

IMPROVEMENT PANEL

1st December 2004

PRESENT:-

Labour Group

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

Conservative Group

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

APOLOGIES

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

IP/12. **MINUTES**

The Open Minutes of the Improvement Panel Meeting held on 9th November 2004 were received.

IP/13. **2004/05 BEST VALUE PERFORMANCE INDICATORS - EXCEPTION REPORT**

The Deputy Chief Executive presented an Exception Report, which identified that of the thirty BVPI's referred back to Heads of Service, eight would be achieved at the year end. A summary was provided of the reasons for the mid-year or projected year-end failures. Consideration was given to the report's conclusions, in particular that :-

- Targets were set in the full knowledge of the resources available and all the revised guidance from the ODPM, but some staff appeared unaware of the information.
- Better Member understanding and ownership would also help in sticking to agreed plans and not shifting resources without appreciating the possible impact.
- Delivering targets where more than one service was involved tended to be problematic.

In discussing these conclusions, reference was made to the setting of unrealistic targets by Heads of Service. This was demonstrated by the target rent collection figure, reported to the last Panel Meeting. Councillor Atkin questioned whether guidance from the Office of the Deputy Prime Minister was circulated to Heads of Service. The Head of Policy and Economic Regeneration confirmed that this information was provided via public folders and guidance was available to Heads of Service. The Deputy Chief Executive added that Service Heads should be aware of new guidance via their respective professional forums. It was confirmed that such guidance was mandatory, prescriptive and Auditors were rigorous in their assessment of compliance with such guidance. Councillor Ford commented on the degree of challenge for South Derbyshire in achieving targets that were set nationally. The Chair referred to the conclusion on better Member

understanding and the shifting of resources, seeking an example to demonstrate this. The Deputy Chief Executive explained how events such as the Comprehensive Performance Assessment could require a responsive approach and the targeting of resources, at the expense of other planned projects, such as the Community Strategy. Members discussed the close relationship between the allocation of budgets and the formal agreement of priorities. In this regard, it was suggested that there was a need to agree priorities and to look at the relationship between resources and performance against targets as part of the Service Planning Meeting.

Councillor Mrs. Wheeler commented that of the thirty BVPI's identified at risk, it was good that eight were now projected to be achieved. However, some targets would not be achieved and she gave examples. The Deputy Chief Executive confirmed the need to set targets that were achievable. The Chair added that the Panel had already accepted that not all targets could be achieved. There was also a discussion around the achievement of targets where more than one service was involved, which tended to be problematic.

The review of targets was considered and the Head of Policy and Economic Regeneration explained the process and timetable followed, linked to the Best Value Performance Plan and Service Plans. Draft Service Plans were presented to the January round of policy committees and Heads of Service revised their annual targets once the budget had been determined. The Chair repeated an earlier request that when policy committees were giving consideration to their respective Service Plans, the number of other agenda items be limited, to enable thorough consideration of this important subject. Officers felt that through producing a work programme for Policy Committees, Members would be able to take charge of the agenda content. The Deputy Chief Executive commented that targets needed to be agreed with Policy Chairs together with the important issues for each service area. Performance in some areas would improve over time naturally, whilst for other areas there would be a need to review arrangements to stimulate improvement. Councillor Atkin questioned the target period and Officers confirmed that there were three-year targets which were reviewed and rolled forward on an annual basis. Targets could not be changed formally in year, but Officers explained the approach taken where it was clear that targets would not be achieved.

RECOMMENDED:-

- (1) That all draft targets for 2005/08 be agreed by the Corporate Management Team in the context of improvements specified in the Corporate Plan.**
- (2) That the targets be discussed fully with the relevant Committee Chairs when agreeing Service Plans for 2005/08, with each target being an agreed priority for that Policy Committee.**
- (3) That Performance Reports be submitted to Policy Committees on a regular basis, with estimated under-performance accompanied by:-**
 - Proposals to rectify the situation within the current year; or**
 - where this is not feasible, a revised target should be agreed and notified to the Improvement Panel.**

IP/14. **PERFORMANCE REPORT**

The Committee received a presentation from the Deputy Chief Executive, which gave an updated Performance Report. Initially, it posed questions around monitoring and the medium-term targets which had to be set. The report included details of performance, including the traffic light coding used at the previous meeting and details of national performance standards. A number of health warnings were also submitted.

The initial overview provided that more indicators were deteriorating than improving, that upper quartile performance was worse than last year and that medium-term targets would not be achieved. The Chair considered this to be an alarming summary. From current trends it appeared that many targets would not be achieved. The Deputy Chief Executive explained that in previous years, the Council had not “drilled down” to this level of detail at this stage of the financial year. The Council was creating a performance management framework to achieve Members’ aims and deliver a step change in services. If no action was taken, it was probable that an incremental change would take place, but there was a need to be proactive to achieve the desired step change. The Chair questioned whether Officers were relaxed about the current position. The Deputy Chief Executive explained the role of the Policy Team to help Members and Managers understand the current position, so that changes could be made where appropriate. The Council’s performance should be judged at the year-end, but at present, it seemed to have reached a plateau. The Chair felt that performance was currently regressing.

