

IMPROVEMENT PANEL

21st October 2004

PRESENT:-

Labour Group

Councillors Carroll, Harrington, Murphy, Taylor and Whyman, M.B.E.

Conservative Group

Councillors Atkin, Ford and Harrison.

In Attendance

Councillor Stone (Labour Group).

IP/1. **APPOINTMENT OF CHAIR**

It was agreed that Councillor B. Whyman M.B.E. be appointed Chair of the Improvement Panel.

IP/2. **IMPROVEMENT PRIORITIES**

It was reported that during the summer, Members agreed a number of improvement priorities. This followed the publication of the Council's Comprehensive Performance Assessment (CPA) report and the meeting with the Council's Relationship Manager and other key stakeholders. The Audit Commission was considering options to re-categorise District Councils with a focus on service quality and improvement. As a result, it was proposed to make a small number of changes to the Improvement Plan, to give more attention to these areas and a copy of the amended Plan was submitted.

More recently, advice had been received that the first formal Audit Commission check on the Council's progress, post CPA would be in December 2005 and then in December 2007. This would be a 'direction of travel' assessment, which would not result in a new CPA score. The methodology for this assessment was still being finalised, but it was likely to consist of a broad evaluation of progress against the Improvement Plan. For this year, the District Auditor had asked that one of his performance specialists carry out a high level assessment of the progress made by all Derbyshire Councils for report in the annual letter. The Audit Commission had also announced plans to carry out an inspection of the repairs and maintenance aspects of the Housing Service in July 2005. This would be based on the 'Key Lines of Enquiry' approach adopted for the CPA thematic assessments. It would result in an improvement judgement and the publication of a formal report, like previous Best Value Inspections.

Clearly there was much to be done in delivering improvement priorities in the short and medium term, as follows:-

- Establishing intermediate milestones for all year 1 milestones (not included in the Corporate Plan) – to assist in monitoring plan delivery.
- Putting everything together in a simple Action Plan and ensuring that it was communicated throughout the organisation (Members and employees).

- Establishing a monitoring regime and a regular programme of Panel Meetings
- Preparing for the inspection of the Housing Service.
- Developing year 2 milestones.
- Developing a new programme of Best Value Reviews to support the improvement priorities.

Members gave consideration to the revised Improvement Priorities document. The Chief Executive confirmed that the Audit Commission's review process would focus initially on councils categorised through the CPA as weak or poor. The Chair referred to the 'direction of travel' assessment and the options being considered by the Audit Commission, seeking clarification on this issue. The Chief Executive explained that progress made might not initially result in a higher CPA rating of the Council. Instead, step changes could be made within each of the categories. He also explained that guidance in this area was still evolving. Councillor Ford questioned whether, despite the progress made, the Council could still be categorised as "Fair" for the next three years. Indications were positive that the Council was making progress towards a "Good" rating. The Chair asked about the inspection of Housing Services and this was due to commence in June of next year. The Director of Community Services confirmed that preparatory work was already being undertaken for this review. He commented on the 'Key Lines of Enquiry' approach, which seemed an improvement on previous regimes. The Chair spoke of the lessons learnt from the Comprehensive Performance Assessment and the need to review the information provided to Inspectors. The Chief Executive endorsed this point.

RECOMMENDED:-

That the Council's amended improvement priorities be agreed and that the arrangements for delivering these priorities be endorsed.

IP/3. **CORPORATE PLAN – DELIVERY OF 2004/05 MILESTONES**

It was reported that the current Corporate Plan covered the period April 2004 to March 2007. The Plan was built around eight Key Aims, which were set out within the report. For each of the Key Aims there were a number of three year targets and 2004/05 milestones. Policy Committee and Service Plan responsibilities had been agreed for each of the targets and milestones, with the latter being incorporated into Service Plans.

Experience had highlighted the difficulty of assessing progress on major or complex tasks and identifying when management intervention was needed. To address this issue, Heads of Service had been asked to define 'interim milestones' for each of the first year milestones and to indicate on a monthly basis when they expected the interim tasks to be achieved. This information was set out in a table appended to the report.

The proposed interim milestones would provide a baseline for future monitoring reports. It was proposed that a report be submitted to Members in January covering the period up to the end of December 2004. This would be an exception report to enable Members to focus on those tasks which had not been completed. In the intervening period, the Plan would be monitored by Corporate Management Team through their respective departmental management teams. It was apparent that key absences and the need to fill vacant posts following the restructuring would impact on the delivery of year 1 milestones. The challenge was to ensure that these impacts were minimised. It might require the use of more flexible or

alternate ways of delivering objectives, such as partnership working or the use of external consultants.

The Head of Policy and Economic Regeneration explained the benefits of an interim milestone approach. The Chair referred to monitoring arrangements and sought clarification of where responsibility would lie. The Chief Executive explained the role of policy committees, their lead Members and the representative of the Corporate Management Team. A scrutiny type approach would be undertaken. The Chair considered that a rigorous approach was required. The Head of Policy and Economic Regeneration explained her role, to provide information to the Corporate Management Team. The Chair used an example to seek to clarify ultimate responsibility and he did not feel it was appropriate for this to lie with Members. Councillor Murphy felt this approach represented a real improvement and it gave clear accountability. Councillor Harrison voiced concerns about the possible use of consultants and the associated costs. Unless such costs could be met from existing budgets, Members approval would be sought for any additional resources.

RECOMMENDED:-

That the 'interim milestones' that form the basis for monitoring the delivery of year 1 milestones in the 2004/07 Corporate Plan be agreed along with the arrangements for the first formal monitoring report.

IP/4.

2004/05 BEST VALUE PERFORMANCE INDICATORS - POSITION AT 30TH SEPTEMBER 2004

It was reported that each year, the Government specified a set of Best Value Performance Indicators (BVPs), which the Council had to monitor. These had become one of the main measures for judging performance and making comparisons with other councils. The Council was required to set three year targets for each of the BVPs. Performance and targets were reported formally in the annual Best Value Performance Plan. All targets were set locally. However, for some BVPs, the Council had to take account of targets set for the national shared priorities in the National Public Service Agreement for Local Government. For other indicators, Government had suggested that targets should be consistent with reaching upper quartile performance. In a few cases, the Government had specified 'performance standards'. Failure to achieve these standards would normally be judged as failure to achieve Best Value for that service. In some service areas, there might also be an impact on resources from Government. The Council's performance, in terms of the BVPs was subject to an external audit. Checks were made on the accuracy of the data and that the supporting papers were robust. The Working Panel received a report on performance for the first half of 2004/05. A table was submitted to provide:-

- A description of each indicator and the type of target the Council was required to set.
- Actual performance in 2003/04 (as verified by District Audit).
- Targets for 2004/05 to 2006/07 (as set out in the 2004 BVPP)
- Performance for the half year to 30th September 2004.
- The estimated 'outturn' at the year end.

The results were subject to important qualifications, that some indicators at the half year stage might not be representative of the whole year and in some instances it was beneficial to have a lower rather than a higher figure or percentage.

Heads of Service were asked to provide data to the Policy Unit and most managers met the required deadline. This suggested that systems were now in place for data collection, which was an important “building block” in performance management. The necessity to fill vacant posts following the restructure had also impacted on the collection of data in respect of a small number of indicators. A detailed assessment of performance against targets for all indicators would be completed within two weeks.

The Head of Policy and Economic Regeneration responded to a question from the Chair, explaining the measures that could be taken if the Council did not meet its BVPIs. There was a discussion about the setting of targets for local indicators and about comparable information from other local authorities, which would assist monitoring of the Council’s performance. Officers explained that the data submitted as part of this report required further analysis. Councillor Atkin questioned how indicators were set and Officers explained the roles of the Government and the Audit Commission. Service Managers were responsible for setting targets and monitoring took place with reports to the Corporate Management Team and to Members through the Service Plan process.

Councillor Murphy referred to specific Performance Indicators and questioned how Members could be sure that the proposed targets were challenging. Many of the housing and council tax benefits related indicators used as an example had only been introduced the previous financial year and therefore no comparative information was available from other local authorities. For more established indicators, it was possible to gather performance data from other local authorities, to enable such a comparison. Comparative data was also published on the Audit Commission website.

The Chair asked about the frequency of monitoring of Service Plans. Presently, this took place twice each year and reports were due to be submitted to the next round of policy committees. Councillor Murphy felt that quarterly monitoring would give more time to respond to identified problems. The Head of Policy and Economic Regeneration explained the format of Service Plan reports. The Director of Community Services explained that managers monitored the indicators constantly. It was felt that when Service Plans were being considered by policy committees the agenda should be restricted to give sufficient time for consideration of this topic. Councillor Harrington asked whether the performance reports could be produced every two months, but Officers considered it might be more effective to produce three monthly reports as proposed. The Head of Policy and Economic Regeneration suggested the use of full colour reports to assist interpretation of data in future monitoring reports.

RECOMMENDED:-

That Members comments be taken on board with regard to the future presentation of performance indicator information.

IP/5. **AUDIT COMMISSION ‘PERFORMANCE BREAKTHROUGH’ PROJECT**

It was reported that as part of the Audit Plan for 2004/05, the Audit Commission would be working with the Council to strengthen its approach to performance management. This would be based on a performance improvement tool ‘Performance Breakthrough’. It had been developed by the Audit Commission to identify and overcome internal barriers to successful performance management and the achievement of better local outcomes. The approach was based on a

national report published by the Audit Commission in 2002. The research identified six types of barriers to improving performance, relating to leadership, learning, priorities, managing change, performance systems and helping people perform. The types of improvement action that could be taken to counteract the barriers, known as 'breakthrough points' followed the same categories. These 'barriers' and 'breakthrough points' provided the basis for workshops held by the Audit Commission to assist councils to identify performance improvement.

A meeting had been held with staff from the Audit Commission to discuss how the project might be implemented in South Derbyshire. A copy of the draft project specification was submitted. It focussed initially on one internal and one external area of the Council's work, being IEG and the Housing Service. The intention was that this would be rolled out to other service areas from 2005/06. The core of the project would be a workshop for each area involving Members, Service Managers and other Officers. The Audit Commission would facilitate the workshop and the immediate outcome would be a series of draft actions, which each team agreed would have a positive impact on performance in that service area. Dates for the workshops were still to be finalised but were likely to be in November or December.

Councillor Ford questioned whether the Human Resources Division would be able to assist in this exercise. It was confirmed that Officers of the Human Resources Division were working with Members in a number of areas and Councillor Carroll gave examples. The Head of Policy and Economic Regeneration would attend the planned sessions and be able to roll out the information to other parts of the Council. Members referred to the project specification and particularly the levels of Member involvement. It was requested that Councillors Harrington and Murphy be involved in the IEG workshop.

RECOMMENDED:-

That Members comments be noted in taking forward the 'Performance Breakthrough' project.

IP/6. **PROGRAMMES AND PLANS FOR FUTURE MEETINGS**

It was proposed that the Improvement Panel meet on a three weekly basis. The Chair referred to the Panel's objectives and he questioned the anticipated timeframe for achieving an improvement in the Council's CPA rating. A specific timeframe could not be guaranteed, but the Chief Executive suggested that this issue be revisited at the next Panel Meeting.

It was agreed that the next Meeting of the Improvement Panel be held on Tuesday, 9th November 2004 at 5.00 p.m. The Chair thanked Officers for the work undertaken to date.

B. WHYMAN

CHAIR

The Meeting terminated at 6.20 p.m.

OPEN

IMPROVEMENT PANEL9th November 2004**PRESENT:-****Labour Group**

Councillor Whyman, M.B.E. (Chair) and Councillor Carroll.

Conservative Group

Councillors Atkin, Ford and Mrs. Wheeler (substitute for Councillor Harrison).

APOLOGIES

Apologies for absence from the meeting were received from Councillors Murphy and Taylor (Labour Group) and Councillor Harrison (Conservative Group).

IP/7. **MINUTES**

The Minutes of the Improvement Panel Meeting held on 21st October 2004 were received.

IP/8. **2004/05 BEST VALUE PERFORMANCE INDICATORS (SEPTEMBER 2004) – FOLLOW-UP REPORT**

A presentation was made by the Deputy Chief Executive to give a performance report to the Improvement Panel. Initially, the presentation posed questions around monitoring and gave details of best value performance indicators and the targets set by the Council in the Best Value Performance Plan. The presentation was supplemented by a performance report, which included details of performance in 2003/04, at 30th September 2004 and estimated performance at 31st March 2005. It gave details of upper quartile performance in Shire Districts for 2002/03, targets for the three-year period to 2006/07 and a "traffic light" coding on performance. A number of "health warnings" were provided, it being explained that comparisons had been made with shire districts, rather than all authorities in England (which was often used by the Audit Commission). The published upper quartile data was based on 2002/03 and data for 2003/04 would be available the following month. Future predictions of upper quartile performance would therefore be an overestimate, as performance would improve across councils over time.

The traffic light code was explained in terms of performance and the likelihood of failing or achieving a set target. A similar coding was used for improvement on the previous year and targeted upper quartile performance in 2005/06 and 2006/07.

