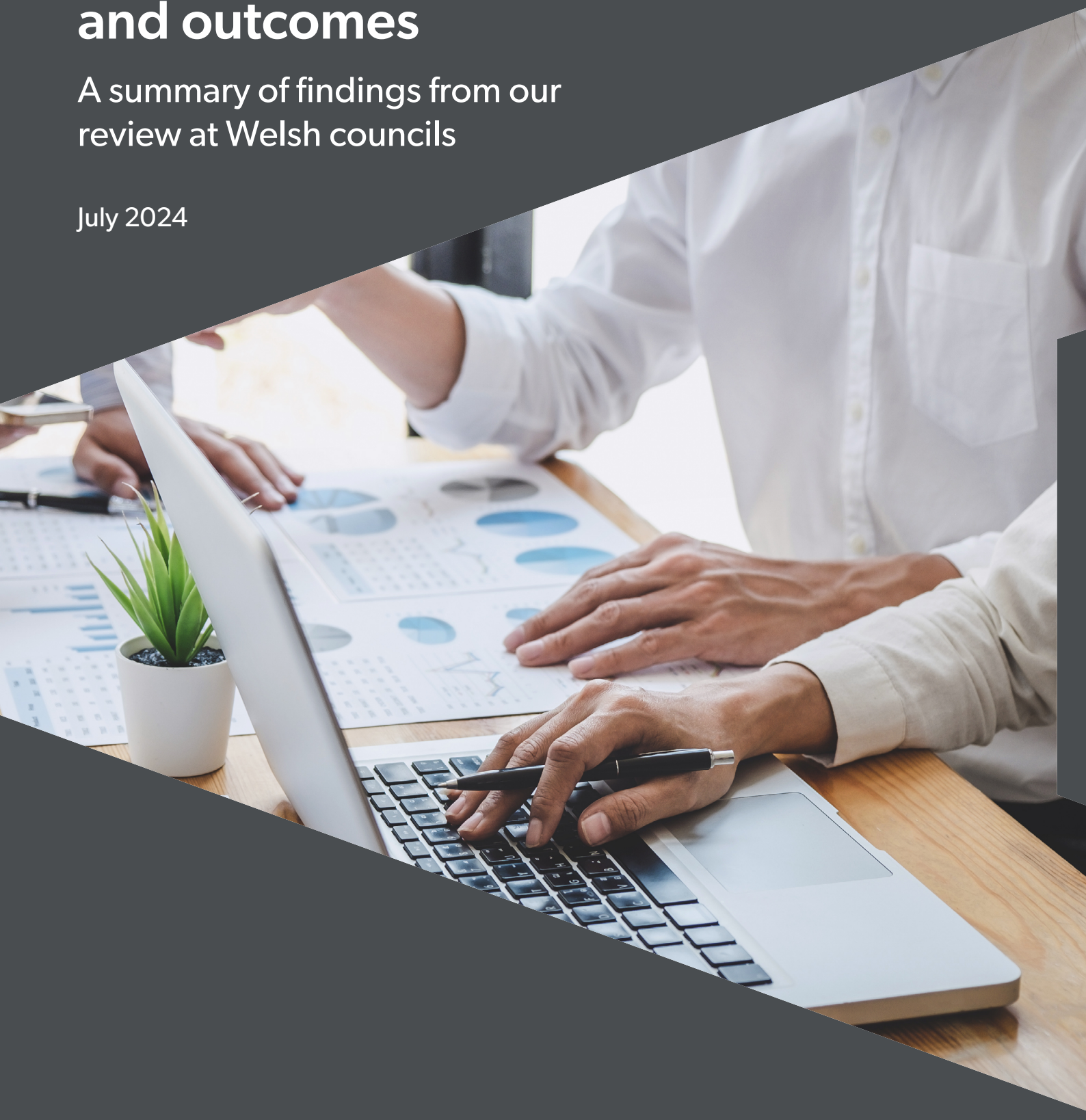


Use of performance information: service user perspective and outcomes

A summary of findings from our
review at Welsh councils

July 2024



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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Report summary

The report summary provides a brief overview of the scope of our work, why we did the work and our collective findings. Further detail about our findings is included in the detailed report.

What our review was about

- 1 Our review looked at whether the performance information provided to senior leaders helps them to understand the perspective of service users and the outcomes of the Council's activities so that they can manage their performance effectively. By senior leaders, we mean senior officers and senior members. We did this review at all 22 councils in Wales.
- 2 We focused on the main reports councils use to help senior leaders monitor and manage their performance. Councils put a lot of effort into producing these reports and they are often in the public domain.
- 3 We also looked at the arrangements councils have to check that the performance data they use is accurate.
- 4 The questions and audit criteria we used for this review are included in **Appendix 1**. The audit criteria essentially sets out what good looks like and what we would expect to find.

What do we mean by the perspective of service users?

In many areas, service users don't necessarily have a choice as to who provides the services. Residents don't really have a choice as to who collects most of their waste and recycling for example.

So, understanding what people think of the service, rather than the interests of those providing the services, is important.

What do we mean by outcomes?

An outcome is the end result, the effect, the difference made from the action or service. The intended outcome is what the Council is looking to achieve – the why or the ‘so what?’ Outcomes may be short term, medium or longer term. Outcomes may not be at the complete control of a council but dependent on others too.

Outcomes differ from outputs. Outputs are the ‘what’ - the services and goods delivered to help achieve the desired outcome.

Examples of outcomes and outputs

The output of a training programme may be the number of people who completed the programme. The outcome would be the difference made by these outputs, such as skills improved. An outcome may be about an improvement.

The number of miles of highway resurfaced is an output. Outcomes may be about less accidents, improved traffic flow, shorter journey times.

Why we chose to do this review

- 5 Councils deliver services to the public using public money. Therefore, it is vital councils understand the impact of their activities and policies to know if they are using public money wisely (securing value for money) and achieving what they set out to (their objectives). Even more important in a period of financial challenge. The Auditor General of Wales’ role is to determine if councils have put in place arrangements to secure value for money.
- 6 Put simply, without understanding outcomes and service user perspective information, a Council may be doing the wrong things, or doing things wrong.

What our review was not about

- 7 Our review was not a review of councils' consultation and engagement arrangements. We did not review how councils engage with service users on specific service changes or on a draft policy or strategy.
- 8 Neither was it a review of councils' overall performance management arrangements or a review of the quality of the data.
- 9 Councils set themselves objectives, that is what they want to achieve. They generally set out their objectives in their corporate plans together with actions that they will take to help them achieve their objectives. So, understanding what difference these actions are having and what service users think about a service are arguably the most important aspect of a council's performance management arrangements.

What we were looking for

- 10 We were looking for performance information to be shared with senior leaders that would help them understand how well services and policies are meeting the needs of service users and how well they are helping the Council to achieve the intended benefits it is working towards.
- 11 We were hoping to find that this information would be prominent within councils' performance reporting arrangements. By putting this information at the heart of performance reporting, it helps councils be transparent and accountable for their performance. It is also a way for councils to demonstrate that they value the voice of the citizen.
- 12 We were also looking to see that senior leaders use this information to monitor progress and take action where necessary to improve outcomes.
- 13 We wanted to see that councils had arrangements to check that the performance data they use to help them make decisions is accurate.

