

**REPORT FOR: PERFORMANCE AND
FINANCE SCRUTINY
SUB-COMMITTEE**

Date of Meeting:	18 January 2011
Subject:	Chair's report
Responsible Officer:	Alex Dewsnap, Divisional Director, Partnerships Development and Performance
Scrutiny Lead Member area:	All areas
Exempt:	No
Enclosures:	Appendix A – Note of briefing held on 27 October 2010 Appendix B – Note of briefing held on 1 December 2010 Appendix C – Update on indicators selected for further monitoring at Q1 2009/10 Appendix D – Information requested by the Chair

Section 1 – Summary and Recommendations

This report sets out issues considered by the Chair since the last meeting of the Performance and Finance scrutiny sub-committee.

RECOMMENDATIONS:

The sub-committee is requested to note the report.

Section 2 – Report

Introductory paragraph

This report outlines the work of the chair and vice-chairman since the last meeting of the sub-committee.

Background

Briefing – 27 October 2010

A briefing for the chair and vice-chairman was held on 27 October. The purpose was to receive a briefing on performance benchmarking, including value for money. A note of the briefing is attached as Appendix A.

Briefing – 1 December 2010

A second briefing was held on 1 December. A note of the briefing is attached as Appendix B. The first part of the meeting covered further value for money analysis, comparing the performance of Harrow's services with those of other boroughs. In second part of the briefing Members received an update on indicators that the sub-committee had selected for further monitoring on 20 September 2010. Information on progress against these indicators is attached to this report as Appendix C. The chair and vice-chairman also reviewed the Q2 Corporate Scorecard 2010/11.

Sub-committee agenda for 18 January 2011

As a result of the briefings received, the sub-committee agenda was agreed as follows:

- Chair's report
- Housing Ambition Plan (including housing repairs)
- Performance update – SAP utilisation
- Performance update – payment of invoices in 30 days (BV8)
- Project update – Narrowing the Gap
- Performance update on national indicators (NI) used in children's social care assessments (NI 59 and NI 60)

After the meeting, the chair added the following report to the agenda:

- Information report – Capital Expenditure Projects 2010/11

Information requested by the chair

An update on information requested by the chair is attached as Appendix D.

Financial Implications

There are no specific implications arising from this report.

Performance Issues

This report deals with matters of financial and service performance throughout.

Environmental Impact

Not applicable.

Risk Management Implications

Not applicable.

Corporate Priorities

The work of the sub-committee addresses all of the council's corporate priorities.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Heather Smith, Scrutiny Officer, 020 8420 9203,
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Background Papers:

Strategic Performance Report (Q2) – available at:

<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=60259&Ver=4> (Cabinet, 15 December 2010)

Appendix A – Note of Chair’s briefing – 27 October 2010

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE

A chair’s briefing was held on 27 October. It was attended by:

- Councillor Sue Anderson, Chair
- Councillor Barry Macleod-Cullinane, Vice-chairman (part)
- Liz Defries, Service Manager – Performance and Data Services
- David Harrington, Service Manager – Performance Management
- Heather Smith, Scrutiny Officer

Benchmarking information for scrutiny

The chair and vice-chairman had requested a briefing on potential sources of benchmarking information. Officers introduced the briefing paper. It stated that some performance management benchmarking is already included in directorate and corporate reporting. It is usually available annually. Members were provided with a benchmarked extract of the corporate scorecard using different comparator groups.

Expenditure benchmarking relies on councils recording expenditure in a standardised format. It is based on both planned and actual expenditure. It also undertaken annually, for councils are required to make returns to central Government. Members were presented with high level analysis of Harrow’s expenditure based on information from the Local Authority Performance Solution (LAPS).¹

To undertake value for money benchmarking the council has traditionally used a profile developed by the Audit Commission as well as council-commissioned analysis from CIPFA. The future of the Audit Commission tool is in doubt and CIPFA analysis is costly. LAPS also offers analysis of relative cost against relative performance. Members were provided with an example. Overall, services were generally of lower cost and tending towards higher performance but it was felt that drilling down further would be beneficial.

Beyond 2010/11, this type of comparison will not be possible unless there is agreement on the definition of indicators. For example BV12 (number of working days lost to staff sickness) continues to be collected because it is an agreed definition and it has been found to be useful to authorities. The other advantage of retaining definitions is that past performance can also be included. Through the LAPS project London boroughs will consider which measures should be collected across London for inclusion in the tool.

