

EAST AYRSHIRE COUNCIL

CABINET – 5 SEPTEMBER 2007

ACCOUNTS COMMISSION FOR SCOTLAND CONSULTATION ON THE 2007 STATUTORY PERFORMANCE INDICATORS DIRECTION (FOR 2008/09 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 2007 Direction for Statutory Performance Indicators (SPIs) that will be reported in 2008/09.

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 this year's Consultation paper, the Council is also invited to comment upon the continuation of Criminal Justice Social Work Statutory Performance Indicators in the light of the establishment of new Community Justice Authorities.
- 2.2 It should be noted that the Scottish Executive has established a project to develop a National Performance Management Framework for local authorities. On May 16 2007 the Council's Corporate Management Team agreed comments which were subsequently submitted to the Scottish Executive-led Project Board on their discussion paper entitled 'Improving Local Services in Scotland; a New Performance Framework'. This paper outlines how the proposed new framework is being developed in the context of the wider reform agenda, and sets out the guiding principles that should underpin the framework, together with the key requirements in the development of performance measures.
- 2.3 As an indication of its support for this project, in its 2006 Direction, the Accounts Commission agreed that there should be a moratorium on the development of SPIs on the understanding that sufficient progress would be made in developing the Framework to allow consideration of substantive changes to performance indicators in 2007.
- 2.4 Whilst confirming its ongoing commitment to support the development of the Framework, the Accounts Commission has recently published its consultation paper on the 2007 Direction. Comments on the Direction are required to be submitted to the Accounts Commission by 7 September 2007.

3. PROPOSALS FOR THE 2007 DIRECTION

- 3.1 Whilst continuing to support the national project, the Commission remains concerned that councils report locally on their service performance in accordance with their Best Value responsibilities. Therefore, until the national framework is developed, there are no proposals to delete indicators on the basis that they are no longer perceived to be of national importance or are subject to other national reporting mechanisms.
- 3.2 The Commission proposes to introduce limited changes in its 2007 Direction in order to harmonise the Statutory Performance Indicators with other performance information being collected nationally.
- 3.3 The Commission notes that the proposals set out in the consultation paper have been discussed with representatives of the Scottish Executive, COSLA and SOLACE who sit on the Performance Framework Project Board. They maintain that the changes proposed are minor and do not cut across the work underway to develop a more effective framework of performance information for the future.
- 3.4 As such, this Consultation paper contains proposals to change five indicators, simplify two indicators and introduce one new indicator on housing quality. The total number of proposed indicators for 2008/09 is 58, an overall increase of one from the 2007/08 position.
- 3.5 The table below shows the extent of the proposals contained within the 2007 Direction in relation to Council Services.

Service	No of Indicators 2007/08	Unchanged Indicators	Simplified Indicators	Changed Indicators	Deleted Indicators	New Indicators	Indicators proposed for 2008/09
Adult Social Work	8	7		1			8
Benefits Administration	3	1		2			3
Corporate Management	8	7		1			8
Cultural & Community Services	6	6					6
Development Services	3	3					3
Education & Children's Services	8	8					8

Service	No of Indicators 2007/08	Unchanged Indicators	Simplified Indicators	Changed Indicators	Deleted Indicators	New Indicators	Indicators proposed for 2008/09
Housing	6	4	1	1		1	7
Protective Services	5	5					5
Roads and Lighting	5	5					5
Waste Management	5	4	1				5
Total	57	50	2	5	0	1	58

4. PROPOSED RESPONSE ON THE DIRECTION

- 4.1 A copy of the Council's proposed response on the Direction is attached as an appendix to this report.
- 4.2 This response has been compiled following consultation with all council departments.

5. FUTURE DEVELOPMENT

- 5.1 The Accounts Commission notes that it is hoped that later in 2007 the Scottish Executive-led project will bring forward proposals for a national suite of outcome based indicators as part of the developing framework, which will eventually include a wider suite of indicators for local reporting. Therefore, in addition to responses from consultees to this current consultation paper, the Commission will take account of any proposals from the Scottish Executive-led project in determining its 2007 Direction.

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 on the 2007 Direction, as contained in the appendix to this report, as this Council's response to the Accounts Commission's consultation; and
- (ii) otherwise note the contents of this report.

Alex McPhee
Executive Head of Finance and Asset Management
7 August 2007

LIST OF BACKGROUND PAPERS

Accounts Commission 2007 Direction – Consultation for 2008/09 (June 2007)

Any person wishing to inspect the Background Papers or wishing further information should contact Jim Farrell, tel.: (01563) 576223, or Jacqueline Creighton, tel.: (01563) 576261.

