

INTEGRATED PERFORMANCE AND FINANCE REPORT

PORTFOLIO RESPONSIBILITY: CORPORATE, CUSTOMER SERVICES AND HUMAN RESOURCES; AND RESOURCES

CABINET

15TH NOVEMBER, 2007

Wards Affected

County-wide

Purpose

To report performance for the first half of 2007-08 against the Annual Operating Plan 2007-08, national performance indicators used externally to measure the performance of the council, together with performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance.

Key Decision

This is not a Key Decision

Recommendations

THAT

- (a) performance to the end of September 2007, and the adequacy of the proposed remedial actions to address areas of under-performance, be considered; and
- (b) given the Council's community leadership responsibilities, Cabinet decide what, if any, advice it wishes to give the Herefordshire Partnership Performance Management Group on underperformance of any indicators lead by partners.

Reasons

The Council's current Corporate Plan sets out the Council's objectives, priorities and targets for the three years 2007-10. The Annual Operating Plan (AOP) is the detailed action plan for the first of these years, 2007-08, and includes all the indicators in the Local Public Service Agreement (LPSA), Local Area Agreement (LAA) and Herefordshire Community Strategy (HCS), as well as the Council's own indicators.

Considerations

HIGHLIGHTS OF PERFORMANCE
<ul style="list-style-type: none">• 17 of 111 council-lead indicators from the AOP are currently marked R, compared to 15 at the end-of-July. A large proportion of indicators remain A, many of which are measured through the council's Annual Satisfaction Survey. The results of the survey, against which an accurate judgement can be made, should be available for the end-of-January IPR.
<ul style="list-style-type: none">• 63% of indicators used in external judgements, where data is available, are currently showing an improvement against last year's performance, compared to 53% at the end-of-July.
<ul style="list-style-type: none">• The overall financial position shows a projected overspend of £3.25m compared with the projected overspend of £2.54m at the end-of-July.
<ul style="list-style-type: none">• The revised capital budget forecast is £61.6m compared with the original forecast of £65.46m.
<ul style="list-style-type: none">• At the end-of-July, 4 LPSA indicators (13%) and 15 LAA indicators (17%) were marked R.
<ul style="list-style-type: none">• The Government has recently produced its new national dataset of 198 indicators upon which it will require local authorities, and their partners where applicable, to report. This substantially reduces the burden of performance reporting to Government by local authorities, which potentially could reduce the size of IPRs in future years, although in the case of Herefordshire this would be to a degree offset by the need to report additional health indicators under the Public Service Trust. However, there are signs that individual government departments and regulatory bodies are already seeking to add their preferred indicators back into the reporting process. Equally, the evidence required for Comprehensive Area Agreement means that the council will have to develop local indicators for performance with baselines, targets and reporting processes. These are areas where this IPR shows there is still room for improvement. Proposals for future reporting arrangements will be brought forward in the New Year.
<ul style="list-style-type: none">• The council is entering the time of year when the various national inspectorates and regulatory bodies are beginning to reach their judgements about the council's performance. The remaining issue is the Audit Commission's annual assessment of the council's overall direction of travel, which will involve a series of interviews towards the end of November. Future IPRs will be used to explain the council's progress service-by-service and in total.

Progress against the Council's AOP Priorities (Appendix A)

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

	G	On target/met target
	A	Some progress/data not yet available so not possible to determine trend
R		Not on target

2. Analysis of performance against target by Council priority is detailed below:

Priority	No. of Indicators	Judgement			n/a ¹
		R	A	G	
Securing the essential infrastructure for a successful economy	3	0	2	0	1
Giving effective community leadership	1	0	0	0	1
Improving transport and the safety of roads	9	0	7	2	0
Maximising the health, safety, economic well-being, achievements and contribution of every child	30	14	9	4	3
Sustaining thriving communities	36	2	24	3	7
Reshaping adult social care to enable vulnerable adults to live independently and, in particular, to enable many more older people to continue to live in their own homes	8	0	2	6	0
Protecting the environment	10	0	4	3	3
Understanding the needs and preferences of service users and Council Tax-payers, and tailoring services accordingly	2	0	1	0	1
Recruiting, retaining and motivating high quality staff	4	1	1	2	0
Embedding corporate planning, performance management and project management systems	3	0	3	0	0
Promoting diversity and community harmony	4	0	3	1	0

¹ 16 indicators have been considered as not suitable for awarding a judgement in this report, essentially because they are either tracker indicators or indicators that require a baseline to be set during the year. These indicators were all judged as **A** in the last report.

