

# Managing NDPB & Agency Performance

Enhancing  
Public Service  
Performance &  
Effectiveness



# INTRODUCTION

This practically based programme provides an in-depth understanding of the increasing focus on performance and its criticality within a public service context. Particular emphasis is placed on the identification of KPIs and the development of 'performance contracts' for use in managing Agency and Non-Departmental Public Body (NDPB) performance.

Ever since the early 1990s, public service reform has been at the forefront of Government thinking. The concept of performance has been a central and recurring theme which has challenged successive administrations, government departments and public service bodies/agencies.

Now more than ever, financial constraints and value-for-money imperatives mean that officials in central government are required to work in greater collaboration with agencies and NDPBs to deliver sustainable performance and efficiency enhancements.

Citizens' service delivery expectations have increased – both as beneficiaries and as taxpayers or funding providers. Terms such as 'accountability', 'transparency' and 'value-for-money' have gained greater currency and associated expectations are never been higher. Any failure to deliver against such expectations can give rise to serious consequences, not just for officials and agency chiefs, but also for future funding and ultimately the viability or existence of organisations. Consequently, those responsible for the executive management and non-executive oversight of bodies and agencies are under greater pressure to improve organisational performance and deliver on-going efficiency enhancements.

Consistent with the recommendations of the National Audit Office<sup>1</sup>, the OECD has also emphasised a need for:

- i. An 'improved governance and performance dialogue' between Principals and relevant bodies/agencies, and
- ii. A 'performance focus' which shifts from inputs and processes to concentrate on broader public service outputs, outcomes and overarching objectives.

To date, UK civil and public servants have generally lacked an integrated or agreed framework for managing the performance of agencies, NDPBs or other third party service providers. More particularly, 'information asymmetries' have meant that it has been difficult to identify performance indicators or the metrics which are necessary to ensure the effective management of third party organisations. Obvious questions therefore arise in relation to governance, funding, value-for-money and service to citizens.

Based on model which has been successfully implemented with a major government department and 7 separate bodies/agencies, we have developed a customised programme which addresses these and related challenges. Running since 2009, this programme provides a practical framework for enhancing performance and meeting agreed outcomes.

Participants are introduced to a tested framework and learn how to develop robust Performance Contracts and Service Level Agreements, thereby ensuring ensure that performance goals and targets are ultimately achieved. Important governance requirements are identified and the mutual obligations of all parties are clarified. Key insights into leadership and autonomy requirements (reflecting different stages of the principal-agent relationship) are also illustrated.



**"The need to enhance approaches to resource management and allocation is especially important in a potentially tighter fiscal environment. Enhanced performance measurement mechanisms can only reach their full potential when they are utilised by decision-makers at political and senior administrative levels for resource allocation purposes within and among programmes"**

– Organisation for Economic Cooperation & Development (OECD)

<sup>1</sup> National Audit Office, *Taking the Measure of Government Performance, Report by the Comptroller & Auditor General, 2010.*

## Key issues which are addressed include:

### **The Performance Imperative**

From NDPB and Agency mandates, to contracts with government/customers/citizens, together with annual budgets and return on investment.

### **Strategy & Performance Management**

From inputs, outputs and outcomes, to the identification of robust/specific metrics and key performance indicators (KPIs).

### **Performance Goals, Objectives & KPIs**

From examples and methodologies, to the development of objectives and KPIs with participant teams.

### **Performance Contracts & Service Level Agreements**

Development and use of 'Performance Contracts' to manage Agencies, NDPBs, Principal/Agent relationships, information asymmetries and knowledge sharing.

### **Implementation Planning**

From performance prioritisation to Board level commitment and Directors'/CEOs' contingent pay.

## What will I get from this programme?

Upon completion of this practically based programme, participants will be equipped with the skills and insights necessary to successfully draft, develop and implement customised Performance Contracts and Service Level Agreements.

