

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

PERFORMANCE UPDATE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To update the Committee of the changes being made nationally to the Performance Framework for Local Government. .

2. BACKGROUND INFORMATION

- 2.1 On the 25th June 2010 the Secretary of State for Communities and Local Government (CLG) announced the abolition of the Comprehensive Area Assessment , the current inspection framework for Local Government. This also included an indication that the annual inspections for Children's and Adult Services would continue until a review of their long term future was undertaken. Subsequently notification was received that the annual inspection for Adult Services had ceased.
- 2.2 This was followed by a further announcement by the Secretary of State for Communities and Local Government in August about plans to abolish the Audit Commission with effect from April 2011. The Quality Care Commission will focus on regulation and quality meaning adult social care and OFSTED will be retained but will be reformed to increase proportionality and reduce burdens.
- 2.3 On the 13th October the Secretary of State for Communities and Local Government announced changes to the Local Area Agreement (LAA) reward grant and National indicator set. The Government have decided the LAA will not be continued next year. In addition the reward grant, that originally accompanied the existing LAA, has now been removed. The Government also announced its intention to replace the National Indicator Set with a single list of all the data that councils are expected to provide to Government from March 2011. In the interim we are required to continue to measure and

report the National Indicators unless told not to do so by individual Government Departments.

- 2.4 To replace the inspection regime the Government requires greater transparency through locally determined performance arrangements. They have also stated that they will no longer have targets imposed by Central Government so councils are able to determine them based on local need.
- 2.5 To assist this the Local Government Group have been working with the Government on a scheme of self regulation. They have consulted on proposals which include:
- A dashboard of key risk and organisational health indicators” for councils and local partnerships
 - Develop agreed ‘early warning’ signals and arrangements which could include assessment of routine performance information
 - Agreement by all councils to accept at least three-yearly peer challenge reviews
 - A system of the identification of common risk factors
 - Councils themselves identifying and driving improvement.

The council has responded to the consultation.

- 2.6 On 22nd December 2010 the Government launched a consultation on the new data required by Government. It includes 152 sets of data of which 15 were classed as new including plans for data collections on community budgets, neighbourhood plans, new mutuals and co-operatives.
- 2.7 These will replace the previous 180 National Indicators. It should be noted that they do not include any indicators that will be required from councils arising from the new health outcomes framework to be introduced a year later or other data used by the council for planning services such as data reported by the Police. These, together with the potential for individual departments to sub- divide data will mean that the number will be increased. Performance leads are being consulted on the consultation and a response from the council is being prepared.
- 2.8 The Government have also indicated that they require more openness and transparency from Local Government which includes reporting on local performance and value for money so local people can make assessments and comparisons about the services they are getting. .
- 2.9 In this interim period there is an increased risk that performance may not be sustained. To minimise this the current system of QPRs will continue. At the same time the council will begin preparation for the new framework.

3 **OPTIONS FOR CONSIDERATION**

3.1 The Committee are asked to note that changes to the performance framework and consider if the action being taken gives sufficient assurance that the performance arrangements are being developed in line with changing requirements.

4. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

4.1 The resource requirements will need to be determined once the framework is fully developed.

5. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)**

5.1 The council needs to ensure that it complies with the new requirements.

6. **OUTCOMES OF CONSULTATION**

6.1 Service Directors and performance leads have been consulted on the changing requirements.

7. **RECOMMENDATIONS**

7.1 That the Audit Committee note the changes to the performance framework and consider if the action being taken gives sufficient assurance that the performance arrangements are being developed in line with changing requirements.

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Background Papers used in the preparation of this report

Letter from the Rt Hon Eric Pickles MP - Abolition of Comprehensive Area Assessment
25th June 2010.
22nd December 2010 Government consultation on the New Data Requirements
19th July - Consultation on Transparency in Outcomes – A Framework for the NHS