

INTEGRATED PERFORMANCE AND FINANCE REPORT

PORTFOLIO RESPONSIBILITY: CORPORATE, CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

31 JULY 2008

Wards Affected

County-wide

Purpose

To report performance for the whole of the operating year 2007-08 against the Annual Operating Plan 2007-08, Best Value Performance Indicators, and the Direction of Travel indicators used previously by the Audit Commission.

Key Decision

This is not a Key Decision

Recommendations

THAT

- (i) **performance in 2007-08 be noted; and**
- (ii) **Directors ensure that the issues are addressed within their respective areas, including the updating of service improvement plans.**

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; 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.

Considerations

1. The end-of-year report is only 1 element of the overall Performance Improvement Framework, which includes external assessments such as the annual assessments of Children's and Adults Services. The structure of this report covers performance against:
 - the council's priorities, as contained in the Annual Operating Plan (AOP)

2007-08 (paragraphs 3-6);

- Best Value Performance Indicators (paragraphs 7-8); and
- Direction of Travel indicators (paragraphs 9-14).

2. The content of future performance reports is currently being agreed by the Joint management Team, who will be developing the performance improvement culture and systems of the Council, Herefordshire Public Services and the Herefordshire Partnership to meet future requirements in respect of improving services for customers; providing value for money; and, delivering the Local Area Agreement, whilst recognising the requirements of the forthcoming Comprehensive Area Assessment. Service Improvement Plans have been developed for each of the Council's services as the basis for improved performance in 2008-09.

Highlights
<ul style="list-style-type: none">• 32% (36 of 111) of Council-lead AOP indicators achieved target.• 36% (40 of 111) of Council-lead AOP indicators failed to achieve target.
<ul style="list-style-type: none">• The number of LPSA indicators marked R is 12 (compared to 6 at the end of January).• The number of LAA indicators marked R is 33 (compared to 17 at the end of January).
<ul style="list-style-type: none">• 64% of BVPIs improved, compared to 68% in 2006-07.
<ul style="list-style-type: none">• 63% of Direction of Travel indicators improved compared to 74% in 2007.• 77% of Direction of Travel indicators have improved over the last 3 years, compared to 51% last year.
<ul style="list-style-type: none">• These figures show that whilst performance against the majority of indicators continued to improve, performance against the targets in the Annual Operating Plan was more mixed.• In terms of two of the Council's top priorities:<ul style="list-style-type: none">- Older People and Healthier Communities - 88% of indicators used in the Direction of Travel assessment improved, but only 1 of 8 indicators in the AOP achieved target; and- Children and Young People - 81% of indicators improved over the year, but only one-third of AOP indicators achieved target.• Many targets were set with the intention of achieving top quartile performance. Despite the improvement in a large proportion of indicators, the pace of service improvement needs to be increased and sustained to achieve the Council's ambitions and match the expected national pace of improvement for leading councils.

- Based on relevant performance indicator outturns, the Comprehensive Performance Assessment (CPA) service judgements for Environment and Culture are expected to remain at a score of 3; the Housing score should improve from a 1 in 2007 to a 3 when confirmed at the beginning of 2009.
- The remaining CPA service scores for Benefits, Children and Young People, Social Care (Adults) and Use of Resources are provided by external agencies such as the Benefit Fraud Inspectorate, Ofsted, CSCI and the Audit Commission, and will not be available until later in the year. However, it is not expected that there will be a significant variance from last year's assessments.
- The overall CPA judgement for the Council, to be announced in 2009, is predicted to show maintenance of a 2* rating (out of 4) for the Council.

Council Priorities (The Annual Operating Plan) 2007-08

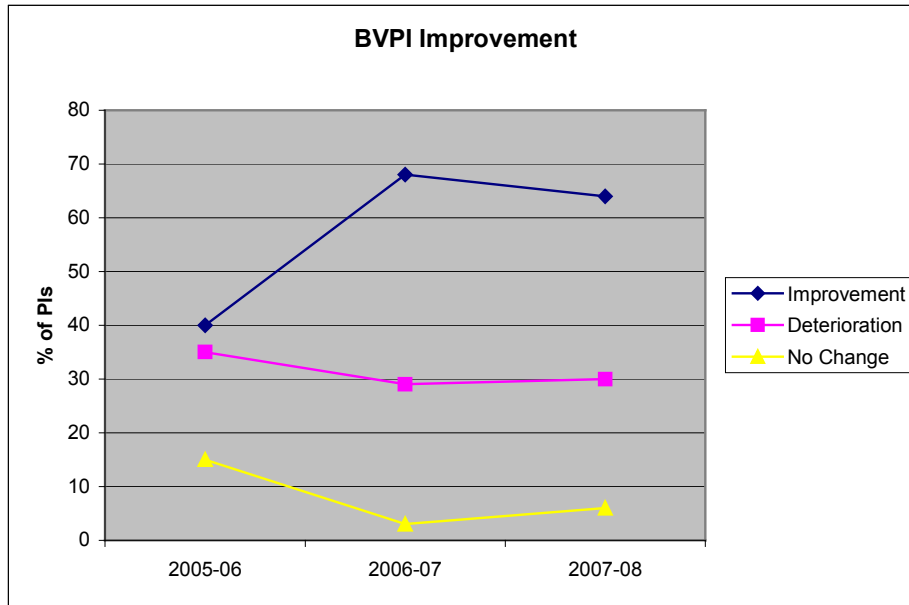
3. The Council's Corporate Plan 2007-10 set out the Council's objectives, priorities and targets. The Annual Operating Plan (AOP) was the detailed action plan for the first of these years, 2007-08, and was updated to include the indicators in the Local Public Service Agreement (LPSA), Local Area Agreement (LAA) and Herefordshire Community Strategy (HCS).
4. It should be noted that the a 'zero tolerance' approach has been taken in the assessment of performance for these indicators, judgement being made purely on the basis of whether or not targets have been achieved; if they haven't they are marked **R**. This does not necessarily mean that performance has deteriorated. Indeed, for a number of indicators there has been significant improvement in the past 12 months, and this would have been reflected in the direction of travel summary.
5. **Appendix 1** shows outturn for each of the AOP indicators on which the Council leads. The increase in the number of indicators marked **R** and **G** reflects the availability of year-end data allowing for a more accurate judgment of performance. 19 of the indicators have been judged Amber at year-end; these are perception/ satisfaction indicators, for which there was no significant variance over the period, so it is not possible to say with any confidence whether or not the target had been achieved.
6. The table below shows performance against each of the Council's priorities for 2007-08.

