

Subject: End of Year BVPI Performance Report **Status:** For Publication

Report to: Cabinet **Date:**

Report of: Head of Policy & Change Management

Portfolio

Holder: Leader of the Council with Portfolio for Performance

Key Decision: NO

Forward Plan General Exception Special Urgency "X" In
Relevant Box

1. PURPOSE OF REPORT

1.1 To show the end of year outturn for each of the Best Value Performance Indicators (90) for the 12 month period ending in March 2006.

To provide a detailed evaluation, together with supporting explanations of performance related issues & achievement by assessing:

- **Direction of Travel** – is the indicator showing improvement against the outturn achieved at the end of March 2005?
- **On Target** – has the indicator achieved, exceeded or fallen below the targeted level of performance as set 12 months prior by the relevant HoS?
- **Quartile Position Achieved** - what quartile position would they be in using 2004/5 performance data for all English District Councils?

1.2 To show the targets set by the Head of Service responsible for each BVPI over the next 3 years

1.3 To inform Members of the introduction of performance reporting on an 'Exception' basis from Quarter 1 for all 2006/7 BVPI's

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report are linked to and support the following corporate priorities:
- Improving Services. Performance Management has been identified as a high priority for the Council and relates directly to the Council's objective of Improving Services. The levels of outturn achieved against Best Value Performance Indicators provide a solid method of quantifying the levels of improvement achieved & the progress the Council is making towards the achievement of priorities in areas relating to BVPI's.

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- 3.2 There are no direct risks identified in carrying out the recommendations of this report but publishing outturns to BVPI'S that are inaccurate runs the risk of receiving 'qualification' by the Audit Commission.
- 3.3 There are also risks attached to failure to improve the Council's performance against BVPI's by not achieving the levels of performance targeted for the outturn of 2006/7 BVPI's
- 3.4 The Council makes decisions regarding resource allocation and the need for improvement that are in part, informed by the level of achievement against BVPI's, it is important that these decisions are based upon accurate BVPI outturns.
- 3.5 A number of 'mitigating' actions have been put in place to increase the accuracy of BVPI outturns, including developing robust 'Audit Trails' on the Covalent System and Heads of Service are required to review these for accuracy and reliability together with the officer responsible for the BVPI.
- 3.6 The Council has also reviewed its approach to the setting of targets and the development of action plans to achieve these targets.
- 3.7 It should be noted that all comparisons made with other District Council's are based on the most recent 2004/5 comparison data available. This could mean that if other Council's are improving at a faster rate than Rosendale then the quartile positions as shown for Rosendale Borough Council could be lower. This will be evaluated and reported upon when the annual comparison data is released in early 2007.

4. BACKGROUND AND OPTIONS

4.1 Rossendale Council's BVPI Outturn Performance during 2005/6

The approach adopted by Rossendale Borough Council towards the management of the performance of BVPI's is to assign responsibility to the Head of Service in whose service area the BVPI 'best fits'. Progress is then monitored through the Business Plan monitoring process and corporate performance monitoring reports are produced each quarter.

4.1.1 During 2005/6 a total of 90 BVPI's were collected, monitored and reported upon using the Covalent Performance System. When seeking to evaluate the performance of these indicators we look at the 3 things;

- **Have they achieved their target?**
- **What has been direction of travel from previous years?**
- **What Quartile positions would they be in based on 2004/5 quartile positions?**