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EAST AYRSHIRE COUNCIL

RESPONSE TO THE ACCOUNTS COMMISSION'S CONSULTATION ON THE 2007
STATUTORY PERFORMANCE INDICATOR DIRECTION (for 2008/09 SPIs)

1.0 GENERAL COMMENTS

As always, the opportunity to work with the Commission on the future development of statutory performance indicators is welcomed, as is the opportunity to comment on changes to existing indicators. East Ayrshire Council also welcomes the Scottish Executive led-project to identify and bring forward outcome based indicators which will, over time, be linked to localised reporting of performance.

The consultation on the 2006 Direction on Statutory Performance Indicators (SPIs) recognised the work that was being undertaken nationally to develop a new performance framework for Scottish local authorities, and in responding, this Council welcomed the Account's Commission's decision to make no changes to the existing Statutory Performance Indicators pending the outcome of this review.

The Council has for some time, recognised that some of the SPIs are more meaningful than others, and has expressed concerns regarding the relevance of specific indicators. Many of the indicators are process rather than output driven, and do not take into account local circumstances such as deprivation levels, rurality and local policy decisions. However, Statutory Performance Information forms only a limited part of the Council's wider performance management framework.

Many services within the Council report performance data to departments within the Scottish Executive, or to Executive Agencies such as the Care Commission. With the evolving Community Planning Framework, Improvement and Efficiency Agendas, it is right to fundamentally question the continuing usefulness and relevance of all performance information, and to seek to develop a more meaningful and coherent framework for local government in Scotland, one which reflects both national and local priorities, strengthens accountability, and focuses on outcomes.

Given this current context, the Council welcomes the proposals to limit changes within the 2007 Direction. It is however, currently unclear as to whether, at least initially, the measures being proposed by the Scottish Executive-led Project Board will be additional to the Statutory Indicator Process and if so, East Ayrshire Council would be keen to reiterate the need to ensure that *any* proposed changes, as far as possible, should avoid an additional burden in respect of either data collection or preparation. Any changes should also, as far as possible, seek to rationalise current reporting requirements across the various Inspection Bodies.

2.0 SPECIFIC INDICATORS

2.1 Adult Social Work Indicator 1 – Community Care - CHANGED

The Commission indicates that it is aware of the developing National Outcomes Framework for Community Care and that it is likely to have an impact on the

reporting of performance information by both councils and their community care partners. In view of developments with the new framework so far, this is the only change proposed to adult social work indicators this year.

Since 2005/06, performance in this indicator has been measured on the basis of the waiting time from referral to service delivery. However, part of the developing National Outcomes Framework is expected to come into effect in 2008/09 and provide more detailed performance information on the key activities of assessing needs and arranging services. The change is also expected to result in the discontinuation of the current data. In view of this development, the Commission proposes to change Adult Social Work Indicator 1 to reflect the new indicator in the National Outcomes Framework. It is also noted that development of national targets has still to take place.

As such, the Commission proposes that the changed indicator should determine '(a) the number of people waiting for more than target time from referral to completion of assessment per 1000 population and (b) the number of people waiting more than the target time for delivery of community care services following an assessment, per 1000 population'.

Council Response

East Ayrshire Council agrees that given the ongoing work in relation to the development of national Community Care Outcomes (including the requirement to develop revised local improvement targets from October 2007) the decision to minimise changes to the community care indicators is appropriate.

Adult Social Work Indicator 1 on Community Care at present reports on the average time taken to provide community care services from the first identification of need to delivery of first service and is based on JPIAF 6. The scope of this indicator covered referrals, assessments and services. Local authorities had such difficulty in gathering and analysing the data that it was never possible to produce the indicator on a full year's data. The proposed change to this indicator in line with the developing National Outcomes Framework is to be welcomed.

The decision to report separately on the time from referral to assessment and assessment to services will improve the accuracy of reporting and the inclusion of target times provides a measurable outcome.

However, the complexity of the range of community care services must be considered. The time taken to complete an assessment is affected by the complexity of the assessment and the range of inputs required. Similarly, the time taken to deliver a service is dependent on the type of service and the assessment of risk to and need of the service user. For example; emergency respite can be delivered almost instantly while a major adaptation to a person's home may take a year to complete.

East Ayrshire Council Social Work Service currently prioritises assessments on the basis of risk and according to need. The indicator could be further amended such that target times for assessment completion and service delivery should reflect the assessed priority.

2.2 Benefits Administration Indicator 2 – Processing Time - CHANGED

The Department of Work Pensions (DWP) propose to introduce an indicator to replace the current SPI on the average times to process new applications and change of circumstances. A single 'right time' measure will seek to capture processing times for all events whether these are new claims or notifications of changes. DWP are currently consulting on their proposals and it is anticipated this process will be completed by the end of August, when a new measure will be proposed.

The four options currently being considered by DWP and subject to consultation are:

- The time within which the fastest 90% of new claims and change of notification/events are processed in calendar days. Targets would apply, e.g. claims processed within x days.
- Mean number of days to process all claims and change notifications/events. Targets would be set e.g. the mean number of days to process all claims and change notification/events is less than x days).
- The weighted average (by number of claims and change notifications/events) of the mean number of days to process the 90% fastest claims and the mean number of days to process the 90% fastest change notifications/events. Targets would be set e.g. the weighted average should be less than x days).
- X percentage (movable target) of events dealt with within Y number of days (fixed target).

In accordance with its concern to support national priority objectives and ensure that its SPIs are harmonised with those in use elsewhere, the Commission proposes to introduce a changed SPI in accordance with the outcome of the DWP Consultation.

Council Response

The Council welcomes the changes to this indicator, as the current indicator fails to capture the true 'end to end' processing time, focusing instead on the average of all claims. This can, as a result, lead to the underlying causes of delay within the system not being highlighted. Given this, the first option - monitoring the time within which the fastest 90% of claims/changes are processed - would be the closest approach to this, as it would be expected that the outlying 10% would be as a result of exceptional reasons which, if included, would skew the indicator.

2.3 Benefits Administration Indicator 3 – Accuracy of Processing - CHANGED

The Commission notes that whilst eliminating fraud and error is a key DWP objective, currently there is no measure of successful outputs as a result of these activities. The majority of fraud and error is due to changes in claimant circumstances that occur once claims are already in payment and these changes not being identified by the council or reported by the claimant. The proposed

change to this indicator is to replace the reporting of process accuracy and recovery by requiring councils to report their performance against individually set targets for identifying a number of reductions in payments as a result of changes in circumstances, thereby reducing the level of fraud and error in the payments being made.

In accordance with its concern to support national priority objectives and ensure that its SPIs are harmonised with those in use elsewhere, the Commission proposes to introduce a changed SPI in accordance with that used by the DWP.

Council Response

The Council notes that the proposed change to Benefits Administration Indicator 3 reflects the changes required by the DWP that Councils deliver reductions in overall payments through a programme of intervention and checks. Again, whilst East Ayrshire Council agrees that the harmonisation of targets and measures between government bodies is welcome, it is vitally important that the individually set targets for councils in relation to reductions in payments remain achievable.

There may, therefore, be some benefit in investigating the link between speed of processing and overall accuracy and whether a combined indicator would be of more worth.

2.4 Corporate Management – Sickness Absence - CHANGED

Elsewhere in the UK and in other sectors, sickness absence is measured simply in terms of working days lost per employee. In order to facilitate comparison with other public service providers across the UK the Commission propose to change this indicator.

Also in view of a) the variation in working arrangements among main stream local government employees and b) the relatively low number of craft employees it is no longer considered appropriate to show these as separate groups. Therefore, for the purpose of reporting this SPI, it is proposed to amalgamate craft employees into the main body of local government staff including chief officers and other employees.

As such it is proposed that the changed indicator will gauge the average number of working days per employee lost through sickness absence for local government employees and, separately, teachers.

Council Response

The Council welcomes the proposed changes to this Indicator, as detailing absence in terms of days is a move towards the industry standard, is more understandable than percentages, and will allow for better and more meaningful comparisons with other sectors.

2.5 Housing – Indicator 1 – Response Repairs - SIMPLIFIED

Following discussion with Communities Scotland, and the Scottish Executive, the Commission proposes to simplify this indicator to show overall achievement against council targets.

As such, it is proposed that the simplified indicator will now gauge a) the number of response repairs completed during the year, b) the overall % of repairs completed with the target time and c) the repairs categories used by the council and the target times for each.

Council Response

It is suggested that this indicator is not a particularly helpful measure of performance as it provides little opportunity for robust and accurate benchmarking across local authorities.

Section (a) is, in particular, of little value as it measures raw numbers and not performance. Section (b) does provide some useful percentage information. However, the basis on which this percentage is calculated seems to vary between local authorities. Section (c) provides a statement of priority and target set by each local authority. However, again, as targets differ between each authority it would seem to be of little benchmarking value.

2.6 Housing – Indicator 2 – Proportion of Housing stock meeting the SHQS - NEW

The Commission notes that Scottish Ministers established a national expectation that all housing will meet the Scottish Housing Quality Standard by 2015. Following discussion with Communities Scotland and the Scottish Executive the Commission propose to introduce this new indicator to report progress towards achieving that standard. This outcome indicator will facilitate comparison between the maintenance condition of council housing and that of other Registered Social Landlords through the work of Communities Scotland. This new proposed indicator will therefore measure the proportion of housing stock meeting the Scottish Housing Quality Standard.

Council Response

Whilst the Council welcomes this new measure in principle, it is suggested that this could be much better defined. The Housing Investment Programme, in planning work for properties to meet the SHQS, sets out various elements of work that are required to be completed to bring the property up to the standard. As such, under the current proposed definition, an authority with 1000 houses requiring just 1 more element to fulfil the standard will appear to be performing less well than an authority with 200 houses with 6 elements requiring completion to meet the standard. As such, in its current form, this indicator seems to lack the requisite detail and refinement to allow for meaningful measurement of performance.

2.7 Housing – Indicator 7 – Homelessness - CHANGED

The Commission notes that discussion with the Scottish Executive Scottish Homelessness Unit and Communities Scotland indicates that policy regarding homelessness has developed since the current SPI was introduced. It proposes therefore to change the indicator to reflect the outcomes for those in the two different groups for which councils have a duty and the sustainability of permanent lets in those councils with their own stock. The two different groups for which the Council has a duty are those housed in:

- Permanent accommodation for household; and,
- Temporary accommodation, including the provision of advice and guidance, or taking reasonable measures to retain accommodation.

It is proposed that part (a) of the indicator will reflect the number of assessments undertaken and which of the two groups applicants were assessed as being in, the efficiency of the council's assessment and notification processes following an applicant's initial presentation, the proportion of those for which the council recognised a duty to secure permanent accommodation that it was successful housing and the effectiveness of the council's actions in the discharge of its duty for each group.

It is proposed that part (b) of the indicator will apply only to councils with their own housing stock. It looks at the sustainability of lets which commenced during the previous years for homeless people for whom the council provided permanent accommodation. This will report the proportion of lets either terminated during the year or still in place at the year end where the tenancy was sustained for a period of at least 12 months. To report this in 2008/09, councils will need to identify the number of tenancies provided in its own stock during 2007/08 to those for which it had a duty to find permanent accommodation and the number of these tenancies still in place at least 12 months from the date of the start of the tenancy.

Council Response

East Ayrshire Council is concerned that this indicator was changed only a few years ago and as such would question why it requires to be changed again, given the resultant problems of building up new trend information on the indicator from 2008/09.

The Council also notes that the wording in section (a)(i) refers to the term 'household'. The Council considers this to be an ambiguous term with roots in the previous indicator, and that it would be more appropriate to change this term to 'case', which would be a much more accurate term and less open to misinterpretation for the purposes of performance benchmarking.

2.8 Waste Management Indicator 3 - Refuse Recycling – SIMPLIFIED

Detailed information on refuse collection and disposal is collected by the Scottish Environment Protection Agency (SEPA). The key policy concerns are that recycling (including composting) should increase and that less biodegradable municipal waste should be disposed at landfill. Therefore, it is proposed that this indicator is simplified to reflect achievement against these outcomes.

As such, it is proposed that this indicator will now simply gauge (a) the percentage of municipal waste collected by the authority during the year that was recycled and (b) the tonnage of biodegradable municipal waste that was disposed at landfill.

Council Response

East Ayrshire Council welcomes the simplification of this indicator.

2.9 Comments on Criminal Justice SPIs in light of the new Community Justice Authorities (CJAs) Performance Measures

The Commission notes that the eight new Community Justice Authorities cover the whole of Scotland and have responsibility for the strategic management of a range of services including the criminal justice social work services provided by constituent councils.

In accordance with the requirements of Section 3 of the Management of Offenders etc (Scotland) Act 2005, Scottish Ministers have identified a range of indicators for CJAs to report, which focus on outcomes for communities, offenders and partnership working.

The indicators are welcomed by the Commission as reflecting a wider range of performance than the detailed criminal justice activities reflected in the current criminal justice SPIs reported by councils (ASW to AS8).

The legislation places a responsibility on the CJAs to monitor the performance of constituent bodies in the light of the locally determined strategies and priorities.

The Scottish Executive will begin collecting performance information from the CJAs in 2008/09. Therefore the Commission has asked for the views of local authorities on the relevance and value of the existing criminal justice SPIs.

Council Response

The South West Scotland Community Justice Authority (CJA) consists of four local authorities. The performance measures for CJA's focus on three types of outcomes described as Community Outcomes, Offender Outcomes and System Outcomes.

The development of Community Justice Authorities is still at an early stage and work is ongoing to arrive at an appropriate range of output measures. It is suggested that the existing arrangements for the reporting of local authority performance in this area continue until new arrangements are agreed on the balance of national and local performance reporting for Criminal Justice Services.

The Council would however welcome further consultation with Audit Scotland to improve the quality and relevance of the Statutory Performance Indicators.