

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

**Report Reference: FPM-025-2011/12
Date of Meeting: 19 March 2012**



**Epping Forest
District Council**

Portfolio: Finance and Economic Development

Subject: Key Performance Indicators – Performance 2011/12 and Targets 2012/13

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Recommendations/Decisions Required:

That, subject to the views of the Finance and Performance Management Scrutiny Panel, the 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 or annual basis as appropriate, and has previously been an inspection theme in external judgements of the overall performance of the authority.

Reasons for Proposed Decision:

3. KPIs are used as performance measures to assess progress against the Council's 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. No other options are appropriate in this respect. Failure to identify challenging performance targets, 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 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.

6. 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 measurers. 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 Finance and Performance Management 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.

7. 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.

8. The continued relevance of several KPIs adopted for 2011/12, has recently been considered by both the Cabinet Committee and the Scrutiny Panel, and a number of indicators have been deleted in favour of alternative monitoring and reporting mechanisms.

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

9. The headline nine-month position with regard to the achievement of target performance for the KPIs is as follows:

- (a) 59.26% (16 KPIs) have achieved the second quarter performance target; and
- (b) 40.74% (11 KPIs) have not achieved the second quarter performance target.

10. 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.

11. Detailed cumulative performance reports for each of the quarterly monitored KPIs for 2011/12 will be considered by the Finance and Performance Management Scrutiny Panel at its meeting on 20 March 2012.

Key Performance Indicators 2012/13 – Targets

12. 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 attached as Appendix 2.

13. 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 Cabinet Committee and the Finance and Performance Management Scrutiny Panel in June 2012.

14. 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.

15. The Cabinet Committee is requested to agree the proposed KPI targets for 2012/13. These targets will also be considered by the Finance and Performance Management Scrutiny Panel at its meeting on 20 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