

Report to the Cabinet.



**Epping Forest
District Council**

Report Reference: C-115-2007/08.

Date of Meeting: 10 March 2008.

Portfolio: Finance, Performance Management and Corporate Support Services.

Subject: National Outcome and Indicator Set.

Responsible Officer: Steve Tautz (01992-564180).

Democratic Services Officer: Gary Woodhall (01992-564470).

Recommendations:

- (1) That details of the new National Outcome and Indicator Set to be introduced from April 2008 be noted;**
- (2) That the Cabinet note the concerns of the Corporate Executive Forum and Management Board in respect of the future collection and reporting of performance information in relation to National Indicator 14 (Avoidable Contact); and**
- (3) That, subject to the views of the Finance and Performance Management Scrutiny Panel, proposals for the continued reporting and monitoring of appropriate existing Best Value and Local Performance Indicators be agreed.**

Background:

1. At its meeting in November 2007, the Finance and Performance Management Scrutiny Panel was advised of the publication by the Department for Communities and Local Government (DCLG), of a new set of national performance indicators, to replace all other existing suites of indicators, including Best Value Performance Indicators (BVPIs), with effect from April 2008. This report sets out details of the new National Outcome and Indicator Set, and the results of a review recently undertaken of all existing BVPIs and Local Performance Indicators (LPIs).

2. In the 2007 White Paper 'Strong and Prosperous Communities' outlined a new performance framework for local government, aimed at:

(a) reducing the burden on local authorities to collect performance information, by imposing fewer indicators centrally;

(b) local authorities setting their own priorities, determining performance measurement, and monitoring performance through partnership working, thereby focusing on and responding to local priorities; and

(c) devolving power to local authorities and their partners by making them accountable for all delivery of service to their citizens.

3. The new local performance framework aims to reform the way in which public services are delivered, within the health, welfare, housing, employment, education, communities, economic development, policing and community safety, and environment sectors. It is designed to help the Government to focus on its priorities in a coordinated way and to transfer power to local authorities and communities to help them to respond to local priorities, resulting in the better provision of public services and improvement of the local

quality of life. The new local performance framework is focused on outcomes and delivery through improved partnership working, to encourage choice, influence and user involvement in the design of public services.

4. The new performance framework brings together national standards and priorities set by the Government, with local priorities informed by the vision developed by local authorities and partners, through a set of national outcomes and a single set of national performance indicators. These indicators flow from the priorities identified in Public Service Agreements and the Government's Departmental Strategic Objectives announced in the Comprehensive Spending Review for 2007, and cover the Government's priorities for delivery by local government working on its own or in partnership with other bodies. The outcomes measured and the indicators themselves provide a clear statement of Government's priorities for delivery by local government and its partners over the next three years, and will be the only indicators on which central government will be able to set performance targets for local government.

5. The existing statutory requirement to collect and report performance information in respect of BVPIs is to cease at the end of 2007/08, and the new National Indicator (NI) set will be introduced from 1 April 2008. As a result, local authorities will need to put mechanisms and processes in place in order to calculate and collect a range of new performance information.

The National Indicator Set:

6. Full details of the new NI set are attached as Appendix 1 to this report. The NIs cover services delivered both alone and in partnership, encouraging local authorities and their partners to work together to deliver improved outcomes. The indicators that measure outcomes that require joint working by local partners also appear in the performance frameworks for each of those partners (e.g. the national indicators for community safety are also used in the assessment of policing and community safety). Performance targets for some of the NIs will be negotiated through new Local Area Agreements (LAA), and Local Strategic Partnerships (LSP) at the single tier or county council level will agree up to 35 targets from among the NIs with the Government, complemented by statutory targets on educational attainment, for inclusion in the new LAA. The new NIs are grouped into four themes:

- (i) Stronger and Safer Communities;
- (ii) Children and Young People (the Council has no NIs under this theme);
- (iii) Adult Health and Wellbeing and Tackling Exclusion and Promoting Equality; and
- (iv) Local Economy and Environmental Sustainability.

7. There are 198 separate indicators within the NI set of which 64 are to be reported at the district spatial level. Of these, a range of citizen perspective indicators are to be derived from a 'Place Survey' that will replace the previous BVPI user satisfaction survey requirements. Approximately 25 indicators will need to be collected annually by the Council. Of these, just over half are based on existing BVPIs, whilst 10 are new data returns requiring collection processes to be established. Other indicators, although reported at the district spatial level are not the direct responsibility of the Council, and are to be collected and reported by other bodies such as the Primary Care Trust, the Crime and Disorder Reduction Partnership, and the Environment Agency etc.

8. The full NI set detailed in Appendix 1 indicates which of the new NIs apply to the Council with regard to collection and reporting responsibility (shaded grey), and also highlights those NIs which have not been collected before and are therefore entirely new. Several of the new NIs are proposed to be collected through bi-annual public consultation exercises (the 'Place Survey' indicators), replacing the existing three-yearly BVPI satisfaction

surveys, that will need to be undertaken in liaison with the Epping Forest LSP. There are a significant number of NIs which have not been set before and therefore have no evidence basis from which to collect information or base performance targets. The onus is on local authorities and their partners to find and use evidence to support negotiations on any targets for these new indicators. Although presently set at the district spatial level, some of the new indicators may ultimately be the responsibility of other bodies, but this has yet confirmed by DCLG. As the new performance framework is focused on outcomes and their delivery through stronger partnership working, the same indicators will be used for different local partners as relevant. Therefore, many of the indicators in the new NI set also apply to Essex County Council, the police, primary care trusts and other local bodies.

9. The new NI Set has recently been reviewed by the Corporate Executive Forum and Management Board, who have expressed specific concern in relation to NI 14 (Avoidable Contact). This new indicator seeks to measure the average number of customer contacts (telephone, email or in-person) for each resolved request, in order to manage failure demand resulting from customer contact that would be unnecessary if public authorities could:

- (a) get things right first time;
- (b) join-up parts of the public sector for the customer so that they do not need to make multiple contacts;
- (c) manage signposting and referral both within and across agencies; and
- (d) set clear expectations at the outset so that the customer knows what to expect.

10. DCLG envisages that the primary way of collecting data for this indicator will be through the use of a Customer Relationship Management (CRM) system, that allocates single unique client reference numbers to service requests so that they, and the number of contacts individuals have with the authority, can be recorded. DCLG has indicated that, where local authorities have not invested in a CRM system, they will need to use a snapshot survey approach to review a random sample of service requests over a defined and agreed period. The Corporate Executive Forum and Management Board have expressed concern that local authorities such as the Council that do not currently have a (CRM) system will find the collection of data to report on this NI extremely difficult. It is additionally considered that, even with a CRM system, there would be problems in defining repeated versus different requests for the same customer. The periodic or annual survey approach suggested by DCLG is also considered to be fraught with difficulties, such as when would be the right time to conduct a survey to avoid it being unrepresentative due to seasonal factors. The Performance Improvement Manager has sought guidance from the Audit Commission and the Council's external auditors in respect of these issues and how the authority can best comply with the requirements of this new NI, and responses are awaited.

Existing Best Value and Local Performance Indicators:

11. It is important that local authorities continue to use LPIs to reflect performance against local priorities. The introduction of the new NI set has therefore provided an opportunity for a thorough review to be undertaken of the Council's current suite of statutory BVPIs and locally determined LPIs. All service directors have accordingly undertaken a review of the current BVPI and LPI sets, with a view to the possible adoption of some existing BVPIs as LPIs from 2008/09 onwards, where these continue to reflect local priorities but have not been brought forward into the new NI set in a broadly similar form. At its meeting on 11 February 2008, the Finance and Performance Management Scrutiny Panel undertook an initial review of the adopted KPIs for 2007/08, in terms of whether these priority indicators should also be carried forward into a new LPI suite.

12. The results of these reviews of existing performance indicators and proposals for the adoption of a new suite of LPIs are set out at Appendix 2 for the consideration of the Cabinet, with proposed new LPIs highlighted in grey shading. The review has resulted in the proposed

deletion of several existing indicators, and a range of asset management related LPs have also recently been adopted as a result of recommendations made by the Audit Commission through the annual Use of Resources assessment. These proposals are also to be considered at a meeting of the Finance and Performance Management Scrutiny Panel to be held on 27 March 2008, although the initial proposals of the Panel arising from its last meeting are set out in Appendix 2.

Comprehensive Area Assessment:

13. The new Local Performance Framework sets out the criteria for the Comprehensive Area Assessment (CAA). The CAA has four key components, one of which is performance against the NI set (others include judgements on performance and future prospects). The CAA will inform the annual review of LAAs led by the Government Offices, and it is therefore imperative to start the collection of the NI measurements from April 2008.

Statement in Support of Recommended Action:

14. To advise the Cabinet of revised statutory performance monitoring requirements and to enable members to contribute to the review of the current BVPI and LPI sets, with a view to the possible adoption of some existing BVPIs as LPs for 2008/09 onwards.

Other Options for Action:

15. None. The Council is statutorily required to collect and report performance against relevant BVPIs and NIs.

Consultation Undertaken:

16. All directors have contributed to the review of the current BVPI and LPI sets. The Corporate Executive Forum, Management Board, and the Finance and Performance Management Scrutiny Panel have reviewed the new National Outcome and Indicator Set. The Scrutiny Panel will consider the proposals for the continued reporting and monitoring of appropriate existing BVPIs and LPs set out in this report, at its meeting on 27 March 2008. The Finance, Performance Management and Corporate Support Services Portfolio Holder has been consulted in relation to the content and recommendations of this report.

Resource implications:

Budget Provision: The collation and reporting of performance information arising from the new NI set will be met from within the existing Performance Management Unit budget.

Personnel: The introduction of a Customer Relationship Management system in order to most accurately comply with the requirements of NI 14 (Avoidable Contact) will require the identification of significant additional resources.

Land: Nil.

Council Plan/Best Value Performance Plan Reference: Council Plan Section 8 – ‘How We Measure Our Achievements’.

Relevant Statutory Powers: ‘Strong and Prosperous Communities’ White Paper (2007).

Background Papers: None.

Environmental/Human Rights Act/Crime and Disorder Act Implications: Nil.

Key Decision Reference (if required): Not a key decision.