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**Report of the Leader of the Council
To Policy Council
On 2nd December 2010**

**SUBJECT:
Performance Agreement 2009/11**

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Purpose

To report to Annual Policy Council progress made towards achieving the Council's strategic objectives at the end of 2009/10 and during the first six months of the current year.

Recommendations:

- (i) That Policy Council notes the performance against the Performance Agreement 2009/10.
- (ii) That Policy Council notes current performance against the Performance Agreement 2010/11.

Background:

Each year before setting the priorities for the year ahead Policy Council reviews performance against previously set priorities and this report reports on the delivery of the 2009/10 Performance Agreement and current progress against the 2010/11 Performance Agreement.

The Council's Performance Agreement for 2009/10 and 2010/11 is made up of those measures that the Council is responsible for delivering as its contribution to the Local Area Agreement (LAA) 2008-2011 (outcomes priorities), alongside key organisational delivery measures. The Council's strategic objectives for those years were stated as:

- 'Outcomes/performance' priorities
 - *Improving public health and well-being – 'Living Better, Living Longer'*
 - *Improving your neighbourhood – (community engagement, community cohesion, environment, liveability/public realm, enforcement, community safety)*
 - *Improving the economy – (delivering regeneration to tackle poverty, skills and worklessness)*
- 'Organisational delivery' priorities
 - *Achieving first class services: influencing, enabling and commissioning*
 - *Deliver a 'fit for purpose' organisation*

The LAA is a medium-term plan that the Council agreed with its partners of the Local Strategic Partnership (LSP) as the means of delivering its 2020 Vision for the period 2008-2011. 2010/11 is the third and final year of that plan and therefore the six month report for the current year will give a strong indication for the prospects for the Council meeting its contribution to the LAA three year targets. In April 2009 and 2010 a number of the targets were revised through negotiation with Government Office to take account of changing circumstances and so are different from the original plan. From the outset twenty nine of the targets within the LAA were agreed with the government and designated as eligible for reward grant subject to satisfactory progress at the end of the plan period. However, the new coalition government has now removed the designation of those targets and has ceased to monitor them; consequently there will be no reward grant.

Finance Council in March updated the Medium Term Financial Strategy (MTFS) for incorporation into the performance agreement, the framework for which covers:

- a. The preferred level of council tax increases
- b. The extent to which portfolio pressures will be supported, in principle, by cash limit increases (subject to resource availability)
- c. The extent to which savings will be required in order to meet council tax aspirations

- d. High priority service areas for investment
- e. Low priority service areas
- f. The extent to which the council can afford to increase unsupported borrowing to support its capital strategy (which will underpin prudential indicators)

This ensured that funding was directed towards the Council's strategic priorities. The MTFS is a three year strategy to be reviewed and projected forward annually by each subsequent Finance Council. The detailed implications of the Comprehensive Spending Review will be managed by subsequent Finance Council meetings, and any perspectives or initiatives adopted by Policy Council need to be framed within, and contribute to mitigating the effects of, this challenging context.

The LSP has begun the process of producing a new partnership plan to be ready for April 2011 to begin the delivery of the 2030 vision. A separate report presents a review of the Council's strategic priorities for 2011 and beyond. The performance framework going forward will require updating in the light of both these developments.

Similarly, it is important to note that the challenging financial context has led to some targets being impacted by recession as a whole, but specifically through claw-back of funding and some services being decommissioned. Looking ahead, Policy Council is advised to maintain a degree of flexibility around future performance commitments, to ensure that the Council is able to navigate radically changing circumstances, and ensure that frontline services are protected.

Key Issues:

Overview of 2009-2010 Performance Agreement Performance

In the final Performance Agreement outturn report there are 76 targets (including sub-targets) against which performance data is expected to be reported. Data is available/has been provided for 60 of these targets. Of these 60:

- 58% (actual 35) have been met or exceeded
- 37% (actual 22) have been missed
- 5% (actual 3) have been rated as amber where the target related to the delivery of an action plan, and delivery was slightly off plan at year end

Full details of performance against 2009-2010 targets can be found in the performance scorecard, attached at Appendix A. A summary of the overall performance, relevant to each strategic priority is outlined below.

Outturn	Improving public health	Improving your n'hood	Improving the economy	Achieving first class services	Deliver a "fit for purpose" organisation	Total
Target met/ exceeded	4	9	5	11	6	35
Delivery slightly off track	0	0	0	0	3	3
Target missed	4	3	12	0	3	22
Total	8	12	17	11	12	60

Policy Council are advised to note that the performance outturns for the numerical targets referred to in this report is based on actual performance data, no forecasts have been used. Where the target relates to a national indicator, data quoted has been taken directly from the Data Interchange Hub (managed by the Department for Communities and Local Government). Where the target relates to a local indicator, the data is presented as reported at the end of quarter 4. If data to support the target was not available, or had not been reported, at the time of developing this report, then a question mark has been entered onto the scorecard.

Six month review of 2010-2011 Performance Agreement performance

There are now 66 measures (including sub-measures) within the Performance Agreement linked to the Council's strategic objectives.

The breakdown of these measures across the strategic objectives is as follows:

Improving public health	Improving your neighbourhood	Improving the economy	Achieving first class services	Deliver a "fit for purpose" organisation
11	18	25	4	8

There are a further four measures which are diagnostic measures. However it will not be possible to report against these in the lifetime of this Performance Agreement, as the new government has announced that the Place Survey, from which these measures are derived, has been postponed for 2010. We are now awaiting further details from DCLG regarding the future of the Place Survey and have removed these measures from the quarterly reporting process.

Of the 66 measures against which performance reporting is expected, 56 have had information returned this quarter. Of those returned:

- 34% (actual 19) have been forecast "green" or on target;
- 54% (actual 27) have been forecast "amber" where delivery is not going as planned;
- 12% (actual 7) have been forecast as "red" where performance is, or is likely to be off target.

Appendix B outlined the progress against each measure in detail, however these are broken down as follows:

Forecast	Improving public health	Improving your n'hood	Improving the economy	Achieving first class services	Deliver a "fit for purpose" organisation	Total
Green	2	11	3	1	3	19
Amber	4	3	17	2	4	30
Red	5	3	0	0	0	7
No info	0	3	6	1	1	10
Total	11	18	25	4	8	66

In relation to the educational improvement indicators, detailed in Appendix B p.6 and 7, Policy Council is invited to note that the rationale for identifying whether an indicator is on target or not, has been adapted to incorporate the judgements that Ofsted formally give to our progress on each indicator. This is to ensure that there is no longer a discrepancy

between the Ofsted performance reporting framework and that of the Council and LSP.

Appendix A – is the 2009/10 delivery summary against the Strategic Objectives.

Appendix B – is the Performance Agreement 2010/11 performance monitoring report at end of quarter 2.

Policy and Corporate Implications (including consultation process):

None.

Financial implications:

The potential LAA reward grant referred to above had not been accounted for in the MTFS as it was not a definite figure and therefore its loss has no budget implications.

Legal implications/Powers:

None

Other resource implications:

None.

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Leader of the Council

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