

ACCOUNTS COMMISSION

MEETING 4 NOVEMBER 2010

REPORT BY THE DIRECTOR OF BEST VALUE AND SCRUTINY IMPROVEMENT

STATUTORY PERFORMANCE INDICATORS: 2009/10 OUTTURN DATA

Purpose

1. This report builds on the Commission's consideration at its September meeting of a report by the Director of Best Value and Scrutiny Improvement reviewing the history of the Commission's use of its power to require the publication by councils of performance information, and considering options for the future exercise of that power.
2. It provides the Commission with analysis of the 2009/10 SPI outturn data, focusing in particular on the manner in which councils are responding to the flexibility offered in the Commission's 2008 SPI direction. The report does not cover police performance, which is reported nationally by HMICS through the Scottish Policing Performance Framework, but where local authorities have included Fire and Rescue service performance in their local data set this is reflected in the analysis. (The Scottish Policing Performance Framework Annual Report for 2009-10 was published on 26 October, and can be found on the Scottish Government's web-site at: <http://www.scotland.gov.uk/Publications/2010/10/25155938/0>.)
3. The aim of this report is to support the Commission in its consideration of how it wishes to approach the exercise of its power to make statutory performance indicator directions under the Local Government 1992, prior to its determination of its 2010 Direction at its December meeting.

Background

4. The Commission has a statutory power to define performance information that councils must publish locally, and to do so by means of a direction to councils. The direction must be published at least three months prior to the financial year or period for which the data has to be collected, and so the direction is normally agreed and published by the Commission in December.
5. In its 2008 Direction, the shifting local government environment provided a considerable challenge for the Commission in deciding how best to fulfil its responsibilities. Developments such as single outcome agreements, the increased emphasis by councils on self evaluation, and the development of BV2 all affect how the Commission might best use its power of direction to add to accountability and public assurance and promote improvement.
6. With the 2008 Direction the Commission made a significant change to its approach. The 2008 Direction offered flexibility for councils and was intended to ensure the development of a broad set of comprehensive information for local communities alongside a shorter list of specific comparable indicators. In making these changes the Commission indicated that it would review its approach in 2010 once the first round of new SPIs were available.

7. The Commission gave preliminary consideration to the impact of the 2008 SPI Direction at its September meeting. This report builds on that initial consideration by providing an initial overview of the extent to which the 2008 direction has led to improvements in the range and quality of information which is now contained in council's public performance reporting arrangements.

Analysis of 2009/10 outturn data relating to the new flexible arrangements

8. The first data in respect of the 2008 direction relate to the 2009-10 financial year. The information has now been analysed, focusing on how councils are responding to the flexibility offered in the Commission's 2008 SPI direction to develop a broad set of comprehensive indications for local communities, alongside the set of 25 specified service cost, quality and efficiency indicators.
9. **Appendix 1** to this report summaries the extent to which all 32 Scottish council's have met the requirement to report a range of information demonstrating that they are securing Best Value in relation to both corporate management and service performance (Exhibit 1). It reports on the extent to which each criteria (e.g. responsiveness to communities, revenue and service costs, employees, assets, etc.) has either been fully, partially, or not reflected in local public performance reports.
10. The definitions used to underpin this analysis are:
 - **Fully** – there is evidence that the council has moved beyond the Accounts Commission's 25 specified SPIs, with no obvious or major gaps in the comprehensiveness of the data reported.
 - **Partially** – the council has reported information which goes beyond the Accounts Commission's 25 specified SPIs, but there are important gaps in the overall coverage. For example, either there is an absence of reporting on important services within a specific service area (e.g. museums and libraries within cultural and community services), or important aspects of service performance have not been covered (e.g. cost or customer satisfaction).
 - **No** – the council has simply reported the Accounts Commission's 25 specified SPIs, or has not reported any information at all in relation to this aspect of corporate activity or service performance.

Exhibit 1

The new more flexible public reporting obligations set out in the 2008 SPI Direction

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):

- 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

Source: Accounts Commission. Local Government Act 1992, Statutory Performance Indicators. Direction 2008, Dec. 2008

Conclusion

11. The analysis suggests that whilst progress is being made by councils towards meeting the new PPR obligations of providing comprehensive public performance reporting in line with the 2008 Direction there remains significant scope for further improvement, and the approach to and coverage of PPR is highly variable across councils:

- No council has fully met all of the criteria across all aspects of corporate management and service performance
- There remains a general reliance on SPIs, including those no longer included in the SPI direction, particularly in relation to corporate functions and services.
- There has been fairly limited inclusion of local performance indicators, with only 5 councils including them for all services.
- 11 councils have only reported the specified SPIs and a number of others have only reported minimally beyond this (e.g. by providing links to service performance reports or including very limited other PIs)
- 11 councils have not yet published a local PPR report for 2009/10, although most plan to do so later in the year.

- In many cases there is a lack of information to help the reader understand the indicators being presented, e.g. context and narrative

12. More positively:

- Some councils have made use of online mechanisms as approach to PPR, drawing on the 'Scotland Performs' model.
- Whilst only 2 councils have provided sufficient comparisons to other councils, a further 4 have provided some level of comparison and there is better use of trend data, with 16 councils providing at least partial trend information. 15 councils have also included improvement targets where these are required.
- Some councils are showing a commitment to provide a more rounded and user friendly PPR, for example by focussing on outcome themes (10 councils have included coverage of all of their key outcome priorities in their PPR reports); however in some cases this has led to gaps in their coverage of services and, in particular, of corporate functions.

13. Some specific key messages relating to SPI 1 (Corporate Performance) and SPI 2 (Service Performance) are set out in Exhibit 2.

Exhibit 2

Specific findings concerning SPI1 and 2

SPI1: Corporate Performance	SPI2: Service Performance
	<ul style="list-style-type: none"> • Housing and Homelessness is the service area with the best overall coverage, with 15 councils providing sufficient information, however it is worth noting that this is an area with 6 remaining specified SPIs, therefore providing a reasonable amount of coverage without going beyond these specified indicators. • Other areas of generally better coverage are the education of children (14 councils 'yes'), community care (12), cultural and community services (11), and waste management (12). But, this remains only a third of Scottish councils that are providing full coverage of these important service areas in their PPR reports. • Planning is a particular area of weakness, with only 1 council proving sufficient information. The majority of councils have provided partial information but this is a particular area of reliance on SPIs. Other areas of particularly weak coverage are protective services and roads and lighting. Again these areas have partial coverage in many councils but this is generally only SPI data. • Coverage of criminal justice social work is also weak, with only 5 councils proving sufficient coverage and only a further 7 providing partial coverage. This is the service area with the lowest overall coverage (partial and yes answers combined).

Source: Audit Scotland

14. 7 councils have included the 25 specified SPIs in full within their PPR, with a further 8 including them in part. However, some councils which have produced otherwise quite comprehensive PPRs have not necessarily included all SPIs, opting instead to publish stand alone SPI reports.
15. When considering this information it is important for the Commission to bear in mind that councils are currently engaged in a number of initiatives to improve performance information, including the development of local outcome indicators and a suite of benchmarking indicators covering costs and services.
16. On that basis, the Commission may wish to use its power of direction in 2010 to require councils to build on these developments and embed good performance information in a way which is meaningful to citizens and which allows comparison across councils and over time.

Recommendation

17. The Commission is invited to consider this report in preparation for determining its approach to the 2010 SPI Direction in December.

Fraser McKinlay
Director of Best Value and Scrutiny Improvement
27 October 2010

Appendix 1

STATUTORY PERFORMANCE INDICATORS: 2009/10 OUTTURN DATA

Breakdown of responses by criteria

SPI 1 - Does the council report on a range of information, sufficient to demonstrate that it is securing Best Value in relation to:

	Yes		Partial		No	
	Total	%	Total	%	Total	%
responsiveness to its communities	12	38%	6	19%	14	44%
revenues and service costs	7	22%	8	25%	17	53%
employees	6	19%	10	31%	16	50%
assets	4	13%	11	34%	17	53%
procurement	7	22%	6	19%	19	59%
sustainable development	10	31%	8	25%	14	44%
equalities and diversity	4	13%	11	34%	17	53%

SPI 2 - Does the council 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):

	Yes		Partial		No	
	Total	%	Total	%	Total	%
benefits administration	7	22%	9	28%	16	50%
community care	12	38%	7	22%	13	41%
criminal justice social work	5	16%	7	22%	20	63%
cultural & community services	11	34%	9	28%	12	38%
planning	1	3%	16	50%	15	47%
the education of children	14	44%	5	16%	13	41%
child protection and children's social work	7	22%	10	31%	15	47%
housing & homelessness	15	47%	6	19%	11	34%
protective services	2	6%	11	34%	18	56%
roads and lighting	4	13%	14	44%	14	44%
waste management services	12	38%	9	28%	11	34%

General

	Yes		Partial		No	
	Total	%	Total	%	Total	%
Does the performance assessment cover the range of corporate management functions?	5	16%	7	22%	20	63%
Does the performance assessment cover the range of services provided?	9	28%	5	16%	17	53%
Are the 25 Specified SPIs included in full?	7	22%	0		25	78%
Are the 25 specified SPIs included in part?	8	25%	0		24	75%
Are local performance indicators included for all services?	5	16%	8	25%	19	59%
Are performance measures included for all key outcome priorities?	10	31%	1	3%	21	66%
Are improvement targets identified?	6	19%	9	28%	17	53%
Are comparisons in performance over time made?	12	38%	4	13%	16	50%
Is performance compared to other councils?	2	6%	4	13%	26	81%
Are customer views/feedback/satisfaction/complaints included?	6	19%	11	34%	15	47%
Is any information included that shows the authority listens and responds to stakeholders?	7	22%	6	19%	18	56%

