
Best Value Performance Plan 2000/2001

Powys County Council



DISTRICT AUDIT

delivering public audit
for the Audit Commission

Statutory Report

Ceri Stradling

District Auditor

AUDITORS' REPORT TO POWYS COUNTY COUNCIL ON ITS BEST VALUE PERFORMANCE PLAN FOR THE YEAR ENDING 31 MARCH 2001

Certificate

We certify that we have audited Powys County Council's Best Value Performance Plan (BVPP) in accordance with Section 7 of the Local Government Act 1999 and the Audit Commission's Code of Audit Practice.

Respective responsibilities of the Council and the auditors

Under the Local Government Act 1999 (the Act) the Council is required to prepare and publish a BVPP summarising the Council's assessments of its performance and position in relation to its statutory duty to make arrangements to secure continuous improvement to the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council is responsible for the preparation of the plan and for the information and assessments set out within it. The Council is also responsible for establishing appropriate performance management and internal control systems from which the information and assessments in its plan are derived. The form and content of the BVPP are prescribed in Section 6 of the Act and statutory guidance issued by the National Assembly for Wales.

As the Council's auditors, we are required under Section 7 of the Act to carry out an audit of the BVPP, to certify that we have done so, and:

- **to report whether we believe that the plan has been prepared and published in accordance with statutory requirements set out in Section 6 of the Act and statutory guidance and, where appropriate, recommending how the plan should be amended so as to accord with statutory requirements**
- **to recommend:**
 - where appropriate, procedures to be followed in relation to the plan**
 - whether the Audit Commission should carry out a Best Value inspection of the Council under Section 10 of the Local Government Act 1999**
 - whether the National Assembly for Wales should give a direction under Section 15 of the Local Government Act 1999.**

Opinion

Basis of this opinion

For the purpose of forming our opinion whether the plan was prepared and published in accordance with the legislation and statutory guidance, we conducted our audit in accordance with the Audit Commission's Code of Audit Practice. In carrying out our audit work we also had regard to supplementary guidance issued by the Audit Commission.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide an opinion on whether the plan has been prepared and published in accordance with statutory requirements.

In giving our opinion we are not required to form a view on the completeness or accuracy of the information or the realism and achievability of the assessments published by the Council. Our work therefore comprised a review and assessment of the plan and, where appropriate, examination on a test basis of relevant evidence, sufficient to satisfy ourselves that the plan includes those matters prescribed in legislation and statutory guidance and that the arrangements for publishing the plan complied with the requirements of the legislation and statutory guidance.

Included in the plan are the Council's estimates for the year ending 31 March 2000. Actual results for the year are likely to be different from the figures reported, because events and circumstances frequently do not occur as expected, and the differences may be material. To the extent that figures included in the plan are estimates, our audit work comprised an assessment as to whether the estimates made by the Council had been properly compiled in all significant respects on the basis of the assumptions stated by the Council, as at the date at which the plan was prepared.

Unqualified opinion

In our opinion, Powys County Council has prepared and published its BVPP in all significant respects in accordance with Section 6 of the Local Government Act 1999 and statutory guidance issued by the National Assembly for Wales.

Recommendations on procedures followed in relation to the plan

Where appropriate, we are required to recommend the procedures to be followed by the Council in relation to the plan.

Basis of recommendations

For the purpose of making our recommendations, we conducted our audit in accordance with the Audit Commission's Code of Audit Practice. In carrying out our audit work we also had regard to supplementary guidance issued by the Audit Commission.

We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to enable us to determine whether or not to make recommendations in this report on the matters that came to our attention during the audit. However, our work cannot be relied upon to identify every weakness or opportunity for improvement. In particular, it has not necessarily covered the same areas as a Best Value inspection.

For this purpose, our audit included a review and assessment, and where appropriate, examination on a test basis of evidence relevant to:

- **the adequacy of the systems set in place by the Council for collecting and recording specified performance information**
- **the extent to which the procedures followed by the Council in relation to its BVPP comply with the performance management framework prescribed in the legislation and statutory guidance.**

Recommendations

On the basis of our audit work, we consider that the matters set out below should be brought to your attention:

Performance management system

An effective performance management system aimed at delivering continuous service improvement, in terms of both process and practice, underpins Best Value. Councils are unlikely to be able to demonstrate continuous service improvement without a coherent performance management system.

