

## The Local Government and Public Services Committee

### Update on the Local Government Performance Measurement Framework and Performance Indicators 2005-2006 Consultation

#### Purpose

Members of the Committee are invited to note the current position of the Review of the Performance Measurement Framework; and that the Committee will have the opportunity to consider the legislation that the National Assembly will be invited to put in place to give effect to the new statutory indicators at its meeting in January, and will be kept up to date with all aspects of the new framework as it is formally established and implemented.

#### Summary

The attached paper sets out the current status of the Review, and highlights the actions required to put the new framework in place as well as, in broad terms, the continuing work that will need to be undertaken during 2005-2006 to develop and support the framework.

#### Background

In 2003 the Local Government Data Unit – Wales was commissioned to carry out a "fundamental review of the performance measurement framework relating to local government in Wales". The Unit has worked closely with key agencies including local government, regulators, Assembly Government policy directorates and service experts to develop a new and more effective performance measurement framework for local authorities.

This work has culminated in the Local Government Performance Measurement Framework and Performance Indicators 2005-06 – Consultation that began on 15<sup>th</sup> October and will end on 10<sup>th</sup> December. You have all received that CD-based consultation paper, which proposes a radically different framework for performance measurement in Wales, in the following four categories:

#### Strategic Indicators

A much smaller number of national strategic indicators – 21 as opposed to the current 89. Local authorities would be required by law to collect and publish data on their performance against these. This will depend on the Assembly approving two Orders in the new year: one to revoke the existing set of

indicators and one to institute the new one. The Committee will be able to scrutinise these orders in draft at its meeting on 19 January;

## **Core Data Sets**

A number of core data sets which aim to provide a balanced picture of performance across all local authority services. There will be a new duty on local authorities to collect and publish performance information for key services and corporate functions. This duty requires local authorities to collect a balanced and comparable set of performance indicators. The core indicator set has been developed to help local authorities achieve this. Further, authorities would be strongly encouraged to use the core data sets for their own purposes, and to benchmark their performance in both historic and comparable terms, but would be under no strict legal duty to do so. However, failure on the part of an authority to make appropriate and effective use of core data sets, whether by default or by reasoned decision, will clearly be regarded as a risk within the Wales Programme for Improvement (WPI) and will be a trigger for further investigation by regulators;

## **Outcome measures**

Shared outcome measures, which will capture the performance of services which local authorities deliver in partnership with other agencies; and

## **Local measures**

Local measures, which local authorities would be free to develop for their own particular purposes and priorities.

## **The Consultation**

A total of 600 CD-ROMs were sent to local authorities, regulators and other stakeholders and interested parties. This wide-ranging and detailed consultation effectively ended the first stage of the review, and officials have asked for responses by 10 December.

I will provide the Committee with an oral update on the level of responses to the consultation on the day of the meeting.

Three regional seminars have been organised to provide an opportunity for local authority members and officers to question the Review Team on the new framework and its practical application.

The review has also identified areas of on-going work. There are four main elements to this second stage: development of the shared outcome PIs; further development of the core set PIs; the establishment of a gate-keeping protocol for future PIs; and the development of citizen/ service user surveys.

## **Shared outcome performance indicators**

Making the Connections reinforces the need for different agencies to work in partnership to improve the quality of life of communities and individuals. We need to establish performance indicators that capture longer term, multi-agency outcomes that we are seeking to move towards – for example, reducing the proportion of children living in poverty, and increasing the proportion of people who feel safe in their neighbourhood.

## **Further development of core indicator sets**

The individual indicators and definitions in the core sets will not be prescribed under the Local Government Act 1999. This means that the core sets can be developed, tested and strengthened over time. This flexibility also means that the core sets can be updated to reflect national changes in policy or focus, without the need for formal and time consuming legal processes.

The Welsh Assembly Government has committed itself to a fundamental rationalisation and reduction of plan requirements, to be completed by 2007. In order to achieve this, the Assembly Government will ensure that a balanced and rounded set of core indicators is in place. This is an essential prerequisite to statutory plan rationalisation.

## **Future Changes to the Framework**

The Welsh Assembly Government will establish a protocol that will be used to ensure that any suggested amendments to the statutory performance indicators or the core data sets will be subject to a rigorous analysis of the need for change or amendment before such a course of action is recommended.

## **Citizen/ service user surveys**

The consultation document asks for views on developing citizen/ service user survey questions for local authorities to assess users' attitudes towards the services that they receive. Work on this will be ongoing in 2005. The Committee will be kept informed at key stages.

## **Performance measurement systems**

To underpin the full effectiveness of the new performance measurement framework we will explore the scope for specifying, procuring and implementing a single IT-based performance measurement system for all authorities in Wales.

## **Revised Wales Programme for Improvement (WPI) Guidance**

As a result of the new performance measurement review there is a need to have new WPI guidance in

place for the next financial and reporting year. The current guidance has been in place since 2002 and the opportunity will be taken to update all aspects of the current guidance to reflect local authorities' and regulators' experience thus far, and to ensure it is consistent with Making the Connections.

## **Cross-cutting Themes**

At the heart of the new framework will be a requirement for all local authorities to assess and report within the framework on how well they are fulfilling their obligations on equalities and sustainable development. The framework has not suggested particular measures to allow this assessment to take place, but instead will require local authorities to undertake an impact assessment of how well the framework has been used to take forward their responsibilities in these key strategic areas. This is dealt with in the consultation paper, and guidance will be produced as part of the framework's development in 2005-2006.

Another stream of work for 2005-2006 will be the development of shared outcome measures, based on the need to establish performance measures that capture longer term, multi-agency outcomes in which we are seeking improvements, but where local authorities cannot achieve improvement without establishing effective links with a range of partners in their areas.

## **Financial Implications**

Funding for this project has been allocated to the Miscellaneous Local Government Expenditure BEL. Funding for performance measurement software has been allocated to the Support to Local Authorities: Public Service Improvement BEL.

## **Action for the Committee**

Committee is recommended to note this paper, and to note it will continue to receive updates and be asked for its views on the wide range of activity that will continue in 2005-2005 to establish and support the framework.

**Sue Essex AM**  
**Minister for Finance, Local Government and Public Services**

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