



Briefing 11- 01 January 2011

APSE response to the House of Commons Communities and Local Government Committee New Inquiry and Call for Evidence: The audit and inspection of local authorities

To APSE main contacts throughout England and to Wales, Scotland and Northern Ireland for information

- This briefing replicates APSE's response to the House of Commons Communities and Local Government Committee Inquiry on the audit and inspection of local authorities
- The briefing highlights the possibility of developing a localised set of performance information based on, amongst other data sources, APSE performance networks data
- The APSE evidence calls for Councils to have the ability to set and measure their own priorities

Introduction

The House of Commons Communities and Local Government Committee recently announced a new inquiry and call for evidence into the audit and inspection of local authorities following the abolition of the Audit Commission and the stated desire to increase decentralisation and pass greater powers down to a local level. This briefing therefore replicates APSE's response to the Inquiry and includes a number of comments from a recent survey of APSE members. APSE would like to thank our survey respondents and members of APSE performance networks who kindly provided comments and information to assist in evidence gathering.

The evidence to the Inquiry points towards APSE performance networks data and readers who are not familiar with this benchmarking service can access details through this link to the APSE [performance networks web portal](#).

The APSE response to the Inquiry is attached to this briefing. Please feel free to send in any additional comments on this topic to APSE to mbaines@apse.org.uk or Djohns@apse.org.uk

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APSE response to the House of Commons Communities and Local Government Committee New Inquiry and Call for Evidence: The audit and inspection of local authorities

Summary remarks

A more flexible performance framework should allow for the reporting to local tax payers of a mixture of easily understandable, and identifiable, performance outcomes including a mixture of cost and productivity, quality and customer satisfaction indicators. Local flexibility could be integrated into such an approach by councillors choosing which indicators best match local priorities but to allow comparisons to other councils through a national 'guideline set' of the types of indicators that ought to be available to the public. For example a council elected on a 'green agenda' could choose to report its performance on the amount of waste that it has converted into useable green energy or a council committed to public health outcomes could choose to report on participation levels within local leisure centres.

Such an approach would reflect the Coalition Government's intention to decentralise decision making but also to increase local accountability. Unlike previous performance frameworks this would direct attention towards meaningful outcomes for local people. However, such a framework would critically allow an early warning system to remain in place should the rare need to intervene in a local authority become necessary. A good performance indicator set, locally managed, controlled and reported, of itself would help to demonstrate that the local council is managing resources effectively.

This submission sets out how the UK's largest local government voluntary benchmarking service, operated by a not-for-profit local government body, is able to provide, as part of a new performance framework, a robust transparent and easily understandable set of performance indicators which are adaptable to local circumstances and local priorities. Local authorities have developed comprehensive systems over the past 12 years which should, APSE believes, be utilised as this will ultimately lead to a reduction in duplication and avoid unnecessary and costly new burdens on local councils.

1. About APSE

1.1 APSE is the Association for Public Service Excellence and is a not for profit local government body working with over 300 councils throughout the UK. The Association has existed for over 25 years and is a highly regarded organisation, recognised for its comprehensive policy and technical knowledge on frontline local government services. Promoting excellence in public services, APSE hosts networks for frontline service providers in areas such as waste and refuse collection, street cleansing, parks and environmental services, highways and street lighting, leisure and sports facilities, school meals, building cleaning, housing and building maintenance services.

1.2 APSE believes that whether services are delivered directly, or through other forms of provision, they should be subject to the maximum form of democratic control and scrutiny. The Association supports the involvement of the widest number of councillors in decisions which impact upon the quality and range of services provided to the public and supports transparency in public service delivery and performance information.

1.3 APSE has always supported continuous improvement in the delivery of excellent, cost effective and efficient public services to local communities and believes that effective performance management, and the sharing of good practice, are crucial to continuous improvement of public services. APSE believes that citizen engagement is central to transforming services and that frontline services are an important channel in connecting with service users, including information on how services are performing at a local level and in comparison to others.

