

# Target Setting and Comparative Performance

Understanding how we manage performance  
improvement within the LAA Partnership

# Target Setting – Why is it important?

- Because they give us a focus for our improvement activity
- Because they help us make rational decisions about money and resources
- Because they help us manage and monitor our services
- Because they can motivate people to achieve better performance
- Because they help us communicate to the community and users what we are trying to achieve

# Target Setting – driven by change

The need to change is driven by both local and national factors.

## Local

- Partnership Vision
- Residents and stakeholder views
- The Local Area Agreement
- Delivering value for money
- Manifesto commitments

## National

- Corporate Area Assessment/National Indicator Set
- Ongoing drive for efficiency
- Boosting jobs and prosperity
- Personalisation of service to the citizen

# Target Setting – a framework

A framework within which we can consider how these targets are set.

It can help provide a rationale why a target has been set at a particular level.

It can help to demonstrate the differing priorities facing a service and where resources could be reallocated to meet these needs.

Two key factors need to be considered:

- Priority – how important is it to improve performance in this area.
- Performance risk – how secure is our performance in this area i.e. are we confident of continuing to deliver good performance here.

# Target Setting – a framework

## Priority

- LAA target
- Consultation results/Satisfaction levels
- Priority for organisation
- Area of investment has been made/is being made in this area
- Priority area for Government Office of the South East

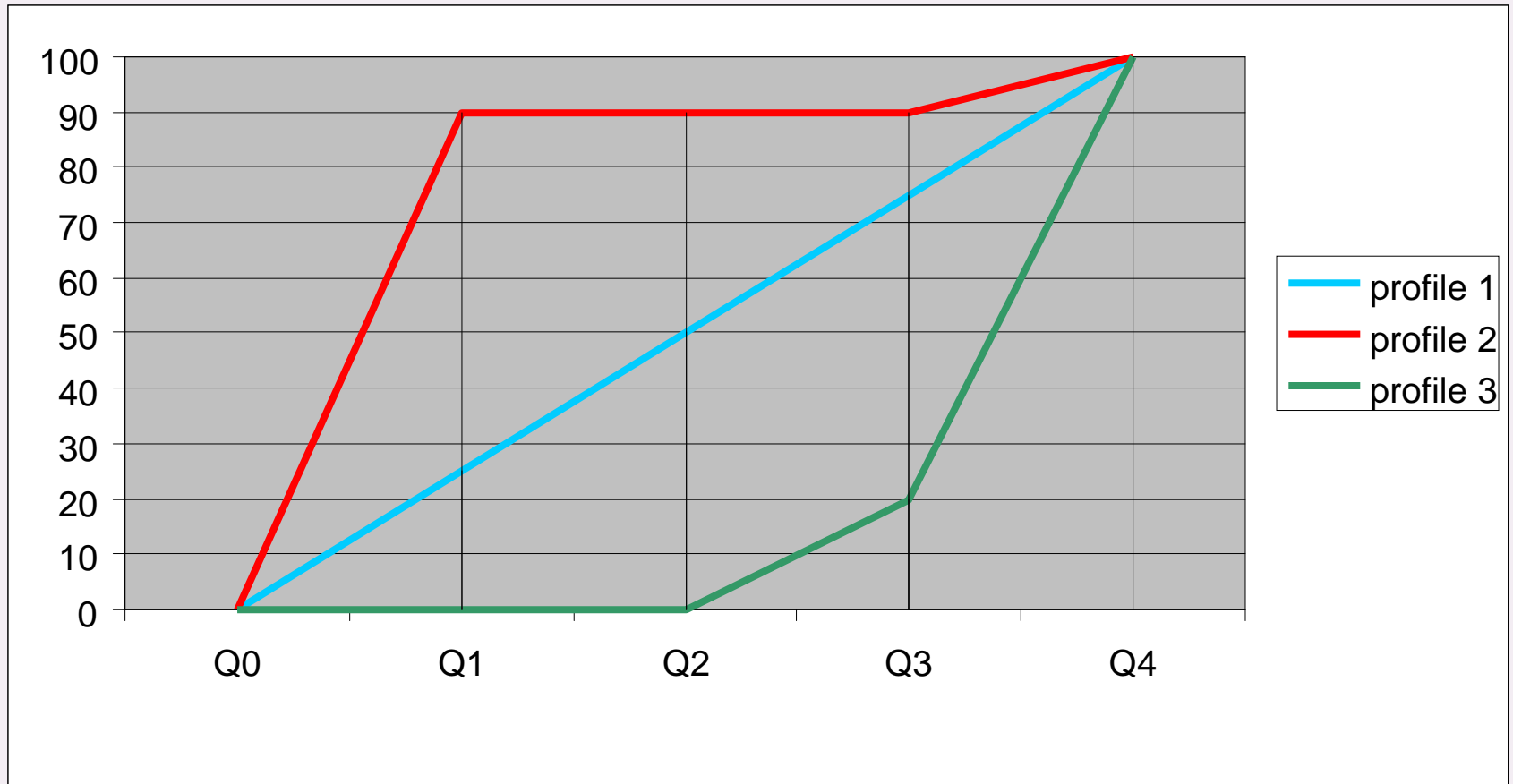
## Performance Risk

- Comparative performance compared to others
- Local improvement in recent years
- National improvement trends
- Known area of poor performance

# Target Setting – a framework

		<b>Maintain performance</b>		<b>Improve performance</b>	
		<p>High</p> <p>Aim for improvement only when it can be achieved through “no additional cost” solutions.</p>	<p>Most ambitious improvement targets should be set here. Resources should be directed to underpin the targets. Strong action planning and target monitoring required.</p>		
Performance Risk	High	<b>Consider reduced performance</b>		<b>Maintain performance</b>	
	Low	<p>Allow targets to be reduce in cases where resources can be redeployed.</p>	<p>Seek to improve performance as appropriate (e.g. where others are improving). Maintain performance where additional improvement would be highly expensive .</p>		
		Low	Priority		High

# Target Setting – the right profile?



# Target Setting – the right profile?

## Profile 1

- The work profile is consistently delivered quarter on quarter
- A clearly identified project plan is being followed
- No consideration has been made for when the work will be done?