Priority	No. of Indicators	Judgement			n/a ¹
		R	A	G	
Ensuring that essential assets are in the right condition for the long-term cost-effective delivery of services, and ensure business continuity in the face of emergencies	1	0	1	0	0
Total number of indicators (with last report's judgements in brackets)²	111	17 (15)	57 (77)	21 (19)	16 (0)

3. Details of the indicators within each of the priorities above are in **Appendix A**. In addition, the indicators that are partner lead are included towards the end of the appendix and reported in paragraphs 5-9.

Exceptions – indicators judged R at the end-of-September and those that have changed from R since the end-of-July IPR

4. The IPR to the end-of-July reported 15 council lead indicators as R. 3 of these are now judged as A. These improving indicators are:

40 HCS % of 16-18 year olds NOT in education, employment or training

Further analysis of the data shows fluctuations throughout the year, suggesting that data available in June may still be on track to achieve target. Full year's figures will be available at quarter 3 with a full analysis of progress.

86 HCS % of people who feel that parents in their local area are made to take responsibility for the behaviour of their children

68 HC % of those who have contacted Herefordshire Council with a complaint who are satisfied with the way in which it was handled overall

Action plans have now been submitted. Future reports will measure progress in delivering them.

² There is a variance since the last report in the number of indicators within the priority area of 'Maximising the health, safety, economic well-being, achievements and contribution of every child', reducing from 31 at the end-of-July to 30 now. This is because HCS 23 'Measure of sexually transmitted infections for young people' was incorrectly reported as council lead rather than Primary Care Trust lead. However, the priority area 'Ensuring that essential assets are in the right condition for the long-term cost-effective delivery of services, and ensure business continuity in the face of emergencies' that has one indicator, HC 101 'Use of Resources score', was omitted from the last report, so the total number of indicators remains the same. The table above reflects the removal of HCS 23, which had been judged R, and the inclusion of HC 101 that would have been judged A, meaning a reduction from 16 to 15 in the number of indicators flagged as R in the last report.

12 remain **R** and are:

13 HCS Average length of stay in B&B accommodation for homeless households

As reported in the previous IPR, despite significant improvement in moving homeless households out of temporary accommodation, the target will not be achieved this year.

22a HCS Measure of healthy lifestyles for 11-15 year olds: Smoking rates

22b HCS Measure of healthy lifestyles for 11-15 year olds: participating in sport/physical activities

22c HCS Measure of healthy lifestyles for 11-15 year olds: eating 5-a-day

22d HCS Measure of healthy lifestyles for 11-15 year olds: obesity

22e HCS Measure of healthy lifestyles for 11-15 year olds: alcohol consumption

22f HCS Measure of healthy lifestyles for 11-15 year olds: drug use

22g HCS Measure of healthy lifestyles for 11-15 year olds: scores for mental health

A meeting has now been arranged with the PCT in November. This should result in an agreed set of defined indicators and targets.

26 HCS % of children on the child protection register that are re-registrations

Performance has fallen during the year and is not on track to achieve target. Action is in place for monthly monitoring so the recommendations regarding de-registration are reached through robust, multi-agency assessments.

89a HC No. of referrals for children in need

Performance has levelled off at slightly below target. The relationship with the percentage of referrals designated as "no further action" and percentage repeat referrals requires further examination. Earlier indications suggested that threshold criteria are better understood by other agencies but this is not borne out by current figures. The audit of initial assessments will improve our understanding and decision-making regarding threshold criteria.

89b HC Completion rate of initial assessments of children in need within 7 working days of referral

Performance continues to decline because of the increased workload and insufficient numbers of suitably qualified and experienced social workers able to undertake the work. Practice has been reviewed and revised to ensure that initial assessments are undertaken more quickly and is managed through monthly meetings with PCT and Education staff. Deloitte have been commissioned to audit the processes for initial assessments and to make recommendations for improving performance. This work begins 17/10/07 and will be completed by 26/10/07.

103 HC SRD completion rates

Although performance has improved target has not been achieved.

5 additional indicators are now judged as **R** since the end-of-July IPR. These are:

29 HCS Provision of family support and % increase in provision of family support

Expenditure is expected to mirror last year and therefore not achieve target.

30 HCS % of pupils achieving 5 or more GCSEs at grades A* - G or equiv. including Maths and English (LEA schools)

Provisional results show an improvement on last year but not enough to achieve target.

35b HCS No. of half day sessions missed by looked after children as % of total number of sessions in primary schools

Information from the Children and Young People's directorate suggests that when figures are available at the end of October, high numbers of absenteeism are expected.

94 HC Grade for the year-on-year reduction in the total number of incidents and increase in total number of enforcement actions taken to deal with 'fly-tipping'

The number of fly-tipping incidents has increased since May, following the introduction of permits at household waste amenity sites. Performance against this indicator has now levelled-off, but is not anticipated to improve above level 3 in the current financial year.

96 HC % of abandoned vehicles removed within 24 hours from the point where the Council is legally entitled to remove the vehicle

Performance fell during the summer. One team deals with both abandoned vehicles and fly-tipping; handling a significant, and initially unexpected, increase in fly-tipping incidents resulted in a reduction in the response times for abandoned vehicles. Arrangements have now been put in place to provide back-up for the team and performance has improved in recent months; however, as the target is 100% this will not be achieved this year.

Local Public Service Agreement (LPSA)

5. As reported to Cabinet in the last IPR to the end-of-July, the full set of indicators used in the LPSA and LAA is now presented to Cabinet following consideration by the partnership’s performance management group (PMG), chaired by the Director of Environment.
6. In respect of the LPSA, using the data in **Appendix A** that includes that of the council’s partners, at the **end-of-July** 4 indicators were judged **R**, 23 **A** and 4 **G**. Of these, judgement of the council lead indicators was 13 **A** and 4 **G**, which was reported to Cabinet in the end-of-July IPR.
7. The 4 LPSA indicators judged **R** at the end-of-July were all partner lead and considered by the PMG on 14th September. Their comments are contained in the following table:

Primary Care Trust lead	
15 HCS No. of emergency unscheduled hospital bed days occupied by a person 75 and over	<i>Discussions between the PCT and Government Office West Midlands appear to have started. PMG were concerned at the slow progress in evidencing the effects of a national definition change which appeared to have a detrimental effect on the ability of Herefordshire to reach the target. A report was required for PMG’s next meeting in November.</i>
21a HCS % of babies born to teenage mothers who are breastfeeding at 6 weeks	<i>PMG were unclear on progress and if data indicated a problem or simply a time lag in reporting data, which would indicate we were approaching the target. A report was required for PMG’s next meeting in November.</i>
West Mercia Constabulary (WMC) lead	
42b HCS No. of criminal damage incidents	
45 HCS No. of violent crimes	

PMG requested a report for its next meeting in November covering the actions being taken, regional comparisons, trends over recent months and annually. WMC indicated that monthly figures were reducing slightly and that the CDRP was linking with other high performing areas, e.g. Telford, to learn from best practice.

Local Area Agreement (LAA)

8. For the LAA, the position at the **end-of-July** was that 15 indicators were judged **R**, 60 **A** and 14 **G**. These include the LPSA indicators. Of these, judgement of the council lead indicators was 10 **R**, 38 **A** and 14 **G**.
9. In addition to those LPSA indicators listed in the table in paragraph 8, the other 11 LAA indicators judged as **R** at the **end-of-July**, were:

West Mercia Constabulary lead
50 HCS No. of Class A drug supply offences brought to justice <i>WMC are confident that this is being resourced effectively and that it will be judged as G by the end-of-March 2008.</i>
Council lead
13 HCS Average length of stay in B&B accommodation for homeless households <i>PMG accepted that the picture is improving but that the time-lag built into the indicator means this will continue to be R for some time. They requested detailed data to examine trends and forecasts for the next meeting. The number in B&B was expected to reach zero in 2009/09.</i>
22a HCS Measure of healthy lifestyles for 11-15 year olds: Smoking rates
22b HCS Measure of healthy lifestyles for 11-15 year olds: participating in sport/physical activities
22c HCS Measure of healthy lifestyles for 11-15 year olds: eating 5-a-day
22d HCS Measure of healthy lifestyles for 11-15 year olds: obesity
22e HCS Measure of healthy lifestyles for 11-15 year olds: alcohol consumption
22f HCS Measure of healthy lifestyles for 11-15 year olds: drug use
22g HCS Measure of healthy lifestyles for 11-15 year olds: scores for mental health

PMG expected an action plan on activities to date, those planned and the lead officers by the next meeting. The Chair of PMG would discuss with the Director of Children's Services where appropriate. If information is not fully available by the next meeting the matter will be referred to the Partnership Chief Executive's Group.

* 40 HCS % of 16-18 year olds NOT in education, employment or training

PMG requested the detailed data for review at the next meeting.

See paragraph 4 for the latest council position

* 86 HCS % of people who feel that parents in their local area are made to take responsibility for the behaviour of their children

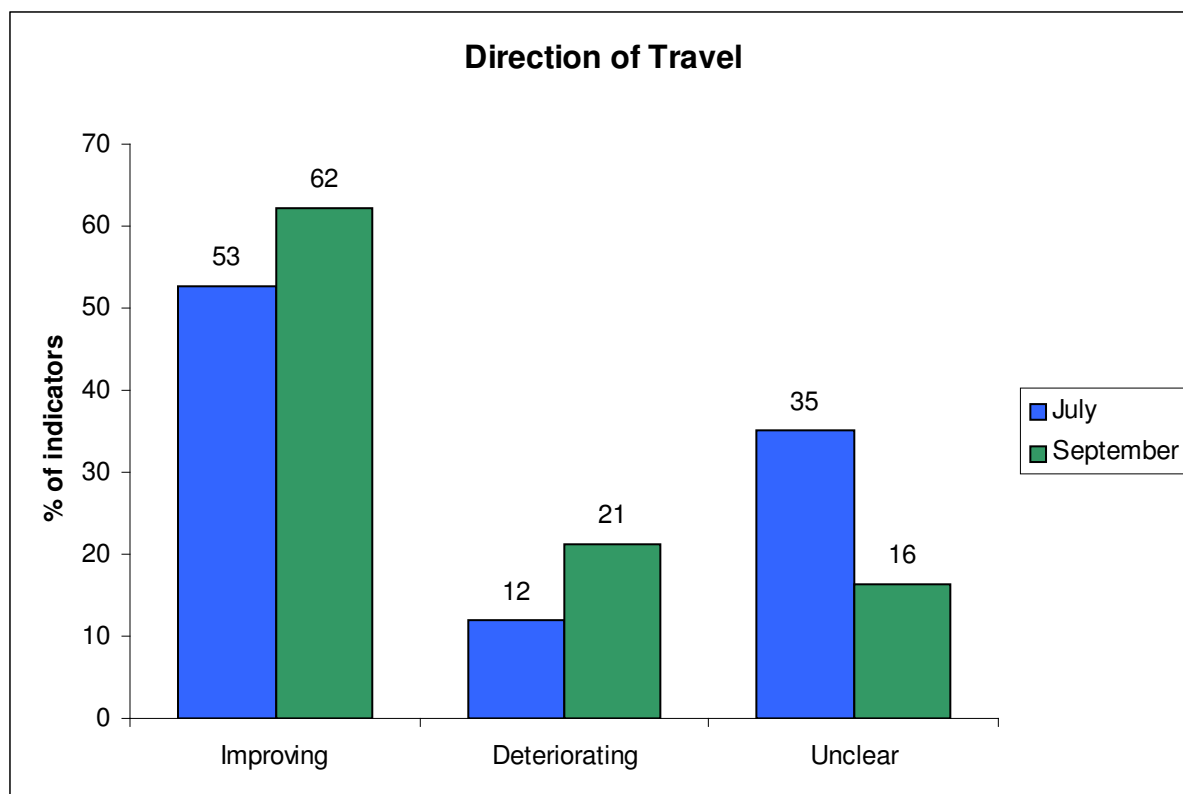
PMG expected an action plan on activities to date and those planned by the next meeting.

See paragraph 4 for the latest council position.

* Of the council lead LAA indicators included in the table above, as reported in paragraph 5, indicators 40 HCS and 86 HCS are now judged **A** at the end-of-September, as reported in paragraph 4, and will be reported to the next PMG meeting in November.

Direction of Travel and CPA (Appendix B)

10. In addition to those indicators which the council measures itself against through its Annual Operating Plan, the council is externally judged on its performance against a number of national indicators, including Best Value Performance Indicators (BVPIs) and Performance Assessment Framework indicators (PAF). Performance against these indicators is shown in **Appendix B**. Primarily, the council is judged **on its performance against previous year**, rather than against target, and this comparison will be used by the Audit Commission to inform the annual Direction of Travel Assessment in February 2009.
11. Of those indicators where in-year data is currently available, the current direction of travel shows that 62% of indicators are on course to improve on last year, compared to 53% at the end-of-July. However, 21% of indicators, compared to 12% at the end-of-July, are now predicted to be worse than last year. The focus of attention in the coming months will now be to at least maintain performance in those areas that are currently performing well against last year's outturn, and to address the current under-performance in those areas that are falling below last year's performance.



