



Report of the Assistant Chief Executive (Planning, Policy and Improvement)

Executive Board

Date: 14th January 2009

Subject: Leeds Strategic Plan and Council Business Plan –
Performance Reporting at Quarter Two 2008/09

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

The introduction of the Leeds Strategic Plan and Council Business Plan in April 2008 and changes to the national performance management arrangements has required significant changes to be made to our performance reporting and accountability arrangements within the council, and additionally across the Leeds Initiative partnership. As a partnership document, the quality and robustness of our performance management arrangements for the Leeds Strategic Plan will be fundamental in forming a key portfolio of evidence in both the organisational and area assessments under the Audit Commission's new Comprehensive Area Assessment (CAA) methodology being introduced in 2009. In addition, the Council Business Plan will provide a strategic overview of how the council is delivering against its high level internally focused priorities, impacting directly on the CAA organisational assessment, and in particular the Use of Resources assessment. Most importantly however, our performance management arrangements will provide the council and our partners with reassurance that the very things we see as being most crucial in delivering improved outcomes across the city are being progressed in an expedient way. When issues are identified it also provides the structure through which remedial action can be channelled. The quarter two performance information has been provided to Government Office (GOYH) as part of the annual review of the Local Area Agreement (LAA), and will also form the basis for discussions in relation to the LAA 'Refresh', which will be finalised in early 2009. In addition, the Leeds Strategy Group has also used the quarter two action trackers to determine the focus of peer challenge workshops at its most recent meeting. In order to help Members more readily focus on the most important performance issues facing the city, this report provides a traffic lighted overview of performance plus a brief summary of performance against each theme of both the Leeds Strategic Plan and Council Business Plan. It includes information relating to the: 13 out of 38 Business Plan improvement priorities which are currently rated amber or red; and the 27 out of 44 Leeds Strategic Plan improvement priorities that are currently rated amber or red. Overall 54% of improvement priorities are rated green, 44% amber and 2% red.

1.0 Purpose of this Report

- 1.1 The Appendix to this report summarises the current performance against the improvement priorities in the Leeds Strategic and Council Business Plans 2008 to 2011 as at quarter two.

2.0 Background Information

- 2.1 Executive Board approved a new corporate planning framework for the council in July 2007. The strategic element of this framework includes two high level plans which set the policy objectives for the organisation and our partnership working. These are:

- a) **The Leeds Strategic Plan 2008 to 2011** - which sets out the customer/citizen focused strategic outcomes being sought by the council and its partners for the city. This plan includes our requirements to produce a Local Area Agreement and is the main delivery mechanism for the Vision for Leeds 2004 to 2020.
- b) **The Council Business Plan 2008 to 2011** - which sets out what the council needs to do internally to enable the organisation to achieve the Leeds Strategic Plan. That is outlining the business development, organisational change, process transformation and financial planning activities that we will be undertaking over the next three years.

- 2.2 Both these plans include a set of outcomes, improvement priorities and performance indicators with three year targets. Through our performance reporting and accountability arrangements we need to track our progress against the improvement priorities as well as against the indicators to provide both a qualitative and quantitative picture of performance. This is because the scope of most of the improvement priorities is wider than that of the performance indicator(s) and without some form of contextual reporting we would not be able to capture or monitor this progress.

- 2.3 Within the Leeds Strategic Plan, the 89 performance indicators represent our Local Area Agreement. Furthermore, 31 of the targets within the Leeds Strategic Plan are 'designated' which means they are agreed with government and subject to formal performance monitoring via Government Office (GOYH) and are eligible for performance reward grant. In addition, we have a requirement to actively monitor and manage the performance of all of the 198 national indicators through our accountability process. The council has a statutory obligation to report progress against the national indicator set to government on an annual basis, and this will be crucial in contributing to both the Area and Organisational Assessments informing the overall Comprehensive Area Assessment (CAA) judgement following its introduction in 2009. A key element of CAA will be to challenge the capacity of the council and its partners in delivering their agreed improvement priorities for local people.

