

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

**Date of Meeting: 18 September 2012**



**Portfolio:** Finance and ICT

**Subject:** Key Performance Indicators 2012/13 - Quarter 1 Performance Monitoring

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## **Recommendations/Decisions Required:**

- (1) That the Scrutiny Panel consider the Council's performance for the first quarter of 2012/13, 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) the target for KPI 35 (Benefit Fraud Investigation) for 2012/13, be increased to 300; and**
  - (b) the target for KPI 46 (Affordable Homes) for 2012/13, be increased to 72.**
- (3) That the revision of the methodology for reporting performance against 'KPI 22 – Unacceptable levels of litter' and 'KPI 23 – Unacceptable levels of detritus' as set out in this report be recommended to the Finance and Performance Management Cabinet Committee.**

## **Executive Summary:**

1. 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 majority of 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 KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement will be addressed, and how opportunities will be exploited and better outcomes delivered.

4. A number of KPIs are used as performance measures for 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:**

5. No other options are appropriate in this respect. Failure to monitor and review KPI performance and to consider corrective action where necessary, could have negative implications for judgements made about the Council's progress, and might mean that opportunities for improvement are lost. The Council has previously agreed arrangements for monitoring performance against the KPIs.

**Report:**

**Key Performance Indicators 2012/13**

6. A range of thirty-two Key Performance Indicators (KPI) for 2012/13 was adopted by the Finance and Performance Management Cabinet Committee in March 2012, 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 KPI for the year are attached as Appendix 1 to this report.
7. The KPI are important to the improvement of the Council's services and the achievement of its key objectives, and comprise a combination of former statutory indicators and locally determined performance measures. The aim of the KPIs is to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district, that are the focus of the key objectives. Progress in respect of the majority of the KPI 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 KPI 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 KPI 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 KPI, 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. Copies of the improvement plans for each KPI for 2012/13 have recently been circulated to all members of the Scrutiny Panel for information. It is not intended that these documents be formally considered by the Panel.

**Key Performance Indicators 2012/13 – Quarter 1 Performance**

9. Performance reports for each of the (27) quarterly monitored KPI for the period from 1 April to 30 June 2012 are attached as Appendix 2 to this report. The three-month position with regard to the achievement of target performance for the KPI for 2011/12, is as follows:
  - (a) 21 (77.77%) achieved the first quarter performance target;
  - (b) 6 (22.22%) did not achieve the first quarter performance target.

10. The Scrutiny Panel is requested to consider the Council's performance for the first quarter of 2012/13, in relation to the quarterly monitored KPI 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 2012/13 - Targets**

11. Targets for each KPI for 2012/13 were considered by the Scrutiny Panel and agreed by the Finance and Performance Management Cabinet Committee in March 2012. However, issues related to specific KPI targets now require further consideration, and these are highlighted in the following paragraphs of this report.

#### **(a) KPI 35 - Benefit Fraud Investigation**

12. The target for this KPI for 2012/13, which measures the number of benefit fraud investigations completed, was set on the basis of there being two vacant posts and an officer on maternity leave within the Benefit Fraud Team, leaving only one Investigation Officer likely to be in place for the majority of the year.
13. The current establishment of the Benefit Fraud Team has increased during the first quarter of the year, and it is therefore proposed that the target for the KPI be increased from 150 investigations in the year, to 300.

#### **(b) KPI 46 – Affordable Housing**

14. The target for this indicator (34) was based on the number of affordable homes already on site, that were expected to be completed during 2012/13. The target was set at the end of Quarter 3 of 2011/12, before the end of year out-turn for the KPI was known.
15. There has been some slippage of affordable housing completions by housing associations originally expected in the last quarter of 2011/12, into the current year. In view of this slippage, and to ensure that the target for 2012/13 is meaningful, it is suggested that the full-year target for KPI 48 be increased to 72 new affordable homes, to reflect the effects of the slippage.
16. The revised target for the year has been profiled the in line with expected affordable housing completions throughout each quarter of the year and, on this basis, the first quarter target is 38 new affordable homes, which the Scrutiny Panel will note has been met.

### **Key Performance Indicators 2012/13 – Methodology**

#### **KPIs 22 & 23 – Unacceptable levels of litter and detritus**

17. 'KPI 22 - What percentage of our district had unacceptable levels of litter?' and 'KPI 23 What percentage of our district had unacceptable levels of detritus?' remain somewhat at odds with the rest of the suite of KPIs in that they are the only quarterly indicators not currently reported as cumulative performances throughout the year.
18. The main reason for this has been our reliance upon use of the Keep Britain Tidy reporting tool and spreadsheet which analyses a snapshot of the district based on the survey of a minimum number of 'transects' (parts of the district) each quarter.
19. Through the replication and adaptation of this tool internally, we are now able to continue to observe all of the original requirements of the Keep Britain Tidy tool but additionally report a cumulative position at any given point in the year.

20. It is therefore proposed that with effect from 2012/13 this indicator be brought in line with all other KPIs and the cumulative position be reported at the end of each quarter. This will not affect Q1 performance reported at this meeting but will take effect from the reporting of Q2 performance at the November meeting of the panel.
21. Adoption of a cumulative reporting position will help to minimise the disproportionate effects that may be caused by a particularly bad quarter. These anomalies may be due to bad weather, harvest time or other similar circumstances, but taking a cumulative position, combined with the continued spread of the transects surveyed across all types of highway within the district will help to ensure the figure we report is a reliable reflection of the district and will remove the indicator's annual performance being entirely reliant upon performance in Q4.
22. The revised definitions for these indicators, reflecting the intention to report cumulatively, are attached as Appendix 3 of this report.
23. It is not proposed to back-date this change in definition to revise previous outturns for the KPI. However, given the above, and to ensure that the indicator is more reflective of a full year's efforts and performance, it is suggested that the Scrutiny Panel recommend to the Finance and Performance Management Committee that the changes detailed above be agreed, in order that the new KPI definition be adopted for the current year.

#### **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 2012/13, 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 Climate Local Agreement, 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 2012/13 have also been considered and agreed by Management Board, and provided to members of the Scrutiny Panel.

#### **Background Papers:**

First 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