

# HEREFORDSHIRE COUNCIL

## **Integrated Performance Report April - November 2005**

## **Action for a better Herefordshire**

- ...**Putting** people first
- ...**Preserving** our heritage
- ...**Promoting** our county
- ...**Providing** for our communities
- ...**Protecting** our future

*Quality life in a quality county*

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## Introduction

This document provides a progress report on the Council's performance, integrating progress on the Annual Operating Plan, risk management and financial information. The integration of these three key areas into a single report is central to the implementation of the Corporate Plan by means of an effective performance management system.

Further reports will be presented to the Corporate Management Board for the periods ending January and March. Progress will also be reported to Cabinet for the same periods. It is intended that Strategic Monitoring Committee will oversee this process twice a year, to review progress and improve scrutiny.

Reporting in future will include and will highlight progress on the Local Area Agreement, when it is agreed.

It will be noted from the first part of this report, Progress on the Annual Operating Plan, that **there are now eighteen indicators identified by managers to be of particular concerns. This is a significant increase on the end-of-September position, when there were nine.**

The section on Financial Performance and Risk Management reveals **continued concern about budget pressure on Adult Services, Children's Services and Strategic Housing, with further calls on reserves seeming likely at this stage.**

At the end of September, an extra table was given for the first time, showing those policy areas where managers had changed their assessments (up or down, or vice versa) from the end-of-July picture previously reported. This had been intended to give Members some feel for how things seemed to be going overall. This time, however, there has been considerable flux in the indicators in both directions, and in some cases the assessment has swung across all three possible indicators (red, amber, and green, as below) during the three reporting periods. An updated version of the summary table from September was therefore found to be so confusing as to be unhelpful, and it has not therefore been included on this occasion. Further thought is being given to how best to give the looked-for overview, although the summaries in paragraphs 6 - 33 of this report seem to be the best solution at this time.




## Progress on Annual Operating Plan April - November 2005

1. This section summarises progress against the Annual Operating Plan for 2005-6 for the period 1<sup>st</sup> April to 30<sup>th</sup> November.

### 2. Fuller details on individual targets & services are given in Appendix

**A.** It shows an increase in the numbers of areas giving managers cause for concern, compared with the position at the end of September; however, in a number of cases, there are fuller descriptions than previously of the remedial action the managers are taking. In addition, with the CPA & JAR results now available, there are short notes about the Improvement Plans now being worked up for some areas.

3. As before, performance has been monitored for each indicator using the "traffic light" system (fuller definitions are given at the end of the Appendix):

-  Everything is OK.
-  Something's not right.
-  Things aren't yet going to plan.

4. There are almost 100 indicators in the list in Appendix A; as at the end of November there were 18 showing "red lights" in the judgement of managers. This represents a deterioration since the previous Report. All of the entries are described in more detail in Appendix A, together (in most but not all cases) with the remedial action being taken. For the purposes of the summary table below some of the indicators have been shown together – eg, the numbers of Herefordshire residents aged 19+ achieving Level 2 and Level 3 qualifications.

5. **The indicators with "red lights" at present are** (the left-hand column gives the number of each performance indicator and the page on which it can be found in Annex A):

<b>"Red Light" Indicators</b>		
<b>Ref.</b>	<b>Appendix A: Issue</b>	<b>Action</b>
<b>2</b> p.1	% of babies born in Herefordshire who are breast feeding at 6 weeks of age	Increased Health Visitor support has been provided from the two Children's Centres in South Wye.
<b>4</b> p. 4	Numbers of people aged 65 & over helped to live at home	Target has been reviewed with CSCI.
<b>8</b> p. 7	Numbers of adults & older people receiving direct payments	Targets have been reviewed and a voucher system introduced
<b>9</b> p.7-8	Adults with physical disabilities helped to live at home	Target currently being reviewed upwards. Data quality is currently an issue.
<b>12</b> <b>13</b> <b>14</b> p.10-11	Numbers of violent crimes, and criminal damage incidents. % of population concerned about various anti-social activities (speeding graffiti, drugs etc)	
<b>15</b> p.12	Reassessment of LA services to help victims of domestic violence	New BVPI with complex indicators: new monitoring system will be ready in October
<b>23</b> p.19	% of young people aged 13-19 who feel that the Council does enough to give young people the opportunity to influence important decisions	Youth Council Action Group has been formed; has presented proposals to the Leader and Cabinet members; and plans to hold an election in early 2006.
<b>25</b> p.20-21 (and <b>84</b> p.85-87)	% of Herefordshire adult residents satisfied with their local community as a place to live	Due to staff changes and lack of resources in the voluntary sector, there have been delays taking this forward. Currently being resolved.
<b>45</b> p.49 (and <b>93</b> p.96)	% of the local authority principal road network where structural maintenance should be considered	Analysis of 2004/05 results in progress with Transport Research Laboratory. Preparation of JUP for 2006/07 to take account of latest results.
<b>46</b> p.50	Average length of stay in B&B accommodation by households in priority need	Renewed focus on preventative work, with additional staff allocated / appointed
<b>54</b> p.56	Nos. employed in technology & knowledge intensive industries (LPSA2G)	Meeting with relevant partners in Jan 06.
<b>60</b> <b>61</b> p.59-60	The numbers of Herefordshire residents aged 19+ achieving Level 2 and Level 3 qualifications (excluding manufacturing & engineering) (LPSA2G)	Data for 60 and 61 not available until next year.

<p><b>67</b> p.63</p>	<p>The numbers of children who had been looked after continuously for at least 12 months, and were of school age, who missed a total of at least 25 days of schooling for any reason during the previous school year</p>	<p>Dependence on small cohort and behaviour of individuals mitigated by targeted support for children likely to miss school.</p>
<p><b>97</b> p.101</p>	<p>% of those making complaints satisfied with handling of complaint</p>	<p>New Customer Relationship Management reporting system went live in early September 2005. Now needs to be operated effectively.</p>

## **Part One – Making a reality of the Herefordshire Plan: service targets**

6. The Corporate and Annual Operating Plans set out the Council's contributions to delivering the community strategy, the Herefordshire Plan. The ambitions are set out below, together with the associated Council priorities. The majority of ambitions will be delivered through cross-service working, although some are single-service driven.

### **Improve the health and wellbeing of Herefordshire people**

7. This ambition incorporates aspects of the Council's priorities on:

- Sustaining vibrant and prosperous communities
- Reducing deaths from heart disease, stroke and cancer by reducing the number of people smoking
- Enabling vulnerable adults to live independently

8. There are two "red flags" here, one in respect of young mothers and the other in respect of the care of the elderly. Automated data collection and analysis is a particular concern, as the managers' notes make clear.

### **Reduce crime and disorder and make Herefordshire safer**

9. This ambition incorporates aspects of the Council's priorities on:

- Community leadership role
- Enabling vulnerable adults to live independently

10. Four "red flags" are shown here, 3 of them concerned with crimes. The new monitoring system for racial incidents and other complaints went "live" at the beginning of October, but is not fully bedded in yet.

### **Reduce poverty and isolation in Herefordshire**

11. This ambition incorporates aspects of the Council's priorities on:

- Promoting diversity and community harmony and striving for equal opportunities
- Sustaining vibrant and prosperous communities
- Enabling vulnerable adults to live independently

12. Fair progress is evident here, but the programme is not yet firmly on track.

## **Encourage communities to shape the future of Herefordshire**

13. This ambition incorporates aspects of the Council's priorities on:

- Community leadership role
- Sustaining vibrant and prosperous communities

14. There is continued movement here to suggest improvement involved, but still "red flags" in respect of the actions being taken to improve young people's perception of their involvement and adults' satisfaction with the communities in which they live.

## **Develop Herefordshire as an active, vibrant and enjoyable place to be**

15. This ambition incorporates aspects of the Council's priority on:

- Sustaining vibrant and prosperous communities

16. As before, most of the indicators for this ambition still seem to be on track, with (calendar) year-end reporting the next milestone.

