

THE OVERVIEW AND SCRUTINY COMMITTEE

19 MARCH 2012

LOCAL AND NATIONAL PERFORMANCE INDICATORS AND THEIR VALUE TO
THE COUNCIL INFORMAL SCRUTINY GROUP – INTERIM REPORT

REPORT OF COUNCILLOR HUXSTEP (CHAIRMAN OF ISG)

Contact Officer: Simon Howson Tel: 01962 848 104

Email:showson@winchester.gov.uk

RECENT REFERENCES:

[OS002](#) – Appointments to Informal Scrutiny Groups and External Bodies, 1 June 2011

[OS012](#) – Appointments to Batch 1 and 2 Informal Scrutiny Groups 2011/12, 20 June 2011

[OS028](#) – Informal Scrutiny Groups 2011/12 – Update, 23 January 2012

EXECUTIVE SUMMARY:

This is the interim report of the Informal Scrutiny Group (ISG) established to examine Local and National Performance Indicators and their value to the Council. The objective of the ISG was to scrutinise the set of local performance indicators that the Council is using, now that the number of statutory indicators has been significantly reduced by central government, and consider whether they are 'fit for purpose' in providing useful information for members and officers. The final report of the ISG will be presented to The Overview and Scrutiny Committee at its meeting on 18 June 2012.

The ISG has met on five occasions starting in January 2012, during which time it heard evidence from three senior officers of the Council.

Further evidence was provided by way of a report from Covalent (the Council's performance management system) that included details of all the local performance indicators that were in place.

From the evidence provided at these meetings, members of the ISG have agreed the following interim report and recommendations.

INTERIM RECOMMENDATIONS:

1. That the Committee agrees the Terms of Reference and notes the progress of the Informal Scrutiny Group as set out in the Report.
2. That Overview and Scrutiny encourage officers to continue to review their local performance indicators that are held on the Covalent system annually with a view to deactivating or deleting indicators where data is no longer required or the indicator is no longer useful,
3. That officers investigate the feasibility of automating the integration of data from 3rd party software systems used by the Council to the Covalent performance management system,
4. That officers advise on the different methods of obtaining qualitative performance data from the residents of the District and the users of Council services (as referred to in paragraph 3.1) so that it may monitor customer satisfaction levels.

OTHER CONSIDERATIONS:

1. COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO)

The use of good quality performance indicators supports the Council in managing and improving the services that it provides to the residents of the District. Performance indicators also allow the Council to check the progress being made against the Change Plans.

2. RESOURCE IMPLICATIONS

The resource implications relating to some of the recommendations have not yet been quantified and a financial appraisal would be required as part of the consideration before implementation. If proposals are approved for further investigation, it is unlikely that any of the recommendations would incur significant revenue costs, and for the most part, the recommendations relate to officer time, which can be met from existing resources.

3. RISK MANAGEMENT ISSUES

There are no specific risks associated with the recommendations put forward in this interim report.

BACKGROUND DOCUMENTS

Files held in the Democratic Services Team.

APPENDICES

1. Interim report of the Informal Scrutiny Group.

2. Draft algorithm.



LOCAL AND NATIONAL PERFORMANCE INDICATORS AND THEIR VALUE TO THE COUNCIL - INFORMAL SCRUTINY GROUP

INTERIM REPORT OF COUNCILLOR HUXSTEP

1. Introduction
 - 1.1 The effective use of performance indicators allows the Council to monitor, manage and improve the services that it provides to the residents of the District. Information derived from the use of performance indicators also acts as a management tool for officers and a scrutiny tool for Members.
 - 1.2 Up until the change in government in 2010, local authorities were required to submit a significant amount of data in a variety of returns as part of the National Indicator Set.
 - 1.3 The Government abolished the National Indicator Set and after April 2011 councils were no longer required to submit data returns for these performance indicators.
 - 1.4 In place of the National Indicator Set, the Government introduced the Single Data List, which significantly reduced the burden on councils and the number of performance indicators that had to be reported.
 - 1.5 With the abolition of the National Indicator Set, councils now have more freedom to select the performance indicators that they want to use to monitor their performance.
2. Terms of Reference
 - 2.1 At its first meeting on 18 January 2012, the ISG considered the following Terms of Reference:
 - *What are the qualities of a useful measure of performance for the Council and how is a measure to be defined?*
 - *What performance measures should be retained or revised from the previous performance monitoring regime and considered as effective and efficient in measuring progress against the Council's priorities?*

- *What new performance measures if any, should be derived in order to assist Members and residents in appraising the performance of the Council?*

3. Qualities of a good performance indicator

- 3.1 Performance indicators are clearly defined measures that enable an organisation to demonstrate the achievement of an individual, team, service or an authority in meeting objectives or outcomes.
- 3.2 For a performance indicator to be useful and provide the information that the Council needs to measure how it is performing, performance indicators should have the following characteristics:
- **Dynamic** – performance indicators should be well managed, have responsibility and ownership assigned, tell the user something and have meaning and purpose,
 - **Accurate** – all performance indicators should have accurate, reliable complete and timely data,
 - **Simple** – ability to collect data regularly without increasing burden or cost to the Council,
 - **Visual** – uncomplicated presentation with trends and variations easily spotted and understood,
 - **Relevant** – relevant and appropriate to the outcome sought , objective or service provided,
 - **Standard/Consistent Format** – easy to understand for all audiences that is consistent with all other performance indicators reported.
- 3.3 No single performance indicator alone provides information as to well the Council is doing. To give a rounded view of how well the Council is doing, it is helpful to have a collection of performance indicators to show how well services are performing using output and efficiency indicators, customer satisfaction with services and relevant qualitative and outcome indicators alongside each other.

4. Meetings of the Informal Scrutiny Group

- 4.1 To date the ISG has met on five occasions over a period of three months from January to March 2012.
- 4.2 **First meeting** - the Group considered the Terms of Reference for the ISG and agreed to revisit these once the programme of work for the ISG had been confirmed.

- 4.3 A paper was circulated to the Group that provided background information to the recent history of statutory performance indicators on which required data had to be submitted by the Council. The Group acknowledged that the number of statutory indicators had dropped significantly following the Government's abolition of the National Indicator Set.
- 4.4 The ISG referred to a list of local performance indicators that had been extracted from the Council's Covalent Performance Management System. The list included over 700 local performance indicators and it was noted that a large number of those indicators were the responsibility of Landlord Services and Strategic Housing.
- 4.5 It was agreed that Heads of Team be requested by email to review their local performance indicators with the intention of reducing the number significantly by deleting those that were no longer of use or where the data is no longer required. Whilst there is no 'right' number of indicators, each should be relevant and clearly expressed.
- 4.6 The ISG noted from the list of local performance indicators that many were quantitative rather than qualitative. The Group was advised that some qualitative performance information had previously been obtained from the annual *Place Survey* (the Government required all local authorities to carry out a survey, called the 'Place Survey'. A questionnaire was sent to a random sample of people across the District that asked a series of questions which provided information on people's perceptions of their local area and local services they receive). The Place Survey was discontinued following the abolition of the National Indicator Set.
- 4.7 Further documents that were provided to the members of the ISG included;
- The full set of National Indicators and details of those that are still be collected,
 - A brief history of statutory performance indicators for local authorities,
 - LGA document: The Single Data List and Local Authority Burden.
- 4.8 **Second Meeting** - At the invitation of the Chairman of the ISG, the meeting was attended by the Head of Strategic Housing to give further explanation on the local performance indicators that he serviced on Covalent.
- 4.9 By the very nature of the work of the Strategic Housing Team, they have always collected a number of performance indicators, several of which were required by government. Successive governments had contributed, over time, in building up a considerable suite of these 'required indicators'.
- 4.10 A number of the performance indicators were required to assist officers in the Strategic Housing Team to run their day-to-day business. A number of these were easily obtained from the Council's Choice Based Letting (CBL) housing allocations web-based system – Abrisas. This system allowed real time data

reporting and although not all the data was being entered into Covalent. Only the higher level targets were generally entered into Covalent.

- 4.11 The ISG referred to whether Covalent could be populated from other data sources within the Council, including the Abris system. The group was informed that Covalent software application was now able to provide integration to third party systems to enable it to receive automatic population of data, but that there could be an additional cost.
- 4.12 The Group discussed the creation of an algorithm or flow-chart to assist with identifying whether performance indicators had merit or if they could be discarded. The algorithm would be tested on a sample of performance indicators.
- 4.13 An update was provided to the Group on the progress that had been made so far by Heads of Teams with reviewing their local performance indicators on Covalent.
- 4.14 **Third Meeting** – this meeting was attended by the Head of Revenues at the request of the Chairman and was asked to provide information on the performance indicators used by the Revenues Team.
- 4.15 The various suites of Revenues performance indicators had evolved over several years and included some of the previous Best Value Performance Indicators and National PI's.
- 4.16 The majority of the team's performance indicators were utilised internally to ensure that resources were deployed appropriately to deliver the service. In addition the indicators were useful to help measure and deliver the service.
- 4.17 The Head of Revenues informed the Group that Covalent was well embedded in the organisation and particularly for her Team, and had reduced unnecessary paper intensive exercises. Data could also be easily shared among the members of her team as it was held in one central place that previously had been collated in a number of spreadsheets. The work of populating Covalent with data was undertaken by the Systems Team and took approximately one person one working-day per month.
- 4.18 The Corporate Business Manager updated the Group with the progress that Heads of Teams were making with reviewing their local performance indicators. Approximately half of the number of Heads of Teams had now responded to the earlier email with a number of performance indicators selected for deletion or deactivation on Covalent.
- 4.19 The ISG discussed concerns relating to the quality of the data that was being entered onto the Covalent system against the local performance indicators. The Group agreed that all the data monitored must be credible and robust and that this principle must be applied across the Council. The Corporate Business Manager informed the Group that this was one of the underlying

principles for having good quality data as detailed in the Council's Data Quality Policy.

