

# INTEGRATED PERFORMANCE REPORT

## PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

18TH JANUARY, 2007

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### Wards Affected

County-wide

### Purpose

To report performance to the end of **November 2006** against the Annual Operating Plan 2006-07, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance. The report also covers the progress being made against the Council's Overall Improvement Programme.

This report is scheduled to be presented to Strategic Monitoring Committee on 15th January 2007. The views expressed by Strategic Monitoring Committee will be reported at the meeting.

### Key Decision

This is not a Key Decision

### Recommendations

#### THAT:

- (a) performance to the end of **November 2006**, and remedial action to address areas of under-performance, be considered;
- (b) there no longer be in-year reporting of most of the performance indicators that measure the public's perceptions of quality of life or services; but, instead, that progress towards improving them should be judged against 3-year targets, with performance being reported annually; and with in-year performance reporting of the things that are happening that should change for the better how people perceive their quality of life and services; and
- (c) the Overall Improvement Plan and associated Board should be closed down as soon as possible, but no later than 31<sup>st</sup> March 2007, and all designated major transformation and improvement programmes be taken forward under the umbrella of the Transformation Board.

## Reasons

The Council's current Corporate Plan sets out the Council's objectives, priorities and targets for the three years 2006-09. The Annual Operating Plan (AOP) is the detailed action plan for the first of these years, 2006-07 and has been updated for the purpose of these reports to include the indicators in the Local Area Agreement (LAA) and Herefordshire Community Strategy (HCS). This report summarises progress in the first eight months of this operating year, including action being taken to address under-performance.

## Considerations

<b>HIGHLIGHTS OF THIS REPORT</b>	
<ul style="list-style-type: none"><li>• There are now 13 indicators marked <b>R</b> and 27 marked <b>A</b>.</li></ul>	
<ul style="list-style-type: none"><li>• The indicators that have become <b>R</b> since the last report - to September - are:<ul style="list-style-type: none"><li>- HCS 15: No. of emergency unscheduled hospital bed days occupied by a person 75 and over</li><li>- HCS 16: No. of people aged 65+ helped to live at home (per 1,000 population)</li><li>- HCS 30: % of pupils achieving 5 or more GCSEs at grades A* - G or equivalent, including Maths and English (LEA schools)</li><li>- HCS 35a: No. of looked after children who missed a total of 25 days or more schooling</li><li>- HCS 42a: British Crime Survey Comparator crimes</li><li>- HCS 42c: No. of all recorded crimes</li><li>- HC 74c: No. of adults with physical difficulties helped to live at home (per 1,000 population)</li></ul></li></ul>	
<ul style="list-style-type: none"><li>• There are continuing concerns about the indicators for crime and disorder. Data has now been provided for many of the indicators for the first 6 months of the year showing performance below target. Although West Mercia Constabulary believe that performance will improve before year-end, based on current figures it appears likely that many targets will not be achieved.</li></ul>	
<ul style="list-style-type: none"><li>• The indicators that have become <b>G</b> but were previously reported as <b>R</b> in the last report to September are:<ul style="list-style-type: none"><li>- HCS 40 '% of 16-18 year olds NOT in education, employment or training'</li><li>- HCS 50 'No. of Class A drug supply offences brought to justice'</li><li>- HCS 51d '% of sanction detections for domestic violence'</li></ul></li></ul>	
<ul style="list-style-type: none"><li>• The number of families housed in bed and breakfast has reduced from 40 in April 2006 to 5 at the end of November and those housed in bed and breakfast for more than 6 weeks has fallen from 28 in April to 2 at the end of November. (Explanation of performance against this indicator is expanded on in Appendix A (2) page. 6).</li></ul>	
<ul style="list-style-type: none"><li>• Children in need referrals continue to increase above target; this had led to a significant increase in the number of assessments but it is likely that not all assessment targets will be met</li></ul>	

- The overall revenue budget position shows a projected underspend of £0.37 million, compared with the overspend of £1.226 million forecast in the last report.
- The revised capital budget forecast is £51.801 million, against a forecast of £59.803 million in the last report and an original budget of £37.015 million.

### ***Progress against the Council's Priorities***

1. Performance has been monitored for each indicator using the following system:

G	Achieved, or on track to be achieved, on schedule
A	Not on track
R	Not achieved, or not expected to be achieved, or no targets/milestones identified

2. Analysis of performance by Council priority is detailed below.

Priority	No. of Indicators	Judgement		
		R	A	G
<b><i>Maximising the health, safety, economic well-being, achievements and contribution of every child</i></b>	<b>22</b>	<b>2</b>	<b>2</b>	<b>18</b>
<ul style="list-style-type: none"> <li>• HCS 40 'the percentage of 16-18 year olds NOT in education, employment or training' was judged as <b>R</b> in the last report based on available data. However, a significant increase in November in the number moving into education, employment or training means that this indicator is now judged as <b>G</b>.</li> <li>• An additional indicator is marked as <b>A</b> when compared to end September report. This is HCS 21a 'the percentage of babies born to teenage mothers who are breastfeeding at 6 weeks', where outturn data to September shows that performance is below target. Although actions continue to schedule it is unclear whether these will now lead to achievement of the target.</li> <li>• The outturn for HCS 35a 'No. of looked after children who missed a total of 25 days or more schooling' shows that for the 2005/06 academic year there were 11 children that missed 25 days or more schooling against a target of 9. The indicator has been marked <b>R</b>.</li> </ul>				
<b><i>Improving the achievement of pupils</i></b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>6</b>
<ul style="list-style-type: none"> <li>• Although exam results during the summer were better than in 2005, and progress continues in reducing absenteeism levels in primary and secondary schools, HCS 30 '% of pupils achieving 5 or more GCSEs at grades A* - G or equivalent, including Maths and English (LEA schools)' has been marked as <b>R</b> because the target was not achieved.</li> </ul>				
<b><i>Enabling vulnerable adults to live independently, and many more older people to continue to live in their own homes</i></b>	<b>19</b>	<b>5</b>	<b>10</b>	<b>4</b>

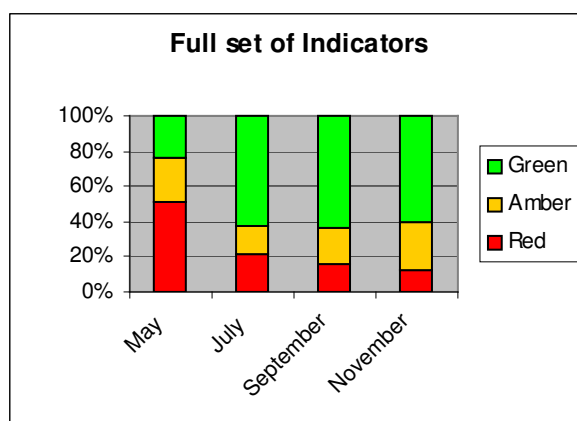
<ul style="list-style-type: none"> <li>HCS 15 'No. of emergency unscheduled hospital bed days occupied by a person 75 and over', HCS 16 'the number of people aged 65+ helped to live at home (per 1,000 population)' and HCS 74c 'the number of adults with physical difficulties helped to live at home (per 1,000 population)' are now marked <b>R</b>; they had previously been marked <b>G</b> in the report to September. Many of the actions that contribute towards achievement of the target are starting to fall behind schedule, casting serious doubts as to whether the targets will be met.</li> </ul>				
<b><i>Protecting the environment, producing much less waste, recycling much more of what remains and significantly reducing carbon emissions</i></b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>3</b>
<ul style="list-style-type: none"> <li>The Council remains on course to reduce the amount of household waste collected per person and, through the expansion of the kerbside recycling scheme in October, the amount of waste going to landfill should also be reduced.</li> <li>The 2 indicators marked <b>A</b> are HCS 55 and 57, Sites of Special Scientific Interest and key species. Although the only requirement this year is to fully consider the indicator and develop an action plan to establish a baseline, these indicators continue to be marked <b>A</b> because it is unclear whether an action plan will be developed during the year.</li> </ul>				
<b><i>Improving transport and the safety of roads</i></b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>
<ul style="list-style-type: none"> <li>There is no change in performance against this priority since the previous report to September; progress against action plans remains on track. Outturn data will not be available until year-end.</li> </ul>				
<b><i>Sustaining vibrant and prosperous communities, providing more efficient, effective and customer focused services, clean street, tackling homelessness and effective emergency planning</i></b>	<b>32</b>	<b>5</b>	<b>12</b>	<b>13</b>
<ul style="list-style-type: none"> <li>Many of the indicators contributing to this priority are no longer being reported in-year (see paragraphs 3-6), which explains why there is a reduction in the number indicators, marked <b>R</b> since the end September report. Actual performance, however, is not improving against this priority. Outturn data against some of the crime and disorder indicators has been provided that show performance to be well below target. Although advice from West Mercia Constabulary suggests that performance in the next 4 months will improve, there remains a real risk, based on current performance, that a number of targets are not going to be achieved.</li> </ul>				
<b><i>Promoting diversity and community harmony, and striving for equal opportunities</i></b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>
<ul style="list-style-type: none"> <li>Performance hasn't changed against this priority since the last report. The Council continues to make good progress towards achieving Level 2 of the Equality Standard by March 2007. The other indicator, HCS 63 'the percentage of adult residents who feel that Herefordshire is a place where people from different backgrounds get on well together', has been marked <b>A</b> because, even though the priority this year is to establish a baseline, an action plan needs to be developed to improve performance in the future.</li> </ul>				
<b><i>Understanding the needs and preferences of service users and Council Tax payers</i></b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>

<ul style="list-style-type: none"> <li>• Training of complaints administrators continues, as does awareness raising of the impact that complaints handling has on the Council's reputation. The results of the BVPI General Survey in autumn 2006 should be available in time for the next report; these will show whether the target of 40% has been achieved against the indicator HC 68 '% of those who have contacted Herefordshire Council with a complaint who are satisfied with the way in which it was handled overall'.</li> </ul>				
<b><i>Recruiting, retaining and motivating high quality staff</i></b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>
<ul style="list-style-type: none"> <li>• Sustained activity by HR, working with directorates, has led to a lowering of sickness absence better than target. This is also the case in respect of staff turnover.</li> <li>• The final indicator against this priority is concerned with Investors in People accreditation. The Council has committed to achieving accreditation in autumn 2007, with an action plan being put in place to achieve this.</li> </ul>				
<b><i>Embedding corporate planning, performance management and project management systems</i></b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>
<ul style="list-style-type: none"> <li>• There has been no feedback from the Audit Commission to suggest that the Best Value Performance Plan or any individual Best Value Performance Indicators will be qualified.</li> </ul>				

- Officers have given detailed consideration to whether it makes sense to report in-year against perception indicators, such as HCS 44 'the fear of crime'. We have concluded that it does not because results are only available once a year and there is a better way of reporting and managing performance. This parallels the approach of Government Office West Midlands, which has accepted that a number of perception indicators in the Local Area Agreement are to be monitored by tracking improvement at the end of each year (when annual survey results are available) rather than in-year.
- We have therefore excluded the relevant perception indicators from the assessment of whether indicators are **R**, **A** or **G**.
- The indicators are the Quality of Life indicators (HCS 60a-f), access to services indicators (HCS 59a-e) perceptions of anti-social behaviour (HCS 43), fear of crime(s) (HCS 44) and the indicators that cover residents' perceptions that they can influence decisions affecting their local community and delivery of services (HCS 61, HC 69 and HC 70).
- It is, however, crucial that we are able to assess progress in-year in achieving the things that are likely to improve the public's perceptions of quality of life and services. It is proposed to do this by continuing to include in this report performance against such underlying indicators. For example, in the case of the perception indicator Fear of Crime we would measure in-year performance by reference to how we are doing against targets for actual levels of crime, disorder and drug misuse and the actions being taken to reduce them. It may also make sense to measure the actions being taken to communicate to the public the realities about the risks of being a victim of crime.
- Commencing with this report to end November, it is proposed that the indicators referred to in paragraph 5 above should no longer be reported against in-year, but instead be reported against at year-end, when we have the annual survey results.
- For the full set of strategic performance indicators, there are now 13 marked as **R**. This compares to 19 in the report to September. However, 6 of those indicators in the report to September are no longer being reported in-year. To provide a truer comparison, if the indicators that are no longer being reported in-year (as explained in paragraphs 3-6

above) were taken out of the September report, the proportion of indicators marked **R** has reduced slightly.

9. The chart below shows the change in the proportions of indicators marked as **R**, **A** or **G** during the year.



10. Details on each of the indicators assessed as **R** or **A** are given in **Appendix A(1)** and the actual templates assessed as **R** are at **Appendix A(2)**.
11. Progress towards the LPSA2G and LAA indicators, all of which are included in the full set of indicators above, is attached at **Appendix A(3)**.

### ***The Council's Overall Improvement Plan***

12. The Overall Improvement Plan (OIP) Board was set up early in 2006 to oversee the development and implementation of the action plan produced in response to the reports of the Corporate Performance Assessment and Joint Area Review inspectors in autumn 2005. The latest exception report is attached at **Appendix B**.
13. It was the intention from the outset to review the need for the Plan and Board before the end of 2006: as a general rule, the expectation is that action plans of this sort should be rolled up into mainstream programmes within a year. It has since been agreed with Cabinet and the Audit Commission that this would be done having regard to the Commission's report of October 2006 on the operation of the Council's performance management arrangements.
14. At the time the OIP Plan and Board were introduced, the Transformation Programme was in development and the various transformation boards were not fully established. They are now in place and between them cover most of the matters in the OIP.
15. Also, the key actions and milestones will be in the Corporate Plan 2007-10 and the Annual Operating Plan 2007-08. These will need to include those in respect of the Local Government White Paper, the creation of the Public Service Trust and the action plan in response to the Audit Commission's review of our performance management arrangements. This will provide a sound basis for corporate performance reporting.
16. CMB has considered all these factors and recommends that the OIP and associated Board should be closed down as soon as possible, and that this should happen not later than 31 March 2007. Thereafter, all designated major transformation and improvement

programmes would be taken forward under the umbrella of the Transformation Board. The component continuing elements of the OIP and the new action plans in development would become the responsibility of the relevant individual Transformation Programme boards; or, in the case of matters that are more routine or have otherwise become established, be assigned as the responsibility of an individual director and/or head of service.

17. But this will be subject to the strict condition, in the case of matters to be placed under a Transformation Programme board, that the board is governed and functioning effectively; that there is sound overarching project management across all the constituent improvement programmes under the Transformation Board; and that exceptions reporting is operating at all levels.

***The Children's Services Performance Improvement Action Plan (formerly known as the JAR Improvement Action Plan)***

18. The former JAR Improvement Plan focused largely on the period to the end of December 2006. A large majority of the actions have now been completed and the success criteria met in respect of them. This resulted in the document becoming largely historical. The GOWM Board has agreed a new Action Plan that retains the outstanding issues of significance and the associated success criteria from the former JAR Plan.
19. At the same time the current JAR Performance Improvement Action Group has become the Children and Young People's Improvement Board. Its work focuses on the GOWM Improvement Board Action Plan and the priorities emerging from the recent APA letter and the GOWM Priorities meeting held on 13<sup>th</sup> November.
20. The Children and Young People's Partnership Board at its meeting on 13<sup>th</sup> November 2006 adjudged progress against the Children and Young People's Delivery Plan to be satisfactory.
21. Since the last report, the purchase of a fourth additional unit of accommodation for care leavers has been completed. Purchase of two further units is proceeding with completion currently anticipated for January 2007. Nomination rights to four additional units, with support, are being negotiated.
22. The number of families housed in bed and breakfast has reduced from 40 in April 2006 to 5 at the end of November. The number housed in bed and breakfast for more than 6 weeks has fallen from 28 in April to 2 at the end of November.
23. The number of referrals of children in need continues to be well above target. This has led to a 10% increase in referrals leading to Initial Assessments from the end of June 2006 to the end of November 2006. Over the same period, there has been a 12% increase in the numbers of Core Assessments per 10,000 population (aged under 18 yrs). These increases continue to place pressure on resources in the Children's Safeguarding and Assessment Service, to the extent that it is unlikely that targets for the completion of initial and core assessments undertaken within the target timescale will be achieved in 2006-07. The final outturn for initial assessment completion (DIS1704) is likely to be 65% against a target of 75%; for core assessment completion (PAF C64) it is expected to be nearer to 70% than the target of 80%.
24. Actions are being taken to ensure that performance is maximised. This is influenced significantly by the continuing challenge of recruiting and retaining qualified social workers. The recruitment drive is delivering improvements: the recent influx of new Social Workers has resulted in there being only a 0.5 fte substantive vacancy. There are

currently 3.9 fte Agency Social Workers meaning that for the first time the current establishment of 12.3 qualified social workers per 10,000 children (46.1 fte posts) has been exceeded with 49.5 fte Social Workers in post. GOWM have commented positively on the progress being made and the policy of recruiting suitably qualified and experienced staff above current establishment in order to manage turnover and build towards the targets agreed by cabinet. GOWM have also welcomed cabinets 'in principle support' for additional funding to provide additional social work personnel and have asked to be advised of the outcome of the Councils budget deliberations in order to inform what is scheduled to be their final report to the Minister in late March 2007.

