

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

Date of Meeting: 17 September 2013



Portfolio: Finance and Technology (Councillor S. Stavrou)

Subject: Key Performance Indicators 2013/14 - Quarter 1 Performance

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

Democratic Services Officer: A. Hendry (01992 564246)

Recommendations/Decisions Required:

That the Scrutiny Panel review first quarter performance for the Key Performance Indicators adopted for 2013/14, and note the comments in respect of the definitions of KPIs 41 and 49.

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-four Key Performance Indicators (KPI) for 2013/14 was adopted by the Finance and Performance Management Cabinet Committee in March 2013. 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.
7. Progress in respect of each of the KPIs is reviewed by Management Board, the Scrutiny Panel and the relevant Portfolio Holder at the conclusion of each quarter. In order to enhance the value of the on-going review of KPI performance, no indicators are now subject to scrutiny at year-end only.
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 for 2013/14 have been agreed by Management Board, and are subject to ongoing review between the relevant service director and Portfolio Holder over the course of the year. Copies of each of the improvement plans have recently been circulated to all members of the Scrutiny Panel for members' information.

Key Performance Indicators 2013/14 - Quarter 1 Performance

9. As an additional enhancement to the quarterly review of KPI performance, this is the first period for which KPI reporting reflects an additional 'amber' performance status. This performance category identifies indicators that have not achieved the target for the quarter, but where performance is within a tolerance or range. All KPI tolerances have been agreed by Management Board and reflect year-end targets. Where an indicator operates a profiled target throughout the year, a proportionate tolerance is to be applied for each quarter in line with the end of year tolerance and the quarterly profile.
10. The position with regard to the achievement of target performance for the KPIs at the end of the first quarter (1 April to 30 June 2013) of the year, was as follows:
 - (a) 21 (61.8%) indicators achieved the first-quarter target; and
 - (b) 12 (35.3%) indicators did not achieve the first-quarter target, although 3 of these KPI performed within an agreed tolerance for the indicator.
11. The three-month position with regard to one indicator (KPI 11 (Commercial Premises Rent Arrears)) cannot be reported, as performance information was unavailable at the time of the preparation of this report. The Director of Corporate Support Services will report to the Scrutiny Panel with regard to the first-quarter position for this indicator.
12. A specific corporate KPI performance improvement target has not been set for 2013/14, as the Council's adopted key objectives for the year seek the achievement of targets for all relevant objectives and indicators.
13. Detailed performance reports for each KPI for the first three months of the year, are attached as Appendix 1 to this report. The Scrutiny Panel is requested to review KPI performance for the first quarter of the year.

KPI 41 - Void Re-Let Times

14. Members will note that Q1 performance for KPI41 has shown a marked increase in the number of days taken to re-let void properties.
15. Initial investigations have shown that individual properties are capable of distorting overall performance because, despite being by their nature difficult to let, they are not currently included under the definition of 'difficult-to-let properties' which are taken out of the overall calculation. A sheltered property took 463 days to let, in which time it received no applications and therefore no offers were made. It therefore fell outside the 'difficult-to-let' criteria that includes properties that have been offered and refused on two or more occasions. This one property increased the average letting time by 5 days.
16. There also remain concerns that the current definition of 'Major Works' may need clarification as certain types of major works are possibly not being deducted from the calculation of the average letting time.
17. The Assistant Director for Housing is to review both of these issues and the definition and bring a full report on the definition of KPI 41 to the next meeting of the Scrutiny Panel. Members are asked to note this.

KPI 49 - Modern Homes Standard

18. As part of the review of the KPI suite 2013/14 in March 2013, revisions were made to the indicator that measured progress against the Government's 'Decent Homes Standard', which the Council achieved for all of its properties in 2010.
19. A new standard has now been developed and incorporated within the Repairs and Maintenance Business Plan, to be known as the 'Modern Home Standard'. This is defined as a home that is modern, well maintained, in good condition, decent, warm and safe.
20. To achieve the Modern Home Standard, the Council is seeking to replace the key building components within its homes, such as heating, wiring, windows, doors, kitchens, bathrooms and roofs, within industry standard expected life cycles, whilst also taking account of current condition. This will mean that around 2,750 individual key components will need to be replaced each year. However, in order to clear the backlog of repairs, the Director of Housing is planning to replace around 20% more key components than this each year, a target of 3,300 components to be replaced.
21. A new KPI (KPI 49 - Modern Home Standard) has therefore been introduced for 2013/14, to replace the previous Decent Homes Standard indicator (KPI 48). The new indicator reflects the number of key building components renewed during each year.

Resource Implications:

Resource requirements for actions to achieve specific KPI performance for 2013/14, 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 2013/14, 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 2013/14, 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 2013/14 have been considered and agreed by Management Board.

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***

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific KPI performance for 2013/14, 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 2013/14, will have been identified by the responsible service director/chief officer.