

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

**Date of Meeting: 12 March 2013**



**Portfolio:** Finance and Technology (Councillor S. Stavrou)

**Subject:** Key Performance Indicators 2012/13 - Quarter 3 Performance Monitoring

**Officer contact for further information:** S. Tautz (01992 564180)

**Democratic Services Officer:** A. Hendry (01992 564246)

---

**Recommendations/Decisions Required:**

- (1) That the Scrutiny Panel review performance for the third quarter of 2012/13, in relation to the Key Performance Indicators (KPI) adopted for the year; and**
- (2) That, subject to the concurrence of the Finance and Performance Management Cabinet Committee:**
  - (a) the proposed KPIs and targets for 2013/14 be agreed; and**
  - (b) no specific corporate KPI performance target be set for 2013/14.**

**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 a focus of inspection in external assessments and judgements of the overall progress 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 for each year. 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:**

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 KPIs 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 (27) 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 currently subject to scrutiny at year-end only. 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. The improvement plan for each KPI for 2012/13 was circulated to all members of the Scrutiny Panel with the first quarter KPI performance reports in September 2012.

### **Key Performance Indicators 2012/13 – Quarter 3 Performance**

9. Performance reports for each of the quarterly monitored KPIs for the period from 1 April to 31 December 2012 are attached as Appendix 2 to this report. The position with regard to the achievement of target performance for the KPIs at the end of the third quarter was as follows:
  - (a) 15 (55.6%) indicators achieved the cumulative third quarter target; and
  - (b) 12 (44.4%) indicators did not achieve the cumulative third target.
10. In terms of year-end performance for the KPIs, service directors have predicted the following outturn position on the basis of third-quarter performance:
  - (a) 13 (48.1%) indicators are anticipated to achieve the year-end performance target;
  - (b) 7 (25.9%) indicators are not anticipated to achieve the year-end performance target; and
  - (c) the achievement of the year-end performance target for 7 (25.9%) indicators is uncertain.
11. The Scrutiny Panel is requested to review the Council's performance for the third quarter of 2012/13, in relation to the quarterly monitored KPIs for the year. Service

directors will be in attendance or represented at the meeting, to respond to any issues in respect of current performance against specific indicators.

### **Key Performance Indicators 2013/14 - Targets**

12. The continued relevance of the existing KPI set has recently been considered by Management Board. Although revisions to some indicators are proposed, it is not intended that significant changes will be made to the KPIs for 2013/14. Service directors have also identified 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 KPIs and targets for 2013/14, are set out at Appendix 3.
13. It is intended that performance against all KPIs will in future be monitored and reported on a quarterly basis. There are now no indicators where performance is specifically designed to be reported on an annual basis, and a majority of KPI targets can be profiled to reflected quarterly trends.
14. 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 2012/13 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 2013.
15. It is not yet known whether the Council's overall aim of achieving target performance for at least 70% of the KPIs for 2012/13 will be achieved. However, as the Council's draft key objectives for 2013/14 seek the achievement of targets for all objectives and indicators, Management Board has recommended that a specific corporate KPI performance improvement target not be set for 2013/14.
16. The Scrutiny Panel is requested to agree the proposed KPIs and targets for 2013/14. These will also be considered by the Finance and Performance Management Cabinet Committee at its meeting on 21 March 2013, and the views of the Scrutiny Panel in this respect will be reported to the Committee.

### **Resource Implications:**

Resource requirements for actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer and reflected in the budget for the year.

### **Legal and Governance Implications:**

There are no legal or governance implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer.

### **Safer, Cleaner, Greener Implications:**

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the district. Relevant implications arising from actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer.

**Consultation Undertaken:**

The performance information and targets set out in this report have been submitted by each appropriate service director. The individual KPI improvement plans for 2012/13 have previously been considered and agreed by Management Board.

**Background Papers:**

Third quarter KPI submissions held by the Performance Improvement Unit. KPI calculations and supporting documentation held by respective service directorates

**Impact Assessments:*****Risk Management***

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer.

***Equality:***

There are no equality implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer.