

Case Study



London Borough of Barking and Dagenham Council

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LONDON BOROUGH OF BARKING AND DAGENHAM COUNCIL

Using the Balanced Scorecard in a Local Authority

London Borough of Barking and Dagenham Council successfully adapted the Balanced Scorecard to provide a single comprehensive management system. The approach integrated the vision for the Borough, the Council's priorities and objectives and the performance management framework for the Council.

Until recently, most local authorities have not given a high priority to performance management corporately and management processes have only been introduced at service or department level. Yet the increased emphasis on the strategic role of local government in leading communities - rather than just providing services - and the continual pressure on finance, make a strong case for corporate authority-wide systems for managing performance to deliver the Council's strategic objectives.

Doubts about use of the Scorecard in local government may well have been associated with its focus on the financial perspective. The key focus for B&D was the community, but from two different perspectives:

- The Council provides specific services to customers, like the private sector, although there are real differences around the extent to which local authorities can select their customer base and the ability of customers to select the providers.
- The Council provides community leadership – working with other agencies and the community itself to do all it can to promote the social, economic and environmental well being of the area.

Because of this, it was decided that to fully utilise the Balanced Scorecard, it would need to be adapted, therefore B&D added a fifth perspective – the community perspective.

B&D had two types of scorecard – one type at Corporate Level and the other at service level.

The corporate scorecard had seventeen strategic objectives, which were selected as being essential to achieving seven community priorities. The community priorities reflected a vision for the community and were developed following widespread consultation. The corporate scorecard therefore ensured that the whole organisation is focused on these external priorities.

All heads of service prepared Service scorecards. These reflected the corporate scorecard, and also the distinct pressures on different services. The service scorecards allowed a coherent response to the differing range of expectations imposed by central government on areas like education and social services while retaining an overall corporate cohesion. They also brought together the almost 200 externally imposed performance indicators in a structured way.

Personal performance measures were then developed for all senior staff, which reflected the objectives in the scorecards.

CASE STUDY

The introduction of the Balanced Scorecard brought London Borough of Barking & Dagenham Council benefits even its early stages: -

- A set of common strategic objectives for the Council as a whole, which are focused on the external priorities.
- A performance management structure that enables elected Councillors to strategically manage the services to deliver their strategic objectives
- A change in culture –incorporating performance management throughout the organisation
- A sense of control – they can actually map out a future and decide how to achieve it
- A set of measures that should actually make a difference to the community and the services.
- An agenda for dialogue with Government regarding the funding and support that is required

In some ways local authorities have a more complex range of objectives than private sector companies. Yet attention to performance management has been much less in the public sector, at least in Britain, and management skills not always highly valued.

The balanced scorecard is a widely used technique in the private sector. London Borough of Barking & Dagenham Council have shown that, with some adaptation, it can be a powerful tool for managing a local authority providing both a clear focus on overall community priorities and allowing for the varying pressures across the wide range of Council services.

The approach can be applied across the public sector and could enable the public sector to achieve a new agenda of vision, clarity and delivery, integrated behind a community's objective.



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