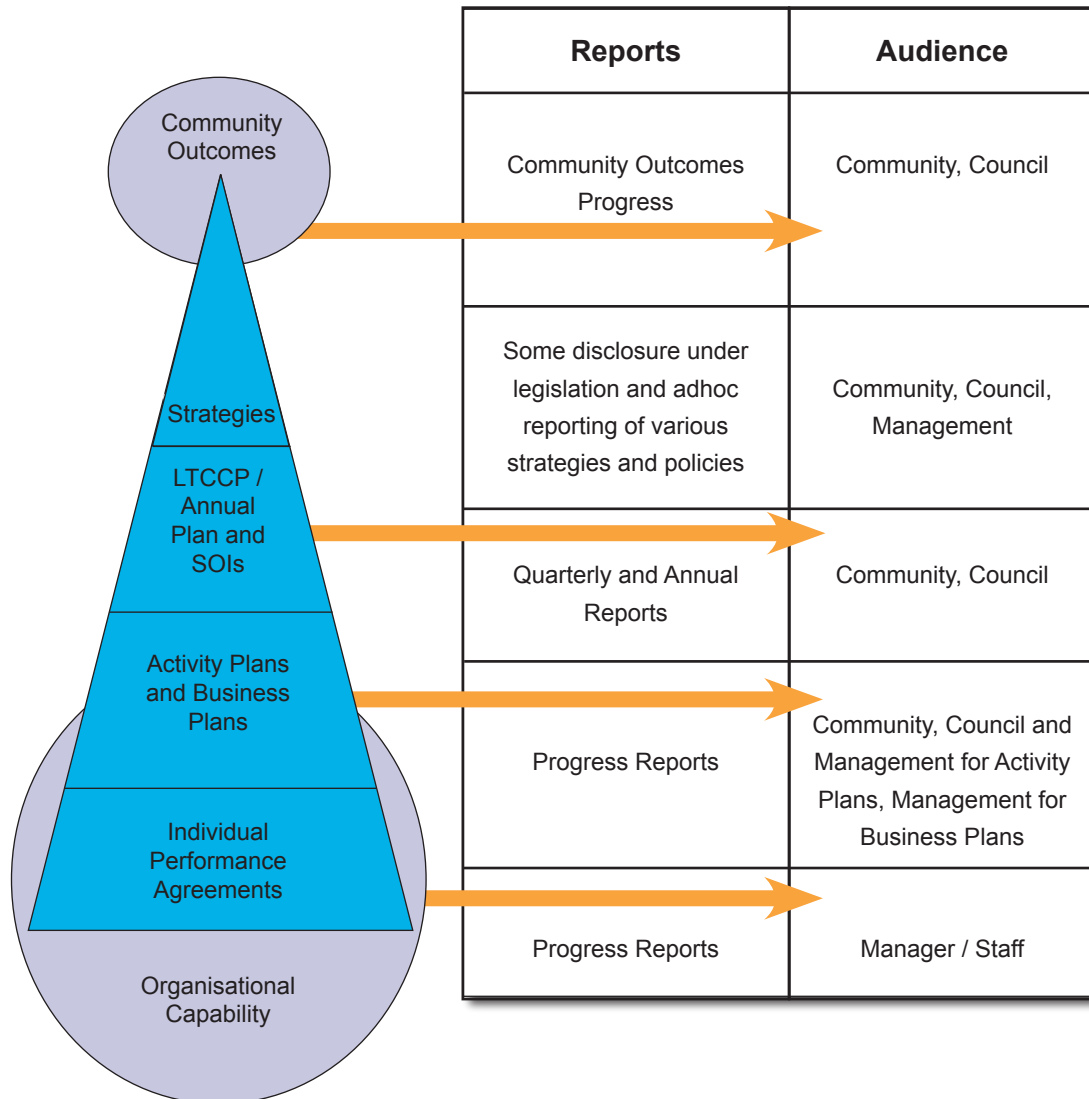


8.0 Reporting and Communicating Performance Information



Now that we have been through the entire hierarchy of accountability documents we now need to talk about making the information useful. This involves communicating the information to the people who need to know (in other words the two columns in the framework diagram). This communication can be formal, as with the annual report and the quarterly reports you give to the elected members, or informal.

