

Local Government Act 1992

Statutory Performance Indicators

Direction 2013

Guide 2014/15

January 2014

The 2013 Direction

Introduction

by Douglas Sinclair, Chair of the Accounts Commission

Colleagues

As you know, the Accounts Commission has a statutory power to define the performance information that councils must publish locally in the following financial year.

It is essential for councils to have performance information which helps them decide on their priorities and report effectively to their local communities.

The Commission has encouraged councils to develop their own comprehensive set of performance data and we welcome progress made through the Local Government Benchmarking Framework project. Last year this helped us refine our approach and place greater reliance on council reporting.

Our 2013 Direction continues in that spirit. It is largely non-prescriptive. We retain three indicators – in relation to corporate characteristics and service performance and reporting through the Framework.

The Commission wishes to see councils, as part of their public performance reporting, continue to use a wide range of service performance and corporate management information. The Framework includes many of the Commission's specific statutory performance indicators. This information will allow comparisons to be made over time and between councils.

The Local Government Benchmarking Framework project is an iterative process and the indicators will further develop in future years. We recognise the significant resource implications, not only in benchmarking, but also in maintaining, reporting and developing performance indicators. We welcome the continuing commitment from the local government community to the project.

The Commission will review periodically councils' approaches to public performance reporting. As you would expect, we reserve the right to re-introduce specific statutory performance indicators that will meet Best Value principles of reporting to citizens, should there be insufficient progress.

This year the Commission has produced additional guidance on the characteristics of public performance reporting material that fully, partially or did not meet our criteria for SPIs 1 and 2. External auditors will work closely with councils in how they develop their approach to public performance reporting.

The Commission is encouraged by the progress that has been made by local government but recognises that there remain significant challenges for councils in meeting the principles of Best Value and reporting to service users and citizens. Information about performance needs to be easily accessible and easily understood by citizens to enable them to assess their council's performance and compare its performance to similar councils. Good performance information is also an essential tool for all councillors.

Douglas Sinclair

Chair of the Accounts Commission for Scotland

December 2013

LOCAL GOVERNMENT ACT 1992
THE PUBLICATION OF INFORMATION
(STANDARDS OF PERFORMANCE) DIRECTION 2013

1. This Direction is given by the Accounts Commission for Scotland (“the Commission”) under section 1(1)(a) of the Local Government Act 1992, which 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:
“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”***
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 for those activities which were also specified in 2013/14 (2012 Direction).
4. The period for which the information must be published is the financial year ending 31st March 2015.
5. In determining the information to be reported, authorities should consider and, where appropriate, reflect:
 - i the criteria set out in 1 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

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):

- 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
- roads and lighting
- waste management services

Local Government Benchmarking Framework

SPI 3: Each council will report its performance in accordance with the requirements of the Local Government Benchmarking Framework.

GUIDANCE

1. Introduction

Legislation

The **Local Government Act 1992 Act** lays a duty upon each council to ensure that it has in place such arrangements for collecting, recording, and publishing performance information that will allow it to comply with a Direction from the Commission.

The arrangements a council puts in place should mean that it:

- establishes systems and procedures to ensure that the information is gathered
- undertakes checks to ensure that, as far as is practicable, the information gathered for publication is accurate and complete
- arranges to keep all working papers and any other sources which may be examined by appointed auditors, and is able to make these available on request
- informs all officers involved in the collection and reporting of information of the duties of Best Value, Public Performance Reporting and the SPIs, and relevant guidance supporting each
- places the performance information required by the Direction in the public domain by the prescribed date
- maintains a publicly available record of the reported information.

The appointed auditor's statutory duty in relation to the performance information is set out in section 99 (d) of the **Local Government (Scotland) Act 1973** (as inserted by section 3(2) of the Local Government Act 1992). The auditor's duty is to be satisfied that the council:

"Has made adequate arrangements for collecting and recording information, and for publishing it, as are required for the performance of their duties"

It should be noted that this duty is not to ensure that the published data is accurate; that is the responsibility of each council. Rather, auditors are required to assess whether councils are fulfilling their obligations as set out above. The auditors' duty is to ensure that the arrangements and systems that councils use to generate performance results and consequent reports are robust. Primary responsibility for the completeness and accuracy of the published data lies with the council.

