

EAST AYRSHIRE COUNCIL

BEST VALUE SUB-COMMITTEE – 11TH OCTOBER 2000

**ACCOUNTS COMMISSION FOR SCOTLAND – LOCAL GOVERNMENT ACT 1992
– CONSULTATION ON THE 2000 DIRECTION**

Report by Depute Chief Executive/Director of Corporate Resources

1. PURPOSE OF REPORT

- 1.1** To advise the Committee of the consultation paper issued by the Accounts Commission containing proposals for its 2000 Direction and to request approval of the council's response to the consultation document.

2. BACKGROUND

- 2.1** The Accounts Commission has published its Consultation Paper in which it sets out its proposals for the Performance Information to be reported by Scottish Councils in 2001/02.

- 2.2** The Local Government Act 1992 requires the Accounts Commission, to issue an annual Direction to local authorities to publish such information relating to their activities in any financial year as will, in the Commission's opinion:

“facilitate the making of appropriate comparison (by reference to the criteria of cost, economy, efficiency and effectiveness) between;

- a) the standards of performance achieved by different authorities in that financial year; and
- b) the standard of performance achieved by such bodies in different financial years”

- 2.3** The consultation paper recognises that the Statutory Performance Indicators (SPI's) have been subject to a significant degree of change in previous years and, as a result, it is anticipated that many of the current indicators will remain relatively stable in the short to medium term. The continuing development of Best Value, in particular the increasing use of non-statutory indicators and other performance information, and the introduction of public performance reporting, has changed the context within which statutory performance indicators are reported. The Accounts Commission intends to continue to reflect a national picture of performance relevant to policy issues.

2.4 Comments on the Direction were required to be submitted to the Accounts Commission by 15 September 2000. In order to comply with this timescale, a provisional response has been submitted, subject to approval by this Committee.

3. PROPOSALS FOR THE 2000 DIRECTION

3.1 Councils are required to include the data relating to indicators in the statutory advertisement published by September 2001 and the Commission will publish the national report for 2001/2002 in early 2002.

3.2 The 1992 Act requires that SPIs specified by the Commission should facilitate comparison over time as well as between Councils. The proposals contained in the 2000 Direction are aimed at clarifying the current criteria used by the Commission to determine the SPI's and, to this end, three additional criteria for future PI's are proposed.

3.3 The Commission have used the following criteria when it has specified statutory indicators:

- The requirements of the Act
- the value of indicators to stakeholders (service users, the public, interest groups, local and national politicians) and to council staff and managers
- the amount of work involved for councils in putting in place sound management systems for information gathering and reporting
- the value of publishing information in line with the timetable of the 1992 Act, as opposed to earlier publication by other means. For example, statutory indicators do not cover school attainment as HM Inspector of Schools publishes school examination results much earlier than the Commission could.

3.4 The Accounts Commission have recognised that there is a growing concern amongst authorities that the SPI's should:

- emphasise performance in relation to the outputs and outcomes of service provision rather than issues relating to resource inputs
- be capable of straightforward interpretation, without the need for additional information
- reflect nationally set or nationally agreed service targets and standards rather than dealing with locally determined targets and standards.

These concerns have been addressed in the 2000 Direction by setting out criteria to assist in the development of SPIs.

3.5 Firstly, there is a need for the statutory indicators to demonstrate change in service delivery standards - largely reflected in output and outcome measures. Nevertheless, these must be balanced with economy/efficiency indicators to allow a rounded view of how well services are delivered. Whilst the Commission will seek to work with partners to improve the reporting of service outputs and outcomes, it will also continue to require that information which links inputs with outputs or outcomes is reported.

- 3.6** Secondly, it should be generally agreed, without additional information, whether a change in performance is an improvement or deterioration. This is referred to as the ‘which way is up’ criterion – e.g. shorter time to process planning applications is an improvement as is a higher percentage of food hygiene inspections completed within target times.
- 3.7** Thirdly, where parliament or the Scottish Executive sets standards or performance measures for key services, they facilitate the monitoring of all councils on a common basis. Until now, a few SPI’s have required information on performance achieved against local targets and standards, not least because no national service levels have been established. The Accounts Commission are of the view that where such common standards can be identified and agreed, the statutory PIs should require reporting against these, rather than local standards. These local PI’s should be reported through local Public Performance Reporting frameworks within the context of Best Value.
- 3.8** The Commission seeks the views of consultees on the value of adding the three criteria described above to the existing criteria which are used to help define SPI’s.
- 3.9** The Commission have examined the present set of indicators and have identified 13 indicators (“transitional” indicators) which do not fully meet these criteria. It is not considered appropriate to drop these indicators before all concerned have the opportunity to develop better indicators or other collection mechanisms are provided. It is proposed that the Commission will work with partners to develop indicators so that they do meet the new criteria and, where this is not possible, they will continue to include the indicator in the statutory set until other bodies (e.g. professional associations) are able to take over the specifying and dissemination of the data.
- 3.10** The impact of the proposals on specific service areas is summarised in the following table.

Proposals For The 2000 Direction

Service	Unchanged indicators	Changed indicators	Deleted indicators	Transitional indicators	New indicators	Total indicators
Benefits Administration	2	1	0	0	0	3
Building Control	1	0	0	0	0	1
Council-wide Functions	4	0	0	0	0	4
Education	7	0	0	1	2	9
Environmental Health	4	0	0	4	0	4

continued over

Service	Unchanged indicators	Changed indicators	Deleted indicators	Transitional indicators	New indicators	Total indicators
Finance	3	1	0	0	0	4
Fire	5	0	0	0	0	5
Housing	6	0	0	1	0	6
Leisure and Recreation	4	0	0	1	0	4
Libraries	3	1	1	1	0	4
Planning	4	0	0	0	0	4
Police	6	0	0	0	0	6
Roads and Lighting	4	1	0	3	1	6
Social Work	12	0	0	0	1	13
Trading Standards	2	0	0	1	0	2
Total	71	4	1	13	4	79

3.11 The Accounts Commission propose to continue to develop the use of family groups of councils for the national reporting of data. However, they are of the view that it will only be appropriate to do this if :

- research shows that the factors applied have direct implications for the comparative performance of councils
- there is a high degree of consensus among relevant stakeholders that the application of the groupings is helpful in terms of presenting the data.

Views are sought on this approach.

4. PROPOSED RESPONSE ON THE DIRECTION

4.1 A copy of this Council's proposed response on the Direction is included as an appendix to this report.

4.2 This response has been compiled following consultation with all departments of the Council and includes only those indicators which are changed / new or where specific comments on existing indicators are considered relevant.

5. POLICY, FINANCIAL AND LEGAL IMPLICATIONS

5.1 Publication of the performance indicators is a requirement under the Local Government Act 1992. Any financial implications resulting from the compilation of data will be reported directly by departments to their respective service committees.

6. CONCLUSION

- 6.1** The collection and publication of information is central to the process of ensuring that the council provides continuously improving services.
- 6.2** Public Performance Reporting will enhance this and goes far beyond the statutory duty to provide and publish information on statutory indicators.

7. RECOMMENDATION

- 7.1** Members are asked to agree:

- (i) to the submission of the proposed comments on the 2000 Direction to the Accounts Commission as this Council's response to the proposals; and
- (ii) to otherwise, note the contents of the report.

Fiona Lees
Depute Chief Executive/Director of Corporate Resources

CF
27 September 2000

LIST OF BACKGROUND PAPERS

Members wishing further information should contact Fiona Lees, Depute Chief Executive/Director of Corporate Resources or Douglas Campbell, Head of Corporate Development and Communications on telephone (01563) 576019 or (01563) 576165 respectively.

AGENDA