



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**



Finance and Economic Overview and Scrutiny Committee

20 February 2024

Report of Councillor Philip Knowles,
Cabinet Member for Corporate
Governance and Licensing

Corporate Plan 2024-27: Key Performance Indicators

Report Author

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Purpose of Report

To present the proposed key performance indicators (KPIs) for the Corporate Plan 2024-27, to be monitored by this Overview & Scrutiny Committee, and to recommend the approval and adoption of the KPI suite from 1 April 2024.

Recommendations

That the Committee:

1. Confirm the key performance indicators it wishes to review associated with the actions in the Corporate Plan 2024-27.
2. Notes that key performance indicators be monitored throughout the year as determined by the Committee in agreeing its work programme.
3. Notes that the KPI suite will be reviewed and if necessary revised as part of the annual review process.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	High performing Council
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1 There are financial implications associated with this report.

Completed by: Alison Hall-Wright, Deputy Director (Finance & ICT) and Deputy S151 Officer

Legal and Governance

1.2 There are no significant legal or governance implications associated with this report which are not already highlighted in the body of the report.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

2. Background to the Report

- 2.1 The Corporate Plan (the Plan) sets out the strategic vision and key priorities of the Council. The Plan underpins the delivery of all of the Council's strategic activity and provides the performance framework for managing the delivery of the actions and priorities in the Plan. It is good practice for a public sector organisation seeking to deliver a wide set of aims and objectives to produce a Corporate Plan and regularly review the activity and achievements against it.
- 2.2 The Corporate Plan 2024-2027 was adopted by Council on 25 January 2024 (see Appendix 1). It was proposed actions, key performance indicators (KPIs) and targets would be developed by the relevant overview and scrutiny committees (OSCs), which would retain oversight of the performance management arrangements at a strategic level. Cabinet will receive performance reports on a quarterly basis. Scrutiny committees will also be able to take a deeper dive into any areas of concern.

3. Key Considerations

Performance Management Framework

- 3.1 Effective performance management is essential to the success of the Plan. It establishes how delivery will be monitored, improvements driven, and open and transparent accountability upheld.
- 3.2 There are two suites of performance indicators to support the Plan.
 - a) The Key Performance Indicators (KPIs) will monitor the **delivery of the Corporate Plan Actions and the overall performance of the Council**. This report proposes the KPI suite for the fifteen actions that fall within the scope of the Finance and Economic OSC. Accountability for delivery of these actions rests with the Senior Management Team. A table of the proposed KPIs is available in Appendix 2.
 - b) The Strategic Socio-Economic Indicators (SSEIs) will monitor the progress towards the fulfilment of the Council's vision, 2034 outcomes, and the **overall performance of the district**. Each SSEI is benchmarkable against other local authorities, aligned to the Office for Local Government (OFLOG) suite, and will be reported in the annual State of the District report (SOTD). The SSEIs will be kept under constant revision, enabling immediate incorporation of new OFLOG metrics etc. The Council has limited influence over the SSEIs. Reporting will evidence whether the district is on the right trajectory and provide insight into the Council's operating environment, enable the identification of challenges and shape the service response. The current SSEI suite is available in Appendix 3.
- 3.3 Accompanying the KPI report will be a performance indicator (PI) dashboard. This will present information regarding the performance of the relevant Service, which are out of the KPI measures scope. The intention is to present the 'story'

of the Service to Committee, providing as meaningful and robust performance data as possible. These measures are not KPIs and will be kept under constant review by Officers to ensure the most useful data is being captured for the Committee.

- 3.4 Once approved, reporting on the KPIs will be a regular part of the OSC workplans. Mid-year (quarter 2) and end-of-year (quarter 4) reports will be presented to the OSCs. Quarterly reports will be presented to Cabinet and the Corporate Management Team (CMT).
- 3.5 An annual performance report that considers all aspects of the Corporate Plan will be presented to Cabinet. This report will have been to relevant scrutiny committees, to consider any changes required to the KPI suite and the actions of the Corporate Plan. Changes may be required in response to the external operating environment or policy context. As an agile organisation it is crucial for the Council to retain this flexibility.
- 3.6 Work is underway to strengthen the Performance Management page of the Council's website. To improve openness and transparency it is intended this page will host the KPI reports, link to the relevant Committee meetings and publish data pertaining to the performance of the Council, but not directly captured by the measures of the KPI suite. The PI dashboards will all be hosted on the page.