To confirm that the authority has discharged its responsibilities to collect, record and publish accurate and complete information, auditors will have to ascertain the council's arrangements and appraise those arrangements.

The **Local Government in Scotland Act 2003** places a statutory duty on local authorities to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and in making these arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development (Part 1 section 1 (1) to (7)).

It also places a statutory duty on local authorities for the ***reporting to the public of the outcome of the performance of functions*** (Part 1 section 13 (1) to (10)).

Statutory Guidance Notes

Statutory guidance (The Local Government in Scotland Act 2003 Best Value Guidance: Measures to Support Public Performance Reporting www.scotland.gov.uk/Publications/2004/04/19166/35250) prepared by the Best Value Task Force defines PPR in Part 2 of the document including the statement that:

“Public Performance Reporting should give stakeholders information that allows them to make informed judgements about public services, to contribute to decisions about what standards of service should be pursued, and to challenge performance in the interests of future service improvement. To be productive, PPR has to involve the right information going in the right way to the right people at the right time”

It also sets out the arrangements councils should make for securing Best Value. These include:

“Effective performance management systems, which include the use of external comparison, through which performance issues can be identified, monitored and addressed”

“The use of public performance reporting so that stakeholders are told what quality of service is being delivered and what they can expect in future.”

The concordat agreed between the Scottish Government (the Government) and CoSLA in November 2007 and subsequent guidance on developing SOAs recognise the need for councils to continue to report in accordance with statutory requirements (which include public performance reporting under the Best Value legislation). The **SOA guidance (Feb 2008)** states:

“Councils and their partners will have to demonstrate that this (SOA) information is available in order to fulfil their responsibilities for Best Value.

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 performance reporting.”

Additional SOA guidance (November 2009) makes clear that:

“Councils should produce (SOA) reports on behalf of CPPs in September of each year. ...these reports will form an integral part of the reports which councils already prepare under their statutory duty of Public Performance Reporting.”

Local Government Benchmarking Framework

Until the Direction 2012, the Accounts Commission had retained the same Direction (with minor amendments) since 2008. That approach reflected the Commission’s aim of providing flexibility for councils to develop their own broad set of comprehensive information for the public.

In its Direction 2012, the Commission acknowledged the local government community’s developments to improve performance information through the Local Government Benchmarking Framework. This framework provides a comparative benchmarking framework for Scottish Local Government covering all major service areas including cost information. The Local Government Benchmarking Framework indicators draw on existing performance information including the local financial returns to the Scottish Government and other indicators sourced from Government departments and the Scottish Household Survey. The Direction 2012 included a new SPI (SPI 3) for councils to report its performance in accordance with the Local Government Benchmarking Framework. This is retained within The Direction 2013.

2. Detailed Audit Guidance SPIs 1, 2 (PPR) and 3 (Local Government Benchmarking Framework PIs)

Overall aim

Auditors must assess whether adequate arrangements are in place for collection and publication of accurate and complete information in relation to **Public Performance Reporting (SPIs 1 and 2)**.

Auditors must assess whether adequate arrangements are in place for collection and publication of accurate and complete information in relation to **Local Government Benchmarking Framework (SPI 3)**, and that these are functioning effectively.

It should be noted that it is expected that the Local Government Benchmarking Framework PIs would form a large part of the council's PPR information. However, in addition to a comparative analysis of the Local Government Benchmarking Framework information, councils should also include local PIs, customer satisfaction information, trends over time, and improvement priorities and plans.

