

Decision maker: Governance and Audit and Standards Committee, 26th September 2013

Subject: Performance Management Update - Q1, 2013-14

Report by: Head of HR, Legal and Performance

Wards affected: N/A

Key decision (over £250k): N/A

1. Summary

- 1.1 This performance report provides a summary of information received as part of quarter one reporting for 2013-14, and an indication of how work around cost benchmarking will be taken forward.

2. Purpose of report

- 2.1 To inform members of performance issues arising in the first quarter of the 2013-14 reporting period, and update on work relating to cost benchmarking.

3. Recommendations

The Governance and Audit Committee are asked to note the report and comment on:

- a) Performance issues as set out in section 4;**
- b) The approach to cost benchmarking set out in section 7.**

4. Context

- 4.1 As previously reported to the G&A&S committee, Heads of Service have produced a series of business plans, summarised as "Plans on a Page" that are the bedrock of performance monitoring in the organisation. These summary plans generally contain:
- a statement of the way in which the service will contribute to shaping the great waterfront city
 - the 5-7 most critical things the service will deliver in the coming year
 - the key KPIs for the service
 - any other requirements from their Strategic Director (for example, risks)

4.2 For the first quarter of the reporting period, Heads of Service were asked to provide performance reports against these summary plans. Issues raised included:

- **Adult Social Care** - There have been a number of highlights, with the completion of the Caroline Square show flat, and the assumption of lead agency responsibility for learning disability services. However, there are concerns about the number of people still at home 90 days after entering intermediate care, and around the reduction in Direct Payment clients (although some measures are being introduced which should improve that). There are also a number of s113/s75 agreements which need finalising.
- **Corporate Assets, Business and Standards** - There have been highlights in relation to assets, with the disposal on Merefield House complete, offers received for Greatham Street, and expressions of interest in for the Brunel Wing of the Civic Offices. However, it has not been possible to recruit to a post crucial to the delivery of asset management objectives. There has been a great deal of Environmental Health and Trading Standards activity, and KPIs around contracts for supported employment are performing well.
- **Customer, community and democratic services** - Design revenue is on the increase, and there is generally good performance across the authority in relation to Equality Impact Assessment compliance, although some areas are of concern. Lack of an agreed organisational approach to income generation is seen as a challenge.
- **Children's Social Care and Safeguarding** - There has been an increase in Common Assessment Frameworks completed since the introduction of the Joint Action Team, but some concern expressed in the Peer Review that the JAT was functioning more as a gatekeeping function than a gateway service, and this needs consideration. Whilst core assessments are being completed on time, timeliness has slipped on some open cases. There is lots of positive work in relation to looked after children (specifically in relation to permanence) and care leavers. Some important recruitments have been completed, including the Principal Social Worker to take forward the Social Work Matters agenda, and a LADO to support investigations.
- **Education and Strategic Commissioning** - Provisional GCSE results released in August show sustained momentum in the work to improve Portsmouth schools, with several schools gaining in the Gold Standard (5+ A* - C including English and Mathematics). The city has had an upwards trend each year since 2009, holding steady at 50% since last year after a leap of almost 7% from 2011. This year, it appears to be reflecting a nationwide downward trend in scores (England down from 59.4 to 58%). However, there are still challenges in improving education in the city, with four schools moving into special measures. Core challenges in relation to education PIs are the impact of revised Ofsted frameworks and the new

curriculum. There are also challenges expected around the resourcing of SEN support, and the impact of reforms. Work has concluded on the early support offer to be in place for September, and there are still very promising indicators in this area, although the Early Intervention Audit remains a challenge, and there will be a need to address the quality of childminding in the city (a function which reverted to the local authority in Q1).

- **Housing and Property Services** - the delivery of the 5 year acquisition and new build development plan is underway.
- **HR, Legal and Performance** - Despite a great deal of activity to proactively tackle staff sickness levels, there has been little movement, although it is expected that it will take time to see changes in the PI. There has been an improvement in the legal support provided for child protection cases, with more permanent solicitors in place and reduced locum support, although some legacy cases are still in the system.
- **Revenues and Benefits** - Core service standards have been maintained well in the face of change, with the exception of processing for new HB claims, and an improvement plan is in place for this. Council Tax collection is slightly (0.8%) below plan, although income exceeds that collected in the same period last year. There have been improvements in levels of staff sickness. It is expected that future budget pressures will impact on some of the PIs, specifically the protection of HB subsidy and tax collection. There remains a great deal of uncertainty over the implementation and impact of Universal Credit and the wider welfare reform agenda.
- **City Development and Culture services** - Q1 has seen the implementation of structure changes for the new service. Planning is now well underway for the D-Day 70th anniversary in 2014, and some bids for funding have been successful. A date has been confirmed for a Portsmouth inward investment showcase (November 26th) in London and planning for this is underway. Development of income generation opportunities continues, including wedding venues.
- **Health, Safety and Licensing** - there are some promising trends emerging in relation to community safety, with overall crime down, and particular reduction in arson and criminal damage. In relation to substance misuse, there has been a reduction in alcohol-related hospital admissions, and reconvictions for offenders subject to interventions for alcohol, although this picture is not repeated in relation to drugs. Regarding public health activity, a full change programme is established that looks at a range of issues including budgets, delegations, business continuity and structure, and alongside this, work is ongoing to change the focus on delivery to ensure mandated services provided, but that the public health outcomes are supported in the ongoing work of the authority.