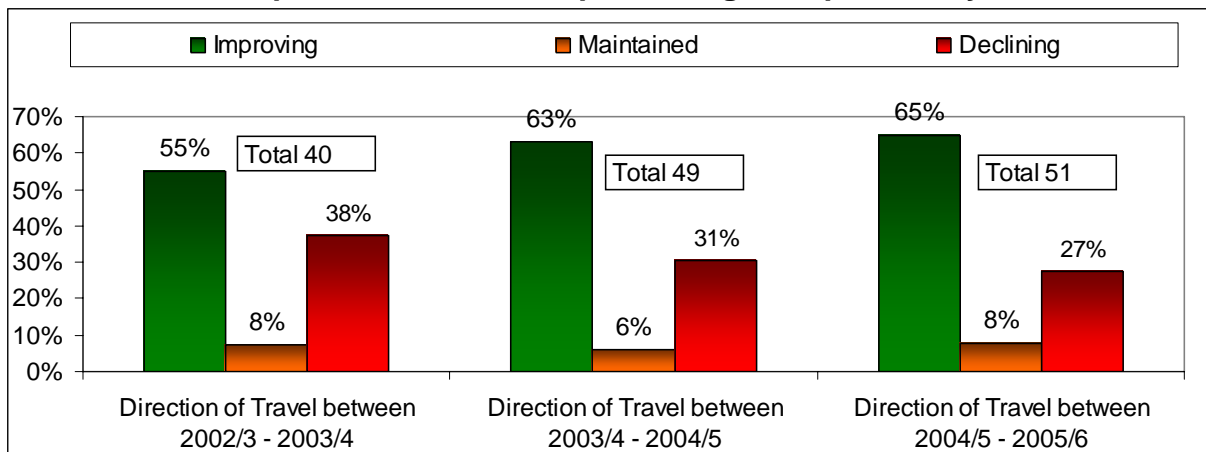
4.2 Direction of Travel

4.2.1 2005/6 shows a very positive direction of travel with 73% of BVPI's having either maintained or improved their position against previous years. Out of a total of 51 BVPI's where it is possible to assess the direction of travel against the previous year:

- 33 or 65% have improved between 2004/5 and 2005/6
- 4 or 8% have maintained between 2004/5 and 2005/6
- 14 or 27% have declined between 2004/5 and 2005/6

4.2.2 It is not possible to assess the 'direction on travel' for 39 indicators as there is no baseline against which to measure improvement as they are either newly introduced, amended or 'contextual' (meaning that it is not relevant to assign good or bad performance to an indicator e.g. 'Racial Incidents in the Borough').

Figure 1 - Number of Indicators which have improved, maintained or declined in performance in comparison against previous years



- 4.2.3 Figure 1 demonstrates a similar profile in the overall direction of travel to that achieved the year prior. Contrasting this against the direction of travel in the 2 years prior in 2003/4, and particularly when considering the higher number of indicators, it can be seen that there is a marked increase in the number of indicators that are either being maintained or showing improvement.
- 4.2.4 In evaluating this 'direction of travel' from April 2003 until March 2006, it is also important to note that this represents 'growth on growth' improvement, as many indicators are showing improvement for the third year in succession.
- 4.2.5 It should also be noted that some noticeable 'step changes' in performance have been achieved representing the effective implementation of some substantial projects, for example, the jump from 47% to 100% in electronic enabled transactions (BVPI 157).
- 4.2.6 These are discussed more fully in **Appendix 1** which provides supporting commentary and explanations of performance as provided by the Service Area responsible for the BVPI through explanations of performance drawn from the Council's Covalent Performance System.

4.3 Achieved Target?

4.3.1 Each Head of Service is responsible for setting annual targets covering a 3 year period for the BVPI's they are responsible for. At the end of 2005/6 just over two-thirds or 57 have reached or exceeded the targets which were set. Out of a total of 90 BVPI's,

- **57 or 68% are on or above target**
- **27 or 32%% are below target**
- **3 are contextual and have no set target**
- **3 are Baseline Target***

(*These are new indicators and so the first outturn will set a baseline for the following years)

4.3.2 Whilst this is a similar overall percentage to that achieved last year (65%) this was over a fewer number (46 targets with 35 achieving or exceeding target) and therefore represents an improvement over the attainment of the previous year. However, this still requires us to consider why a third of the targets set have not been achieved?

4.3.3 This may be partially explained when considering the position of the Council in relation to BVPI's i.e. having to 'run a marathon' to catch up to the average positions being achieved by many other Council's. As a result of this, it is perhaps understandable that in April 2005 the Council's new management team set themselves a series of 'challenging targets' that, with the benefit of hindsight, could be seen as 'overly ambitious'.

4.3.4 In other cases the achievement of an 'ideal' target is affected by factors that are largely beyond the Council's control, for example, the number of medical retirements based on the grounds of ill health.

4.3.5 Nevertheless, in some cases the target has simply not been achieved. To mitigate against this the Council has reviewed its approach to target setting and action-planning to achieve targets and will be implementing this in relation to 2006/7 targets.

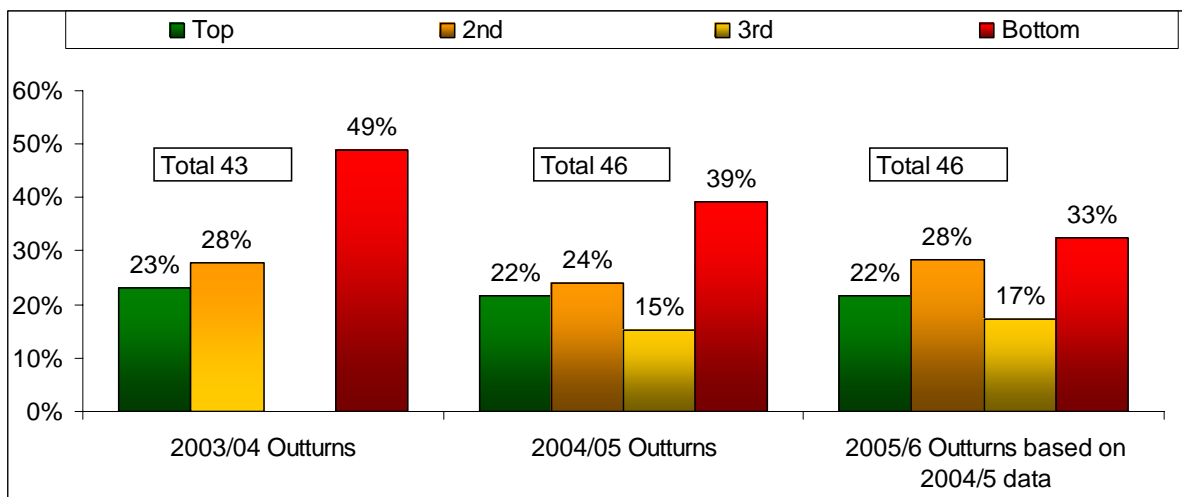
4.4 Comparing 2005/6 outturns to 2004/5 Quartile Positions

4.4.1 Comparing 2005/6 outturns to 2004/5 quartile positions shows that whilst the number of BVPI's showing top quartile performance remains the same, over the last 3 years there has been a steady decrease in those BVPI's in the bottom quartile of performance, with a corresponding increase in those in the 'average' quartiles of performance.

4.4.2 This demonstrates a strong and sustained improvement trend, particularly when considering that each year 'the bar is raised' as the achievement needed to reach the higher quartiles increases. It is important to note that the 2005/6 positions are only an indication, as they are based on outdated data relating to 'All District' positions from 2004 -5. Out of a total of 46 BVPI's that can be compared to 2004/5 quartile data;

- **10 or 22%** are in the Top quartile compared with - **10 or 22% in 2004/5**
- **13 or 28%** are in the 2nd quartile compared with - **11 or 24% in 2004/5**
- **8 or 17%** are in the 3rd quartile compared with - **7 or 15% in 2004/5**
- **15 or 33%** are in the Bottom quartile compared with - **18 or 39% in 2004/5**

Figure 2 - Quartile Position achieved over a 3 year period (based on 2004/5 comparison data)



It is not possible to assign a quartile position to 44 indicators as they are newly introduced, amended or contextual.

4.5 Key Success Indicators

4.5.1 In April 2006 the Council introduced a 'basket' of 32 Key Success Indicators that represent the corporate priority areas which the Council is targeting to achieve top quartile or high levels of achievement by 2008 and that will demonstrate the Council's Performance in its Mission of **"8 x 8 by 2008"**.

4.5.2 Sixteen of these indicators are BVPI's and have performed as follows:

Target Achieved?		Direction Of Travel	
On or Above Target ✓	9 or 56%	Improving ↑	12 or 80%
Below Target ✗	8 or 44%	Declining ↓	3 or 20%

(66b is an amended indicator and therefore has not been assigned a direction of travel)

4.5.3 Of these 16 indicators, eleven can be assigned a quartile position based on 2004/5 data and the position is as follows:

Top Quartile	2
2nd Quartile	3
3rd Quartile	2
Bottom Quartile	4

4.6 Local Key Success Indicators

4.6.1 The Council also has a number of KSI's which are local targets related to high priority areas. These targets are related to large-scale projects which are to be completed over one or more years with monitoring taking place through Business Plans.

4.6.2 Assessment of progress against these projects is of a qualitative nature and relates to either the successful achievement of major milestones in the project or the effective completion of the project. An overall assessment on the achievement against these local KSI's is nearing completion and will be reported at the next meeting of the Cabinet.

