

Report to Finance and Performance Management Scrutiny Panel

Date of Meeting: 17 June 2008

Portfolio: Finance and Performance Management

Subject: Key Performance Indicators 2007/08 and 2008/09

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Recommendations/Decisions Required:

- (1) That the Council's performance in relation to Best Value Performance Indicators (BVPIs) and Local Performance Indicators (LPIs) for 2007/08, be noted;**
- (2) That subject to the concurrence of the Finance and Performance Management Cabinet Committee:**
 - (a) former BVPIs 170a, 170b, 170c (Visits to museums and galleries) and 91a ((Households served by a kerbside collection of recyclables) be adopted as LPIs for 2008/09, and former BVPI 106 (New homes built on previously developed land) be deleted as an LPI for 2008/09;**
 - (b) the Scrutiny Panel agree those performance indicators to be adopted as Key Performance Indicators (KPIs) for 2008/09; and**
 - (c) a target be set for at least 75% of the KPIs for 2008/09 to achieve the relevant performance target for the year.**

Report:

Background

1. (Deputy Chief Executive) As the Scrutiny Panel will be aware, a range of 43 Key Performance Indicators (KPIs) for 2007/08 was adopted by the Cabinet at its meeting on 16 July 2007. The KPIs are important to the Council's core business and its corporate priorities, and comprised both Best Value Performance Indicators and Local Performance Indicators (BVPIs/LPIs). The aim of the indicators was to focus improvement actions on key areas and to move performance against each into the top quartile of performing local authorities (where appropriate) and to then maintain or improve further on that level of performance. On the adoption of the KPIs for 2007/08, the Cabinet set a target that at least 75% should achieve top quartile (or other relevant) targets by the end of the year.

2. Targets for each KPI have traditionally been based on the most recently available national performance information published by the Audit Commission. In the case of the KPIs for 2007/08, targets were based on audited national performance information for 2005/06 that had been published by the Commission in February 2007. The setting of KPI targets on this basis results in current performance being measured against two year old quartiles and,

whilst providing challenging targets for achievement, the Audit Commission's assessment of the Council's performance will always measure it against the performance of other local authorities in the same year. On the adoption of the KPIs for 2007/08, the Cabinet set a target that at least 75% should achieve top quartile status by the end of the year.

3. Annual improvement plans are produced for each of the KPIs to reflect year on year changes, which also contain details of service costs and feed into the Council's annual Value For Money analysis. Progress in achieving target performance in respect of the KPIs is reported to the Scrutiny Panel and the relevant Portfolio Holder at the conclusion of each quarter. Details of performance against all BVPIs and LPIs (including the KPIs) are deposited in the Members' Room at the end of each quarter.

Key Performance Indicators 2007/08

4. A schedule detailing performance against all BVPIs and LPIs (including those indicators also designated as KPIs), for the period from 1 April 2007 to 31 March 2008, is attached as Appendix 1 to this report. This schedule illustrates performance for each indicator in red shading where targets were not achieved for the year, and in green shading where targets were met. Additionally, the schedule also highlights in amber shading, those indicators where, whilst targets were not met for the year, outturn performance fell within 5% of the respective target.

5. The year-end position with regard to overall improvement and the achievement of top quartile (or other relevant) targets for the KPIs for 2007/08, is as follows:

- (a) 23 (53.5%) achieved the performance target for 2007/08;
- (b) 6 (13.9%) did not achieve the performance target for 2007/08, although outturn performance was within 5% of the target for the year;
- (c) 14 (32.5%) did not achieve the performance target for 2007/08, and outturn performance was not within 5% of the target for the year ;
- (d) 23 (53.5%) improved in performance compared with 2006/07, or maintained the level of performance achieved for 2006/07; and
- (e) 20 (46.5%) worsened in performance compared with 2006/07.

6. The Scrutiny Panel is requested to note the Council's performance in relation to its KPIs for 2007/08. Relevant service directors will be in attendance at the meeting to respond to members' questions in respect of performance against specific indicators and targets.

Key Performance Indicators 2008/09

7. As the Scrutiny Panel will be aware, the new National Indicator (NI) set replaced all existing BVPIs from April 2008. The introduction of the new NI set provided an opportunity for a thorough review to be undertaken of the Council's existing suite of statutory BVPIs and locally determined LPIs and, on 10 March 2008, the Cabinet agreed the adoption of a range of existing BVPIs as LPIs from 2008/09 onwards, where these continued to reflect local priorities but had not been brought forward into the new NI set. A range of asset management related LPIs have also been adopted as a result of recommendations made by the Audit Commission through the annual Use of Resources assessment.

8. At the time of the adoption of the new LPI set for 2008/09 by the Cabinet, it was agreed that former BVPIs 170a, 170b and 170c, which measure visits to museums and galleries funded or part-funded by the Council, not be adopted as LPIs for 2008/09. However, the Deputy Chief Executive has subsequently reviewed the deletion of these indicators, which help to reflect the diversity of leisure and cultural activity by the Council and for which the information provided is considered to be useful, and it is recommended that these indicators therefore now be adopted as LPIs for 2008/09.

9. In addition, the Corporate Executive Forum (CEF) has recently considered outturn performance against the KPIs for 2007/08, and recommends the adoption of former BV91a, which measures the percentage of households served by a kerbside collection of recyclables, as an LPI for 2008/09 in view of the concerns expressed by the Audit Commission in its recent environment inspection. CEF also recommends the deletion of former BVPI 106, which measures the level of new homes built on previously developed land, as an LPI for 2008/09. Although the adoption of this indicator as an LPI has been previously agreed by the Cabinet, it is felt that this performance measure provides little in the way of useful management information, and the Director of Planning and Economic Development has therefore been requested to replace the indicator with either a policy objective and/or a new indicator reflecting the need to provide residential development up to 2021 in accordance with the East of England Plan.

10. In reviewing outturn performance against the KPIs for 2007/08, CEF considers that KPI focus for 2008/09 should be directed towards the NIs and LPIs contained within the new Essex Local Area Agreement (LAA) that the Council has indicated it will 'have regard to' and where the authority has a direct responsibility. It is recommended that these indicators should therefore automatically be adopted as KPIs for the current year and the three-year duration of the LAA. The relevant indicators are detailed in Appendix 2 to this report.

11. In addition, the views of service directors have been sought in relation to the identification of additional NIs and LPIs as new KPIs for 2008/09, and it is therefore recommended that the NIs and LPIs also set out in Appendix 2 additionally be adopted as KPIs for the year. The Scrutiny Panel is however also requested to identify any additional LPIs that it wishes to adopt as KPIs for 2008/09.

12. As a result of the introduction of the NI set from April 2008, it will not be possible to set top quartile targets for these new indicators until after the first year of operation, when comparative information becomes available from the Audit Commission. Service directors have identified appropriate targets for the NIs for 2008/09 and, where still possible, top quartile targets for those LPIs that were formerly BVPIs. Although the Council's target of achieving top-quartile performance for at least 75% of the KPIs has not been achieved for 2007/08, CEF recommends that this target be maintained for 2008/09.

Reason for Decision:

13. To ensure that the Council monitors progress against its aim of achieving target performance for its KPIs, and that proposals for corrective action are considered in respect of areas of current under-performance.

Options Considered and Rejected:

14. None. The Council has previously agreed arrangements for monitoring progress against the achievement of targets set for the KPIs and other performance indicators

Consultation Undertaken:

15. The performance information compiled in this report has been submitted by each appropriate service director. Outturn performance for 2007/08 and proposals for the adoption of KPIs for 2008/09 has been considered by the Corporate Executive Forum and were also be considered by the Finance and Performance Management Cabinet Committee at its meeting on 16 June 2008.

Resource Implications:

Budget/Personnel/Land: The respective service director will identify the resource requirements for any proposals for corrective action in respect of KPI areas of current under-performance.

Council Plan/BVPP Reference: Council Plan 2006-2010 Section 8 – ‘How We Measure Our Achievements’.

Relevant Statutory Powers: None

Background Papers: None

Environmental/Human Rights Act/Crime and Disorder Act Implications: As set out in respective performance reports for individual KPIs.

Key Decision Reference: (if required) None