

Report to: Finance and Performance Management Scrutiny Panel

Date of Meeting: 17 November 2009



Portfolio: Performance Management (Councillor R. Bassett)

Subject: Key Performance Indicators 2000/10 – Performance Monitoring

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Recommendations/Decisions Required:

- (1) That the Scrutiny Panel consider the Council's performance for the first six months of 2009/10, in relation to the Key Performance Indicators adopted for the year;**
- (2) That the Scrutiny Panel consider the adoption of revised targets for Key Performance Indicators LPI 02(b) and (c) (Processing of Licence Applications) for the remainder of 2009/10, or agree that performance instead be monitored on the basis of the second and remaining quarters of the year; and**
- (3) That, in view of its limited value, Key Performance Indicator LPI 23(a) (Capital Projects - Cost) be deleted as a Key Performance Indicator for 2009/10.**

1. (Deputy Chief Executive) As the Scrutiny Panel will be aware, a range of Key Performance Indicators (KPIs) has been adopted for 2009/10. Summary details of the KPIs are attached as Appendix 1 to this report.

2. The KPIs are crucial to the Council's core business and its corporate priorities, and comprise a mixture of statutory National Indicators (NIs) and Local Performance Indicators (LPIs) (a number of which are former statutory Best Value Performance Indicators). 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.

3. Improvement plans are produced for all of the KPIs each year, setting out actions to be implemented in order to achieve or maintain target performance, and to reflect year on year changes in service delivery. Individual KPI Improvement Plans are subject to ongoing review between the relevant service director and Portfolio Holder. In view of the corporate importance attached to the KPIs, the improvement plans for 2009/10 have been considered and agreed by the Corporate Executive Forum. As part of this process, the targets for each KPI have been reviewed with reference to outturn data for 2008/09, and in some cases have been revised from the provisional targets identified by the Scrutiny Panel on the basis of the third quarter (and estimated outturn) position, at the meeting in March 2009. Revised targets have been applied to the following KPIs:

Ref	Indicator	Original Target	Revised Target
NI 170	Previously developed vacant land <i>Higher target based on actual outturn for 2008/09 (0.16%)</i>	10.00%	1.00%
NI 186	Per capita reduction in CO ² emissions <i>Lower target based on incremental target within Essex Local Area Agreement (LAA) 2008-11</i>	5.90%	3.00%
NI 188	Planning to adapt to climate change <i>Lower target based on incorrect adoption of Level 3 as target for 2009/10, rather than 2010/1, also from Essex LAA 2008-11</i>	Level 3	Level 2
NI 195(c)	Improved street and environmental cleanliness (Detritus) <i>Higher target based on actual outturn for 2008/09 (0.30%)</i>	3.00%	0.25%
NI 195(d)	Improved street and environmental cleanliness (Fly-posting) <i>Higher target based on actual outturn for 2008/09 (0.00%)</i>	3.00%	0.00%
LPI 01	Equality Framework for Local Government <i>Lower target based on the introduction of the more stringent Equality Framework for 2009/10, replacing the previous Equality Standard</i>	Level 3	Level 2
LPI 05	Re-letting of Council dwellings <i>Higher target based on improving performance for 2009/10</i>	49 days	40 days

4. 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. 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.

KPI Performance – 1 April to 30 September 2009

5. Performance reports for each of the KPIs for the period from 1 April to 30 September 2009 are attached as Appendix 2 to this report. A number of the NIs introduced from April 2008 are designed to be reported annually at year-end only, or are subject to annual (or other frequency) performance reporting by external agencies. In addition, performance in relation to some of the LPIs is also subject to detailed scrutiny at year-end only, as little change is likely over each three month quarterly period. These indicators are identified in the attached performance reports.

6. The mid-year position with regard to the achievement of top quartile (or other relevant) targets for the KPIs for 2009/10, is as follows:

- (a) 25 (43.1%) have achieved the second quarter or year-end performance target for 2009/10;
- (b) 14 (24.1%) have not achieved the second quarter or year-end performance target for 2009/10;
- (c) 18 (31.0%) are subject to year-end reporting or cannot currently be reported; and
- (d) 1 (1.7%) is informed by a bi-annual survey which is not required to be undertaken in 2009/10 (NI 160 – Tenant Satisfaction).

7. In adopting the KPIs for 2009/10, a corporate target was set for the achievement of year-on-year improvement against four out of every five (80.00%) of the adopted indicators for 2009/10 and future years. Of the thirty-nine KPIs for which mid-year performance can be reported:

- (a) 25 (64.1%) have achieved the second quarter or year-end performance target for 2009/10; and
- (b) 14 (24.1%) have not achieved the second quarter or year-end performance target for 2009/10;

8. As requested at the last meeting, the improvement plans for each of the fourteen KPIs for which mid-year performance can be reported, and which have not achieved the second quarter or year-end performance target for 2009/10, are attached as Appendix 3 to this report. Also as previously requested, copies of each of the KPI improvement plans for 2009/10 have been supplied to the Performance Management Portfolio Holder.

Specific KPI Issues

(a) LPI 02(b), (c) - Processing of Licence Applications

9. The current format of these indicators was adopted from the commencement of 2009/10, at which time targets of 100.00% were set for the year. At its meeting on 25 August 2009, the Scrutiny Panel was advised that this target had been missed for both indicators in the first quarter, due to a systems issue that generated a 'start' date for incomplete applications. Whilst this issue has now been resolved, and the target has been achieved for both indicators in the second quarter, it will clearly be impossible for the year-end target to be achieved as a result of the under-performance in the first quarter. In the circumstances, it is suggested that consideration should be given to the adoption of revised targets for the indicators, or that performance should instead be monitored on the basis of the second and remaining quarters of the year.

(c) LPI 23(a) - Capital Projects (Cost)

10. This KPI was originally formulated as a comparison between actual and estimated costs on major capital schemes (£2m and over). The measure was that total actual out-turns for works, fees and other expenditure should amount to no more than 105%, and no less than 95%, of the project estimate formulated on receipt of tenders or confirmation of works costs. Progress with major capital schemes are reported to the Scrutiny Panel on a quarterly basis, with details of estimated start and finish dates and expected outturn compared to original estimates. In the last financial year there were no projects completed that fell within the definition of the indicator, so there was nothing meaningful that could be reported. In 2009/10 there are expected to be three completions. These are being monitored regularly and updates are provided to the Scrutiny Panel each quarter, and detailed progress reports are also provided to Cabinet on a regular basis. The Director of Finance and ICT therefore considers that the monitoring procedures in place for major capital schemes are significantly robust and that this the indicator adds no value in terms of this process. It is accordingly recommended that LPI 23(a) -Capital Projects (Cost) be deleted as a KPI for the remainder of 2009/10.

11. The Scrutiny Panel is requested to consider the Council's performance for the first six months of 2000/10 in relation to the KPIs for the year. Service Directors will be in attendance at the meeting to respond to any issues in respect of current performance against specific indicators.

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 aim of achieving target performance and improvement against four out of every five of its KPIs for 2009/10, 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:

First and second quarter KPI submissions held by the Performance Improvement Unit. KPI calculations and supporting documentation held by respective service directorates

Impact Assessments:

Risk Management

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

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?

No. However, the respective Service Director will have identified any equality issues arising from proposals for corrective action in respect of KPI areas of current under-performance set out in this report

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process? N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group? N/A