4.6.3 The Council is currently reviewing its basket of Key Success Indicators with a view to ensuring that it contains measures that best reflect the Council's priorities. Given the importance of the Key Success Indicators it is important

that the Council continues in developing robust action plans for their achievement and that this achievement is carefully monitored.

4.7 2005/6 Outturns & Future Targets

4.7.1 Appendix 3 shows all outturns, direction of travel, and achievement of target and where available, the targets set against each indicator for the next 3 years.

4.8 Introduction of 'Exception Based' Performance Reporting

4.8.1 A comprehensive reporting system for the performance of BVPI's has been established within Rossendale Borough Council, with 6 comprehensive performance reports detailing end of year performance, quarterly performance and comparison of performance with all English Council's being produced since March 2005.

4.8.2 Member understanding of performance management and their role in scrutinising & challenging performance has greatly improved. Clear evidence of this was demonstrated at the last meeting of the O&S Committee which subjected the outturns and targets detailed in the 'End of Year Performance Report' to close scrutiny together with a series of 'challenging questions' around both past and predicted performance.

4.8.3 The introduction of the Covalent Performance System is enabling a closer monitoring of performance and managers and staff are now providing timely data to allow monitoring to take place, although we must still continue to constantly re-enforce the Council's commitment to performance management being the 'day job'.

4.8.4 It is proposed to introduce performance reporting using 'Exception Based' monitoring from Quarter 1, 2006 (deadline for BVPI data July 10th 2006) .

4.8.5 Exception based reporting allows for a more concise reporting style as only BVPI's that are falling below targeted levels of performance will be reported upon. Heads of Service will be asked to provide good supporting commentary, together with details of any corrective actions being taken. This will enable Members to focus more effectively upon BVPI's that are not achieving target and ask for further information where they feel this is necessary.

The End of Year Performance Report for 2006/7 will still include all BVPI's.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

5.1 There are no immediate financial considerations attached to the recommendations within this report

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

6.1 There are no immediate financial considerations attached to the recommendations within this report

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

- 7.1 There are no immediate legal considerations attached to the recommendations within this report

8. CONCLUSION

- 8.1 The analysis demonstrates a positive direction of travel as indicators are moving up from the bottom quartile into the higher quartiles. The report demonstrates that a steady upward trend in performance is being achieved and it is considered that the overall picture presented is one of planned and focused improvement.
- 8.2 The indicators showing longer-term improvement are generally those considered to be of greatest priority and where initial improvement effort and resources have been directed.
- 8.3 Of greatest concern are the BVPI's that are not showing improvement and each of these BVPI's has been considered and action plans are in place in areas that are considered a corporate priority.
- 8.4 It is essential that the Council carefully monitors performance of under-performance throughout the year as this will enable corrective actions to be taken to improve where targets are not being achieved.
- 8.5 Moving to an 'exception-based' system of performance monitoring will enable the Council to focus more clearly on areas of under-performance in relation to targets and the involvement of Members in scrutinising and challenging areas of under-performance is an important part of this process.
- 8.6 The Council is successfully achieving a very rapid pace of improvement and this pace is not being achieved by many other Councils. However, as it is starting from a very low base in comparison with many other Council's, Rossendale has to sustain this rapid pace in order to catch up to the levels of achievement of the better performing Councils.
- 8.7 In conclusion, whilst there is no room for complacency, the Council can be justly proud of the performance it has achieved over the last two years.

9. RECOMMENDATION(S)

- 9.1 That Cabinet considers the levels of performance detailed in this report.
- 9.2 That Cabinet continues to monitor performance of those indicators that are significantly under-achieving targeted levels of performance and request further information upon this from the relevant HoS.

- 9.3 That Cabinet gives their commendations to areas that have show significant improvement.
- 9.4 That the Cabinet agrees to future quarterly reports presenting performance information on an 'exception' basis.

10. CONSULTATION CARRIED OUT

- 10.1 Directors, Senior Management Team, Portfolio Holders, BVPI Officers & the Audit Commission

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Background Papers	
Document	Place of Inspection
Management Team Minutes Previous Performance Reports Covalent Software System (BVPI Audit Trails & Performance Outturns) The Council's BVPP & Corporate Improvement Plan	