Councillor Atkin questioned when the step change would be achieved. The Deputy Chief Executive responded that this process would lead to a situation where positive predictions could more reliably be delivered. The Council did not have endless resources to deliver performance improvements. It could be questioned whether the Council was resource driven or service driven. As an example, he referred to the refuse collection crews who would not leave work until their duties had been completed. Councillor Ford considered it might be difficult to achieve the step change without additional resources, but it was preferable to achieve steady progress each year.

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 risk/action areas for 2004/05, targets for 2005/06 and 2006/07. The Head of Policy and Economic Regeneration commented on the significant improvements on corporate health issues.

The Director of Community Services responded to questions on housing and related services, explaining why performance in a particular area had dropped from being upper quartile. Reference was made to the new “Orchard” IT system and its benefits included an improved repair appointments system.

Under the environment issues, there was a discussion about the determination of major planning applications, the delays associated with Section 106 Agreements and how these could be reduced. The Council’s performance on Land Charge Searches was no longer upper quartile. The Chief Executive explained the problems experienced in introducing a new computer system, which had impacted on performance levels. However, performance was improving and would continue to do so. The Improvement Panel discussed waste minimisation

targets, the Council's current performance and the probability of Government review of targets. Members questioned the sanctions that could be imposed against poor performing Councils. Comparisons were made to the recycling performance of East Staffordshire Borough, North-West Leicestershire and Lichfield District Councils. Councillor Atkin questioned the cost of replacing damaged wheeled bins and the Direct Services Manager could supply this information.

Under community safety issues, accreditation was a particular risk area and it was noted that the Housing Performance Manager would seek to address this.

Consideration was then given to the overall key issues. This identified those areas where action was required and the need for resourced action plans to bring all BVPI's to upper quartile by 2007, other than for non-priority areas. The Chair felt that clear reasons would need to be given where any area was not considered to be a priority. Councillor Ford questioned where the Rosliston Forestry Centre was included within the performance report. Presently, there were no specific BVPI's for this area of the Council's work. The Head of Policy and Economic Regeneration explained that this was true of several service areas. Some Departmental Heads used local indicators to provide a measure of performance where there were no suitable national indicators. She explained where some BVPI's had been withdrawn and others had been re-introduced. There was a need to look at both BVPI's and local indicators together. Councillor Ford felt that local performance indicators were often of more relevance. Councillor Atkin questioned whether the number of Service Plans could be reduced. Officers were unsure if this would help, as the number of BVPI's would not change. Presently, each Head of Service submitted their plan to the appropriate policy committee.

It was noted that at the next Meeting of the Improvement Panel, performance figures would be provided for the third quarter of the financial year. The Chief Executive assured that this performance approach would be cascaded throughout the authority. The Chair asked whether sanctions could be imposed. The Deputy Chief Executive felt the issue was around making expectations clear, achieving a change of culture and introducing a performance management approach. The Chair explained an internal review system that had been used during his past employment, which helped to achieve performance improvements. It was considered that such an approach might prove useful to the Council.

IP/15. **CPA IMPROVEMENT PLAN – INTERIM MILESTONES**

The Deputy Chief Executive advised that a report would be circulated for the Improvement Panel's information in the near future.

IP/16. **"DELIVERING EFFICIENCY IN LOCAL SERVICES" – ODPM GUIDANCE**

A report was submitted about the Government's efficiency agenda, following the 2004 Spending Review. It explained the implications for local government, the support being provided to Councils and the timetable for putting in place a system to measure efficiency gains. It also examined how greater efficiency could be achieved in different service areas. The report summarised the document's "key messages".

In August 2003, the Government asked Sir Peter Gershon to undertake a review of public sector efficiency. His report, published in July 2004, identified efficiency gains of over £20 billion in 2007/08 across the public sector. It stated the need to ensure that efficiency gains were not delivered at the expense of quality of service delivery. Over half the gains identified by Gershon would need to be “cashable”. These were defined as those where there was a direct financial saving or benefit, with money released to be spent elsewhere or recycled within a service, to deliver better results. The rest of the gains would not necessarily lead to lower costs, but to provide improved performance for the resources used. The spending review for 2004 translated the outcome into an efficiency target of 2.5% per annum over the next three years, across the public sector. Every local authority would be expected to meet this target. Importantly, all the cash efficiency gains could be retained and recycled within local services.

Arrangements for delivering efficiency gains, including the support that would be made available to Councils were also outlined. Each Council would be free to choose how to meet the required efficiency gains. The Government had not set targets for individual services. Regional centres of excellence would play a key role in helping Councils to achieve efficiency gains. Originally set up to lead on procurement, they would now have a much broader role and examples were provided. Support would also be available through a number of other organisations.

