

Organisational Improvement and Greater Efficiency

For comparison, September's figures are in brackets.

| | No. of indicators | On course to achieve target (or establish baseline) | Some progress, but data / lack of data or analysis suggests that the target may not be achieved, but should be capable of achievement if remedial action is taken | Not achieved / not expected to be achieved / no activity reported |
|--|-------------------|---|---|---|
| Corporate Plan (including LAA and HCS) | 16 (16) | 10 (6) | 1 (4) | 5 (6) |
| of which | | | | |
| Local Area Agreement (LAA) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| Herefordshire Community Strategy (HCS) | 0 (0) | 0 (0) | 0 (0) | 0 (0) |
| | | | | |
| All reported indicators | 27 (27) | 18 (13) | 4 (6) | 5 (8) |

| Direction of Travel | | |
|----------------------------|-----------|-----------|
| | September | December |
| Improving | 5 | 11 |
| No real change | 0 | 1 |
| Deteriorating | 9 | 5 |
| Total | 14 | 16 |

Headlines

- Improved performance in the Use of Resources.

- Improvement in the Direction of Travel and Data Quality is expected to be confirmed by the Audit Commission in early March.
- A further 4 key indicators judged **Green**, 2 of which relate to the improved Use of Resources score and the anticipated improved score in the council's direction of travel judgement, to be published in late February / early March.
- Performance against equality indicators in human resources generally remain behind target, although there has been a slight improvement in the percentage of leadership posts occupied by women.
- Continued good performance in most areas of Revenues and Benefits.

Major risks and their mitigation

The following risks and their mitigations currently exist with the directorate of the Deputy Chief Executive:

- Failure to deliver services and meet key objective of achieving performance targets due to poor performance of ICT servers and network supporting Academy / Idox *mitigated by* the Benefit and Exchequer Services team working with ICT services to isolate the cause of the problem which is most likely the way in which the council has chosen to deploy the service.
- Failure to provide a 24 hour emergency response, resulting in Herefordshire public services not providing timely support to partners during an emergency *mitigated by* Emergency Planning Duty Officer scheme in place.
- Both Data Centres are in non-Council owned properties, are near capacity, plus there are environment issues such as power and fire suppression that need to be addressed. Loss of data centres will affect delivery of all services *mitigated by* (a) Data Centre/MRU relocation project approved by Cabinet 16/10/2008. Expected completion April 2011; and, (b) server virtualisation project in progress to decrease power consumption and physical space constraints. Project will also decrease recovery timescales for systems supporting services. Expected completion May 2009.
- Inadequate corporate and service planning and prioritisation around ICT investments is having a significant detrimental impact on the ability of ICT to deliver to customers timescales and meet the value for money requirements of the organisation *mitigated by* (a) Client Account Managers (CAMs) attend Directorate DMTs and run workshops with services to advise on planning ICT investments; (b) Service Plan Guidance 2008, requests IT development to be identified; (c) Business Case process in place (IPG); (d) Corporate ICT Strategy prioritises infrastructural and supporting technologies; and, (e) Representation from ICT Services on Accommodation Board.
- The inability to provide critical services due to the failure of the ICT networks *mitigated by* substantial capital investment in ICT network and disaster recovery arrangements; extensive ICT specific service continuity plans have been developed and are exercised; workshops held for all directorates and service continuity plans have been prepared and due for testing during the year in business critical systems and services.
- Previous hardware and software procurement by services has resulted in ageing hardware and software platforms with no forward plan or budgets identified for maintenance, support and replacement *mitigated by* (a) Herefordshire Connects programme replacing Social Care System; (b) planned replacement of finance, HR and payroll systems; (c) Library Services

accepted risk on current system; (d) collation of register of systems and support coverage to identify gaps in key service areas; (e) Critical systems identified by business (first pass complete continuous updating); (f) server virtualisation project to replace ageing hardware and improving resilience of applications, and, (g) desktop standardisation.

- Lack of resource to carry out surveys, extend opening hours, take on further services as part of Phase II of the Customer Services Strategy and undergo necessary ongoing training whilst maintaining front line service *mitigated by* improved performance by use of monitoring and amending working patterns.
- Technically exceeding the number of CRM professional licences required to run the Info service (includes back office and complaints *mitigated by* clarifying with SAP the specific type of licences required – particularly in respect of part-time staff and flexible workers. This may reduce the number of required additional licences. The review of named users has confirmed that we have a significant shortfall.
- The current service budget includes a £500k fund (a two year special provision) that was made for the initial set-up and operation of customer services. This funding is due to end in March 2009. Should this funding not be secured then the closure of some services will be required. For example; Closure of market town info shops *mitigated by* review of funding arrangement being escalated through the performance improvement cycle and a service improvement plan being produced for consideration by JMT in November. A detailed paper has been submitted in December 2008 to the Deputy Chief Executive and Director of Resources.
- Breach of Information Security from IT platforms *mitigated by* (a) external supplier for external penetration testing for website/network; (b) internal penetration testing capability being improved; and (c) education and awareness sessions for all employees/roadshows. Policies and procedures in place.
- Insufficient internal resources to deliver the projects *mitigated by* project managers tasked with completing readiness reviews. Until resources are in place, projects will not start.
- Lack of any formalised health and safety training matrix and insufficient assurance that practice is consistent across all Directorates *mitigated by* action being taken urgently to develop a formalised matrix and consequences of implementation will be taken to JMT for consideration.