Although Communities and Local Government will no longer require the collection of the National Indicator Set after March 2011, it was noted that requirements from the Department of Health and Ofsted (with regard to education and social care performance) have not been rescinded.

¹ Local Authority Performance Solution (LAPS), led by Capital Ambition and the London borough of Lewisham, is a project to share, compare and analyse local performance data collected by London boroughs to improve services.

Role of scrutiny

Given that improvement boards already included a summary of value for money benchmarking by service, this leaves an opportunity for scrutiny to take a corporate overview view of the council's value for money in comparison with other authorities. Areas identified for further analysis were:

- Using LAPS data to identify the overall high performing council in London
- Looking at the highest performing councils – what are others doing that we are not?
- How value for money analysis matches with priorities – what the council has said it will do (as well as the council's aspirations) against cost and performance.
- The potential for analysing value for money against levels of council tax.

It was agreed that a further briefing take place on Wednesday 1 December.

Heather Smith
Scrutiny Officer

Appendix B – Note of Chair’s briefing – 1 December 2010

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE

A chair’s briefing was held on 1 December. It was attended by:

- Councillor Sue Anderson, Chair
- Councillor Barry Macleod-Cullinane, Vice-chairman
- Martin Randall, Senior Performance Officer – Performance and Data Services
- David Harrington, Service Manager – Performance Management
- Lynne Margetts, Service Manager – Scrutiny

Value for money (VFM) Benchmarking

The chair and vice chairman received a presentation from the Service Manager, Performance Management using the Local Area Performance Solution service (LAPS) which presented comparative performance and financial information on a range of services, identifying Harrow’s performance and potential comparator boroughs. The following points were noted:

- **Waste and Cleansing** – Harrow is a high performer in this area but potential comparators are Enfield and Bexley
- **Highways** – Barnet and Havering are useful comparators. Newham is a real outlier, but may not be a relevant comparator
- **Housing** – Bexley, Bromley and Havering are useful comparators but Bexley and Bromley don’t own their housing stock. Wandsworth may provide useful information as they are biggest landlord in London. Hounslow similarly could provide useful comparison.
- **Adult Social Care** – Bexley is the only borough performing better than Harrow

The chair/vice chairman also received information regarding Council Tax levels. Cllr Macleod-Cullinane commented that the gearing between council tax levels and grant support is an important consideration in this context and suggested that useful comparator, taking the gearing and levels of council tax into account, would be boroughs with a similar gearing but lower council tax levels e.g. Bromley.

In order to take this investigation further, it was agreed:

- to speak to the relevant service directors for their opinion of the information and whether the council could learn from the high performing boroughs.
- to consider the performance of the outliers to understand what they do to perform at these extremes – either good or bad.
- to consider those councils who were providing services at about the same level of performance as the council but at a lower cost

The Service Manager performance management will circulate updated charts for comment from the relevant services and bring to the next chair/vice chairman briefing.

Quarter Two Performance Information

NI59 – this had been amended from 7 – 10 days. The poor performance is the result of a change in process which means that a qualified social worker is now required to undertake an initial assessment.

The chair and vice chairman were advised that an unannounced Ofsted inspection of 'front of house' children's services had been satisfied that although performance had deteriorated, there were appropriate plans in place to address this. Performance is being intensely monitored – on a weekly and in some cases daily basis and it is hoped that this will see an improved picture by the end of November. The Performance and Finance sub committee had been assured that only a small additional resource was required to rectify performance and the chair and vice chair were concerned to see that there had been no improvement, though they were encouraged to hear that comparative performance is good. The vice chairman urged caution in terms of the Ofsted findings despite reassurances that the methodology for an unannounced inspection is very robust.

The chair enquired as to whether those cases where an initial assessment had not been completed in 10 days were only marginally in excess of the limit and was assured they were. The Service Manager Performance Management will provide an analysis of these cases for the next briefing. In general the reason for delay in providing an assessment relates to the co-ordination of the number of people who need to be involved in the assessment.

Performance against **NI63** is dropping mainly as a result of excellent performance in adoption which has seen the consolidation of a core group of young people who are more difficult to place. It was agreed that numbers will also be included in future briefings.

Performance against **NI64** has deteriorated as social workers are reluctant to take children off their child protection plans. It is anticipated that the integrated targeted intervention service being developed in children's services will assist in this context by offering more flexible and preventative solutions for safeguarding children.

Performance of the adaptations service continues to cause concern and detailed analysis and data cleansing exercise are beginning to identify reasons for poor performance – e.g. failure of a client to sign an agreement had been included in the delay period.

Performance against **BV8** has dropped again. There could be significant implications for local businesses if the council's performance in this area does not improve. A specific analysis to identify those areas not meeting the timescales is being undertaken.

Performance against the local indicator concerning **SAP utilisation** is still causing concern. It was agreed that further analysis of which managers were not using SAP and the size of their budgets would be undertaken to assist councillors to determine whether or not this is something which should be escalated to the committee.

The chair requested further information on performance against **BV16a** – in particular the timescale for resurvey of staff would be provided.

Items for 18 January Performance and Finance sub-committee

The following items will be placed on the agenda for the sub committee:

- Chair's report
- Housing repairs/Housing Ambition Plan
- Narrowing the gap project update
- SAP utilisation - to include consideration of indicator BV8 and the local indicator on SAP - Officers are to be asked to provide an analysis of the amount of budget controlled by the 10% of managers who are not using SAP. Dependent upon the results of this, the item might be restricted to just BV8 and payment of invoices.
- Update on performance on amended NI59 'Initial [children's] assessments completed within 10 days of referral' and NI 60 'Core assessments for children's social care that were carried out within 35 working days of their commencement'

Lynne Margetts
Service Manager Scrutiny

**Appendix C: Update on indicators selected for further monitoring at Q1 2009/10
Chair's briefing – 1 December 2010**

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q2	2009/10 Actual Q2	2009/10 Q2 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	2010/11 Target Q2	2010/11 Actual Q2	2010/11 Q2 Status
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	Initial assessments completed within 10 days of referral	▲	✘	Not available			100%	75.70%	HR	100%	75.19%	HR
NI 60	NI 60 Core assessments for children's social care that were carried out within 35 working days of their commencement	▲	✓	81%	78.50%	A	83%	59.79%	HR	83%	71.43%	HR

In Children's Services both indicators relating to completing assessments remain at red reflecting both a higher number of referrals and workforce pressures. However, recruitment to vacant positions and major efforts by the team saw a significant improvement during the quarter. Note that NI 59 Initial assessments completed within 7 days of referral has been replaced by the first measure above, referring to 10 days.

NI 157a	NI 157a Processing of Major Planning Applications	▲	✓	60%	60.0%	A	60%	44%	HR	60%	43%	HR
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Decline in determination times of major planning applications (NI 157a) continues, reflecting reduced numbers of larger applications and regulatory requirements plus issue of strategically significant decisions following s106 agreements.

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q2	2009/10 Actual Q2	2009/10 Q2 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	2010/11 Target Q2	2010/11 Actual Q2	2010/11 Q2 Status
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	BV 12 Proportion of working days lost to sickness absence	▼	✓	8	7.38	HG	7.51	7.57	A	7.51	7.01	HG
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The overall rate continues to decrease and at 7.01 days in Q2 is among the best in London. With the onset of winter and in a period of organisational change, figures are liable to increase.

	BV 16a % of employees declaring that they meet the DDA definition	▲	✓		3%		3.0%	1.90%	HR	3.0%	1.81%	HR
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The representation of disabled people in the workforce continues to be of concern. Work has been undertaken with Harrow Association of Disabled People (HAD) but in a period of low recruitment, improvements have yet to be seen.

	BV 8 Percentage of invoices paid on time	▲	✓		Not available		95.0%	82.00%	HR	95.0%	77.00%	HR
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Quarter 2 has seen a further deterioration in the percentage of invoices paid on time. A reminder has been issued to suppliers to send invoices directly to Accounts Payable. An exercise is underway to ascertain where there are delays between presentation of the invoice to the Council and its arrival at Accounts Payable.

	% of managers entering budget into SAP	▲	✗	100%	81%	A	100%	85%	HR	100%	90%	LR
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Although still red, the number of managers entering their monthly budget forecasts into SAP has increased from Quarter 1 and the robustness of monitoring has improved.

Appendix D – Information requested by the chair

Update – BV16a – staff with a disability

There are plans to re-survey staff on disability and other personal details to ensure the data held is up to date. There is a cost to updating the database within SAP, for which there is no provision in the current year. It will not therefore take place till at least the new financial year and funding will need to be identified.