

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



**Epping Forest
District Council**

Report Reference: FPM-024-2010/11

Date of Meeting: 17 January 2011

Portfolio: Performance Management

Subject: Key Performance Indicators 2010/11 - Review

Responsible Officer: Steve Tautz (01992 564180)

Democratic Services Officer: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

- (1) That, to conclude the review of the current Key Performance Indicator Set, the further proposals for the retention or deletion of existing indicators for 2011/12 be considered.**

Executive Summary:

Pursuant to the Local Government Act 1999, the Council is required to make arrangements to secure continuous improvement in the way in which its functions and services are exercised, having regard to a combination of economy, efficiency and effectiveness.

As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's activities and key objectives are adopted each year. Performance against the KPIs is monitored on a quarterly basis by Management Board and the Finance and Performance Management Scrutiny Panel, and has previously been an inspection theme in external judgements of the overall performance of the authority.

Reasons for Proposed Decision:

It is important that relevant performance management processes are in place to review and monitor performance against the Council's key objectives, to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of under performance.

Other Options for Action:

No other options are appropriate in this respect. Failure to monitor and review performance against key objectives and to take corrective action where necessary, could have negative implications for judgements made about the Council in corporate assessment processes, and might mean that opportunities for improvement were lost.

Report:

- At its last meeting, the Scrutiny Panel was advised that the Secretary of State for Communities and Local Government had recently written to the Leaders and Chief Executives of all local authorities, setting out changes to existing performance arrangements. The new arrangements detailed by the Secretary of State, provided for the cessation of the existing National Indicator Set with a single list of data required to be provided to the Government by local authorities. At that time, members noted that it was considered

appropriate for the Council to continue to monitor and internally report performance against each of the National Indicators that formed part of its adopted KPI set until the end of 2010/11, even if not formally required to do so for the purpose of submitting performance returns to the Government. A number of the existing National Indicators are used as performance measures for the Council's Key Objectives for 2010/11, and therefore clearly need to be retained until at least the end of the year.

2. Since the changes to existing performance arrangements were announced by the Secretary of State, a review of the existing KPI set has been undertaken to identify any National Indicators that could be deleted as KPIs for 2011/12, on the grounds that data collection is resource intensive or over burdensome, or where issues of limited value and validity have arisen in respect of data previously collected. As part of this review process, Service Directors were asked to highlight ongoing and future activities in the areas where KPIs could be deleted, in order to ensure that the Council maintained appropriate focus on key areas in the absence of corporate assessment or centralised performance reporting arrangements. This exercise resulted in proposals for some National Indicators to be carried forward into 2011/12 as Local Performance Indicators.

3. The majority of the results of this review exercise were considered at the last meeting of the Scrutiny Panel. However, proposals in respect of several KPIs had not been finalised at that time, and these are now presented for consideration as Appendix 1 to this agenda, in order to conclude the review of the KPI set for 2011/12.

4. The Scrutiny Panel is requested to agree the adoption of identified indicators as KPIs for 2011/12. In accordance with established arrangements, indicative targets for the KPIs for 2011/12 will be considered at the meeting of the Scrutiny Panel to be held in March 2011, based on third quarter performance (to 31 December 2010) for 2010/11 and the anticipated outturn of the year. Improvement plans will subsequently be produced for each of the KPIs, setting out actions to be implemented in order to achieve or maintain target performance for next year.

5. Notwithstanding the demise of the National Indicator Set, the annual identification of KPIs provides an opportunity for the Council to focus specific attention on how areas for improvement will be addressed, opportunities exploited and better outcomes delivered for local people. For the future, it will remain important that relevant performance management processes are in place to review and monitor performance against the Council's objectives, to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of under performance.

6. It is also essential to note that the changes to existing performance arrangements announced by the Secretary of State for Communities and Local Government, do not remove the Council's duty to illustrate value for money in the provision of its services. As part of the annual governance report, the Council's external auditors will still be required to be satisfied that proper arrangements have been made to secure economy, efficiency and effectiveness in the authority's use of resources (i.e value for money).

7. A further report will be made to the Scrutiny Panel once the Government's requirements for data to be provided by local authorities from April 2011, in place of the National Indicator Set, has been published.

Resource Implications:

The review of the National Indicator Set will be met from within existing resources.

Legal and Governance Implications:

There are no legal implications or Human Rights Act issues arising from this report, which

seeks to ensure that appropriate arrangements are in place to secure continuous improvement in the way in which the Council's functions and services are exercised.

Safer, Cleaner and Greener Implications:

There are no legal implications arising from 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 content of this report has been considered by Management Board, and the report was made available to the Performance Management Portfolio Holder in advance of the preparation of this agenda. The review of the National Indicator Set will be considered by Management Board and the Finance and Performance Management Cabinet Committee and Scrutiny Panel, in January 2011.

Background Papers:

None.

Impact Assessments:

Risk Management

A failure on the part of the Council to monitor and review performance against key objectives and to take corrective action where necessary, could mean that opportunities for improvement were lost, and might adversely affect the reputation of the authority.

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 equality issues arising from proposals for corrective action in respect of current or future areas of KPI under-performance

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