The following risks and their mitigations currently exist with the Resources Directorate:

- Agresso Payroll is not fit for purpose. Meetings between Payroll and Agresso have provided assurance that the functionality is in place *mitigated by* update note to be submitted to JMT; existing payroll system (Selima) to remain operational until testing is signed off by payroll.

Deputy Chief Executive (Interim) Commentary

'Performance Indicators:

Overall, the performance shows little change from the previous return and performance is broadly as expected. However, there are some issues of note:

- *The areas which continue to have a red rating are related to equality and diversity, although the percentage of staff who consider themselves to have a*

disability is now improved on last year and better than target. The other area relates to the average working days per employee per year lost through sickness absence.

As reported previously, the current HR/Payroll system has not held sufficient categories in relation to ethnicity to report 'white – other' category, which is artificially reducing the percentage of staff recorded as being from an ethnic minority. This can be rectified by the introduction of the new Agresso HR/Payroll in the autumn of 2009. In the meantime, figures reported in the Employee Opinion Survey (based on a return of 50% of staff) are more favourable and should be seen as a more realistic view of our staffing profile. In the Survey 2% of our staff say they are from an ethnic minority, in the white – other category. This would exceed the target. It should also be noted that, although the BPVI 16 (staff with a disability) is already green, 6% of our staff in the Employee Opinion Survey say they have a disability, which significantly exceeds the target and the reported figures from the HR/Payroll system.

Turnover in the top 5% of our staff is low and therefore the two indicators based on this have remained largely unchanged; the percentages indicating a shortfall are also based on very small numbers. However, work continues to encourage staff who develop a disability whilst in our employment to declare this, as this would affect the indicator.

There is a concentrated programme of work on sickness absence, with all DMT's being given a detailed briefing on their figures, ways in which improvement can potentially be achieved, and being asked to set themselves specific targets for improvement for each quarter of the year. Additional briefing materials and briefing sessions have also been arranged for line managers.

- *The Place Survey was completed in the autumn, in accordance with the prescribed methodology. The data is currently with the Audit Commission and will be available in early March.*

Connects:

Following completion of the evaluation for the 'Back Office' and 'Performance Management and Risk' systems, recommendations were made to Cabinet in November 2008. Agresso has been approved as the preferred technology system for Integrated Support Services and Inphase approved for Performance Management and Risk.

Other Matters:

The external review process for compliance with the Equality Standard will take place in w/c 9th February 2009.'

Resources Director Commentary

'The Resources directorate continues to deliver its services within the framework of the overall service plan and the individual plans agreed for the directorate's services. These have been updated as part of the current service planning round. Our plans set out what we will do to focus our activity on supporting council priorities as set out in the Corporate Plan 2008 – 2011. The Resources directorate contributes most to the council's corporate priority on 'organisational improvement and efficiency'. Performance management arrangements are now in place across the directorate at a team, head of service and directorate management team level. Monthly performance review meetings are in place to monitor progress with implementation of action plans

and provide feedback to staff in the directorate each month via Team Talk. As an integral part of the process we review our financial position and risk register on a monthly basis. The Cabinet Member (Resources) is also provided with a monthly report on directorate performance.

Outturn performance at the end of December for the indicator basket relating to the Resources directorate is in line with expectations at this point in the year. The collection rate for council tax and business rates is holding up well despite the economic downturn. We are paying our suppliers on average 17.5 days after receipt of invoice. This is a good performance given the former best value performance indicator had a target of 30 days.

The Financial Services team has contributed £400k to an improved corporate position by exceeding this year's treasury management income targets but the much reduced base rate has started to affect the level of interest received and the position in 2009/10 will see a much reduced level of interest and this is being reflected in the budget.

The feedback from the external auditor on our Use of Resources assessment for 2008 has been very positive and we have moved to a score of '3' indicating good progress. All areas show improvement with Financial Reporting assessed as having a very good performance and being scored at a level of '4'.

Overall, the direction of travel for the Resources directorate remains positive.'