

**Report to: Finance and Performance
Management Scrutiny Panel**

Date of Meeting: 10 March 2011



Portfolio: Performance Management (Councillor R. Bassett)

**Subject: Key Performance Indicators 2010/11 (Quarter 3 Performance Monitoring) and
2011/12 (Target Setting)**

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Recommendations/Decisions Required:

- (1) That the Scrutiny Panel consider the Council's performance for the first nine months of 2010/11, in relation to the Key Performance Indicators adopted for the year;**
- (2) That, subject to the concurrence of the Finance and Performance Management Cabinet Committee:**
 - (a) National Indicator 189 (Flood and Coastal Erosion Risk Management) not be retained as a Key Performance Indicator for 2011/12;**
 - (b) a new Key Performance Indicator be adopted for 2011/12, to report the level of appeals allowed against the refusal of all types of planning applications, where member decisions to refuse applications were made contrary to a recommendation of the Director of Planning and Economic Development;**
 - (c) the proposed targets for the Key Performance Indicators adopted for 2011/12, be agreed; and**
 - (d) a corporate target be set for the achievement of year-on-year improvement against the adopted Key Performance Indicators for 2011/12.**

Executive Summary:

1. (Acting Chief Executive) 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.

2. 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:

3. 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.

4. A number of the KPIs are used as performance measures for the Council's annual Key Objectives. It is important that relevant performance management processes are in place to review and monitor performance against the 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:

5. 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:

6. As the Scrutiny Panel will be aware, a range of forty-eight Key Performance Indicators (KPIs) has been adopted for 2010/11. Summary details of the KPIs for the year are attached as Appendix 1 to this report.

7. The KPIs are important to the Council's business and its Key Objectives, and comprise a mixture of statutory National Indicators (NI) and Local Performance Indicators (LPI) (a number of which are former statutory indicators). The aim of the KPIs is to focus improvement on the 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.

8. Improvement plans are produced for each 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. In view of the corporate importance attached to the KPIs, the improvement plans for 2010/11 were considered and agreed by the former Corporate Executive Forum (now replaced by Management Board), and are subject to ongoing review between the relevant Service Director and Portfolio Holder over the course of the year. Progress in achieving target performance in respect of the majority of KPIs is reported to the Scrutiny Panel and the relevant Portfolio Holder at the conclusion of each quarter.

9. A number of the NIs are designed to be reported annually at year-end only, or are subject to annual (or other frequency) performance reporting by external agencies, and performance against NI 195 is measured over three four-month periods (April-July, August-November and December-March) during the year, rather than quarterly. In addition, members have previously agreed that performance in relation to some of the KPIs also be subject to detailed scrutiny at year-end only, as little change is likely over each quarterly period. These indicators are identified in Appendix 1. In adopting the KPIs for 2010/11, a corporate target was set for the achievement of improvement against 70.00% of the adopted indicators for the year.

Key Performance Indicators 2010/11 – Quarter 3 Performance

10. Performance reports for each of the thirty-one quarterly monitored KPIs for the period from 1 April to 31 December 2010 are attached as Appendix 2 to this report. The nine-month position with regard to the achievement of target performance for the KPIs for 2010/11 is as follows:

- (a) 21 (67.74%) have achieved the third quarter performance target for 2010/11;
- (b) 9 (29.03%) have not achieved the third quarter performance target for 2010/11;
and
- (c) 1 (3.22%) cannot be reported for the third quarter of 2010/11.

11. The Scrutiny Panel is requested to consider the Council's performance for the first nine months of 2010/11, in relation to the quarterly monitored 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.

Key Performance Indicators 2011/12

12. At its meeting in December 2010, the Scrutiny Panel was advised that the Secretary of State for Communities and Local Government had implemented changes to existing national performance arrangements, which provided for the replacement 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.

13. 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, where data collection is resource intensive or over burdensome, or where issues of limited value and validity have arisen in respect of data previously collected. This exercise resulted in proposals for some National Indicators to be carried forward into 2011/12 as Local Performance Indicators, and the majority of the results of this review exercise were considered at the meeting of the Scrutiny Panel in December 2010 and by the Finance and Performance Management Cabinet Committee in January 2011. However, proposals in respect of several KPIs had not been finalised at that time, and these are now presented for consideration in order to conclude the review of the KPI set for 2011/12.

(a) National Indicator 189 - Flood and Coastal Erosion Risk Management

14. The Government's proposals for a new single list of data requirements to replace the existing National Indicator Set, includes a return in respect of some flood and coastal erosion risk management and sustainable drainage system data previously measured by National Indicator 189. However, the new data requirements apply only to Essex County Council, as part of new responsibilities under the Flood and Water Management Act 2010. Discussions have been held with the Environment Agency in this respect, but it has not proved possible to adjust the existing NI 189 measure to make it more meaningful for the Council, and it is therefore recommended that this indicator not be retained as a KPI for 2011/12.

(b) Local Performance Indicator 45 – Planning Appeals

15. This indicator currently only applies to certain types of planning applications (excluding advertisements, listed buildings, enforcement etc.), and was derived from a former statutory indicator in 2008/09. It is proposed that for 2011/12 the indicator should be revised to relate to all appeal types and that, as a measure of decision-making, two separate targets of 28% should be set, one for decisions delegated to the Director of Planning and Economic

Development, and one for member reversals of officer recommendations on planning applications, to allow a greater understanding of decision-making.

16. As in previous years, the KPIs for 2011/12 have been determined at this stage in the year, linked to provisional targets based on third quarter performance for 2010/11 (April to December 2010), for adoption by both the Scrutiny Panel and the Finance and Performance Management Cabinet Committee. Details of the proposed provisional KPI targets for 2011/12, as proposed by each responsible service director on the basis of the third quarter (and estimated outturn) position, are set out at Appendix 3, together with details of the links between the KPIs and the Council's adopted Key Objectives for the year. The proposed targets for 2010/11 have been reviewed by Management Board.

17. The KPIs will comprise the totality of the Council's formal performance indicator measures for 2011/12. As in previous years, service directors will be required to develop improvement plans for each 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 Management Board. As part of the process of agreeing the KPI Improvement Plans for 2011/12, Management Board will in due course also review the provisional targets for each KPI with reference to outturn data for 2010/11 when this is available.

18. Although it is not yet known whether the Council's overall aim of achieving target performance for at least 70% of the KPIs for 2010/11 will be achieved, the Scrutiny Panel is also requested to consider and agree a corporate KPI performance improvement target for 2011/12.

19. The Scrutiny Panel is requested to agree the proposals set out in this report for the deletion and adoption of additional KPIs for 2011/12, relevant targets for the year, and an overall KPI performance improvement target. These matters will also be considered by the Finance and Performance Management Cabinet Committee at its meeting on 21 March 2011, 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 areas of current KPI 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 70% of its KPI for 2010/11, 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 areas of current KPI 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 Management Board. The individual KPI improvement plans for 2010/11 have also been considered and agreed by Management Board. This report is also to be considered by the Finance and Performance Management Cabinet Committee on 21 March 2011.

Background Papers:

First, second and third 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 KPI 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 areas of current KPI 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