
Accounts Commission Statutory Performance Information Direction 2024

Foreword by the Chair of the Accounts Commission

I am pleased to present this latest version of the Accounts Commission's Statutory Performance Information (SPI) Direction, which takes effect during a critical period for local government. A combination of ongoing financial constraints, growing demand for services, workforce challenges and a complex policy landscape is continuing to put councils under extreme pressure, forcing them to make difficult decisions about how services are delivered, including the need for transformation.

In this context, clear, balanced and effective reporting to the public on how well services are performing has never been more important, enabling citizens to understand the reasons behind decisions that can have a significant impact on their lives. The better informed people are, the more they feel able to engage in the decision-making process.

The Commission has a statutory duty to direct councils to publish information that will:

- enable comparisons of performance between councils and over time, and
- show how well they are improving local outcomes with community planning partners in their area.

Complying with the SPI Direction is fundamental to councils fulfilling their duty to secure best value – a duty that focuses on improving lives and services for local people alongside using resources effectively. The Direction reinforces the importance of councils being transparent through reporting to their local communities on how well they are meeting this duty.

Rather than prescribing in detail the information councils should publish, we remain fully supportive of a sector-led approach to benchmarking and improvement. Developed for and with councils, indicators from the Local Government Benchmarking Framework (LGBF) should be used, as this is the most effective and comprehensive means of enabling comparisons to be drawn by councils themselves and by the public.

We recognise that each council has its own strategic priorities, determined in accordance with local needs and appropriate data, and we expect these priorities to guide decisions about use of resources. We understand that the choices made by councils will impact on performance across a range of areas. How councils plan for, manage and report on these impacts is a key area of focus in our audit work, particularly on best value.

Information on performance over time and in comparisons to others is a crucial tool for continuous improvement and transformation. Through their public performance reporting, councils should be able to demonstrate:

- how they are working with partners to achieve shared local outcomes,
- how they are responding to the needs of their local communities,
- how they are learning from best practice elsewhere,
- what factors are impacting on their performance
- how they are using data to inform decision-making, and
- how they measure success.

Councils being clear and transparent in this way will help communities to understand the reasons for changes in the delivery and performance of local services.

In developing this version of the SPI Direction, we have consulted a range of stakeholders and reviewed evidence about councils' performance reporting collected through our best value audit work. We have heard that the Direction continues to be highly valued across local government as a statutory underpinning of existing approaches but also that councils want more clarity about what is expected of them and how to ensure they are complying.

For that reason, while it remains generally high-level in nature, we have sought to make the requirements in this new Direction clearer and more specific. I hope these revisions are helpful. We will review how this Direction operates in practice no later than the third year in which it applies, and we would welcome any feedback either as part of this review process or via our audit colleagues.

Jo Armstrong
Chair, Accounts Commission
December 2024

Local Government Act 1992: The Publication of Information (Standards of Performance) Direction 2024

1. This Direction is given by the Accounts Commission for Scotland (“the Commission”) under section 1(1)(a) of the Local Government Act 1992, which requires the Commission to direct relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission’s opinion:

“facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003) between –

- i) the standards of performance achieved by different relevant bodies in that financial year or other period; and
 - ii) the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods.”
2. Such information is also to facilitate the drawing of conclusions about the discharge of those bodies’ functions under the Community Empowerment (Scotland) Act 2015 (in essence, carrying out community planning for the “improvement in the achievement of outcomes”).
 3. This Direction is given to all local authorities, as defined by the Local Government (Scotland) Act 1973, and amended by the Local Government etc. (Scotland) Act 1994.
 4. Each local authority shall, in accordance with section 13 of the Local Government in Scotland Act 2003 and associated regulations and guidance from Scottish Ministers, publish the information specified in the Schedule to this Direction for all activities which are carried out by the body.
 5. The periods for which the information in the Schedule must be published are the financial years beginning 1st April 2025, 2026 and 2027.
 6. Local appointed auditors will assess the adequacy of councils’ arrangements for meeting the requirements set out in the Schedule to this Direction as part of their annual audit work.
 7. Audit findings from this work will be used to inform the Controller of Audit’s reporting to the Commission on the extent to which individual local authorities are meeting their duty to secure best value – in particular, their obligations in relation to use of resources, continuous improvement and public performance reporting.