5. Areas of development emerging from the model

- 5.1 The reports, reflecting the plans on a page, were received in a variety of formats, and included varying levels of detail. Overall, they were more

qualitative than quantitative, with little reference to performance indicators and more reference to project milestones for example, or activity levels. Whilst this is understandable, it does not necessarily assist in understanding where something is going well, or not.

- 5.2 Services in the "people" directorate adopted a common format which took each service priority and asked for commentary on highlights, areas that need watching, and areas for improvement. To provide some sort of consistency, reports from other services were dropped into this template, and it is a helpful way of presenting the information. It has therefore been agreed that future reporting will be done in this common format. More work will also be carried out in Directorate Management Teams to provide challenge and quality assurance to the reports, enhancing the rigour of the performance reporting.

6. Developing the strategic model

- 6.1 The previous report to G&A&S noted that there were strategic areas for development in the performance management model for the organisation, notably:

- The need to strengthen the messages around the great waterfront city goal, and ensure that everyone can understand how they contribute to what the organisation is trying to achieve.
- The need to ensure that services are working together and achieving maximum impact on cross-cutting issues, such as sustainability, raising expectation, tackling poverty or more internally focused areas such as corporate transformation
- The need to be clear on our future programme for transformation
- The need to reconcile short-term pressures and solutions with longer term development
- The view of the customer

- 6.2 In order to strengthen these areas, a single corporate summary is being developed that will guide the development of service level thinking, and provide the platform for performance management at a strategic level.

7. Value for money and cost benchmarking

- 7.1 In relation to issues of Value for Money, it was reported to the last committee that strategic directors had reinforced that it is legitimate and reasonable for questions to be asked in respect of the relative levels of performance being achieved by services for the money spent, and that comparative data is a helpful way of understanding this issue.
- 7.2 There are clearly difficulties with some of the benchmarking data available, namely that we are not necessarily comparing like for like, and particularly that it is hard to find similar areas of provision around discretionary services.

Nonetheless, it was agreed that further work should be done in this area with an aim to help inform future budget discussions, and that in the absence of alternative credible information and judgement from services, the data available in the CIPFA Value for Money toolkit should be presented. It was noted that information about service cost and performance over time would in itself provide a valid point of comparison. It was suggested that outcomes of VFM work would be presented to G&A&S committee in the coming months.

- 7.3 There are sources of comparative data that may indicate where we are spending more (or less) than comparable authorities. This data may or may not take into account the level of performance being achieved. So, for example the CIPFA VFM toolkit cross-references data and performance, whereas the Audit Commission Value for Money profiles look at cost comparisons. Clearly, these sources do not provide complete coverage of our activities, but are a useful starting point. There are gaps around support services and any number of activities that are discretionary, although where other useful data can be identified, we should use it.
- 7.4 We need to approach the data wisely. There needs to be a high level examination of the data to ensure that there are no obvious anomalies distorting cost data. However, once obvious technical issues are discounted, analytical time should not be spent mining the numbers for ultimately insignificant caveats, but should instead be used for understanding how lower costs are being achieved, and whether we could learn from other council's methods.
- 7.5 Strategic directors have agreed that the Strategy Unit will complete a high level VFM analysis for services using appropriate data including Audit Commission' value for money profiles, highlighting savings that would result if PCC could reduce its unit cost to the average unit cost within the comparator group. Analysis will be shared with Heads of Services and respective Finance Managers who will be asked to work together to identify areas where there are possible savings opportunities. Contact will be made with key councils to discuss ways of working and see if there is scope to learn from their approach and provide our services in a different way. The findings of this exercise will be reported back to Strategic Directors, Portfolio holders and G&A&S committee.
- 7.6 The rigour of this approach should represent a step forward in the use of comparative data in the authority as means to deliver improvement, and should provide comfort to members that the authority is delivering good value for money.

8. Equality impact assessment (EIA)

- 8.1 An Equality Impact Assessment will be maintained alongside the

development of the performance management framework to ensure that full consideration is given to equality issues. Any equality matters arising through value for money consideration will be considered as a discrete process, as separate EIAs will be completed for these areas of work.

9. Legal implications

9.1 The report has incorporated legal implications and accordingly there are no other immediate legal implications arising from this report.

10. Head of finance’s comments

10.1 There are no financial implications to bring to member’s attention at this stage. However, it should be noted that there could be further financial implications following further exploration of any of the performance issues raised in this report, and related future reports could result in financial implications. These will be flagged to members at the appropriate time.

Signed by: Jon Bell, Head of HR, Legal and Performance

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

| Title of document | Location |
|---|-----------------|
| 1. reports to, and minutes of, SDB meetings | Strategy Unit |
| 2. Summary business plans | Strategy Unit |

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Governance and Audit Committee on 27th June 2013.

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Signed by: