor to carry out an audit to :</p> <ul style="list-style-type: none"> a) assess if performance improvement objective(s) have been met. b) confirm that the associated timetable and plan to develop and progress performance improvement objective(s) has been implemented c) confirm that council has acted in accordance with guidance issued by the Department. d) assess whether council will comply with performance | By 30 Nov 2016 |

Annex A

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| | improvement requirements in current fiscal year. | |
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The Freedom of Information Act 2000 – confidentiality of consultations

1. The Department may publish a summary of responses following completion of the consultation process. Your response, and all other responses to the consultation, may be disclosed on request. The Department can only refuse to disclose information in exceptional circumstances. Before you submit your response, please read the paragraphs below on the confidentiality of consultations and they will give you guidance on the legal position about any information given by you in response to this consultation.

2. The Freedom of Information Act gives the public a right of access to any information held by a public authority, namely, the Department in this case. This right of access to information includes information provided in response to a consultation. The Department cannot automatically consider as confidential information supplied to it in response to a consultation. However, it does have the responsibility to decide whether any information provided by you in response to this consultation, including information about your identity, should be made public or be treated as confidential.

3. This means that information provided by you in response to the consultation is unlikely to be treated as confidential, except in very particular circumstances. The Lord Chancellor's Code of Practice on the Freedom of Information Act provides that:
 - the Department should only accept information from third parties in confidence if it is necessary to obtain that information

in connection with the exercise of any of the Department's functions and it would not otherwise be provided;

- the Department should not agree to hold information received from third parties "in confidence" which is not confidential in nature; and
- acceptance by the Department of confidentiality provisions must be for good reasons, capable of being justified to the Information Commissioner.

4. For further information about confidentiality of responses please contact the Information Commissioner's Office (or see website at: <http://www.informationcommissioner.gov.uk>)

List of Consultees

All Northern Ireland Departments
All Northern Ireland District Councils (26 plus 11 new)
Association of Local Government Finance Officers
Association of Public Service Excellence
Chief Local Government Auditor
GMB
Invest NI
Irish Congress of Trade Unions NI Committee (ICTUNI)
Local Government Reform Joint Forum
Local Government Staff Commission
Local Government Management Services Board
National Association of Councillors
NI Local Government Association
Northern Ireland Assembly/Committee for the Environment
Northern Ireland Committee of the Irish Congress of Trade Unions
NIPSA
Public Service Commission
Society of Local Authority Chief Executives
UNISON Northern Ireland
Unite