

**Report to the Finance and Performance
Management Cabinet Committee**



Report Reference: FCC-023-2009/10
Date of meeting: 15 March 2010

**Epping Forest
District Council**

Portfolio: Performance Management.

Subject: Key Performance Indicators – Targets 2010/11.

Responsible Officer: Steve Tautz (01992 564180)

Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

That, subject to the concurrence of the Finance and Performance Management Scrutiny Panel:

- (a) proposals for the adoption of Key Performance Indicators for 2010/11, including draft targets and linkages with the Council's priority objectives for the year, be agreed;**
- (b) a corporate target be set for the achievement of year-on-year improvement against the adopted Key Performance Indicators for 2010/11; and**
- (c) proposals for the revision of Key Performance Indicator LPI 23(a) - Capital Projects, be agreed.**

Executive Summary:

A range of Key Performance Indicators (KPIs) is adopted each year, which are regarded as crucial to the Council's core business and its corporate priorities. 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. Progress in achieving target performance in respect of the KPIs is reported to the Finance and Performance Management Scrutiny Panel and the relevant Portfolio Holder at the conclusion of each quarter.

The Council has implemented arrangements for the alignment of its business, budget, and workforce planning and development processes into a clear framework to enable the authority to focus on priorities, improve performance and the way that performance is managed, and to improve communication and consultation on key priorities. These arrangements have recently been highlighted as an area of best practice by the Improvement and Development Agency and, as a consequence of these new arrangements, it is now necessary to identify and adopt KPIs for 2010/11.

Reasons for Proposed Decision:

To enable members to contribute to the review of the KPI set for 2010/11, with a view to the adoption of relevant indicators and targets reflecting the Council's core business and its corporate priorities.

Other Options for Action:

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 2010/11.

The Council could decide not to adopt any KPIs for 2010/11, although this might mean that opportunities for improvement were lost. Failure to monitor and review performance, and to take corrective action where necessary, could have negative implications for the Council's reputation and for judgements made about the authority in the Comprehensive Area Assessment and similar corporate assessment processes.

Report:

1. A range of fifty-eight Key Performance Indicators (KPIs) has been adopted for 2009/10. Details of the KPIs are attached as Appendix 1 to this report.

2. The KPIs for the year 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. In adopting the KPIs for 2009/10, a target was set for at least four out of every five (80%) indicators to achieve target performance by the end of the year.

3. Current (Quarters 1, 2 and 3) performance against the individual KPIs for 2009/10 was considered by the Finance and Performance Management Scrutiny Panel at its meeting on 23 February 2010. Targets have not been set for five of the KPIs for the year, as these are either not expected to be set (NI 14), performance is not required to be reported for 2009/10 (NI 160), the identification of targets is awaiting the publication of relevant baseline information (NI 185, NI 194), or a revised definition for the indicator is currently being developed (LPI 23(a)).

4. The nine-month position with regard to the achievement of target performance for the fifty-three KPIs for 2009/10 for which outturn targets have been set, is as follows:

(a) 24 (45%) have met the third quarter performance target or have already achieved year-end performance for 2009/10;

(b) 15 (28%) have not met the third quarter performance target or currently achieved year-end performance for 2009/10; and

(c) 14 (26%) are subject to year-end or external agency reporting and performance cannot currently be reported;

5. Of the thirty-nine KPIs for which nine-month performance can be reported:

(a) 24 (61%) have met the third quarter performance target or have already achieved year-end performance for 2009/10; and

(b) 15 (38%) have not met the third quarter performance target or currently achieved year-end performance for 2009/10;

6. Service directors have reported that, of the fourteen KPIs for which nine-month performance can be reported, but which have not met the third quarter performance target or currently achieved year-end performance target for 2009/10:

(a) 6 (46%) will not achieve the performance target for 2009/10 by the year-end;

(b) 6 (46%) may achieve the performance target for 2009/10 by the year-end, although this remains uncertain; and

(c) 2 (14%) will achieve the performance target for 2009/10 by the year-end.

7. Outturn performance against the KPIs for 2009/10 will be reported to the Cabinet Committee and the Finance and Performance Management Scrutiny Panel in early 2010/11.