## **Protect and enhance Herefordshire's distinctive environment**

17. This ambition incorporates aspects of the Council's priorities on:

- Identifying and protecting the County's environmental aspects
- Sustaining vibrant and prosperous communities
- Achieving sustainable development by integrating environmental issues into Herefordshire's strategies
- To foster an understanding of the impact of actions upon the environment
- Household waste

18. Most of the indicators for this ambition still seem to be on track too. Note the comments about the ongoing discussions with Worcestershire County Council about Landfill Allowances.

## **Develop an integrated transport system for Herefordshire**

19. This ambition incorporates aspects of the Council's priorities on:

- Improving transport and the safety of roads
- Sustaining vibrant and prosperous communities



20. Many of the programmes here remain on course, as they were at the end of September, but note that the Council seems to have lost out in comparative terms following a national redefinition of indicators for strategic highway condition.

### **Meet Herefordshire's accommodation needs**

21. This ambition incorporates aspects of the Council's priorities on:

- Maximising the health, safety, economic wellbeing, achievements and contribution of every child
- Sustaining vibrant and prosperous communities

22. A slight improvement is shown here from previous Reports: only one indicator is now showing a "red flag" (numbers of homeless families being temporarily housed in bed & breakfast accommodation).

### **Support business growth and create more and better paid work in Herefordshire**

23. This ambition incorporates aspects of the Council's priority on:

- Sustaining vibrant and prosperous communities

24. Four indicators are still showing green here, following the adoption of the Economic Development Strategy during the summer. But the indicator for the numbers of people employed in technology and knowledge-intensive industries is now "red flagged".

### **Provide excellent education, training and learning opportunities in Herefordshire for all ages**

25. This ambition incorporates aspects of the Council's priorities on:

- Maximising the health, safety, economic wellbeing, achievements and contribution of every child
- Improving the achievement of pupils
- Sustaining vibrant and prosperous communities

26. Data will not be available until next year on the numbers of Herefordshire residents aged 19+ achieving Level 2 and Level 3 qualifications (except for manufacturing and engineering) (LPSA2G) – so these continue to appear as "red flags". So too, now, does the indicator for the numbers of looked-after children missing school.

## **Children and Young People: A Golden Thread**

27. This ambition incorporates aspects of the Council's priority on:

- Maximising the health, safety, economic wellbeing, achievements and contribution of every child

28. Progress is evident here, but the significant issues raised in the JAR report, particularly in respect of safeguarding, have to be addressed.

## **Part Two – making it happen through greater customer focus and organisational improvement**

29.. In addition to the ambitions derived from the Herefordshire Plan, the Council has adopted two overarching Council ambitions, **Improved Services** and **Improved Efficiency**, to drive continuous improvement and value for money imperatives.

### **Improved Services**

30. This ambition incorporates the Council's priorities on:

- Understanding the needs and preferences of service users and council taxpayers
- Promoting diversity and community harmony and striving for equal opportunities
- Recruiting, retaining and motivating high quality staff
- Maximising the health, safety, economic wellbeing, achievements and contribution of every child
- Developing its community leadership role

31. Most of the indicators are on track, and the only significant "red flag" still concerns the needs and preferences of service users and council taxpayers. The JAR result is now available, and the Appendix summarises the work now in hand on improvement plans, where necessary.

### **Improved Efficiency**

32. This ambition incorporates the Council's priorities on:

- Secure significant efficiency savings
- Reduce the cost of accommodation
- Ensure that essential assets are in the right condition
- Sustain vibrant and prosperous communities
- Embed corporate planning, performance management and project management systems
- Develop community leadership role

33. A mixed picture: on the positive side the overall Comprehensive Performance Assessment score of 3 stars, including the score of 3 for Use of Resources, and many important actions having been taken that should provide the platform for further improvements in performance; but with still much to do to deliver the necessary efficiency savings in future and ensure a consistently successful approach across all parts of the Council to service planning and performance management. Also, a red flag is shown against the public's satisfaction with the handling of complaints, in recognition of the need to embed the recently introduced new system.

## Revenue and Capital Budgets

34. Appendices B and C contain the detailed monitoring of the revenue and capital budgets. The risk management section in this report refers to the ongoing budget position of the Council and the overriding issue of setting a balanced budget over the medium term.

35. A number of headline changes to the previously reported revenue monitoring are:

- An increase in the projected overspend on out of county placements (Children's Services) from £300k to £427k.
- An increase in the proportion of waste costs being met by the Council as a consequence of increases in volume, which costs the Council an additional £600,000 in 2005/06.
- An increase in the overspends in Adult Social Care as follows:
  - Learning Disabilities – a further £157k
  - Older Adults – a further £127k

36. The revised forecast outturn for the capital programme has increased quite significantly since the last report due to a number of factors, namely:

- Expenditure on condition property works on schools has been brought forward due to future year budget pressures;
- Preliminary work to be carried out on the Ross Flood Alleviation scheme which will be fully grant funded next year;
- An increase in the Department of Health funded Strategic Housing Extra care development budget.

37. The proposals for the 2006/07 capital programme will be considered by Cabinet at the same time as the revenue budget.

## Risk Management

38. The key corporate risks are listed in Appendix D and show the residual risk assessments following the mitigating actions that are being taken to manage them. There are also separate service risk logs, which are continually updated by Directorate Management Teams through regular discussion in the respective management teams. They also serve to inform the corporate risks. The major change in the register since the last corporate report has resulted from the recent release of the CPA/JAR Inspection scores.

### JAR Assessment

39. The Staying Safe rating has been labelled 'inadequate' in the JAR assessment and the Council will not only need to address the reputational impact here but also - more importantly - ensure that it can prove that there

are sound arrangements for protecting the most vulnerable children. The Chief Executive has highlighted to all staff the need to put in place measures for improvement in this area and this may include assistance and advice from better performing authorities. This remains inherently a high risk area and even the best performing Councils can face major and traumatic issues, as recent events in Sheffield testify.

### **Corporate Budget Position**

40. The budget for 2005/06 has been set with a significant level of savings to be realised. The challenge for the Council is to minimise the impact this level of savings will have on services and the approach the Council takes on the Efficiency Agenda will be key to its success in this respect. Interim monitoring of progress towards the savings targets has been carried out and was reported to the Government in mid-November.

41. The revenue monitoring reports are highlighting significant budget overspends for the year in Adult Social Care and Homelessness; action plans are in place to limit these. These will have an impact on the ease with which the Council can set a balanced budget in 2006/07 and beyond. Additional corporate finance support has been temporarily seconded to Adult Services to help in assessing the financial pressures.

42. Officers met during November and December to consider a number of key financial issues, including efficiency savings, potential budget reductions and unavoidable spending pressures. On the whole this exercise has proven to be successful: CMB has emerged with a clear set of officer priorities in relation to the budget for the Budget Panel and Cabinet to consider. Outstanding issues which will need to be addressed corporately as part of the budget include the delivery of the Accommodation Strategy and the ICT Project.

43. There is still work to be done in identifying further efficiency savings, since the minimum Gershon target for 2006/07 has yet to be met. Although the Settlement did not produce any surprises, there are new capping criteria which are currently being analysed. These could potentially have a significant impact on corporate budget capacity; the Council will be in contact with the ODPM accordingly.

### **Business Continuity Management**

44. The Council is developing its approach to Business Continuity (BC) management and is in the process of producing a Corporate BC Plan. The BC Planning week was held in the week 19-23 September where senior managers from each Directorate completed the Service Impact Questionnaires and BC Plans. The next round of workshops is planned for January, where the plans submitted will go through validation exercises. Live exercises are planned from April 2006.

45. ICT Services are working closely with the Emergency Planning Manager and

his team to ensure consistency in approach.

### **Comprehensive Performance Assessment (CPA) and Joint Area Review (JAR)**

46. The CPA and JAR results have now been released. For the CPA overall the Council has been awarded 3 stars and is judged to be improving adequately. Capacity has been created at a senior level, and the CPA action plan will be agreed in January with the Audit Commission. Amongst other improvements this will require the continuing and effective implementation of the corporate planning and performance frameworks, including the full integration of financial planning. The single most important issue in respect of the JAR is dealt with in paragraph 39 above.

### **Herefordshire Jarvis**

47. It has been widely publicised that Jarvis PLC are seeking to release themselves from a number of public sector contracts outside their core areas of business. The Council expects a seamless transition of service and, as part of the normal risk management process, contingency plans had been drawn up in the eventuality of Jarvis having to pull out of the partnership.

48. There are no plans however at this time for Jarvis to dispose of the Venture Company. The Council is monitoring the situation closely and services are continuing to be delivered as normal.

### **The second Local Public Service Agreement (LPSA 2)**

49. Government ministers have now signed off the agreement and Cabinet approved the ringfencing of the performance reward grant from LPSA 1 to fund the stretched targets for LPSA 2. The key risk now is that the significant level of Performance Reward Grant available to be earned after three years will not be maximised. This will require close monitoring and services being prepared to direct resources, both financial and otherwise, into the high priority areas identified in the agreement. The targets themselves will become part of the Annual Operating Plan monitoring arrangements.

50. Despite regular monitoring and reporting, the experience of LPSA 1 would suggest that further improvement is required in ensuring that performance management arrangements are embedded so the stretched performance targets are met.

### **Adult Care Services**

51. The Director of Adult and Community Services has released for consultation the new structure for the Directorate, which will be implemented in the New Year.

52. Risks reported last time continue to be important. They include the

modernisation and change required in Learning Disabilities services to respond to the changing nature of service users. The risk to the Council is that the change is not achieved quickly enough and the rise in demand from school leavers accentuates this. Also the increase in the older population brings increased incidence of dementia related illness and forward planning is required for this increase in demand.

### **Recruitment and retention of employees including the impact of Job Evaluation**

53. The implementation of a Pay and Workforce Strategy marks the next phase of the Council's approach to the modernisation of Human Resources management. Issues of recruitment and retention are an integral aspect of this. Promotion and communication of the positive benefits of this for the Council's workforce are important aspects of its implementation.

54. The current action plan includes:

- Centralisation of recruitment
- Developing a generic skills framework for implementation
- Projects focusing on the recruitment and retention of young people
- Improving leadership and management through a review of management development.

55. The implementation of job evaluation has had no adverse effect on the overall recruitment and retention of employees, with turnover constant at around 9%.

### **Corporate capacity to deliver the range of changes that the Council has embarked on**

56. The Council is going through a period of extensive change at a time when it is also facing the outcomes from the Corporate Assessment and Joint Area Review. This is challenging the corporate capacity of the organisation. The senior management restructuring is designed to take account of and improve corporate capacity. All Directors' posts have now been filled following interviews during the summer and the Senior Management Team has been created to more effectively support Directors. This has already met on a couple of occasions and is developing a work plan in support of CMB. This also enables the directors to focus at least 20% of their time on purely corporate issues, as is formally reflected in their job descriptions.

### **Local Area Agreement**

57. This is a major initiative for the Council but is also a new corporate risk. The Local Area Agreement (LAA) is based around 4 themes and senior officers from across the Partnership have been chosen to lead on these. The risks to the

Council largely lie in not being able to reap the benefits accruing from a successful LAA. There will need to be a strong focus on a number of areas such as: consistent performance management across the Partnership; effective pooling of budgets; identification of freedoms and flexibilities; and innovative ways to improve outcomes for citizens. A number of actions have already been taken to ensure the building blocks are in place, including a formal project framework to manage the process. Informal feedback has been good on the original submission although the submitted Freedoms and Flexibilities recently submitted to central government have had a mixed, albeit positive, response. For the LAA to be successful it will be vital that the Partnership negotiates strongly on these issues. A key part of the LAA will be the single pot arrangements; a risk-based approach is being adopted in constructing a framework to manage these.

### **Corporate Approach to Diversity**

58. The Level 1 commitment to Diversity has now been signed off and the risk to the Council is that by March 2007 it has not made the improvements required to reach Level 2. Staff resource has been committed to this and a long term development plan is in draft.