

## INTEGRATED PERFORMANCE AND FINANCE REPORT

Report By: Director of Corporate and Customer Services and  
Director of Resources

### Wards Affected

County-wide

### Purpose

1. To report
  - i the Council's performance for the first ten months - to the end of January - against the Annual Operating Plan 2007-08 and national performance indicators used externally to measure the performance of the Council;
  - ii partnership performance for the first eight months - to the end of November - in delivering the Local Public Service Agreement, Local Area Agreement and Herefordshire Community Strategy; and
  - iii performance against revenue and capital budgets and corporate risks, and remedial action to address areas of under-performance.

### Financial Implications

2. None.

### Background

3. 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; it includes all the indicators in the Local Public Service Agreement (LPSA), the Local Area Agreement (LAA) and the Herefordshire Community Strategy (HCS), as well as the Council's own indicators.

#### HIGHLIGHTS OF PERFORMANCE

- 25 of 111 Council-led indicators from the AOP are currently marked **R**, compared to 23 at the end of November;
- 27 are marked **G** compared to 24 at the end of November.
- The remaining indicators have either been judged **A**, awaiting outturn data to be reported at year-end; or not applicable (n/a), where it is either a tracker indicator or where a baseline is being established this year that will be used as the basis for setting a target for the coming year.

- The highest proportion of indicators (14 out of 30) marked **R** are within the priority area of 'maximising the health, safety, economic well-being, achievements and contribution of every child'. These include the 7 indicators in respect of the Teenage Lifestyle Survey (HCS 22a-g) that are marked **R** because there is no survey scheduled until 2009.

A set of proxy indicators for each of the areas identified from the Teenage Lifestyle survey has now been developed and is awaiting sign-off from the Children's Trust, and then the Herefordshire Partnership. Once approved, these will be used to measure performance in 2008-09.

- Although the completion rate of initial assessments of children in need within seven days of referral (HC 89b) had improved by the end of December compared with the end of September, it remains well below target. It is, moreover, at further risk because of the increase in social worker turnover that has become apparent since the last report and is contrary to the good progress reported in the first half of 2007-08.

Efforts to recruit have therefore been intensified, with a particular drive in the USA.

- 62% of indicators used in external judgements, where data is available, show an improvement against last year's performance, the same as at the end of November, although 27% of indicators are currently worse than last year.

These indicators are being reported regularly to Corporate Management Board. A similar exercise in 2006-07 led to an increase in the number of indicators improving during the last quarter of the year.

- The overall revenue budget forecast is an overspend of £698k, compared with the overspend of £1.005m forecast at the end of November.

- The revised capital budget forecast is £53.418m, compared with the original forecast of £65.5m.

- As reported to the Partnership's Performance Management Group on 17th January, at the end of November:

- 6 of 31 LPSA indicators and 17 of 89 LAA indicators were marked **R**, the same number as at the end of September.
- 9 LPSA indicators and 25 LAA indicators were marked **G**, compared to 4 and 14 at the end of September.
- 22 of 74 HCS indicators were marked **R**, compared to 13 at the end of September.
- 18 HCS indicators were marked **G**, compared to 7 at the end of September.

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

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

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

5. Analysis of performance against **target** by Council priority is detailed in the following table:

Priority	No. of Indicators	Judgement			n/a <sup>1</sup>
		<b>R</b>	<b>A</b>	<b>G</b>	
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	1	5	3	0
Maximising the health, safety, economic well-being, achievements and contribution of every child	30	14	7	6	3
Sustaining thriving communities	36	6	17	6	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

<sup>1</sup> 16 indicators are not considered suitable for awarding a judgement, essentially because they are either tracker indicators (indicators that are unlikely to be affected by actions over a short period, such as climate change) or indicators that require a baseline to be set during the year.

Priority	No. of Indicators	Judgement			n/a <sup>1</sup>
		R	A	G	
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	2	0	2	0
Embedding corporate planning, performance management and project management systems	3	0	3	0	0
Promoting diversity and community harmony	4	1	2	1	0
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	1	0	0	0
<b>Total number of indicators (with last report's judgements in brackets)</b>	<b>111</b>	<b>25 (23)</b>	<b>43 (48)</b>	<b>27 (24)</b>	<b>16 (16)</b>

6. Details of the indicators in the table in paragraph 2 above are in **Appendix A**.

***Exceptions – indicators judged R at the end of November***

7. The Integrated Performance and Finance Report (IPFR) to the end of November reported 23 indicators as **R**. 2 of these are now judged as **G**. These improving indicators are:

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

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

4 additional indicators are now marked as **R** since the end of November IPFR, when they were marked as **A**. These are:

83a HC Principal Roads condition

35a HCS No. of looked after children who missed a total of 25 days or more schooling
35c HCS No. of half day sessions missed by looked after children as % of total number of sessions in secondary schools
14 HCS No. of people accepted as homeless & towards whom the council has a full statutory duty

The remaining 21 indicators were marked as **R** as part of the last IPFR to the end of November. They are:

13 HCS Average length of stay in B&B accommodation for homeless households
29 HCS Expenditure on family support services per capita aged under 18
30 HCS % of pupils achieving 5 or more GCSEs at grades A* - G or equiv. including Maths and English (LEA schools)
89a HC No. of referrals for children in need
89b HC Completion rate of initial assessments of children in need within 7 working days of referral
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
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'
96 HC % of abandoned vehicles removed within 24 hours from the point where the Council is legally entitled to remove the vehicle
60b HCS Net perceived improvement rating over the last 3 years for Quality of Life factors (adults) for affordable decent housing <i>fell</i>

60f HCS Net perceived improvement rating over the last 3 years for Quality of Life factors (adults) for wage levels and local cost of living <i>fell</i>
65b HCS % of adults who use libraries at least once a month <i>fell</i>
103 HC SRD completion rates
73 HC Investors in people accreditation
100a HC % of employees from black and ethnic minorities
101 HC Use of Resources score

### **Local Public Service Agreement (LPSA)**

8. As reported to Cabinet in the IPFR 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), which is chaired by the Director of Environment. Information on partner lead indicators is included at the end of **Appendix A**.
9. As reported on 17<sup>th</sup> January, the position at the **end of November** was:
- 6 of 31 indicators were judged **R**; 16 **A**; and 9 **G**, compared to 6, 21 and 4 at the end of September.
- Of these, judgement of the Council-led indicators was:
- 2 **R**; 11 **A**; and 4 **G**, which was reported to Cabinet in the end of November IPFR, the same as at the end of September.
10. The 6 LPSA indicators marked **R** at the end of November, and considered by the PMG on 17<sup>th</sup> January, were also marked **R** at the end of September. They are:

<b>Council-led</b>
30 HCS % of pupils achieving 5 or more GCSEs at grades A* - G or equiv. including Maths and English (LEA schools) (covered in paragraph 4)
35b HCS No. of half day sessions missed by looked after children as % of total number of sessions in primary schools (covered in paragraph 4)
<b>Primary Care Trust-led</b>
21a HCS % of babies born to teenage mothers who are breastfeeding at 6 weeks
21b HCS % of babies born to mothers in S.Wye area who are breastfeeding at 6 weeks

*Latest figures suggest that these indicators will not reach target, although the PCT remain confident that the situation can be recovered.*

**West Mercia Constabulary (WMC) - led**

42b HCS No. of criminal damage incidents

45 HCS No. of violent crimes

11. The report to the next meeting of PMG, on 29<sup>th</sup> February, will show that

- 35b HCS No. of half day sessions missed by looked after children as % of total number of sessions in primary schools is now marked as **G**

but that the following 2 indicators are now marked **R**

- 35a HCS No. of looked after children who missed a total of 25 days or more schooling
- 35c HCS No. of half day sessions missed by looked after children as % of total number of sessions in secondary schools

**Local Area Agreement (LAA)**

12. For the LAA, the position at the **end of November** was that

- 17 of 89 indicators were judged **R**, 45 **A** and 25 **G**, compared to 17, 56 and 14 at the end of September. These include the LPSA indicators.

Of these, judgement of the Council led indicators was

- 12 **R**, 30 **A** and 13 **G**, compared to 11, 34 and 10 at the end of September.

13. 11 of the Council-led indicators marked **R** remain the same as those at the end of September; the additional red indicator is 65b HCS % of adults who use libraries at least once a month, where performance has dropped.

14. In addition to those LPSA indicators listed in the table in paragraph 7, the other 11 LAA indicators judged as **R** at the **end of November**, were:

**West Mercia Constabulary (WMC) - led**

42a HCS BCS Comparator crimes

*This indicator is a composite of all crimes, so increases in crime in respect of other areas, such as 42b HCS – criminal damage incidents, have a negative impact on performance against this indicator.*

**Council** - led

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

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

29 HCS Expenditure on family support services per capita aged under 18

65b HCS % of adults who use: Libraries at least once a month

15. The report to the next meeting of PMG, on 29<sup>th</sup> February, will show that the following additional indicator is now marked **R**

- 14 HCS No. of people accepted as homeless & towards whom the council has a full statutory duty.

### ***Herefordshire Community Strategy (HCS)***

16. At the end of November, as reported to the PMG, the following judgements were given to indicators included in the HCS. The HCS indicators are included in Appendix A; a few are included in the LAA.

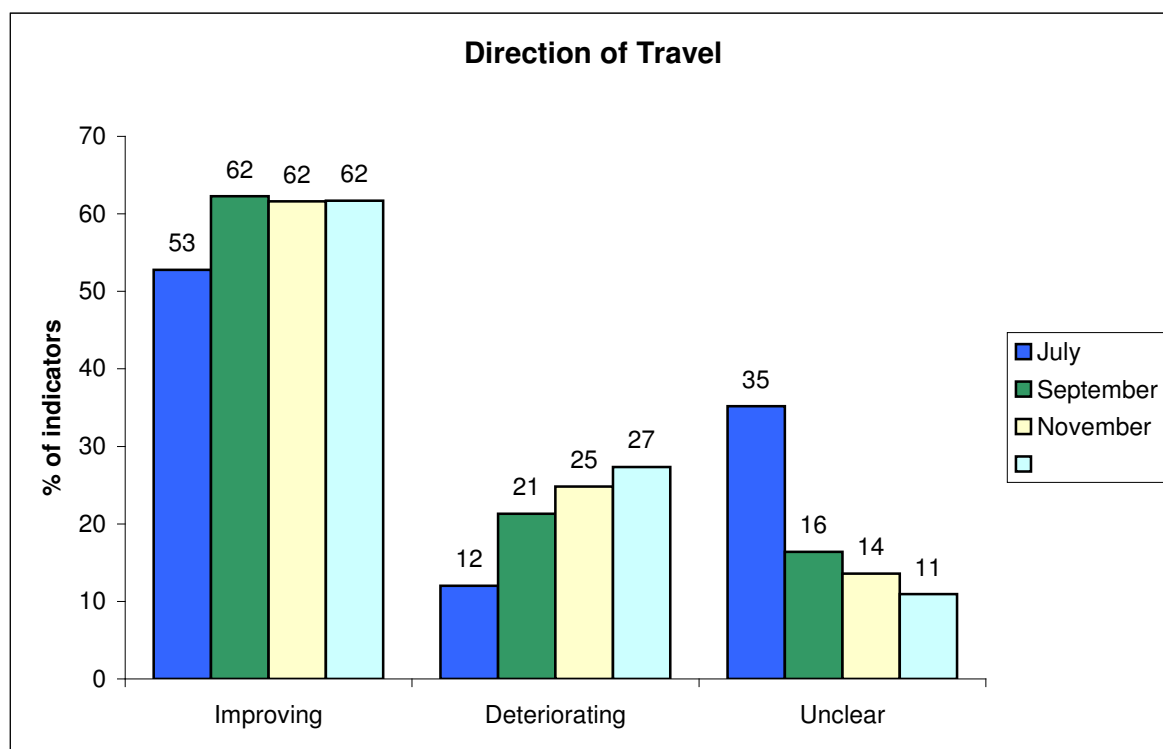
- 18 of 74 indicators were judged **G** compared to 7 at the end of September.
- 22 were judged **R** compared to 13 at the end of September.

### ***Direction of Travel***

17. 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 national indicators is shown in **Appendix B**. Primarily, the council is judged **on its performance against the previous year**, rather than against target. A proportion of these indicators will be used by the Audit Commission to inform the annual Direction of Travel Assessment in February 2009.



18. Of those indicators where in-year data is currently available, 62% are on course to improve on last year, the same as at the end of September but marginally below the position at the same period last year.
19. 27% of indicators, compared to 25% at the end of November, are now predicted to be worse than last year. The focus of attention is now at least to 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.