3.0 Main Issues

3.1 Reporting of information, self-awareness and challenge

- 3.1.1 A key aspect of a robust performance management framework is to highlight an organisation's self-awareness. This will be a fundamental part of the CAA process where councils will be expected to carry out an annual self evaluation that will be crucial in determining the overall CAA judgement. The joint inspectorates' proposal for consultation, issued in summer 2008, notes that:

"Councils and their partners, and their representative bodies, are developing approaches to self-evaluation. While we are not making it a requirement of CAA, we do expect that each area will wish to complete an annual self-evaluation and we will take full account of it and any service level self-evaluation. We do not intend to repeat the work carried out already by the council or its partners. We will expect that any self-evaluation is based on verifiable

evidence. The more robust the self-evaluation the more reliance we will be able to place on it. CAA will draw as far as possible on the information used by the council and its partners to manage performance and deliver improvements set out in the Local Area Agreement and Sustainable Community Strategy. This approach will minimise the administrative burden imposed by CAA and will make optimum use of self-evaluation.”

- 3.1.2 The self evaluation will enable both the council and the partnership to work through and be able to demonstrate that it is sufficiently self-aware of key issues and that there are effective plans in place to address any concerns. It will demonstrate that the council and the partnership is aware of where there are gaps in performance that need to be addressed or where more focused attention is needed to ensure that the partnership will deliver its outcomes. It will also highlight where action plans are in place to address these issues. This is important in ensuring self awareness and preparedness to really deliver on improvements.
- 3.1.3 As such, it is important that timely, appropriate and accountable performance information is available to the relevant audiences so that problems in relation to performance and/or data quality are flagged; the focus of improvement activity can be challenged; and that appropriate action is being taken and reported to address areas of under performance.
- 3.1.4 Within the council Lead Officers, usually at Chief Officer level, have the key role in making this happen through co-ordinating the activities of contributors and providing an overview of the progress against the improvement priority for which they are accountable. This overview position is described in a set of detailed action trackers which are prepared at quarters two and four of each reporting year. The action trackers should provide a single source of performance information for the full range of different stakeholders in the accountability process.
- 3.1.5 In addition to Executive Board, key stakeholder bodies reviewing the information in the accountability process are the Corporate Leadership Team (CLT), Scrutiny Boards and the Leeds Strategy Group. The Scrutiny Boards challenge performance to raise standards by examining and questioning the range of actions, activities and decisions, and also considering and challenging the work of partnership bodies contributing to the delivery of improvement priorities. The Leeds Strategy Group provides partner peer challenge and an opportunity to problem solve to improve delivery impact.
- 3.1.6 This report represents the first time that information of this type has been presented to Members. The development and refinement of these reports will be an on-going process as we learn what does and does not work.

3.2 **Leeds Strategic Plan - Summary of Progress**

- 3.2.1 *Culture* - Overall progress by the end of quarter two has been good for this theme with two of the three improvement priorities rated green. The ‘amber’ rating relates specifically to the target to ‘increase adult participation in sport and active recreation’. More recently, we have received the results from the Active People survey which show Leeds has made a stepped change against this indicator with an increase of 7%, effectively raising us from 208th to 16th nationally. Clearly current progress here is now also green.
- 3.2.2 *Enterprise and Economy* - At the end of quarter two the progress of all three improvement priorities in this area was rated as green. Despite the current economic downturn having an adverse affect and clearly slowing development, we have continued to make progress particularly through close partnership working. This theme is however, intrinsically linked to the skills targets and priorities recorded under the Learning theme.

- 3.2.3 *Learning* - Overall progress against the learning outcome area is considered amber. This judgement acknowledges the strong improvements in a number of learning outcomes and the good progress with partnership and transformational activities, while also recognising that some learning outcomes remain too low. The focus on key stage 4 has been rewarded with strong improvement, including headline indicators and improvement areas highlighted by the Joint Area Review. Leeds' results at 5+A*-C including English and maths GCSE have risen by over 4% points and closed to within 1% point of the national average. Progress with 14-19 partnership initiatives is good and based on this outcomes at 19 have been traffic lighted as green. This will be reviewed once results for qualifications at 19 are known later in 2009. Similarly 2008-09 results are not yet available for the improvement priority for workforce skills. With changes in funding arrangements and the potential impact of the current economic downturn on potential trainees there is a risk to future progress and this, therefore, is reflected in the amber progress rating for this improvement priority. The Learning and Skills Council is the lead partner for this and have identified a number of key actions they are progressing in partnership with Leeds Colleges and Jobcentre Plus and particularly with the Leeds Chamber of Commerce through the Leeds Skills Board. Early indications are showing a reduction in the levels of young people not in education employment or training. This is based on robust partnership working and improved targeting of support, the impact of which is anticipated to increase in future years. Across all learning priorities a central focus is the sustained and consistent acceleration of progress for children, young people and adults from groups most vulnerable to poor learning outcomes. While there are examples of excellent impact and narrowing of performance gaps, a priority is to ensure that learning and good practice are embedded and shared with more consistent progress across all groups and at all ages. While results at the end of primary school remain in line with national comparators there is a commitment with schools to strengthen our improvement strategy for primary education, reinvigorating progress at key stage two and addressing emerging concerns at key stage one. At the foundation stage the gains of 2007 have not continued into 2008, so partnership working around the Early Years Outcome Duty is being further strengthened, including the improved targeting of support.
- 3.2.4 *Transport* - There has been good progress made on each of these priorities although because of a number of increasing pressures we have taken a cautious view and rated three of the four improvement priorities as amber. Specifically, these pressures are related to uncertainties about funding approvals for desired schemes, which could impact directly on a number of key actions. Particularly relevant is the need to pre-purchase energy for street lights which increased dramatically in the current period. There are also complexities in establishing the relevant information base on local bus passenger journeys, which is the responsibility of Metro, and we will continue to work with them to try and resolve these issues.
- 3.2.5 *Environment* - Only one of the five improvement priorities under this theme is currently rated amber and this essentially relates to our aim to reduce emissions from public sector buildings. Although we have made progress in a number of areas, in particular with a wide range of schemes to reduce carbon emissions, we remain cautious on our assessment of the overall progress. This is essentially because obtaining accurate measurement of CO² emissions is complex and comes from a wide range of sources, both internal and external to the council. In addition, we are collecting this information for the first time and although we have some information already, seasonal variations preclude us from drawing any conclusions at present. We have worked particularly hard to ensure that we will produce robust data of good quality to enable us to establish a realistic action plan and targets for the remaining two years.
- 3.2.6 *Health and well-being* - Leeds has rated its overall progress for this priority as amber. There has been some good overall progress but challenges remain. Importantly, the partnership's governance and accountability arrangements have been strengthened through the

introduction of the Health and Wellbeing Joint Strategic Commissioning Board and through the enhancement of the Adult Safeguarding Board. Although the improvement programme is at an early stage of delivery there is some limited evidence of improving outcomes for vulnerable adults and children. Activity within partnerships has been significant with strong performance on health checks and screening for circulatory diseases and diabetes. Programmes designed to reduce the number of people who smoke, and to reduce obesity have been developed, and there is evidence that more children are becoming physically active. Adult services are delivering rapid improvements in the personalisation of services from a low baseline and the quality of residential and domiciliary provision for both Adults and Children's Social Care is improving, as confirmed by recent regulatory inspection results. There is also significant evidence of a step change with partners with regard to the level of awareness of adult safeguarding issues. The number of referrals received by the authority regarding this issue is predicted to have nearly doubled by the end of the current year. For both Adults and Children's Services, the partnership continues to face challenges. Safeguarding continues to be a local concern. The number of looked after children in Leeds remains fairly constant and the current target to reduce the rate by around one third may need to be reviewed in the light of recent national developments. The recent inspection judgements of the Authority's Fostering and Private Fostering arrangements as 'Inadequate' and of its arrangements for Adult Safeguarding as 'Poor' indicates that rapid, sustained and significant improvements are necessary in these areas and that assurance of progress should be provided through enhanced independent performance and quality assurance systems. As a consequence, the priority for the next six months will be a strong joint focus on improving safeguarding arrangements and outcomes for vulnerable adults and children and young people.

- 3.2.7 *Thriving Places* - The priorities of increasing the number of affordable homes and reducing the number of people who are unable to adequately heat their homes which are showing as red are both affected by the prevailing economic conditions. The priority to reduce worklessness across the city with a focus on deprived areas which is showing as amber will also be affected by the economic downturn. The affordable housing plans and targets have been based on a large housing expansion programme from which a percentage would be delivered as affordable housing. However, the contraction in construction as a result of the economic downturn and credit downturn means that the forecasted number of affordable homes is now unlikely to be delivered, although steps are being taken to explore other ways of generating affordable homes. The increase in fuel prices and the impact of the economic situation on people's incomes will inevitably impact on the numbers of people in fuel poverty, despite our ongoing work to improve the living conditions and energy efficiency of people's homes. In relation to worklessness, the official figures are always six months out-of-date and do not show the true extent of the problem. The current indications are that unemployment will rise as the economic downturn makes its impact and this will change the nature of unemployment in the city and the range of interventions needed. Despite the recession, good progress is being made in relation to increasing the number of decent homes, and, with the exception of burglary, crime figures are coming down which helps to create safer environments.
- 3.2.8 *Harmonious Communities* - The various work programmes linked to priorities under this strategic outcome are in development and focus on local engagement and capacity building, including strengthening the role of the voluntary, community and faith sectors and the role of local volunteers. Steps have also been taken to strengthen the role of Area Committees in determining the needs of their areas by engaging effectively with their local communities. The measures for all the priorities under this outcome are linked to the Place Survey which is not due to report until later in 2009.

3.3 **Business Plan Outcome 1 - We are a values led organisation and our people are motivated and empowered**

- 3.3.1 *Organisation Design and Workforce Planning* - Workforce planning issues are being more systematically addressed and are in the process of being better linked into service planning approaches for 2009-10. Work has continued to implement the new pay and grading structure in order to better align our staffing to overall budgets and the rolling programme to review our Investors in People (IiP) accreditation is on schedule. Developing our organisation's ability to deliver good services through our staff is on-going and a range of developments and initiatives are in progress to improve our approach. For example the roll out of leadership and management standards supported by improved appraisals for senior managers, development of a new in-house occupational health service and strategies to better address basic skills for frontline delivery.
- 3.3.2 *Leadership* - Whilst partnership working in the city is already established we recognise that there are still many important leadership challenges for the city, not least how we respond to, and mitigate the affects of the current economic downturn. This is being addressed through on-going work on refreshing the Leeds Strategic Plan/LAA (and where necessary revising targets) and through the process to refresh the Vision for Leeds to ensure it remains relevant and addresses the big issues for local people. Leadership capacity within the council is being developed through various initiatives with particular emphasis on measured performance against competencies in order to demonstrate progress. In turn this needs to be tied into requirements to support Members in fulfilling their leadership role.
- 3.3.3 *Democratic Engagement* - Work is progressing to strengthen and improve our democratic processes e.g. a Memorandum of Understanding between Executive Board and Scrutiny has been developed and external auditors are reviewing the role of Scrutiny in policy development. However, the overall progress is rated as amber as there is still work to be done to ensure officers involve members appropriately and in a timely fashion.
- 3.3.4 *Equality, Diversity and Community Cohesion* - Since the publication of the Equality and Diversity Scheme 2008-11 in April 2008 a range of work has started on the implementation of the Scheme. Directorates and services are responsible for helping deliver the corporate equality and diversity action plan and an effective outcome focused performance reporting system has been developed to help measure progress. Progress against our targets to employ a more diverse workforce vary across different equality strands, and a new Board is being created to examine and address this. Their work will be informed by an exercise to refresh our employee data including gathering data across all equality strands.
- 3.3.5 *Sustainability* - Work is well underway to establish a baseline for our carbon emissions so that we can set targets for the next 3 years, this work is due to be completed during the second half of 2008/09. A number of key work areas to reduce carbon emissions are also on-going including: the replacement of 80,000 street lamps citywide with more energy efficient lamps, new or refurbished buildings are now being commissioned to BREEAM excellent standards; the Ward Based Initiative Scheme is investing in energy efficiency and renewables; there is a low carbon vehicle procurement programme in place; we are assessing a business case for the use of Bio-methane as fuel for our vehicles; and our Business Transformation programme aims to reduce our environmental footprint through shrinking our physical size, reducing our levels of consumption and promoting new ways of working that are more sustainable in the medium to longer-term. A range of work is also being undertaken to improve social responsibility through procurement including the introduction of a socially responsible toolkit, the development of community benefit clauses in contracts and the opening-up of council contracts to third sector organisations.