The presentation then covered sections on corporate health, housing and related services, environment, cultural and related services and community safety. For each area, slides showed performance at September 2004 and the estimate for March 2005. It showed whether there was an improvement on performance as compared to 2002/03 and whether the Council's performance was upper

quartile. Each section identified relevant issues and concerns. The presentation concluded with summary level information and a number of overall key issues.

Members' questions were invited. Councillor Mrs. Wheeler asked whether the Council could agree the arrangement for comparison with the Audit Commission. The Deputy Chief Executive explained the potential difficulties of a tailored approach involving different comparison groups. In response to a question from the Chair, clarification was provided on the areas covered by corporate health and the determination of those areas considered at risk of failure. The Chair sought Officers' views about the projected proportion of indicators which would fail to be met. The Council would need to be realistic that not all areas could be addressed. The Deputy Chief Executive responded that certain areas could be improved with appropriate resources, but this might not be applicable for all areas. He used examples of performance indicators relating to the recruitment of people of a certain gender or race, to demonstrate this. Councillor Ford felt that if the Council could show a fair approach had been taken, it should not be a performance indicator issue. For smaller councils like South Derbyshire, individual appointments could potentially have a significant impact on performance indicators. Members discussed mechanisms to encourage applications from people of an ethnic minority, for example, by using specialised press.

The Corporate Health aspects of the presentation identified issues and concerns relating to Information Technology. The Chair felt that this issue was problematic for every organisation. The Deputy Chief Executive explained that the presentation sought to demonstrate that many service areas were dependent on IT systems. The Chair made a comparison to IT problems experienced by the Court Service. The Director of Community Services explained that the "orchard" housing system had recently become operational and to date appeared to be working well. The Deputy Chief Executive commented on the support used for implementation of certain IT systems within the Council.

Consideration was given to housing and related services, with reference made to specific indicators in the performance report. Comment was made particularly about the funding allocated for private sector housing improvement and the indicators relating to bed and breakfast and hostel accommodation. It was noted that such services were reactive and performance indicators could vary significantly. Reference was also made to target collection rates for housing rent. Presently, this was set at the unachievable level of 100%. It was noted that upper quartile performance of 99% was presently being achieved.

The Deputy Chief Executive referred to a recent Government circular, which named a number of local authorities that had received a poor rating in relation to certain services. The Chair commented on the determination of planning applications and the relationship between turnaround times and the quality of decision-making. It was noted that some local authorities had a policy of refusing applications where the deadline for determination was due to lapse. However, Government was considering a mechanism to hold back a proportion of the planning delivery grant for authorities using this approach. There was a discussion about the determination of major planning applications and the Deputy Chief Executive agreed to supply the Chair with a definition of what constituted a major application. Reference was also made to the additional revenue income generated from development as compared to the extra costs for the local authority.

It was noted that a step change was required to achieve upper quartile performance in the environment category. With regard to community safety, Councillor Atkin commented that crime and disorder problems at a particular garage in the Shardlow area skewed local statistics. The Chair explained that he had considered crime and disorder to be a partnership issue rather than a matter for the Council alone. It was confirmed that the District Council was responsible for the majority of expenditure on crime and disorder issues through the staffing costs and it had a statutory responsibility.

Councillor Ford questioned how unfair the Council was on itself with regard to those performance targets that were just missed. The Chief Executive and Director of Community Services explained how Officers would be able to examine the indicators in detail and to look at means of improving performance. The Chair added that by concentrating on marginal failures, the Council could improve its performance rating. Councillor Mrs. Wheeler expressed an opposite opinion that currently failing areas should be a priority for additional resources. The Deputy Chief Executive suggested that a compromise might be appropriate to achieve the freedom of a “good” performance rating, whilst realigning resources to those areas more in need of improvement. The Chair added that improvements to the Council’s performance rating would have a positive effect on morale.

He considered that the Council could not continue to take on additional service areas and decisions might be needed with regard to the removal of certain current services. He questioned whether any Council services had been withdrawn over previous years. The Chief Executive explained that some agency agreements had been terminated and the Deputy Chief Executive added that some service cuts were made as a result of the financial crisis. In many areas, where posts were cut, the remaining staff continued to deliver current service provision. The Chair felt that the planned review process might identify good reasons for the retention of current services. There might be a need to revisit the Council’s priorities. The Chief Executive explained that the Council’s performance was good in many areas and he used partnership working as an example. However, for some core functions such as play equipment, it was more a case of managing with the available resources. He then explained how Officers were approaching the budget review process to give timely information to inform decision-making. The Chair felt that the Council needed to be clear about its priorities. He hoped that the recently established Parish Council forum would prove informative in shaping the budget plans. This might allow for further local funding, but it might need to be at the expense of other service cuts or an overall rise in Council Tax levels.

