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THE GENERAL PERSONNEL COUNCIL OF PALESTINE*

Under the auspices of H.E. the Prime Minister
Dr Mohammad SHTAYEH

Regional seminar for high level civil servants

15th UniDem Med

"PUBLIC SERVICE POLICIES: PARADIGMS FOR CHANGE"

Hybrid format: online and in Palestine*

17-18 May 2022

NEW CHALLENGES FOR PUBLIC SERVICE POLICIES

by

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15th UniDem Med seminar 2022

Good governance and quality of public administration

The role of Performance Management and Risk Management in public service providers

Efficiency and effectiveness are among the 12 Principles of Good Democratic Governance. Performance management systems make it possible to evaluate and enhance the efficiency and effectiveness of the public services. It is a tool that can help improve governance, and specifically the quality of public services for citizens.

Performance Management needs to go hand in hand with risk management - the process that identifies, evaluates and controls risks. These are the hazards posed by any event or action that will negatively impact a public sectors ability to deliver its goals and to successfully implement its strategies. The COVID-19 pandemic has exemplified the need for effective risk management strategies to ensure the delivery of public services.

Risk management is related to effective performance management and is an invaluable part of the proficient management of an organisation.

The following slides were presented to the conference but it is highly recommended that reference is made to the Council of Europe manual on ‘Performance management, Risk Management and Internal Audit’.

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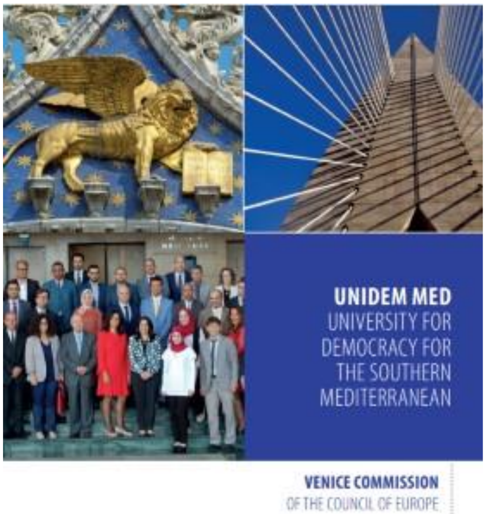

15th UniDem Med seminar

Good governance and quality of public administration 2022

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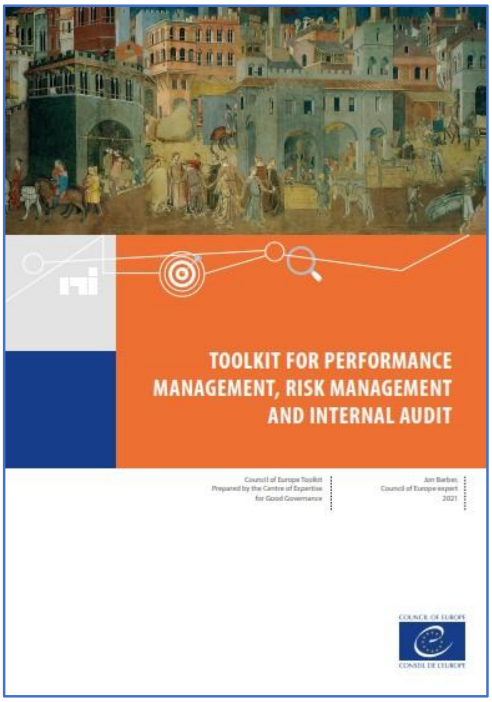

The role of Performance Management and Risk Management in public service providers

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Introduction to Performance Management

- Performance management is the systematic approach to identifying, collecting and using performance data to monitor and improve standards of service provision.
- Citizens deserve and expect services of good quality; performance management facilitates the setting of realistic targets for service performance that can be used to improve services.
- Performance information should be readily available to leaders, managers and elected representatives. They can see the actual level of performance and how they might deliver better efficiency, effectiveness and value for money in specific services. Ultimately the performance of a service should be publically available for local citizens and other stakeholders.
- It provides a municipality with a basis for comparing its own performance in specific services both with best practice and with performance in other municipalities. It also enables national government to improve public service provision generally.

community level	corporate level	service level	team and individual level

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National v local performance measures

- Central governments in different countries have varying levels of control and mechanisms for monitoring of the delivery of services by local government
- Some governments, such as in the UK, have relied on national standards for local public services.
- National performance indicators should encourage uniformity by using standard definitions enabling robust comparisons of performance between local authorities.
- National performance indicators can stimulate local authorities into developing additional local performance indicators.
- The number of indicators should be appropriate, otherwise more effort could be made in collecting and managing performance than actually delivering services.
- Local authorities may seek to develop their own local performance indicators for local priorities.
- It is easier to secure local ownership where performance indicators are locally developed: local ownership is essential if indicators are to be seen as more than a paper exercise.

