

# **Report to the Finance and Performance Management Scrutiny Panel**

**Date of meeting: 31 March 2009**



**Portfolio:** Finance and Performance Management

**Subject:** National and Local Performance Indicators 2009/10 - Adoption of 'Key' Performance Indicators

**Responsible Officer:** S. Tautz (01992 564180)

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## **Recommendations/Decisions Required:**

- (1) That, proposals for the adoption of 'Key' Performance Indicators for 2009/10, be agreed; and**
- (2) That a corporate target be set for the achievement of year-on-year improvement against four out of every five of the adopted Key Performance Indicators for 2009/10 and future years.**

## **Executive Summary:**

1. (Deputy Chief Executive) Members have previously received details of the National Outcome and Indicator Set, and the National Performance Indicators (NIs) that were introduced from 1 April 2008. The NI set replaced all other existing suites of statutory indicators including Best Value Performance Indicators (BVPIs).

2. Subsequent to the introduction of the National Outcome and Indicator Set, it is important for local authorities to continue to use Local Performance Indicators (LPIs) to reflect performance against local priorities. The introduction of the NI set in April 2008 provided an opportunity for a thorough review to be undertaken of the Council's locally determined LPIs for 2008/09, and this exercise has recently been repeated for 2009/10. This report therefore makes proposals for the adoption of a range of 'Key' Performance Indicators (KPIs) for 2009/10, comprising both NIs and LPIs.

## **Reasons for Proposed Decision:**

3. To enable members to contribute to the review of the current LPI set, with a view to the adoption of relevant NIs and LPIs reflecting the Council's core business and its corporate priorities, as KPIs for 2009/10.

## **Other Options for Action:**

4. None. The Council is required to collect and report data against relevant NIs, and is encouraged to utilise LPIs to monitor performance against the achievement of local priorities and targets. Appropriate data collection systems and monitoring and reporting arrangements are already in place for each of the indicators proposed to be adopted as KPIs for 2009/10.

## Report:

5. The National Outcome and Indicator Set was introduced from 1 April 2008. Extensive guidance has been issued by the Department for Communities and Local Government in relation to individual NIs, and a copy of the full guidance document has previously been placed on deposit in the Members' Room.

6. A range of twenty-nine KPIs for 2008/09 was adopted by the Cabinet at its meeting on 10 June 2008, comprising both NIs and LPIs. The aim of the KPIs is to focus improvement on key objectives and achieve comparable performance with that of the top performing local authorities (where appropriate), and to then maintain or improve further on that level of performance. In adopting the KPIs for 2008/09, the Cabinet set a target for at least 75% to achieve target performance by the end of the year, and performance against this target will be reported at year-end.

7. Improvement plans are produced for the KPIs, setting out actions to be implemented in order to achieve or maintain target performance, and to reflect year on year changes in service delivery. A number of the NIs introduced from April 2008 are designed to be reported annually at year-end only, and members have also previously agreed that performance in relation to some of the LPIs (in their previous incarnation as BVPIs) also be subject to detailed scrutiny at year-end only, as little change is likely over each three month quarterly period. Progress in achieving target performance in respect of the KPIs that are suitable for monitoring on a quarterly basis is reported to the Finance and Performance Management Scrutiny Panel and the relevant Portfolio Holder at the conclusion of each quarter.

8. The Scrutiny Panel will be aware that the Council's overall rate of performance improvement, measured against the former BVPIs for 2007/08 and previous years, is below average. With this in mind, the Corporate Executive Forum (CEF) considers that greater focus now needs to be placed on improving performance against the whole spectrum of performance indicators, rather than against a 'basket' of selected indicators. It is therefore proposed that all relevant indicators should be designated as KPIs for 2009/10.

9. The KPIs have traditionally been determined at the first cycle of meetings in each municipal year (May/June), resulting in a potential delay in the implementation of improvement effort by almost the whole of the first quarter of the financial year. For 2009/10, it is intended that the KPIs be determined at this stage (February/March) in the calendar year, linked to provisional targets based on third quarter performance (April to December 2008). It should be noted that targets have not been set for several NIs for the current year, and that the baseline data collected for 2008/09 will inform future improvement and target setting for 2009/10 onwards.

10. All service directors have accordingly commenced a robust review of the authority's current LPI sets, with a view to the retention of those indicators as LPIs for 2009/10 onwards, where they continue to reflect local priorities but were not brought forward into the new NI set in a broadly similar form. The review has resulted in the proposed deletion of several existing indicators that are no longer considered to reflect local priorities, and the transfer of a significant number of others to the relevant draft business plans for 2009/10 or strategic documents such as the Asset Management Plan.

11. Details of the proposed KPIs for 2009/10 are attached as Appendix 1 to this report. The proposed indicators comprise:

- (a) Those NIs where the Council has sole responsibility for the indicator (i.e. where it is directly responsible for service provision and has collection and reporting responsibility. These reflect a wide range of both national and local priorities, but exclude those indicators informed by the bi-annual 'Place Survey' or other survey measures (which will be subject to separate reporting arrangements) and those NIs to which the Council contributes data but for which it has no reporting responsibility; and

- (b) Those LPs (including some proposed additions to the set) that reflect local priorities but which are not covered by the NI set, with all other existing LPs being transferred to the relevant draft business plans for 2009/10 or other appropriate strategic document.

10. The KPIs will comprise the totality of the Council's formal performance indicator measures. Those existing LPs that are proposed for deletion or transfer to business plans or other strategic documents are highlighted in grey shading. A number of these indicators generally still provide valuable and relevant management information, and performance against these indicators will therefore continue to be monitored as part of the Council's new arrangements for the alignment of its business, budget, workforce planning and development processes.

11. Improvement plans will be produced for all of the KPIs, setting out actions to be implemented in order to achieve or maintain target performance, and to reflect year on year changes in service delivery. In view of the corporate importance attached to the KPIs, the improvement plans will be considered, agreed and monitored by CEF. Although it is not yet known whether the Council's target of achieving top-quartile performance for at least 75% of the KPIs for 2008/09 has been achieved, CEF recommends that a target be set for the achievement of year-on-year improvement against four out of every five of the adopted KPIs for 2009/10.

12. The Scrutiny Panel is requested to agree the proposals set out in this report for the adoption of KPIs for 2009/10 and the relevant targets for the year. This report was considered by the Finance and Performance Management Cabinet Committee at its meeting on 16 March 2009, and the proposed indicators and targets for 2009/10 were agreed, subject to the concurrence of the Panel. The Cabinet Committee also proposed the introduction of a new LP for 2009/10 in relation to the Council's approach to Housing and Council Tax Benefit Fraud, and the Director of Finance and ICT will report to the Scrutiny Panel in respect of this proposed new LP.

13. Service Directors will be in attendance at the meeting to respond to any issues in respect of proposals for the retention/deletion of specific indicators and proposed targets for 2009/10.

#### **Resource Implications:**

The respective Service Director will identify the resource requirements for any proposals for corrective action in respect of KPI areas of current under-performance set out in this report.

#### **Legal and Governance Implications:**

There are no legal implications or Human Rights Act issues arising from the recommendations in this report, which ensure that the Council monitors progress against its KPIs for 2009/20, and that proposals for corrective action are considered in respect of areas of current under-performance.

#### **Safer, Cleaner and Greener Implications:**

The respective Service Director will have identified any implications arising from proposals for corrective action in respect of KPI areas of current under-performance set out in this report, in respect of the Council's commitment to the Nottingham Declaration for climate change, the corporate Safer, Cleaner and Greener initiative, or any Crime and Disorder issues within the district.

#### **Consultation Undertaken:**

The targets and performance information set out in this report have been submitted by each appropriate Service Director, and have been reviewed and considered by the Corporate Executive Forum.

**Background Papers:**

None.

**Impact Assessments:**

The respective Service Director will have identified any risk management issues or equality implications arising from any proposals for corrective action in respect of KPI areas of current under-performance set out in this report.