



CABINET - 23 NOVEMBER 2018

ANNUAL DELIVERY REPORT AND PERFORMANCE COMPENDIUM
2018

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to present the draft Annual Delivery Report and Performance Compendium for 2018 which set out the Council's performance over the past year. The Report itself (Appendix A) focuses largely on delivery against County Council priorities as set out in the Council's Strategic Plan 2018-22 and other main service strategies. The Performance Compendium (Appendix B) includes information on comparative funding and performance, savings plans and transformation requirements, service pressures and risks.

Recommendations

2. It is recommended that:
 - (a) The overall progress during 2017/18 in delivering on the Council's Strategic Priorities, securing transformation, and mitigating the impact of national funding reductions, as set out in the draft Annual Delivery Report, be noted;
 - (b) That the current comparative funding and performance position, service pressures and areas for continued focus set out in the Performance Compendium be noted;
 - (c) That it be noted that the national funding system is:-
 - (i) causing serious financial challenges for the Council, with major implications for the provision of services to the people of Leicestershire;
 - (ii) placing increasing pressure on delivery with risks to the quality of services which require enhanced performance monitoring, contract and risk management;and that the Council continues to press its case for a fairer funding settlement and to pursue other major savings initiatives;
 - (d) The Chief Executive, following consultation with the Leader, be authorised to make any amendments to the draft Annual Delivery Report and

Performance Compendium prior to its submission to the County Council on 5 December 2018 for approval.

Reason for Recommendations

3. It is best practice in performance management, implicit in the LGA Sector-Led approach to local authority performance and part of the Council's Internal Governance Framework, to undertake a review of overall progress at the end of the year and to benchmark performance against comparable authorities. It is also good practice to produce an annual performance report and ensure that it is scrutinised, transparent, and made publicly available.
4. The Council is poorly funded in comparison with other local authorities and this will affect future delivery and performance levels.
5. The draft Report and Compendium may be modified to reflect comments made by the Cabinet as well as to include any final national comparative data which becomes available prior to its consideration by full Council.

Timetable for Decisions (including Scrutiny)

6. The draft Annual Delivery Report and Performance Compendium 2018 was considered by the Scrutiny Commission on 31 October. The views of the Commission are set out in paragraphs 47 to 50 below. The Annual Delivery Report and Compendium is scheduled for consideration by the County Council at its meeting on 5 December.

Policy Framework and Previous Decisions

7. The Annual Delivery Report and Performance Compendium 2018 forms part of the County Council's Policy Framework. The information outlined in the report provides performance data which will help the Council and its partners to ensure services continue to meet standards, provide value for money, and that outcomes are being achieved for local people.
8. The five priority outcome themes in the Council's Strategic Plan encompass a number of supporting outcomes which together form the overall Single Outcomes Framework which set clear priorities for the Authority and enable more effective deployment and targeting of its resources. The Annual Performance Report includes an assessment of progress in relation to the Outcomes Framework.

Resource Implications

9. The report has no direct resource implications.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

10. The draft Annual Delivery Report and Performance Compendium appended to this report cover County Council delivery over the last 12 months or so. They draw largely on 2017/18 comparative data, although older data is included where more up to date information is not available. In some cases the data is more recent, such as the summer 2018 school examination results.
11. The assessment of performance has been divided into two parts – the Annual Report, the first part, is narrative, describing delivery, progress with implementing agreed plans and strategies, and achievements over the last 12 months. It largely focuses on performance against County Council priorities for community outcomes as set out in its Strategic Plan 2018-22 and other main service strategies.
12. The second part is the ‘performance compendium’ which has been enhanced this year and contains information on:-
 - Current inequality in funding and the Council’s Fair Funding proposals;
 - Current savings plans and future transformation requirements;
 - National and local service pressures and corporate risks;
 - Comparative performance, cost and service benchmarking 2016/17 including lower comparative performing areas;
 - 2017/18 end of year performance figures and a summary of progress towards the 2018/22 Strategic Plan outcomes.
13. Comparative data is sourced from a range of acknowledged data sources including the Local Government Association (LG Inform) national data system, Public Health and Adult Social Care Outcomes Framework data, OFSTED and Department for Education data sets, national highways survey, statutory returns, and Chartered Institute of Public Finance and Accountancy (CIPFA) data. There is some comparative data still to be published - notably some attainment and children’s social care data, which are due to be published by December 2018. The overall Council benchmarking position for 2017/18 will be updated at that point.
14. The appended Annual Report is a draft document and will continue to be developed to incorporate points made by the Cabinet as well as the inclusion of any final national comparative data which becomes available prior to its consideration by the County Council on 5 December. The final Annual Report will be published on the County Council website (<http://www.leics.gov.uk>), together with a shorter summary version.

