

LOCAL GOVERNMENT AND HOUSING COMMITTEE

BEST VALUE: REVIEW OF PERFORMANCE INDICATORS AND RESULTS OF AUDIT OF PERFORMANCE PLANS

Purpose

1. The Committee is asked to consider the consultation paper on Best Value Performance Indicators for Wales, and to note the overall findings of the audit of Best Value Performance Plans.

Summary

Best Value Performance Indicators

2. The consultation paper on Best Value Performance Indicators in Wales has emerged from a commitment given by the National Assembly to review the indicators put in place for 2000-2001, which were seen to be over-burdensome and lacking focus.

3. The paper tabled today (see **Annex** attached), setting out the performance indicators on which the Assembly will consult (which will be issued to all interested parties in Wales in the next few days) is an attempt to ease the burden on best value authorities at the same time as re-focussing the indicators to provide performance information more clearly linked to outputs and outcomes.

4. Recipients of the paper will be asked to respond by 19 January.

5. The Committee is asked to note the set of performance indicators which will be issued for consultation, and offer initial comments to the Minister for Finance, Local Government and Communities. The Committee may wish to consider the results of the consultation exercise early in the spring term.

Best Value Performance Plans

6. The reports resulting from the audit of the Best Value Performance Plans for Local Authorities and National Park Authorities in Wales were published on 31 October.

7. There were no referrals to either the Audit Commission or to the National Assembly, but in seven out of 25 best value authorities in Wales adverse qualifications were recorded due to significant failures to comply with legislation in the production of performance plans.

8. The Audit Service did note that in many areas there were examples of good service delivery, and adverse opinions should not detract from that.

Timing

9. The consultation paper on performance indicators will be issued very soon, with responses requested by 19 January. The new set of indicators to be prescribed by the National Assembly for 2001-2002 will need to be in place by 1 April.

10. The timing for the audit of next Performance Plans will depend on the date the National Assembly establishes for publication of final plans. The Assembly will be considering that issue and consulting interested parties at the same time as the consultation on performance indicators.

Background – Performance Indicators

11. It was agreed that when putting in place the National Assembly's Best Value Performance Indicators for 2000-2001 the set of indicators for 2001-2002 would be reviewed, and attempts would be made to reduce the burden (by reducing the number), to move away from the confusion caused by two separate sets of performance indicators being prescribed by different organisations, and to focus more clearly on indicators of outputs and outcomes which have a clear resonance with the public.

12. Since that commitment was made then National Assembly has, in conjunction with the Welsh Local Government Association, developed a framework policy agreement which focuses on the key areas of shared aspiration between the National Assembly and local authorities (social services, education, transport and the environment). It is important that Best Value Performance Indicators complement and support those agreements.

13. The Audit Commission has, after consultation, decided to pull out of setting performance indicators in Wales and will instead concentrate on developing a national set of "quality of life" indicators which will attempt to establish a set of indicators which will allow assessment of how well cross-cutting issues are being addressed by best value authorities. This has removed much of the confusion which existed during the development of performance indicators in Wales last year, and also links well with the community leadership role envisaged for local authorities in the Local Government Act 2000.

14. The consultation draft of the performance indicators has 97 suggested indicators, as compared with 172 for 2000-2001, a reduction of 45%. This strikes the balance between the key element of best

value, which is to encourage year-on-year improvements in performance and to be able to assess this, and the discretion provided to local authorities to provide the services local people require and deserve. This is the principle underpinning policy agreements – the need for nationally derived comparative data to allow robust comparison at the same time as reflecting locally-influenced service delivery requirements.

Background – Audit of Performance Plans

15. The results of the audit of best value performance plans were published on 31 October, and focussed on the process of producing the plans, not on the actual services provided by best value authorities (this aspect will be covered in great depth during authorities' fundamental service reviews and the subsequent objective inspection of those reviews by the Best Value Inspectorate).

16. There were seven adverse opinions (out of 22 authorities), but no referrals, either to the National Assembly or to the Audit Commission. The auditors were particularly concerned about the frailty of some of the corporate arrangements in authorities required to underpin the wider improvement agenda. The Audit Commission and the District Audit Service will be presenting their findings in more detail to the Committee on 13 December.

17. The National Assembly acknowledges the fact that best value is in the very early stages of development, and will work with best value authorities, the Welsh Local Government Association, Syniad, the Audit Commission and the District Audit Service to consider how to effect the improvements required to respond to those concerns.

Compliance

18. The National Assembly has specific powers under the Local Government Act 1999 (Section 4) to specify, by order, performance indicators and standards to support performance assessment within the best value regime in Wales.

19. There are no issues of regularity and propriety.

20. The compliance costs authorities will face in responding to a revised set of performance indicators will be offset over time by the efficiency savings which best value will deliver to authorities. Finance Group has been consulted about this submission, and is content with the financial aspects.

21. There are no novel or contentious proposals contained in the papers.

Cross-cutting themes

22. The general best value policy has been developed in a collaborative way, involving as equal partners in this process local authorities, the voluntary sector and the business sector. This will continue as best value is refined and developed further.

23. The revised set of performance indicators give suitable prominence to the issues of sustainable

development and equal opportunities, and the need for best value authorities to have due regard to these principles.

Action

24. The Committee is invited to note the attached set of draft performance indicators, and raise any issues it wishes to with the Minister for Finance, Local Government and Communities, which she will consider along with other consultation responses. There will be a further opportunity to discuss this in more detail at a future Committee meeting.

25. The Committee is also invited to note the overall outcome of the audit of performance plans. The Audit Commission and District Audit Service is to provide the Committee with a detailed presentation on this on 13 December.

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Annex

National Assembly for Wales Performance Indicators for 2001/2002

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For Performance Indicators see separate Word document