

Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Performance & Value for Money Select Committee
Cabinet

23rd September 2009
5th October 2009

Performance Report for Quarter One 2009/10

Report of the Chief Executive

1. Purpose of Report

- 1.1 This report presents a summary of performance against the priorities set out in *One Leicester* for the first quarter of 2009/10. Progress for the purposes of this report is measured against the targets set in our Local Area Agreement (LAA).
- 1.2 The report focuses on:
 - Significant achievements
 - Key areas of concern or risk, and proposed actions for addressing them
 - Recession factors influencing the performance environment
- 1.3 This is the second iteration of a report that will ultimately be taken into Cabinet and the Leicester Partnership. Section three of this report identifies some of the challenges we face in ensuring that performance issues are given due consideration through the Council's new senior management arrangements while at the same time being able to continue timely reporting into the political process. Comments from Members are welcomed.

2. Recommendations

2.1 Members are asked to:

- (i) Note our performance for the first quarter (*Sections Five and Six of this report and Appendices One & Two*).
- (ii) Based on the data provided in this report and other available management information, consider where there is a significant risk to meeting 2009/10 LAA targets.
- (iii) For those targets deemed to be at risk, commission an analysis of that risk and proposed actions to mitigate for inclusion in the report to Cabinet.
- (iv) Comment on the proposed new performance reporting and management arrangements designed to reflect and support the new senior management working arrangements.

3. Background

- 3.1 This Quarter One report is mainly focused on LAA performance. The LAA serves as a good guide to performance as a whole and reflects the priorities for the city as set out in *One Leicester*. We continue to provide coverage and analysis of national indicator set performance. The bulk of this information is available in the appendices of this report.
- 3.2 This report takes account of changes to the LAA negotiated through the annual refresh process as revised targets took effect from April 1st 2009.
- 3.3 The current recession presents a major risk to achieving a number of our LAA targets and wider local priorities. As such, this and future performance reports will include a section on the impact of the recession on our LAA targets and wider implications for the city (*Section Four below*).
- 3.5 As referenced in previous performance reports, we are continuing to drive improvement in how we manage performance. This work is led by a project board which is part of the Organisational Development and Improvement Programme, and continues to make good progress.
- 3.6 This progress was reported to Strategic Management Board (SMB) in June along with an outline of future work for the Project Board. A key piece of work identified here, which SMB asked to be prioritised, is to redesign performance reporting and management arrangements in the light of the new senior management arrangements adopted by the Council.

It is intended that these arrangements will be put in place incrementally during 2009/10, with detailed implementation being worked up in a revised project plan.

There a number of principles behind the proposed approach:

- Collect data once but use many times
- Report performance information on a regular and timely basis (quarterly)

- Manage performance on an ongoing basis
- Be clear about who is accountable for different aspects of performance and understand the connectivity between these
- Work on the basis of issues being escalated by exception (i.e. a performance issue is only reported to 'the next level' if it cannot be resolved at the level at which it is being considered)

3.7 It is proposed that this new approach will be based on the analysis of three baskets of performance indicators:

- Outcome / Population measures – how we will measure the impact / effect of our interventions
- Output / performance measures – how we will measure the volume and quality of our interventions
- Input / organisational measures – how we will measure how well the Council is managed

3.8 The following table summarises the plans in which these indicators are set out and the proposed reporting routes for them:

Indicator type	Key Plans	Involving
Outcome	One Leicester (Sustainable Community Strategy) Local Area Agreement One Council (Corporate Plan)	Operations Board Priority Boards Strategic Management Board Cabinet P&VfM Select Committee Leicester Partnership
Output	Service Improvement & Efficiency Plans (SIEPS) (with some included in One Leicester, LAA and Corporate Plan)	Operations Board Priority Boards Strategic Management Board Cabinet P&VfM Select Committee Leicester Partnership
Input	Organisational Development and Improvement Plan Financial Plan Service Improvement and Efficiency Plans	Operations Board Organisational Development & Improvement Board Strategic Management Board Cabinet P&VfM Select Committee

3.9 The first stage of this reporting cycle will require strategic directors with the Cabinet lead for frontline services and neighbourhoods, to identify those outcome measures at risk of not meeting end of year targets and what action should be taken to address these. From quarter two where appropriate analyse performance against output and organisational measures in the Divisional Director SIEPs, at the

Operational Board that are intended to contribute to those outcomes and/or are at risk of not meeting their targets. Further input measures to support the key organisational health measures will also be reported from quarter two on an exceptional basis.

- 3.11 Ultimately, Strategic Management Board, Cabinet and the Partnership will receive an exception report covering key risks to LAA measures (in detail), other measures in the national indicator set (in brief), key organisational health measures and performance measures from Service Improvement and Efficiency Plans.

4. Recession Impacts

- 4.1 There are strong signs that the economy is on the road to recovery. The majority of Europe is now out of recession and UK exports to those areas have been rising. Other signs indicate possible recovery, particularly in the housing market where there have been increases in mortgage lending rates and housing sales. GDP rose in the second quarter of this year, and manufacturing production grew in August for the second month running. With low interest rates and stabilising house prices, consumer confidence is the highest it has been in over a year.
- 4.2 An indication of the impacts of the recession on property is to look at the trend of vacancies of lots where Leicester City Council is the landlord. The recession has clearly impacted negatively, however evidence suggests that Leicester has not suffered as much as some similar sized cities and there are signs of improvement since the beginning of August when the following information was compiled.
- 4.3 As previously reported there was a negative impact on the Councils investment portfolio (Industrial, Retail & Office commercial lettings), however there are now signs of improvements. During the period over April '09 to August '09 there were 23 lettings compared with the same period last year of 16 lettings and for August '08 there were no lettings whilst in August '09 there were five. Of particular note is that requests to the Council for concessions, largely due to recession, are decreasing while the amount of applications for lettings are on the increase.
- 4.4 Informally City Developers are beginning to show more confidence as bank credit restrictions start to relax slightly, however they report that it is still very tough. The Chief operating Officer is discussing measures with the Planning Service to help boost the local development and building industry in the short term.
- 4.5 In July 2009 total Job Seekers Allowance (JSA) claimant numbers reduced in England and East Midlands for the first time in the last 12 months. The JSA claimant rate for Leicester remains the same as previously reported at 6.5% for this period. However there is no reason to suggest that Leicester figures will not eventually follow the same trend.
- 4.6 Eyres Monsell ward saw the largest decrease in JSA rates whilst Knighton and Rushey Mead continue to have the lowest rates of claimants.

- 4.7 The number of unfilled live vacancies has increased again this month from 1093 in June to 1251 in July indicating that perhaps more employers are beginning to recruit.
- 4.8 NEET (16-18 yr olds who are Not in Education, Employment or Training) rates increased again this month to 9.8%. These rates are in line with rates last year as seasonal increases are expected until September. Outer estates of the city continue to have the highest NEET rates.
- 4.9 It is, as yet, still very early to attempt to quantify some of the larger social impacts of the recession which may not be apparent for years to come. However, it is still valuable to monitor datasets that may have some correlation to the economy that could indicate the affects of recession on peoples livelihood and wellbeing – most of which are highlighted in other parts of this report – however it is worth noting here that crime rates for robberies and burglaries have been decreasing over the past 12 months and continue to do so. Other data which may have relevance indicating social impact is health data – particularly mental health / depression statistics. There is national data suggesting that the number of prescriptions of depression related drugs are rising at a higher rate in the past couple of years. Work is being undertaken to look at anti-depression prescriptions in Leicester and how it relates to the recession.

5. LAA Performance Summary

- 5.1 Overall performance against LAA targets for the first quarter of 2009/10 appears to have deteriorated from the 2008/9 outturn position. The summary of performance is as follows:
- | | |
|----|-------------------|
| 20 | On or above track |
| 12 | Nearly on track |
| 18 | Off track |
| 2 | Incomplete data |
- 5.2 However, it is important to note that for all measures the bar has been raised. Targets for 2009/10 are set higher (or lower as the case may be) than for 2008/9. If we are to see incremental improvement against these targets then we would expect to see the summary position improve over the course of the year, as was the case in the previous year.
- 5.3 This position is reflected in the following list of performance exceptions. Not all measures that are currently performing poorly against end of year targets are considered to carry a significant risk of not achieving the target by the end of the year.
- 5.4 Performance data for the first quarter for all LAA measures is presented in *Appendix One* of this report, with those measures considered to be at risk of not meeting end of 2009/10 targets having a red triangle in the final column of the table. Trend and comparator information (using upper and lower quartiles for all England upper tier authorities where available) is contained in *Appendix Two*.

6. Performance Exceptions

6.1 Investing in our Children - Strategic Director Rachel Dickinson

19 Indicators

- 6 reported as on or above track
- 2 are reported as nearly on track
- 10 are reported as off track
- 1 has incomplete data

Key achievements:

While still performing below target, significant improvements have been made on teenage conception rates (NI 112) – Cabinet lead Cllr Dempster

Key areas of risk:

Of those measures currently reported as off track, the following are provisionally considered to be key areas of risk:

NI 101 Children in care achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4, including English and Maths – Cabinet lead Cllr Dempster

NI 112 Under 18 conception rate – Cabinet lead Cllr Dempster

6.2 Planning for People, not Cars - Strategic Director Alistair Reid

2 indicators

- 2 are reported as on above track

Key achievements:

NI 154 (Net additional homes provided) - Cabinet lead Cllr Kitterick

Key areas of risk:

None reported for this quarter.

6.3 Reducing our Carbon Footprint - Strategic Director Alistair Reid

3 indicators

- 1 is reported as being nearly on track
- 2 are reported as off track

Key Achievements:

None reported for this quarter

Key Areas of risk:

NI 186 Per capita reduction in CO2 emissions in the LA area - Cabinet lead Cllr Russell

6.4 Creating Thriving, Safe Communities – Strategic Director Kim Curry

12 indicators

- 7 are reported as on or above track
- 3 are reported as nearly on track
- 1 is reported as off track
- 1 has incomplete data

Key achievements:

NI 19 Rate of proven re-offending by young offenders - Cabinet lead Cllr Dawood

NI143 Offenders under probation supervision living in settled & suitable accommodation at end of order - Cabinet lead Cllr Dawood

Key areas of risk:

NI 5 Overall / general satisfaction with local area – Cabinet lead Cllr Osman

NI 16 Serious acquisitive crime rates - Cabinet lead Cllr Dawood

6.5 Improving Wellbeing and Health Strategic Director Kim Curry/Deb Watson

9 indicators

- 3 are reported as on or above target
- 2 are reported as nearly on track
- 4 are reported as below track

Key achievements:

NI 131 Delayed transfers of care – Cabinet lead Rory Palmer

Key areas of risk:

While recognising this is a difficult indicator to make judgements on due to the significant data lag, performance forecasts to year end 2009/10 require significantly improved results for:

NI 120(i) All-age cause mortality rate (females) – Cabinet lead Rory Palmer

NI 120(ii) All-age cause mortality rate (males) – Cabinet lead Rory Palmer

The risk associated with meeting the target for females is greater than that for males.

6.6 Investing in Skills and Enterprise Strategic Director Alistair Reid

5 indicators

- 1 is reported as on or above track
- 4 are reported as nearly on track

Key achievements:

Performance is generally holding steady against target regardless of the economic downturn.