Delivery Narrative Summary

15. Overall analysis of the narrative shows some strong examples of both delivery across the theme outcome areas and transformation to meet savings requirements. There are good plans, financial management and governance in place supporting delivery and improvement.

16. The Council has established a Strategic Plan Delivery Group at officer level in order to coordinate the commissioning of activity to ensure maximum delivery against the new Outcomes Framework. A new corporate focus has initially been established in relation to the quality and affordable homes outcome theme with a chief officer champion, lead officer and delivery group. The group has carried out mapping of existing activity to support the outcome and areas that require extra activity. These are being drawn together into a new delivery plan.
17. The report includes a full section on delivery of the new communities outcome priority (including environment and culture work), drawing on work taking place in relation to the refreshed Communities Strategy and supported by the corporate Communities Team, communities section of the Adults and Communities Department and Public Health activity such as local area coordinators.
18. The report also has substantial sections on economy and transport, health and wellbeing and safer communities, children and families delivery, reflecting a range of work going on to meet priority outcomes in these theme areas. There is less content on enabler activity (i.e. areas such as customer service, digital delivery, procurement, workforce matters) this year to ensure more of a focus on overall outcomes for residents.

Performance Data Analysis

19. Initial analysis of 2017/18 end of year data shows that out of 191 metrics (excluding schools and crime), 76 service metrics improved (44%), 36 saw no real change (21%), and 59 (35%) got worse. For 20 service metrics the 'direction of travel' cannot be determined, usually due to changes in indicator definitions or due to the addition of new indicators.
20. Looking at progress in terms of the new Outcomes Framework:-
- Strong Economy: 14 out of 31 metrics have improved, while 7 metrics have declined.
 - Wellbeing and Opportunity (excluding schools): 21 out of 62 metrics improved, while 20 have declined. Detailed schools analysis is not yet available but generally has seen improvement in 8 out of 17 metrics, with a decline in 4.
 - Keeping People Safe (excluding crime): 12 out of 29 metrics have improved, while 11 have declined. Looking at key indicators for crime, 8 out of 9 metrics have worsened.
 - Great Communities: 14 out of 26 metrics have improved, while 7 have declined.
 - Affordable and Quality Homes: 2 out of 11 metrics have improved, while 4 have declined.
21. Of the current comparative analysis out of 144 indicators, 38 are top quartile, 54 second quartile, 25 third quartile, and 27 fourth quartile. In late 2017 the Council was identified by the consulting firm iMPower as the most productive council using a range of performance and spend measures.

22. There have been some notable improvements in the following areas of performance but also some areas showing a decline:-

Economy and Transport

23. In relation to Leicestershire's economy, 6 indicators show improvement compared to the previous period. These covered economic growth, broadband delivery, business creation and survival. In relation to 12 performance indicators for employment and skills, 4 show improvement compared to the previous period, relating to apprenticeships, percentage with NVQ 4+ qualification levels and gross weekly pay. The employment, unemployment and NEET (Not in Education, Employment, or Training) rates remained broadly unchanged. Four indicators covering Jobseeker's Allowance claimants and skill levels showed small deteriorations in performance.
24. The dashboard covering transport infrastructure includes road condition, journey times, bus usage and road safety. Four indicators display improvement compared to the previous period, covering road safety, satisfaction with cycle routes and business concerns about congestion. Five indicators remain similar; these covered average vehicle speeds, satisfaction with traffic levels, road condition and gritting. Two indicators show a decline in performance: CO₂ emissions from road transport and bus passenger numbers.

Housing – Affordable and Quality Homes

25. Looking at the 11 indicators, 2 show an improvement (new Registered Social Landlord owned dwellings and units of specialist/extra care housing), while 4 deteriorated (supply of new homes, purchase affordability, households living in temporary accommodation and units of supported accommodation for working age adults). The percentage of adults with a learning disability who live in their own home or with their family remain similar to the previous year, while 4 other indicators had no previous or new data. All indicators with comparative data display above average performance.

