

# Report

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| Report to:       | <b>Performance and Review Scrutiny Forum</b>                |
| Date of Meeting: | <b>25 October 2011</b>                                      |
| Report by:       | <b>Executive Director (Finance and Corporate Resources)</b> |

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| Subject: | <b>Improving Local Government Benchmarking – SOLACE and Improvement Service</b> |
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Forum of work done in recent months by the Improvement Service, on behalf of SOLACE, in respect of improving local government benchmarking

## 2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation(s):-

- (1) that progress on the project to develop a comparative performance support framework for Scottish Local Government through SOLACE and the Improvement Service is noted; and
- (2) that consideration be given in due course, by Resources to the level of participation and use to be made of the benchmarking results.

## 3. Background

- 3.1. The SOLACE benchmarking project was established to develop, on a collaborative basis, a comparative benchmarking framework for Scottish Local Government in terms of costs, productivity and related outcomes.
- 3.2. Draft indicators were consulted upon during 2011 and a refined suite of potential indicators has now been considered by SOLACE.
- 3.3. The key criterion applied to the final selection of proposed indicators was that any one of them must be able to be collected on a comparative basis across all 32 councils. In addition, each indicator had to materially improve the cost information of service delivery on a comparative basis for major service areas as well as corporate services.
- 3.4. There has been considerable discussion on the use to be made of Local Financial Returns (LFR) data for benchmarking purposes and to the fact that councils may interpret differently how LFR information is returned. LFR data was to be the principal source used to identify the cost basis of services for benchmarking purposes. Whilst LFRs provide the aggregate cost information for all service areas, they do not include some of the detail required to inform more detailed benchmarking analysis. To further assist this project, SOLACE and the Improvement Service are working with CIPFA Directors of Finance (Scotland) to consider how best to ensure

LFRs can be made more meaningful for exercises such as benchmarking. In the meantime, consideration has been given to supporting data sources, eg Scottish Household Survey, Scottish Government Statistics, etc.

- 3.5. This report to Forum provides information on potential indicators and data sources, which are the subject of more detailed consideration by Improvement Service after having being reported to SOLACE in August 2011. Once a final decision is reached, the Improvement Service will then support councils to take this project forward.

#### **4. Progress to Date**

- 4.1. A SOLACE Benchmarking Forum was held on 18 March 2011. This included workshop sessions which considered data analysis and issues around importance of identifying the correct benchmarking families, and benchmarking reporting requirements.
- 4.2. Early in May 2011, the Improvement Service issued a paper to Chief Executives containing proposed indicators/data sources and key questions. The key questions focussed on 'Are there other indicators which would be better suited to the benchmarking that have not been included?' and 'Are there any additional outcome/quality indicators that would be appropriate to include?'
- 4.3. The response from South Lanarkshire Council noted the Council's support for using existing data sources as opposed to any effort being directed to developing new indicators.
- 4.4. In June 2011, a Project Update Report was prepared for SOLACE by the Improvement Service which summarised comments returned from 20 councils both in terms of the proposed suite of indicators as well as suggestions for new indicators. This also included consideration of LFRs and other data sources. The key points from this update were:
- SOLACE/Improvement Service working with CIPFA Directors of Finance to ensure LFRs are as robust as possible and become more meaningful for exercises such as benchmarking
  - Scottish Household Survey remains as a source of satisfaction data until other data sources become available
  - Statutory performance indicators are part of the suite
  - Some refinements identified to initial suite of indicators based on comments returned
  - Small number of measures added as a result of comments returned
- 4.5. In August 2011, a further Project Update Report was presented to SOLACE which identified a number of points to be considered. These were:
- Development of benchmarking families
  - Develop Data Cleansing process
  - Develop Public Performance Report Template
  - Finalise Benchmark Toolkit
  - Develop Key Communications Messages
- 4.6. SOLACE requested further work to be carried out by the Improvement Service before it finally updates the guidance and data source for each indicator. Thereafter, updated data sheets will then be populated and circulated to all councils.

## **5. Next Steps**

- 5.1. The Forum is asked to note the Council's support for this exercise and the anticipated outcome for a robust suite of benchmarking indicators which can be used as 'can opening' for each major service area.
- 5.2. The suite of indicators currently under consideration, and considered by SOLACE in August, is attached at Appendix 1.
- 5.3. It should be noted that participation in this exercise will be public insofar as the data collected will be subject to the Freedom of Information Act.
- 5.4. The Forum is asked to note that the Financial Performance Section will be responsible for collating any data and that individual Executive Directors will be asked to register their interest in formal benchmarking at the appropriate time.

## **6. Employee Implications**

- 6.1. The management of this task will be contained within the Financial Performance Section and the Corporate Improvement Advisory Board as required.

## **7. Financial Implications**

- 7.1. There are no financial implications.

## **8 Other Implications**

- 8.1. Overall the benchmarking exercise is intended to encourage dialogue between councils in order to better understand the key factors that impact on outcomes and secondly how the configuration and cost of services impacts on results. In so doing the purpose is to better understand those factors that each council can control and influence in order to improve its costs against outcome. It is for each council to decide whether their cost is appropriate given the priority of each service within their local area.
- 8.2. The risk of not undertaking the benchmarking exercise is that councils have inadequate comparative data in times of reducing SPIs and a greater focus on costs and efficiencies.
- 8.3. There are no sustainability issues associated with the content of this report.