### ***Revenue Monitoring***

20. Details of the revenue budget position are at **Appendix C** in summary and then directorate-by-directorate.
21. The overall position shows a projected overspend of £698k compared with the projected overspend of £1.005m at the end of November 2007. This total is 0.6% of the Council's £122.371m net revenue budget (excluding Dedicated Schools Grant). The projected position is after allowing for the use of the £1.3m Social Care contingency, an estimated £2.8m underspend on modernisation funding for social care services, additional Local Authority Business Growth Incentive (LABGI) grant of £600k and additional interest from cash transactions.
22. The key areas of concern are the Adult & Community Services Directorate, with a projected £3.9m overspend; the Children & Young People's Directorate, with a £1.03m projected overspend; and the Corporate & Customer Services Directorate

where a £1.195m overspend is projected. Underspends of £357k and £16k are projected for the Environment Directorate and Resources Directorates respectively. It should be noted that the Adult & Community Services Directorate and Children & Young People's Services Directorate overspends are before the application of the centrally held social care contingency and unused spend to save allocations.

23. Appendix C includes a section on the July floods that caused significant damage to council assets. Of this overall total £1.983m is refundable after the threshold limit of £409k is deducted. The difference of £620k is the "insurable" part, which cannot be covered. On 21<sup>st</sup> February 2008 Government Office West Midlands confirmed that the claim of £1.983m would be met by central government funding.

### ***Capital Monitoring***

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

25. The overall position is forecast expenditure of £53.418m compared with the original budget of £65.462m. This slight increase on November's position is caused by the purchase of property for the Edgar Street Grid.

### ***Corporate Risk monitoring***

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

27. The Corporate Risk Register, which accompanies this report, includes 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.

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

- a) The number of Corporate Risks has decreased to 15 (from 21). This is due to the combining of some risks and the removal of others due to the risk either being of a time barred nature or accountability being delegated to directorate level.
- b) There are six risks that continue to score 'high' even after the mitigating actions have been taken into account. These risks are:
  - i) 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'.
  - ii) CR5 – 'The inability to provide critical services due to the failure of the ICT networks'.
  - iii) CR17 – 'Reduction in the Use of Resources overall assessment'.
  - iv) CR28 – 'Deliverable benefits from Herefordshire Connects not realised'.

- v) CR29 – ‘Both Data Centres are in leased accommodation, 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. This is linked with accommodation strategy risk CR13’.
  - vi) CR32 – ‘Currently the Council’s websites use the Star internet feed which is becoming increasingly unreliable. The target is to move the internet feed to a larger capacity “pipe” as soon as possible, however feedback from the ICT Networks section is that this is already reaching capacity usage at peak times from School traffic which already uses this feed. Other factors will place additional demands on this bandwidth but the level of additional traffic is not known’.
- c) The following provides further information:
- i) Risk CR2 - Review dates for end of March 2008 have been entered for actions 1 and 2. The remaining four actions require updating, removing or new review dates provided.
  - ii) Risk CR4 – ‘Failure to prepare adequately for CAA and raise our DoT score from improving adequately’ - a new risk description has been entered to replace the risk connected with maintaining a CPA 3 star rating. The new risk focuses attention on the Council’s ability to prepare adequately for the CAA.
  - iii) Risk CR5 – Although this is indeed a corporate risk part, of the mitigation actions lies with each directorate and service area ensuring that it has up to date and tested service continuity plans, and that ICT requirements have been communicated to ICT Services. The Audit Commission’s comments in the Use of Resources report for 2008, regarding the need for a consolidated continuity plan, have also been added.

It should be noted that there are clear links between CR13 - ‘review of Accommodation Strategy’ and CR29 and therefore close working between relevant management teams is necessary when considering the relevant mitigating actions.

In addition CR5, 29, 30 - ‘Legacy systems out of support with vendors, and on old hardware. Compounded by CR28 Benefits from Connects e.g. Cedar’ and 32 all have a common theme relating to the provision and or failure of ICT systems. This therefore highlights the need for the Council to ensure that any mitigating strategies and projects are consistent.

The next review of the Corporate Risks will be undertaken in connection with the month 12 IPFR to be reported in April 2008. It will bring together the highest rated risks from the Council’s Corporate Risk Register, Primary Care Trust (PCT) Board Assurance Framework and the Herefordshire Public Services risk register.

There is now close working between relevant risk management officers in the Council and the PCT.

## RECOMMENDATION

### THAT

- i) **the report be noted; and**
- ii) **that SMC consider whether it wishes to make any comments to Cabinet**

## BACKGROUND PAPERS

- None