With regard to measuring efficiency gains, the document noted that work was ongoing to develop suitable mechanisms that were both comprehensive and concise. The Government would be asking Councils to produce an Annual Efficiency Statement. The Audit Commission had been asked to include an assessment of the Annual Statement of Efficiency Gains in its “Use of Resources” assessment for the CPA. The report highlighted key future milestones and a summary of the advice on achieving efficiencies in particular service areas was also submitted.

Members discussed the report and questioned whether, in effect, Gershon equated to cuts in staff numbers. The Deputy Chief Executive made a comparison to British Airways and that Company’s objectives to achieve service improvements with fewer staff. The Chair questioned whether this was sustainable if the Council was to strive for performance improvement with fewer resources. The Chief Executive referred to economies of scale and the possibility of joint working with other local authorities to deliver certain functions. The Chair felt that any local authority, regardless of its size would require a fundamental core of staff, to be able to function. He sought clarification that cash efficiency gains could be retained and recycled by the Council. The Head of Policy and Economic Regeneration understood that cash efficiencies could be redeployed. The Chair had previously thought that Gershon would effectively lead to a reduction in Government grants by 2.5% each year. The Deputy Chief Executive understood that the implications of Gershon would be reflected in Treasury figures. Increased expectations and demands were being placed on local authorities and if these were not achieved, then effectively the Council was moving backwards. Government grant funding was approximately in line with inflation, but there were a number of projects and initiatives that would need to be funded from mainstream resources, rather than receiving specific grants.

The Annexe to the report gave a summary of service-related advice. The Head of Policy and Economic Regeneration explained that for some areas, such as procurement, clear guidance was provided. However, for other areas, such as

culture, the guidance was less clear. Reference was made to the 'Supporting People' programme and a Government Statement that "£1.8 billion was too much to pay for the legacy provision".

Slightly enhanced resources had been provided to deliver the wide range of services under 'Supporting People'. Consideration was given to shifting resources and where benefits had been provided, there was difficulty in withdrawing such funding, to enable the provision of resources to others in need. There was also a discussion on how 'Supporting People' had been implemented and potential issues for the future.

The Head of Policy and Economic Regeneration highlighted sections of the Annexe relating to Environmental Services, particularly virtual waste issues. Councillor Ford commented on the problems caused through excess packaging materials and the Chair gave examples of commercial recycling by his employer.

The Deputy Chief Executive summarised that this issue was concerned with reducing costs, not the quality of services provided. Residents might be less concerned about how the Council procured central services than how front line services were delivered. The Chair agreed and referred to a review of the Court Service, which had centralised its support services. The Chief Executive confirmed that he was in discussions with adjoining local authorities on joint arrangements for delivering some central services. There was a need to examine where services were available, without causing undue concern to the Council's staff. The Chair questioned whether this Council could work with East Staffordshire and North-West Leicestershire District Councils to deliver some central services. It was noted that the geographic area of the three authorities was larger than that of Derby City Council, but approximately half the size of Derbyshire County Council. A further example of partnership working was the procurement of the Occupational Health Service, which was based at Stoke-on-Trent.

IP/17. **CORPORATE PLAN 2005/08**

A report was submitted which detailed the design parameters for the Corporate Plan. Essentially it was a "roll forward" of the existing plan, which would take place once the Community Strategy had been finalised. Measurable three year targets and 2005/06 milestones would be included and the plan would incorporate the actions in the CPA Improvement Plan. Other design parameters were to include Members' proposals, to review the priority themes and to provide more emphasis on outputs and outcomes.

The suggested contents for the Plan were set out, under the headings:-

- Introduction to the Plan
- Where are we now?
- Where do we want to be?
- How are we going to get there?
- Delivering our Plan
- Staying on Track
- Commenting on the Plan

The Head of Policy and Economic Regeneration explained the timetable for producing the Corporate Plan and the rationale behind linking the budget to the Corporate Plan. The Chair clarified that the Corporate Plan would drive the

budget. He questioned the aims for the Improvement Panel, to make significant changes or improvements by the end of 2005. The Deputy Chief Executive explained that the Year 1 Improvement Plan covered the period September 2004 to September 2005. This could be rolled forward and an outline was given of the dimensions which could be included in future plans. The Improvement Panel's priority was to ensure that the improvement message was embedded clearly throughout the Corporate Plan. The Chief Executive commented on moving forward the shifting resources project, to align resources against key priorities. There was a need for priorities to be in place within the Corporate Plan, to enable strategies to be rolled forward. In the longer term, the outcomes for the Council were to become a better performing authority, with increased customer satisfaction and a better Comprehensive Performance Assessment rating.

B. WHYMAN

CHAIR

The Meeting terminated at 6.45 p.m.

