

REGULATORY APPRAISAL

LOCAL GOVERNMENT, WALES

THE LOCAL GOVERNMENT (BEST VALUE PERFORMANCE INDICATORS) (WALES) ORDER 2005

Purpose and intended effect of the measure

1. The purpose of this Order is to replace the existing set of 89 Statutory Indicators that local authorities in Wales currently have to collect with a more strategic set of 22 statutory indicators. A separate Order (the Local Government (Best Value Performance Indicators) (Wales) (Revocation) Order 2005) will revoke the previous Local Government (Best Value Performance Indicators) (Wales) Order 2002.
2. In 2003 the Welsh Assembly Government commissioned the Local Government Data Unit – Wales to carry out a “fundamental review of the performance measurement framework relating to local authorities in Wales” (*Freedom and Responsibility in Local Government – March 2002*). The Unit has worked closely with key agencies including local government, regulators, Assembly Government policy directorates and service experts to develop a new performance measurement framework for local authorities.
3. This work culminated in the consultation document ‘*Local Government Performance Measurement Framework and Performance Indicators 2005-06*’. This major consultation ended in December 2004. The consultation recommended, among other things, that the current set of 89 statutory performance indicators be reduced to a set of 21. All the local authorities that responded to the consultation welcomed the principle of this recommendation.
4. The current set of 89 statutory indicators were established by the Local Government (Best Value Performance Indicators) (Wales) Order 2002. The parallel Local Government (Best Value Performance Indicators) (Wales) (Revocation) Order 2005 will revoke this indicator set.
5. This Order will establish the 22 statutory indicators for local authorities to collect for the 2005-06 financial year.
6. As a result of the consultation exercises, and further meetings with stakeholders, minor amendments have been made to the Order. An extra statutory indicator to monitor the level of children receiving a Teacher Assessment in Welsh at Key Stage 2 and 3 has been added and minor amendments to the wording of other indicators have been made to make them more accurate and meaningful.

Risk Assessment

7. If the Statutory Instruments are not adopted by the Assembly then local authorities will be required to continue to collect the 89 statutory indicators prescribed in the 2002 Instrument.

Options

Option 1 - Do Nothing

8. This option would result in local authorities continuing to collect the current set of statutory indicators. The current set of statutory indicators have been described as being too narrow, too historical, a poor reflection of national strategic priorities and simply not fit for the purpose of assessing the delivery of high quality, cost effective public services. If the new statutory set is not brought in for April 2005 these failings will continue.

Option 2 – Make Legislation

9. This would establish the statutory elements of the new performance measurement framework for local authorities in Wales.

Benefits

10. The benefits of bringing in the new statutory set would be to establish statutory elements of the new performance measurement framework for local authorities that has been consulted upon. It would reduce the burden on local authorities by lowering the number of statutory performance indicators that they have to collect from 89 to 22 from April 2005. Taken as a whole, the new performance measurement framework will provide a more rounded and better-balanced picture of local authorities performance.

Costs

11. There are no additional financial implications for the Assembly as a result of passing these Regulations.
12. For local authorities there may be some additional set-up costs for the introduction of the wider performance measurement framework (that is outside the scope of these Regulations). These should be absorbed in local authorities normal running costs and be outweighed by the benefits provided by better management information and more balanced performance information.

Competition Assessment

13. There are no issues in relation to competition.

Consultation

With Stakeholders

14. In 2003 the Welsh Assembly Government commissioned the Local Government Data Unit – Wales to carry out a “fundamental review of the performance measurement framework relating to local authorities in Wales” (*Freedom and Responsibility in Local Government – March 2002*). The Unit has worked closely with key agencies including local government, regulators, Assembly Government policy directorates and service experts

to develop a new performance measurement framework for Local Authorities.

15. This work culminated in the consultation document '*Local Government Performance Measurement Framework and Performance Indicators 2005-06*'. This consultation ran from 15 October to 10 December 2004. A list of the consultees is attached at Annex A. Over fifty formal responses were received from local authorities, regulators, professional networks and the voluntary sector.
16. Parallel to this, a further consultation on this Order and the corresponding Local Government (Best Value Performance Indicators) (Wales) (Revocation) Order 2005 was conducted with local authorities and other interested parties. This consultation ran from 15 November to 10 December 2004. A list of consultees is attached at Annex B.
17. All local authorities responded to the '*Local Government Performance Measurement Framework and Performance Indicators 2005-06*' consultation and all agreed with the principle of a reduction in the number of Statutory Indicators.
18. As a result of the consultation exercises, and further meetings with stakeholders, changes have been made to the Order. An extra statutory indicator, to monitor the level of children receiving a Teacher Assessment in Welsh at Key Stage 2 and 3, has been added. This reflects the Assembly Government's commitment to increase the number of Welsh speakers by 5% by 2011 as set out in '*laith Pawb*'. Also, minor amendments to the wording of other indicators have been made to make them more accurate and meaningful.

With Subject Committee

19. The Local Government and Public Services Committee received a paper (LGPS-11-04)(paper 1)) on the proposed new performance measurement framework at the meeting held on 1 December 2004. The following issues were raised for discussion:
 - There was a need to measure the input of local authorities and the type and effectiveness of this. The Committee was told that key service areas and corporate function measurements focused on the input of resources, access to services, service quality/delivery and strategic/policy outcomes.
 - Concern was raised at the absence of detailed information on the measurement of authorities' Welsh language policies. The Committee was informed that the effectiveness of policies would be monitored across the framework – for example, there could be shared outcome measure on the use of the Welsh language and the core sets would monitor impacts/experiences of Welsh speakers and other groups. Officials would be meeting various Welsh language interest groups on 7 December 2004.

20. The Committee scrutinised this Order at its meeting on 19 January 2005 (LGPS 01-05 (Paper 4, Annex B)). The committee discussed and agreed the Order (alongside the parallel Local Government (Best Value Performance Indicators) (Wales) (Revocation) Order 2005 without recommending any changes.

Review

21. Once the Orders are in place the Assembly Government will review its efficacy under the Wales Programme for Improvement in partnership with stakeholders.

Summary

22. In summary, as a result of a major review of how local authorities measure their performance the Assembly Government is proposing a new performance measurement framework for them. A significant part of this is the reduction of the number of statutory indicators for local authorities. This Order will revoke the current set of statutory indicators. A separate Order, the Local Government (Best Value Performance Indicators) (Wales) (Revocation) Order 2005 will revoke the previous Local Government (Best Value Performance Indicators) (Wales) Order 2002, which set the 89 Statutory Indicators that local authorities in Wales currently have to collect.

Annex A

Assembly Members
Assembly Heads of Departments/Directorates/Divisions
Chief Executives of County and County Borough Councils
Chief Executives of Fire Authorities
Chief Executives of Police Authorities
National Parks Chief Officers
Welsh Local Government Association
One Voice Association
Wales Trade Union Congress
TGWU
UNISON
GMB
Public and Commercial Services Union
Environment Agency Wales
Welsh Development Agency
Food Standards Agency
Health and Safety Executive
National Audit Office
Audit Commission in Wales
Social Services Inspectorate in Wales
Estyn
Wales Tourist Board
CADW Welsh Historic Monuments
Arts Council for Wales
Sports Council
National Museums and Galleries of Wales
Countryside Council for Wales
National Library for Wales
Commission for Local Administration
Local Government Board Forum Wales
Office of the Deputy Prime Minister
Department of Works and Pensions
Home Office
SOLACE
Wales Performance Indicator Network
Wales Corporate Heads of Policy Group
Wales Improvement Network
Wales Association of Technical Officers
Society of Information Technology Managers
Society of Welsh Economic Development Officers
Planning Officers Society Wales
Wales Society of Emergency Planners
Wales Heads of Environmental Health Group
Society of Directors of Public Protection Wales
Wales Heads of Trading Standards Group
All Wales Chief Housing Officers Panel
All Wales Social Services Unit

Assistant Directors of Adult Services Group
Assistant Directors of Children Services Group
Social Services Technical Working Group
Assistant Directors of Education in Wales
Education Practitioners' Forum
Wales Leisure Officers Group
Society of Welsh Treasurers
Race Equality Councils
Disability Rights Commission
Equal Opportunities Commission
Commission for Racial Equality (Wales)
Welsh Language Board
Disability Wales
All Wales Ethnic Minority Association
Lesbian, Gay and Bi-sexual Forum
Wales Council for Voluntary Action
Voluntary Sector Partnership Council
County Voluntary Councils
Welsh Consumer Council
Citizens' Advice Cymru
CIPFA
Chartered Institute of Housing in Wales
Welsh Federation of Housing Associations
Council of Mortgage Lenders
Welsh Tenants' Federation
Tenants' Participation Advisory Service
Care and Repair Cymru
Shelter Cymru
Clyth – Wales Community Recycling Network
Friends of the Earth Cymru

Annex B

Chief Executives of County and County Borough Councils in Wales;
National Park Officers;
Director-General of the Audit Commission in Wales
Director of the Welsh Local Government Association
Director of the Local Government Data Unit