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Performance Management v Performance Measurement

"Performance management" is a tool to improve the quality of public services for citizens. It allows local / central government to set out what it wants to achieve and how it will deliver its aims.

"Performance management" enables a local / central government to demonstrate delivery against priorities; these should be developed with citizens and key stakeholders.

National / local government that are good at performance management:

- are willing to be challenged and are keen to learn from others
- have managers who play an active/key role & lead by example
- work with elected members
- encourage strong review and are supportive
- effective resource allocation
- consider diversity of community

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KPI's - Types of Indicators

Key Performance Indicators(KPIs) are high-level measures or metrics, for one particular strategic objective, which (when measured and reported) give leadership an "indication" as to whether the organisation is making progress towards achieving that particular objective.

KPIs are measurable values that demonstrate how effectively a central government department or municipality is pursuing important objectives, focusing more on existing processes and activities.

INPUTS — resources → ACTIVITIES — processes → OUTPUTS — services → OUTCOMES — community impact (SUSTAINABLE)

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KPI's - SMART Indicators

- Targets should have the following attributes;
  - Specific: Clear, unambiguous and easy to understand
  - Measurable: Set a target for which success can be gauged by referring to a specific measure or measures.
  - Achievable: Involve staff in the process and ask them what needs to be done to achieve the target.
  - Relevant: Targets need to be relevant to those who will be required to deliver and contribute to corporate priorities.
  - Timeframed: There should be a set timescale for achieving a target; open-ended targets do not encourage a focused effort on improving performance.

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UK Example - Developing Performance management

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- Up to the 1980's public services badly managed and poorly delivered - externalisation of key services resulted in poor contract monitoring, variable standards and public dissatisfaction remained.
- Demand for easier and more customer friendly ways to interact with public services – as seen in the competitive private sector. Range of statutory targets set for improving public services. Legislation introduced in 1999 for annual reporting of performance against targets.

- Performance Management Frameworks developed to support service delivery.
- Enabled comparison between councils.
- High performing councils became models of good practice – 'Beacon Status'.
- Services measurably improved – shown through improved public satisfaction indicators.
- But too many targets led to it becoming bureaucratic.

- Priorities developed through community consultation.
- Monitored by elected members and senior officers.
- Priorities supported by a limited number of outcome focused key performance indicators
- Reduced number of targets & improved accountability has improved public services – now less bureaucratic.

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The UK Experience

- Council consulted its community and identified priorities
  - 'Clean streets and well maintained local environment' (46%);
  - 'Reduce the fear of crime' (33%)
  - 'Regenerate and build the local economy' (22%)
- Long Term Vision to "A community where everyone can live in a high quality environment, be safe & healthy and prosper"

- Annual priorities
  - Improve the standard of the local environment; street cleaning and a quality waste collection and recycling service.
  - Work with partners to tackle anti-social behaviour; effective enforcement and provision of facilities for young people
  - Improve the quality of development through effective planning & deliver more affordable housing.

- Service targets set;
  - Reduce the number of missed waste collections from 67 per 100,000 homes to 20 per 100,000 homes.
  - Increase the amount of domestic waste recycled from 18% to 30%
  - Increase the percentage of people who are satisfied;
    - With the quality of the local environment from 55% to 70%
    - With waste and recycling services from 65% to 80%

Community Planning in Albania

Establishing a Public Information Office

- Performance indicators and targets included;
  - 85% of telephone calls answered within 1 minute
  - 85% of customers seen within 15 minutes
  - A target of 80% first time resolution
  - Reduce avoidable contact by at least 50%
  - Make the web the primary access point for all simple information and advice
  - Satisfaction with the one-stop-shop,
  - Time spent to undertake a transaction in the one-stop-shop

Objective Key Results

A more advanced approach to managing performance and closely linked to KPIs are OKRs. This supports the progression to a more outcome based framework.

OKR solves the challenge of executing strategy in a way that's clear to all employees, transparent and measurable

- Strategic Alignment
- Focused Execution
- Engaged employees

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The golden thread

Objectives & Key Results (OKRs)

- OKRs can be used at the corporate level (Tier 1), department/business unit level (Tier 2), and employee level (Tier 3). The distinctive features (in contrast to KPIs) are:
  - Set and reviewed more frequently (typically quarterly)
  - Transparent to all in the organisation
  - Aspirational yet realistic
  - Expectation that not all OKRs will be met each quarter (if they are, then they most likely are not a "stretch")
- OKRs consist of two parts: 1) **Objectives**: where you want to go – your goals for a set period (often one-quarter), and 2) **Key Results**: how far you progressed in the pursuit of these goals.
- Like KPIs, OKRs start out at the high level – "What are the organisation's main objectives for this quarter?" – and get progressively more granular. But unlike KPIs, they focus more on internal performance, from the organisation to project teams and individual employees.
  - Objectives are ambitious and should feel somewhat uncomfortable
  - Key Results are measurable

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OKRs – the building blocks

What is an Objective?

An Objective is a description of a goal to be achieved in the future. An Objective sets a clear direction and provides motivation. An Objective can be thought of like a destination on a map.

"Where do I want to go?" An Objective describes where you want to go and sets a clear direction –a point on a map.

What is a Key Result?

A Key Result is a metric with a starting value and a target value that measures progress towards an Objective. A Key Result is like a signpost with a distance that shows how close you are to your Objective.

"How do I know if I'm getting there?" A Key Result shows progression towards your Objective - signpost with a distance marker.

What is an Initiative?

An Initiative is a description of the work you'll do to influence a Key Result. If an Objective is your destination and a Key Result shows the distance to go, an Initiative describes what you'll do to get there e.g. take a car

"What will I do to get there?" An Initiative describes what will the Key Results - description of how to get to a destination

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Key Performance Indicator Table

Objective	
Outcome	
Activity	
Performance Indicator	
Timescale	
Monitoring arrangements	
Budget	
Accountable person	

Risk Management

Risk management is an integral part of the effective management of an organisation and links directly to effective performance management.

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully deliver its strategies.

Risk management is the process by which risks are identified, evaluated and controlled and is a key element of the framework of governance.

Public services need to consider risk management and how they handle risk in all its forms.

It is not about being 'risk averse' but is about being 'risk aware'.

With competing priorities, increased demands on public services, and the need for greater accountability there is a real focus on how risk is managed in the public sector in many countries.

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Managing risk

When risks have been identified a decision needs to be taken as to the response to the individual risks. The recognised approaches for controlling risks are described in the four T's; treatment, transfer, tolerate or terminate, as described below.

- **Treatment -** Using control countermeasures to mitigate impact or likelihood. Ensuring effectiveness of existing mitigations and implementing new controls where considered necessary and cost effective.
- **Transfer -** This involves another party bearing or sharing the risk; e.g. through insurance or strategic partnerships.
- **Tolerate -** Where it is not possible to treat or transfer. Consideration needs to be given to how the risk and consequences of such are to be managed should they occur. This may require putting contingency plans in place, which is why Business Continuity is has such an important role to play in risk management, as it creates capacity to tolerate a certain degree of risk.
- **Terminate -** Deciding, where appropriate, not to continue or proceed with the activity in view of the unacceptable level of risks involved.

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Risk appetite

- The term risk appetite is widely used with it describing the attitude towards the amount of risk that can be accepted in trying to achieve strategic and other objectives.
- The attitude towards risk can differ across services and risk types, from risk averse to risk taking. Being unnecessarily averse to risk may miss good opportunities.
- However, in taking some risks it is important not to over extend into territory where the central government / local authority cannot afford the possible consequences (financial, reputational etc) .
- **More risk may be taken where innovative approaches are needed to implement imaginative plans**.
- Setting different levels for risk appetite across different risk types will provide a starting point when considering how much effort to put into controlling risks. This will lead to decisions being taken on a cost-benefit basis. For some risks this will then mean introducing further controls whereas in others controls may be relaxed as a less cautious attitude to risk, or more positive approach to risk-taking, is found acceptable.

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The scoring behind risk

	Consequence/Impact Score (Severity Levels) and examples of descriptors				
	1	2	3	4	5
Domains	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Finance including claims	Small loss Risk of claim remote	Loss of XY per cent of budget Claim less than XX Euros	Loss of X to Y per cent of budget Claim(s) between XX & XY Euros	Uncertain delivery of key objective/loss of X per cent of budget Claim(s) between XX & XY Euros	Non-delivery of key objective/loss of >X per cent of budget Loss of contract Claim(s) >XX Euros
Environmental impact	Minimal or no impact on the environment	Minor Impact on environment	Moderate impact on environment	Major impact on environment	Catastrophic impact on environment

Likelihood Scores (time-framed descriptors frequency)

Likelihood Score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost Certain
Frquency	Not expected to occur for years	Expected to occur at least annually	Expected to occur at least monthly	Expected to occur at least weekly	Expected to occur at least daily

	IMPACT				
LIKELIHOOD	Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
1 Rare	G1	G2	G3	Y4	Y5
2 Unlikely	G2	Y4	Y6	A8	A10
3 Possible	G3	Y6	A9	A12	R15
4 Likely	Y4	A8	A12	R16	R20
5 Almost Certain	Y5	A10	R15	R20	R25

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Risk Assessment Form

	Description of activity being assessed Identify risks	Consequence	Likelihood	Gross Risk	Existing Control measures in place. Are these adequate?	Additional control measure to mitigate hazard/action required	Consequence	Likelihood	Target Risk	Responsible Person	Target Date
1											
2											
3											
4											

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