Wellbeing – Health and Care

26. The first dashboard covers work with health partners to reduce admissions to hospital and residential care, and facilitate discharge from hospital and reablement. Looking at the 9 performance indicators, 3 display improvement compared to the previous period covering delayed transfers of care from hospital and admissions of older people to residential care. Three indicators covering admissions to care and hospital show deterioration. Three indicators display similar performance to the previous year: 2 covering reablement remain above average, while the metric for service users who find it easy to find information about support remains in the bottom quartile.
27. The second dashboard covers adult social care services including support for carers. Looking at the 14 performance indicators, 2 show an improvement in performance: the percentage of care homes requiring improvement or inadequate and the dementia diagnosis rate. Seven indicators show a decline in performance. These cover service users receiving direct payments and cash

payments, service users perceiving that they have control over their daily life, overall satisfaction with care and support, social care related quality of life, percentage of home care providers requiring improvement or inadequate, and the gap in employment rate for those in contact with secondary mental health services. Three indicators display similar results: carers receiving direct payments and cash payments, and percentage of adults with a learning disability in paid employment.

Public Health

28. Looking at the 19 indicators, 7 show an improvement compared to the previous period, while 6 deteriorated and 5 show no change. The indicators that have improved cover life expectancy, healthy life expectancy (males), cancer mortality, mortality for preventative causes, smoking prevalence and alcohol related admissions. The indicators displaying lower performance are the gap in life expectancy between the best and worst-off, cardiovascular disease mortality, respiratory disease mortality, non-opiate drug treatment and adult obesity. The indicators with similar performance were healthy life expectancy (females), opiate drug treatment, NHS health checks, and physical activity/inactivity.
29. In relation to child health and Early Years services, out of 13 indicators, 8 showed an improvement, while 2 deteriorated and 1 showed no change. The indicators that have improved cover smoking in pregnancy, 5-year-old dental decay, quality of Early Years provision, take up of free early education by 3 and 4 year-olds, achievement of a good level of development at school reception age, excess weight at primary age and under-18 conceptions. The indicators displaying lower performance are the inequality gap in achievement across early learning goals and chlamydia diagnoses in young people, where the aim is to increase the detection rate.

Mental Health

30. Looking at the 7 indicators, 1 improved, 2 deteriorated, 1 stayed the same and 3 had no data available. The indicator showing improvement was the suicide rate, while the percentage of people with a low happiness score and those with a high anxiety score both deteriorated.

Keeping People Safe

Safeguarding Children, Families and Vulnerable Adults

31. Looking at the 19 indicators, 9 show improvement compared to the previous period, while 6 display a decline in performance and 2 showed no change. The 9 indicators showing improvement were the number of families and individuals supported by Early Help Services, the percentage of Payment by Results families outcomes met, the percentage of children in care with 3 or more placements in year, looked after children's health checks, immunisations and emotional health, care leavers in education employment or training, and time to place with prospective adopters. The 6 indicators showing lower performance relate to timeliness of single assessment (where health and social care work together), re-referrals to children's social care, review of child protection cases, repeat child

protection plans, children in the same placement for 2+ years and the percentage of children waiting less than 14 months or less for adoption.

Safer Communities

32. This dashboard covers youth justice, domestic abuse and adult safeguarding and contains 10 indicators, of which 3 show improvement compared to the previous period, 5 deteriorated and 1 shows no change. The 3 indicators showing improvement were first time entrants to the youth justice system, youth re-offending and the achievement of desired outcomes for adult safeguarding enquiries. The indicators showing lower performance concerned young people sentenced to custody, perceptions of anti-social behaviour, users of adult social care who say services made them feel safe, adult safeguarding alerts raised and the percentage of adult safeguarding enquiries substantiated.

Police and Crime

33. This dashboard includes indicators for total crime as well as specific crime types covering burglary, vehicle crime, violence and criminal damage. With the exception of the burglary rate, all other indicators show lower performance than in the previous year. Three indicators now fall within the bottom quartile compared to other two-tier county areas: burglary, vehicle crime and theft rates, while three indicators (violence against the person, criminal damage and sexual offences) remain within the top quartile.

Communities, Environment and Waste

34. In relation to the 'great communities' priority in the Outcomes Framework, the dashboard covers libraries, cohesion and volunteering. Looking at the 15 indicators, 6 showed improvement compared to the previous period, while 3 displayed a decline in performance and 4 showed no change. The 6 indicators showing improvement are the percentage of survey respondents giving unpaid help, local election turnout, Library Service issues, children's issues, e-downloads and the number of communities running their own library. The 3 indicators showing lower performance are the percentage of users of adult social care services who had sufficient social contact, the percentage of respondents agreeing that they can influence County Council decisions, and number of library visits.

35. The second dashboard covers waste management and the County Council's environmental impact. It includes 11 indicators, of which 7 show improvement compared to the previous period and 4 a deterioration. The improvements relate to total waste per household, CO₂ emissions from the Council's operations, buildings and street lighting, business mileage, renewable energy generated and CO₂ emissions per capita in the County. The 4 indicators showing lower performance are household waste recycled, percentage of collected waste sent to landfill and 2 indicators covering waste and recycling from the Council's own operations.

Corporate Enablers

36. This dashboard covers customer service, digital delivery, procurement and the Council workforce. Looking at the 19 indicators, 7 show an improvement compared to the previous period, 6 display a decline in performance and 6 show no change. The 7 indicators showing improvement covered the County Council website star rating and visits, procurement savings, days lost to sickness absence, reportable health and safety incidents, percentage of workforce of a BME background and percentage of managers that are female. The 6 indicators showing lower performance cover perceptions of the County Council, media rating, commendations received and the Stonewall Workplace Equality Index Ranking. The 6 indicators displaying no change are satisfaction with the Customer Service Centre, complaints received, speed of response to complaints, staff satisfaction, staff perception of the Council's commitment to equality and diversity, and the percentage of the workforce that is disabled.

Fair Funding

37. The report analysis identifies that low funding remains the Council's Achilles heel. Leicestershire remains the lowest-funded county council in the country with greater risks to service delivery as a result. If it was funded at the same level as Surrey it would be £99m better off.

38. The list of county authorities with serious financial issues continues to grow with Northamptonshire, Somerset, Lancashire, East Sussex, Shropshire, Buckinghamshire, West Sussex, Suffolk and Surrey going public with financial problems – with some counties moving towards providing services only to the statutory minimum level.

39. Last year the Council published a new simplified funding model based on factors that drive demand for local services. It allocates money fairly based on need and narrows the gap between the highest and lowest funded. If implemented, the model would unlock up to an extra £47m for Leicestershire. The extent of service reductions made has already affected most areas of service delivery and some areas of performance, and further cuts to come will put other areas at risk.

40. Rising demand means that over the period of the Medium Term Financial Strategy, growth of £41.2m is required due to pressures related to child placements, school places, learning disabilities, support for children with Special Educational Needs and Disabilities (SEND), waste disposal, and the ageing population. As a result the Council needs to save a further £50m, £13m of which is as yet unidentified. The refreshed transformation programme and areas of service reduction are highlighted in the appended report and will require difficult decisions to continue to be taken.

National and Local Service Demands and Pressures

41. In March 2018, the National Audit Office (NAO) issued a report on the financial sustainability of local authorities. The report finds that the financial position of the sector has worsened markedly, particularly for authorities with social care responsibilities with signs of real financial pressure and trends that will not be

sustainable over the medium term. 10.8% of single tier authorities and counties have less than three years' worth of reserves left at the current rate of use, with enhanced risks to services. The trajectory for local government being towards a narrow core offer increasingly centred on social care. The NAO also found the Government lacks a long-term funding plan for local government and noted the absence of monitoring of the impact of funding reductions.

