



**performance** hub

**Peer Review  
in the Third Sector:  
A guide to improving your services**

**February 2008**

A Performance Hub Guide  
Policy Research Institute, Leeds Metropolitan  
University  
Yorkshire & the Humber Regional Forum for  
Voluntary & Community Organisations

The Performance Hub works to help third sector organisations (TSOs)\* achieve more.

(\*charities, voluntary organisations, community groups and social enterprises)

Our vision is of high performing TSOs having a positive impact upon the lives of millions.

Our overall aim is for improved third sector performance, and performance to be an integral part of the third sector's agenda.

Four specific aims contribute to this overall aim:

- To increase TSOs' awareness of the benefits of focusing on performance and improve their ability to use performance tools and approaches.
- To increase and improve the performance support offered to frontline organisations by local, sub-regional, regional and national infrastructure of all types
- To develop a more relevant, more effective and more accessible knowledge base about third sector performance.
- To strengthen the two way relationship between funders and TSOs on performance issues.

For more information, see our website at [www.performancehub.org.uk](http://www.performancehub.org.uk)

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## 1.0 Foreword

This Guide incorporates the findings from an action research project commissioned by the Performance Hub to pilot a peer review model as the basis for helping third sector organisations<sup>1</sup> (TSO) achieve improvements in performance. Although used predominantly in other sectors to improve performance in organisational functions, the pilot was intended to test the applicability of peer review as an approach to improving practice in both organisational and service delivery contexts.

The pilot was devised by the Policy Research Institute<sup>2</sup> (PRI) and delivered in partnership with the Yorkshire & the Humber Regional Forum for Voluntary and Community Organisations (Regional Forum)<sup>3</sup>. The project included a number of discrete elements:

- Researching existing peer review schemes, outlining their scope, the benefits to participants and any associated challenges.
- Piloting a peer review scheme for TSOs (including drafting guidelines for peer review visits and peer review reports; recruiting a pool of ten senior staff from an existing network to take part in peer reviews; facilitating three peer reviews; and producing a group evaluation of the process).
- Writing a final report of the pilot to include amended guidelines/model.

This Guide presents a peer review model which we believe can be applied by any third sector organisation with at least two members of staff. It is a flexible model and includes recommendations which we acknowledge need not always be adhered to rigidly. Where recommendations tested in the pilot have not been proven as a requirement to effective implementation, they have been marked with an asterisk.

If further peer reviews are to take place using the model outlined in this guide, then we recommend that there is national or regional coordination to help match Hosts with Peer Reviewers. This could be done by existing infrastructure agencies.

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<sup>1</sup> When the Performance Hub uses the term TSO, it includes charities, voluntary organisations, community groups and social enterprises.

<sup>2</sup> The PRI is a university-based centre for applied social research, working to improve policy and practice in: local and regional governance; social inclusion; and the third sector.

<sup>3</sup> Regional Forum is a third sector membership organisation that works to develop a coherent and organised voice for the voluntary sector in the region.

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## 1.1 What is peer review?

A peer review is where one organisation looks at and comments on another similar organisation to give it ideas for improvement. It often focuses on a certain element or elements. We are referring to the organisation under review as the Host and the review is undertaken by one or more Peer Reviewers. The Peer Reviewers usually come from a similar working environment as the Host. They visit the Host and offer their skills and expertise to discuss any challenges the Host may be facing. There is generally an agreed structure, to keep the discussions focused.

In this way, the Peer Reviewer acts as a 'critical friend' in helping the Host to improve, offering constructive criticism and making suggestions. The process is not prescriptive; it's up to the host whether or not to action the advice. The findings remain confidential between the Host and their Reviewers, unless the Host chooses to make them available to a wider audience (e.g. to show a funder how their service has improved as a result of the peer review process).

## 1.2 Why peer review?

Peer review is well established in both the public and private sectors as a method of improving performance. As well as leading to improvements in areas such as HR, procurement, finance and governance, peer review has been used to improve all aspects of service delivery. Peer review is being used increasingly within the third sector, usually within discrete networks (e.g. NAVCA, ACRE, acevo<sup>4</sup>); the model proposed here has a particular emphasis on services, but could also be used for organisational functions. It was developed to be suitable for roll out to other organisations within the sector.

## 1.3 Who can use peer review?

Peer review can benefit any third sector organisation in any aspect of their activities. It is likely to be of most benefit to organisations employing two or more members of staff, as it does entail time commitments on the part of the Host, which smaller organisations may find prohibitive. However, we firmly believe that the principles of peer review could benefit even the smallest third sector organisations, and are looking at ways in which the model can be adapted to meet their needs.