3.4 **Business Plan Outcome 2 - We are an intelligent organisation, using good quality information to deliver better outcomes**

3.4.1 *Information and Knowledge Management (IKM)* - Overall progress on this improvement area is good. The council has recognised the importance of developing a strategic approach to our IKM agenda and has allocated resource to ensure that our information and intelligence needs are better met in the future. This important agenda forms a key focus for our strategic Business Transformation programme. However, in the absence of the technology, systems and processes to provide us with information at the press of a button, there still remains an immediate need for us to have at our disposal the best information possible for decision making and strategic planning. For the short/medium term we are, therefore, relying on a number of different approaches to ensure we have good data. These include: building on our sound partnerships and sharing data widely; looking to widen the scope of the Joint Strategic Needs Analysis (JSNA) approach; ensuring the quality of the data we do have is good; continuing to carry out regular consultation and engagement work; and focusing on good performance management processes.

3.4.2 *Customer Involvement, Choice and Satisfaction* - Directorates and services are responsible for helping to deliver against the customer related improvement priorities, driven by Customer Strategy Board, and there is much evidence of improving practice across the council. Corporately, our work on the development of the Universal Customer Master Index (UCMI) and business intelligence projects provides significant potential for transformation. In addition, a number of services are also developing significant improvement programmes, which have the potential to improve outcomes for customers: examples include the Housing Solutions Programme and the Adult Social Care personalisation agenda. However, there remains inconsistency across the council. The quarter two performance indicator results show performance is improving on telephone answer rates and the level of customer self-service is around 10% up on last year. However, there are still important gaps in access, customer relations and service delivery where performance needs to improve, not just to respond to new national priorities for the next three-year period, such as reducing avoidable contact, but also to achieve some fundamental standards of handling customer contact and managing customer expectations. The focus of our current efforts is to ensure a 'One Council' approach is agreed and implemented, allowing the council to deliver a more coherent and collective response to our customer related priorities and realise improved outcomes for customers.

3.4.3 *Stakeholder Engagement* - There is a significant amount of good quality consultation and engagement work across the council and the challenge now is to co-ordinate this both within the council and across the partnership. Work is underway to further develop and promote the use of the council's consultation and engagement portal Talking Point, and embed its use in the council's programme and project management approaches e.g. Delivering Successful Change. The preparatory work for the first Place Survey, the replacement for the Best Value survey, is completed, contractors have been commissioned and the survey currently underway. The first set of results is expected later in 2009.

3.5 **Business Plan Outcome 3 – Our resources are clearly prioritised to provide excellent services and value for money**

3.5.1 *Resource Prioritisation* - This improvement area is in reality delivered through the annual budget process which cumulates in the budget report to Council in February each year. Resource allocations for 2009/10 and 2010/11 have been determined, based on the 5-year Financial Strategy, and work is on going to deliver the 2009/10 budget within these allocations. For the current year, the half year forecast is an overspend of £2.7m (0.5%) and directorates are continuing to develop and implement action plans to manage the pressures which include the identification of specific proposals where savings can be made or additional income generated. The half year projection of the forecast cumulative efficiency gains is slightly below target, however work is ongoing over the next six months to identify further value for money

gains. While revenue gains (£17.1m) were clearly identified as part of the budget process, there was less certainty about the delivery of capital gains (£11m) and those from the Passenger Transport Authority (PTA) (£0.9m). However, the PTA are projecting gains in line with the target, while revenue gains continue to be closely monitored

- 3.5.2 *Efficiency/Value for money* - A cross cutting Value for Money programme which brings together efficiencies and other value for money improvement across the council is being developed corporately. This will assist in prioritising activity and ensure that the benefits are delivered. The Procurement Unit has reviewed procurement efficiency and identified ways to make further savings (£7.5m) across the council through collaboration, shared services and reducing 'off contract' spend. Resources and Performance Board are monitoring both these programmes directly. ICT improvements continue to deliver savings through a variety of programmes including rationalisation of printers, electronic payments and through the re-negotiation of PC supplier contract.
- 3.5.3 *Commissioning* - We are on schedule for developing a 'One Council' approach to commissioning. Value for money and best provider of service are embedded in this process. A series of workshops have been held across Directorates to discuss the approach during the summer of 2008 and the outcomes of these and proposed next steps will be reported in the second half of the year.
- 3.5.4 *Service Improvement and Transformation* - Progress to define and agree our strategic business transformation agenda has been good with the inaugural meeting of the Business Transformation Board having taken place in November 2008. A Business Transformation Working Group is to be established to support the Board in developing this agenda. Within the action tracker, capacity issues were identified in corporate teams to progress this area, however, since then Members of Executive Board agreed a vision for Business Transformation and capital expenditure at their meeting in December 2008. A single approach to service planning across the authority was used for nearly all of the plans produced in 2008-09 and this brought together workforce planning, risk management, financial planning and performance management. A quality assurance exercise on all service plans has been completed and tailored feedback provided. For 2009/10 service plans, the templates and guidance were strengthened and issued in September 2008 in order to drive further improvement. A brief has been prepared outlining work to be undertaken to consider the council's readiness to deliver its business transformation agenda and the extent to which collaboration with the private and/or public sector could help to deliver on our transformation aspirations.
- 3.5.5 *Partnerships* - Progress is currently on track to ensure that we know what our significant partnerships are and to embed sound governance arrangements to ensure that these are managed effectively.
- 3.5.6 *Support Services* - Overall progress on this improvement area is good. The Support Service Review programme continues to be delivered with benefits realisation managed by the project board, and monitored by the Resources and Performance Board. The new organisational structure for corporate property management has been successfully implemented. Good progress has also been made on introducing the new corporate landlord arrangements working closely with the Strategic Asset Management Unit. This has resulted in improvements in the coordination and planning of building maintenance projects.

4.0 Implications for Council Policy and Governance

- 4.1 Effective performance management enables senior officers and Elected Members to be assured that the council is making adequate progress against our stated priorities and provides a mechanism for them to challenge performance where appropriate. Effective performance management also forms a key element of the organisational assessment proposed under the new CAA methodology. The CAA will examine and challenge the robustness and effectiveness

of both our corporate performance management arrangements and those across the partnership.

5.0 Legal and Resource Implications

5.1 The implementation of these new performance reporting arrangements is achievable within current resources across the organisation as they essentially replace an existing similar process.

6.0 Conclusions

6.1 The development of the partnership approach of the Leeds Strategic Plan, the introduction of a Council Business Plan and the changes resulting from CAA have required us to review and revise our council performance management framework and associated reporting processes. As a result, this has seen a significant change in identifying lead and contributory officers and partners with accountable roles for each improvement priority within the Leeds Strategic Plan and Council Business Plan as appropriate.

6.2 At quarter two each lead officer/partner has completed an action tracker against each of the improvement priorities. Over 50 in total across the two plans. This has significantly increased the amount and quality of performance information produced and subsequently presented to Elected Members and Partners in order for them to fulfil their role effectively through Executive Board, Scrutiny Boards and the Leeds Strategy Group.

6.3 As the lead partner for the Leeds Strategic Plan (incorporating the LAA) it is fundamentally important that the council can demonstrate to partners, GOYH and through the CAA that it has an integrated, robust performance management framework that is fit for purpose.

7.0 Recommendations

7.1 Members of Executive Board are asked to note and comment upon the quarter two performance report in respect of the Leeds Strategic Plan and Council Business Plan 2008-2011.

Background Papers:

Performance Report Action Trackers