## **9 Equality Impact Assessment and Consultation Arrangements**

- 9.1. Consultation has taken place with all local authorities through SOLACE.
- 9.2. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

3 October 2011

**Link(s) to Council Objectives/Improvement Themes/Values**

- ◆ Performance Management and Improvement

**Previous References**

- ◆ None

**List of Background Papers**

- ◆ None

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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### Improving Local Government Benchmarking: Suite of Indicators (August 2011)

|           |                                                                                               |
|-----------|-----------------------------------------------------------------------------------------------|
|           | <b>Children's Services</b>                                                                    |
| CHN1      | Cost per Primary School Pupil                                                                 |
| CHN2      | Cost per Secondary School Pupil                                                               |
| CHN3      | Cost per Pre-School place (Includes Under 3s, Ante-Pre-School, Pre-School and Deferred Entry) |
| CHN4      | Attainment of Children at Standard Grade Level by all Children                                |
| CHN5      | Attainment of Children at Higher Grade Level by all Children                                  |
| CHN6 ***  | Attainment of Children at Standard Grade Level by Children from Deprived Backgrounds (SIMD)   |
| CHN7 ***  | Attainment of Children at Higher Grade Level by Children from Deprived Backgrounds (SIMD)     |
| CHN8 (a)  | The Gross Cost of "Children Looked After" in a residential establishment per Child per Week   |
| CHN8 (b)  | The Gross Cost of "Children Looked After" in a Community Setting per Child per Week           |
| CHN9      | Balance of Care for Looked After Children: % of Children Being Looked After in the Community  |
| CHN10     | % of Adults satisfied with local schools                                                      |
| CHN11     | Proportion of Pupils Entering Positive Destinations                                           |
|           | <b>Corporate Services</b>                                                                     |
| CORP1     | Central Support Services as a Proportion of Council Running Costs                             |
| CORP2     | Cost of Democratic Core per 1,000 Population                                                  |
| CORP3 *** | Total HR Cost per 1,000 Employees (FTE)                                                       |
| CORP4 *** | Total Finance Cost per 1,000 Employees (FTE)                                                  |
| CORP5 *** | Total ICT Cost per 1,000 Employees (FTE)                                                      |
| CORP6     | Sickness Absence Days per Employee (FTE)                                                      |
| CORP7     | Percentage of income due from Council Tax received by the end of the year                     |
|           | <b>Social Work</b>                                                                            |
| SW1       | Adult Home Care Costs per Hour                                                                |
| SW2       | Gross Residential Costs per Week                                                              |
| SW3       | Percentage of People Aged 65+ with Intensive Needs (Plus 10 Hours) Receiving Care at Home     |
| SW4       | % of Adults satisfied with social care or social work services                                |

|           |                                                                                                                                                                                                            |
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|           | <b>Culture and Leisure Services</b>                                                                                                                                                                        |
| CUL&LEIS1 | Cost per Attendance of Sport and Leisure Facilities (Including Swimming Pools)                                                                                                                             |
| CUL&LEIS2 | Cost per Visit to Libraries                                                                                                                                                                                |
| CUL&LEIS3 | Cost per Visit to Museums and Galleries                                                                                                                                                                    |
| CUL&LEIS4 | Cost of Parks and Open Spaces per 1,000 of the Population                                                                                                                                                  |
| CUL&LEIS5 | % of Adults Satisfied with Culture and Leisure Services                                                                                                                                                    |
|           | a: % of adults satisfied with libraries<br>b: % of adults satisfied with parks and open spaces<br>c: % of adults satisfied with museums and galleries<br>d: % of adults satisfied with leisure facilities. |
|           | <b>Environmental Services</b>                                                                                                                                                                              |
| ENV1      | Gross Cost of Waste Collection per Premise                                                                                                                                                                 |
| ENV2      | Gross Cost per Waste Disposal per Premise                                                                                                                                                                  |
| ENV3a     | Net Cost of Street Cleaning per 1,000 Population                                                                                                                                                           |
| ENV3b     | Street Cleanliness Index                                                                                                                                                                                   |
| ENV4a     | Cost of Maintenance per Kilometre of Roads                                                                                                                                                                 |
| ENV4b     | Percentage of road network that should be considered for maintenance treatment by road category (A,B,C)                                                                                                    |
| ENV5      | Cost of Trading Standards and Environmental Health per 1,000 Population                                                                                                                                    |
| ENV6      | % of Total Waste arising that is recycled                                                                                                                                                                  |
| ENV7      | % of Adults Satisfied with Environmental Services                                                                                                                                                          |
| ENV 8     | a: % of adults satisfied with refuse collection<br>b: % of adults satisfied with street cleaning                                                                                                           |

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|             | <b>Housing Services</b>                                                              |
| HSN1        | Current Tenants' Arrears as a Percentage of Net Rent Due                             |
| HSN2        | Percentage of Rent Due in the Year that was Lost Due to Voids                        |
| HSN3        | Percentage of Dwellings Meeting SHQS                                                 |
| HSN4        | Percentage of Repairs Completed within Target Times                                  |
| HSN5        | Percentage of Council Dwellings that are Energy Efficient                            |
|             | <b>Corporate Services: Asset Management and Property</b>                             |
| CORPAM1     | Proportion of operational buildings that are suitable for their current use          |
| CORPAM2     | Proportion of internal floor area of operational buildings in satisfactory condition |
| CORPAM3 *** | Gross Property Costs of the Operational Estate as a % of the Gross Revenue Budget    |
| CORPAM4 *** | % Gross Internal Floor-Space in Condition Categories A-B (Good or Satisfactory)      |
| CORPAM5 *** | Energy Costs/Consumption Spend per m2 (Gas, Electricity, Oil, Solid Fuel)            |
| CORPAM6 *** | % of Public Service Buildings that are Suitable and Accessible to Disabled People    |
| CORPAM7 *** | Operational Property as a % of the Total Portfolio                                   |

**Key:**



New insertion or amended indicator following consultation exercise

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Proposed indicators that require development. The feasibility will now be explored by the IS and reported back to SOLACE.