Priority	No. of Indicators	Judgement			n/a ¹
		Red	Amber	Green	
Securing the essential infrastructure for a successful economy	3	0	0	2	1
Giving effective community leadership	1	0	0	0	1
Improving transport and the safety of roads	9	3	1	5	0
Maximising the health, safety, economic well-being, achievements and contribution of every child	30	17	0	10	3
Sustaining thriving communities	36	6	16	7	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	6	1	1	0
Protecting the environment	10	2	0	4	4
Understanding the needs and preferences of service users and Council Tax-payers, and tailoring services accordingly	2	0	1	1	0
Recruiting, retaining and motivating high quality staff	4	3	0	1	0
Embedding corporate planning, performance management and project management systems	3	0	0	3	0
Promoting diversity and community harmony	4	2	0	2	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
Total number of indicators (with last report's judgements in brackets)	111	40 (25)	19 (43)	36 (27)	16 (16)

¹ 16 indicators have been considered as not 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.

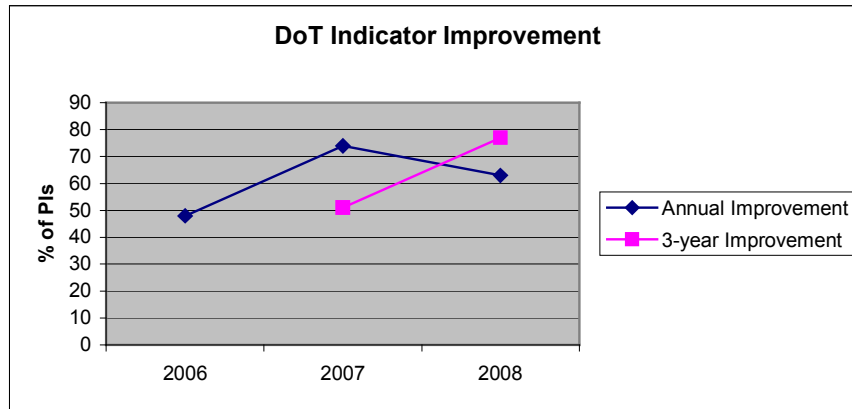
Best Value Performance Indicators (BVPIs)

7. **Appendix 2** shows outturns for 2007-08. 64% of BVPIs have improved in the past year, compared to a 68% improvement in 2006-07.
8. The graph below shows the levels of improvement for BVPIs over the last 3 years.



Direction of Travel

9. Each year, as part of the Comprehensive Performance Assessment, the Audit Commission issues a Direction of Travel assessment for each local authority, an important part of which is based on the Council's improvement compared with the previous year against a selection of performance indicators. The direction of travel assessment is intended to reflect a council's progress towards achieving improvement in the services it delivers to the public. It is reported alongside the council's CPA category.
10. 63% of indicators have improved in the last 12 months, compared to 74% in 2007. This rate of improvement lies within the 60.8-63.2% average of single-tier authorities in 2007.
11. The graph below shows the levels of improvement over 12 months and 3 years.



12. Over a 3-year period, there has been a considerable rise, from a comparatively low base, in the proportion of indicators improving: 77% compared to 51% in 2007. The average for single-tier authorities in 2007 was 61.9-64.1%.
13. **Appendix 3** shows the indicators used in previous Direction of Travel assessments, on which the above assessment has been made. It indicates which indicators have improved, deteriorated or stayed the same. The areas of Corporate Health, Regulation and Sustainable Communities & Transportation have seen a slight dip in performance. In respect of the latter two areas, the fall in performance is against particularly high levels of performance achieved in 2007.
14. The areas of Older People and Healthier Communities, and Children and Young People each have a large number of indicators that are part of the direction of travel set. The disproportionately high level of improvement in these areas enabled the Council to achieve a decent overall improvement figure (63%). If these areas are taken out of the equation, the percentage improvement would be only 54%.

Alternative Options

None.

Risk Management

The main risk is that the key points to emerge from this report will not be addressed, that further improvement will not be achieved (particularly as regards the Council's new Corporate Plan priorities), and that this will be reflected in adverse judgements under the Comprehensive Area Assessment in 2009.

This will be avoided if directors ensure that the issues are picked up and addressed within their respective areas, updating service improvement plans accordingly. This will be tested as part of the upcoming review meetings between the Leader, Chief Executive, lead Cabinet members and directors.

Consultees

Partners are involved in delivery of the Local Public Service Agreement, Local Area Agreement and Herefordshire Community Strategy.

Background Papers

None identified.