# Corporate Scrutiny Committee
## Tuesday 9th April 2024

| Report Title | Performance Management Framework and 2024-25 KPI Set |
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| **Are there public sector equality duty implications?** | ☐ Yes  ☒ No |
| **Does the report contain confidential or exempt information (whether in appendices or not)?** | ☐ Yes  ☒ No |
| **Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972** | N/A |
| **Which Corporate Plan priority does the report most closely align with?** Our priorities for the future \| North Northamptonshire Council (northnorthants.gov.uk) | Modern Public Services |

**List of Appendices**

**Appendix A – North Northamptonshire Council Performance Management Framework**
**Appendix B – KPI Set 2024-25 Monthly**
**Appendix C – KPI Set 2024-25 Less frequent than monthly**
**Appendix D – KPI Set 2024-25 Changes**
**Appendix E – Corporate Performance Reporting Timetable**

## 1. Purpose of Report

1.1.    To provide to Scrutiny for comments ahead of the Executive Committee:

1.2.    An improved performance management framework.

1.3.    A Key Performance Indicator (KPI) set for North Northamptonshire Council for 2024-25

## 2. Executive Summary

2.1.    Work has been undertaken to review the Performance Management Framework and the KPI set to ensure they are fit for purpose. The results of this review are reported here.

2.2.    Considerable changes and improvements have been made to the Performance Management Framework to improve and align with the Council's developing approach to performance management. These changes focus on guidance as well as the structure of reports to committee and are set out within section 3 'Report Background'.

2.3.    Changes have also been made to the KPI set, principally in focusing the monthly KPI set on a core set of indicators and separating the quarterly KPI set into 'service indicators' and 'organisational health indicators'.

2.4.    This information is provided to Corporate Scrutiny Committee for comments ahead of consideration by Executive.

## 3.  Recommendations

3.1.    It is recommended that the Corporate Scrutiny Committee provide comments on the new Performance Management Framework and 2024-25 KPI set, for consideration by the Executive.

3.2.    Reason for Recommendations:
- The framework and KPI set are the result of a process of consultation and review by management teams across services and aligned to strategic goals as set out in the Corporate Plan.
- The proposed performance management framework and KPI set make improvements to reporting arrangements for 2024/25.
- Comments from the Corporate Scrutiny Committee will allow the Council and its stakeholders to receive the maximum benefit and understanding from the performance information.

3.3.    Alternative Options Considered:
Corporate Scrutiny Committee requested that this work be presented for comment, so the alternative of not presenting it was not considered. The option of presenting after it had been to Executive was considered but rejected because that would not allow for comments from the Corporate Scrutiny Committee to be included in the final document signed off by Executive.

## 4.  Report Background

4.1.    The review of the Performance Management Framework and the 2024/25 KPI set has been carried out in line with the Council's approach to performance management. It aims to comprehensively measure performance against the Council's key commitments and respond to feedback received from the Executive and Corporate Scrutiny Committee throughout 2023/24, and to incorporate results of the annual review by management teams.

4.2.    The first item of feedback received was that there were too many KPIs in the 2023-24 KPI set, and it is good practice to use fewer indicators as signifiers for further investigation at the top level of management and to make them genuinely 'key' and the 'most important' (a point made by Scrutiny Members). The challenge is that a Unitary Council is a large diverse business and as a result there are a lot of indicators to cover all service areas in adequate detail

to be informative. To deal with this issue we are proposing to amend the way we organise the indicators to make better use of distinctions between different parts of the reports, so that important issues are easier to identify from the information given.

4.2.1. We are firstly proposing to move some indicators to a new 'organisational health' part of the report. In the current Executive and Corporate Scrutiny KPI reports, most indicators are currently reported in Appendix A, and Appendix B is focused on workforce indicators. We are proposing to move indicators relating to all aspects of organisational health to Appendix B. This will reduce the number of KPIs reported monthly and will make more use of the split between Appendix A and B and will more clearly delineate the focus of each part of the report. Organisational health data comprises of indicators relating to human resources, customer services, governance, finance and IT. Organisational KPIs are proposed to be included quarterly. Secondly, we have ensured that the monthly indicator set focuses on key indicators about our core services. The more comprehensive quarterly dataset will provide overall oversight of delivery against the entire corporate plan. In the quarterly KPI report, indicators will be organised by corporate key commitment, in order to express strategic level performance against the corporate plan's key commitments.

4.3. Feedback that we have an unbalanced number of indicators per key commitment was received. Some of our commitments are easier to measure than others and we want to make use of existing, long running indicators where we can.

4.3.1. In response to this we have taken this into consideration within the reviews to ensure that indicators are included for all corporate key commitments. KPIs have been specifically considered for the commitments which are harder to measure against or have fewer priorities in the Corporate Plan. A summary of the number of KPIs by key commitment and Executive portfolio can be found in section 3.7.

4.4. Feedback was received on individual indicators, especially where their meaning seems to be counter intuitive.

4.4.1. This was the case for workforce data. Many specific improvements have been made to the proposed KPI set for 2024-25. Changes made to the 2024-25 set compared to 2023-24 are detailed within Appendix D to this report.

4.5. Feedback that we need to show more KPIs' performance against benchmarks was received.

4.5.1. The Performance Management Framework now includes detail on the CIPFA (Chartered Institute of Public Finance and Accountancy) Near Neighbours benchmarking group for North Northamptonshire. This is a widely used tool across many Local Government platforms such as LG Inform and Public Health England and has been adopted as the primary comparator group for use by the council. This development allows for a more accurate benchmarking group to be utilised.

4.5.2. We have added the new Office for Local Government (Oflog) metrics to the KPI set. Oflog is a new body set up by the Department for Levelling up Housing and Communities, which has introduced a set of metrics to measure Local Authorities against. These have been integrated into the 2024/25 KPI set to provide oversight. Data for our newly established CIPFA near neighbours is available for all these indicators.

4.6. Feedback that we need to introduce targets was received. The lack of targets on Education KPIs was specifically noted when the Period 10 report was discussed at the March Executive meeting.

4.6.1. Targets have been introduced for more KPIs, particularly within the Education KPIs. None of the Education KPIs had targets set for 2023/24 reporting, whereas all but 5 of the 26 Education KPIs for 2024/25 have targets assigned.

4.7. The outcome of the KPI review proposes that Appendix A to the performance report, which will focus on 'core services', will contain 35 KPIs on a monthly basis and 151 on a quarterly or less frequent basis (split between service indicators and organisational health indicators). The table below summarises the number of KPIs by report section and key commitment:

| Corporate Plan Commitment | Monthly | Quarterly / Annual - Service indicators | Quarterly / Annual - Organisational health indicators | Total |
|---|---|---|---|---|
| Active, fulfilled lives | 9 | 15 | 0 | 24 |
| Better, brighter futures | 15 | 30 | 0 | 45 |
| Connected communities | 0 | 2 | 2 | 4 |
| Greener, sustainable environment | 0 | 14 | 0 | 14 |
| Modern public services | 4 | 12 | 45 | 61 |
| Safe and thriving places | 7 | 31 | 0 | 38 |
| Total | 35 | 104 | 47 | 186 |

4.8. The following changes have been made to the KPI set compared to 2023/24:

- 53 KPIs are new, including 27 new Oflog metrics.
- 18 have been changed in another way, e.g. redefined, introducing a target, or splitting or combining with another indicator
- 25 have been removed

As mentioned in section 4.2, there was a desire to reduce the number of KPIs. It was particularly important to reduce the number of KPIs reported monthly. Excluding the 27 Oflog metrics, the number of KPIs has only increased by 1 overall from 2023-24 to 2024-25, and the monthly set has seen a reduction from 44 to 35 KPIs.

4.9. The revised performance management framework (Appendix A) includes new sections on

- National context
- Performance culture
- Model of performance management (plan / measure / report / act / review)
- What makes a good KPI and how we set targets
- Benchmarking
- Data quality
- Roles and responsibilities

This information was used within KPI review sessions to support managers with ensuring the development and creation of the most 'meaningful' KPIs.

## 5. Issues and Choices

5.1. It is important that the format and presentation of performance data meets the needs of its audience. Therefore, feedback and/or suggestions on how the performance report could be further developed to help facilitate understanding and performance improvement, are always welcomed.

5.2. It is envisaged that additional indicators will be added to the Key Performance Indicator set as time goes on. Any changes to indicators will be reported to the Executive and Corporate Scrutiny committee.

## 6. Next Steps

6.1. Comments from Corporate Scrutiny to be incorporated into the Performance Management Framework and the 2024/25 KPI set.

6.2. Executive Committee to approve the Performance Management Framework and 2024/25 KPI Set.

6.3. To continue to develop and embed a strong performance management framework and culture at North Northamptonshire Council.

## 7. Implications (including financial implications)

### 7.1. Resources, Financial and Transformation

There are no resources or financial implications arising from the proposals.

Performance monitoring allows the Council to drive continuous improvement for North Northamptonshire and identify areas of concern early.

### 7.2. Legal and Governance

The Council is required to provide statutory monitoring and funding returns to central government departments and their agencies. The data underlying these returns forms the basis for the KPIs discussed in this report.

Monitoring performance is a key element of the Council's Governance Framework. The Council has made performance measurement and management a priority and views it as central to both Council transparency and to the Council's improvement agenda. The Performance Management Framework describes the Council's principles and processes for Performance Management.

### 7.3. Relevant Policies and Plans

Effective performance management directly contributes to the delivery of the key commitments set out within the Council's Corporate Plan.

### 7.4. Risk

Not making the decision to adopt a performance management framework and improved KPI leads to a lack of performance management, putting the Council at risk of not adequately monitoring the performance of core services and the council's corporate plan key commitments.

This is not a risk for this report itself, however, upon interpreting the performance data within the monthly Corporate KPI reports, the Council should be aware of the following risks:

- If there is poor data quality within systems used by services across the Council, this can lead to inaccurate performance information which impacts the quality of decision making.
- Failing to measure key service activities can leave the Council without a clear view of its performance. This prevents the effective oversight of key services, including those affecting the safety and wellbeing of residents. For example, Northamptonshire wide figures only are reported for Children's Social Care. The Intelligent Client Function are working with Northamptonshire Children's Trust to enable provision of North Northamptonshire data. This is aimed for completion within the next six months.
- Mis-interpreting the performance can lead to ineffective decision-making, reputational damage, and inaccurate resourcing. To mitigate this risk, KPIs should be clearly labelled and explained by supporting commentary.

### 7.5. Consultation

Informal consultation was carried out with all internal colleagues, the corporate leadership network and team, and portfolio holders.

### 7.6. Consideration by the Executive

This report will go to Executive Committee for approval following this Corporate Scrutiny meeting and any suggested or required amendments.

### 7.7. Equality Implications

The Performance Management Framework and 2024-25 KPI set will monitor performance of the council and serve as an information report to Executive and Corporate Scrutiny Committee each month. During target setting of KPIs, consideration has been given to how these targets may affect certain protected

groups. Consideration will also be given to the accessibility of products and reports used to measure performance. An Equalities screening assessment will be included in the appendices for when this report goes to Executive Committee.

## 7.8.    Climate Impact

The Council continues to develop its set of indicators that provide information about how it is meeting its key commitment to helping deliver a green and sustainable environment. The 2024/25 KPI set proposes ten KPIs to be reported quarterly, one half-yearly and three annually. These KPIs are within the Waste, Economic Development and Grounds teams.  The Climate Impact Assessment will be included in the appendices for when this report goes to Executive Committee.

## 7.9.    Community Impact

Effective policy and decision-making, and scrutiny, guided by good quality, timely and relevant performance data can make a significant difference to the delivery of public services and therefore have an equally significant impact on the local communities.

## 7.10.    Crime and Disorder Impact

No crime and disorder impacts have been identified.

## 8.  Background Papers

8.1.    The existing Performance Management and Reporting Arrangements 2023-24 reported to the meeting of the Executive on the 16th March 2023.

8.2.    The Corporate Plan, reported to the meeting of the Executive on 18th November 2021, adopted by Council on the 1st December 2021.