

Report to the Finance and Performance Management Cabinet Committee



Report reference: FED-024-2011/12
Date of meeting: 16 January 2012

**Epping Forest
District Council**

Portfolio: Finance and Economic Development

Subject: Key Performance Indicators 2011/12

Responsible Officer: S Tautz (01992 564180)

Democratic Services Officer: R Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) That 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, be noted;**
- (2) That the Committee consider the following recommendations of the Finance and Performance Management Scrutiny Panel:**
 - (a) that the following Key Performance Indicators previously adopted for 2011/12, be deleted:**
 - (i) KPI 02 - Visits to the Council's website;**
 - (ii) KPI 03 - The quality of the Council's website;**
 - (iii) KPI 57 - Preparation of Local Development Scheme;**
 - (iv) KPI 58 - CO² Reduction; and**
 - (v) KPI 59 - Fuel Poverty;**
 - (b) that, pursuant to the deletion of KPI 02 (Visits to the Council's website), the Director of Finance and ICT and the Acting Chief Executive bring forward proposals for a replacement website visits indicator once the Council's new website has been rolled-out, and the authority has determined its approach to meeting the requirements of the European Union Cookies Directive;**
 - (c) that the target for KPI 04 (Satisfaction with the Council's website) for 2011/12 be revised to 70%;**
 - (d) that, pursuant to the deletion of KPI 58 (CO² Reduction), the Director of Planning and Economic Development submit an annual report on the Council's progress in securing a reduction in its carbon emissions, to the Safer, Cleaner, Greener Scrutiny Panel; and**
- (3) That, pursuant to the deletion of KPI 59 (Fuel Poverty), the Director of Planning and Economic Development submit a report on proposals for a new approach to assessing and addressing levels of fuel poverty in the district, to the Safer, Cleaner, Greener Scrutiny Panel.**

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 of the KPIs is agreed by the Committee each year. The 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.

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:

4. The Committee could decide to retain some or all the KPIs proposed for deletion. 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:

5. A range of thirty-eight Key Performance Indicators (KPIs) for 2011/12 was adopted by the Finance and Performance Management Cabinet Committee in March 2011. Outturn performance against the KPIs is reported to the Committee each year.
6. 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. Ongoing 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.
7. The Finance and Performance Management Scrutiny Panel has recently considered performance for the first six months of 2011/12, in relation to the twenty-eight quarterly monitored KPI adopted for the year. The six-month position with regard to the achievement of target performance for these indicators was:

- (a) 14 (50.00%) achieved the second quarter performance target;

- (b) 14 (50.00%) did not achieved the second quarter performance target; and
- (c) of the 14 KPIs that did not achieve the second quarter target, performance for 6 (42.8/%) was within 5% of the target for the quarter.

8. The Scrutiny Panel has also considered the operation and continued relevance of several existing KPI, and considers that a number should be deleted in favour of alternative monitoring and reporting mechanisms.

KPI 02 - Visits to the Council's website

9. A frustration of the current website has been the continuing unreliability of visitor numbers, as reported by KPI 02. The Council has previously used a monitoring tool called Sitestat for which an annual payment of approximately £3,000 was made. The use of Sitestat has been dropped in favour of Google Analytics, as it has become clear that Sitestat over-estimated the number of visits to the website. It is currently believed, that on a like for like basis, annual visits to the current website average around 600,000 compared to the 800,000 previously reported by Sitestat. The Scrutiny Panel has received a presentation of the Council's proposed new website, and direct comparison of visitor numbers between the newly structured Joomla based website and the old Punch based website can only be estimated. It is possible that as the new website concentrates on doing fewer things better, the number of visits may decrease.

10. The implementation of the European Union 'Cookies Directive' in May 2012 will also adversely affect the Council's ability to collect website visit data using existing tools. In basic terms, the Directive requires website operators to gain the permission of users before placing cookies (a small text file) used for analytical purposes. Without these cookies, visit data will not be recorded. Alternative analytical solutions which will operate correctly within the requirements of the Directive are being investigated, but if such a solution is not available by the time the Directive is introduced, it is likely that recorded website visits will drop by a large margin.

11. The Scrutiny Panel has therefore recommended that KPI 02 be deleted, and that the Director of Finance and ICT bring forward proposals for a replacement website visits indicator once the Council's new website has been rolled-out and the authority has determined its approach to meeting the EU Cookies Directive.