Schedule

1. Each council will report information about its performance in a way that enables that council, other councils, the Accounts Commission, local residents and communities, and any other interested parties to draw comparisons and make judgements in relation to:
 - i) that council's performance over time, and
 - ii) the performance of different councils in a given period of time.
2. For the purposes of (i) above, reporting against a particular indicator or set of indicators should include a time series that is appropriate for the particular indicator/s chosen, typically covering a period of at least three years but taking account of:
 - internal factors such as council plans and other strategic or budget decisions, and
 - external factors such as national policy changes and any extraordinary events.
3. For the purposes of (ii) above, councils should ensure:
 - comparisons are made against councils that are similar in relevant respects, such as budget size, urban/rural classification, and demographic or socioeconomic characteristics, and
 - their choice of indicators – including whether they have adopted LGBF or other indicators or a combination – and their performance data are robust, consistent and comparable, and complemented by narrative context where appropriate.
4. The Commission expects councils to maximise the use of the Local Government Benchmarking Framework (LGBF) as a primary means of facilitating comparisons, alongside or in conjunction with other locally appropriate measures of performance. Councils should be transparent as to why specific measures have been chosen for local benchmarking and performance reporting purposes, particularly where they have chosen not to use LGBF indicators.
5. In satisfying the requirements set out in this Schedule, the Commission requires each council to ensure that its reporting meets the following three criteria:
 - **Balanced**, in respect of areas in which performance has improved and those in which it has not improved or has declined. It is important to avoid reporting in a way that is, or could reasonably be perceived as being, selective, misleading or biased.
 - **Timely**, in the interests of transparency and to enable the council to respond promptly where remedial action is required. It should be possible for councils to publish an annual performance report

within nine months – and no later than twelve months – after the end of the respective year. In addition, councils should be updating and reviewing information on their performance on a quarterly basis (or otherwise as determined by data availability or reporting cycles), and where possible making that information publicly available.

- **Accessible**, and able to be easily understood by all citizens. For example, councils should publish summaries to communicate key messages, produce easy-read versions of reports wherever possible, and make appropriate use of technology to display performance information in a variety of formats whilst adhering to statutory requirements in relation to equalities.

6. Councils' performance information reporting shall cover the four key areas set out in the remainder of this document. In meeting these requirements, councils should take cognisance of [current statutory guidance on Best Value](#).

1: Using resources effectively to address strategic priorities

7. Councils' performance reporting should highlight the impact of activities that are relevant to the priorities and objectives articulated in their council plan (or equivalent). This includes indicators specified in a performance management framework, and any other information or activity that is relevant to addressing the council's priorities or fulfilling its statutory duties.
8. Councils should identify key indicators and set targets against which their performance in addressing their priorities and achieving their objectives can be measured, and report on their progress towards reaching those targets.
9. In doing so, councils should be able to demonstrate how the priorities they have set are driving decision-making about their use of resources and in turn how those decisions are impacting on performance in different areas – over time and relative to other councils.
10. Where performance information shows that a council is not on track to achieve a particular target or objective, the council should explain the factors that have contributed to this, and what actions it is taking to respond and improve its performance in that area, including an expected timeframe for that improvement.

2: Working with partners and communities to achieve shared outcomes

11. Recognising the statutory role of councils in relation to community planning, councils' performance reporting should show how they and their community planning partners are working together to address the

priorities, targets and actions set out in their local outcomes improvement plans (LOIPs) and locality plans.

12. Aligning their performance reporting with these plans should show how council actions are contributing to the delivery of locally agreed shared outcomes.
13. Where a target is not on track to be met, the council should explain any factors that may have contributed to this, and what actions are being taken by the council and/or its partners to improve performance in that area, including an expected timeframe for that improvement.

3: Financial sustainability and budget transparency

14. It is vital for elected members and local communities to be able to understand their council's overall financial position and the choices it must consider when setting a budget, and the subsequent impact of the decisions the council makes.
15. Councils should publish information pertaining to relevant indicators – particularly those in the LGBF – that enables comparative assessment of key aspects of their current and future financial position.
16. Councils should also be able to provide information requested by the Commission to inform its reporting on councils' financial sustainability.

4: Use of data and assessments to support improvement and transformation

17. Councils should be able to demonstrate how they are assessing and interpreting data about their performance, and using that analysis to inform decision-making about their use of resources and any required transformation of service delivery.
18. Councils should carry out self-assessments, and make use of third-party feedback mechanisms and opportunities to learn from others (such as peer collaborative improvement), to evaluate their own performance over time and relative to other councils, and identify factors contributing to that performance as well as opportunities for improvement.
19. Councils should also show how they are using and responding to the findings and recommendations arising from any self-assessment work, audit assessments, reviews undertaken by other scrutiny or inspection bodies, and engagement with service users, to drive continuous improvement in the context of resource constraints – as part of their duty to secure best value.