42. CIPFA and the Institute for Government have also recently reported on the performance of public services. The report (Performance Tracker 2018) raises serious concerns about the quality of prisons, adult social care and libraries, with growing recruitment and retention difficulties across a range of services. National spending on health is crowding out other spending and locally spending on social care is following the same pattern, at the expense of other services such as libraries, waste and trading standards, with more costs being passed to citizens.
43. The Care Quality Commission, in its recent annual report on health and care, highlighted continuing challenges around demand and funding, coupled with significant workforce recruitment/retention pressures. Workforce problems were having a direct impact on people's care and the adult social care market remained fragile with providers continuing to close contracts. As unmet need continues to rise, the tipping point has been reached for some people who are not getting the care they need. In July 2018 one in six adult social care services needed to improve amid rising demand from an ageing population and increased numbers with complex chronic conditions. Locally 13% of adult social care providers require improvement as well as the service looking to increase overall satisfaction with social care as reported through the social care user survey.
44. In relation to children's services, there continues to be a range of demands and pressures including on prevention budgets, increased numbers of children coming into care and placements, more child mental health issues (fuelled partly by social media), qualitative improvements to meet higher regulatory practice standards, SEND high needs block pressures and Education Health and Care Plans and wider family pressures related to welfare provision and homelessness. Low comparative funding for public health and trading standards also create additional risks to the delivery of priority outcomes.
45. The combination of pressures, high profile service reductions and national strategy to allow funding for the above through local tax rises rather than national taxation has seen an overall reduction in satisfaction with the Council this year and this will be subject to ongoing monitoring.

Improvement Plans Delivery

46. Given the significant financial challenges, demand, and delivery pressures facing the Council there is a need to maintain the strong delivery focus and take forward a number of agreed strategies and improvement plans. There is also some time lag in the performance data and from actual delivery on the ground. Areas for continued focus include:-

- The Fair Funding Campaign, other major savings initiatives and seeking more sustainable funding for local services. Analysis shows that Leicestershire, due to unfair funding, is now the lowest spender in a number of areas, with enhanced risks as a result of the time lag in some service performance data.
- Continuing to implement the Strategic Plan and Outcomes Framework, and associated strategies relating to housing delivery and communities, the Medium Term Financial Strategy and Transformation Programme delivery.
- Ensuring a stronger commercial focus and more digital delivery of Council services.
- Continuing partnership working with the Police and Crime Commissioner to pursue improvements in crime reduction, in particular vehicle crime and burglary.
- Maintaining the focus on qualitative improvements in children's and adults social services in light of increasing demand pressures.
- Delivering on strategies to address current and new public health challenges such as obesity, diabetes, child and adult mental ill health, and issues associated with poor air quality.
- Supporting workforce health and wellbeing and helping to reduce staff sickness absence.
- Looking to mitigate any reduction in public satisfaction with services and the Council.
- Continuing to enhance business intelligence, performance and contract quality monitoring, and feedback processes so that any service quality issues are detected and addressed at the earliest opportunity.

Views of the Scrutiny Commission

47. The report was considered by the Scrutiny Commission at its meeting on 31 October 2018. The Commission generally welcomed the development of the report to include enhanced information on the impact of austerity and pressures and risks now affecting the Council and services both nationally and locally.
48. The work of the Communities Team and Local Area Co-ordinators were praised, as was the recognition of the work being undertaken to help support staff and reduce levels of sickness absence. It was suggested that the provision of affordable homes, home education of children, and community mental health services for children and young people were all areas which would merit further scrutiny.
49. Concern was expressed regarding the increase in crime. It was recognised that this was a national issue, but there were four areas where Leicestershire's performance was in the fourth quartile when compared with other local authority

areas. It was also suggested that the increase in the number of safeguarding inquiries in care homes should be assessed in relation to any link to recruitment and retention difficulties.

50. It was also noted that air quality was a local public health issue and included as such in the Director of Public Health's Annual Report and that this would be added explicitly to the improvement plans delivery list above.

Equality and Human Rights Implications

51. There are no equality and human rights implications directly arising from this report. The draft Annual Delivery Report and draft Performance Compendium incorporate the progress of the County Council against key equalities commitments and indicators.

Background Papers

Leicestershire County Council Strategic Plan 2018-22

<https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>

Ofsted Inspection of Leicestershire Children's Social Care – February 2017

<https://reports.ofsted.gov.uk/local-authorities/leicestershire>

National Audit Office Report – Sustainability of Local Authorities

<https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>

Care Quality Commission – The State of Health Care and Adult Social Care in England – 2017/18

<https://www.cqc.org.uk/publications/major-report/state-care>

CIPFA/Institute for Government – Performance Tracker 2018. A data driven analysis of the performance of public services

<https://www.instituteforgovernment.org.uk/publications/performance-tracker-2018>

Local Government Association: LG Inform Benchmarking System

<https://lginform.local.gov.uk/>

Appendices

Appendix A - Draft Leicestershire County Council Annual Delivery Report 2018

Appendix B - Draft Performance Compendium 2018