## 1.4 Who are my peers?

The people who are best placed to comment on your organisation are likely to:

- Hold or have held a managerial position in the third sector
- Have been trained in how to carry out a peer review
- Have direct experience in the identified area of service delivery

It can also be helpful if the Reviewer has worked for an organisation of a similar size to yours, and is unknown to you, though a Reviewer from a different sized organisation may offer more interesting ideas, and someone who knows your organisation may have greater insight.

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<sup>4</sup> National Association for Voluntary & Community Action; Action with Communities in Rural England; Association of Chief Executives of Voluntary Organisations

## 1.5 Peer review principles

The peer review pilot was based on the following principles:

- **The Host decides** the focus of the peer review
- Hosts enter into the process **voluntarily**
- It is conducted in a **transparent and supportive** manner
- Clear, agreed and **achievable outcomes** are identified at the outset
- The **criteria** which the Reviewers will use to assess the Host organisation are determined by the Host, and are **not linked to funding or inspection regimes**, unless the Host wants them to be
- Reviewers conduct themselves in a **constructive** and **independent** manner throughout the process and provide Hosts with **fair, expert, and timely** advice
- **Confidentiality** between Host and Reviewers is maintained at all times, and identities of contributors are to be protected in any reports
- The host organisation retains **ownership** of the findings of the review, and manages the implementation of any suggested changes

**The host decides** is the fundamental guiding principle behind the approach outlined in this guide and applies at almost every stage of the peer review. The Host sets the context within which the review is to be undertaken, determining the following aspects of the process:

- The issue requiring attention
- The criteria against which performance is to be measured
- How to involve their peers in the review
- What documentary evidence to provide to their peers
- Whether and how to involve service users, beneficiaries and stakeholders
- Which recommendations from the Peer Reviewer's report they implement
- Whether they make any third party aware that their service has been reviewed, or of the findings of the report

## **2.0 Using peer review**

The following three stages help ensure the peer review is effective.

### **2.1 Preparing for the peer review**

The Host will have the majority of the work to do in preparing for the peer review. They need to identify the issue under review, determine the criteria against which it will be assessed, and collate information for Peer Reviewers to work from. The Host organisation also needs to identify and recruit Peer Reviewers, including a Facilitator or Lead Reviewer<sup>5</sup> if required, and organise the logistics of the visit itself to involve all stakeholders, particularly clients or service users and frontline staff.

### **2.2 Conducting the peer review**

These guidelines recommend that the peer review visit last no more than one day, during which time the Peer Reviewers should have access to all the relevant information, staff and clients they need to be able to assess the Host organisation. The Host and Lead Reviewer should work together to ensure the programme is followed, and that all aspects of the specified area are addressed adequately. In particular, the Lead Reviewer ensures that the Peer Reviewers explore in as much detail as possible the outcomes of the service under review.

### **2.3 Results of the peer review process**

The Peer Reviewers provide the Host with initial feedback at the end of the visit, and submit comments and recommendations in a written report. The Facilitator/Lead Reviewer compiles the report in a format agreed with the Host, using input from their fellow Peer Reviewers, which is given to the Host within an agreed timescale, ideally within two weeks of the visit.

It is for the Host to determine how they respond to their peer review report, and whether they implement any of the Peer Reviewers' recommendations. However, it is recommended that they provide their Peer Reviewers with an update on their actions within an agreed timescale, usually no longer than three months. The conclusions and recommendations contained within the report should remain confidential, and should only be disclosed to a third party by or with the permission of the Host.

The following sections expand on the practicalities of hosting a peer review. The appendices contain materials designed to assist the process.

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<sup>5</sup> The Facilitator / Lead Reviewer can help the process run smoothly, and should not entail significant extra work; although key tasks should be allocated to a named individual.

### **3.0 Host preparation**

To make the most of your peer review, start by deciding which element(s) of your organisation you want to review, and then consider how you are doing in that area; re-assess why you do what you do; and reflect on what you consider to be your strengths and weaknesses. This section will help you prepare relevant materials to explain your work to your Peer Reviewers. The questions are to be used as prompts; you can modify them as appropriate, or invent new ones, but ensure they remain focused on the area being reviewed.

