

POLICY PROPOSALS – SERVICE DELIVERY AND PERFORMANCE IMPROVEMENT FRAMEWORK

Summary: **Outlining the Panel’s agreed proposals in relation to the service delivery and performance improvement framework for the new councils, post 2011.**

Action Required: **Presented for approval.**

Background

1. In response to Minister Foster’s statement of 31 March 2008 on the future shape of local government, the Strategic Leadership Board agreed the establishment of three Policy Development Panels to support the reform and modernisation programme. Policy Development Panel (Service Delivery) is tasked with the development of policy and implementation proposals in relation to the modernisation of Local Government with specific reference to service delivery and performance management.
2. This paper sets out members’ agreed policy proposals in relation to the key features of a new service delivery and performance improvement framework. Further work will be required to develop detailed proposals in relation to the systems to underpin the framework at an operational level within councils, and to develop guidance to support the effective implementation of the processes.
3. In developing the proposals members took the decisions announced by Minister Foster as the statement of the policy objectives, and used the report from the Taskforce Sub-group on Performance Management as its starting point. Additional desk research was undertaken to provide members with detail on more recent developments in other jurisdictions in relation to Best Value, the improvement assessment regimes and the inter-relationship between performance improvement and community planning

Policy proposals

4. The policy objective underpinning the development of the proposals, drawn from Minister Foster's statement, is the provision of high quality, efficient services by councils that respond to the needs of people, and continuously improve over time. Members noted the Minister's comments that there is scope to achieve more in terms of delivering modern, high quality and efficient public services and that the drive towards this will be supported by central and local government working in partnership to develop appropriate performance management systems.
5. The Policy Development Panel took the view that the term performance management does not adequately reflect what councils should be striving to achieve in meeting the overall policy objective. Often the term is used to cover the performance of personnel only and not the performance of the organisation as a whole. As a consequence members agreed that any new framework must relate to services and the improvement of performance in the delivery of these, hence the adoption of the new term Service Delivery and Performance Improvement. This more holistic approach recognises the proposed role for councils in the community planning process and the inter-relationship between this duty and improvements in service delivery.
6. There was also consensus amongst the members that the new system should
 - i provide accountability to the citizen and place their needs at the heart of the council's business;
 - ii ensure ownership by councils and elected members;
 - iii facilitate council's to plan and resource their objectives to deliver measurable results which have a direct impact on their communities;
 - iv engender a commitment to continuous improvement and ensure the necessary systems and procedures are in place to achieve this;
 - v encourage sharing of best practice across councils;
 - vi put in place robust arrangements for effective improvement management including practical support for services in difficulty; and,

vii allow valid comparison across councils, and the flexibility to be able to demonstrate the delivery of national standards and locally agreed priorities.

7. Against this background members consider that the following elements should form the basis of a new service delivery and performance improvement framework.

A duty to secure best value

8. Members agree that the key foundation for the new framework will be restatement of the statutory duty on district councils to secure Best Value. Drawing on the experiences in other jurisdictions it is considered that this duty should be defined in terms of the continuous improvement of the performance of council functions. The aim is that the councils will be better at delivering public services that meet the expectations of the citizens through the achievement of continuous improvement. This improvement needs to be viewed in terms of both the delivery of services and the overall organisational effectiveness of the council.
9. In considering the Best Value duty it is recognised that it is essential that all citizens are provided with value for money services which demonstrate a due regard for the need to promote equality of opportunity. Members therefore take the view that the more expansive provision in Scotland provides an appropriate template for the way forward here than the provision in England and Wales. The adoption of such an approach would provide that councils, in achieving Best Value, will be expected to maintain a balance between the outcome of the service delivered and the cost of that service. In doing so councils will be expected to consider the efficiency, effectiveness and economy of their actions and how well those actions comply with the requirements of Equal Opportunities legislation, the impact on the Council's Community Plan and the achievement of sustainable development for the district.
10. It is anticipated that the methodology to be adopted to achieve the delivery of the continuous improvement will be a matter for each district council to determine, under a common framework. Members consider that councils should have the flexibility to determine the methodology to be adopted to achieve the delivery of the

continuous improvement. This approach will enable each council to take account of specific local factors and issues identified through the community planning process. Members however acknowledge that this flexibility needs to be balanced with a degree of consistency across the councils, through the provision of a common framework. They therefore consider that this approach should be underpinned by guidance developed in partnership between central and local government for issue by the Department as and when required, and that a duty should be placed on councils to have due regard to such guidance.

Performance Indicators and Standards

11. The members consider that the robustness of the new framework will be strengthened through the establishment of a regime of performance indicators and standards in relation to the deliver of services and functions. These indicators should as far as is practicable be outcome and citizen centred, and relate to key regional priorities identified in the Executive's Programme for Government and local priorities identified through a council's Community Plan.
12. Members consider that any regional performance indicators and standards must be determined and agreed through the Partnership Panel between central and local government proposed by the panel on governance and relationships. They acknowledge, however, that appropriate statutory mechanisms will need to be put in place for Departments to specify performance indicators in relation to regional priorities, through which individual councils performance can be measured and benchmarked and the performance standards which councils will be expected to meet.
13. In addition to the specification of regional performance indicators and standards members consider that the individual councils should have the flexibility to develop local performance indicators in relation to the delivery of their services and their operational effectiveness. These indicators would be linked with the objectives set by the council in its Community Plan.

Reporting on Best Value

14. In considering the constituent elements of the framework members acknowledge and support, as indicated earlier in the paper, the requirement to provide accountability to the citizen, and that a mechanism will need to be put in place to provide for this purpose. Accordingly members propose that a requirement should be placed on councils to prepare and publish a Corporate Plan, which should include an Improvement Plan for service delivery and performance.
15. Experience elsewhere points to a number of elements that are likely to form the framework for such a Plan, including reporting on progress towards the achievement of previous identified targets and the statement of targets for the incoming period. It is the members' view that further work should be undertaken to identify the key elements that would be required in the Improvement Plans and to develop guidance to support councils in the preparation of the Plans.

Monitoring Best Value

16. In order to ensure compliance with the legislative requirements of the framework, including any guidance issued by the Department, members recognise that appropriate monitoring and support mechanisms will need to be put in place. Taking account of these factors and councils' accountability obligations to citizens and central government members recommend that there should be the facility for the external assurance of the Improvement Plans developed by the Councils. This assurance role should be supported by a provision for Best Value inspections. The primary aim of the assurance and inspection functions would be to assess the degree to which councils comply with the requirements of the service delivery and performance improvement framework.
17. Members acknowledge that in England, Scotland and Wales these roles are undertaken by the respective audit bodies for local authorities, and that this would point to a newly defined role for the Local Government Auditor working with the sector, in the context of the reform of local government. Such a role is likely to

encompass the current financial audit and certification of a Council's Annual Account, an assurance role in relation to the preparation of Corporate and Improvement Plans and an assessment of compliance with the requirements of the Service Delivery and Performance Improvement framework. Further work is required to develop proposals in relation to the outworking of this aspect.

18. Members are also of the view that the new statutory framework should be supported by the introduction of self-assessment and peer review at appropriate stages in the preparation of the council's Improvement Plan and the monitoring of its delivery. In order to enhance the support to councils in the overall delivery of performance improvement there is a view that consideration should be given to the establishment of a Local Government Improvement Service. Further work will be required within local government to determine the most appropriate approach to the structure of such a service.

A power of Intervention / Enforcement

19. Members recommend that any action required in response to a council's failure to adequately discharge its responsibilities should be reserved to the Minister with responsibility for Local Government.

DOE/NILGA Joint Secretariat

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