

The Danish performance contract system

Dialogue and control

The Danish performance contract system

The Danish performance contract system represents an agreement and common understanding on mission and goals between:

Society represented by the state

and

A professional state institution

It is also the primary control system!

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**Control works with:
Focus on result management**

Purpose:

- Transparency in the use of tax payers' money
- Securing alignment between the political priorities and the focus of state institutions
- Coupling of economy and strategy of activities

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Definition of result management:

Future (4 year performance contract):

Expected outcome – focus on effects

Expected output – focus on type and quality

Past and now

(Yearly report – verbal and written):

Follow-up on results: outcome and output

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Objectives of result management:

Simple and efficient management of
state institutions by the ministry

Meaningful and and valuable management
for the institutions

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Process

Strategical and dialectical dialogue between
ministry and institution –
based on trust with the institutional leadership

Result:

Definition of mission, vision and targets

Agreement on criteria for fulfilment of mission

Expressed in a performance contract

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Mission for music academies:

1. Further artistic education
2. Artistic and music pedagogical development
3. Being a cultural institution

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For each mission:

Further artistic education

Artistic and music pedagogical development

Being a cultural institution

we define

Result targets

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For each result target we agree upon
operational targets.

The operational targets are defined as
indicators and key figures

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Example from Syddansk Musikkonservatorium:

Mission:

Art- and cultural institution

Result Target:

Strengthening the collaboration
of the musical environment in our region

Operational target (one of more):

Conferences/seminars for the musical environment
in 2016 and 2018

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Syddansk Musikkonservatorium 2015-18:

7 result targets
supported by
20 operational targets
(indicators and key figures)

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Control and follow-up:

Principle: Combining finance and activity

- Quarterly report on expected results
- Yearly written report on achieved results
- Yearly meeting between ministry and institutional leaders— verbal report based on the Yearly report
- Yearly interview with rector and his/her superior

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The performance contract is

- An agreement on core and development activities of the institution
- An agreement on the basic key financial and activity figures

The performance contract is NOT

- A legal contract
- **but more an extended mutual letter of intent!**