#### **3.1 Discussing your organisation**

- Why did your organisation originally decide to deliver this service?
- What was the original aim in providing this service?
- Is your organisation's approach to delivering this service determined by a particular philosophy? How would you explain it to others?
- Do the original circumstances still apply? What has changed? What modifications have you made to your service in response to these changes?
- Is your organisation the most suitable vehicle for delivering this service?
- Do you work in partnership with any other organisations to plan, resource or deliver the service? Does this place any constraints on your approach, or give you new opportunities?

#### **3.2 Defining the focus of the peer review**

- What issues have prompted you to host a peer review? And about what aspect of your service delivery in particular? What do you hope to get out of a peer review?
- Who is involved in this aspect of your service delivery, and how? Have you discussed issues pertinent to the peer review with them, and what improvements they would like to see in the service?

#### **3.3 Assessing your organisation**

- What does 'success' look like in terms of the delivery of this service? How would you explain success to somebody else?
- How do you assess the service?
- Does your organisation use any external framework in to assess the service?
- What measures have you put in place to address any shortcomings identified in previous assessments? What difference have these made?

While the Host retains control, it is a good idea to involve Peer Reviewers in discussions about the performance criteria as they may have relevant experience which can help shape the review process.

Remember, the peer review process does not seek to impose a particular model of an 'effective organisation' on your organisation. It recognises that third sector organisations operate in many different settings, under different conditions and using different measures of success. Some of these may be imposed by external parties such as funders or inspectorates, but ultimately the Host determines what weight to give each of these, and how the various influences will impact on their service.

### **Worked Example**

The Hazelville Mental Health Project wants to review its approach to service user engagement. It is committed to the following principle:

*We aim to understand and meet the needs of all our customers, and engage them regularly in a way that suits them.*

In order to facilitate a peer review visit, the Hazelville team start to break the issue of service user engagement into discrete areas that the Peer Reviewers could then assess. These areas include: individual service users; referring agencies; external and internal stakeholders; and the wider community.

The Hazelville team identify three aspirations for service user engagement against which they want the Peer Reviewers to assess their work:

<b>Transparency</b>	Service users/beneficiaries are clear about how and why they engage with the service
<b>Accessibility</b>	Services can be accessed in ways and times that are convenient and in such a way that service users/beneficiaries can engage effectively
<b>Responsiveness</b>	Information received from service users/beneficiaries is fed into the design of the service and development of policies

With clear criteria, it should be possible to undertake a self-assessment of your own organisation's performance, and to present the findings in a simple format for the peer reviewers. This should not entail significant additional work, as it is essentially a process of collating pre-existing materials. See Appendix 1 for a suggested template.

### **3.4 Documentary evidence**

You are likely to get more benefit from your Peer Reviewers if they have a general sense of how well your organisation is doing before they arrive. This could include details of the particular aspects of your service delivery about which you are most concerned, as well as materials of the organisation's general priorities and operating arrangements. Peer review is not simply a paper-based exercise; once the materials are identified, you should think about how they are used in practice as well.

The table below outlines suggested documents for submission to the Peer Reviewers alongside the completed self-assessment forms. All information should be as up-to-

date as possible, ideally including details from the most recent financial year, even if it has yet to be finalised or audited.

	<b>Organisation</b>	<b>Service or function</b>
<b>Planning documents</b>	<ul style="list-style-type: none"> <li>• Mission and Vision</li> <li>• Strategic plan</li> <li>• Business plan</li> </ul>	<ul style="list-style-type: none"> <li>• Needs assessment data</li> <li>• Relevant implementation plans</li> <li>• Target outcomes/outputs for the service</li> </ul>
<b>Records</b>		<ul style="list-style-type: none"> <li>• Service delivery records</li> <li>• Service user feedback</li> </ul>
<b>Performance measurement</b>	<ul style="list-style-type: none"> <li>• Annual report</li> <li>• Monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>• Service monitoring and evaluation reports</li> <li>• Partner &amp; stakeholder feedback</li> </ul>
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Summary budget</li> </ul>	<ul style="list-style-type: none"> <li>• Budget and financial reports</li> <li>• Funding contracts</li> <li>• Details of staffing and volunteers</li> </ul>
<b>Policies &amp; procedures</b>	<ul style="list-style-type: none"> <li>• Policies relevant to the visit</li> </ul>	<ul style="list-style-type: none"> <li>• Details of any procedures particularly relevant to the visit</li> </ul>
<b>N.B. It will be helpful to provide examples of how these documents have been used to assess service delivery or plan for service improvements.</b>		

It can be helpful for the host to produce a single page summary sheet, outlining key details about the organisation and the service under review. We've provided a possible template in Appendix 2.