What we found

- 14 Our findings are not very positive. Except for a few councils, we found that councils provide limited information to help senior leaders understand service users' views and outcomes. So, its difficult to see how councils really know if they are meeting the needs of local communities and providing value for money.
- 15 We came to this conclusion because we found that:
 - a few councils were putting service user perspective performance information at the core of their performance reporting, but most councils included very little performance information to help senior leaders understand the perspective of service users.
 - performance reports tended to focus on outputs, the 'what,' with little evaluation of the 'so what.' What difference did the outputs make, was this in line with outcomes the Council was looking to achieve and the objectives it had set itself? Generally, the performance information didn't help answer these questions.
 - most councils had limited arrangements to check the accuracy of their service user perspective and outcomes data.
- 16 We are concerned by our findings. We expected to find a more positive picture than we did as the importance of understanding outcomes and the perspective of service users has been emphasised for years.
- 17 As the findings were similar across most councils, we have generally made the same three recommendations, or variations of them, to most councils. These centre on strengthening the performance information on the perspective of service users and outcomes, as well as strengthening data quality arrangements.
- 18 Some councils don't agree with our findings and have been critical about the scope of our work. The response from some councils suggests a lack of understanding about the importance of having service user perspective and outcomes information.
- 19 We hope that by shining a spotlight on this important issue will encourage councils to positively address our recommendations.

Who are our findings relevant to?

- 20 Our findings are relevant for councils – for members and senior officers.
- 21 Our findings also have implications for Welsh Government, particularly as it is placing a considerable emphasis on the significance of councils' self-assessments in managing performance. Yet our findings raise questions about the value and robustness of these self-assessments and the extent to which Welsh Government and other stakeholders can rely on them to understand how councils are performing.

What next?

- 22 We would expect to find an improved position when we follow up on our recommendations.
- 23 We also expect each council's Governance and Audit Committee to be seeking assurance that its council is addressing our recommendations.
- 24 The local reports for each of the 22 councils are available on our website.

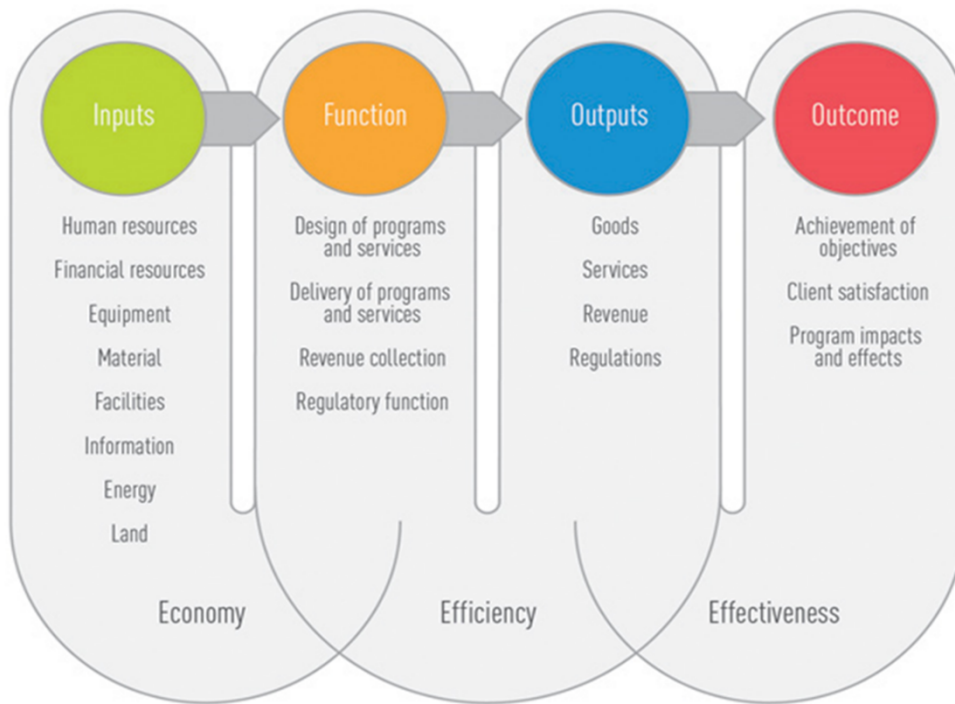
Detailed report

Why having performance information about the perspective of service users and outcomes is so important

