

Report to: Finance and Performance Management Scrutiny Panel

Date of Meeting: 20 March 2012



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

Subject: Key Performance Indicators 2011/12 - Quarter 3 Performance Monitoring

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Recommendations/Decisions Required:

- (1) That the Scrutiny Panel consider third quarter performance in relation to the quarterly monitored Key Performance Indicators adopted for 2011/12; and**
- (2) That, subject to the concurrence of the Finance and Performance Management Cabinet Committee, proposed targets for the Key Performance Indicators for 2012/13, be agreed.**

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 Key Performance Indicators (KPIs) for 2011/12 was adopted by the Cabinet Committee and the Finance and Performance Management Scrutiny Panel in March 2011, and a target was set for at least 70% of the indicators to achieve target performance by the end of the year. 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 services and its key objectives, and comprise a combination of former statutory indicators and locally determined performance measures. The aim of the KPIs is to focus improvement on services and key objectives and to improve current performance. Progress in achieving target performance in respect of the majority of the KPIs, is reported to the Scrutiny Panel, Management Board and the relevant Portfolio Holder at the conclusion of each quarter. Performance in relation to the remaining KPIs is subject to scrutiny at year-end only, as little change in performance is likely over quarterly periods or where performance is designed to be reported on an annual basis. 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 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.
9. The continued relevance of several KPIs adopted for 2011/12, has recently been considered by both the Scrutiny Panel and the Finance and Performance Management Cabinet Committee, and a number of indicators have been deleted in favour of alternative monitoring and reporting mechanisms. These deleted indicators are also identified in Appendix 1.

Key Performance Indicators 2011/12 – Quarter 1, 2 and 3 Performance

10. A 'dashboard' headline third quarter performance report in respect of the overall KPI position at 31 December 2011, is attached as Appendix 2 to this report, together with detailed cumulative performance reports for each of the quarterly monitored KPIs for 2011/12.
11. The nine-month position with regard to the achievement of target performance for the KPIs for 2011/12 is as follows:
 - (a) 16 (59.26%) have achieved the second quarter performance target; and
 - (b) 11 (40.74%) have not achieved the second quarter performance target.
12. For comparison, 14 (50.00%) of the KPIs had achieved the respective target at the end of the second quarter of the year, although it should be noted that one quarterly monitored indicator (KPI 02 - Visits to the Council's website), has been deleted in the intervening period.

13. Management Board has recently considered third-quarter KPI performance for 2011/12. Whilst the overall number of indicators achieving target remains below 70%, the consistency and direction of performance is felt to be encouraging. Of the KPIs reported as achieving target at the end of the second quarter of the year, none have subsequently fallen back below target in the third quarter. In addition to maintaining this performance, in all of the service directorates that reported KPI performance below target in the second quarter, at least one additional KPI has achieved target at the end of the third quarter.
14. The on-line Corporate Strategy Guide has recently been updated with the third quarter KPI performance reports for 2011/12. Using visits to the 'Our Performance' page on the Council's website as a proxy indicator for visitors to the guide, the three months from November 2011 to the end of January 2012 witnessed in excess of sixty visits, with an average dwelling time on the page of up to three minutes.
15. The Scrutiny Panel is requested to consider the Council's performance for the first nine 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.

Key Performance Indicators 2012/13 – Targets

16. As the continued relevance of the KPI set has recently been considered, it is not intended that any further changes will be made to the KPIs for 2012/13. Service directors have therefore sought to identify provisional targets for each indicator with the relevant Portfolio Holder, based on third-quarter performance (and the estimated outturn position) for the current year. Details of the proposed KPI targets for 2012/13, are set out at Appendix 3.
17. The KPIs will comprise the totality of the Council's formal performance indicator measures for 2012/13. Improvement plans will be developed for each KPI, identifying actions to achieve target performance, which will be considered and agreed by Management Board. As part of this process, the Board will also review the provisional targets for each KPI with reference to outturn data for 2011/12 when this available. Any revisions to targets on the basis of the outturn position, will be reported to the Scrutiny Panel and the Finance and Performance Management Cabinet Committee in June 2012.
18. As it is not yet known whether the Council's overall aim of achieving target performance for at least 70% of the KPIs for 2011/12 will be achieved, it is recommended that identification of a corporate KPI performance improvement target for 2012/13 be considered when the KPI outturn data for 2011/12 is reported.
19. The Scrutiny Panel is requested to agree the proposed KPI targets for 2012/13. These targets will also be considered by the Finance and Performance Management Cabinet Committee at its meeting on 19 March 2012, and the views of the Committee in this respect will be reported to the Scrutiny Panel meeting.

Resource Implications:

The respective service director will identify the resources required to meet the proposed KPI targets for 2012/13.

Legal and Governance Implications:

There are no legal implications or Human Rights Act issues arising from the recommendations in this report, which ensure that performance management processes are

in place to review and monitor performance in key areas and to identify proposals for appropriate corrective action in instances of slippage or under performance.

Safer, Cleaner and Greener Implications:

The respective service director will identify any implications arising from proposals for KPI targets for 2012/13, in respect of the Council's commitment to the Nottingham Declaration for climate change, the 'Safer, Cleaner, Greener' initiative, or any crime and disorder issues within the district.

Consultation Undertaken:

The performance information and targets and set out in this report have been submitted by the respective service director, and have been reviewed by Management Board.

Background Papers:

Third quarter KPI performance submissions for 2011/12 held by the Performance Improvement Unit. KPI calculations and supporting documentation held by the respective service director.

Impact Assessments:

Risk Management

The respective service director will identify any risk management issues arising from the proposed KPI targets for 2012/13.

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 the proposed KPI targets for 2012/13.

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