

# **Local Government Act 1992**

**Statutory Performance Indicators**

**Direction 2012**

December 2012

## **Introduction**

*by John Baillie, Chair of the Accounts Commission*

The Accounts Commission has a statutory power to define the performance information that local authorities must publish locally. Each December, the Commission considers the performance information that it will direct authorities to report on in the following financial year.

We believe that it is of the utmost importance for authorities to have performance information that will enable them to report effectively to local communities and that will support decision-making on priorities; as well as to promote effective self-evaluation.

For several years we have been encouraging councils to develop their own comprehensive set of performance information. We, therefore, welcome the progress that is being made by the local government community through a SOLACE led project to improve performance information. As a result of this project and our review of councils' public performance reporting, we will refine our approach and place greater reliance on local authority reporting to citizens.

Our 2012 Direction reinforces our focus on public performance reporting and councils' requirement to take responsibility for the performance information they report. We wish to see councils, as part of their public performance reporting, continue to use a wide range of service performance and corporate management information. There will, therefore, be a requirement to report the SOLACE benchmarking indicators. We are satisfied that these include many of the Commission's specific statutory performance indicators. This information will allow appropriate comparisons over time and between councils to be made.

The benchmarking project is an iterative process and the indicators will further develop in future years. We recognise the significant resource implications, not only in benchmarking, but also in maintaining, reporting and developing performance indicators. We welcome the continuing commitment from SOLACE to undertake this work. The first report for the 2010/11 and 2011/12 benchmarks will be published in the New Year.

As part of our work, the Commission will review periodically councils' approaches to public performance reporting, both in terms of the benchmark indicators and in the range of service and corporate management performance information that councils report. We reserve the right to introduce specific statutory performance indicators that will meet Best Value principles of reporting to citizens, should there be insufficient progress.

Having undertaken a review of the 25 previously specified statutory performance indicators that all councils require to report against, we believe that a number of them are no longer

appropriate. This is due to changes in legislation or changes in policy by other regulators. Those indicators that continue to provide appropriate levels of comparison have been included in the benchmark set and councils will report them as part of that project. We have asked Audit Scotland to work closely with the local government community over the coming year to ensure a smooth transition of the data collection process for the statutory performance indicators.

You will also be aware of the Police and Fire Reform (Scotland) Bill to create a single police service and a single fire and rescue service from April 2013. As a consequence of this reform the Auditor General will have responsibility for the examination of economy, efficiency and effectiveness of the new services. These services, therefore, will not be subject to the Local Government Act 1992 legislation and will not therefore be included in future Directions.

We are encouraged by the progress that has been made by local government but recognise that there remain significant challenges for authorities in meeting the principles of Best Value and reporting to service users and citizens. We expect continuing effort to improve and national and local reporting of performance information to become more embedded in authorities' performance management culture.

We look forward to noting good progress and wish you well in your efforts during the coming year.

**John Baillie**  
**Chair of the Accounts Commission for Scotland**  
**December 2012**

**LOCAL GOVERNMENT ACT 1992**  
**THE PUBLICATION OF INFORMATION**  
**(STANDARDS OF PERFORMANCE) DIRECTION 2012**

1. This Direction is given by the Accounts Commission for Scotland (“the Commission”) under section 1(1)(a) of the Local Government Act 1992, which requires the Commission to direct relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission’s opinion:  
***“facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003) between –***
  - i. the standards of performance achieved by different relevant bodies in that financial year or other period; and***
  - ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods”***
2. This Direction is given to all local authorities and to joint committees and joint boards, as defined by the Local Government (Scotland) Act 1973, and amended by the Local Government etc. (Scotland) Act 1994.
3. Each of the bodies referred to in paragraph 2 shall, in accordance with section 13 of the Local Government in Scotland Act 2003 and associated regulations and guidance from Scottish Ministers:
  - a. publish the information specified in the schedule to this Direction for all those activities which are carried out by the body
  - b. ensure that publication facilitates the making of comparisons where appropriate and possible with performance for those activities which were also specified in 2012/13 (2011 Direction).
4. The period for which the information must be published is the financial year ending 31<sup>st</sup> March 2014.
5. In determining the information to be reported, authorities should consider and, where appropriate, reflect:
  - i the criteria set out in 1 above recognising the need to balance efficiency & effectiveness information with cost and economy information
  - ii achievement against their single outcome agreements with the Scottish Government

- iii the performance reporting requirements of any other legislation
- iv indicators/measures in relevant suites or frameworks of performance information determined by government, regulatory agencies, professional associations or others
- v national standards and targets for service delivery
- vi local service priorities and objectives
- vii service user views.

6 In the schedule, the term ' Best Value' shall be interpreted in accordance with the definition and requirements of Part 1 of the Local Government in Scotland Act 2003.

## **Schedule**

### **Corporate management**

SPI 1: Each council will report a range of information, sufficient to demonstrate that it is securing Best Value in relation to:

- responsiveness to its communities
- revenues and service costs
- employees
- assets
- procurement
- sustainable development
- equalities and diversity.

### **Service performance**

SPI 2: Each council will 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 & community services covering at least sport & leisure, museums, the arts and libraries
- planning (both environmental and development management)
- the education of children
- child protection and children's social work
- housing & homelessness
- protective services including environmental health, and trading standards
- roads and lighting
- waste management services

### **SOLACE benchmarks**

SPI 3: Each council will report its performance in accordance with the requirements of the Society of Local Authority Chief Executive (SOLACE) benchmark project.