

Agenda item:

Decision maker: Governance and Audit and Standards Committee, 13th March 2014

Subject: Performance Management Update - Q3, 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 three reporting for 2013-14, and an indication of how work around cost benchmarking is developing.

2. Purpose of report

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

3. Recommendations

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

- 1) The performance issues highlighted in section 4; and**
- 2) The cost benchmarking activity outlined in section 6.**

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 this reporting year, Heads of Service will be providing performance updates against these summary plans on a quarterly basis. A detailed summary of issues raised attached as Appendix 1, but key issues to note this quarter are:

- **Revenues and Benefits** - Main impact of the welfare reform changes appears to be with council tax benefit changes, resulting in a large number of claimants/payers with small arrears
- **Positive family steps service** - Further evaluation of all preventative services needs to be undertaken in terms of their effectiveness in addressing demand for high cost services. The impact of the move to locality working and associated benefits/improvements will be tracked and need to be independently evaluated.
- **Integrated commissioning unit** - A new Head of Service started in January, and capacity to meet the expanded role of the unit is being kept under review.
- **Adult social care** - there is a move to zero-based performance methodology to allow a better understanding of costed activity, and the integration with health. It should also be noted that significant improvements have been made to the OT service.
- **Education and strategic commissioning** - the action plan to refresh the schools strategy and meet Ofsted outcomes is underway. Leadership and management capacity remains a concern. Available capital for both sufficiency and capacity issues is also a concern.
- **Children's safeguarding and social care** - Service capacity to deliver good performance and address budget pressures remains a significant concern. A programme to address high cost provision will be monitored through Corporate Project Board, and there is an issue with the effectiveness of preventative services.
- **Housing and Property Services** - In-house architects are now responsible for all design of new housing, improving design and quality. A review commenced to ensure that housing stock is being legally occupied by the person named on the tenancy agreement and not being sublet.
- **City Development and Culture service** - The City Deal negotiations were successful in securing the Deal for the city. Footfall in museums and libraries continues to rise. There is a great deal of activity on our regeneration projects, but a focus is needed on the approach to inward investment.
- **Transport and Environment** - Key projects remain within budget and ahead of schedule. Work to reduce the parking deficit has had a major impact. There are some concerns relating to recycling rates, and achievement of the organisation's carbon reduction targets.
- **Corporate Assets, Business and Standards** - There are successes across the service, including the achievement of the first Empty Dwelling Management Order. It is important to continue to develop the Telecare service, and to generate more income for the Environmental Health service.

- **Community Safety and Licensing** - There are some reductions in key crime categories, but an increase in reoffending, and too much violent crime.
- **Public health** - City of Service will be an interesting corporate initiative with the potential for some real learning. There is a mixed picture across target issues.
- **Information service** - A successful recruitment campaign is underway. There are some concerns relating to the relationship with schools.
- **Customer, community and democratic services** - There are ongoing capacity issues with the City Helpdesk, leading to customer satisfaction concerns.
- **HR, Legal and Performance** - Key issue highlighted is the need to address the future shape, scope and structure of transformation (issue remaining from Q2)
- **Financial services** - the council have agreed a medium term resource strategy, capital strategy and budget for 2014/15. The service was instrumental in development of the city deal. However, there is a major portfolio overspend to manage, and some concerns about the financial and HR system.

5. Areas for development

- 5.1 The process for reporting on performance, which for a period of time was looser, has now started to embed across the organization, and there is more rigour than has been the case for a few cycles. The process has begun to consider the issues raised alongside corporate risks, and further development of a challenge and triangulation process will be developed for Q4.
- 5.2 It is also expected that changes to the business planning process for 2014/15 will support more challenge in the monitoring process that flows from it.
- 5.3 Where we also need to start seeing more development is in the pulling together of common themes of interest from the set of service information. So, whilst some points are more about needing to address a service specific performance issue, there may be some points that are indicative of a wider issue to address. Discerning these issues, and effectively addressing them, will be challenging, but a real value from the exercise.

6. Value for money and cost benchmarking activity

In December 2013, CIPFA issued a new release of the VFM toolkit. The toolkit included the following updates:

- Actual expenditure for 2012/13
- Budgeted expenditure for 2013/14
- Updated performance scores

- 6.2 There are number of significant "health warnings" on the use of the data, including differences in data collection and reporting practices between authorities, and the growing gaps in the dataset. There is no information from support service functions, as the toolkit does not address these areas (although support services will have their own sources of comparative data). Taking this into account, it would only ever be reasonable to use the data as a starting point for investigation, rather than a definitive statement on performance, cost or the relationship between the two. In many cases, services have investigated the issues highlighted through the toolkit, and analysis has shown a much more nuanced picture.
- 6.3 Notwithstanding this, we continue to consider the results from the toolkit as that starting point to establish whether we have any areas of concern, and therefore a high level analysis of Portsmouth's relative positions using the new data has been carried out. Of the 33 service areas available:
- *12 services show improved relative VFM positions between 2011/12 and 2012/13*
 - *17 services show worse relative VFM positions between 2011/12 and 2012/13*
 - *4 services show consistent relative VFM positions between 2011/12 and 2012/13*
- 6.4 In terms of the associated judgements:
- *6 services are judged as high cost, high performing in 2012/13*
 - *8 services are judged as providing poor VFM (high cost, low performance) in 2012/13*
 - *10 services are judged as providing a low cost, low performing service in 2012/13*
 - *6 services are judged as providing good VFM (low cost, high performance) in 2012/13*
- 6.5 The headline points that would seem to be emerging are:
- Our relative position has deteriorated in more areas than it has improved or stayed the same
 - 12 of our services are relative high performers
 - 19 of our services are relative low performers
 - 16 are relatively high cost
 - 16 are relatively low cost
- 6.6 The positions are illustrated in the Appendix 2, attached. All services have been asked to respond to key issues as part of the business planning process (using either this data or their own comparative data if that was considered better).

7. Equality impact assessment (EIA)

7.1 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.

8. Legal implications

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

9. Head of finance's comments

9.1 There are no financial implications to bring to members' 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.

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

Appendices: Appendix 1 - Summary of service performance issues
Appendix 2 - Summary of relative VFM positions in CIPFA toolkit
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 13th March 2014.

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 Signed by:

