

# Report

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Report to:	<b>Performance and Review Scrutiny Forum</b>
Date of Meeting:	<b>8 December 2009</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources)</b>

Subject:	<b>Performance Management and Best Value 2</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Performance and Review Scrutiny Forum on the range of Statutory Performance Indicator (SPI) and Local Performance Indicator (LPI) data currently collected within the Council and how this contributes to the audit requirements of Best Value 2.

## 2. Recommendation(s)

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

- (1) that the intention to carry out an annual corporate exercise to review the SPI and LPI data produced by the Council to meet the requirements of Best Value 2 be noted; and
- (2) that the gaps identified in the current review be addressed through the Corporate Improvement Advisory Board (CIAB), including:
  - review and development of performance indicators relating to service/unit costs
  - targeted analysis of the Best Value Toolkits by relevant Resources to identify and address any significant gap areas
  - review of existing benchmarking arrangements

## 3. Background

3.1. In February 2009 the Accounts Commission issued its SPI Guidance for 2009/10 which confirmed a significant change in the volume of SPI information to be collected and reported on by councils. The number of SPIs to be reported was reduced from 57 to 21 and the guidance noted that data would be organised under two headings:

- SPI 1 (Corporate Management) - where each council will report a range of information, sufficient to demonstrate that it is securing Best Value in relation to:
  - responsiveness to communities
  - revenues and service costs
  - employees
  - assets
  - procurement
  - sustainable development
  - equalities and diversity

- SPI 2 (Service Performance) – each council to 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):
  - benefits administration
  - community care
  - criminal justice social work
  - cultural and community services, covering at least sport and leisure, museums, the arts and libraries
  - planning (both environmental and development management)
  - the education of children
  - housing and homelessness
  - protective services including environmental health and trading standards
  - roads and lighting
  - waste management services

3.2. The guidance notes that the Commission has placed responsibility for meeting Best Value responsibilities, in terms of performance management and reporting, more directly with councils. This reduced number of specified measures also emphasises the Commission's commitment to ensuring that councils publish performance information on:

- a range of corporate issues covering key Best Value concerns such as equalities, resource and asset management
- revenue and service cost management (specific reference made to councils making greater use of cost information)
- front line services and issues directly relating to service user experience.

3.3. Notwithstanding the above, the Council will continue to report locally on all but two of the withdrawn indicators.

3.4. Both the guidance and the recent consultation on Best Value 2, place a strong emphasis on self evaluation and the need to have effective performance management and reporting arrangements in place. Within the council, recent reports have approved both the introduction of a corporate system of self evaluation and a review of the approach to Public Performance Reporting. However, in order to ensure that the Council continues to have effective performance management arrangements in place it was considered appropriate and timely to analyse and review the range of information currently available and identify any gaps or areas for improvement. This report provides an update on the current position and proposals for future action.

#### **4. Performance Management Information**

4.1. Whilst the specified SPIs are a starting point for performance measurement and reporting, they are on their own, insufficient to fully demonstrate corporate or service performance. As Connect and individual Resource Plans were recently reviewed, an exercise was carried out to capture the local performance measures included in these which would also support the key areas of corporate management and service performance.

4.2. This data was then collated on a council wide and individual Resource basis reflecting SPI 1, SPI 2 and Other Performance Data considered relevant to Best Value 2. The collated information was then circulated to CIAB officers for information and review.

- 4.3. The resulting dataset demonstrates that there is broad coverage across the majority of the elements of SPI1 and SPI2, with a mix of specified Statutory Performance Indicators (past and present), non-statutory indicators noted within Connect, and other Local Performance Indicators used by Resources.
- 4.4. However, as noted at 3.2 above, The Commission has stated that the improved use of service cost information is key in providing additional context for the assessment of performance. Within the council, the performance data available under SPI 1 'revenues and service costs' appears to be patchy and it is therefore recommended that the Corporate Improvement Unit liaises with the Head of Finance, to consider current unit cost measures used within the Council and to consider action required to review these as necessary.

## **5. Best Value Toolkits**

- 5.1. The Accounts Commission recently consulted on its proposals for the Best Value 2 audit arrangements, as well as on the broad detail of Best Value Toolkits to be used by audit teams. Best Value Toolkits identify what is expected in terms of basic, better and advanced practice and are grouped under the characteristics for a Best Value Council. There are currently 18 toolkits in draft form.
- 5.2. A basic analysis was also carried out comparing the council's performance management dataset against the requirements of the draft Best Value Toolkits. While these were helpful in contributing to meeting some of the questions contained within the toolkits, evidence to support the toolkits will not be restricted solely to performance indicators. It will also include relevant plans, policies and strategies, evidence of effective partnership working, consultation data and results, and real life impact and outcomes. On this basis it is proposed that, through the CIAB, relevant Resources are requested to consider the detail of appropriate toolkits with a view to satisfying themselves regarding coverage. Where appropriate, actions should be included in 2010/11 Resource Plans to address any shortfalls.

## **6. Benchmarking**

- 6.1. Following on from paragraph 5.2 above, the Best Value Toolkit for Performance Management will be considered in a corporate context by Corporate Resources. However, in the context of reducing SPIs and an increased focus on front line services, it is proposed that **all** Resources, through the CIAB, consider the following key question contained within the Performance Management toolkit with a view to assessing their current benchmarking arrangements to ensure they add value and updating as required:
- 'To what extent is the organisation aware of its relative performance?'

## **7. Proposals**

- 7.1. It is proposed that the undernoted work be progressed and/or reported through the CIAB:
- that the performance management datasets are confirmed as a useful means of assessing the Council's position in respect of SPI1 and SPI2 requirements and are updated annually
  - that Finance and IT Resources work, in conjunction with Resources to identify requirements for the development of additional indicators relating to service/unit costs. (This will respond to both SPI1 and to the 'Use of resources' Toolkit which focuses on costs, outputs and efficiency)
  - that appropriate toolkits are issued to relevant Resources to enable targeted analysis to be undertaken to identify and address any significant gap areas

- that, taking account of the requirements of the Performance Management Toolkit, all Resources should review benchmarking carried out and update as required

## **8. Employee Implications**

8.1. There are no employee implications.

## **9. Financial Implications**

9.1. There are no financial implications.

## **10. Equality Impact Assessment and Consultation Arrangements**

10.1. 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.

10.2. Consultation has taken place with the CIAB and the Corporate Management Team.

**Linda Hardie**  
**Executive Director**  
**(Finance and Information Technology Resources)**

11 November 2009

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

- All Improvement Themes

## **Previous References**

- None

## **List of Background Papers**

- Accounts Commission SPI Guidance 2009/10
- Accounts Commission Best Value Consultation
- Accounts Commission draft Best Value Toolkits

## **Contact for Further Information**

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

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