- 25 The key role of councils is to provide services and councils spend large sums of public money doing this; services, which are often crucial to the day-to-day lives of the people they serve.
- 26 Outcomes and service user information are not new concepts. The significance of understanding these has been emphasised for many years. This includes in the 'Beyond Boundaries: Citizen-centred Local Services for Wales' report ("the Beecham Report", published in 2006) and the Report of the Commission on Public Service Governance and Delivery ("the Williams Commission", published in 2014).
- 27 In many areas, service users don't necessarily have a choice as to who provides the services. So, understanding what people think of the service, rather than the interests of those providing the services, is important. It is also an important way in which a council can assure itself that it is acting in accordance with the 'involvement' way of working in taking steps to meet its well-being objectives.
- 28 It is the same issue for outcomes. If a Council doesn't have performance information which helps it to understand the outcomes from its activities, how does it know what difference it is having?
- 29 Put simply, without understanding this information, the Council may be doing the wrong things, or doing things wrong. It may not be using its resources economically, efficiently, and effectively (value for money).
 - a. Economy – Getting the right inputs at the lowest cost (or getting a good deal).
 - b. Efficiency – Getting the most from the inputs (or getting a lot for the efforts).
 - c. Effectiveness – Getting the expected results from the outputs (or doing the right things).

30 **Exhibit 1** below shows the relationship between inputs, functions, outputs and outcomes.

Exhibit 1: understanding the relationship between inputs, functions, outputs and outcomes



Source: Canadian Audit & Accountability Foundation

31 Having service user perspective and outcomes information enables councils to manage performance effectively, to influence how it uses its resources and to understand if it is achieving the objectives it has set itself, based on the needs of service users and communities. Having this information helps the Council know if it is achieving value for money from how it uses its resources.

What we were looking for

- 32 We appreciate that developing outcome measures and understanding the perspective of service users can be challenging. But we would expect councils to be making more progress in this.
- 33 We have set out below what we were looking for in terms of service user perspective and outcomes performance information.

Service user perspective

- 34 We were looking to find that councils included a range of performance information in their performance reports, which would give an indication of the views of service users. This may include, but isn't limited to, satisfaction surveys. Complaints and compliments information, and case studies can also provide barometers of the views of service users although these don't always provide a representative picture of the views of service users.
- 35 There may be other proxy measures which taken together would help the Council understand the views of service users. For example, the cost of some services, timeliness of responses, information on accessing a service, data on levels of service take-up which along with other direct feedback such as surveys could all help to build a picture of the service user perspective. But we were also looking to see that a council had used the information to provide that type of analysis.

Outcomes information

- 36 We were looking for performance information which would help understand the impact of the Council's activities. We were looking to see that councils didn't just have lots of performance information about inputs and outputs.
- 37 We wanted to see performance reports which didn't just describe what councils do, but used a range of qualitative and quantitative performance information to help them evaluate if what they do is having a difference. We wanted to see that this performance information covered a wide range of services in line with the Council's objectives and wasn't just focused on one or two services.

- 38 We were also looking for performance information that was relevant to the objectives the councils had set themselves. That councils had given some thought to the performance information they collect and use.
- 39 Councils set their own objectives, taking into account community need, so its up to them to determine the information they then use to understand how they are doing against these.
- 40 We recognise measuring outcomes is often by definition difficult. Outcomes may take time to become apparent so we wanted to see that councils were exploring how they can evaluate the short and longer term outcomes. Understanding outcomes may also require councils to look at different sources of information, from different organisations – to take a whole systems approach. We would be expecting councils, building up from their objectives, to understand what they mean by outcomes and to have thought about the information they will need, to know if they are achieving these objectives.
- 41 We wanted to see councils drawing on a range of sources and drawn from across a diverse range of service users.
- 42 We expected to see that councils have robust arrangements to check that the performance information they use is accurate. That this was not just about querying data when performance didn't look quite right. We expected councils to be able to confidently show us the arrangements they had to assure themselves that data was accurate.
- 43 We wanted to find that councils had been continuing to review and improve their performance information about outcomes and the perspective of service users.
- 44 And, we wanted to see that councils were actively using the service user perspective and outcomes information to monitor progress and take action where necessary to improve outcomes.

What we found

Apart from a few councils, councils provide limited performance information to enable senior leaders to understand progress towards the outcomes they are seeking to achieve, and the perspective of service users. This hinders councils' ability to know if they are meeting the needs of local communities and providing value for money

- 45 We found that senior leaders are often given lots of performance information and information about what the Council has done. However, the extent to which this reflected the perspective of service users and outcomes was very limited and undermined the value of the councils' performance reports. As a result, it is difficult to see how councils know how well they are spending public money.
- 46 We have made recommendations for each council in their local reports so don't intend to repeat these here. These reports are available on our website. The findings in our report are deliberately quite stark given that the importance of understanding outcomes and the perspective of service users have been emphasised for years so we expected to find a more positive picture than we did.
- 47 Our teams will be doing follow-up work to see how councils are progressing with addressing the recommendations made in their local reports. We would hope to see Councils making further progress on this over the next 12-18 months' time.
- 48 In this report, we have also set out the implications of our findings for Welsh Government.
- 49 Set out below are our key findings against the key themes in our work as well as some broader findings.

Most councils had little performance information on the perspective of service users

- 50 We found a few councils which were trying to put the service user perspective information at the forefront of their performance reporting. We could see that they had made a considered effort to report information which would help senior leaders understand the perspective of service users.
- 51 But for most councils, we found that there was minimal information provided to senior leaders on the perspective of service users.
- 52 Much of the service user perspective information we did find tended to be focused in one or two services, mainly social services. We often saw some good examples in the Directors of Social Services' annual reports. Perhaps not surprising given the focus on the individual at the heart of the Social Services and Well-being Act.
- 53 Some councils had also used complaints and compliments information and case studies to provide an insight into the perspective of service users. However, case studies were largely included in reports to illustrate a positive experience. Like complaints and compliments information, therefore, they do not always provide a comprehensive and representative picture of performance.
- 54 To be clear, we aren't saying councils are not engaging with service users. That's not what our review was about. Councils have engagement strategies and through our well-being objective setting work, we know some are trying different ways to involve local communities. But what we struggled to see was councils making the links from this to their performance reports and to make the most of that information.
- 55 Overall, our findings meant that it was difficult to see how senior leaders would be able to understand how well services and policies are meeting the needs of service users from the performance information they are given. Information which is key to help them determine whether they are achieving value for money in the use of their resources.



Generally, councils' performance information focused on outputs and activities, rather than the impact and outcomes from those

- 56 In most councils, we found some limited examples of performance information which help them understand the outcomes of their activities. We appreciate that it may take time to see the outcomes of activities, but this shouldn't prevent councils from identifying how they will know if they are making progress in achieving their desired outcomes.
- 57 We noted a few councils who were monitoring broader outcome measures such as health expectancy and gross domestic product (GDP). Although they recognise they cannot directly control some of these or are not the sole contributor to these, they saw them as useful barometers to understand the national picture and wider outcomes. Some councils had also developed measures which would help them understand outcomes of particular services.
- 58 But, overall, information focused on activities and outputs, such as the number of people who attended an event, or that a new building had opened, rather than information about the impact and outcomes of those outputs. This was sometimes despite councils' corporate guidance underlining the need for services to convey the differences they were making.
- 59 Often, performance reports just describe what the council had done or was doing, rather than evaluating the difference activities were having. This limits the ability of senior leaders to understand the impact of the Council's activities and assess whether it is meeting its overall objectives. Significantly, it also hinders councils' ability to understand if they are achieving value for money.



Performance information reported wasn't always relevant to the councils' objectives

- 60 Councils often have ambitious and well-meaning objectives, such as improving the health and well-being of the local population. But the objectives can be quite vague. We struggled to see how the performance information councils reported really helped them know if they were achieving their objectives or the intended outcomes.
- 61 This is consistent with the finding from our well-being objective setting work that councils don't have appropriate and strategic measures to understand whether they are delivering their well-being objectives as intended. We have been underlining the importance of this for some time.
- 62 Councils have tended to just keep reporting the same types of performance information that they have always reported rather than fundamentally reviewing the value of the information they report. Our findings suggest councils are investing resources in reporting information which doesn't always tell them what they need to know.



