

## **EAST AYRSHIRE COUNCIL**

**CABINET – 5 NOVEMBER 2008**

### **ACCOUNTS COMMISSION FOR SCOTLAND CONSULTATION ON THE 2008 STATUTORY PERFORMANCE INDICATORS DIRECTION (FOR 2009/10 PERFORMANCE INDICATORS)**

#### **Report by the Executive Head of Finance and Asset Management**

#### **1. PURPOSE OF REPORT**

- 1.1 To seek Cabinet approval of the Council's response to the Accounts Commission's consultation paper on the 2008 Direction for Statutory Performance Indicators (SPIs) that will be reported in 2009/10.

#### **2. BACKGROUND**

- 2.1 The Accounts Commission consults on an annual basis with all Scottish councils on its proposals for Statutory Performance Indicators in the forthcoming year. Having received the views of Councils, the Accounts Commission then amends its proposals as appropriate and publishes its formal Direction early in the New Year. In drawing up this year's proposals, the Commission has taken account of the significant changes taking place in local government, including the Scottish Government's concordat with COSLA and its response to the Crerar review on scrutiny.
- 2.2 The approach currently being adopted represents a radical shift in approach, with a reduced dependency on SPIs in their current form being proposed. This reflects the Commission's desire to reduce the overall amount of information required through specified SPIs, and their concern that some councils remain overly dependent on the SPIs for performance assessment (see Consultation Paper, Appendix 1).
- 2.3 The development of Single Outcome Agreements have resulted in new reporting arrangements for councils which reflect their performance against a range of national and local indicators linked to outcome priorities and objectives identified by the Scottish Government and councils. These arrangements are intended to lead to more information about outcomes and the benefits of partnership working.
- 2.4 Reporting against the Single Outcome Agreements is not intended to replace the obligations surrounding performance reporting arising from the 1992 and 2003 legislation.
- 2.5 Comments are invited on the form of the draft Direction, whether the Direction provides a realistic means of assisting councils to meet their statutory reporting obligations and the range of corporate and service-based issues on which councils should be asked to report. Responses are required to be submitted to the Accounts Commission by 14 November 2008.

### **3. PROPOSALS FOR THE 2008 DIRECTION**

3.1 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.

3.2 The proposed 2008 Direction is more broadly drawn and flexible than in previous years. It consists of two elements:-

- Performance indicators that will be chosen by local authorities, covering key functions, which demonstrate how they meet their Best Value obligations and how they balance their national responsibilities with local priorities; and
- A reduced number of specified performance indicators on issues of particular interest to the Commission.

3.3 The Commission proposes to significantly reduce the number of SPIs from their current total of 58. Most of the indicators (22) that would remain would be taken from the current list of SPIs and would ensure, as a minimum, that councils publish performance information on a range of corporate issues (such as equalities, resource and asset management), revenue and service cost management, and front line services and issues directly relating to service user experience.

3.4 The Commission proposes to introduce 3 new indicators on key corporate support functions. These are:-

- Cost of the HR function per employee;
- Cost of the overall accountancy and corporate accountancy functions per £1,000 net expenditure; and
- Required maintenance cost of operational assets per square metre.

### **4. PROPOSED RESPONSE ON THE DIRECTION**

4.1 A copy of the Council's proposed response on the Direction is attached as Appendix 2 to this report.

4.2 This response has been compiled following consultation with all council departments.

### **5. FUTURE DEVELOPMENT**

5.1 The Accounts Commission intends to keep the role of SPIs under review and make further changes in future years as the new local government arrangements develop.

### **6. POLICY / FINANCIAL / LEGAL IMPLICATIONS**

6.1 The Local Government Act 1992 requires councils to put performance information into the public domain by 30 September each year.

6.2 Statutory Performance Indicators form an element of the Council's Performance Management Framework. The objective of securing continuous improvement in

service performance is a key aspect of the Local Government in Scotland Act, 2003.

## **7. RECOMMENDATIONS**

7.1 The Cabinet is asked to:-

- (i) agree the response to the 2008 Direction as contained in appendix two to this report;
- (ii) task Executive Directors with considering local performance indicators that would be appropriate to use within the terms of the Account Commission's guidance under the functional areas prescribed; and,
- (lii) otherwise note the contents of this report.

**Alex McPhee**  
**Executive Head of Finance and Asset Management**  
**17 October 2008**

### **LIST OF BACKGROUND PAPERS**

Accounts Commission 2008 Direction – Consultation for 2009/10 (September 2008)

Any person wishing to inspect the Background Papers or wishing further information should contact Jim Farrell, tel.: (01563) 576223, or Robert Moore, tel.: (01563) 576110.

**Implementation Officer:** Jim Farrell, Performance, Development and Projects Manager



**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](mailto: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](mailto:jon@cosla.gov.uk)

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

**EAST AYRSHIRE COUNCIL**

**RESPONSE TO THE ACCOUNTS COMMISSION'S CONSULTATION ON THE 2008 STATUTORY PERFORMANCE INDICATOR DIRECTION (for 2009/10 SPIs)**

The Best Value & Performance section carried out an internal consultation exercise on the proposed Direction, seeking out the views of all Council departments on the following areas:

- Overall approach (mixture of prescribed and local SPIs);
- Appropriateness of the 22 Statutory Performance Indicators which, it is proposed, should be kept;
- Appropriateness of the indicators which are being dropped;
- Appropriateness of the 3 proposed new Statutory Performance Indicators;
- Practical issues in relation to the collection of the 3 proposed new Statutory Performance Indicators (collectability and systems/processes);

As well as the specific areas above, general comments on any aspect of the consultation were also welcomed.

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**1. The Council's views on the overall approach of a mixture of prescribed and local SPIs**

The Council welcomes the Accounts Commission proposal to reduce the number of Statutory Performance Indicators to be collected by local authorities. The proposed changes would result in a significant reduction in the number of SPI's to be collected by the Council from 58 to 22.

The flexibility to develop meaningful and relevant local performance indicators, which reflect the way in which services are actually delivered, is also welcomed. The Council currently collects a wide range of non-statutory performance information that it uses to measure and manage performance in relation to Community Planning, the Single Outcome Agreement, Service Plans and externally verified audit processes.

In particular, the Council would emphasise the importance of using Single Outcome Agreement indicators to measure overall performance, and as a means of reducing the dependence on SPIs as the main source of reported performance information. Through the SOA, the Council and its Community Planning partners are already collecting a wide range of outcome-based performance information. It should be noted that East Ayrshire's SOA draws heavily on the existing suite of SPIs (with 13 of them in use currently). Whilst some of these SPIs would disappear under the Commission's proposals, they would continue to be monitored and collected locally via the SOA.

Finally, the Council considers that if this exercise is truly about providing greater focus to the performance management landscape, then 'overload' should be avoided. There is a danger that the emphasis remains on the quantity of indicators (particularly given the huge

variety of new sources which can be drawn upon), rather than what these indicators actually tell us about our performance.

## **2. The appropriateness and suitability of the 22 SPIs that are to be kept**

### ***Indicator 18 - Trading Standards Complaints***

With regard to Indicator 18, the Council proposes that this is deleted or amended, given that its focus is solely on numbers of complaints dealt with. It would be more suitable if the indicator reflected some element of 'quality' instead of merely process.

### ***Indicator 2 - Number and percentage of highest paid 2% and 5% of earners among council employees that are women***

In terms of Indicator 2, the Council believes that this indicator should be redefined, to reflect the broad spectrum of equal opportunities activity. We have statutory duties in respect of gender, race and disability, and believe that this should be reflected in the indicator.

### ***Indicator 9 - Home Care***

The Council agrees with the retention of this indicator, but believes that it could be improved. There are 2 specific problems:

- the element on personal care, which for East Ayrshire stood at 92% this year, leaves little room for evidence of continuous improvement under the current terms of Audit Scotland's improvement index;
- the percentage of overnight care does not allow for the changing nature of service delivery through the development of innovative services such as the out of hours service and Telecare initiatives. The impact of these on the indicator can be a reduction in the number of hours that would otherwise have been provided by homecare. This could erroneously be interpreted as deteriorating performance when in actual fact the overall range and quantity of service provision is improving.

The indicator could be further improved by providing unit costs for service delivery alongside data on service standards.

### ***Indicator 8 - the proportion of operational accommodation that is satisfactory / suitable for its current use).***

Although this indicator reasonably reflects the current portfolio, it does not focus on important areas such as utilisation, efficiency and suitability. The Council will consider covering these areas via the development of local indicators.

### ***Indicator 4 - Benefits Administration and indicator 5 - Council Tax Collection***

In terms of indicator 4 and indicator 5, the focus on cost is somewhat narrow; there is no consideration given to the quality of service provided to the user.

### **Indicator 3 - Public Access**

With respect to indicator 3 the Council recognises the value of an indicator for public access. However, evidence from current reporting suggests that in the absence of any national standard, councils have used widely differing interpretations in respect of this indicator. We would advise that unless clarification of the definition at national level is forthcoming, this should only be included within the proposed suite of SPIs as a locally developed indicator.

### **3. Consideration of indicators that will not be prescribed statutory indicators**

The Council believes that the indicators listed below may be suitable for retaining as 'Local' Statutory Performance Indicators. A decision will be made in due course.

**Adult Social Work 1** (Achievement of targets for assessment and service delivery)

**Adult Social Work 2** (Staff qualifications: the percentage of care staff with appropriate qualifications for level of post held, working in council residential homes)

**Adult Social Work 7** (proportion of new probationers seen by a supervising officer within one week)

**Education & Children's Services 7** (Staff qualifications: the percentage of care staff with appropriate qualifications for level of post held, working in council residential children's homes)

**Development Services 3** (Percentage of the population covered by a Local Plan which has been adopted or finalised within the last five years)

**Housing 3** (The total annual rent loss due to voids expressed as a percentage of the total amount of rent due in the year).

**Protective Services 3** (Non-domestic noise complaints)

**Roads & Lighting 2** (Traffic light repairs, the percentage of repairs completed within 48 hours).

**Roads & Lighting 3** (Street Lighting Failure, the percentage of repairs completed within 7 days).

**Roads & Lighting 4** (The proportion of street lighting columns that are over 30 years old).

**Waste Management 4** (The cleanliness index achieved following inspection of a sample of streets and other relevant land).

### **4. The appropriateness and suitability of the 3 new indicators**

**A. Cost of HR function per employee.** It will be absolutely necessary to ensure that the definitions are clear in respect of the functional areas that are considered to be HR.

**B. Cost of overall accountancy function and corporate accountancy functions per £1,000 of net expenditure.** It should be borne in mind that structures and delivery models will vary considerably from Council to Council and direct comparability may therefore be difficult.

**C. Required maintenance cost of operational assets per square metre.** This indicator complements indicator 8 (the proportion of operational accommodation that is satisfactory/suitable for its current use). The issue will be the need for a detailed definition for the "required" element.

For A, B, and C above, care needs to be taken with the specification / definition to ensure inter-authority comparators are reliable.

## **5. Ability to collect the indicators timeously**

Yes. However, it should be noted that the use of draft unaudited financial information may require revisions to figures, should a material adjustment be required as part of the normal audit process.

## **6. Readiness to collect new indicators**

No problems anticipated in this area.