KPI 03 - The quality of the Council's website

12. The reported measure of the quality of the Council's website is based on the annual 'Better Connected' report published by the Society of Information Technology Management (SOCITM), using opinion and criteria that change from year to year. This indicator is not considered to be as relevant a performance measure as the existing website satisfaction performance indicator (KPI04), and the Finance and Performance Management Scrutiny Panel has therefore recommended that KPI 03 be deleted

KPI 04 – Satisfaction with the Council's website

13. This is a new indicator for 2011/12, for which a target has been set for website satisfaction to achieve performance of at least 15% in excess of the national average for comparable local authority websites. Survey results for the current website generated through the SOCITM 'Insight' application suggest that most users are satisfied with the website. Analysis is broken down by various criteria and assessment levels ranging from 'Very Satisfied' to 'Very Dissatisfied'. Although the website appears to perform well on the basis of assessing the most satisfied criteria, it is believed that a combination of the 'Very Satisfied', 'Quite Satisfied' and 'Okay' responses would provide a more statistically robust measurement

of actual website satisfaction. In view of the inherent limitations of the current website and proposals for the roll-out of a new website in 2012/12, the Finance and Performance Management Scrutiny Panel has recommended that the definition of KPI 04 be amended accordingly, and that the target for the indicator for 2011/12 be revised to 70% and no longer be based on average satisfaction for comparable websites.

KPI 57 - Preparation of Local Development Scheme

14. This former statutory indicator required the Council to indicate whether milestones in the preparation of a Local Development Scheme (LDS) had been achieved. The Local Development Framework Cabinet Committee has agreed that no formal LDS be submitted to the Secretary of State at this stage, but that an informal timetable be published on the Council's website. In the circumstances, the Finance and Performance Management Scrutiny Panel has therefore recommended that KPI 57 be deleted.

KPI 58 - CO² Reduction

15. This former statutory indicator measured the Council's efforts to reduce carbon emissions from its estate and operations, but did not prove particularly useful in view of the need to incorporate information from the authority's satellite buildings, for which data was not collected because they did not require Display Energy Certificates. The Finance and Performance Management Scrutiny Panel has therefore recommended that KPI 58 be deleted, and that an annual report on the Council's progress in securing a reduction in its carbon emissions be instead presented to the Safer, Cleaner, Greener Scrutiny Panel.

KPI 59 - Fuel Poverty

16. This former statutory indicator reported levels of 'Fuel Poverty', collected by sending survey forms to households, asking questions on the levels of insulation, types of heating and boilers, and the installation of double glazing etc. This approach had proved inaccurate as it relied on the knowledge of householders to answer complex property related questions. The Director of Planning and Economic Development has reported that the Council's five-yearly House Condition Survey could in future be used to collect such data, and that in the meantime, other actions to raise awareness of and reduce fuel poverty be implemented, including information on how to improve energy usage and details of the various grants available. The Finance and Performance Management Scrutiny Panel has therefore recommended that KPI 59 be deleted and that a new approach to assessing and addressing levels of fuel poverty in the district be developed for consideration by the Safer, Cleaner, Greener, Scrutiny Panel.

The Committee is requested to note KPI performance for the first six months of 2011/12, and to consider the recommendations of the Finance and Performance Management Scrutiny Panel in respect of the proposed deletion of five KPI for 2011/12. None of the KPIs proposed to be deleted are used as performance measures to assess progress against the Council's key objectives for 2011/12.

Resource Implications:

None. The KPIs proposed for deletion are either no longer relevant or are considered to be better placed with other existing monitoring and reporting mechanisms. None of the KPIs proposed to be deleted are used as performance measures to assess progress against the Council's key objectives for 2011/12.

Legal and Governance Implications:

There are no legal implications or Human Rights Act issues arising from the recommendations in this report.

Safer, Cleaner and Greener Implications:

Former statutory indicator KPI 58 (CO² Reduction) is relevant to the Council's commitment to the Nottingham Declaration for climate change, and the corporate Safer, Cleaner and Greener initiative.

Consultation Undertaken:

The recommendations contained in this report arise from the ongoing consideration of KPI performance by the Finance and Performance Management Scrutiny Panel

Background Papers:

Reports to the Finance and Performance Management Scrutiny Panel of 20 September and 15 November 2011.

Impact Assessments:

Risk Management

The respective Service Director will have identified any risk management issues arising from the KPI proposals 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 the KPI proposals 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