### 3.5 Planning for the peer review visit

The Host must make sure that they are absolutely clear about what it is they are asking the Peer Reviewers to do for them, and that all necessary preparations have been made to make it as easy as possible for them to achieve this goal when they visit. It can be useful to prepare an introductory talk so that everyone knows what is expected of them. Some areas you might like to cover include:

- Objectives for the visit
- Hopes, expectations or worries about the visit
- What you expect to go well
- What you expect problem areas to be (either about the visit or about your organisation)
- Aspects of your service you would like your peers to pay particular attention to
- How the peer review will be communicated through your organisation (including trustees / management committee members, staff and service users / clients)
- How the organisation will prepare for and respond to criticism both verbally during the visit, and written in the final report

Think about which people from your organisation should participate in the peer review (both in preparing materials for the Peer Reviewers and in being available to meet with them on the day of the peer review visit). Do you want service users /

beneficiaries and other stakeholders (such as funders or commissioners) to meet the Peer Reviewers? If so, how will you facilitate this?

You will also need to give consideration to a number of practical issues, including:

- How much time should be made available for individuals / group meetings with Peer Reviewers
- Who will be available to locate any additional documents the Peer Reviewers ask to see
- Where the Peer Reviewers will go – giving them access to your office might be easier and more appropriate than arranging for them to visit a client in their home
- Whether any of the Peer Reviewers have special requirements, such as an induction loop system

## **4.0 What makes a good Peer Reviewer?**

The Host should expect their Peer Reviewers to exhibit:

- Integrity
- Objectivity in analysis
- Knowledge / expertise
- Professionalism
- Commitment
- Engagement
- Clarity

A good Peer Reviewer will have a number of strengths:

- Analysing information
- Constructive criticism
- Collaborative working
- Effective communication
- Developing people
- Organisational sensitivity
- Promoting diversity

These are discussed in more detail in Appendix 3.

The Host and Peer Reviewers should agree in advance how findings are to be fed back. An example report form template can be found in Appendix 4.

## **Appendices**

These templates were developed as a result of learning from the pilot study, but you should of course modify them if you need to.

## Appendix 1: self-assessment

The criteria in this suggested template relate to the worked example on page six. Your organisation might focus on a different aspect of service delivery with different performance criteria, but the current performance and evidence columns will still be useful.

<b>Aspect of service delivery: customer focus / approach to service user engagement</b>		
<b>Criteria</b>	<b>Current practice</b>	<b>Evidence to support analysis of current practice</b>
<p>Transparency</p> <p>The service has clear aims, objectives. The organisation has a definition of its client group and the level of need for which it caters. The referral policy &amp; procedural guidelines (including selection criteria for new referrals) reflect these aims and objectives and the policy is adhered to. Written information exists for service users (&amp; referral agencies) explaining the above.</p>	<p>Include details of the findings of your self-assessment of progress against these criteria.</p>	<p>Include details of all documents that were used in reaching this assessment.</p>
<p>Accessibility</p> <p>All services are provided in locations which are accessible and welcoming to the target client group. The services are promoted using media that are likely to engage the target group.</p>	<p>Include details of the findings of your self-assessment of progress against these criteria.</p>	<p>Include details of all documents that were used in reaching this assessment.</p>
<p>Responsiveness</p> <p>There is a standard procedure for individual needs assessment, and for planning care/support intervention/input. Individual care/support/action plans are reviewed regularly, and progress is made towards identified goals/objectives.</p>	<p>Include details of the findings of your self-assessment of progress against these criteria.</p>	<p>Include details of all documents that were used in reaching this assessment.</p>

## Appendix 2: summary documentary evidence

<b>ORGANISATION</b>	
Name of organisation:	
Legal status (i.e. how constituted):	
Annual budget:	Funding source(s):
Total number of staff:	Total number of volunteers:
Services provided (list):	
Documents submitted:	
<b>SERVICE UNDER REVIEW</b>	
Name of service:	
Annual Budget:	Funding Source(s):
Service personnel (incl. job Titles):	Volunteers (incl. Roles):
Summary of service provided:	
Target client group:	Number of clients:
Documents Submitted:	

## **Appendix 3: desirable competencies for Peer Reviewers**

Good Peer Reviewers should have competence in the following areas:

### **Analysing information**

You will have experience of analysing data from a wide range of sources, and applying your findings to organisational decision-making practices. You will be able to identify and illustrate how you use analysis to inform decisions, and how you use performance data to improve service delivery / quality.