Key areas of risk:

- | | |
|--------|---|
| NI 152 | Working age people on out of work benefits – Cabinet lead Cllr Kitterick |
| NI 153 | Working age people on out of work benefits in the worst performing neighbourhoods – Cabinet lead Cllr Kitterick |

6.7 Service Improvement / Efficiency

1 indicator

At risk (see section 8.7 below)

- | | |
|---------|--|
| NI 179a | Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year.
Leicester City Council only data - This indicator measures the amount of cashable savings the local authority has made. |
| NI 179b | Total net value of ongoing cash releasing gains since 2008-9 (Partnership) – Cabinet lead Cllr Patel |

7. Other Measures in the National Indicator Set

For those other measures in the national indicator set where data is available, performance can be summarised as follows:

63% Good
24% Reasonable
13% Poor

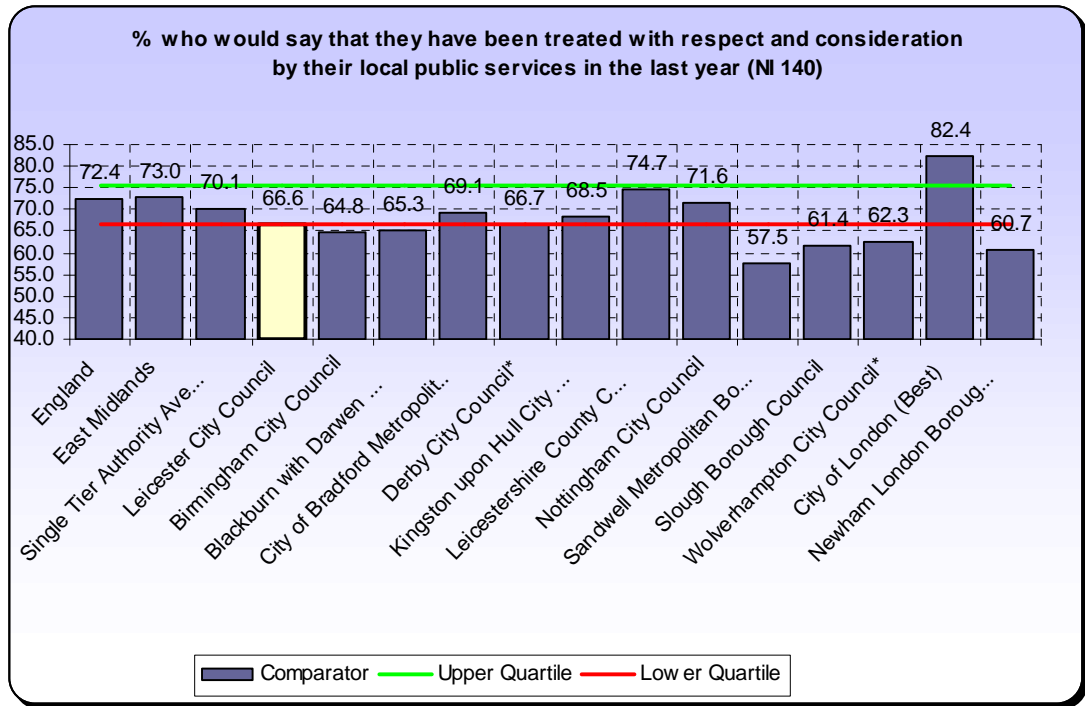
Future reports will provide more information on performance against those measures in the national indicator set which relate to Leicester's priority outcomes.

8. Organisational Performance Indicators

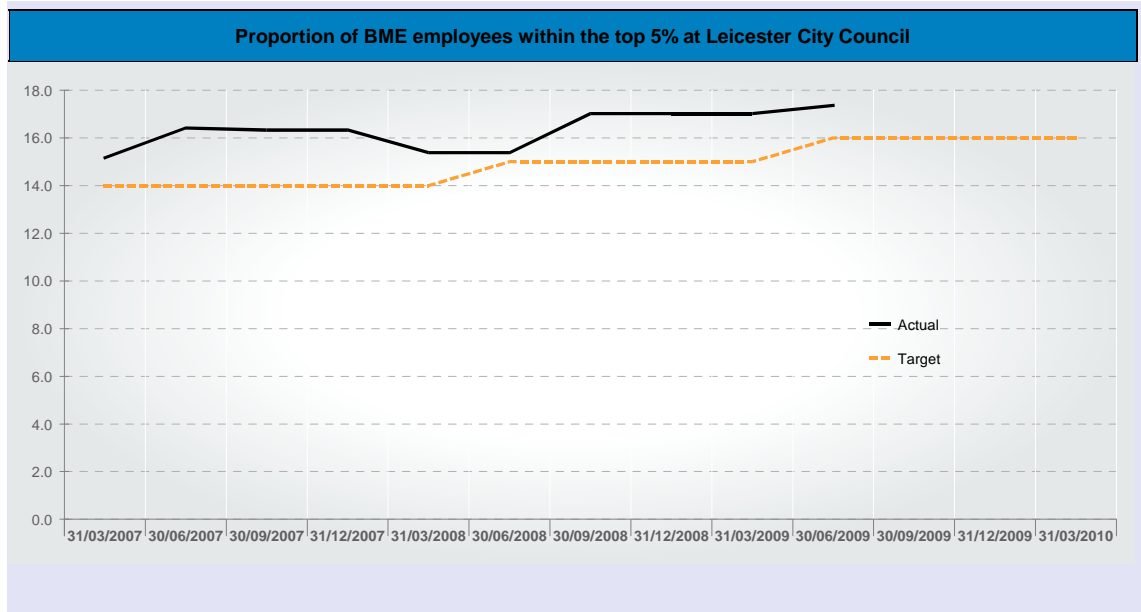
- 8.1 As reported in the Performance Report for Quarter Three, work is ongoing to develop a basket of key organisational performance indicators. This basket will focus on the five indicators included in the Council's new corporate plan:

Objective	Performance Indicator	Cabinet Lead
Focus on our customers	NI 140 Fair treatment by local services	Cllr Osman
Focus on diverse needs of customers	Workforce representation i.e. employees from BME communities in top 5% of earners	Cllr Patel
Improve performance	Reducing sickness absence	Cllr Patel
Deliver Excellence	CAA assessment (noting this includes the value for money judgement)	Cllr Willmott
Deliver efficiency	NI 179 Value for money	Cllr Patel

- 8.2 The first and fourth of these indicators are not measured on a quarterly basis so we will look to identify a small number of additional indicators that have more frequent data availability to compliment the corporate plan indicators. It is anticipated that we will be able to report on these from the Quarter Two report for 2009/10.
- 8.3 Data for NI 140 was collected for the first time in the 2008 Place Survey. Leicester's performance against comparators is set out in the chart below. On the basis of this baseline performance data a target for the next Place Survey of 76.6% (10% percentage points increase) was negotiated during the annual refresh of our LAA.



8.4 Performance information on workforce representation is presented below. The chart shows a gradual year on year improvement in the proportion of BME employees in the top 5% of earners at Leicester City Council. The authority has committed itself to further improvements on this figure (through projects such as the BME voluntary director scheme 'Reach Higher') to better reflect the demographic make-up of the city of Leicester.



8.5 The latest sickness data is presented below. These figures are not directly comparable with previous performance reports due to a changed methodology in

the way the data is calculated (it is now more accurate as it includes those on temporary contracts etc) and also now reflects the new organisational structures in place. For the next quarter we will try to show sickness absence due to swine flu on a separate line.

