

Report to:	<b>Cabinet</b>
Date:	<b>15 November 2017</b>
Title:	<b>Council Performance Report Q2 2017-18</b>
Portfolio Area:	<b>All</b>
Divisions Affected:	<b>All</b>
Relevant Scrutiny Committee: <b>All</b>	
Authors, Roles and Contact Details:	<p><b>Responsible Service Directors</b></p> <p>Performance appendix: Jessie Hamshar, Service Director - Strategy &amp; Engagement  <a href="mailto:Jessie.Hamshar@cornwall.gov.uk">Jessie.Hamshar@cornwall.gov.uk</a></p> <p>Finance and Treasury Management appendices: Andy Brown, Service Director – Resources  <a href="mailto:abrown@cornwall.gov.uk">abrown@cornwall.gov.uk</a></p> <p>Projects appendix: Kieran Topping, Service Director – Commercial Services  <a href="mailto:ktopping@cornwall.gov.uk">ktopping@cornwall.gov.uk</a></p> <p>Risk appendix: Anne Brown, interim Service Director – Assurance  <a href="mailto:Anne.Brown@cornwall.gov.uk">Anne.Brown@cornwall.gov.uk</a></p> <p><b>Report Authors</b></p> <p>Sue Day and Roger Gates – Business Improvement Team  <a href="mailto:rgates@cornwall.gov.uk">rgates@cornwall.gov.uk</a></p> <p>Drew Gregory - Finance Business Analyst <a href="mailto:Drew.Gregory@cornwall.gov.uk">Drew.Gregory@cornwall.gov.uk</a></p>
Approval and clearance obtained:	<b>Y</b>
<b>For Cabinet and delegated executive decisions only</b>	
Key decision? (≥£500k in value or significant effect on communities in two or more electoral divisions)	<b>N</b>
Published in advance on Cabinet Work Programme?	<b>Y</b>
Urgency Procedure(s) used if 'N' to Work Programme?	<b>N</b>
Date next steps can be taken	<b>25 November 2017</b>

**Recommendations:**

1. The Quarter 2 Council Performance Report (covering performance, finances, risks and projects) and the improvement actions being taken be noted.
2. The amendments to performance indicators, as outlined in appendix 1, be endorsed.
3. The proposed budget virements, write-off of a bad debt and proposed reserve movements detailed in appendix 2 to the report are noted and approved.

**1. Executive summary**

- 1.1 Cabinet is invited to consider the Council's performance during Quarter 2, covering the period 1 July to 30 September, against our strategic and critical performance indicators (appendix 1), finance indicators (appendix 2), risks (appendix 3) and projects (appendix 4). This performance report is also published online so that our residents and partners can hold us to account.

**2. Strategic performance (appendix 1)**

- 2.1. Performance is reported against the 35 of our 66 strategic and critical indicators which have quarterly data collections. Of the 35 indicators, 21 are on track to be achieved (green); five are off track (amber); and 9 are significantly off track (red). Cabinet is invited to focus its discussion on the red rated indicators and the actions in hand to bring these back on track, which are summarised below for ease:
- % of Council owned homes that meet the Cornish housing standard (page 10) – Q2 performance has improved to 93.2%, compared with 90.68% in Q1, but remains below the Q2 target (95%). Corserv has been procured to ensure sufficient commercial skills, and heating upgrade work is due to start on site this month. This is expected to bring performance back on track to achieve the year-end target of 100% of homes meeting the Cornish Housing standard.
  - Total number of families with children in Bed & Breakfast over 6 weeks (page 10) – There has been a significant increase in homelessness presentations this year. 3 families with children were in B&B for more than 6 weeks in Q2. While down from 5 families in Q1, the target is for no families with children to be in B&B for more than 6 weeks. This is being addressed through actions to move more households from temporary into settled accommodation (see next).
  - Households in temporary accommodation (page 11) – The 2017-18 business plan includes an indicator to measure the number of households in temporary accommodation provided under the homelessness legislation. The 2017-18 target is to reduce the number of households in temporary accommodation from 201 to 160 over the course of the year. Over the first two quarters of the year there has been a significant increase in the number of approaches to the Housing Options service and this, together with other factors including difficulties in securing move-on accommodation has led to a significant increase in the number of households in such accommodation. A number of actions are in hand to recover the position but it is not realistic to project achievement of the current target by year-end. It is therefore proposed to set a revised target that is demanding but achievable

and that will underpin and support implementation of an agreed recovery plan.

- Short term placement stability (page 7) – 16.9% of looked after children had 3+ placements, against a Q2 target of less than 14%. Causes are well understood: two-thirds of 3+ placements are positive, planned actions to help the child achieve permanence; the remaining third are generally teenagers with behavioural challenges who struggle to settle in a placement. Actions in hand include: recruiting and upskilling foster carers who are more resilient to behavioural challenges of teenagers; reconfiguring placement support team into a multi-disciplinary team targeting teenage placements that are vulnerable to breakdown; reinvesting in an additional team to prevent teenage admissions to care. This is expected to bring performance closer to target by year end. The significant increase in the numbers of children in care is being investigated. All possible action is being taken and while this will not fully achieve the end year target, we do not propose to re-profile the trajectory.
- % of step 1 children’s statutory complaints responded to within 20 working days (page 12). 84.6% of complaints were responded to within the timeframe, an improvement on 75% Q1. The service is improving with Special Guardianship Orders (SGO) appeals, increasing the number of officers dealing with Education Health & Care Plans (EHCP) assessments, and carrying out a Lessons Learned programme of work to help improve response rates.
- % of Step 1 Adults statutory complaints responded to within 20 working days (page 12). 75% of complaints were responded to within the timeframe in Q2, down from 76.92% in Q1 and significantly worse than the Q2 target of 90%. The service is taking forward a lessons learned programme of feedback, improving processes for provider complaints and implementing early triage of complaints relating to financial assessments and care plans. A working group made up with member from the Standards committee has been established with a focus on improving responsiveness to complaints. Benchmarking is also underway with other Local Authorities regarding a realistic timeframe for Adult complaints. Training will be delivered to team managers clarifying their roles and how to get the best out of managing complaints effectively.
- Delayed transfers of care attributable to adult social care (page 6) – There were 15.2 delays per 100,000 population against a Q2 target of 10, and a newly introduced NHS target of 6.3. Schemes using additional social care monies are taking time to put in place but will start to reduce delays attributable to adult social care from early December. Together with action to release some inappropriate home care capacity is expected that performance will be close to our local target of 10. Our major scheme involves significant investment in NHS staff and recruitment is taking time to get the staff in place. There is good progress in reducing overall health and social care delays through joined up system focus, however delays attributable solely to social care continue to struggle.
- Financial savings delivered against target savings (page 14) – 77.6% of savings are forecast to be delivered, down from 78.4% in Q1, and significantly below the 100% target. The forecast shortfall of £7.962m is predominantly in Adults Transformation and Libraries Transformation. Failure to deliver savings causes sustainability issues going forward, and intense work by a dedicated ‘turnaround’ team has developed plans for delivering adults transformation savings, as reported to Overview and Scrutiny. This is expected to yield some in-year increase in savings delivered, and we are also mitigating the impact of delay

in savings in year through one-off funding totalling £6m. Library transformation savings have been re-profiled for delivery in 2018/19 and 2019/20. Further details of variances are in the finance performance appendix 2.

- Average percentage of time lost due to sickness absence (page 13) – 4.34% of staff time was lost due to sickness in Q2, below our ambitious target of 4%, although better than the local government benchmark of 4.42%, and breaks down:
  - Wellbeing and Public Health 3.6%
  - Customer and Support Services 2.6%
  - Economic Growth and Development 2.1%
  - Neighbourhoods 4.7% - The Neighbourhoods directorate is focused on tackling sickness absence with the support of HR colleagues and each Service Leadership Team has a commitment to address this through a variety of initiatives and measures. These include the regular review of HR dashboards and sickness trigger reports at management meetings, ensuring return to work interviews are being conducted, undertaking wellbeing checks for hard-to-reach staff, and providing advice to managers with a particular focus on long term cases being properly managed.
  - Children, Families and Adults 5.6% - A promoting attendance task and finish group for Adults has been set up involving Heads of Service and support from HR and OD. This group will be implementing a number of initiatives to promote wellbeing and reduce sickness. This group is being led by the HR Business Partner with the target to reduce sickness down to the average for the Adult Social Care sector. HR Dashboards which includes sickness data are now a standing agenda item at both the Adults SLT's and Children's SLT's. An audit of sickness absence in Children's is under development. The aim being to identify from the quantitative and qualitative data areas that are higher than average or having particular sickness absence reasons to ensure that a targeted approach can be taken to provide support to staff and managers.

2.2 In addition to the latest quarterly data above, outturn data is now available for 8 targets where data is collected annually through the resident survey (which Cabinet is discussing separately under the Business Plan, Budget and Resident Survey item). This outturn data is reported below:

	<b>2016-17 outturn</b>	<b>2017-18 target</b>	<b>2017-18 outturn</b>
% who agree they can influence decisions affecting local area	18%	25%	17%
% who agree the Council is campaigning and standing up for Cornwall	49%	60%	40%
% who are satisfied with the library service	49%	60%	48.6%
% who agree the Council and police are dealing with anti-social behaviour and crime issues that matter in local area	49%	64%	42.7%
% who are satisfied with street cleanliness	55%	60%	57%
% who are satisfied with the way the Council runs things	57%	60%	47%

% who agree the Council provides value for money	34%	36%	30%
% who agree the Council keeps them well informed	44%	52%	43%

### 2.3 Proposed amendments to indicator and targets

- 2.3.1 The 2017-18 business plan states “*We will support and build Cornwall’s small/medium sized businesses by both maximising our contractual spend to at least 41% and by paying invoices within 14 days.*” It is not possible to capture data on how much of our contractual spend with businesses outside Cornwall comes back into the local economy through sub-contracts, although we know that this is frequently the case. We have looked further at the data we can capture, and propose that we refocus this target to capture all of our direct spend with businesses in Cornwall, with a target that at least half of our contractual spend will be with local businesses.
- 2.3.2 The 2017-18 business plan also states we will “ensure that at least 90% of complaints from residents are dealt with within either 10 working days or mutually agreed timescales”. We are on track to deliver this target. However, there are different statutory requirements for complaints about our adults and children services. We propose to set the same ambition in these areas as well, and drive up performance through the actions reported above.
- 2.3.3 Following the publication of a new national code of practice our methodology for the % of reported category 1 potholes repaired, has been amended to % of category 1 highway safety defects (including potholes) which have been fixed within the 48 hours for urban areas and 72 hours in rural areas”. This change in methodology has no impact on the target or performance, which is currently green.
- 2.3.4 The 2017-18 business plan sets an indicator to measure the number of households in temporary accommodation provided under the homelessness legislation. The 2017-18 target is to reduce the number of households in temporary accommodation from 201 to 160 over the course of the year. Over the first two quarters of the year there has been a significant increase in the number of approaches to the Housing Options service and this, together with other factors including difficulties in securing move-on accommodation, has led to a significant increase in the number of households in such accommodation. A number of actions are in hand to recover the position but it is not realistic to project achievement of the current target by year-end. It is therefore proposed to set a revised target that is demanding but achievable and that will underpin and support implementation of an agreed recovery plan. If Cabinet agrees we will bring back target proposals at Quarter 3.

### 3. **Strategic Finance (appendix 2)**

3.1 The revenue forecast outturn for 2017/18 is a net overspend of £1.016m. This equates to a variance of 0.2% against the budget. Within this, service budgets, excluding corporate items, are forecast to overspend by £6.162m, which equates to 1.3% of the budget. The most significant overspends are linked to the savings shortfall of £7.962m discussed in the performance section above:

- Adult Social Care has a forecast net overspend of £3.250m, with a significant ongoing pressure of £11.8m within packages of care. This is caused, at least in part, by a shortfall

of £4m from the re-phasing of achieving the targeted Adults Transformation saving. One-off funding totalling £6m has been used to mitigate the shortfall.

- Neighbourhood & Public Protection forecasts a £1.543m overspend mainly due to delayed delivery of savings plans. The two main savings plans which will be delayed are the library transformation programme and additional income generation from the public protection services commercial programme. The savings have been re-profiled for delivery in 2018/19 and 2019/20.

3.2 In developing the 2018/19 budget, savings have been reviewed to ensure they are still deliverable. Where it is considered savings shortfalls are still deliverable in later years, the savings plans have been re-profiled, and these will be available for consultation before final saving plans are approved.

3.3 In accordance with the Council's financial regulations, it is sought that the proposed reserve movements, budget virements and the write-off detailed in appendix 2 are approved.

#### **4. Strategic risks (appendix 3)**

4.1 There is a close correlation between our strategic risks and our performance; the top three risks (adult demographics, child demographics and welfare reform) are impacting upon many of our targets where performance is off-track. Following a review of the risks by Audit Committee the likelihood of the risks in adult demographics and health service deficits are undergoing a reassessment by officers.

4.2 This report highlights that the likelihood or impact of the following risks is judged to have increased:

- 'Financial Sustainability' (page 4): we assess the likelihood of the risk occurring has increased from Unlikely (2) to Possible (3) given the reductions in Government grant and the increased uncertainty around the economy and future of local government financing.
- Change Management Capacity and Capability (page 6): we assess the impact of the risk has increased from Minor (2) to Moderate (4) given the number of strategic and critical projects that are dependent on our change management capacity and capability.

#### **5. Strategic projects (appendix 4)**

5.1 Of the 33 projects reported in Quarter 2 the majority (91%) are either under control (Green) - within tolerance; or are out of tolerance - with a plan in place to bring them back within tolerance (Amber). Projects of real concern are those that are out of tolerance with no approved plan in place (Red). Appendix 4 provides further details, but in brief these are:

- Library Transformation Programme – Whilst still reporting Red due to in-year shortfall against current Medium Term Financial Plan the Programme Team remain confident that full savings can be achieved within revised timescales.

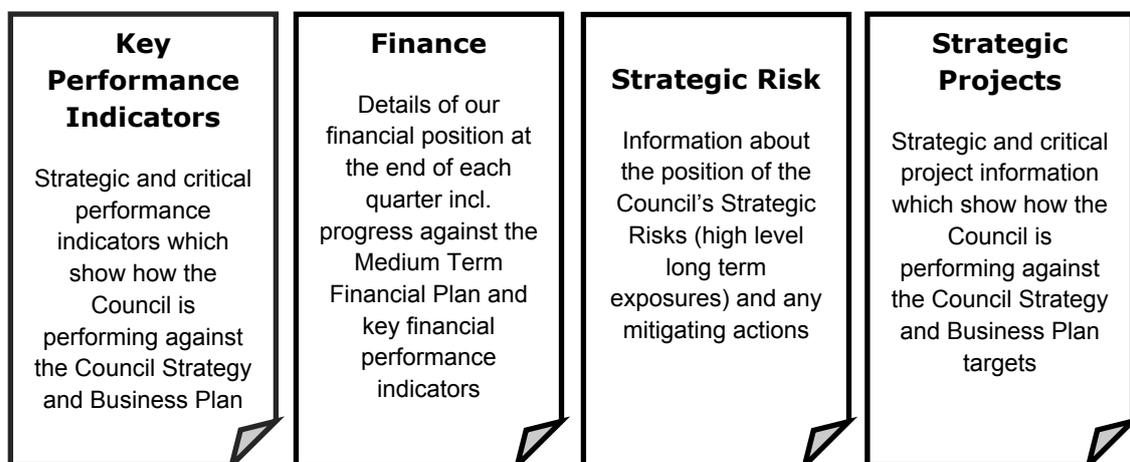
- Housing Development Programme - The Housing Development Programme is Red due to risks around the Council, whether the Council can secure sufficient skills, capacity, expertise to deliver against targets.
- Integrated Community Care (SoF) - Despite some progress, the status of the programme remains red, due to the complexity of the nature of integrated practice. Evidence is needed to show the impact of redesigning community services and the use of a range of community hubs on the existing hospital services.

## 6. Benefits for Customers/Residents

6.1 The Council regularly monitors and reports on performance to ensure that it is delivering against its priority outcomes for residents of Cornwall. Those priorities have been shaped by the feedback from the residents' surveys and are set out in the Council's Business Plan and summarised in the annual *Our Aims* publication. This report highlights the significant revenue/capital investments and strategic projects which the Council is delivering to benefit customers, residents and businesses.

## 7. Relevant Previous Decisions

7.1 The Council performance reporting framework for 2017-18, which sets out the Council's key performance measures and associated targets along with roles and responsibilities for managing performance, was approved by Cabinet in March 2017 and is made up of:



## 8. Consultation and Engagement

8.1 None other than set out in section 4.

## 9. Financial Implications of the proposed course of action/decision

9.1 This regular performance update has no material cost implications in and of itself. Regular monitoring and reporting of performance supports the Council to achieve good value for money for local residents. The recommendation to approve the write-off of bad debt is fully covered by the Council's existing bad debt provision and will have no adverse impact on this year's budget.

**10. Legal/Governance Implications of the proposed course of action/decision**

10.1 None arising directly from this report.

10.2 The Council needs to be mindful of the need to operate within budget, that it cannot set a negative budget (budget to overspend) and that it has a fiduciary duty to the tax payer with which it must comply. Regard also needs to be had to the exposure to risk of challenge for the Council if service cuts are unlawfully made as a result additional savings that have to be made. Service cuts alone do not present a risk of challenge. It is when those service cuts do not comply with the legal rules within which the Council must operate, and so are unlawful, that the Council is exposed to increased risk.

**11. Risk Implications of the proposed course of action/decision**

11.1 Regular monitoring and reporting of performance helps to mitigate the risk that the Council fails to manage its performance and resources effectively.

**12. Comprehensive Impact Assessment implications**

12.1 None, as it is expected that the consideration of any potential impacts during the delivery of key activities and projects will be undertaken at service level. Where any negative impacts are identified, it is the responsibility of the relevant service area to consider mitigating actions and monitor any ongoing risks.

**13. Options available**

13.1 Any issues arising from this report can be referred to the appropriate Overview and Scrutiny Committee for further analysis and investigation.

**14. Supporting Information (Appendices)**

Appendix 1 – Council Performance Indicators Q2 2017-18

Appendix 2 – Financial Performance Q2 2017-18

Appendix 3 – Strategic Risks Report Q2 2017-18

Appendix 4 – Strategic Projects Report Q2 2017-18

**15. Background Papers**

15.1 None.

**16. Approval and clearance**

<b>Final report sign offs</b>	<b>This report has been cleared by (or mark not required if appropriate)</b>	<b>Date</b>
Governance/Legal (Required for <b>all</b> reports)	Anne Brown Service Director Assurance	7/11/17
Finance (Required for <b>all</b> reports)	Andy Brown Service Director Resources	7 Nov 2017
Equality and Diversity (If required)		
Service Director (Required for <b>all</b> reports)	Jessie Hamshar, Service Director Strategy and Engagement	7 <sup>th</sup> Nov 2017
Strategic Director (If required)	Cath Robinson, Chief Operating Officer and Section 151 Officer	7 <sup>th</sup> Nov 2017