

7 March 2007

Performance and Improvement - key challenges for the sector

Decisions

1. *The Board is asked to:*
 - *receive an oral update from office holders on their meeting with Cllr Sir Simon Milton, Chair of the Improvement Board, and from officers on the latest discussions with the Department of Health;*
 - *agree its contribution to the performance and improvement challenges facing the sector, as outlined in the report.*

Actions Required

2. *Make contact with Government Departments and push for practitioner input to the discussions on outcomes and indicators.*
3. *Develop and promote a Board view of the set of national targets and indicators relevant in its own area – so that these can be brought together in a single LGA communication at the beginning of March.*
4. *Identify developing governance, delivery and performance management arrangements within the Board's policy areas to ensure that they are consistent with the next generation LAA framework.*
5. *Work with adviser and practitioner networks to identify potential improvement priorities facing councils and their partners over the next spending review period (2008-11) that the Board would like to see reflected in the proposed national improvement strategy.*
6. *Agree the role the Board is being asked to play in monitoring performance and addressing under-performance in relevant service/outcome areas and that further detailed proposals for implementing this will be agreed with lead members.*

Action by: *Caroline Abraham working with colleagues supporting the LGA Improvement Board*

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Performance and Improvement - key challenges for the sector

Summary

1. *This report sets out the performance and improvement challenges facing the sector in the light of the White Paper and Bill and invites the Board to consider the contribution it can make.*

Background

2. *In “Closer to People and Places” the LGA set out proposals for a new devolved settlement between central and local government, and between councils and the people they serve – representing the LGA’s contribution to the policy debate leading up to the White Paper and SR 2007.*

3. *The central ambition expressed in “Closer to People and Places” is to improve public service outcomes and to ensure that cities, towns and villages are vibrant, prosperous, safe and attractive places in which people wish to live and work – that is for councils to fulfil their “place-making” role. More specifically People and Places sets out three objectives, to:*

- *secure more fundamental improvements in public services and make better use of public money;*
- *improve the quality of life and economic performance of cities, towns and villages;*
- *give people greater power and influence over their lives, their services and the future of the places where they live.*

4. *Many of the underlying principles of the LGA’s proposals and some specific elements of it were reflected in the White Paper “Strong and prosperous communities”, published on 26 October. It takes significant steps with proposals to strengthen local leadership, enhance the role of frontline councillors, cut back the plethora of national targets, streamline inspection and to broaden the scope of local area agreements. But the white paper did not reflect our call to devolve national and regional powers to villages, towns and cities and the LGA is continuing to lobby for stronger measures, through the Lyons review and spending review, to make a reality of our ambitions for more radical devolution.*

5. *As regards the “Closer to People and Places” ambitions for strengthened local leadership and improvement however*

- *The White Paper proposes an enhanced role for councils as strategic leaders and place-shapers through stronger local strategic partnerships and next generation local area agreements (with wider scope and importance) and a new duty to cooperate between councils and local partners,*
- *The new role for councils as strategic leaders of their areas demands a new way of managing performance with more freedom for councils and their partners to meet the needs of their communities and tackle complex cross-cutting issues. The White Paper therefore proposes a simplification of the performance framework with a clear set of national outcomes, targets negotiated through the LAA and a streamlined approach to monitoring, intervention and support,*

- And finally the White Paper proposes a joint LGA/Government-wide Improvement strategy through which current investment in improvement support and capacity building could be streamlined and focussed on agreed priorities.

6. Work is in hand under the auspices of the LGA Improvement Board to progress each of these areas. However if we are to preserve and deliver these commitments it is essential that we work in a concerted way across the LGA Boards to maintain pressure on Government – maximising the leverage that members and officers have with departments and speaking with a clear common message.

National Outcomes

7. The White paper proposes a simplification of the performance framework based around a clear set of national outcomes – with improvement targets negotiated through the LAA and a streamlined approach to monitoring, intervention and support.

8. The key features of the proposed arrangements are

- a clear set of national outcomes reflecting national priorities, developed through the CSR 2007 process
- progress towards the national outcomes to be measured against a core set of 200, or so, national indicators of performance – this will draw from existing indicators, where appropriate, but will replace other sets of PIs such as BVPIs, social care Performance Assessment Framework (PAF) indicators and other programme-specific indicators. It will include a small number of citizen satisfaction/perspective measures.
- Targets, primarily tailored to the challenges facing individual localities, to be set and delivered through the LAA – with number limited to 35 plus 18 DfES statutory early years and performance targets. GOs to lead on negotiating targets, with annual LAA reporting.
- An improved external assessment and inspection regime – based around an annual risk assessment led by the Audit Commission but with the involvement of the other inspectorates. It will draw on a range of data including existing inspection information, assess risk in relation to performance and decide where any inspection activity needs to be focused.
- The following information to be published annually about each locality's performance
 - Performance against the 200 or so national indicators
 - Annual locality based risk assessment – across partners and services
 - Annual scored Direction of Travel statement for the council
 - Annual scored Use of Resources statement for the council
 - Judgments for any inspections triggered through the risk assessment.
- Taken together this will form the new Comprehensive Area Assessment which will replace Comprehensive Performance Assessment, Joint Area Reviews, Annual Performance Assessment and Social Services star ratings – from March 2009. Statutory best value performance plans/reviews will be abolished.

The set of national outcomes and performance indicators are the focal point of this new framework.

9. There is much to be done to secure agreement across Government on a clear set of national outcomes and to streamline the existing indicator regime down from approximately 1,000/1,200 indicators to an agreed national set of 200, or so. The CSR07 process will provide the mechanism through which Government will develop their thinking about the key national

outcomes – and we can expect to see the final outcomes announced with the Spending Review outcomes next summer. Departments have been asked to make their final submissions into the CSR process by 2 March 2007 and there is a strong DCLG and HM Treasury expectation that they will involve and consult stakeholders before doing so.

10. The LGA's objectives must be to ensure

- A sensible set of national outcomes that reflects the spirit of greater devolution and decentralisation from Government;
- A limited number of no more than 200, or so, performance indicators that are sensible and relevant in the spirit of devolution;
- And that the discussions on outcomes and indicators are directly informed by practitioner knowledge and understanding from local government.

Boards are asked to

- Make contact with Government Departments and push for practitioner input to the discussions on outcomes and indicators – officers have had discussions with all relevant government departments (including CLG and Treasury) and are pushing for a coherent set of PSAs across government. LGA will comment on these through its submission to the spending review;
- Develop and promote their own view of the set of national targets and indicators relevant in their own area – PSAs will be announced with the spending review this summer together with some detail on the indicators. We have asked departments for information on indicators and have had some response, but we expect work on indicators to carry on for the next few months. We are pressing for all of them to be in place by April 2008. We want to make sure that DH indicators have sufficient focus on social care and wider wellbeing. The Association of Directors of Social Services is working with the Commission for Social Care Inspection on possible local indicators.

Inspectorate landscape

12. Allied to the development of a new performance framework the Government is also introducing a new Inspectorate landscape – reducing the total number of inspectorates through a process of merger. The Improvement Board is already monitoring the introduction of the new Local Services Inspectorate (based on the merger of the Audit Commission and Benefit Fraud Inspectorate) and is keen to ensure that it has the ability to play a strong “gate-keeping” role, managing the inspection burden on localities. The other two new Inspectorates that are critical from our perspective are for Children/Education/Skills and Adult Social Care/Health. Boards are asked to monitor the progress of these mergers to ensure that their approach to future inspection activity is risk-based and proportionate.

Local Area Agreements

13. In ‘Closer to People and Places’, the LGA set out its ambition for a second generation of LAAs which would

- pool the totality of public resources in an area
- deliver improved outcomes
- give better access to service users
- achieve efficiency savings.

14. Whilst the White Paper does not deliver on this ambition in its entirety – most notably in encompassing all area-based funding - it does move significantly in this direction. The streamlined national outcomes, indicators and targets, all to be negotiated and delivered through the LAA, should enable areas to focus better on the priorities that really matter – both in terms of how locally the council with its partners can deliver against the key national outcomes but also in creating space for uniquely local priorities to be addressed.

