

Report to the Finance and Performance Management Scrutiny Panel

Date of meeting: 9 December 2010



Portfolio: Performance Management (Councillor R. Bassett)

Subject: Key Performance Indicator Reports - Content and Presentation

Responsible Officer: Michael Warr (01992 564472)

Democratic Services Officer: A. Hendry (01992 564246)

Recommendations/Decisions Required:

- (1) That the Scrutiny Panel consider proposals for the future presentation of quarterly Key Performance Indicator reports in a more interactive and dynamic electronic style, with a reduced requirement for printed reports;**
- (2) Subject to recommendation (1) above, the Scrutiny Panel consider its information requirements for future Key Performance Indicator reporting and comment on any presentational issues; and**
- (3) Subject to the review and agreement of a suite of Key Performance Indicators for 2011/12, that the Scrutiny Panel consider the principle of the profiling of annual indicator targets to reflect quarterly performance patterns, and indicate which performance areas members would wish to see profiled in this way.**

Executive Summary:

1. (Office of the Deputy Chief Executive) The Scrutiny Panel has previously expressed interest in ensuring that Key Performance Indicator (KPI) reports becoming more useful as a performance management tool, rather than just a reporting tool. This has included incorporating more relevant contextual information around the indicator to assist in making judgements as to whether the Council's performance is satisfactory or in need of further investigation and scrutiny.

2. The technology now available to officers allows the quarterly KPI results to be both summarised in a dashboard format, giving an abbreviated overview of performance which can be drilled into at deeper levels, and, also, projected on a screen display allowing members to interactively scrutinise indicators of concern or interest, without the need to work through each and every indicator in sequence.

3. Additionally, members have remarked that it may be more useful if performance targets for specific KPIs could be profiled according to anticipated performance patterns throughout the year, rather than through an arbitrary four-way even split across the quarters, as this would give a more accurate in-year position from which to determine any need for corrective action before the year-end.

4. This report seeks to address these issues raised by the Scrutiny Panel.

Reasons for Proposed Decision:

5. To enable members to consider alternative methods of presenting KPI performance information, and to contribute suggestions for further improvements in performance indicator reporting to ensure that the information necessary for effective scrutiny is available.
6. Additionally, a commitment was made as part of the recent revision of the Council's Data Quality Strategy for 2010-13, to consult with members and officers to determine how the current presentation of KPI data suits management, scrutiny, analytical and planning needs. This report is part of an ongoing process to fulfill this commitment.

Other Options for Action:

7. To leave the presentation of performance indicator performance results unchanged.
8. To continue with evenly split performance targets which are not reflective of anticipated annual performance patterns.

Report:

KPI Performance Reports - Presentation

9. The Scrutiny Panel will be aware that a range of thirty-one Key Performance Indicators (KPI) with associated performance targets, has been adopted for 2010/11. On a quarterly basis, a report collating the performance results of the KPIs is produced for consideration by Management Board and the Scrutiny Panel. A full copy of the list of KPIs and the current quarter's (to September 2010) report pack are included for consideration separately as part of this meeting. The KPI performance reports are produced through the 'TEN' Performance Management System, using a range of available presentational tools and styles.

10. The Scrutiny Panel will be aware that 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. To assist the Panel in monitoring the Council's performance in this regard, it is important that performance reports are clear, relevant and comprehensible, and contain sufficient contextual information as to enable members to fully scrutinise performance. To this end, enhancements have already been made to the content and presentation of the performance reports considered elsewhere in this agenda.

11. Utilising the features of TEN, officers have designed a summary performance dashboard and report, which gives an overview of quarterly KPI performance at both a corporate and service directorate level, together with brief performance details for each of the KPIs. As well as being able to present this dashboard in printed format, as illustrated in the second quarter report pack, it is also possible to project the summary dashboard and report electronically, with functionality included to allow deeper drilldown to more detail for each of the indicators. The concept would therefore be that a reduced number of printed pages would therefore be included within future report packs, allowing members to scrutinise and interrogate individual indicator performance via electronic drill down on the screen should they wish. As is current practice, directorate representatives would also be present at each meeting to answer any questions about specific indicator performance.

12. An illustration of this electronic approach will be delivered at the meeting, and members are asked to consider whether this approach would be suitable for presenting future KPI quarterly performance reports. A similar presentation has recently been endorsed by Management Board.

13. As mentioned previously, whether by print or electronically, access to more detail on all of the KPIs will be possible. However, it is accepted that not all officers and members will have the same preference in terms of the analysis and scrutiny of performance information. Preferences for visual, numeric and textual information, as well as summary versus detailed

analyses, are therefore all catered for within the reports. However, it is important for officers to understand how effectively the reports are achieving this.