The Council does not yet have a performance management framework that can be applied consistently throughout all its departments. It is currently reviewing its arrangements and needs to ensure that a formal framework is developed and applied in all departments if it is to achieve continuous service improvement.

Summary of current performance

BVPPs are central to organising and publicising the work that councils carry out to provide and improve their services. They allow the people of the area to see clearly how well their council is performing and how it intends to improve.

This year's BVPP reports current performance based on service areas identified by the Audit Commission for the collection of Audit Commission Performance Indicators. Now that Powys's Corporate Plan has been finalised, and the Council's overall objectives approved, performance should be reported against these high level objectives using a range of Performance Indicators and targets.

Performance information

Performance information and measurement is a key management tool to help achieve Best Value and enables councils to understand their performance better, and to engage in dialogue with those who use their services.

In general, performance information reported in the BVPP was based on estimates because final year end figures were not available at the time the BVPP was published. In some of the indicators that we tested, although we were satisfied that there was a system in place to support the indicator, we found that there was inconsistent or incomplete record keeping and errors in calculating indicators in line with the specified definitions. Procedures should be established to ensure that Performance Indicators are prepared and data validated regularly throughout the year.

Challenge

As part of each Best Value service review, councils are required to challenge the provision of services in detail. They are expected to demonstrate that they have considered the underlying rationale for services under review and the alternative ways in which they might be provided.

The Council's Best Value Review Guidance outlines its approach to challenge and this has been enhanced by further guidance now included as appendices to that document. The Council must ensure that the application of this guidance is carefully monitored in order to show that service reviews have:

- considered all potential providers and/or partners
- undertaken a rigorous appraisal of a range of options
- included external partners/stakeholders.

Competition

A council's approach to competition requires an open mind as to how services might be provided and by whom. The procurement process should encourage fair competition and the appropriate use of market testing.

The Council has agreed a Competitiveness and Procurement Strategy that explains its approach, provides guidance on how to test competitiveness and requires an evidence-based assessment of procurement options. Each review team's approach to testing competitiveness needs to be scrutinised early in the review cycle to ensure that all the requirements of the Strategy have been met.

Consultation

The value of a service cannot be judged without learning from the perceptions of direct, and potential, service users, local citizens and taxpayers, employees and Trade Unions, local businesses and other partners including the voluntary sector. Councils are required to include a statement of the year's consultation exercises in their BVPPs together with summary information on the forms of consultation and analysis of the results.

Although headline messages are shown against a number of different consultation exercises, a more detailed analysis of the results of such exercises undertaken during each year will need to be reported in future BVPPs.

Service reviews

Best Value reviews are the principal means by which councils will take responsibility for ensuring that the duty of achieving Best Value, securing continuous service improvement, is achieved. Within each review there needs to be a mechanism that ensures those responsible for conducting the review can anticipate rigorous questioning of the procedures of the review and the conclusions reached.

Lead officers within the relevant departments have been appointed to manage service reviews and key Members have been allocated responsibility for each review. The Council has put in place arrangements for Service Committees to review and challenge the results of service reviews at critical stages and for the Budget and Best Value Sub-Committee to challenge the final outcomes from the reviews. Guidance and training should be given to members of those Committees in order that they can ensure that the Council's approach to the four elements (the 4Cs) of service reviews has been vigorously applied.

Recommendations on referral to the Audit Commission/National Assembly for Wales

We are required each year to recommend whether, on the basis of our audit work, the Audit Commission should carry out a Best Value inspection of the Council or the National Assembly for Wales should give a direction.

On the basis of our work:

- we do not recommend that the Audit Commission should carry out a Best Value inspection of Powys County Council under Section 10 of the Local Government Act 1999
- we do not recommend that the National Assembly for Wales should give a direction under Section 15 of the Local Government Act 1999.

Ceri Stradling
District Auditor

October 2000

Audit Opinion

"In our opinion Powys County Council has prepared and published its BVPP in all significant respects in accordance with Section 6 of the Local Government Act and statutory guidance issued by the National Assembly for Wales

The County Council is pleased to note that it has received an unqualified opinion and that its BVPP complied in all significant respects with the statutory requirements.

