

Agenda Item 14

Executive Board

6 June 2007

Benchmarking Policy and Guide



Benchmarking Policy and Guide

Summary

Benchmarking or Comparison is a means of improving the Council and service delivery through a systematic comparison of performance, processes and ways of working in different organisations. A Comparison Strategy for Best Value Reviews and actions on improving corporate learning and sharing good practice have helped the Council to achieve the statutory duty of Best Value or continuous improvement. More recently the Government has published a Local Government White Paper and a Local Government Bill which is currently going through Parliament. Both of these emphasise that the statutory duty of continuous improvement will be strengthened and that Benchmarking is an essential component of continuous improvement. Hence the proposed Benchmarking Policy and Guide which establish the Council's overall approach to Benchmarking and how this will be promoted to best effect, are presented to members for their consideration.

Recommendation

That the Executive Board approves the Benchmarking Policy and Guide.

a) Reasons for Recommendation

The recommendation is intended to support the continuous improvement of the Council and its services which continues to be a statutory duty.

b) Alternative Options

None.

c) Risk Considerations

A failure to improve continuously may result in the Council being criticised in a future Inspection and could also compromise the Council's reputation and budgets.

d) Policy and Budgetary Considerations

Positive Impact Overall

Meeting a Legal duty.

Maintaining a culture of Continuous Improvement.

e) Date for Review of Decision

The policy is to be reviewed in the summer of 2009.

Main Body of the Report

1. The Local Government Act 1999 placed a statutory duty on local authorities to achieve Best Value, defined as the duty "to secure continuous improvement in the exercise of all functions undertaken by the authority, having regard to a combination of economy, efficiency and

effectiveness.” The Act requires that services are responsive to the needs of citizens, of a high quality and cost-effective, and fair and accessible to all who need them.

2. Best Value came into force in April 2000 and one of its main features was Best Value Reviews. All services had to be subjected to a fundamental review and, in carrying out such reviews, authorities were required to apply the ‘four Cs’, Challenge, Consultation, Competition and Comparison. Comparison which is another name for Benchmarking, involved councils in comparing their performance with others across a range of relevant indicators, taking into account the views of both service users and potential suppliers.
3. A Comparison Strategy for Best Value Reviews based on the practice being used at that time, was approved in the summer of 2001 and applied to the fundamental reviews carried out on 80% of the Council’s services.
4. The Government introduced Comprehensive Performance Assessment (CPA) to extend Best Value and the Council underwent a corporate assessment in the summer of 2003. As a result the Council developed an Improvement Plan which included actions to improve corporate learning and sharing of good practice. The few uncompleted actions in the Improvement Plan were incorporated in the revised Corporate Strategy approved in April 2006.
5. The good practice on Benchmarking developed through Best Value Reviews and CPA continued as part of the ongoing work of services and in June 2006 Heads of Service reported on the Benchmarking activity that they had undertaken in the recent past. Consequently, it was agreed that Heads of Service should provide details of the ongoing and planned Benchmarking activity in their Service Plans for 2007/10.
6. In October 2006 the Government published a Local Government White Paper, ‘Strong and Prosperous Communities’. This was followed in December 2006 by a ‘Local Government and Public Involvement in Health Bill’ which is currently going through Parliament and is expected to be approved as an Act in the autumn of 2007.
7. Legislation is expected to “deregulate and simplify Best Value by removing the requirements on English best value authorities to conduct Best Value Reviews.” However, best value authorities are still “required to secure continuous improvement in the way in which functions are exercised.” The Government “will issue one piece of revised guidance which will strengthen the key principles of Best Value. This will cover the commissioning role of councils, community participation and provide that local authorities should regularly test the competitiveness of their performance in comparison with others. When services are found to be underperforming, where practical, they should introduce fair and open competition.”
8. In the White Paper, the Government points out that, under new arrangements for CPA, “both the Use of Resources and Direction of Travel scores will be in a form that enables comparison of performance on these areas across authorities. Together with the publication of authorities’ performance against national indicators and the risk judgment, these performance comparisons will continue to act as a driver for further improvement.”
9. The White Paper emphasises that the “need for clear information – for citizens, local authorities, partners and Government – about delivery in an area, including comparability with performance in other areas, remains critical.”
10. The Government makes it clear in several places in the White Paper that it will work with public agencies such as the Regional Centres of Excellence, and other partners to develop benchmarking data and provide benchmarks to spread and extend best practice. For instance, the Audit Commission is further developing its tool for measuring value for money, using data which is already available to compare the relationship between spending and performance in different local authorities. “We expect local authorities to use it in challenging their own performance.”

11. The resume of the recent past and likely future of Local Government demonstrates that Benchmarking is essential to continuous performance improvement and the Benchmarking Policy and Guide which follow this report propose how the Council will use Benchmarking in this context.
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Legal Implications

No observations.

Financial Implications

No direct financial implications.

Consultation on Reports to the Executive

The Strategic Management Team considered the draft Benchmarking Policy and Guide in March 2007.

The Audit Commission was consulted on the draft Policy and Guide and suggested some useful improvements.

Background Papers

The proposed Benchmarking Policy and Guide follow this report.

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Executive Board
6 June 2007