



IMPROVING THE PERFORMANCE OF SCOTTISH COUNCILS

Statutory Performance Indicators

Consultation for 2009-10

SEPTEMBER 2008

Foreword by John Baillie

(Chair of the Accounts Commission)

Each year, the Commission consults on its statutory duty to publish a Direction for the performance information to be reported by local authorities in the following financial year.

This paper sets out our proposals for the 2008 Direction and invites comments on them. Following consultation, we will decide on the data that councils, police and fire & rescue authorities should collect during 2009/10 and report by September 2010.

Our main concern with the 2008 Direction is to consider the most appropriate way to meet our responsibilities under the 1992 and 2003 Acts in relation to the SPI regime, in the context of a changing local government environment.

We are working to support the focus on outcomes and improved performance information in the national developments around the Scottish Government's concordat with the Convention of Scottish Local Authorities (CoSLA), and its response to the Crerar review.

The concordat and development of Single Outcome Agreements (SOAs), will lead to new reporting arrangements for councils which will reflect their performance against a range of national and local indicators linked to outcome priorities and objectives identified by the Scottish Government and the councils. These arrangements are intended to lead to more information about outcomes and the benefits of partnership working.

Reporting against the SOAs is not intended to replace the obligations arising from the 1992 and 2003 legislation as a way of providing the general public with information about quality, accessibility and the value for money of services. Local authorities remain responsible for reporting their performance in accordance with their duty of Best Value. This expectation has been confirmed in the Concordat, the Government's response to the Crerar Review, in Ministerial responses to Parliamentary Questions and is illustrated in the guidance provided to councils on SOAs, which makes clear that:

"The move to SOAs does not remove the need for Councils to report on the quality, accessibility and value for money of their services as part of their general public service reporting."

The guidance also reinforces the view shared by the Commission that there should be:

- more broad based self assessment of performance
- greater focus on outcomes and service user views
- improved performance management and reporting.

It is against this background that the Commission is considering options for its 2008 Direction relating to statutory performance information. The Commission wishes to support councils in taking a more rounded approach to public performance reporting and demonstrating economy and efficiency in the delivery of services. Our proposals emphasise the importance of the balance between cost and service quality within Best Value, recognising that service cost information provides added context for the assessment of performance.

We would welcome the views of consultees on the proposals contained in the rest of this paper.

John Baillie

Introduction

The Commission has previously taken the view that a balance needs to be struck between national prescription of performance reporting requirements and the publication of locally determined material reflecting achievement against local policy and objectives. Also, it has made clear:

- its desire to see a reduction in the overall amount of information required through specified SPIs
- its concern to see councils publish information demonstrating value for money in the provision of services
- its concern that some local authorities are not yet sufficiently demonstrating a commitment to performance management and reporting, and that they remain overly dependant on the SPIs for performance assessment.

The Commission recognises that improvements in performance management, the reporting developments arising from the SOAs and increasing self assessment call for change to the current approach..

The proposed 2008 Direction is more broadly drawn and flexible than in the past. It would, consist of two elements

- information chosen by local authorities about certain key functions which demonstrate how they meet their Best Value obligations and how they balance their national responsibilities with local priorities relating to local needs and
- a reduced number of specified performance indicators on issues of particular concern to the Commission.

Councils

The Commission is proposing that councils should use a mixture of qualitative and quantitative information to demonstrate that they are securing Best Value in accordance with their obligations under the 2003 legislation. The reported information will cover:

- specified corporate areas e.g. asset management, staffing, finances, etc
- specified services e.g. cultural & community services, children's social work, etc

A wide range of qualitative and quantitative information is already available to assist councils in meeting their obligations. Consequently, in addition to the general criteria set out in the 1992 Act (cost, economy, efficiency and effectiveness and the securing of Best Value) the Commission proposes that in reaching decisions about what to publish in accordance with the Direction councils should specifically take account of:

- the terms of any single outcome agreement entered into with the Scottish Government
- the performance reporting requirements of any other legislation
- relevant suites or frameworks of performance information proposed or made available by government, regulatory agencies, professional associations or others
- national standards and targets for service delivery
- local service priorities and objectives
- service user views.

Several performance management frameworks are available to support councils in considering what performance information to use across a range of service areas. Examples include:

- the indicators on human resources, finance, ICT, procurement and estates management published jointly by the five UK public sector audit agencies in May 2007, available at: <http://www.public-audit-forum.gov.uk/performanceindicators.pdf>
- the asset management indicators developed by the Federation of Property Societies
- the indicators developed by CIPFA Heads of Service to reflect the performance of finance services in councils
- the indicators developed by the national community care partnership to demonstrate performance against the national outcomes for community care
- the planning performance assessment framework developed by the Scottish Government
- the public libraries quality improvement matrix developed by the Scottish Library & Information Council, available at: <http://www.slainte.org.uk/Slic/plqim/plqimindex.htm>

The Commission anticipates that these and similar frameworks will be widely used and reported on by councils and notes that some, such as those developed by the joint audit agencies for the whole public sector, are particularly helpful in providing indicators which demonstrate aspects of service cost within the context of common standards of service provision.

While expecting that councils will publish a range of qualitative and quantitative information to demonstrate BV, the Commission recognises that it is useful to provide a small suite of indicators that highlight areas it considers to be important and to help provide some basic level of comparable information for councils to use. Therefore, it proposes a significantly reduced range of specified indicators to be reported within the context of the broader public performance reporting framework. These indicators are taken from the current SPIs and emphasise the Commission's commitment to ensure councils publish performance information on:

- a range of corporate issues covering key BV concerns such as equalities, resource and asset management affecting overall service delivery
- revenue and service cost management
- front line services and issues directly relating to service user experience

The Commission wishes to emphasise the requirement for councils to take a more rounded approach to public performance reporting in accordance with the BV criteria and to demonstrate economy and efficiency in the delivery of services.

Service cost information is important to stakeholders and citizens and Audit Scotland's discussions with stakeholders confirm that information about costs requires improvement. In order to support this the Commission is currently considering undertaking a national study on the subject.

To underline the importance of the balance between cost and service quality within Best Value, and to encourage further development in the use of cost information, the Commission proposes to introduce three new indicators on key corporate support functions in its 2008 Direction that are already in some use in local government:

- The cost of the HR function per employee
- The cost of the overall accountancy and corporate accountancy functions per £1000 of net expenditure
- The required maintenance cost of operational assets per square metre

These proposals and more information on how they may be measured are contained in Annex 2.

The views of consultees on these proposals would be welcome.

Police services

In March 2007 Scottish Ministers launched the Scottish Policing Performance Framework (SPPF) setting out a range of performance information to be reported to the Government quarterly and annually at local level by all police forces. The SPPF was developed jointly between the Government, ACPOS, Audit Scotland, HMICS and the Police Conveners' Forum. Since 2007/08 the SPIs have been incorporated within the SPPF alongside a large number of other indicators.

The 2007/08 results are currently being analysed and it is anticipated that:

- HMICS will publish the first annual national report on achievement against the framework in November 2008
- the Government will publish all the SPPF data for stakeholder use at around the same time as HMICS publishes its report
- individual police authorities and forces will use the SPPF material in meeting their own performance management and reporting duties under Best Value.

The SPPF is a developing model and the Commission will contribute to its future direction through Audit Scotland's involvement in the Strategic Steering Group. The framework recognises the importance of local reporting in accordance with BV principles as well as the requirement for national reporting and it meets all the Commission's national performance reporting requirements.

Additional challenge and scrutiny will be offered to police services through the BV audit approach being developed for police authorities. The Commission takes the view that as long as forces and authorities report in accordance with the SPPF and their public performance reporting duties under Best Value no further police SPIs need be specified. The proposed Direction reflects this position.

Fire & Rescue services

The Government is currently reviewing the Fire & Rescue Framework for Scotland, the statutory guidance supporting the Fire (Scotland) Act 2005. The revised framework is due to be issued for consultation in the autumn of 2008. The framework will be set within the context of the concordat and SOAs and the Commission proposes to adopt a similar approach for SPIs relating to fire & rescue services as that proposed for councils, ie the publication of locally determined information about certain functions alongside a small number of specified indicators.

The draft Direction

Annex 1 sets out the Commission's proposals for its 2008 Direction in accordance with the approach discussed above. The Direction would be supported by guidance setting out in more detail the key features of good performance information in order to support improvement and spread good practice.

The Commission would welcome views on:

- the overall approach proposed
- whether the draft Direction contains the appropriate range of corporate and service issues on which councils should be asked to report, in such a way as to demonstrate that they are securing Best Value
- the reduced set of specific indicators the Commission proposes
- the approaches suggested for police and fire & rescue authorities.

Audit implications

The Commission intends that the BV audits will continue to be its primary national mechanism for assessing and reporting on council performance, using a wider range of available information and intelligence, including the SPI regime, to support its audit work. Audit Scotland will continue to comment on the all Scotland picture through overview reporting and make the data on each of the specified indicators available so as to facilitate appropriate comparison between councils and over time. Where necessary other specified work may be undertaken through the national studies programme.

This approach builds on the new relationship between government and local authorities, attributing more prominence to self assessment and assisting authorities to improve performance management and reporting.

Our proposals also underline the point that reporting on SOAs is not, in itself, sufficient to fulfil the duty on local authorities to demonstrate BV. They are consistent with the Commission's objectives for:

- bringing the SPI Direction into line with the BV statutory duty
- reducing the dependence on SPIs as the main source of reported performance information in some councils
- placing responsibility for demonstrating BV with local authorities where it belongs
- emphasising the need for local authorities to further improve local performance management and public performance reporting
- encouraging the use of locally determined robust PIs relating to local needs and objectives
- maintaining the role of public reporting of performance information in holding local government to account for its performance.

Within individual authorities appointed auditors will continue to have responsibility for assessing the adequacy of arrangements for collecting, recording and publishing the information required by the Commission's Direction.

Although the proposals set out above create an audit responsibility for a wider range of reported information than the current SPI suite it is not anticipated that additional audit fees will be required for this work.

Conclusions

The proposals set out in this paper take account of the developing local government environment, the increasing emphasis on self assessment and the impact of BV audits in holding councils to account. The proposals would result in a Direction that is more broadly and flexibly drawn, supporting improved performance management and promoting the publication of more meaningful information about local authority performance.

The views of consultees would be welcome on:

- the form of the draft Direction (Annex 1)
- whether the Direction and schedule provide a realistic and practical means of assisting councils to meet their BV performance management and reporting obligations
- the range of issues at both corporate and service levels on which councils should be asked to report
- the issues on which detailed PIs should be specified
- the proposals for police and fire & rescue services.

Consultees are invited to respond to these proposals by e-mail to Alec Taylor at: spiconsult@audit-scotland.gov.uk by Friday 31 October 2008, although earlier receipt would be helpful.

Responses may also be returned to Alec Taylor, Audit Scotland, 18 George St, Edinburgh, EH2 2QU.

Councils and joint boards are invited to copy their responses by e-mail to Jon Harris at COSLA at jon@cosla.gov.uk

Further copies of this consultation paper can be obtained by e-mail from smiddlemass@audit-scotland.gov.uk

LOCAL GOVERNMENT ACT 1992
THE PUBLICATION OF INFORMATION
(STANDARDS OF PERFORMANCE) DIRECTION 2008
(Draft for consultation)

1. This Direction is given by the Accounts Commission for Scotland (“the Commission”) under section 1(1)(a) of the Local Government Act 1992. The Act requires the Commission to direct relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission’s opinion:
 - a. facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003) between –
 - i. the standards of performance achieved by different relevant bodies in that financial year or other period; and
 - ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods
 - b. facilitate the drawing of conclusions about the discharge of those bodies’ functions under Part 2 (community planning) of the Local Government in Scotland Act 2003.
2. This Direction is given to all local authorities and to joint committees and joint boards, as defined by the Local Government (Scotland) Act 1973, and amended by the Local Government etc. (Scotland) Act 1994.
3. Each of the bodies referred to in paragraph 2 shall, in accordance with section 13 of the Local Government in Scotland Act 2003 and associated regulations and guidance from Scottish Ministers:
 - a. publish the information specified in the schedule to this Direction for all those activities which are carried out by the body
 - b. ensure that publication facilitates the making of comparisons where appropriate and possible with performance in 2008/9.
4. The period for which the information must be published is the financial year ending 31 March 2010.
5. In determining the information to be reported, authorities should consider and, where appropriate, reflect:
 - i. the criteria set out in 1a) above recognising the need to balance efficiency & effectiveness information with cost and economy information
 - ii. achievement against their single outcome agreements with the Scottish Government
 - iii. the performance reporting requirements of any other legislation
 - iv. indicators/measures in relevant suites or frameworks of performance information determined by government, regulatory agencies, professional associations or others
 - v. national standards and targets for service delivery
 - vi. local service priorities and objectives
 - vii. service user views.
6. In the schedule, the term ‘Best Value’ shall be interpreted in accordance with the definition and requirements of Part 1 of the Local Government in Scotland Act 2003.

SCHEDULE

COUNCILS

Corporate management

SPI 1: Each council will 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
- sustainable development
- equalities and diversity.

Service performance

SPI 2: Each council will report a range of information sufficient to demonstrate that it is securing Best Value in providing the following services (in partnership with others where appropriate) and where relevant explain any failure to improve over time:

- benefits administration
- community care
- criminal justice social work
- cultural & community services covering at least sport & leisure, museums, the arts and libraries
- planning (both environmental and development management)
- the education of children
- child protection and children's social work
- housing & homelessness
- protective services including environmental health, and trading standards
- waste management services

The range of information to be reported in SPIs 1 & 2 above will include achievement against the following specific indicators.

- 1 The average number of working days per employee lost through sickness absence for:
 - Teachers
 - All other local government employees.
- 2 The number and percentage of the highest paid 2% and 5% of earners among council employees that are women.
- 3 The number of council buildings from which the council delivers services to the public and the percentage of these in which all public areas are suitable for and accessible to disabled people.
- 4 The gross cost per case for benefits administration.

- 5 The cost per dwelling of collecting Council Tax.
- 6 The income due from Council Tax for the year, net of reliefs and rebates, and the percentage of that which was received during the year
- 7 The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid.
- 8 The proportion of operational accommodation that is:
 - in a satisfactory condition
 - suitable for its current use.
- 9 Home Care
 - a) The number of people age 65+ receiving homecare
 - b) The number of homecare hours per 1,000 population age 65+
 - c) As a proportion of home care clients age 65+, the number receiving:
 - personal care
 - a service during evenings/overnight
 - a service at weekends.
- 10 The number of attendances per 1,000 population for:
 - pools
 - other indoor sports and leisure facilities, excluding pools in a combined complex.
- 11 The number of visits to/usages of council funded or part funded museums per 1,000 population and the number of those visits that were in person per 1,000 population.
- 12 The number of visits to council libraries per 1,000 population
- 13 The number of householder and non-householder planning applications determined during the year and the proportion of each that were dealt with within two months.
- 14 The number and proportion of the council's housing stock meeting to the Scottish Housing Quality Standard by criteria.