## Profile 2

- Work profile has much of the work delivered early
- The target profile reflects work which has already been done?

## Profile 3

- Work is only carried out in Q3/Q4
- Long-term work unclear and the profile gives time to clarify this
- What is happening in Q1/Q2?

# Target Setting – exercise

1. Discuss what target profile you need to have for your target(s).
2. Outline what work you need to carry out to set a profile for Q2 onwards with your target(s).
3. Consider what barriers there are, if any, to setting a target profile.

Allow 20 minutes for this work

# Target Setting – Good practice

Compare your performance with others to understand comparative position and your pace of improvement. Targets should reflect how work in that service area is changing.

Looking at past performance and forecast the environment within which future targets will be set. Consider what performance levels have been delivered in the past and under what conditions. What could happen in the future to impact on performance?

Spend time linking together resources with expected targets. What are the resources required to deliver performance at your agreed target level? How can you maximise this change for whilst minimising your costs? This is particularly important when balancing resources to deliver more than one target within a service area.

## Target Setting – Good practice

Be realistic but challenging when setting targets. Targets should not be too hard or too easy, but reflect accurately where your service can deliver with the resources available to it.

Set a target profile which reflects how that activity will be carried out. Performance will be judged against how close you deliver to profile and the best person to set the profile is you.

Performance information is collected and used to help make informed decisions about work priorities and resource allocation. A poor target can therefore impact on the effective delivery of the LAA.

PerformancePlus (LAA performance management system) relies on performance against target to identify the green/amber/red status for LAA indicators.

# Comparative Performance

Comparative Performance is understanding how our performance compares with our peers. It can help us set appropriate targets.

This is a key step in seeking to improve performance by contributing to an understanding of where the Partnership might need to change how it is working.

Comparative performance represents one view of how this area is working and will support informed decisions about future work.

Sources of comparative performance include benchmarking clubs (County Council comparisons available through PWC), local CSCI and Ofsted reporting, and financial information is available through CIPFA.

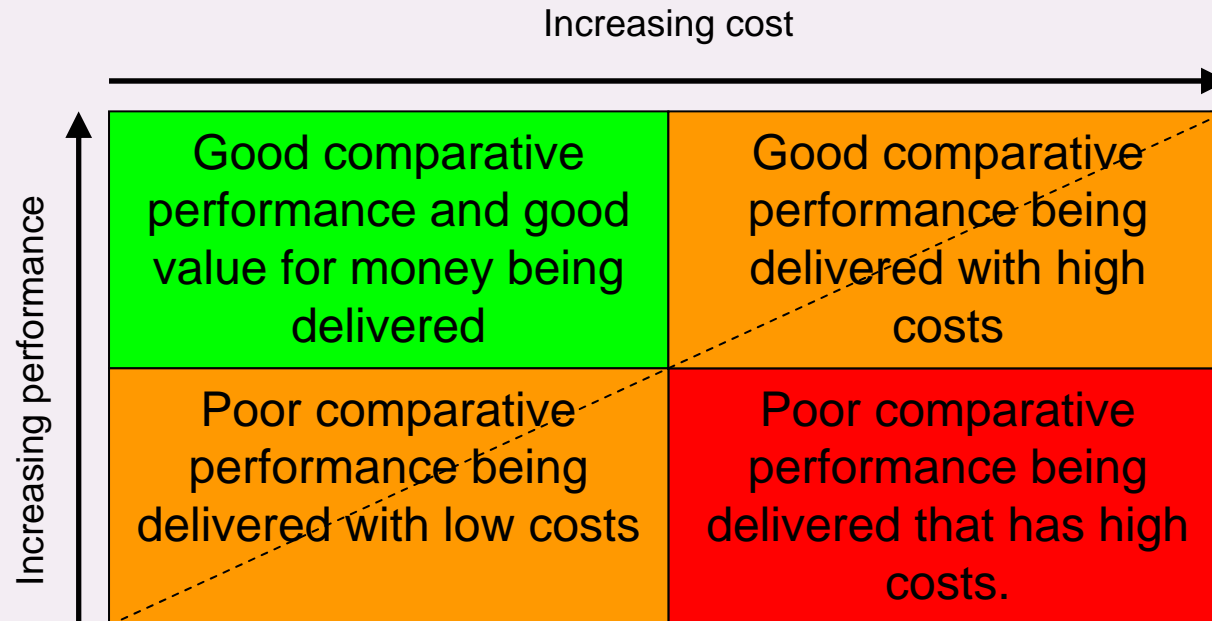
# Comparative Performance

Comparative information needs to be appropriate to the service and spatial level. We should compare ourselves with suitable comparators by demographics or as recognised by an external body (such as CSCI, Ofsted, CIPFA). We do not need to only compare ourselves against organisations that work in an identical fashion to us.

Comparative performance is one step in a process to improving the service. By understanding how we perform compared with others, we can seek out high-performing/value organisations and seek out good practice.

Ideally this work takes into account both performance indicators and the financial element of any target area as both are required to give a clear understanding of what is required

# Comparative Performance



Four quadrant approach to benchmarking