Whether they act as 'Principals' or 'Agents', participants will learn to:

- Identify the critical success factors necessary to promote and enhance return on investment in a public service context
- Select and agree robust performance goals, objectives and KPIs
- Determine the strategic priorities necessary to evaluate and improve organisational effectiveness
- Minimise relationship challenges and collaborate in the promotion of organisational change
- Implement and successfully manage Performance Contracts and Service Level Agreements
- Ensure that goals, targets and performance improvement objectives are achieved
- Deliver upon the public service reform agenda

## Who is this programme for?

This programme has been designed specifically for all those who are responsible for managing the performance of NDPBs, Agencies or other third party service providers. These will include senior civil servants (typically senior managers in Government Departments/Ministries) as well as senior managers and leaders within Non-Departmental Public Bodies and Agencies.

Participants will benefit from the different insights and perspectives offered by fellow participants representing a range of organisations with varying mandates and responsibilities. Numbers are strictly limited to provide for group interaction and workshop based learning.

## Workshop level

### **Senior and top managers**

Strategic leaders and decision makers who are responsible for the formulation of strategy and who lead organisations at regional and national levels.

### **Upper-mid managers**

Senior executives who are responsible for, or participate in, the formulation of strategy and who lead strategy execution (typically with more than 8 years' experience in this or a similar role).

# PROGRAMME CONTENT

This programme consists of 6 modules which are delivered over 2 days.

## 1. The Performance Imperative

- Statutory mandates and legislative requirements
- Public service and the contract with citizens
- Budgets, funding and value for money
- Committee of Public Accounts (CPA) and output expectations
- Public service pay, return on investment & OECD recommendations

## 2. Strategy & Performance Management

- Effective strategic and business planning
- Defining and understanding inputs, outputs and outcomes
- Government and Agency/NDPB collaboration in pursuit of outcomes
- Identifying robust and specific key performance indicators (KPIs)
- Strategic integration, objectives, KPIs and performance measurement

## 3. Performance Contracts & Service Level Agreements

- Using Performance Contracts and Service Level Agreements to manage the performance of Agencies & NDPBs
- Principal' and 'Agent' relationships
- Information asymmetries and 'tied' relationships
- Knowledge sharing and partnership requirements

## 4. Emerging Best Practice

- Best practice and lessons learned
- OECD thinking and emerging best practice
- Links to corporate governance and compliance
- Emerging critical success factors

## 5. Leadership, Autonomy & Responsibility

- Theory and principles of effective third party leadership
- Communication and relationship requirements/handover arrangements
- Autonomy and responsibility: engendering trust and reducing controls
- Performance evaluation, reporting and self-appraisal
- Information asymmetries revisited

## 6. Implementation Planning

- Agreeing performance priorities and supporting requirements
- Linkages with Directors'/CEOs' contingent pay (bonuses)
- Board level commitment, sign-off and performance monitoring
- Performance evaluations and reporting



**“Developing meaningful outcome measures and indicators of performance is a challenge for all. Performance measures and initiatives need to be better aligned with overarching outcomes and high-level societal goals to understand the benefits of the Public Service”**

– Organisation for Economic Cooperation & Development (OECD)

# PROGRAMME DIRECTOR

## Peter Ryan is Programme Director.

Peter Ryan (B.A., M.Soc.Sc., M.B.A.) is a Director of RA Consulting and is a specialist strategy and performance improvement consultant. He works with organisations in the design, implementation and delivery of change management, organisation design and strategy solutions. He has developed and customised strategically integrated organisational and individual performance management systems, metrics and associated support structures.

His industry and consulting experience has been gained across a wide array of sectors which range from pharmaceutical to financial services and media/entertainment to the food processing industry. Peter also works extensively with many government and public service organisations. Prior to working as a consultant with Ernst & Young and RA Consulting, he was employed by various blue chip multinational organisations.

# APPLICATION DETAILS

## Programme Details

### Schedule

This programme is delivered over 2 consecutive days, from 09:30 to 17:00 each day.

### Programme Fee

The programme fee is £1,495 and includes all tuition, course materials, refreshments and lunch.

## For Bookings

To reserve your place, please complete the attached booking form or book on-line at [www.ExecEducation.eu/Bookings](http://www.ExecEducation.eu/Bookings)

## For further information, please contact RA Consulting Executive Education at:

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