The Chief Executive explained the planned scrutiny role for future meetings of the Improvement Panel. It could involve Policy Chairs to look at existing service areas. The Director of Community Services explained how Divisional Heads were being asked to approach the Budget Review process. There was a need to think in terms of an annual bidding and saving approach, with corresponding savings for any planned new developments. The Chair suggested a reprioritisation approach and Councillor Mrs. Wheeler spoke of the need to include consideration of Gershon issues.

The Deputy Chief Executive referred to the shifting resources project, but reminded that Members held dear current service provision. There would be a need to look across the Council at service provision rather than considering individual service areas. He suggested that Divisional Managers be asked to submit a report to the next Improvement Panel Meeting on those areas currently

identified at risk or projected to fail. A further report could be submitted to link this into the budget strategy and the means of moving forward savings and reprioritising, to feed into the current budget review process.

Following a question from Councillor Atkin, clarification was provided on the current arrangements for service plan reporting to policy committees. The Chair suggested a structured approach to the review, looking initially at those service areas which were statutory or obligatory and seeing how these could be delivered more efficiently. The Council could then focus on discretionary service areas on a priority basis. He favoured moving away from the a budget process based on annual growth bids. It would be necessary to review the priority of current service areas. Councillor Ford questioned whether an analysis was undertaken of service requests through the Call Centre. The Chief Executive confirmed that the new system provided management information. Surveys would be undertaken of those visiting the District Council's Offices, but it was also noted that careful assessment of data would be required, as some service areas were reactive. Councillor Mrs Wheeler referred to potential significant costs to be faced by the Council and questioned why growth items might be considered. Through the Corporate Management Team, Divisional Heads would receive guidance on the approach to the budget review. The Chair reiterated that reprioritisation was the preferred way forward, rather than the submission of increased funding bids. However, there might be the scope for some fluidity and the transfer of funding between different areas of the Council.

IP/9. **IMPROVEMENT PLAN – INTERIM MILESTONES**

At its Meeting on 21st October 2004, the Panel agreed the outline arrangements to enable the Council to deliver its improvement priorities. A progress report was submitted on the Improvement Plan. This summary document had been discussed recently with the District Auditor and would form the basis of his judgement within the Annual Audit Letter, with regard to "direction of travel" for improvement. A report was currently being prepared for the Corporate Management Team to establish intermediate milestones for all improvement priorities not currently within the Corporate Plan. A consequential report would be brought to the next meeting of the Panel to:-

- o Propose intermediate milestones for all Improvement Plan actions.
- o Detail Service Plan, Committee and Corporate Management Team responsibility for those milestones.
- o Outline how the Improvement Plan and the Corporate Plan would be brought together into one document for the period from April 2005.

Members noted the content of this report.

IP/10. **CORPORATE AND SERVICE PLANNING FRAMEWORK**

It was reported that the Council's Corporate and Service Planning Framework consisted of the Corporate Plan and a Service Plan for each separate area of the Council. All plans ran for a three year period and were rolled forward on an annual basis.

The Council's Improvement Plan would be incorporated into the overall corporate and service planning framework, as soon as practicable. Service Plan Monitoring reports for the six months to the end of September were currently being reported to policy committees. The position at the end of December 2004 would be reported to Committees during January 2005. The Panel agreed Corporate Plan

Intermediate Milestones for 2004/05 at its last Meeting and a Monitoring Report would be brought to the Panel in January.

In recent years it had been the practice to review and roll forward the corporate plan in October/November. This then formed the basis of rolled forward Service Plans considered by Committees in the November cycle. This process had been delayed slightly by work on the Improvement Plan, following the CPA inspection. More importantly, the majority group had informed the Corporate Management Team that work on reviewing its manifesto would be complete by November. It therefore seemed logical to put the review of the Corporate Plan on hold until the majority group had reviewed and confirmed its priorities for the coming three-year period. Details were submitted of the proposed arrangements for the development of corporate and service plans for the period 2005/08. Members accepted the proposal to roll forward the Corporate and Service Planning framework for 2005/08 and agreed the provisional details contained within the report.

IP/11. **PROGRAMME AND PLANS FOR FUTURE MEETINGS**

It was agreed to hold future meetings of the Improvement Panel at 5.00 p.m. on Wednesday 1st December 2004, Wednesday 12th January 2005 and Wednesday 9th February 2005.

B. WHYMAN

CHAIR

The Meeting terminated at 6.40 p.m.