

**EXPLANATORY MEMORANDUM TO**  
**THE LOCAL GOVERNMENT (BEST VALUE) PERFORMANCE INDICATORS**  
**AND PERFORMANCE STANDARDS (AMENDMENT) (ENGLAND) ORDER 2006**

**2006 No. 553**

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

**2. Description**

The Local Government (Best Value) Performance Indicators and Performance Standards (England) Order 2005 (SI 2005/598) set performance indicators by reference to which the performance of certain authorities, in exercising their functions, can be measured. This Order amends some of those performance indicators. The Order also specifies performance standards to be met by particular authorities in respect of certain planning functions.

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

None

**4. Legislative Background**

4.1 Part I (best value) of the Local Government Act 1999 (LGA 1999) imposes a general duty on local authorities and other authorities listed in section 1 of the Act (collectively referred to as “best value authorities”) to make arrangements to secure continuous improvement in the way in which their functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

4.2 Section 4(1) of the LGA 1999 confers power on the Secretary of State to specify by order factors (best value performance indicators) and standards (best value performance standards) by reference to which a best value authority’s performance in exercising its functions can be measured.

4.3 Best value authorities are required to conduct best value reviews (section 5 of the LGA 1999) which amongst other things should assess the authority’s performance by reference to any relevant best value performance indicator and its success in meeting any relevant best value performance standards.

4.4 In addition, best value authorities are required to prepare best value performance plans for each financial year (section 6 of the LGA 1999), these plans provide details of the authority’s performance over the past year by reference to the best value performance indicators and include targets for the current year and beyond. The best value performance plans are also subject to audit by the best value authority’s auditor.

4.5 This Order amends the existing performance indicators for certain functions included in the Local Government (Best Value) Performance Indicators and Performance Standards (England) Order 2005 (SI 2005/598). The Order specifies performance standards in relation to specific planning functions for certain named best value authorities.

## **5. Extent**

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

## **6. European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

**7.1** Best Value Performance Indicators (BVPIs) provide a framework against which to measure local authority performance delivery across the key local services covering both national and local priorities. 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 their local authority.

**7.2** BVPIs are also a key component of the framework developed by the Audit Commission to inform Comprehensive Performance Assessment judgments.

**7.3** The BVPIs which are being introduced by means of this Order will form part of the Best Value User Satisfaction surveys. There are a total of five surveys: General Household Survey, Planning survey, Tenants' survey, Libraries survey and benefits survey.

**7.4** The User Satisfaction Surveys are carried out on a triennial basis. Although the surveys are administered by individual local authorities, they work to a common methodology to ensure that results are comparable nationally. The surveys have two key functions. Firstly, at a national level, data is used to monitor satisfaction with local authority performance overall. Secondly, at a local level, data is used by individual Local Authorities to understand the views of their local residents and local service users and track changes in levels of satisfaction.

**7.5** There have been two previous User Satisfaction surveys which were carried out in 00/01 and 03/04. Data from those surveys demonstrate that the level of overall satisfaction amongst residents with their local authority has fallen from 65% in 00/01 to 55% in 03/04. Further data from those surveys is available at:

[http://www.odpm.gov.uk/index.asp?id=1136271#P44\\_1005](http://www.odpm.gov.uk/index.asp?id=1136271#P44_1005) and

[http://www.odpm.gov.uk/pub/764/BestValueUserSatisfactionGeneralSurveyToplineReportJune2004PDF175Kb\\_id1137764.pdf](http://www.odpm.gov.uk/pub/764/BestValueUserSatisfactionGeneralSurveyToplineReportJune2004PDF175Kb_id1137764.pdf)

7.6 ODPM published a consultation document entitled *Best Value User Satisfaction 2006-07: Consultation*. The consultation period ran from 14 December 2005 to 6 February 2006. The consultation paper proposed that the statutory indicators which would apply in 2006-07 should remain unchanged from previous years so that we can build up valuable time- series data. A total of 240 responses to the consultation document were received. A very large majority agreed that the questions should be left unchanged. A list of all the indicators together with the percentage of respondents in favour of keeping the questions in their current form is set out below:

<b>BVPI DESCRIPTION</b>	<b>NO. OF RESPONSES</b>	<b>% IN FAVOUR</b>
The percentage of citizens satisfied with the overall service provided by the authority	220	99.1
The percentage of complainants satisfied with the handling of their complaint by the authority	217	79.7
The percentage of local authority tenants satisfied with the overall service provided by their landlord with results broken down by (a) tenants from ethnic minority communities and (b) tenants from non-ethnic minority communities	144	96.5
The percentage of local authority tenants satisfied with the opportunities for tenant participation in management and decision making with results broken down by (a) tenants from ethnic minority communities and (b) tenants from non-ethnic minority communities	137	96.4
The percentage of claimants satisfied with the housing and council tax benefit service	176	98.3
The percentage of people satisfied with the standard of cleanliness in their area	204	97.5
The percentage of people satisfied with the (a) household waste collection, (b) waste recycling and (c) waste disposal services provided by the authority	221	99.5
The percentage of respondents satisfied with local provision of public transport information	179	83.8
The percentage of respondents satisfied with the local bus service	159	81.1
The percentage of applicants satisfied with the planning service received from the authority	191	96.3
The percentage of library users who found the book/information they wanted and were satisfied with that outcome	148	88.5
The percentage of residents satisfied with the authority's cultural services: (a) sports and leisure facilities, (b) libraries, (c) museums, (d) arts activities and venues, and (e) parks and open spaces.	216	95.8

7.7 The designation and setting of performance standards for those authorities who are underperforming against the best value targets for planning (BV109a, b & c) is intrinsically linked to the ODPM's PSA6 agreement:

7.8 All local planning authorities to complete local development frameworks by 2006 and to perform at or above best value targets for development control by 2006 with interim milestones to be agreed in the Service Delivery Agreement. The Department to deal with called in cases and recovered appeals in accordance with statutory targets.

7.9 The second of the three strands of the agreement, requires all local planning authorities in England to be achieving, as a minimum, the BVPI109 performance levels by March 2007 and sustain these levels for the duration of the spending review period. BV109 requires all local planning authorities in England to be processing a minimum of:

60% of major planning applications in 13 weeks;  
65% of minor planning applications in 8 weeks and;  
80% of other planning applications in 8 weeks.

7.10 The designation provides the legal framework for formal intervention by the Secretary of State in an authority's planning service if an authority fails or refuses to improve the timely delivery of planning decisions.

7.11 Authorities thus designated have been provided support through consultants working on behalf of the ODPM and more recently support has begun to be provided by the Planning Advisory Service which is hosted by the Innovation and Development Agency (IDeA). Whilst the support provided to authorities through this process has had a significant positive effect on improving the performance of local planning authorities one of the key drivers of improvement has in fact been the actual designation as an underperformer, which local authorities often refer to as "naming and shaming"

7.12 On 14 November 2005 the Office of the Deputy Prime Minister published a consultation paper entitled "Proposed Planning Best Value Performance Standards for 2006/7: Consultation" setting out the authorities the Office of the Deputy Prime Minister proposed to designate as Best Value planning standards authorities and the methodology used to identify the authorities listed in the consultation document. The document was circulated to all local planning authorities in England and other interested parties including the Local Government Association, the Planning Officers Society and the Audit Commission.

7.13 A total of 29 responses were received to the consultation paper, the smallest number of responses received since the regime was introduced in 2001/02. The key points arising from the consultation were:

- There was widespread support for the new methodology used for identifying authorities which for the first time incorporated a "direction of travel" measure which resulted in less authorities being identified as underperformers.
- Several authorities sought to be removed from the final list due to very recent improvements in performance, since the issuing of the consultation. These were discounted as it was too early to determine if the improvements being demonstrated were sustainable. Additionally, the direction of travel measure introduced this year effectively took into consideration improvements during the assessment period used for identifying potential Best Value authorities.

7.14 Three authorities were removed from the final list of Best Value planning standards authorities because they had previously submitted performance figures to ODPM that under reported their performance. Revised figures that were subsequently submitted to ODPM by the three local planning authorities demonstrated acceptable and improving levels of performance.

7.15 Summaries of past work with underperforming local planning authorities is available at:

<http://www.odpm.gov.uk/index.asp?id=1145819>

<http://www.odpm.gov.uk/index.asp?id=1145825>

## **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 impact on the public sector is minimal. It is estimated that the cost to each local authority of administering the surveys is between £8,000 - £15,000 depending on the size of the authority.

8.3 The impact of setting performance standards for underperforming local planning authorities is negligible. Authorities that require additional support in order to improve performance will be offered free support through the Planning Advisory Service which may include the provision of additional capacity to support officers working on performance improvement. ODPM has agreed to provide the Planning Advisory Service with an additional £2m for 2006/07 to support performance improvement in underperforming local planning authorities.

## **9. Contact**

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