Most councils had limited arrangements to check the accuracy of their service user perspective and outcomes information

- 63 Councils' arrangements often consisted of officers sense checking data before it is reported, to query data where any anomalies in performance were identified. This may include checking whether data was accurate. If performance remained the same, however, the Council did not check the accuracy of the data, but the underlying data may have been wrong for some time.
- 64 Some councils had arrangements which provide an element of rigour to how they collected and inputted their data. This included documents which set out the definition of the measure and how it should be calculated.
- 65 Few councils' Internal Audit services had recently done reviews of data quality.
- 66 Most councils 'trusted' officers to know their data. But few councils were able to demonstrate that they had routine and robust arrangements to check the accuracy of any service user and outcomes data they reported.

- 67 Yet councils use this data to help shape their decisions about how they will use their resources. Therefore, there is a risk that councils may be making decisions based on inaccurate information.
- 68 We know that some councils have not welcomed this finding, which they see as reputationally damaging. It's important to note that we have not reviewed the accuracy of the data councils report, so we are not saying that data is inaccurate. We are flagging an important risk. It is up to councils to determine if they are happy to tolerate this risk. We would hope that they look at how they can strengthen their arrangements to minimise this risk.

Implications for councils more broadly

- 69 Whilst the review was not about a council's performance management arrangements per se, our findings raise fundamental questions about the effectiveness of those arrangements.
- 70 It is difficult to see how some councils are effectively managing performance if they don't report information on outcomes and the perspective of service users. This also undermines the extent to which there is accountability for performance. Given the Auditor General for Wales' role, it also places doubt on whether councils have proper arrangements to secure economy, efficiency, and effectiveness in the use of their resources.
- 71 Councils often showed us sophisticated systems that they use to present and monitor the information, but it's not about the systems rather the quality and range of performance information that underpins them.
- 72 Corporate or central teams, who are often seen as those who have overall responsibility for performance information, have taken on other remits and responsibilities. The space and capacity to think and review has been reduced.
- 73 Our findings shouldn't be seen as a criticism of corporate teams. It is not down to one team or one individual to ensure that councils report robust outcomes and service user perspective performance information. Its about organisational culture and having the ethos throughout the organisation to focus on better understanding of outcomes and the views of service users.

- 74 For example, for members to challenge if the information they are getting isn't helping them to understand the outcomes of the councils' activities. Is the performance information enabling them to understand what people think about the services they receive? Is the information relevant to the priorities and objectives they have agreed? To ask the 'so what?' question.
- 75 We appreciate that this may be politically and organisationally difficult. Understanding what this information is telling senior leaders, may mean that that they need to make significant changes to how they have always delivered their services. It is not always a comfortable position for senior leaders to be in.
- 76 Through our work, we are keen to try to inspire the public sector to improve. Our local reports provide a small number of examples of practices that others may be interested to explore.
- 77 We recognise it is not easy to develop outcomes and service user perspective related measures. This is clearly reflected in that we struggled to find a range of examples to point councils to. But not having good practice to go to shouldn't prevent councils from doing more to improve their arrangements. We would like to see councils working together and through agencies such as the WLGA, to explore how they can strengthen the level and quality of the information they provide. For example, working to together to develop measures where they have similar objectives, such as around tackling poverty.
- 78 If councils were starting from a blank sheet of paper to determine what performance information they need to understand the views of service users and the outcomes of their activities, its unlikely they would just replicate the information they report now.
- 79 Councils can't measure everything absolutely. They need to build up from their objectives, to understand what they mean by these objectives and give some real thought to develop a range of performance indicators, which will help them know if they are achieving these. This may be about using information from different sources, including partners, to help councils get a rounded view of performance. This may not just be measures or performance information that they can control. It may be much broader measures (such as health expectancy, GDP) which are relevant to their objectives and useful to monitor.