2.1 To ascertain and appraise the *arrangements* for PPR and Local Government Benchmarking Framework PIs

Council's plans for Local Government Benchmarking Framework PIs and PPR – The appointed auditor will:

- Establish councils plans for collecting performance data including sources
- Establish the timescale and local publication timetable
- Check whether the council has considered what information its communities want to see and is using a range of methods to make sure that information is readily accessible
- Check that the council has aligned performance measures to key priorities and outcomes
- Check that the council's plans cover the specific criteria for reporting listed in SPI 1 and 2
- Check the council's plans to publish:
 - Local Government Benchmarking Framework indicators
 - Local indicators
 - SOA performance
 - Direct comparisons with other councils
 - Comparisons of performance over time and against targets
 - Qualitative assessments e.g. citizen user/surveys
 - Feedback about how customer views have been used to improve services
 - Scrutiny body assessments
 - Declining or under-performance as well as achievements
 - Explanation of underperformance
 - Improvement plans and targets.
- Ascertain the reporting arrangements
 - Range of mechanisms and formats
 - Who it is intended to reach
 - The varying levels of detail available
 - Whether there are details about how to access more detailed and additional information (sign posting).

Council's systems for Local Government Benchmarking Framework PIs and PPR – The appointed auditor will:

- Confirm that the council has a strategic approach to PPR that meets requirements

- Ascertain the council's planned timetable and procedures for reporting the Local Government Benchmarking Framework indicators
- Ascertain whether the officer(s) responsible for coordinating PPR and Local Government Benchmarking Framework PIs are fully aware of their responsibilities
- Establish the council's proposals for collecting the required performance data and from what sources
- Establish the council's arrangements for checking that information is accurate and complete
- Check local indicator definitions are agreed and recorded
- Check that definitions, arrangements for collection, verification and reporting arrangements are communicated to all staff involved and understood
- Check arrangements are in place to keep evidence and supporting papers.

It is not the duty of auditors to collate and check data on behalf of the council. However, they are expected to test the efficacy of the systems the council has in place.

Auditors should take into account the extent to which they can take comfort from internal audit work undertaken to verify the adequacy of arrangements or the completeness and accuracy of performance information. Assurance may also be derived from the work of other scrutiny bodies, including regulators and inspection agencies, and from independently verified quality assurance systems.

Timing and reporting – The appointed auditor will:

- Complete the audit work and return the completed audit pro-forma to smiddlemass@audit-scotland.gov.uk by 30 September 2015. An audit proforma will be made available.
- Highlight in the auditor's annual report to the council that the audit of SPIs 1 to 3 is a two stage process. The initial stage, appraising arrangements, will be reported in the annual report; and the second stage, assessing the quality of PPR, will be reported to the Accounts Commission in the following April/May.
- Highlight, in the auditor's annual report to the council, the respective statutory duties and responsibilities of council and auditor in relation to the 2012 SPI Direction and Guidance including any significant issues arising from the audit work and auditor recommendations for areas in need of improvement.

2.2 To appraise the *content* of PPR:

Coverage of PPR – Audit Scotland PABV will:

- Liaise with the appointed auditor regarding the councils plans and systems for PPR
- Check that the PPR information published includes all the elements described in SPI 1:
 - Corporate management SPI 1 – councils should report a range of information to demonstrate securing BV in relation to:
 - Responsiveness to its communities
 - Revenues and service costs
 - Employees
 - Assets
 - Procurement
 - Sustainable development
 - Equalities and diversity.

- Check that the PPR information published includes all the elements described in SPI 2:
 - Service performance SP2 - councils should report a range of information to demonstrate securing BV in relation to:
 - 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
 - Roads and lighting
 - Waste management services.

- Check that the PPR information published includes:
 - Local Government Benchmarking Framework indicators
 - Local indicators
 - SOA performance
 - Direct comparisons with other councils
 - Comparisons of performance over time and against targets
 - Qualitative assessments e.g. citizen user/surveys
 - Feedback about how customer views have been used to improve services
 - Scrutiny body assessments
 - Declining or under-performance as well as achievements
 - Explanation of underperformance
 - Improvement plans and targets.

Timing and reporting – Audit Scotland PABV group will:

- Undertake an analysis of published PPR in early April each year
- Liaise with appointed auditors to share those findings
- Report on progress with PPR to the Accounts Commission in May/June each year.