

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

**Date of Meeting: 15 November 2011**



**Portfolio:** Finance and Economic Development (Councillor G. Mohindra)

**Subject:** Key Performance Indicators 2011/12 - Quarter 2 Performance Monitoring

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**Recommendations/Decisions Required:**

**That the Scrutiny Panel consider the Council's performance for the first six months of 2011/12, in relation to the quarterly monitored Key Performance Indicators adopted for the year.**

**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 services and key objectives are adopted each year. Performance against the KPIs is monitored on a quarterly basis and has previously been an inspection theme in external judgements of the overall performance of the authority.

**Reasons for Proposed Decision:**

3. The adoption and monitoring of performance against the KPIs provides an opportunity for the Council to focus specific attention on how areas for improvement are being addressed, opportunities exploited and better outcomes delivered.
4. KPIs are used as performance measures to assess progress against 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 slippage or under performance.

**Other Options for Action:**

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

## Report:

6. A range of thirty-eight Key Performance Indicators (KPIs) for 2011/12 was adopted by the Finance and Performance Management Cabinet Committee and Scrutiny Panel in March 2011. Summary details of the KPIs for the year are attached as Appendix 1 to this report, which contains the revised description and associated definition for each KPI, as previously agreed by the Scrutiny Panel. In adopting the KPIs for 2011/12, a target was set for at least 70% of the indicators to achieve target performance by the end of the year.
7. The KPIs are important to the Council's services and its key objectives, and comprise former (until 31 March 2011) statutory National Indicators and locally determined performance indicators. The aim of the KPIs is to focus improvement on services and key objectives and to improve or maintain current levels of performance. Progress in achieving target performance in respect of the majority (28) of KPIs is reported to the Finance and Performance Management Scrutiny Panel, Management Board and the relevant Portfolio Holder at the conclusion of each quarter, and performance against the remaining KPIs is designed to be reported annually at year-end only. 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 in performance is likely over quarterly periods. These annually reported indicators are identified in Appendix 1.
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 changes in service delivery. In view of the corporate importance attached to the KPIs, the improvement plans are considered and agreed by Management Board in the first instance, and are subject to ongoing review between the relevant Service Director and Portfolio Holder over the course of the year. The improvement plans for KPIs that do not achieve the quarterly performance target throughout the year, are however submitted to the Scrutiny Panel each quarter.
9. The Finance and Performance Management Scrutiny Panel has previously requested the Director of Planning and Economic Development to review the operation of KPI 57 (Local Development Scheme), KPI 58 (CO<sup>2</sup> Reduction) and KPI 59 (Fuel Poverty), in order to develop new approaches to these issues. Reports in respect of these matters were considered by the Scrutiny Panel at its meeting on 20 September 2011, when all three were deleted as KPIs, in favour of other monitoring and reporting mechanisms. As a result, the total number of KPIs for 2011/12 has therefore reduced to thirty-five.

## Key Performance Indicators 2011/12 – Quarter 1 and 2 Performance

10. A 'dashboard' headline first and second quarter performance report in respect of the overall KPI position at 30 September 2011, is attached as Appendix 2 to this report, together with detailed cumulative performance reports for each of the individual twenty-eight quarterly monitored KPIs for 2011/12.
11. The KPI improvement plans for each of the indicators that have not achieved the second quarter performance target for the year, are also included within Appendix 2. However, the improvement plan for KPI 02 (How many times was the Council website visited?) has yet to be completed, pending the roll-out of the Council's new website, and the Acting Chief Executive will report in respect of progress with regard to the completion of this outstanding improvement plan.
12. The six-month position with regard to the achievement of target performance for the KPIs for 2011/12 is as follows:
  - (a) 14 (50.00%) have achieved the second quarter performance target; and

- (b) 14 (50.00%) have not achieved the second quarter performance target.
13. Of the 14 KPIs that did not achieve the second quarter performance target for 2011/12, performance for 6 (42.8%) indicators was within 5% of the target for the quarter. It should be noted however that, of the remaining indicators that did not achieve the second quarter performance target, one (KPI 24 – Fly-Tipping) is a graded indicator and the 5% assessment is therefore not relevant as the measure either achieves, exceeds or misses the target grade, and one (KPI 48 – Non-Decent Homes) has a target of 0.00% so also cannot be subjected to a percentage calculation for achieving or missing target.
  14. The Scrutiny Panel is requested to consider the Council's performance for the first six months of 2011/12, in relation to the quarterly monitored KPIs for the year. Service Directors and other appropriate officers will be in attendance at the meeting to respond to any issues in respect of current performance against specific indicators.
  15. The on-line Corporate Strategy Guide has recently been updated with the second quarter KPI performance reports for 2011/12.

#### **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 2011/12, 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 2011/12 have also been considered and agreed by Management Board. This report was made available to the Chairman of the Scrutiny Panel and the Finance and Economic Development Portfolio Holder in advance of the preparation of this agenda.

#### **Background Papers:**

First and second quarter KPI submissions for 2011/12 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