

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

**Date of Meeting: 11 March 2014**



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

**Subject:** Key Performance Indicators 2013/14 – Third Quarter Performance Review

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## **Recommendations/Decisions Required:**

**That the Scrutiny Panel review performance for the third quarter of 2013/14, in relation to the key performance indicators adopted for the year.**

## **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 service priorities and key objectives, are adopted each year. Performance against all of the KPIs is reviewed 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 review KPI performance in a timely manner 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 by Management Board and the Scrutiny Panel.

### **Report:**

6. A range of thirty-five Key Performance Indicators (KPI) was adopted for 2013/14 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. Three-monthly progress in respect all of the KPIs is reviewed by Management Board and (currently) the Finance and Performance Management Scrutiny Panel at the conclusion of each quarter, and service directors review KPI performance with the relevant portfolio holder(s) on an on-going basis throughout the year. No indicators are subject to scrutiny at year-end only, as end of year reporting is not made until each June (three months into the next year), and does not therefore allow for corrective action to be identified or implemented during the year in question.
8. Improvement plans are produced for all of the KPIs each year, setting out specific actions to achieve target performance or outcomes. In view of the corporate importance of the KPIs, the improvement plans for 2013/14 were agreed by Management Board, and are subject to ongoing review between the relevant service director and portfolio holder over the course of the year. The improvement plans were provided to all members of the Scrutiny Panel for information, earlier in the year.

### **Key Performance Indicators 2013/14 - Quarter 3 Performance**

9. The position with regard to the achievement of cumulative target performance for the KPIs at the end of the third quarter (1 April to 31 December 2013) of the year, was as follows:
  - (a) 28 (80%) indicators had achieved the cumulative third-quarter target;
  - (b) 7 (20%) indicators had not achieve the cumulative third-quarter target, although 1 (14%) of these KPI performed within the agreed tolerance for the indicator; and
  - (c) 29 (83%) indicators were anticipated to achieve the cumulative year-end target.
10. A headline third-quarter performance summary and detailed performance report for each KPI is attached as Appendix 1 to this report. The 'amber' status category utilised in the KPI report identifies indicators that have missed the adopted target for the quarter, but where performance is within an agreed (+/-) tolerance or range. The KPI tolerances were agreed by Management Board when the targets for each KPI were set in February 2013, or were subsequently confirmed by the appropriate service director when the outturn position for 2012/13 was known.
11. The Scrutiny Panel is requested to review nine-month performance in relation to the KPIs for 2013/14. The provisional targets for each indicator for 2014/15, based on this third-quarter performance (and the estimated outturn position) for the current year, are included in a separate report in this agenda.

### **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 proposed targets set out in this report have been submitted by each appropriate service director and have 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 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.