- 4.20 A draft algorithm was circulated to the Group for comments and it was agreed that this should include the principle that a sample of each source data should be checked regularly to ensure that the data meets the required quality standard.
- 4.21 The ISG referred to the government's transparency and open data agenda whereby performance information would soon be required to be made available to the public via the Council's website.
- 4.22 **Fourth Meeting** – At the meeting the Corporate Business Manager updated the group that all but two Heads of Teams had responded to the recent email request for them to review their performance indicators. A significant number of local performance indicators had now been either deleted or deactivated from the Covalent system that were no longer required or useful.
- 4.23 The original total of 719 local performance indicators had now been reduced by 21% to 568. A further 63 may also be deleted or deactivated as they had not been updated since March 2011. Landlord Services currently held 160 and Strategic Housing 180 local performance indicators on Covalent.
- 4.24 The ISG acknowledged that there should ideally be an 'audit exercise' performed before performance indicators were permanently deleted from Covalent so as to avoid deleting any in error.
- 4.25 The Group reiterated that there should ideally be more qualitative performance data generally across the Council and that some performance indicators were crude in the information that they provided.
- 4.26 It was noted that a government document on a revised Single Data List was out for consultation and due to report in March 2012. It was considered that this outcome should be incorporated into the ISG's deliberations once it was published.
- 4.27 A new on-line facility: '[LG Inform](#)' was being introduced nationally to enable local authorities to compare performance information which could therefore potentially, be used as a datum for the performance indicators Council adopts.
- 4.28 The ISG concluded that it would be appropriate, given the volume of outstanding information required that an interim report should be submitted to The Overview & Scrutiny committee for its March meeting. A future programme of work would be identified at the ISG's next meeting.
- 4.29 **Fifth Meeting** – The meeting was attended by the Head of Policy representing the Chief Executive to give an overview of the usefulness of performance indicators in managing the Council.

- 4.30 The Head of Policy referred to the current performance monitoring exception reports that were presented to The Overview and Scrutiny Committee suggesting that there was concern from some Members that too little information was now being presented giving insufficient opportunities for Members to scrutinise the Council's performance. However, with the emphasis on council's providing more performance information and open data on the website, this would provide an opportunity to present further information to Members.
- 4.31 With regard to increasing the amount of qualitative performance information that the Council has, the Head of Policy informed the Group that the Council was currently looking at an alternative to the previous Citizens Panel, which would be by predominately electronic means, although would not exclude people without access to a computer or the internet. It was hoped that a request for volunteers to take part in the surveys would be sent out with annual Council Tax bills in March.
- 4.32 The Head of Policy told the group that the Department for Communities and Local Government (DCLG) were developing a template that would be used in due course to collect data from local authorities that could later be used for comparative purposes.
- 4.33 The Group was keen for the Council to publish data relating to complaints as part of the transparency and open data agenda. It was agreed that further analysis was required on how to use complaints data as a reference tool and as part of a wider suite of performance indicators.
- 4.34 The draft interim report which had been circulated to ISG members before the meeting was considered in detail.

5. Interim Conclusions

- 5.1 That the ISG is not resourced to examine/audit each PI in the Council set (700 plus).
- 5.2 That an algorithm or flow chart should be developed for heads of departments to deploy to test the usefulness and robustness of each PI to establish its status in the Council's PI data set. A draft is set out at Appendix 2 to the Report.
- 5.3 That the outcome of paragraph 4.2 above should be compatible with the result of the revision of Winchester City Council's Performance Management Guide.
- 5.4 That an inventory of data bases used in Council to record PI information is compiled to identify those that can directly interface with Covalent and those that cannot, thereby necessitating separate manual data entry to Covalent and consequent duplication of effort.

6. Future Programme

- 6.1 Receive final reports relating to outstanding Performance Indicator reviews by Heads of Team.
- 6.2 Receive the revised Single Date List consultation.
- 6.3 That the ISG looks at the different uses that officers and Members make of performance indicators and performance.
- 6.4 To consider the performance reporting process (i.e. how do Cabinet and Overview and Scrutiny view, consider and respond to performance data).
- 6.5 Refine Performance Indicator algorithm to be fit for purpose.
- 6.6 Take into account comments from The Overview and Scrutiny Committee from its 19 March 2012 meeting.
- 6.7 Take into account inputs and feedback received from individual Members.
- 6.8 Review future programme outcomes at ISG meeting convened for 2 April 2012.
- 6.9 Ratify final Report on 28 May 2012 for subsequent meetings of The Overview and Scrutiny Committee on 18 June and Cabinet on 20 June 2012.

Draft Performance Indicators – Algorithm (Checklist)