14. The Scrutiny Panel is asked to consider the content and presentation of the performance reports and advise on any improvements, enhancements or amendments that could be explored for future reports. It should be noted however, that the capacity to respond to member requests is very much limited by the capacity of the TEN Performance Management System. However, officers are keen to exploit TEN to its full potential, and therefore all suggestions are welcome and will be explored, both within the Performance Improvement Unit and in discussions with the Council's TEN Account Manager.

KPI Performance Targets - Profiling

15. One aspect of the KPI performance reports currently presented to the Scrutiny Panel is that most annual targets which need to be split across the four quarters of the year, are simply split into four equal quarterly targets (e.g. the 2010/11 targets for the collection of Council Tax are Q1: 24.45%, Q2: 48.90% , Q3: 73.35% and Q4: 97.80%).

16. Members remarked at the Scrutiny Panel meeting on 9 September 2010 that they would be interested in seeing these annual targets profiled in a more structured and calculated way, so as to more accurately reflect anticipated performance patterns throughout the year. This may involve loading performance expectations into particular quarters where higher performance levels have previously been experienced, such as increased proportions of Council Tax collections occurring in the first three quarters of the year.

17. To understand how this might affect the Council's performance targets, an analysis of the profiled performance of the collection of both Council Tax (LPI 14) and National Non-Domestic Rates (NNDR) (LPI 15) has been undertaken, the results of which can be seen at Appendix 1 to this report. This shows that there is a clear disparity between the even split of the targets and the loaded nature of collection levels, which are at their highest in Quarters 1, 2 and 3 of each year.

18. Determining an accurate target profile is not necessarily an exact science, and could require different approaches depending upon the indicator involved. In the case of Council Tax, factors such as changes in collectable debit (e.g. new entries in the valuation list or the timing of a particular year's recovery timetable in relation to a month/quarter end), can distort figures. Consideration of this has led to the following suggested method of profiling the Council Tax and NNDR collection KPI targets:

Looking at the previous year's performance, the required improvement target will be incrementally applied across each quarter's performance (e.g. if a 0.2 percentage points (pp) performance improvement is required, the next year's quarterly figures could be:

Q1 target = 2010/11 Q1 collection % figure + 0.05 pp

Q2 target = 2010/11 Q2 collection % figure + 0.10 pp

Q3 target = 2010/11 Q3 collection % figure + 0.15 pp

Q4 target = 2010/11 Q4 collection % figure + 0.20 pp

19. The TEN Performance Management System allows for profiled targets to be input for the four individual quarters of the year and, whilst it is not considered appropriate to change the splits of the targets for the remainder of 2010/11, members are therefore now asked to consider:

- (a) whether they would wish to pursue this profiled approach where appropriate during 2011/12; and
- (b) subject to (a) above and the adoption of a revised set of KPIs for the year (discussed elsewhere on this agenda), which areas of KPI performance they would like to see profiled and reported in this manner during 2011/12.

20. Proposed targets for the KPIs for 2011/12 will be considered at the meeting of the Scrutiny Panel to be held in March 2011. Once the target setting process has been

completed, service directors will be asked to identify appropriate quarterly profiles of these targets, which will be reported back to the Panel alongside the reporting of the first quarter performance for 2011/12.

21. Service Directors will be in attendance at the meeting to respond to any issues around the profiling of KPI performance targets for 2011/12.

Resource Implications:

Should a reduced printed KPI report pack along with electronic presentation, be the preferred format of the Scrutiny Panel for 2011/12, there will clearly be a reduction in the amount of paper and ink required to produce the agenda. With a reduction from 37 pages to 5, KPI reports being reported quarterly, and currently up to 37 printed copies of the agenda being produced each quarter, a substantial saving in terms of quantity of paper, ink, power and transport costs should be seen.

The Performance Improvement Unit will undertake all initial work to determine how best TEN can meet the requirements of the Scrutiny Panel and will highlight to the Council's TEN Account Manager any development needs required. However, as limitations become apparent and since TEN focus development efforts on the needs of the majority of its clients, there may be a cost implication for any development work that TEN is requested to undertake specifically on behalf of the Council and which is not also sought by other authorities using the TEN Performance Management System.

Legal and Governance Implications:

There are no legal implications or Human Rights Act issues arising from the recommendations in this report. The recommendations in this report are intended to enhance scrutiny of the Council's performance and progress against its KPIs.

Safer, Cleaner and Greener Implications:

There are no implications arising from the recommendations 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:

Proposals for the improved content, presentation and scrutiny of KPI performance reports have been considered by Management Board.

Background Papers:

None

Impact Assessments:

Risk Management

The respective Service Director will identify any risk management issues arising from proposals for corrective action in respect of KPI areas of current under-performance set out in future performance reports.

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 identify any risk management issues arising from proposals for corrective action in respect of KPI areas of current under-performance set out in future performance reports.

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