

INTEGRATED PERFORMANCE REPORT

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

12TH JULY 2007

Wards Affected

County-wide

Purpose

To update Cabinet in respect of final 2006-07 end-of-year performance and to propose new arrangements for future performance reporting through the Integrated Performance Report.

Key Decision

This is not a Key Decision

Recommendations

THAT

- a) **Final end-of-year performance for 2006-07 be noted**
- b) **The proposals for reporting arrangements through future Integrated Performance Reports be endorsed**

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 THIS REPORT

- At year-end, of the 123 'strategic' indicators monitored through the IPR during 2006-07, 32 indicators (26%) were marked **R**, compared to 54% of indicators at the end of 2005-06.
- Of the 132 best value performance indicators where performance can be compared to 2005-06, 68% have improved and 29% have deteriorated (compared to 40% improving in 2005-06 and 35% deteriorating).

2006-07 performance

1. The previous Integrated Performance Report to Cabinet on 7th June reported that, provisionally, 33 indicators had failed to achieve target. Final outturns have now been reported for all indicators and the year-end position is that 32 indicators actually failed to achieve target.
2. In respect of the Best Value Performance Indicators, the final end-of-year outturn show 68% of indicators as improving, an improvement from the 62% reported to Cabinet on 7th June, and a significant improvement on the 40% reported last year.

2007-08 reporting proposal

3. The process for performance reporting in 2006-07 was that each of the 123 indicators in the AOP, which includes the LPSA, LAA and HCS indicators, were reported on an exception basis as part of the Integrated Performance Report. The inclusion of additional indicators in the latest Annual Operating Plan 2007-08 means that there are now 175 'strategic indicators'.
4. Templates for each of the indicators have been developed but, in common with previous years, it is too early to accurately assess progress towards achievement of targets at the end of month 2. Judgements made at month 2 last year reflected poor action planning and a lack of target setting. Although there are still a number of targets still to be set for 2007-08, the templates developed this year show a greater appreciation of action planning.
5. So that the council can more effectively focus on its own performance within this larger set of indicators the proposal is that Cabinet receive, as part of future Integrated Performance Reports, an analysis of performance against those indicators from the AOP which it directly leads on.
6. A sub-section of this analysis, in respect of the partnership indicators on which the council leads, i.e. those in respect of the LPSA, LAA and HCS, will also be presented to the Herefordshire Partnership Performance Management Group (PMG), who will receive

a full report from all partners in respect of the indicators that form part of the LPSA, LAA and HCS. Once PMG have considered the full-set of partnership indicators along with the necessary actions to remedy under-performance, an update will be presented to Cabinet as part of the following Integrated Performance Report, providing the full picture of progress towards achieving the targets of the LPSA, LAA and HCS.

7. In addition to the indicators that appear in the AOP, there are many other indicators against which the council is externally judged, such as the suite of Best Value Performance Indicators (BVPIs), Performance Assessment Framework (PAF) indicators and those used in the Comprehensive Performance Assessment (CPA). These have not formed part of previous Integrated Performance Reports on a consistent basis, but are important to securing the council's reputation nationally. It is proposed that progress against these indicators is also presented to Cabinet as part of future Integrated Performance Reports, allowing for better consideration of the council's performance that is used in the CPA and Direction of Travel judgements.
8. This revised system of reporting assigns clear responsibility for performance management to each of the partner organisations, including the council, whilst enabling the council to maintain its position as community leader by retaining an interest in the performance of its partners through the bi-monthly Integrated Performance Reports.
9. A process-map showing the proposed revised reporting framework is at **Appendix A**.
10. As previously agreed by Cabinet, the Overall Improvement Plan ceased at the end-of-April, with aspects of improvement becoming part of the Business Transformation Programme. In addition to monitoring of the above indicators, exceptions to the programme should be reported as part of future Integrated Performance Reports.
11. Risk, Revenue and Capital monitoring will continue to be an integral part of the Integrated Performance Reports, with the end-of-year position in respect of Revenue and Capital Budgets being reported separately to coincide with the closure of accounts, as they were last month.

Corporate Risk monitoring

12. **Appendix B** contains the corporate risk register, which shows the current corporate risks facing the Council in terms of operations, reputation and external assessment and the actions required in order to keep the register up to date.
13. The following table summarises the corporate risk register at the end of May 2007. The analysis covers the assessments of risk where no controls are in place and 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	16	6

Medium	5	11
Low	2	6
TOTAL	23	23

14. This shows that the majority of risks (16 out of 23) are in the highest category before controls are in place. After the control measures are implemented 6 of these 16 remain as high (the control measures are being reviewed by the Corporate Risk Manager to assess their effectiveness), 7 move to the medium category and the remaining 3 move to low.
15. In order that the Corporate Risk Register becomes a working document to assist CMB in managing the Council's corporate risks, regular monitoring of each risk must take place on a two monthly basis. This will then be provided to the relevant Directorate Management Teams.
16. The register attached to this report now provides an additional column providing guidance as to action that may need to be taken to update and review the risk in question.
17. Other risks need to be reviewed, as they remain High even after the risk control measures are in place. A review of the measures needs to be undertaken to see if they are having the desired affect within the relevant time frame.
18. A new risk (CR24) has been added to incorporate Phase 4 of the Herefordshire Connects project and in particular the risks of slippage in the completion date for this phase.

Alternative Options

Future Integrated Performance Reports are presented in the same format as in 2006-07.

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. The proposals for revised reporting arrangements will be presented to the Herefordshire Partnership Performance Management Group on 16th July.

Background Papers

None