### **Constructive criticism**

You will have experience of supporting colleagues in developing their practice, either as individuals or collectively, and whether or not you have line management responsibility for them. You will be committed to doing so in a constructive way, with a view to improving their performance, and in a manner which is sensitive to each individual's circumstances and receptiveness.

### **Collaborative working**

You will be able to work together with other people from different backgrounds, in order to achieve common goals. Your style of working will foster collaboration by valuing the efforts of others and accommodating diverse points of view.

### **Effective communication**

You will be able to communicate your views effectively in a range of contexts, to a variety of audiences and using different methods. In particular, you will be skilled in speaking and listening in small-group and one-to-one sessions; sharing your views in workshops; and summarising your analysis in succinct reports.

### **Developing people**

You will have a personal commitment to continual development and learning, through your approach to your own personal development and through work you have undertaken in support of other people. You will have the ability to share learning in order to help develop others, which will include providing support in a non-judgmental manner.

### **Organisational sensitivity**

You will be sensitive to the political and organisational circumstances of groups and individuals from different stakeholder groups with whom you work. You will be able to understand and overcome the practical constraints and challenges entailed in working with people with differing objectives.

### **Promoting diversity**

You will be committed to the principles of diversity and will have experience of applying these through a non-discriminatory approach to your practice. You will understand and be able to overcome the practical constraints and challenges entailed in working with people from diverse backgrounds.

## Appendix 4: report form template

Sections 1-4 to be completed by Facilitator / Lead Reviewer with input from the Peer Reviewers, and returned within two weeks of the visit to Host; section 5 to be completed by and exchanged between Host and Peer Reviewers within three months of the visit.

### Section 1: contact details

(NB to be completed by Host & Peer Reviewers)

#### Host: organisation being reviewed

<b>Organisation Name:</b>	
<b>Contact Person:</b>	
<b>Address:</b>	
<b>Phone and extension:</b>	
<b>Email:</b>	

#### Peer Reviewers: organisations conducting review

<b>Organisation Name:</b>	
<b>Lead Reviewer:</b>	
<b>Address:</b>	
<b>Phone and extension:</b>	
<b>Email:</b>	

<b>Organisation Name:</b>	
<b>Contact Person:</b>	
<b>Address:</b>	
<b>Phone and extension:</b>	
<b>Email:</b>	

<b>Organisation Name:</b>	
<b>Contact Person:</b>	
<b>Address:</b>	
<b>Phone and extension:</b>	
<b>Email:</b>	

## **Section 2: expectations**

### **2(A) Details of the Visit: Summary of purpose for visit**

Insert information provided by the Host organisation

### **2(B) What do you hope to achieve as a result of this visit?**

(No more than 100 words)

Insert information provided by the Host organisation

### **2(C) What do you expect to achieve as a result of this visit?**

(No more than 100 words)

To be completed by the Peer Reviewers

## **Section 3: details of visit**

### **3(A) Summary of the visit**

### **3(B) Key staff/service-users/beneficiaries/stakeholders present for visit**

<b>Name</b>	<b>Job Title / Role / Relationship</b>

## **Section 4: report and recommendations**

(to be completed after the visit by the Peer Reviewers)

**What performance criteria were agreed in relation to the area of work under consideration?**

For each of these, provide a brief description of the Host organisation's performance, identifying the source of evidence used to make this assessment:

Identify any actions you feel the Host organisation should take to improve their performance in the area of work under consideration:

What was your impression of the Host organisation's approach to its Mission Statement / Vision? Was this reflected in their approach to the area of work under consideration? How might the linkages be improved / emphasised?

Have you any comments about the Host organisation's policies, systems and procedures, particularly as they relate to the area of work under consideration?

## **Section 5: learning and action**

5(A) to be completed by the Host

### **Lessons learned**

As a host, what difference did the visit make? What did you learn from the visitor that will change your work?

### **Action plan**

What do you hope to be able to implement as a result of the visit, what have you learnt from the visitor? Please give a brief action plan.

### **Any other comments**

5(B) to be completed by the Peer Reviewers

**Lessons learned**

As a visitor, what difference did this visit make? What did you learn from the Host that will change your work?

**Action plan**

What will you be able to take back to your organisation and implement as a result of the visit? Please give a brief action plan.

**Any other comments**