12. Many of the indicators that are used in the Direction of Travel Assessment are only available annually so the above chart can only be used as a snapshot of current known performance. As data becomes available throughout the year it will be possible to give a more comprehensive indication as to the direction of travel, and give managers more information on which to base decisions that should impact positively on future performance.

13. A forecast CPA service score for Culture, Environment and Strategic Housing is not available as part of this report. Much of the data on which a forecast can be made will be available in time for the next report (to end-of-November) allowing for a forecast to be made for the 2009 CPA service scores.

Revenue Monitoring

14. Details of the revenue budget position are at **Appendix C** in summary and then directorate-by-directorate.

15. The overall position shows a projected overspend of £3.25m. This is 2.7% of the Council's £122.37m net revenue budget (excluding Direct Schools Grant funding). The projected position is after allowing for the use of the £1.3m Social Care contingency, an estimated £1.0m underspend on Spend to Save/Spend to Mitigate funding, additional Local Authority Business Growth Incentive (LABGI) grant of £600k and an additional £300k for cash transactions.

16. The key areas of concern in the 2007/08 financial year is the Adult and Community Services with a projected £4.1m projected overspend; Children and Young People's Directorate with a £783K projected overspend and Corporate &

Customer Services where a £1.345m overspend is projected. The remedial action being taken is described in Appendices C and E. Underspends of £375k and £180k are projected for the Environment Directorate and Resources Directorates respectively.

17. The Appendix includes a section on the July floods that caused significant damage to council assets. The estimated total of the damage is £3.75m.

Capital Monitoring

18. Details of the capital programme are at **Appendix D**.

19. As at the end of September the capital programme is £61.6m compared with the original forecast of £65.5m. The change arises because of revisions to the programmes, which are outlined in the report. Actual expenditure as of end-of - September was £13.39m representing 22% of the revised programme.

Corporate Risk monitoring

20. **Appendix E** contains the corporate risk log, which shows the current key risks facing the Council in terms of operations, reputation and external assessment.

21. The format of the Corporate Risk Register, which accompanies this report, has been revised where possible to include actions that need to be taken to mitigate the risks, the responsible officer for the action is named and a target date for completion or review of actions is included.

22. The main issues arising from the register are as follows:

- The number of Corporate Risks has been reduced to 17 due to Corporate Management Board's assessment of multiple risk areas such as Herefordshire Connects and staff recruitment and retention.
- There are five risks that continue to score 'high' even after the mitigating actions have been taken into account. These risks are:
 - a. CR2 – 'Corporate Spending pressures outweigh the level of resources available to meet them. Particular pressures prevalent in Adult Social Care, Children's Social Care and ICT Services and Customer Services.' Budget management plans have been developed for Adult & Corporate Services and Children and Young People. Robust monthly monitoring of reports by Financial Services. Medium Term Financial Management Strategy under review.
 - b. CR4 – 'Failure to maintain CPA 3* rating and move from improving adequately to improving strongly'. Although a strong and clear strategy has been implemented over the last 18 months and specific actions have recently been identified, assessment of this risk needs to be reviewed to ensure all possible measures are being taken. Actions identified and the timetable for delivery needs to be reviewed.
 - c. CR5 – 'The inability to provide critical services due to the failure of the

ICT networks'. Substantial resources have been mobilised over the last 12 to 18 months and ICT specific service continuity plans have been developed. These now need to be tested and evaluated.

- d. CR17 – 'Reduction in the Use of Resources overall assessment'. Adverse opinion due to the report from the Section 151 officer into the financial governance issues with ICT & Customer Services. Monthly review by directorate management teams arising from the internal audit report.
- e. New risk CR28 – 'Deliverable benefits from Herefordshire Connects not realised'. Benefits realisation framework in place and managed by the Benefits & Commercials Group, IPG and Programme Board.
- Previously listed risks in association with the Herefordshire Connects project such as those in relation to procurement, integration with the PST and management capacity have been transferred to the Herefordshire Connects project risk register to be managed at a more local level but with Director oversight.

21. The next review of the Corporate Risks will be undertaken in connection with the end-of-November IPR. In the interim period the identified actions will be monitored so that an update can be provided.

Alternative Options

None.

Risk Management

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

Consultees

Partners have been involved in developing the performance indicator templates for the LPSA2G, LAA and Herefordshire Community Strategy.

Background Papers

None identified.