



Briefing 09/13

March 2009

Statutory performance indicators – 2008 Direction

To: All Chief Executives, Main Contacts and Email Contacts (Scotland)

CC: All Chief Executives, Main Contacts (England, Northern Ireland and Wales)

A document by Audit Scotland

Key issues

Contains the performance information which will direct local authorities to report in the coming year.

Reflects on the developing scrutiny arrangements, single outcome agreements between the Scottish Government and councils.

To retain some additional housing indicators to assist scrutiny work of the Scottish Housing Regulator.

To retain the street cleanliness indicator for the time being.

1. Introduction

Each December the Accounts Commission considers what performance information it will direct local authorities to report on in the following financial year. The shifting local government environment has provided a considerable challenge for Commission members in deciding how best to fulfil our responsibilities.

Prior to making any new proposals, it was necessary to see how things were changing and to reflect on the developing scrutiny arrangements, single outcome agreements between the Scottish Government and councils and the proposals for the next stage of the Best Value audit regime. Developments continue apace and in giving the new direction indicators, the Commission has taken account of progress in each of these areas, as well as responses to their recent consultation paper. Other long standing SPIs that are no longer relevant have been revised.

What the report suggests is that there has been an alignment of SPI arrangements with the responsibility authorities have under Best Value for selecting and using performance information to drive continuous improvement in services, and for reporting on those aspects of performance that are of most importance to local communities, to service users and to citizens. Since the BV legislation was introduced in 2003, local authorities have had a duty to demonstrate to their citizens that they are securing the best use of public resources and achieving a proper balance between cost and quality. The best councils have been doing this. However, the Commission has long recognised the need in most local authorities for considerable improvement in both performance management and public reporting.

The SPIs allow some limited comparisons to be made over time and, where appropriate, between councils. But other information is also useful for demonstrating achievement against expectations. Reports from other scrutiny bodies for example, together with information about service costs, local concerns and priorities and user satisfaction with services, all add to the broader picture and help to demonstrate service quality and improvement. 32 councils in Scotland also compare their performance with other councils UK wide through APSE's performance networks benchmarking service. This includes service cost, quality and user perception performance measures and identifies key trends over the last 10 years since the project began.

The report reiterates the fact that following the recent concordat and the single outcome agreements with councils and their community planning partners, it has always been absolutely clear that councils still need to report on the quality, accessibility and value for money of all their services as part of their Best Value duties.

The document can be viewed in full at: www.audit-scotland.gov.uk/performance

2. The 2008 Direction

The 2008 Direction signals a major change from what has gone before. The Commission has significantly reduced the range of information it specifies that all councils must report, and has agreed not to introduce any new indicators relating to specific functions. Nonetheless, the commission wants to see councils, as part of their performance management and reporting activities, using a greater range of information on:

- Corporate issues, such as equalities and asset management, and how these impact on overall service delivery
- Service cost and overhead management and how this drives more efficient performance
- The impact made by front line services and how this relates to the service user and local communities

The Commission wants to see a greater understanding of cost information by councils and this being used in performance management and reporting to improve services. This is reflected in the decision to undertake a national study in this area which Audit Scotland will be starting early in 2009. The challenge for authorities is to fully recognise and meet the responsibilities placed on them by the 2003 Best Value legislation and demonstrate publicly that they are securing Best Value, including a proper balance between quality and cost.

APSE believes that in order to determine the information to be reported, authorities should consider and where appropriate reflect:

- The criteria recognising the need to balance efficiency and effectiveness information with cost and economy information.
- Achievement against their single outcome agreements with the Scottish Government.
- the performance reporting requirements of any other legislation
- Indicators/measures in relevant suites or frameworks of performance information determined by government, regulatory agencies, professional associations and others.
- National standards and targets for service delivery.
- Local service priorities, objectives and service user views.

The following SPIs are expected to be covered:

SPI 1. Each council is expected to report a range of information, sufficient to demonstrate that it is securing Best Value in relation to

- Responsiveness to its communities
- Revenues and service costs
- Employees
- Assets
- Procurement and sustainable development
- Equalities and diversity

SPI 2.

- Benefits administration
- Community care
- Criminal justice and social work
- Cultural and community services
- Planning
- Education of children
- Child protection and children's social work
- Housing and homelessness
- Protective services including environmental health
- Roads and lighting
- waste management services

Information to be reported in SPIs 1 & 2 is to include achievement against the following:

- The average number of working days per employee lost through sickness absence for teachers and all local government employees

- The number and percentage of the highest paid 2% and 5% of earners among council employees that are women
- Number of council buildings which deliver public services from them and which are accessible to people with a disability
- The gross cost per case for benefits administration
- Cost per dwelling of collecting Council Tax
- Income due from Council Tax for the year, net of reliefs and rebates and the percentage of that which was received during the year
- Number of invoices paid within 3 calendar days of receipt as a percentage of all invoices paid
- Proportion of operational accommodation that is in a satisfactory condition and suitable for its current use

3. Conclusion

The Accounts Commission's 2008 Direction specifies the information to be collected and published by local authorities for the year ending 31 March 2010. APSE welcomes the sharing of information in relation to performance indicators and with over 200 councils throughout the UK who actively submit data. APSE has assisted in the sharing of best practice in this way for over ten years through Performance Networks. This includes a full suite of indicators from some of the key services identified above such as waste management, roads, lighting, cultural and community services and housing, covering 15 service areas in total.

APSE supports the principles of best value and continuous improvement and the inclusion within this of a balanced set of measures including strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation. The best value duty has been an important part in developing continuous improvement in local government services and in securing best use of resources. APSE supports the broader duty of continuous improvement which still contains provisions for best value.

Within the continuous improvement duty, there needs to be recognition that each local authority will be at different levels of performance and even though all organisations can continually improve, the level of improvement will vary between

authorities who are already good performers compared with authorities who are performing at an average or lower quartile level. Therefore, current performance as well as continuous improvement needs to be measured and assessed.

Pat Taggart
Principal Advisor