Development and Design

- 3.7 An effective KPI suite must be able to perform three functions:
 - Measure activity and performance.
 - Understand experiences and outcomes.
 - Use evidence to inform and drive improvement.
- 3.8 Meeting these functions has underpinned the approach to developing the KPI suite. To do this, two basic foundational principles have been observed:
 - The selected metrics must be wholly within the Council's control, so offering accountability and stimulating continuous improvement.
 - The selected metrics must be SMART (Specific, Measurable, Attainable, Relevant & Timely).
- 3.9 Each KPI has quantitative (i.e. numerical or measurable data telling us how many, how much or how often) and qualitative (i.e. non-numerical data to understand underlying reasons, opinions and motivations) measures. The quantitative measures enable progress over time to be monitored and are benchmarkable where appropriate. The qualitative enable the quantitative measures to be contextualised and the experience of service delivery to be understood. This latter function will be provided by the commentary on each KPI produced by the responsible Officer.

- 3.10 The draft KPIs have been developed in close consultation with the relevant Officers for each service. It is expected that the KPI suite will experience a degree of evolution over the next four years. This improvement will be prompted by the needs of decision makers and the scrutiny committees, and further consideration of how to best meet those needs by Officers.

4. Other Options Considered

- 4.1 As Council has agreed the OSCs will lead on this invaluable work of agreeing KPIs they wish to keep under review, there are no viable alternatives. An absence of success criteria would mean the delivery of the Corporate Plan is unmonitored and prevent continuous improvement. Having a purely internal KPI suite would prevent effective and transparent scrutiny and accountability.
- 4.2 The Department for Levelling Up, Housing & Communities (DLUHC) published draft statutory guidance on compliance with the Best Value Duty for local authorities in July 2023. The Best Value Duty relates to the statutory requirement for local authorities and other public bodies defined as best value authorities in Part 1 of the Local Government Act 1999 ("the 1999 Act") to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".
- 4.3 The guidance provides greater clarity to Local Government on how to fulfil the Best Value Duty by describing what constitutes best value, the standards expected by the department and the models of intervention at the Secretary of State for Levelling Up, Housing and Communities' disposal in the event of failure to uphold these standards. DLUHC is currently analysing consultation responses to the draft guidance. The final document is expected in 2024.
- 4.4 The draft guidance is clear that *'Making arrangements to secure continuous improvement in performance and outcomes is a core requirement for achieving best value.'* This will require robust and effective performance management and scrutiny. The presence and practice of these arrangements are characteristics of a well-functioning authority. The absence or poor functioning of said arrangements are indicators of potential failure.

5. Reasons for the Recommendations

- 5.1 The adoption of the KPIs and targets set out in Appendix 2 of this report (and encompassing any changes agreed by the scrutiny committee) will provide a basis for effective performance management of the Corporate Plan 2024-2027 and enables the overview and scrutiny committee to input on the development of the targets.
- 5.2 The annual review process will ensure Cabinet is provided with a clear overview of progress against targets for the previous financial year, along with the opportunity of ensuring the Council's activities are focussed on the highest priority areas (i.e. a refocussing based upon any changes to the external

environment or policy context).

6. Consultation

- 6.1 The draft KPIs and targets set out in Appendix 2 have been developed in consultation with relevant officers. This report provides Overview and Scrutiny Committee members with the opportunity to input on the development (and ongoing management) of relevant KPIs and targets.

7. Appendices

- Appendix 1 – Corporate Plan 2024-27
- Appendix 2 – Proposed KPI Suite 2024-27: Finance and Economic OSC
- Appendix 3 – Strategic Socio-Economic Indicator (SSEI) Suite: Finance and Economic OSC (February 2024)