Performance Management System

"...a formal performance management framework needs to be developed if the Council is to achieve continuous service improvement"

The Authority recognises the value of a robust performance management system and has been working towards implementing a system which is comprehensive without being too cumbersome. A framework has been agreed which links the primary objectives of each individual through to service and departmental business plans and ultimately the Corporate Plan. The groundwork for this performance management system is being developed through each department with implementation by 1st April, 2001.

The Authority has also adopted the EFQM model, a European recognised model of business excellence, which through a system of self analysis identifies areas for continuous service improvement. Training is currently underway for assessors ready for full implementation across the Authority after 1st April, 2001.

Summary of current performance

".. Now that Powys' Corporate Plan has been finalised, and the Council's overall objectives approved, performance should be reported against these high level objectives using a range of Performance Indicators and targets.

All future Best Value Performance Plans (BVPP's) will be prepared to ensure that performance is reported against the Corporate Objectives outlined in the Corporate Plan.

A number of local performance indicators will be identified to reflect performance against the corporate objectives.. These indicators and their appropriate targets will be selected to be Specific, Measurable, Actionable, Realistic and Timely and will be monitored regularly and reported to Senior Managers and Members on a quarterly basis from 1st April 2001.

Performance Information

"... Procedures should be established to ensure that Performance Indicators are prepared and data validated regularly throughout the year.

The Authority acknowledges that there have been some inconsistencies in the collection and reporting of performance information in the past due to disparities in service delivery, i.e. across the Shires. However, much work has been undertaken by departments to ensure the most appropriate systems have been developed for the accurate reporting of the required statutory and local performance indicator information.

As part of the Performance Management Framework a nominated Senior Manager from each department will be responsible for the collection of these performance indicators. A programme of reporting and validating these corporately, on a quarterly basis, has been progressed and implemented from 1st April, 2000.

Challenge

“...The Councils Best Value Review Guidance outlines its approach to challenge and this has been enhanced by further guidance now included as appendices to that document. The Council must ensure that the application of this guidance is carefully monitored in order to show that service reviews have:

- *considered all potential providers and/or partners*
- *undertaken a rigorous appraisal of a range of options*
- *included external partners/stakeholders*

The Council has developed a “toolkit” to support the Best Value Service Reviews. This guidance has been revised to ensure that all potential providers and/or partners and stakeholders will be given consideration and included where appropriate, and a rigorous appraisal of the range of service delivery options will be undertaken at the earliest stages of the review. This guidance will continue to be updated and improved as our knowledge and experience of Best Value develops, and will be implemented in its revised form through the Year Two and subsequent Best Value Service Reviews.

To ensure that the guidelines are being followed, meetings are held with Review Group Leaders on behalf of, and interim reports supplied to, the Head of Performance Management and subsequently to the Best Value Sub Committee. Workshops have, and will, also be held with all Review Group Leaders to enable any problems with the process to be shared collectively and ultimately resolved. Challenge is an aspect of the Service Review which, by its nature, requires revisiting throughout the process as more data becomes available, necessitating the regular holding of these progress meetings.

Competition

“.. Each review team’s approach to testing competitiveness needs to be scrutinised early in the review cycle to ensure that all the requirements of the Competitiveness and Procurement strategy have been met.

By using the above guidance, as amended, all alternative service options will have been considered at the earliest stage of the review and progress will be made to approach and collect data from the appropriate sources.

Checks will be made by, or on behalf of the Head of Performance Management to ensure that the guidance within the Procurement strategy is adhered to.

Consultation

“... Although headline messages are shown against a number of different consultation exercises, a more detailed analysis of the results of such exercises undertaken during each year will need to be reported in future BVPPs.

The Authority has undertaken a number of consultation exercises both relevant to the Best Value Service Reviews and in the wider Departmental or Corporate context, to help support decision-making. Although the findings and conclusions of these consultations have and will be fed back to those involved in those exercises directly, results will also be included in all future Best Value Performance Plans.

Service Reviews

“... Guidance and training should be given to members of “service” committees in order that they can ensure that the Council’s approach to the four elements (the 4Cs) of service reviews have been rigorously applied.

It is vital that elected members lead the best value process in Powys. To support them training has been arranged to provide guidance for all members. This training will cover some of the most appropriate tools and techniques that should be adopted to ensure that the 4C’s are applied vigorously to the service reviews. This training has been programmed to take place by 31st March, 2000, and will be delivered by the Head of Performance Management.