Days Lost per FTE by Division for the 1st Quarters of 2008-9 & 2009-10

Division	1st Quarter 2008-9			1st Quarter 2009-10		
	Total Working Days Lost	FTE	Days Lost Per FTE	Total Working Days Lost	FTE	Days Lost Per FTE
Access, Inclusion & Participation	1,744.00	594.27	2.93	1,417.50	623.94	2.27
Communications Unit	25.50	10.08	2.53	30.00	8.08	3.71
Community Care Services	1,866.50	350.02	5.33	870.50	361.06	2.41
Culture	817.50	426.23	1.92	1,275.00	440.20	2.90
Democratic Services	228.00	80.67	2.83	328.00	85.07	3.86
Directorate (Adults)	6.00	3.95	1.52	3.00	6.00	0.50
Directorate (Chief Execs)		1.00		7.00	3.00	2.33
Directorate (CYPS)	3.00	12.01	0.25	66.00	11.08	5.96
Environmental Services	1,822.60	636.64	2.86	1,869.75	643.50	2.91
Financial Services	913.00	313.39	2.91	718.50	354.47	2.03
Housing Services	2,199.05	785.57	2.80	1,974.00	810.04	2.44
Housing Strategy Options	613.00	286.99	2.14	1,087.25	298.68	3.64
Human Resources	348.50	166.95	2.09	289.00	162.96	1.77
Information & Support	552.00	166.16	3.32	315.00	191.60	1.64
Learning Environment				2.00	1.00	2.00
Learning Services	168.00	125.39	1.34	126.50	132.05	0.96
Legal Services	96.50	97.07	0.99	163.50	100.74	1.62
Older People's Services	2,467.40	528.84	4.67	1,801.75	530.31	3.40
Partnership Executive Team	26.50	28.59	0.93	113.50	27.59	4.11
Personalisation & Business Support	573.50	263.64	2.18	719.00	251.89	2.85
Planning & Commissioning	260.50	134.99	1.93	112.50	129.55	0.87
Planning & Economic Development	1,716.50	471.45	3.64	1,507.50	489.85	3.08
Regeneration, Transport & Highways	502.00	261.92	1.92	358.00	257.12	1.39
Resources	5.00	25.50	0.20	5.00	17.50	0.29
Safer & Stronger Communities	713.50	305.07	2.34	657.50	333.65	1.97
Schools	14,742.41	5,591.04	2.64	11,089.89	5,749.53	1.93
Social Care & Safeguarding	1,479.50	471.51	3.14	1,852.50	478.91	3.87
Strategic Asset Management	373.50	159.45	2.34	246.50	153.64	1.60
Senior Management Team		7.42		19.00	12.42	1.53
Total	34,263.46	12,305.80	2.78	29,025.14	12,665.41	2.29

8.6 CAA assessment due to be published in December.

8.7 Targets for cashable savings (NI 179) realised by the Council for 2008/9 have been achieved, with savings of £12.780m being delivered against a target of £10.906m. However, the figure for savings incorporated agreed carry-forwards from 2007/8. There will be less carry-forward from 2008/9 to support delivery of the 2009/10 target. Therefore there is a risk that the 2009/10 target will not be achieved. Success will be dependant on the savings identified within the Delivering Excellence Programme being achieved. At the end of the first quarter for 2009/10 our forecast is to achieve savings of £7.740m against a target of £10.906m.

10. **Headline Financial and Legal Implications**

- 10.1 The report sets out proposals to make use of performance data in order to inform decision making. This could include the re-direction of funding, in order to secure the best value for money and most effective use of resources. There could, therefore, be implications for the development of the Council's financial framework, particularly with regard to budget preparation, budgetary control and budget monitoring. It is important that any such revisions to the financial framework continue to identify clear lines of budgetary and financial responsibility and, therefore, financial control.
- 10.2 The Council is currently implementing a new resource management system (RMS). This should facilitate improved and more responsive reporting but it should be noted that data must first be collected reliably before it can be reported on with accuracy.

(Author: Andy Morley Chief Accountant x 7404)

11. **Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph	References
Equal Opportunities	No		
Policy	No		
Sustainable and Environmental	Yes	6.2 & 3	
Crime and Disorder	Yes	6.4	
Human Rights Act	No		
Elderly/People on Low Income	Yes	6.5	

12. **Consultations**

Operations Board – 19.8.09
Strategic Management Board – 25.8.09

13. Background Papers

Annual Performance Outturn Report: 20089 – Cabinet 7.9.09

14. Report Author

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Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)