1.4 The use of performance management, in feeding into local performance frameworks, which could also be used to assess value for money at a national level, is supported by APSE. Local authorities have developed comprehensive systems over the past 12 years which should, APSE believes, be utilised as this will ultimately lead to a reduction in duplication and the avoidance of costly new burdens. As local authorities improve, APSE supports the reduction in external audit to a more proportionate, risk-based approach, and a culture of local robust performance information, that can be easily understood by the local electorate.

1.5 As a result of the Inquiry and call for evidence APSE has carried out a survey of its membership to gauge their views on the future of performance reporting. These views have been taken into account within this submission and are summarised at **Appendix 1**.

2. About APSE performance networks¹

2.1 *APSE performance networks* is a mature benchmarking service which allows for effective performance measurement across a range of 14 vitally important frontline public services and now has 12 years of performance data available. *APSE performance networks* is the largest voluntary local government benchmarking service in the UK. It is used by over 200 local authorities with participation growing across all services.

2.2 A service by service area summary of performance indicators is attached as **Appendix 2** showing the types of 'headline' indicators available. Much more detailed performance information is sourced to produce these 'headline' indicators.

2.3 Developed by practitioners the *APSE performance networks* model is unique in that it was developed and is continually reviewed by working groups of practitioners. This, combined with working in partnerships with other leading bodies, such as Waste Data Flow UK, ensures that the model continues to be the most relevant, user friendly and responsive of its kind. As APSE is a not-for-profit body it has the integrity of being regarded as an independent provider of performance information, rather than a company geared towards generating a profit. This allows the service to fully evolve and develop in line with its membership base, through local councils, and organically evolve performance information to meet with local and national requirements.

2.4 Whilst at the point of inception *APSE performance networks* was designed to support performance management through performance benchmarking, rather than to simply support national performance targets and measurements, the service has successfully collated performance information such as NI 195 on street cleansing and NI 52 on school meals take up. The value of this data to both local authorities and national government

¹ APSE performance networks is a registered trade name. All intellectual property rights are reserved to APSE.

should not be understated. The trend analysis that can be gleaned from some of the data available can act as a measure to gauge public policy successes, for example, on local environmental quality. In an era of financial austerity at a local level such measures are useful to ensure that local service quality does not deteriorate and service standards are protected.

3. APSE's approach to performance data and service improvement

3.1 The series of performance indicators developed by *APSE performance networks* are a combination of compulsory/recommended measures suggested by the four main national audit bodies and local performance measures agreed by practitioners. These include cost, productivity, customer satisfaction, quality and human resource management giving a comprehensive view of performance.

3.2 It is recognised that with the abolition of nationally collected datasets and the abolition of the Audit Commission some of the indicators may no longer be collected. However, the vast majority of *APSE performance networks* indicators will still be collected as these will continue to help inform service managers, and locally elected members, about how a service is performing and where improvements need to be made. *APSE performance networks* will maintain its contribution to continuous improvement in local public services and as a means to ensure frontline service providers can share and learn from best performers.

3.3. APSE has always rejected the notion of data being simply a 'flat' process of data collection. We positively encourage participating authorities to share process information to determine where savings can be achieved, and provide comparable data in a meaningful way between 'family groups'. The profiling of councils who submit data (to determine a 'family group') to *APSE performance networks*, allows similar types of authorities to share meaningful information, rather than simply a process of 'near neighbour' information that can often distort or even undermine the comprehension of performance information. In the worst case scenario, where there are no comparators between 'family groups' such information, where it is made publically available could mislead the public, local councillors and of course central Government.

4. Interface with Government policy and publically accountable public services

4.1 The Conservatives' localism policy paper, *Control shift*, argued that local government should be free from centrally imposed targets, and that centrally imposed targets limit the opportunity for local councils to tailor local services to local need. *Control Shift* also argued that measurements or targets should be about outcomes rather than outputs.

4.2 The paper also stated that there should be a shift in reporting arrangements to local residents and communities rather than reporting performance to Whitehall. It went on to explore the concept of councils being driven into a culture of ensuring that they reported on targets and performance rather than demonstrating that they were improving local services.

4.3 *Control Shift* also promised abolition of all "national process targets" for local government; replacing this instead with a requirement for councils to "publish comprehensible and standardised information about the quality and quantity of frontline

services.” APSE has developed a range of performance information over a 12 year period on local frontline service performance which is capable of meeting this requirement.

4.4 APSE’s own views on performance data, shaped by our experience of data collection over the last twelve years in frontline services, is that performance data should be a means to both improve the performance management of public services and ensure a credible, robust and transparent way of explaining to local residents, alongside national government, how public money is being spent, on what local services and how those services are performing within a meaningful mix of value for money, cost, quality and customer or user satisfaction measurements.

4.5 The difficulty with performance data in its purest form is that data can be both complex and misleading. If there are to be genuine efforts to encourage “armchair auditors” as advocated by the Communities Secretary the Rt. Hon. Eric Pickles MP, the collection, audit and presentation of data must be meaningful to local residents and provide a significant value for money benchmark to central government, reflecting the balance of funding to local councils through council tax and central government funding. Government as well as local council tax payers have a right to know that value for money is being achieved.

5. What should a new performance framework look like?

5.1 The drive to minimise bureaucracy and reporting burdens on local councils is of course welcomed within local government. However, there is a poor record of central government genuinely releasing local councils of such burdens, without new burdens being created to replace the ones supposedly lifted.

APSE believes that a broad direction from central government should relate to:-

- What types of performance information might be made available
- The robust nature of the data and an element of independent or peer assessment and;
- The presentation and accessibility of the data to the public and locally elected members

These elements should, in APSE’s view, be key drivers in forming a new era of performance information in local councils.

5.2 This would be an approach that appears from APSE’s survey information to be preferable to local council frontline service managers and elected members. This would enable them to gauge service performance but at the same time ensure that this performance information is capable of local scrutiny.

Such a framework could draw upon:-

- Genuinely comparable performance information across a range of frontline public services, by ‘family group’
- Include a ‘dash-board’ of headline indicators in each service area using a mixture of cost, productivity, quality and customer satisfaction scores

- Provide a 'plain English' guide to what data means and how it has been arrived at
- Provide local elected members with the means to scrutinise service performance and direction of travel for frontline services

6. Avoiding creating new burdens and adding cost.

6.1 There is naturally a fear that any new performance framework will simply mean a further 'industry' is developed to support a transition process to a new framework, at a cost that would inevitably fall on local councils, at the point that they can least afford it. APSE is therefore keen to suggest that this need not be the case.

6.2 A 'light touch' but nonetheless robust performance framework, with scope for the reporting of existing data sources is, and should in APSE's view, be at the heart of the new framework. This would avoid duplication, could allow for a speedier process of implementation and, by using pre-existing data sources, provide for an auditable pilot process using local council managers, members of the public, local councillors and of course national Government before being formally launched across local government, in advance of a relatively short timeframe for implementation.

7. How could APSE performance networks and other benchmarking data be utilised in a new locally driven framework of performance information?

7.1. In addition to APSE's own performance networks data there are a range of data benchmarking services provided by other organisations, including organisations such as CIPFA. A new locally driven framework could therefore:-

- Draw down and report on key data information across a dash-board of indicators culled from existing data sources
- Sit within a national framework to provide consistency, but with requirements on local councils to be transparent in data information and
- Ensure that the data sources are robust and validated by independent sources or peers

7.2 APSE has already worked with the Department for Culture, Media and Sport (DCMS) and others as detailed in **Appendix 3** to develop more meaningful performance information. It is the view of APSE, supported by the outcomes of our recent survey, that whilst the public would not be interested in detailed tables of complex data, councils should have the ability to publish some 'bread and butter' performance data such as:-

- 'How much does it cost to empty my bin'?
- 'How much does it cost to clean my street? Or
- 'How long does it take the council to repair a street light?'

7.3 This type of data would be of interest and more importantly open up a link between the services provided by local councils, which is often a source of confusion, and what local services cost to run. In the context of reductions in public sector spending this also provides a bit more detail and knowledge about the types of choices, financial and

political, that Councils and local councillors in particular face. It provides part of the democratic thread of locally accountable public services.

Illustrative examples of a dashboard of indicators per service area

Service area	Cost PI	Productivity	Quality	Customer satisfaction
Refuse collection	Cost of refuse collection service per household	Missed collections per 100,000 collections	Percentage of total waste collected which is sent for recycling	Community and customer surveys undertaken
Street cleansing	Cost of street cleansing per household	Percentage of sites surveyed falling below grade B for cleanliness	Percentage of street cleansing waste that is recycled	Customer satisfactions surveys
Street lighting	Cost of maintaining street lights	Average time to restore lamps to working order	Percentage of street lamps not working as planned	Public telephone calls/contacts as a percentage of faults
Highways	Percentage of highways function cost spent directly on highways repairs	Damaged roads and pavements made safe within target time	Condition of principal and non-principal roads	Community consultation
Winter maintenance	Cost of salting per km of road treated	Average actual response time in hours for completion of planned pre-salting	Km length of footways where precautionary gritting was undertaken	Customer satisfaction surveys
Parks, open spaces and horticultural services	Cost of service per hectare of maintained land	Number of hectares maintained per employee	Quality standards, frequency and chemical control methods.	Community/customer surveys undertaken

7.4 An additional way of presenting this information could perhaps include a comparator table to 'family group' authorities showing how one particular council has performed when compared to a similar type of authority. As stated earlier if such information were to be readily accessible, either through council websites and / or through a short note to council tax bills, this would help to support what APSE believes is the critical point of performance management data which is to ensure there is democratic accountability for local public services.

8. Protecting the source data

8.1 For the public to have confidence in published data there should be safeguards in place to ensure that the source data used is not 'corrupted' data either by omission, incorrect calculation or deliberately misleading data. *APSE performance networks* data was subject to a detailed review by Inlogov (Institute of Local Government studies at the University of Birmingham) in 2005 and as a result of that review further processes were successfully implemented to ensure that data is regularly subject to a validation and audit check from peers or industry experts. This includes:-

- a process to automatically detect fluctuations within datasets outside of agreed parameters,
- Reject data that is out of kilter within the normal industry limits for further investigation
- Ensure validation processes take place on source data – for example an evidenced based approach to verify data sources are accurate.

- Peer review to carry out data drilling both to ensure that the data is accurate and identify best performing and most improved performing authorities.

8.2 APSE believes that any new national performance framework should include a process by which any stated data is subject to a reasonable level of robust interrogation.

9. Abolition of the Audit Commission

9.1 With the abolition of the Audit Commission we are concerned that there may be a gap in high quality information on the cost and performance of public services. Whilst the Coalition Government is striving to remove reporting burdens, the ability to access performance data is a vital means by which to measure the efficacy of local services. Whilst not all National Indicators were universally supported a number of these indicators show the direction of travel of local public services. These indicators provide a means by which to ensure that service quality does not deteriorate. In the absence of a collective national body to explore the use of resources at a local level APSE believes that there nevertheless should be an overarching framework to safeguard the use of resources, whilst exploring some commonality in service performance measurement.

9.2 A national framework, supported by local choice over services, would also ensure that Government and local councils are able to maintain an effective measure of public service performance within local government. This is also consistent with exploring the divergent performance regimes throughout UK administrations.

Ends

Appendix 1: Survey responses and survey summary

1. APSE received over 90 responses from member local authorities to a short survey on the future of performance management. The details below highlight responses but are not intended as a full analysis due to the time constraints of responding to the Inquiry.
2. Of all respondents 69% participate in *APSE performance networks* with 61% utilising locally developed performance measurement processes and 58% operating informal benchmarking arrangements with neighbouring authorities. 29% benchmark through a professional body and 17.6% currently operate benchmarking through a RIEP on specific areas or work streams.
3. 88.3 % of respondents agreed that performance indicators can be a useful measure of value for money with 95% agreeing with the statement that *'Performance measurement is necessary to know where you are at so you can make informed choices about future service delivery'*.
4. 63.3% believe that performance targets work to improve services but 86.7% believe that performance indicators and process benchmarking work together to improve services.
5. An overwhelming 93.3% of respondents believe that performance indicators should be about a fair combination of service cost and quality but just 1.7% believe that performance indicators should only be about how much a service costs and just 6.7% believe that performance indicators should only be about service quality.
6. 71.2% believe that performance indicators are only meaningful if you fairly compare similar types of authorities or services by profile.
7. 44.6% support a small 'dashboard' of indicators per service area with headline costs and quality e.g. Cost of emptying a bin per household, the cost of a school meal per pupil with 37.5% supporting a small dashboard of headline indicators but only if the comparator information is fairly produced e.g. by similar authority types for that service area.
8. 60.4% however feel that the information (performance information made public) will only be used by local news media for mischief making rather than genuine public interest reporting.
9. 64.2% are of the view that performance information is complex and over-simplification of performance could mislead the public rather than providing them with good quality information with 62.3% believing that there is a danger that performance information will lead to the public and media focusing only on cost to the detriment of service quality.

Specific comments added to the survey include:-

10. 'Any new regime needs to be light touch and concentrate on a few key indicators that are of interest to the public. The financial pressures facing local government are likely to help flush out areas of waste and inefficiency more effectively than any performance reporting system.'

11. 'Any large and complex organisation needs to have a mechanism to manage its business by setting clear priorities and objectives, monitoring progress and reviewing plans. Performance reporting on its own is meaningless, and league tables misleading since they assume we all have the same organisational objectives.'
12. 'Benchmarking is invaluable for performance improvement and monitoring. It eliminates complacency and pushes forward best practice, in turn improving value for money, which must underpin all public expenditure'.

Appendix 2: Summary of key performance indicators used in APSE performance networks

As standard for all the benchmarking services the following data is provided:

- Cost of service
- Productivity
- Staff absence
- Customer satisfaction
- Human resources and people management
- Quality assurance and community consultation

Some of the service-specific indicators are illustrated below:

1. Building cleaning

This service provides comparators for the cleaning of education and non-education buildings.

- Square metres cleaned (offices/libraries/schools/public conveniences)
- Cost indicators (labour/management /equipment/materials)
- Staff turnover

2. Building maintenance

This service provides detailed performance information on maintenance of housing and civic buildings.

- Housing (void turnaround/time to re-let, gas servicing, target response times, number of jobs completed, value of jobs)
- Civic (cost of property management /incidents of vandalism/arson)
- Stores management
- Workforce data

3. Civic, cultural and community venues

A facility based model where up to 15 civic, cultural or community venues per authority can participate. The model looks at:

- Usage per target group
- Cost per user
- Visits per household
- Primary and secondary income
- Catchment area and demographics

4. Culture, leisure and sport

An authority-wide benchmarking service for cultural, leisure and sport services provided by the authority including:

- Sports facilities
- Sports development
- Children's play facilities
- Cultural services

5. Education catering

This service provides a benchmark for primary, secondary, special and dedicated all age schools. The focus is on:

- Free and paid meal uptake
- Nutrient based standards
- Subsidy/cost based indicators
- Meals served per staff hour

6. Highways and winter maintenance

This service covers the main responsibilities of the highways department.

- Road condition
- Damage to roads/pavements made safe
- Third party claims
- Winter gritting/salting regime

7. Other (civic and commercial) catering

This is a facility based model where up to 20 commercial or civic catering facilities per authority can participate. The model focuses on:

- Customer spend
- Operational recovery ratio
- Trading profit/loss
- Vending income

8. Parks, open spaces and horticultural services

This covers all aspects of the grounds maintenance service.

- Maintenance cost
- Hectares maintained
- Charge per hectare
- Playgrounds/play value scores
- Environmental practices

9. Refuse collection

This focuses on the waste collection services, with an increasing focus on the recycling services provided.

- Cost per household
- Recycling
- Transport and vehicle costs
- Number of missed bins
- Domestic and trade waste contracts

10. Sports and leisure facility management

Up to 15 sports and leisure facilities per authority can participate in this service. Facilities are grouped by the type of facility; wet and dry and whether the facility is dual use. In addition reports are produced for the following types of facilities: flumes only, indoor bowls centres, golf courses, gymnastics centres, ice rink facilities, major events facilities, ski centres, stadia, tennis centres, and water sports parks. The model focuses on:

- Subsidy per visit/opening hour

- Total usage
- Customer spend
- Catchment area analysis
- Usage by target group

11. Street cleansing

This service includes a focus on:

- Cleanliness standards achieved
- Cost: service/transport/staff
- Enforcement
- Education/publicity
- Fly-tipping and abandoned vehicles

12. Street lighting

This service looks at the performance of the local authority and electricity supplier. The focus is on:

- Lamps not working as planned
- Time taken to repair lamps
- Cost of maintaining street lights
- Energy costs
- Repairs undertaken by regional electricity supplier

13. Transport operations and vehicle maintenance

The focus is on:

- Contract maintenance
- Direct maintenance cost
- Vehicle availability and servicing
- Prosecutions/penalties/notices issued
- Passenger transport

14. Welfare catering

This service provides a benchmarking service for all welfare services provided such as the 'meals on wheels' service and includes:

- Subsidy
- Meals despatched/delivered
- Transport costs
- Food costs

Appendix 3

Use of APSE performance networks data by government bodies

APSE performance networks data has been used for the following national studies:

1. *APSE performance networks* is recognised as a trusted and robust source of performance data within local government. The model met all criteria in an assessment of consistency, reliability and comparability of data required by the Audit Commission. An Independent Technical Review on Sport and Leisure Facility Equity Indicators undertaken by Professor Tony Bovaird, University of the West of England (March 2006) for the Department for Culture, Media and Sport (DCMS), to assess how well the APSE methodology meets the DCMS and Audit Commission criteria found that *"APSE methodology meets all the Audit Commission criteria"*. On ease of collection, the review also found that *"the APSE methodology does not impose unreasonable burdens on local authorities"*.
2. *APSE performance networks* data has also been used by member local authorities to support the requirements to demonstrate effective use of resources within Audit Commission inspections and a host of other public service reporting mechanisms.
3. A Review undertaken by Professor Michael Hughes and Sophia Bokhari of the Institute of Local Government Studies (Inlogov), University of Birmingham (July 2005) found that the model was *"well established and trusted to deliver information"*. It also stated that *"well-sourced, relevant, and robust performance data from Performance Networks that is actively used in the management of services and the achievement of policy objectives could be an important part of that "information councils' hold about themselves"*.
4. APSE has been working with Waste Data Flow to reduce the duplication of councils submitting refuse and recycling data to both APSE and Waste Data Flow. As a result, APSE now directly access refuse and recycling data from Waste Data Flow rather than asking councils to send this to APSE as well. APSE concentrate on collecting cost, income and other data directly from councils and source the data collected via Waste Data Flow directly from them.
5. In 2009, the Welsh Audit Office asked APSE to provide a baseline of data to calculate performance indicators for education catering. This included the cost of producing a school meal and the performance information was requested as part of Appetite for Life. The project has now been completed and following consultation between the Welsh Assembly Government, the Welsh Audit Office and councils throughout Wales it has been agreed to collect data via APSE on an ongoing basis.
6. APSE has worked with the Welsh Assembly Government on Ffynnon, their Knowledge Management & Business Change Programme which aims to create a performance management community and culture across the public sector in Wales. The Ffynnon system is a web hosted performance, risk and project management system which is available to 30 stakeholders across Wales including all 22 Local Authorities. APSE undertook 2 projects in relation to Ffynnon; education catering and building maintenance. The purpose of the projects was to

bring some of the data provided to APSE into the Ffynnon system, for ease of reporting, sharing and to reduce duplication. This has now been progressed with a number of local authorities in Wales.

7. APSE was engaged in a project for Audit Scotland in 2009, looking at the management of unit costs in local government. APSE carried out an analysis of performance data, using data drawn from performance networks, for a study by Audit Scotland on physical recreation.
8. In 2002, APSE was commissioned by the Local Government Staff Commission in Northern Ireland to carry out a Local Government Benchmarking initiative; benchmarking seven front line services across Local Authorities and Education & Library Boards.