15. In shifting up a gear, second generation LAAs should be encompassing the significant priorities for an area and should sustain commitment from LSP partners to addressing these priorities. All Boards have a role in ensuring that key issues within their policy areas are being addressed by government departments, by national partners and by local authorities through the LAA framework. This is not always easy, particularly for those service areas which are more intrinsically a **means** to delivering significant outcomes, e.g. the contribution sport and culture make to improved health, reduced crime or improved community cohesion. It can also be challenging to locate cross-cutting issues within LAAs as they do not sit easily within one LAA 'theme'. As a result, there is a danger that without such Board oversight, we will see an unchallenged introduction of governance, delivery and performance management arrangements for these policy issues which sit outside LAAs.

Boards are asked to

- Identify developing governance, delivery and performance management arrangements within their policy areas to ensure that they are consistent with the next generation LAA framework – on 28 February the LGA and Inter Agency Group published 'Vision to Reality', guidance for local members and practitioners on integrating local health and social care services within a whole system governance framework.

Improving performance

16. The White Paper acknowledges the strong evidence of rising performance within local government across a wide range of services and functions and notes that the current arrangements have been effective in tackling the most significant cases of under-performance. But it goes on to argue that significant challenges remain – for some whole service-areas, such as children in care, or in individual local authority areas where performance is below average.

17. Part of the Government's response is to more clearly focus improvement support through the agreement of a joint LGA/Government-wide improvement strategy and secondly to shift greater responsibility for securing improvement to local authorities working with their partners.

18. A joint LGA/Government-wide Improvement strategy would identify improvement/capacity building priorities for the SR 2007 period and focus resources across Govt towards those priorities. This goes much further than the way we traditionally think about improvement support (top slice and the joint capacity building fund) and will include improvement support across Govt Depts (totalling approx £1.6bn in the current spending review period). The LGA Improvement Board is lobbying to secure sector ownership of the strategy and a strong input in terms of the identification of improvement priorities. If the strategy is to be effective it must work for the sector and be based on an accurate analysis of improvement priorities for the sector.

19. The White Paper also picks up on the LGA's arguments for a strongly sector led approach to improvement and to identifying and dealing with poor performance - building upon work that

the Improvement Board, along with IDeA, have been doing to spot councils that are struggling and to mobilise challenge and support. Much of this has been focused at the overall, corporate level of performance – e.g. councils with CPA categorisations of zero or one star, or poor direction of travel progress – and the Improvement Board will continue to develop this approach as part of our overall post White Paper offer.

20. However, it seems clear that some of the sector's vulnerability in the new framework will be about particular service and outcome failings – e.g. levels of recycling, levels of teenage conception, performance on looked after children etc - where the problem may also stretch across different partners locally and where a broader approach involving other Boards is required. In this context it would be helpful if Boards took a lead in monitoring performance levels in key service/outcome areas within their remit, along with softer intelligence, so that they were in a position to identify potential problems and, working with the Improvement Board, stimulate sector based preventative/remedial action. Officers will be working to identify potential key PIs that would provide a basis for Board's monitoring activity and to agree respective roles between the Boards in addressing under-performance. It is proposed that these are agreed through Office Holders for inclusion in the LGA's revised engagement and intervention protocol to be launched at the beginning of March.

Boards are asked to

- Work with adviser and practitioner networks to identify potential improvement priorities facing councils and their partners over the next spending review period (2008-2011) that they would like to see reflected in the proposed national improvement strategy – members might like to consider development needs that may emerge as new policies bed in the new local delivery landscape such as commissioning, skills for health scrutiny and patient and public involvement;*
- agree the role they are being asked to play in monitoring performance and addressing under-performance in relevant service/outcome areas and that further detailed proposals for implementing this will be agreed with lead members – LGA and IDeA officers are involved in the work of the Care Services Improvement Partnership that is focussing on the 21 authorities rated zero or one star since 2002. Members might like to consider how they develop dialogue with Ministers and other key players on this issue.*

Implications for Wales

None.

Financial/Resource Implications

There are no additional resource implications arising from this report.

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