

# EAST AYRSHIRE COUNCIL

COUNCIL – 24 JUNE 2010

## 2009/10 STATUTORY PERFORMANCE INDICATORS AND ANNUAL PERFORMANCE REPORT

### Report by Executive Director of Finance & Corporate Support

#### 1. PURPOSE OF REPORT

- 1.1 To submit the Annual Performance Report for 2009/10 to the Council and to seek approval of proposed arrangements for its publication and distribution.

#### 2. BACKGROUND

- 2.1 The Accounts Commission issued a consultation paper inviting local authorities to comment on their proposals in respect of SPIs for the financial year 2009/2010. This proposed significant changes to the number and range of SPIs by reducing the number of nationally prescribed indicators and inviting authorities to supplement these national SPIs with their own suite of locally agreed SPIs. A report on this was considered by the Cabinet on 5 November 2008, at which time the terms of a Council response were agreed.
- 2.2 The final 2008 Direction was published in February 2009. In response to this Direction, Cabinet on 3 June 2009 agreed to supplement the 25 prescribed National Statutory Performance Indicators with a suite of 24 Local Statutory Performance Indicators (6 per department). It was further agreed at this time that there would be ongoing development of the Council's broader performance management framework to encompass new service-based indicators.
- 2.3 On 15 January 2010, the Council received from Audit Scotland a document entitled: "Statutory Performance Information: The 2008 Direction - A Guide for Auditors." This document set out a number of important issues. In summary, analysis of the Guidance identified that:-
- there would be a need to increase the number and coverage of the indicators contained within the suite of Local Statutory Performance Indicators agreed by Cabinet on 3 June 2009;
  - there would be a shift in the audit role of Audit Scotland in relation to SPIs with a greater reliance being placed on councils in relation to the accuracy of individual indicators and Audit Scotland carrying out a more strategic assessment of the effectiveness of council's performance indicators, verification procedures and processes; and
  - Audit Scotland would examine public performance reporting arrangements put in place by councils.
- 2.4 In response to the requirements of this Guidance a further review of the Council's proposed suite of Local SPIs and arrangements for reporting on SPI performance was undertaken, the outcome of which was reported to Cabinet on 24<sup>th</sup> March 2010. At this meeting, Cabinet agreed to supplement the Council's existing suite of 24

Local SPIs with a further 28 indicators to ensure appropriate coverage of the 2 categories (corporate management and service performance) included within the Direction. New arrangements for the production of an Annual Performance Report (APR) based upon the 25 nationally prescribed SPIs and the suite of 52 Local SPIs was also agreed by Cabinet at this meeting.

**2.5** This report advises of the Council's performance against the agreed suite of 77 Statutory Performance Indicators and of arrangements for the publication and distribution of the new Annual Performance Report.

### **3. 2009/10 PERFORMANCE INFORMATION AND ANNUAL PERFORMANCE REPORT**

**3.1** In view of the level of reliance now being placed on councils in relation to the accuracy of individual indicators, the Best Value and Performance Section, in conjunction with performance officers from across the Council, has reviewed the processes employed for collecting all indicators in accordance with Audit Scotland guidance. In addition, this Section provided a co-ordinating role between Departments and the Council's Internal and External Auditors to ensure a consistency of approach and effective communication.

**3.2** A review of Internal Audit processes for checking and auditing SPI files was also instigated by the Executive Director of Finance and Corporate Support in consultation with the Head of Internal Audit. This aim of this review was to seek earlier input from Internal Audit in relation to the auditing of SPIs to facilitate earlier publication of performance data.

**3.3** This review secured the earlier programming of Internal Audit work on the SPI files and for the first time, the Council's audited performance information will be available and published in June. (in previous years, audited information has not been available until September and publication of performance has not been issued until November).

**3.4** Details of the Council's performance in 2009/10 against the agreed suite of 77 SPIs is provided in the 2009/10 Annual Performance Report (APR), a copy of which is included at Appendix 1.

**3.5** As well as performance data, the APR also includes:

- appropriate contextual analysis in respect of a number of indicators that are considered to be of specific interest to the general public;
- a summary of the main audits and inspections that have been carried out by external bodies in the previous year;
- a high level summary of the Council's income and expenditure; and
- links to web pages containing more detail on both audits and inspections and the Council's financial accounts for 2009/10.

**3.6** It is proposed that the APR will be published both on the Council's website and in the form of a booklet to be made available at all local offices and libraries.

## **4. FINANCIAL IMPLICATIONS**

- 4.1** This approach to the publication and distribution of the APR will deliver a saving to the Council of approximately £25,000 per year in staff time and printing and delivery costs when compared to previous years' arrangements.

## **5. POLICY IMPLICATIONS**

- 5.1** The in-house production and early publication of the APR will ensure compliance with Audit Scotland's guidance on Public Performance Reporting as outlined in paragraph 2.4 above.
- 5.2** It is a statutory requirement for the Council's policy to publish information relating to Statutory Performance Indicators by 30 September each year. This will be achieved by placing the Annual Performance Report on the Council's web-site and by making it available in local offices and libraries.

## **6. LEGAL AND RISK IMPLICATIONS**

- 6.1** The Local Government Act 1992 lays a duty upon each council to have in place such arrangements for collecting, recording and publishing performance data to comply with SPI Direction Notices and to ensure that, so far as is practicable, everything published is accurate and complete. The Local Government in Scotland Act 2003, requires councils to make public the information relating to the previous year's Statutory Performance Indicators by 30 September each year.
- 6.2** The External Auditors have a statutory duty to ensure that they are satisfied that the Council has made such arrangements as required. The arrangements outlined within this report seek to ensure compliance with all statutory requirements.

## **7. COMMUNITY PLANNING IMPLICATIONS**

- 7.1** The reporting contained within the Annual Performance Report is structured around the four Community Planning themes, providing appropriate and robust links. Several indicators also contribute to the Council's Single Outcome Agreement and the whole document complements the Community Planning Partnership Single Outcome Agreement Annual Performance Report.

## **8. RECOMMENDATIONS**

- 8.1** It is recommended that Council:
- (i) notes the contents of the 2009/10 Annual Performance Report, including the audited 2009/10 Statutory Performance Indicators;
  - (ii) approves the arrangements for publication of the information;
  - (iii) otherwise notes the contents of this report.

**Alex McPhee**  
**Executive Director of Finance & Corporate Support**  
**10 June 2010**

## **LIST OF BACKGROUND PAPERS**

1. Audit Scotland, 'A New Direction: SPI Guidance for Audited Bodies' 2009/10
2. Audit Scotland, 'Statutory Performance Information: The 2008 Direction - A Guide for Auditors'
3. East Ayrshire Council's Response to Audit Scotland's 'Statutory Performance Information: The 2008 Direction - A Guide for Auditors', Cabinet Paper, 19 March 2010.

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