APSE data insights roundtable

To: all performance contacts
For info: all other APSE members

1 Context

Following the general election on the 4 July 2024 and the change in government, a roundtable session was convened for APSE Members with responsibility for data insights and analytics, to examine the proposals set out in the King's Speech and the potential impact on performance management in local government.

This briefing provides a summary of the current position, and overview of the roundtable discussion, and outlines the key asks of the new government.

2 Current position

The performance management frameworks throughout the UK vary according to country and below highlights the position in England, Northern Ireland, Scotland and Wales.

In England OFLOG was launched in July 2023, with the following purpose:

"A new performance body for local government, which will provide authoritative and accessible data and analysis about the performance of local government and support its improvement".

The aim of OFLOG was not to set targets or re-create the Audit Commission but to introduce greater accountability. OFLOG aims to bring existing data together in an informative way rather than increase the burden on local government.

In early 2024, the previous Government announced new government-mandated productivity plans alongside the final local government finance settlement for 2024-25 for local authorities in England which was the subject APSE briefing 24/24. It was been cited that in return for funding, councils were told they would need to set out how they will "improve service performance and reduce wasteful expenditure" in productivity plans, which needed to be submitted by 19 July 2024. The previous Government also announced a productivity review panel would be established made up of "sector experts", which would review productivity plans and advise the government on best practice, which would then be monitored to inform funding settlements in the future.

In Scotland the Accounts Commission has a statutory power to define the performance information that councils must publish for performance comparison and benchmarking purposes. It fulfils this power by issuing a Statutory Performance Information (SPI) Direction to councils. The Accounts Commission encourages the use of the Improvement Service benchmarking indicators (referred to as the Local Government Benchmarking Framework), which are a set of high-level indicators covering major service areas. Publication of the LGBF forms part of each council's statutory public performance reporting.

APSE and SCOTS have been working with the Improvement Service in relation to collecting and providing data required for the national Local Government Benchmarking Framework, in particular on roads financial data. The purpose of this is to reduce the burden on councils in providing data to multiple national bodies and using existing reliable, established benchmarking models where possible.

In Wales, as part of the Local Government and Elections (Wales) Act 2021, local authorities are now expected to self-assess their performance with additional peer reviews to also be undertaken. External assurance and challenge is provided mainly through the audit, inspection and regulatory regime coordinated by the Auditor General for Wales. This decentralised approach has created a greater need for information at a local level to measure value for money and to ensure accountability. However, it is worth noting that a recent report from the Audit Wales found that "Councils in Wales are not giving enough information to leaders about what their communities think of their services". It went on to say "Most councils included very little performance information [in performance reports] to help senior leaders understand the perspective of service users". APSE's lead Principal Advisor for Wales, Matt Ellis (mellis@apse.org.uk) is now writing out to support councils on this issue and highlight the value of APSE's customer satisfaction surveys which can be accessed through performance networks.

In Northern Ireland under the Local Government Act (Northern Ireland) 2014, there is a duty on each council to secure continuous improvement in the exercise of its functions, to collect information relating to performance and to assess performance in previous financial years and as far as practicable, against the performance of other councils. APSE has been working with local councils in Northern Ireland, for a number of years, to ensure that performance networks can meet the responsibilities councils have under the Act. APSE continue to liaise with the Department for Communities to ensure that APSE member councils in Northern Ireland are able to demonstrate compliance with the performance framework.

Despite there being different framework in the different countries, there are commonalities surrounding performance management within local government across the UK, including the emphasis on using data to prove value for money and drive change. Councils use performance data to:

- Help to set a clear baseline on which Best Value can be measured in terms of economy, efficiency and effectiveness (value for money) can be measured in a systematic manner.
- Identify the impact of service changes and interventions for their own local authority and for others.
- Assess the quality, cost and competitiveness of services that councils provide on a regular basis to inform elected members about services and resource allocation
- Help to report data in meaningful ways to both elected members and the public.
- Identify direction of travel and pace of change with regard to service delivery.
- Identify inefficiencies such as poor productivity and high cost.
- Support service improvement through process benchmarking and sharing best practice examples.
- Demonstrate progression on carbon reduction/ecological actions

3 Issues with the current frameworks

APSE was disappointed that recent reporting on the OFLOG data was presented in terms of a very unhelpful league table approach. The nuances of comparing different types of councils, different delivery models, and differing service options, as may be democratically agreed by elected member must all be considered as part of the lexicon in measuring both productivity and how performance data and

performance management tools are utilised across local government and the wider public sector. A letter from LGA in May 2024 to the then Secretary of State outlined some it's the concerns and below is some extracts from the letter:

- The method used to compile these indicators into a league table is fundamentally flawed. For example, awarding average scores to councils who don't deliver a particular service automatically rates them higher than half of the councils that do deliver those services.
- There are significant nuances which are missed by the league table approach. Consideration of data alone without any context, and the focus on a limited number of indicators, provides a snapshot and not the full picture. Councils deliver more than 800 services, whereas Oflog's Local Authority Data Explorer does not cover this breadth.
- Oflog have consistently said that data should be used to ask questions and not to make judgements, and to use data to explore whether there are valid reasons for differences in performance, such as taking different approaches to the provision of services or recording of data or because of differences in local areas.
- The focus on a small number of indicators for each topic area (and then using these to compile a league table) misses considerable nuances and takes metrics at face value without truly understanding what the more complex ones are saying.
- Councils take legitimate policy decisions which are not necessarily reflected in the data. For example, councils which have relatively low recycling rates may have taken a policy decision to send waste for incineration as a way of deriving energy from waste. It's also important to understand wider context and geography.
- Oflog's data does not always include the most recent information.
- While both district and unitary/county councils deal with complaints, the nature and wider scale of services provided by upper tier/unitary councils may generate more complaints, for example, in relation to access to social care services.
- Ultimately, it's important to compare councils which are comparable to each other in terms of their characteristics, for example using relevant benchmarking groups which take into account differences like demographics, deprivation, or whether a council has its own social housing.

Additional feedback from APSE members from the roundtable in relation to the OFLOG data sets included confusion over some of the definitions used (such as contamination rates). In addition, the data sets included some figures which were dramatically different to others (outliers) and therefore acceptable parameters need to be applied or the data needs to be better defined and grouped into comparable groups. By comparison the performance frameworks in Scotland, Northern Ireland and Wales did not raise similar concerns suggested a more settled and nuanced approach in those administrations.

In relation to the productivity plans, APSE had concerns with the then Government focusing on only one aspect of performance, rather than also accounting for resources, costs, income and quality/outcomes from services. Local government services are complex with multiple customers/users and productivity is very different to industries such as manufacturing. In addition, policy decisions will affect performance levels and these drivers need to be considered. Productivity can be heavily influenced by factors such as levels of investment and the availability of a skilled workforce. External challenges such as levels of underfunding and difficulties in recruiting and retaining staff will impact on the extent to which the public service can be productive.

4 Announcements in the manifesto and King's Speech

The following extracts from the manifesto could have an impact on performance frameworks and data requirements:

- Labour will strike a balance between prioritising investment and the urgent need to rebuild our public finances. There will be no return to austerity (p 19).
- Create a National Data Library to bring together existing research programmes and help deliver data-driven public services, whilst maintaining strong safeguards and ensuring all of the public benefit (p 35).
- Labour will provide capacity and support to councils, and will overhaul the local audit system, so taxpayers get better value for money. Improving public services is essential to growing our economy across the country. Public service workers have a critical role to play, but services are suffering from recruitment and retention crises. Labour will act to improve public service workers' living standards throughout the parliament, and ensure any independent mechanisms have the confidence of all involved. Labour will also work with the Scottish and Welsh Governments, and the Northern Ireland Executive, to drive growth across the country. Our industrial strategy will support successful industries across all nations of the UK (p 40).

The following extracts from the King's Speech have an impact on performance frameworks and data requirements:

- Bills will be brought forward to strengthen audit and corporate governance
- Greater devolution of decision making is at the heart of a modern dynamic economy and is a key driver of economic growth and my Ministers will introduce an English Devolution Bill [English Devolution Bill]. Legislation will be introduced to give new powers to metro mayors and combined authorities. This will support local growth plans that bring economic benefit to communities.

However in addition to the announcements made in the King's Speech on the 29 July in a statement to the House of Commons the Rt Hon Rachel Reeves, MP, Chancellor of the Exchequer Rachel Reeves stated that:-

"Mr Speaker, by launching the Spending Review I am also today firing the starting gun on a new approach to public service reform to drive greater productivity in the public sector.

We will embed an approach to government that is mission-led, that is reform driven, with a greater focus on prevention and integration of services, at both a national and a local level, and that is enabled by new technology, including through the work of my RHF the Secretary of State for Science, Innovation and Technology on the opportunities of AI to improve our public services. **And we will establish a new Office of Value for Money,** with an immediate focus on identifying areas where we can reduce, stop or improve the value of spending".

Clearly this latest announcement signals an increasing focus on public sector productivity, and local government will, like all areas of the public sector be expected to demonstrate 'value for money' though as yet no specific announcements have suggested any reform to the Best Value duty which underpins local governments' performance approach.

In England in recent years the previous prescriptive frameworks of national performance indicators (NPIs) and public service agreements gave way, alongside the demise of the Audit Commission, to a rather messy array of performance measures. Arguably the impact of austerity reduced the focus on quality making cost, or indeed reducing or ending many services, the primary focus.

Those councils who have remained active in APSE performance networks have however continue to monitor cost, quality and productivity gaining a valuable insight into the impact of resource allocations on service performance.

5 Asks from the sector to government

The outcome of the roundtable was for APSE to liaise with the new Government to ensure that any performance framework for local government:

- Assesses the whole picture of performance, across a wider set of measures, rather than looking at cost or productivity in isolation.
- Uses lessons from previous experiences such as through the 25 years' experience of APSE performance networks and doesn't re-invent the wheel. This includes ensuring comparisons are fair and in context. APSE performance networks family groups assess performance of similar councils in benchmarking groups that take into account demographics, deprivation and service characteristics/context.
- Does not create an undue burden on local authorities and uses existing data sets.

The roundtable agreed that austerity has stripped local government of resources, and investment is needed to prevent provision of public services from reducing. Costs are rising and resources are still likely to be tight, a problem which is accelerated by the recruitment and retention of staff issues being faced by local government. Councils will need data more than ever to assess value for money, evidence performance of their services and identify service changes for the future.

APSE will be keeping track of announcements on all performance issues but would also remind its members that APSE performance networks, as the largest voluntary data benchmarking service on frontline services, has packages of support to enable councils to submit meaningful data sets. It is also able to assist in analysing data and producing bespoke data reports, specialising in frontline services including refuse and recycling, streetscene, sports and leisure, highways, winter maintenance and street lighting, parks and public realm, building maintenance, including housing repairs and maintenance and soft FM services.

Moreover, all APSE members can now access a FREE report on climate change benchmarking by signing up to the new data collection service in this area. You can read more about this using this link.

Debbie Johns
Head of performance networks
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Sign up for APSE membership to enjoy a whole range of benefits.

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement. The advisory groups are an excellent forum for sharing ideas and discussing topical service issues with colleagues from other councils throughout the UK.

Advisory groups are a free service included as part of your authority's membership of APSE and all end with an informal lunch to facilitate networking with peers in other councils. If you do not currently receive details about APSE advisory group meetings and would like to be added to our list of contacts for your service area please email enquiries@apse.org.uk.

Our national advisory groups include:-

- Building cleaning
- Catering
- Cemeteries and crematoria
- Environmental Health
- Commercialisation network: Local authority trading, charging and income generation
- Housing, construction and building maintenance
- Parks, horticultural and ground maintenance
- Renewables and climate change
- Roads, highways and street lighting
- Sports and leisure management
- Vehicle maintenance and transport
- Waste management, refuse collection and street cleansing

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