

**EXPLANATORY MEMORANDUM TO THE
LOCAL GOVERNMENT (BEST VALUE) PERFORMANCE INDICATORS
AND PERFORMANCE STANDARDS (ENGLAND) ORDER 2005**

2005 No. 598

1. This explanatory memorandum has been prepared by the Office of the Deputy Prime Minister and is laid before the House of Commons by Command of Her Majesty.

2. Description

2.1 This Order specifies performance indicators by reference to which certain authorities (“best value” authorities) performance in exercising their functions can be measured. The Order also specifies performance standards to be met by particular best value authorities in relation to performance indicators in respect of certain waste and planning functions (*cf. section 4(1)(b) Local Government Act 1999*).

3. Matter of special interest to the Joint Committee on Statutory Instruments.

None

4. Legislative Background

4.1 Part I of the LGA 1999 (best value) imposes requirements on local authorities and other authorities (the best value authorities listed in section 1 of that Act) relating to economy, efficiency and effectiveness in exercise of their functions. Section 4(1) of that Act confers a power on the Secretary of State to specify by order best value performance indicators and standards.

4.2 Best value authorities are required to conduct best value reviews (section 5 of the LGA 1999) which assess success and progress towards meeting performance indicators and standards. In addition, the authorities are required to prepare best value plans for each financial year (section 6 of the LGA 1999) which compare and assess performance as against the performance indicators and standards from one year to the next. The best value performance plans are also subject to audit by the Audit Commission who, in carrying out the audit, will consider the authority’s performance in relation to the performance indicators and standards.

4.3 This Order revokes and replaces The Local Government (Best Value) Performance Indicators and Performance Standards Order 2003 (“the 2003 Order”) as well as subsequent orders that amended that Order.

5. Extent

5.1 This instrument applies to English best value authorities except police authorities.

6. European Convention on Human Rights

6.1 Not applicable.

7. Policy Background

7.1 Best Value Performance Indicators (BVPIs) provide a framework against which to measure the performance delivery of best value authorities across the key local services covering. They are designed to:

- enable central Government to monitor progress over a period of time;
- allow authorities to compare their performance against that of their peers; and
- provide residents with information about the performance of best value authorities in the areas in which they live.

7.2 BVPIs are also a key component of the framework developed by the Audit Commission to inform Comprehensive Performance Assessment (CPA) judgments. The CPA was introduced in 2002 and brings together a range of information including BVPI data and inspection results to form an overall assessment of an authority's performance. Authorities are given one of the following ratings: 'excellent', 'good', 'fair', 'weak' or 'poor'. Excellent authorities are rewarded with a significant range of freedoms and flexibilities (e.g. the power to trade) whereas poor authorities are subject to a range of improvement measures and ongoing close scrutiny of their performance.

7.3 Since the introduction of BVPIs in 2000/20001, the local government performance management framework has developed significantly with the introduction of CPA and the separate star rating assessments of education and social services functions. Ministers therefore agreed at GL(P) committee in January 2004 that there was a need for a fundamental review the BVPIs in order to ensure that the suite:

- took account of these developments,
- reflected the key national and local priorities,
- provided relevant performance information; and
- accurately informed CPA ratings, particularly under the revised methodology.

7.4 Following extensive consultation across Whitehall, it was agreed that ODPM should consult best value authorities on proposals to:

- Introduce 35 new BVPIs;
- Amend 30 existing indicators
- Delete 12 BVPIs;

7.5 On 6 July 2004, the Office of the Deputy Prime Minister published a consultation paper entitled: "Best Value Performance Indicators 2005/06: Consultation" setting out

these proposals. The document was circulated to all best value authorities and other interested organisations, including the Local Government Association, the Audit Commission and the Improvement and Development Agency.

7.6 Over 500 responses were received to the consultation paper. A clear majority of respondents were opposed to the introduction of some of the 35 new BVPIs. The main reasons for this were:

- Concern that it would result in a greater administrative burden on best value authorities;
- Doubts over the merits of some of the proposed indicators

7.7 Nonetheless, there was strong support for several of the proposed indicators and it was recognised that they would provide valuable information on key local services.

7.8 In addition to the formal consultation exercise, ODPM set up a sounding board of 16 local authorities¹, the Audit Commission and the Local Government Association. In the light of the responses to the consultation paper and the views of the sounding board, it was decided that 25 of the proposed new indicators would not be taken forward. It was also decided to reduce the number of amendments to existing BVPIs and to increase the number of BVPIs to be deleted.

7.9 The overall impact of these changes is that the number of BVPIs is being reduced in 2005/06 from 98 to 94. Details of the new BVPIs are at Annex A.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The majority of the BVPIs have been in place for at least 12 months. Of the ninety - four indicators which are being set in 05/06, only ten are new. All of the new indicators were piloted for a two month period with a number of local authorities partly to assess the likely cost authorities would incur when collecting this data. It was found that additional costs are likely to be minimal.

9. Contact

Jonathan Bramhall at the Office of the Deputy Prime Minister (Tel: 020 7944 4135), (e-mail: jonathan.bramhall@odpm.gsi.gov.uk) can answer any queries regarding this instrument.

¹ Adur District Council; Broadland District Council; London Borough of Lewisham; London Borough of Hammersmith & Fulham; Derbyshire County Council; Bristol City Council; Vale Royal Borough Council; Portsmouth City Council; Stoke City Council; Telford & Wrekin Borough Council; Nottinghamshire County Council; Kent County Council; South Hams District Council; London Borough of Barking & Dagenham; Thameside Metropolitan Borough Council; Newark and Sherwood District Council.

New BVPIs

Housing

1. Expenditure on authority residential accommodation:
 - (a) proportion spent on planned repairs and maintenance as compared to proportion spent on responsive maintenance and repairs;
 - (b) proportion spent on emergency and urgent repairs compared to proportion spent on non - urgent repairs.
2. The average time taken to grant new tenancies in respect of authority residential accommodation.
3. The number of households in the current financial year that considered themselves homeless, who approached the authority's housing advice centre and for whom housing advice casework intervention resolved their situation.
4. The proportion of those households accepted as homeless in the current financial year, who had previously been accepted as homeless by the same authority within the last two years.

Transport

5. The average number of days taken to repair a street lighting fault, where the street lighting maintenance is under the control of:
 - (a) the authority;
 - (b) an electrical company which owns the energy supply network.

Environment

6. The percentage of pollution control improvements completed on time during the financial year.
7.
 - (a) The percentage, per year, of reports of abandoned vehicles that are investigated within 24 hours of them being notified to the authority;
 - (b) Of the abandoned vehicles which the authority is legally entitled to remove, the percentage that are removed within 24 hours of that legal obligation arising.
8.
 - (a) Number of sites for which sufficient information is available to decide whether remediation of the land is necessary, expressed as a percentage of all sites of potential concern.
 - (b) Number of sites for which information about remediation of the land may be required expressed as a percentage of all sites of potential concern.

Culture and related services

9. Compliance with the Public Library Service Standards.

10. (a) Total number of conservation areas in the authority's area.

(b) The percentage of conservation areas in the authority's area with an up to date character appraisal^(c).

(c) The percentage of conservation areas in the local authority area with published management proposals.