

INTEGRATED PERFORMANCE REPORT

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

22ND FEBRUARY 2007

Wards Affected

County-wide

Purpose

To report performance to the end of **January 2007** 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.

Key Decision

This is not a Key Decision

Recommendations

THAT

(i) performance to the end of January 2007, and remedial action to address areas of under-performance, be considered

(ii) the shortfall on the capital schemes outlined in the report for Riverside Primary School and Sutton Primary School should be met from a combination of DfES grant (£1.022 million), capital receipts (£1.0 million) and reduction to the scope of the schemes (£0.208 million).

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 **ten** months of this operating year, including action being taken to address under-performance.

Considerations

HIGHLIGHTS OF THIS REPORT
<ul style="list-style-type: none">• There are now 14 indicators marked R and 29 marked A compared with 13 marked R and 27 marked A in the month 8 report
<ul style="list-style-type: none">• Indicators that have become R since the last report (to November) are:<ul style="list-style-type: none">- HCS 19 ' Independence and choice for older people and vulnerable adults'- HCS 20 ' the % of babies born who are breastfed at 6 weeks'- HCS 21a 'the % of babies born to teenage mothers who are breastfeeding at 6 weeks'- HC 68 ' the % of those who have contacted Herefordshire Council with a complaint who are satisfied with the way in which it was handled overall'
<ul style="list-style-type: none">• Indicators that were previously reported R but are now A are:<ul style="list-style-type: none">- HCS 42c 'No. of all recorded crimes'- HCS 45 'No. of violent crimes'- HC 74c 'No. of adults with physical difficulties helped to live at home (per 1,000 population)'
<ul style="list-style-type: none">• Generally sound progress is being made overall with the Children and Young People's Services action plan; the number of children in need referrals and assessments are continuing to increase but the targets agreed at the beginning of the operating year for timely assessments will not be achieved. Urgent work is in hand to produce all the evidence needed to satisfy GOWM that its overseeing board should not need to continue.
<ul style="list-style-type: none">• Progress is behind schedule in making the appointments to the Change Team to deliver the agreed improvement programmes for older people and adults with learning difficulties. This represents a risk to the delivery of the agreed programmes.
<ul style="list-style-type: none">• Since the last report (to November) there has been a slight increase in the number of families housed in B&B accommodation, from 2 to 5; and the number housed in B&B for more than 6 weeks has risen from 2 to 3.
<ul style="list-style-type: none">• The overall revenue budget position shows a projected underspend of £0.407 million, compared with the underspend of £0.37 million predicted in the last report.
<ul style="list-style-type: none">• The revised capital budget forecast is £44.092 million, which is a decrease of £7.709 million from the November forecast of £51.801 million.
<ul style="list-style-type: none">• The Direction of Travel, CPA service block scores and the overall score for the Council will be published by the Audit Commission on 22nd February and will be reported at this meeting.

Progress against the Council's Priorities

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

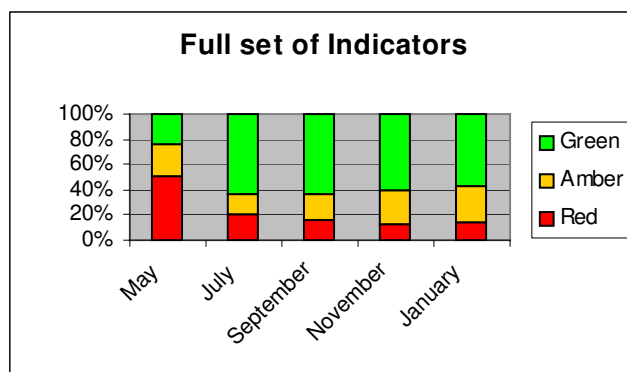
		G	Achieved, or on track to be achieved, on schedule
	A		Not on track
R			Not achieved, or not expected to be achieved, or no targets/milestones identified

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

Priority	No. of Indicators	Judgement		
		R	A	G
Maximising the health, safety, economic well-being, achievements and contribution of every child	22	4	3	15
<ul style="list-style-type: none"> HCS 35a 'No. of looked after children who missed a total of 25 days or more schooling' and HCS 13 'Average length of stay in B&B accommodation for homeless households' continue to be marked as R. The 2 additional indicators marked as R are HCS 20 '% of babies born who are breastfed at 6 weeks' and HCS 21a '% of babies born to teenage mothers who are breastfeeding at 6 weeks'. Both of these indicators are now marked as R because latest data indicates that the targets will not be achieved. 				
Improving the achievement of pupils	7	1	0	6
<ul style="list-style-type: none"> Although performance improved for HCS 30 'the % of pupils achieving 5 or more GCSEs at grades A*-G or equivalent, including Maths and English (LEA schools)', the target was not achieved. 				
Enabling vulnerable adults to live independently, and many more older people to continue to live in their own homes	19	5	10	4
<ul style="list-style-type: none"> HC 74c 'No. of adults with mental health difficulties helped to live at home (per 1,000 population)' has been marked as A compared to R in the previous report. Good progress is being made, but the absence of current outturn data leaves a doubt as to whether the target will be achieved. HCS 19 'Independence and choice for older people and vulnerable adults' is now marked as R as greater consideration needs to be given to the indicator. In the absence of full consideration, HCS '16 No. of people aged 65+ helped to live at home (per 1,000 population)' is being used as a proxy indicator, which has also been marked R. 				
Protecting the environment, producing much less waste, recycling much more of what remains and significantly reducing carbon emissions	5	0	1	4
<ul style="list-style-type: none"> HCS 55 '% of Sites of Special Scientific Interest (SSSIs) in favourable/recovering condition' has moved from being marked as A to G because a baseline has now been established. HCS 57 'No. of key species (Key species to be decided)' still needs further consideration of the indicator. 				
Improving transport and the safety of roads	8	0	0	8

<ul style="list-style-type: none"> There is no change from the previous report to November. Outturn data will not be available until year-end but action plans suggest good progress is being made that should mean that all the targets will be achieved. 				
<i>Sustaining vibrant and prosperous communities, providing more efficient, effective and customer focused services, clean street, tackling homelessness and effective emergency planning</i>	32	3	14	15
<ul style="list-style-type: none"> Indicators HCS 42c 'No. of all recorded crimes' and HCS 45 'No. of violent crimes' have moved from being marked as R in the previous report to A. Current in-year performance data indicates that crime is falling, although it is still uncertain whether this will be sufficient to achieve target at year-end. 				
<i>Promoting diversity and community harmony, and striving for equal opportunities</i>	2	0	1	1
<ul style="list-style-type: none"> There is no change from the position at the end of November. The Council is still on target to achieve Level 2 of the Equality Standard. HCS 63 'the percentage of adult residents who feel that Herefordshire is a place where people from different backgrounds get on well together' continues to be marked as A because, other than establishing a baseline via survey, there appears to be little action at the moment that will improve future satisfaction levels. 				
<i>Understanding the needs and preferences of service users and Council Tax payers</i>	1	1	0	0
<ul style="list-style-type: none"> The sole indicator under this priority, HCS 68 ' % of those who have contacted Herefordshire Council with a complaint who are satisfied with the way in which it was handled overall', failed to achieve target. Work continues, including the training of complaints administrators, in an attempt to improve satisfaction levels when the next statutory survey is undertaken in 2009. 				
<i>Recruiting, retaining and motivating high quality staff</i>	3	0	0	3
<ul style="list-style-type: none"> Sickness absence continues to be better than target. Performance to the end of December would put the Council in the top quartile of unitary authorities based on 2005-06 outturn. 				
<i>Embedding corporate planning, performance management and project management systems</i>	3	0	0	3
<ul style="list-style-type: none"> Although there has yet been no confirmation, it is unlikely that any of the Council's BVPs for 2005-06 will be qualified. 				

- Of the full set of strategic performance indicators, **14** are now R. This compares to 13 in the report to November.
- The chart below shows the change in the proportions of indicators marked as **R**, **A** or **G** during the year.



9. Details on each of the indicators assessed as **R** or **A** is given in **Appendix A(1)** and the detailed of those assessed as **R** are at **Appendix A(2)**.
10. Progress towards the LPSA2G and LAA indicators, all of which are included in the full set of indicators above, is at **Appendix A(3)**.
11. Cabinet agreed on 18th January that a number of indicators of public perception would no longer be reported in-year because information is only available annually.
12. The results of the Best Value General Survey are currently being collated and will be presented to Cabinet at its next meeting, on 22nd March.
13. On February 22nd the Audit Commission are due to announce the updated CPA scores and Direction of Travel Assessment for all unitary and county councils. The Council's scores will be presented to Cabinet as part of the IPR at its meeting that day.

The Council's Overall Improvement Plan

14. 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. Its latest exception report is at **Appendix B**. This includes the key issues as regards progress against the Children and Young People's Services Performance Improvement Action Plan (C&YPSP) (which has superseded the JAR Improvement Action Plan).
15. Additional progress with the C&YPSP since the last report is that the target for the provision of 6 additional units of accommodation has been met. 4 are occupied and 2 are being prepared for occupation. It is now anticipated that available funding will allow for the provision of a seventh unit. Nomination rights to four additional units with support provided by the Supported Housing for Young People Project (SHYPP) has been agreed in principle.

Revenue Budget and Capital Programme Monitoring

16. Details of the **revenue budget** position are at **Appendix C**.

17. The overall position shows a projected £0.407 million underspend. This is 0.34 % of the Council's £118.285 million revenue budget (excluding Direct Schools Grant funding). The position has improved by £0.101m since the last report, in which a £0.306 million underspend 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. The Appendix C details changes in projections around ICT issues and confirms the previous indications that the waste management contract is projected to underspend. The headlines are as follows: -

- £1m overspend on the ICT trading account and the corporate ICT issues budgets that have been affected by Herefordshire Connects commitments and loss of grant for the Herefordshire in Touch project
- the movement of the Environment Directorate into an £800k projected underspend position largely due to delays in expected contract variations and lower levels of activity around the waste management contract
- £0.25m improvement in the projected interest from investments.

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

19. The revised forecast for 2006-07, as at 31st January, totals £44,092,000, which is a decrease of £7,709,000 from the November forecast. This decrease represents slippage in various capital schemes detailed in this report, mainly in relation to Herefordshire Connects (£4,000,000) and Museum Resource and Learning Centre in Friar Street (£1,323,000). This slippage has been carried forward into future years capital programme. The expected use of Prudential Borrowing has decreased by £6,194,000 as a result of this. This will cause slippage on capital financing costs incurred in the revenue budget this year. A summary of the overall position is provided in Appendix D. The IPR also includes a key risk area and associated remedies for addressing two projects where a shortfall in funding exists following the recent receipt of tenders.

20. In December and January tenders were received for the major capital projects at Sutton County Primary and Riverside Primary School respectively. Both tenders were higher than anticipated and higher than the budgets allocated within the Children & Young People's capital programme. The position on each is set out below. In summary the Riverside Primary School shortfall totals £1,744,000 and the Sutton County Primary School shortfall totals £486,000, giving an overall £2.23m shortfall against current funding.

a. Riverside Primary School

21. The provision of new school buildings for Riverside Primary School, formed in September 2006 by the amalgamation of Hunderton Junior & Infant Schools, is an integral part of that reorganisation proposal that was subject to consultation. The previous buildings had major maintenance problems, and were unsuitable for teaching and learning in the 21st century. It is also noted that improvement in the standards of teaching and learning in schools as large as Riverside not only benefits the pupils but will also have significant positive impact at Wyebridge and on county results. Given that there are an average of 80 children per year group under the age of 5 living in the catchment area, and it is one area in the County where the numbers of children resident in the area are rising, it was decided to build the school to allow 90 children per year to be admitted.

