

The National Indicator set

Summary

This report updates the Board on the progress of a government led review of the national indicator set and invites members to agree a submission to the review.

Recommendations

That the Board agree the proposed submission to the current review of the national indicator set (**attached** at Annex A).

Action

Submit LGA views to the review process.

The National Indicator set (NIS)

1. Background

- 1.1 The national indicator set was developed by Government as part of the Comprehensive Spending review 2007. The indicators reflect the Government's national priorities as expressed through PSAs and Departmental Strategic Objectives. The NIS is an important part of the performance framework. It is meant to represent the only measures on which central government will performance manage outcomes delivered by councils working alone or in partnership. Performance against each of the indicators is to be reported for every single tier and county council LSP. All other sets of indicators, including Best Value performance Indicators (BVPIs) were to be abolished from April 2008.
- 1.2 If there is to be another set of indicators they would be introduced after the next General Election. In theory they would take effect from April 2011 and would need to be available by October 2010 for LAA negotiations, implying some form of consultation during summer 2010.
- 1.3 In preparation, CLG are currently conducting a review of the National Indicator Set with the aim of establishing an agreed process and approach for delivering an improved set for the next spending cycle. The review is being conducted through the inter-departmental NIS Review Project Board on which the sector is represented.
- 1.4 The review will need to take account of Sir Michael Bichard's work for the Government's Operational Efficiency Programme which recommended that: *"CLG should lead on reforming, and where possible reducing, the national indicator set ahead of the next round of LAAs to support effective local prioritisation. This should include making the indicators more relevant, outcome focussed, cross-cutting and measurable; where possible reducing the number of LAA targets to focus on a smaller number of priorities at the local level; and examining the approach to mandatory indicators to ensure that they accurately reflect those outcomes that are an absolute priority for government in every place."*
- 1.5 At the same time however the Laming report into the Protection of Children in England (March 09) recommended that: *The Government should introduce new statutory targets for safeguarding and child protection alongside the existing statutory attainment and early years*

targets as quickly as possible. The National Indicator Set should be revised with new national indicators for safeguarding and child protection developed for inclusion in Local Area Agreements for the next Comprehensive Spending Review.

2. Progress of the Review

- 2.1 As part of the review process Government departments have been reviewing their own indicators against a common set of criteria agreed through the Review Board. The Government Office network is currently facilitating a series of workshops to gather feedback from councils and local partners about their experience of the NIS. CLG aim to conclude the current stage of the review in December with a recommended process and approach for developing a new indicator set for the next spending review cycle.
- 2.2 It is important that the sector has a strong input to the review and this has been provided by sector representatives on the Review Board. In addition it is proposed that the LGA support and reinforce their input by making a submission to the review.
- 2.3 A draft submission, developed with input from sector representatives on the Review Board, is **attached** at Annex A. In summary the key messages are that:
- The complexity of the social, economic and environmental challenges facing local communities along with the severity of the economic situation demand new ways of working across the public sector at local level;
 - Local public service providers need to be able to develop tailored responses to the challenges in their areas in a coordinated, efficient and cost effective way; locally the Total Place pilots are exploring how this can be achieved in practice;
 - However national targets and indicators are one of the more frequently cited obstacles that prevent partners working together or front line staff being able to exercise greater innovation and creativity in service delivery;
 - The national performance and accountability framework (including the NIS) needs to support and reinforce these new ways of working. Going forward
 - A new National Indicator Set should be not only for councils but for all public sector bodies in a locality;
 - It should contain a better balance of outcome indicators, reinforcing partnership working;
 - Indicators should focus on what is important – and by doing so there should be scope to reduce the size of the total set, thereby providing greater flexibility locally;
 - In the meantime much greater progress needs to be made to reduce the requirements on councils to supply performance data outside the NIS.

3. Financial Implications

There are no additional financial implications arising from this report.

4. Implications for Wales

The NIS does not apply in Wales.

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LGA submission to the review of the national indicator set

The LGA welcomes the current review of the national indicator set and the opportunity the sector has had to contribute to the process. This submission sets out the LGA's views and is designed to support and reinforce the input sector colleagues have already made to the review.

- The complexity of the social, economic and environmental challenges facing local communities along with the severity of the economic situation demand new ways of working across the public sector at local level.
- Local public service providers need to be able to develop tailored responses to the challenges in their areas in a coordinated, efficient and cost effective way. Locally the Total Place pilots are exploring how this can be achieved in practice.
- The national performance and accountability framework (including the NIS) needs to support and reinforce these new ways of working. The NIS is an improvement on the BVPI framework – and the cross cutting nature of some of the indicators can be a stimulus to improved partnership working.
- However national targets and indicators are still one of the more frequently cited obstacles that prevent partners working together or front line staff being able to exercise greater innovation and creativity in service delivery. The existence of other indicator sets for local partners (e.g. Vital Signs for health; APACs for police, etc) means that local partners can be diverted from focussing their attention on local outcomes. Any new national indicator set should be **locality, not council, based**.
- Despite the intention that the NIS would contain **outcome measures**, many of the indicators measure programme activity, processes and outputs. Whilst both types of indicators have their place, many of the issues that matter most to local people are not service-specific but relate to broader outcomes. In the future there should be a better balance of indicators focussing on cross-cutting outcomes and not driven by narrowly defined departmental priorities. Only by focussing on outcomes will indicators help reinforce partnership working locally.
- The indicators should **focus on what is important**. Indicators should genuinely reflect priority outcomes and not be a compendium of things Government feels

are generally important. Many indicators have proved to be not relevant locally – some 53 indicators have only been selected in 5 or fewer LAAs.

- This points to the potential scope for **reducing the size of the indicator set**. The current set is already too large. Whilst there are 188 indicators it is estimated that in practice there are actually around 261 indicators because some are “disaggregated” into different groups and others are “multi-part” containing several different indicators under one heading.
- There needs to be a **better balance** across the indicator set – colleagues refer to too many indicators relating, for example, to services for children and young people while other services receive little coverage e.g. adult social care (including mental health) economy and regeneration, culture, rural issues, etc. There are also too many perception indicators and many are not of good quality.
- The advent of the NIS has not led to a **reduction in the burden**. The first year has been challenging. Many of the indicators are new and complex, requiring considerably more effort to set up and maintain. If the burden is to reduce then the associated data returns must be stopped or reduced. Some indicators are costly to collect data for and these costs need to be factored in against the benefits of collection.
- There are a range of **technical problems** that need to be addressed in the future, for example:
 - many of the indicators have complex definitions that are not easy to understand or are ambiguous
 - data lags are a real barrier to driving improved performance. In some cases the data is only available from national sources annually or less frequently, in which case it is not useful in driving improvement or councils may have to seek proxy data
 - in some cases the spatial level at which the indicator is to be reported is at a higher level than that of an individual LSP – e.g. police force areas – and this calls into question how suitable the indicators are for local level reporting. Even where spatial reporting requirements are set at county council level many county councils cover large and diverse areas and this can cause difficulties drilling down to sub county council level, potentially limiting the usefulness of the indicators for shire districts
 - too many indicators are reliant on survey methodology to collect information to assess performance
 - changes to the indicator definitions during their life are disruptive and do not support comparisons over time – they should be avoided wherever possible.

- The national indicator set was intended to represent the only measures on which central government would manage outcomes delivered by local government working alone or in partnership. But this is not the case. It is a consistent message that councils are still required to supply data to different government departments in different formats using different definitions. There are still too many requirements to report non NI data to government or to submit the same data twice. Much greater progress needs to be made to **reduce the data burdens facing localities**.
- **Going forward**, if there is to be a new set of indicators then, in addition to the comments outlined above:
 - We need to ensure an appropriate balance between continuity and consistency on one hand and learning and adjustment on the other. Some long term stability is essential if indicators are to be useful to and accepted by local government
 - The technical difficulties associated with a number of indicators demonstrate the challenges involved in finding good measures for complex outcomes. Councils have a great deal of experience in developing outcome measures and local authorities should be actively involved in the process of designing, developing and testing any future national indicator set
 - Because developing indicators is difficult it is important to start the thinking as early as possible
 - Developing a single national measure for complex outcomes may not always be possible or sensible. Government should accept that in some circumstances it may be preferable to allow local measures to be developed and to learn from and share developing practice.