This section focuses on:

- the importance of good reporting and communication as part of the performance management framework
- basic communication principles and how they apply to communicating performance management
- some tips for communicating performance management information, and
- the main tool for communicating performance management information to the public – summaries of the LTCCP (planning) and annual report (reporting).

8.1 Why Reporting and Communications Matters

Our definition of performance management says that:

Performance management is a process of determining objectives, measuring progress against those objectives, and using the results to improve your local authority's delivery of services to the community.

Reporting and communication is the link between measuring performance results and using the results to improve service delivery. Reporting and communication gets performance information to those who need the information to make improvements to service delivery. Reporting and communication to the community is a key part of the accountability process.

But communication is an important part of the entire performance management process, including:

- *setting objectives* – good two-way communication between your local authority and the community provides an opportunity for the community to input into the setting of objectives (through levels of service). Its also a good way to demonstrate value up front, and
- *internal communication* – without this achieving objectives will be down to luck, opportunities to take corrective action will be missed, as will opportunities to improve service delivery.

The two most important things to do when communicating performance information are:

- *tailor your message* - that is give people simple messages in a way that they can understand, and
- communicate in a way that leads to the information being used.

8.2 Principles of Good Communication

All good communication begins with an understanding of the different audiences. Then the information can be tailored and presented in a way that is relevant to their needs both in terms of the content (that is 'what the audience needs to know') and the format (that is 'how do they want to get this information').

Observing the following principles of good communication will help:

- *understand your audiences* - don't use the same reports for elected members, officers, and the community, the needs and levels of knowledge are quite different
- *avoid information overload* – the key messages in the communication should be prominent and easy to understand. If need be summarise the information and let people 'drill down' or look in an appendix for more information if they want it
- *use simple, concrete words* – take a look at the suggestions for rephrasing technical measures for the public that were in section six
- *use diagrams and pictures* – use graphs and pictures to support the information you provide especially where changes in levels of service or performance measures are planned
- *don't use jargon* – just as technical performance measures should be avoided in the LTCCP, avoid technical language in the way you communicate what you do have, and if you must use a technical term explain it
- *communicate facts and feelings*

- *communicate frequently and consistently*
- *be honest* - trying to spin or ignore performance that wasn't as expected is generally quite obvious to the informed reader, and frankly undermines the use of the information to improve service delivery
- *match actions to words* – this is particularly important with communications at the front end of the process when your local authority is essentially promising a set of deliverables.

8.3 Good Practice in Communicating Performance Management Information

8.3.1 Plans and Strategies

The main focus of communications on performance management in plans and strategies should be on:

- what the objectives of the plan and strategy are and how that improves community wellbeing
- how the reader know the objectives are being achieved
- what's in it for the reader.

The recent Audit Office report on the 2006-16 LTCCPs contained a number of useful observations regarding communications and performance management. It introduces what might be termed the '5 C's of performance reporting'¹³. These are:

- *consistency* - use a consistent format for each activity in the LTCCP performance measures. The table in figure 8.1 is one format that can be used consistently across all activities. This makes your LTCCP clearer and easier to read and understand. As noted in *Piecing it Together*, activity statements are something that should be agreed at an early point in the LTCCP process so all activity managers have a consistent template to work from
- *connections* - have a clear logical flow from community outcomes to your local authority's strategic priorities to activities to levels of service to performance measures (and thus avoid the 'so what' factor). In the 2006-16 LTCCPs many local authorities used various tabular formats to show their performance information. OAG expert reviewer Robyn Welles prepared the table shown in figure 8.1 to show the connections between the levels of service and performance measures over the ten years of the LTCCP, with the strategic objectives of council. This table is very similar in format to the table linking outcomes, levels of service etc that appeared in sections four and six¹⁴. Connecting the information in this way helps readers link the achievement of performance targets with your objectives, and better demonstrate value
- *context* - include supporting information that helps give meaning to the levels of service and performance measures. There is a balance to be struck between providing sufficient context to enable understanding, and promoting understanding by keeping things short and easy to find. The rule of thumb here is if in doubt, leave it out. Some good practice examples of the sort of contextual information that can help readers includes:
 - the current level of performance against the performance measures (or alternatively that the measure is new) this provides a baseline for comparison of years 1-3 of the LTCCP

¹³ Office of the Auditor-General, (2007), *Reports of the Expert Reviewers on Changes Between the 2004-14 and 2006-16 Long-term Council Community Plans* page 24 has further details.

¹⁴ Section Five of NAMS, 2007, *Designing Levels of Service and Performance Measures* also has some helpful real life examples.

- historic performance, especially if the current years performance represented a change from historic levels of service (note that this is a good thing to show with graphs and pictures)
 - explanation of changes in the levels of service (even if these were discussed in the frontispiece of the LTCCP by the time readers get to the activity statements this may have been forgotten)
 - explanation of technical terms and measures (for example – not many outside the roading engineers and transport planners would have the faintest idea what a NAASRA count is)
 - links to capital works may also be relevant, especially where the levels of service and cost implications are significant – some local authorities appended lists of projects which enabled the reader to connect levels of service, particular projects, and the financials.
- *completeness* - include enough information so that people know what the Council is trying to do. And don't forget, the Act requires you to show the information in detail for the first three years and in outline for years 4-10
 - *compliance* – ensure that your reporting meets statutory requirements and that there is robust evidence to support each result reported.

An issue that occasionally receives prominence in the media and in some commentators reports is the issue of communication and reporting where levels of service are set in statute, or by regulation. Topical levels of this nature include the drinking water standards or the consent processing times set in the Building Act 2004. We concur with the opinion expressed in the most recent OAG report – local authorities are obliged to comply with these standards. Where there has been historic failure to meet the standards then it may be advisable to declare this, and what your intentions are to remedy the situation, over what timeframe. It's better to explain the likely issue and its implications up front than to wait for the auditor or other reviewer to comment on the matter after the fact.

Figure 8.1: Showing Performance Information in an LTCCP – An Indicative Presentation Tool

Objectives / Rationale	Current Levels of Service	Planned Levels of Service Years 1-3	Indicative Levels of Service Years 4-10	Performance Measures					Indicative Performance Measures Years 4-10
				Description	Current	Year 1	Year 2	Year 3	
Clear expression of what the council aims to achieve, why this is important, and links to strategic objectives.	Provide a brief overview of what council currently provides	Brief overview of what the council plans to do	Indication of the expected direction of levels of service over the longer term	Specific performance measure directly relating to a particular level of service	Actual performance in the most recent financial year to provide baseline date				Indication of the expected level of performance, including progress towards any specific long term targets identified under the objective

Internally, you are also likely to need some way of communicating with staff about the implementation of the plan. How you do this will depend upon your Council but it should involve translating the LTCCP levels of service and projects into specific actions for work teams and individuals. If you have run an inclusive LTCCP project (including a performance management framework improvement process similar to those described in section nine) the activity managers will already be on board. Indeed, they should know what's expected of them because they will have played a large role in defining what's expected of them.

8.3.2 Performance Results

Your performance monitoring effectively is a tool for communicating whether you met your performance objectives. It will only properly close the loop if it leads to different plans or actions where necessary. For this to happen, the implications of the results have to be clear, in other words what are the results actually telling you, what decisions need to come out of this and so on.

The use of performance management information for service delivery is critically dependent on having good analysis of results, with covering reports, with clear summaries of the key points and their implications. It also reinforces the message to keep things simple. People should not have to spend time and energy working out what you are trying to tell them. They should be spending that time and energy addressing the key issues that you raise.

Consistent with the discussion of performance management culture in sections one and nine, your communications need to analyse why things happened but without blame.

Results based communications should also link the achievements your local authority has made to the cost of the achievement. For example, if you increase public transport usage by 10% that looks fairly good, but its value also depends on what it cost to get that increase. Achieving the increase within budget is cause for celebration, spending twice as much for a ten percent increase may need further investigation into the wisdom of the objective.

Reporting timelines should be set so that the results feed into decision making – that's one reason why annual reports must be ready by 31 October.

Reporting performance results needs to be considered as design your framework – reporting is not an add-on (in fact without consideration of reporting needs your systems for gathering information are likely to turn out reports of limited value).

Performance management is about getting regular information to answer important questions. Knowing what these questions are is vital for systems design. Different groups of people (residents, elected members, officers etc) will have different sets of questions. If you are not sure what people want to know, then ask them.