22. The scheme has been reduced to omit all unnecessary provision. Further reductions can only be achieved by reducing floor area. A significant change would be to build at this stage accommodation for only 2 forms of entry, and construct at a later stage a 3rd wing which would accommodate the additional 210 children. This could save approximately £500,000 now, but require £1,000,000 expenditure at a later date.
23. The project as a whole has begun, with the provision of temporary accommodation in the summer of 2006 to house the older pupils in preparation for the demolition of the former junior school. Within the scheme a significant area has been identified as being surplus, and in principle available for housing development.

b. Sutton County Primary School

24. This has been a long-standing project to replace a 3-class school occupying a variety of buildings, some dating from 1870, with 2 detached classrooms in temporary buildings. The project is a joint one with the Parish Council and Village Hall Committee. The project was successful in gaining a DfES grant of £1,623,000 towards the anticipated £2,029,000 cost of the scheme. The remaining £406,000 was to be met equally by the Parish Council and Herefordshire Council.
25. A new site has been acquired for the new school and community facilities, and a separate contract for highway and enabling works has already been started, at a cost of £202,000.
26. The current situation is that the lowest tenders, even with reductions of £185,000, stands at £2,515,000, compared to the approved funding of £2,029,000. Further reductions are possible but only by removing one of four classrooms. It was planned to use this for a playgroup. Such use in a reduced scheme would need to be relocated to the community rooms.
27. The admission number of the school is 12, and the average number of children living in the catchment area under the age of 5 is 7. The review of school provision is aimed to consider this area over the summer period.
28. If the project does not proceed within 2 years the DfES grant already received would have to be repaid, the land would revert to the original landowner, albeit with the benefit of the access road constructed at the Council's cost, and the Parish Council would need to seek another solution for their village hall.
29. A capital receipt will accrue to the Council on vacation of the existing school.

c. Funding and Risk Issues

30. The overall shortfall for both schemes is £2.23 million. The gap can be partially closed by using DfES advance grant funding of £1.022 million and capital receipts. However there still needs to be a review of the extent of the provision at Sutton School to ensure the scheme is affordable. The report outlines the possible reduction in numbers of classrooms and this needs to be further explored.
31. The policy on the use of capital receipts sees these as 'corporate resources' and not service or directorate specific. Even so it is helpful to indicate that a number of recent and forthcoming disposals of Children and Young People's sites will help improve the overall capital receipts position for the authority.

32. Both schemes have some risk attached to them if they do not proceed. The risks for Riverside are around the delivery of education in an outdated series of buildings and also that the school reorganisation process made clear reference to building a new school as part of the creation of a single primary school to replace the former Hunderton Infants and Junior schools. If the school is not built there may be some issue about the validity of the consultation process and its outcome that led to the closure of the two schools to create Riverside Primary. In addition, the former Junior School pupils are currently being educated in temporary accommodation.

33. If Sutton Primary school does not go ahead the £1.623 million grant will be lost.

34. In order to proceed with both projects it is proposed that the £2.23 million shortfall is met by £1.022 million DfES advance grant, £1.0 million capital receipts and a further £0.208 million reduction across both projects.

Corporate Risk monitoring

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

36. The following table summarises the corporate log at the end of January 2007. It provides analysis covering the assessment of risks where no controls are in place and also an assessment of the residual risk with control measures implemented.

Priority Rating	Assessment of Risk (no controls in place)	Assessment of Risk (control measures implemented)
High	13	4
Medium	8	14
Low	1	4
TOTAL	22	22

37. This shows that the majority of risks (14 out of 22) are in the highest category before controls are in place. After the control measures are implemented 4 of these 14 remain as high, 9 move to the medium category and the remaining 2 move to low.

38. The 22 identified risks are all key issues for the Council but some have a greater potential impact on service delivery than others. One area likely to have a considerable impact on service delivery is the Herefordshire Connects programme; this now has five identified risks (CR3 and CR14 as before and now CR20, CR21 and CR22).

39. The risks surrounding the Waste Management Contract (risk CR16) continue to cause concern due to the potential financial risks as well as reputational risks for the Council.

40. The risk to the Council's CPA rating (CR4) continues to be given attention through the appointment of performance improvement managers throughout the directorates, the regular, structured performance meetings between the Chief Executive and directorsthe new Performance Improvement Network led by the Head of Policy & Performance and a concerted drive to raise performance in respect of key performance indicators.

41. The emerging risk resulting from the increase in flexible working arrangements has been highlighted as a new risk under CR13 and in particular the need to assess all home working. Discussions will take place about whether this may be better placed within the Human Resources risk register to ensure regular monitoring.
42. The Public Service Trust (PST) although listed (risk CR15) will require a separate risk register for this specific project as it moves into a series of specific work-streams.

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