Key Performance Indicators 2010/11 – Targets

8. The Cabinet Committee will be aware that, for 2009/10, it was considered that greater focus needed to be placed on improving performance against the whole spectrum of performance indicators, rather than against a 'basket' of selected indicators. All relevant National Indicators and a range of appropriate Local Performance Indicators were therefore designated as KPIs for 2009/10.

9. As for 2009/10, it is intended that the KPIs for 2010/11 be determined at this stage in the year, linked to provisional targets based on third quarter performance for 2009/10 (April to December 2009), and that the adoption of the KPIs be agreed by both the Cabinet Committee and the Finance and Performance Management Scrutiny Panel. As part of the Council's new arrangements for the alignment of its business, budget, workforce planning and development processes and to ensure consistency, it is suggested that the KPI set for 2010/11 should remain the same as for 2009/10, with the possible exception of LPI 23(a) - Capital Projects (see paragraph 13 below). The proposed KPIs therefore continue to 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. This excludes those indicators informed by the bi-annual 'Place Survey' or other survey measures (which are 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 LPIs that reflect local priorities, but which are not covered by the NI set.

10. Details of the proposed provisional KPI targets for 2010/11, as proposed by each responsible service director on the basis of the third quarter (and estimated outturn) position, are also set out at Appendix 1, together with details of the links between the proposed KPIs and the Council's draft Medium-Term Aims for 2010/11 to 2013/14. The proposed targets for 2010/11 have been reviewed and endorsed by the Corporate Executive Forum (CEF).

11. The KPIs will comprise the totality of the Council's formal performance indicator measures. As in previous years, service directors will be required to develop improvement plans 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 will not be known until year-end whether the Council's target of achieving top-quartile performance for at least 80% of the KPIs for 2009/10 has been achieved, the Scrutiny Panel is requested to consider and agree an overall KPI performance improvement target for 2010/11.

12. As part of the process of agreeing the KPI Improvement Plans for 2010/11, CEF will in due course also review the provisional targets for each KPI with reference to outturn data for 2009/10 when this is available. As in 2009/10, it is likely that some targets will be revised from the provisional targets currently identified.

13. The Cabinet Committee is requested to agree the proposals set out in this report for the adoption of KPIs for 2010/11, relevant targets for the year, and an overall KPI performance improvement target for 2010/11. These matters were considered by the Finance and Performance Management Scrutiny Panel at its meeting on 23 February 2010, and the views of the Scrutiny Panel in this respect will be reported to the meeting.

LPI 23(a) Capital Projects - Cost

14. The Director of Finance and ICT has previously expressed the view that the monitoring procedures in place for major capital schemes are significantly robust, and that this indicator therefore adds no value in terms of this process. This KPI was originally formulated to monitor capital schemes in excess of £2 million, and was intended to measure the percentage of capital projects where the final cost was within plus or minus 10% of the latest estimate. However, the Council has undertaken few projects that meet this criteria, and in 2009/10 only three projects will fall within the definition, making the possible outcomes 0%, 33%, 66% or 100%. In 2008/09 no projects met the criteria.

15. As requested by the Finance and Performance Management Scrutiny Panel, the Director of Finance and ICT has developed a suitably revised indicator to reflect members' interest in this area. To provide meaningful monitoring information, the scope of the indicator clearly needs to be widened, and it is therefore proposed that capital expenditure schemes of £500,000 and above should be reflected within the indicator in future. In 2010/11 for example, this would mean that eleven schemes would be included. It is also proposed that the definition of the indicator be amended to '90% of all projects final costs should be within plus or minus 10% of the budget set for the scheme currently being undertaken.' This may or may not be the original budget set, as recent experience has shown that the original budget set for a particular project may not reflect realistically the costs of the scheme eventually carried out.

16. The Cabinet Committee is requested to agree these proposals for the revision of LPI 23(a) - Capital Projects. This matter was also considered by the Finance and Performance Management Scrutiny Panel at its meeting on 23 February 2010, and the views of the Scrutiny Panel in this respect will be reported to the meeting.

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, 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. This report was made available to the Chairman of the Cabinet Committee and the Performance Management Portfolio Holder in advance of the preparation of this agenda.

Background Papers:

None.

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