Our findings also have implications for Welsh Government

- 80 Under the Local Government and Elections (Wales) Act 2021, Welsh Government's performance regime for councils is based on the principle that councils are self-improving organisations. That they will support improvement and drive better outcomes through self-assessments and panel performance assessments. The Statutory Guidance on the performance and governance of principal councils¹ includes that 'the self-assessment should be focused on outcomes, what has been achieved rather than the process, and asking honest questions about the impact of the council's actions on people's lives and experiences.'
- 81 However, the findings from this review raises questions about the value and robustness of councils' self-assessments, and the extent to which Welsh Government and other stakeholders can rely on them to understand how councils are performing.
- 82 One of the barriers often cited to us by councils as to why they had limited service user perspective and outcomes information was the lack of all Wales performance data sets. Welsh Government no longer requires councils to collect and report on a common set of measures.
- 83 Our review did not look at whether councils were comparing their performance per se. We looked more at whether they were trying to learn from how other bodies are reporting this type of performance information to help them strengthen their own arrangements.
- 84 Nevertheless, the lack of comparable measures makes it difficult for Welsh Government to understand the overall picture of performance, to see how councils compare. Importantly, to understand how councils are contributing to delivering the national well-being goals. Responsibility for comparing performance lies with councils. We have commented previously that councils aren't really doing this.
- 85 We aren't saying that Welsh Government needs to reinstate national performance indicators, but it does need to be aware of the limitations of the performance information currently being reported by councils.

1 Performance and governance of principal councils. Statutory guidance on part 6, Chapter 1, of the Local Government and Elections (Wales) Act 2021



Appendices

- 1 Key questions and what we looked for

1 Key questions and what we looked for

Exhibit 2: key questions and what we looked for

The table below sets out the question we sought to answer in carrying out this audit, along with the audit criteria we used to arrive at our findings.

Level 1	
Does the Council’s performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance?	
Level 2	Audit Criteria² (what we are looking for)
2.1 Does the performance information provided to senior leaders include appropriate information on the perspective of service users?	<ul style="list-style-type: none"> • The information is: <ul style="list-style-type: none"> - relevant to the objectives the Council has set itself; - sufficient to enable an understanding of the service user perspective; - sufficient to provide an understanding of progress towards the outcomes the Council is planning to achieve; - drawn from the diversity of service users including groups who share protected characteristics; and - used to inform comparisons with the performance of similar bodies where relevant. • The Council has involved service users in determining which information to collect.

2 Our audit criteria have been informed by our cumulative knowledge of previous audit work, as well as the question hierarchy and positive indicators we have developed to support our sustainable development principle examinations.

Level 1

Does the Council’s performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance?

Level 2

Audit Criteria² (what we are looking for)

2.2 Does the performance information provided to senior leaders include appropriate information on the outcomes of the Council’s activities?

- The information draws on a range of evidence sources to provide a holistic view of progress.
- The information enables senior leaders to monitor progress over the short, medium and long term.
- The information enables senior leaders to monitor the delivery of outcomes that cover multiple service areas and/or organisations.

2.3 Does the Council have robust arrangements to ensure that the data provided is accurate?

- The Council has clear arrangements to check the quality and accuracy of the data it provides to senior leaders.
- Where weaknesses in data quality are identified, the Council addresses them.

2.4 Does the Council use the information to help it achieve its outcomes?

- Where poor performance is identified, the Council uses the information to make changes/interventions.
- There is evidence of the Council improving its progress towards its outcomes as a result of interventions.

2.5 Does the Council review the effectiveness of its arrangements?

- The Council reviews the information provided to senior leaders to ensure it is appropriate and relevant.
- The Council compares the information it collects with the information collected by similar organisations to identify opportunities to strengthen its arrangements.



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