There is a range of computer packages that present information in traffic lights, dashboards, and other 'whizbang' techniques. These are very useful - as long as you first work out the information that people want to know. Don't just present information simply because you can.

At the community outcomes level a report to the public could focus on telling stories of who is doing what and how effective this is (see section four). If the report is for government agencies and other organisations who work towards the community outcomes, it should also ask what can each agency all do differently to make things better?

For LTCCP and policy monitoring a report to senior management would focus on provision of service at required level and within cost, and what difference the service is making. If objectives were not met then what could/should be done differently and why?

If the report is for the general public it should show this information in a more simplified way and also include information showing how residents get value for money from their rates. When you do this, make comparisons that mean something to people. For example:

'2 litres of water from the supermarket will cost you about \$4. For the same amount the Council provides you with all the water you need for a week.'

'A newspaper delivered for a week costs you \$4.40. You pay half that a week in rates for the library - and get hundreds of newspapers, plus books and magazines.'

8.4 LTCCP and Annual Report Summaries

'If I had another month to spend on improving the LTCCP I would spend it on the summary.'

Graham Spargo, Dunedin City Council to the 2004 Community Plan Conference

LTCCPs and annual reports are big documents and not many members of the public ever read them. Therefore when you communicate with the public about these documents the summary is actually the main mechanism for consultation (the LTCCP summary) and informing people how your local authority did (the annual report summary).

A summary has to be a fair representation of the major matters in the document. However, do not simply go through the main plan and cut and paste these major matters into the summary.

The LTCCP summary should be a stand alone document that clearly explains to the person in the street the major issues your local authority faces and how it is proposing to address these. It should be also simple and engaging so that residents can understand and are encouraged to comment.

In other words the LTCCP summary tells a story and asks what people think of it.

This is the sort of city or district that people want to live in.... These are the issues and trends that will affect this.... And these are the opportunities and constraints facing the Council.... Therefore this is what the Council is thinking of doing over the next 10 years to create that city / district... and this is what it would cost people.... In particular, these are the things we want to keep doing the same... and these things we think we need to do differently... What do you think?

You need to have this story drafted early in the LTCCP process. The details will almost certainly change as you go through the process but it is a hugely useful tool to share with elected members and other staff as you develop the plan. It will help them understand the key issues behind the plan and will help ensure they have a common understanding of what your local authority is trying to achieve. Everybody who is involved in the plan should be able to tell the story.

You should have a plan to prepare the whole LTCCP - make sure the summary is a key step in this. Once you have a clear idea of the likely key issues you can begin the summary.

SOLGM has a useful Good Practice Guide for LTCCP Summary Documents. Key points include:

- the summary will be all the most people see about the Plan
- base it on what people want to know
- use short sentences
- don't use jargon - if there are technical terms have satellite explanatory boxes to explain them
- explain where people can get more information
- if it is a consultation summary then include a submission form

- make it interesting and readable by using colours, photos, graphs and a decent sized font
- have one person who is skilled in writing plain English, pull the summary together
- get someone to peer review it, and
- make sure you have enough time – at least one month (but as noted, above once the key issues have been identified you can begin drafting).

The annual report summary mirrors the LTCCP summary. Its story is about how well the local authority achieved what it set out to do and what difference this made to the community.

THINGS TO REMEMBER: COMMUNICATING AND REPORTING PERFORMANCE MANAGEMENT

1. Understand the needs of the different audiences for performance management information (elected members, officers, and the community).
2. When reporting performance – don't forget the 5 'C's: consistency, connection, context, completeness, and compliance.
3. Tabular formats can help show a lot of performance information consistently and act as a good link between the strategic objectives of your local authority, levels of service and performance measures.

Further Reading and Helpful Resources

Office of the Auditor-General, (2007), *Matters Arising from the 2006-16 Long-Term Council Community Plans*.

Office of the Auditor General, (2006), *Report to Parliament: Results of the 2004/5 Local Government Audits*.

NAMS, (2007), *Designing Levels of Service and Performance Measures*

SOLGM, (2005), *Good Practice for LTCCP Summary Documents* – while focusing on the LTCCP, many of the same principles apply to annual report summaries.

<http://www.solgm.co.nz/NR/rdonlyres/24B58E03-25EC-438B-B6BA-D1706EA88D76/21709/GoodPracticeforLTCCPSummaryDocuments.pdf>