Criteria	Number	Percentage
Tolerable standard		
Free from serious disrepair		
Energy efficient		
Modern facilities and services		
Healthy, safe and secure		
Total dwellings meeting SHQS		
Total number of dwellings owned by the council		

- 15 Rent arrears
 - Current tenant arrears as a percentage of the net amount of rent due in the year
 - The percentage of current tenants owing more than 13 weeks rent at the year end, excluding those owing less than £250
 - The proportion of those tenants giving up their tenancy during the year that were in rent arrears
 - The average debt owed by tenants leaving in arrears, as a proportion of the average weekly rent
 - The percentage of arrears owed by former tenants that was either written off or collected during the year.

16 Homelessness

Council duty to:		
	secure permanent accommodation for household	secure temporary accommodation, provide advice and guidance or take reasonable measures to retain accommodation
a i) Number of households assessed during year		
a ii) % of decision notifications issued within 28 days of date of initial presentation		
a iii) the % who are housed		
a iv) % of cases reassessed within 12 months of completion of duty		

b) The proportion of those provided with permanent accommodation in council stock who maintained their tenancy for at least 12 months.

17 Domestic noise complaints

- a) The number of complaints of domestic noise received during the year:
- i) settled without the need for attendance on site
 - ii) requiring attendance on site and not dealt with under Part V of the Antisocial Behaviour etc (Scotland) Act 2004
 - iii) dealt with under Part V of the Antisocial Behaviour etc (Scotland) Act 2004.
- b) For those in a)ii and a)iii above, the average time (hours) between the time of the complaint and attendance on site.

18 The number of trading standards complaints and advice requests received, and the proportion completed within 14 days:

	Number received	% completed within in 14 days
Consumer complaints		
Business advice requests		

19 The percentage of the road network that should be considered for maintenance treatment.

20 The net cost per premises for:

- refuse collection
- refuse disposal.

21 The percentage of municipal waste collected during the year that was recycled or composted

FIRE & RESCUE AUTHORITIES

Fire & rescue services

SPI 3 Each Fire & Rescue authority will report a range of information on its performance sufficient to demonstrate that it is securing Best Value in relation to:

- community fire safety
- intervention in response to emergency incidents
- staff
- equalities & diversity

The range of information to be reported will include the following specific information

- deaths and other casualties arising from domestic and other fire incidents
- the number of accidental dwelling fires
- staff sickness absence levels

POLICE AUTHORITIES

Scottish Policing Performance Framework

SPI 4 Each police authority will report its performance in accordance with the requirements of the Scottish Policing Performance Framework.

Details of the three proposed new SPIs

A) The cost of the HR function per employee.

This contextual indicator is defined in accordance with the guidance provided for the VFM PI developed by the joint UK Audit Agencies and published in May 2007. It can be found on the Public Audit Forum web site at: <http://www.public-audit-forum.gov.uk/detaileddefinitionsshr.pdf>

The indicator will assist stakeholders with their understanding of the relationship between the cost and quality of HR activities undertaken within the council including:

- HR Strategy/change management/organisation development
- Employee relations
- Resourcing
- Individual performance management
- Learning and development
- Health and safety.

The denominator should be based on all employees, including part time and full-time staff. It includes permanent staff and those on fixed term contracts and temporary staff that have been employed for over a year.

B) The cost of the overall accountancy function and corporate accountancy functions per £1000 of net expenditure

This PI is defined in accordance with the draft indicator developed by the CPIFA Finance Heads of Service and includes staff costs, other running costs, accommodation costs, IT costs, other central charges, and other running costs.

The Accountancy function includes:

- The preparation of Revenue & Capital Budgets,
- Monitoring of Revenue and Capital Budgets,
- Financial Strategy & Planning,
- Financial Advice, Members Briefings and Committee Attendance,
- Preparation of Revenue & Capital Final Accounts,
- Technical Research & Major Projects,
- Systems Support – Core Financial Systems,
- Treasury Management.

C) The required maintenance cost of operational assets per square metre.

This PI is defined in accordance with the indicator developed by the Federation of Property Societies and already used in councils, measuring the required maintenance cost per square metre of gross internal area.

Required Maintenance is the cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service or to meet statutory or contract obligations and maintain it at that standard.