25. However, the current social work complement is insufficient to deal with the current and expected future need. Recognising this, Cabinet earlier agreed that we should work incrementally towards a staffing complement of 57 fte social workers by 2008-09, which would bring us into line with the national average. This requires a net increase of 10.9 social workers. In line with this, Cabinet has approved in principle a 'spend to mitigate' allocation of £300K for 2007-08 with further monies provisionally identified for 2008-09 (subject to confirmation as part of the detailed budget setting process).
26. Given the current recruitment market nationally and the likelihood of continued turnover, it is considered highly unlikely that a net additional 10.9 qualified social workers could be recruited in one year. . In these circumstances, the appointment of suitable people will continue to be made even if that takes the service above the current funded establishment. Options for the release of some additional funds in the current financial year are being pursued through an examination of the directorate's budget and discussions with the Director of Resources.

### ***Revenue Budget and Capital Programme Monitoring***

27. Details of the **revenue budget** position are at **Appendix C**.
28. The overall position shows a projected £0.37 million underspend. This is 0.3% of the Council's £118.285 million revenue budget (excluding Direct Schools Grant funding). The position has improved by £1.53m since the last report, in which a £1.226million overspend was projected. The projected position is after allowing for use of the Social Care contingency and the impact of the revised cash flow profile that has increased the projected income from financing transactions. Slippage in the capital programme has helped this improved position. The report details the reasons for the movement. The headlines are as follows:
- £1.4m reduction in projected overspend for Adult and Community Services due to inclusion of grant income
  - £0.25m improvement in the projected interest from investments
29. Details of spending on the **capital programme** are at **Appendix D**.
30. The revised forecast for 2006-07 as at 30<sup>th</sup> November totals £51,801,000, a decrease of £8,002,000 from the September forecast. The main reason for the decrease from September is a reduction in both Corporate Accommodation (£3,800,000) and Herefordshire Connects (£4,503,000). This compares to an original budget of £37,015,000, explanation for which is in Appendix D. The expected use of Prudential Borrowing has decreased by £7,920,000 as result of this. This will cause slippage on capital financing costs incurred in the revenue budget this year.



### **Corporate Risk monitoring**

31. **Appendix E** contains the corporate risk log, which shows the current key risks facing the Council in terms of operations, reputation and external assessment.
32. The following table summarises the corporate risk log at the end of November 2006. The analysis covers the assessment of risk were no controls in place) and an assessment of the residual risk with control measures implemented.

<b>Priority Rating</b>	<b>Assessment of Risk (no controls in place)</b>	<b>Assessment of Risk (control measures implemented)</b>
High	10	4
Medium	6	11
Low	1	2
<b>Total</b>	<b>17</b>	<b>17</b>

33. This shows that the majority of risks (10 out of 17) are in the highest category before controls are in place, but the majority move to the medium category (11 out of 17) with control measures implemented.
34. The 17 identified risks are all key issues for the Council but some have a greater potential impact on service delivery than others. One such area is the Herefordshire Connects programme, in respect of which there are two identified risks (CR3 and CR14). The overall programme is closely linked to other areas of the risk register because its associated changes to service delivery will produce savings for reinvestment.
35. The corporate risk around spending pressures exceeding resources (CR2) is mitigated to some extent by the Medium Term Financial Management Strategy (MTFMS) that helps plan future expenditure. However, a key part of the strategy is the ability to reinvest in frontline services as savings are realised from the Herefordshire Connects programme. The level of savings will be monitored as the programme moves through its various phases but there is a risk as to whether the full targeted savings in 2007-08 will be delivered. This is being covered by the updated MTFMS.
36. The 2005 “inadequate” rating for “Staying Safe” in Children and Young People’s Services has been turned round; with the Annual Performance Assessment letter for 2005-06 describing overall performance as “Good”. The risk has been amended to reflect this substantial improvement. The key challenge now is to ensure the changes are fully embedded in the Directorate.

### **Alternative Options**

None.

## **Risk Management**

Effective performance reports and their follow-up are an essential element in the management of risks.

## **Consultees**

Relevant internal officers have been consulted. No external consultation has been necessary, although partners have been involved in developing the performance indicator templates for the LAA, and will continue to be involved in developing templates for the Herefordshire Community Strategy.

## **Background Papers**

None identified.