

Report to: Performance Scrutiny Committee

Date of Meeting: 21 February 2013

Lead Member/Officer: Lead Member for Modernising and Performance /
Head of Business Planning and Performance

Report Author: Corporate Improvement Manager

Title: Corporate Plan 2012-17 Baseline Report

1. What is the report about?

1.1. This paper presents a baseline report for the Corporate Plan 2012-17.

2. What is the reason for making this report?

2.1. To enable Members to discuss the range of indicators and performance measures to be used for monitoring the delivery of the Corporate Plan 2012-17.

2.2. To enable Members to discuss the baseline position for the Corporate Plan, i.e. the position at 1st April 2012.

2.3. To enable Members to understand the council's strategy for setting "excellence thresholds" and "interventions" for each indicator and performance measure. This system allows the council to understand our performance in context and whether the position in Denbighshire is "excellent"; "good"; "acceptable"; or a "priority for improvement".

3. What are the Recommendations?

3.1. That Members consider, discuss and provide observations on the attached draft baseline report for the Corporate Plan 2012-17.

4. Report details.

4.1. The baseline report presents the position for the Corporate Plan at 1st April 2012 (the start of the Corporate Plan period). An understanding of the baseline position is necessary in order to understand future performance reports on the Corporate Plan. All future Quarterly Performance Reports, as well as the council's Annual Performance Report, will compare the current position with the baseline in order to evaluate progress made in delivering the outcomes in the Corporate Plan.

4.2. Since the Corporate Plan was adopted by Council on 9th October 2012, the Corporate Improvement Team has been working with relevant officers and Lead Members to define which indicators and performance measures to use to evaluate our success in delivering each of the new corporate priorities. Subsequent discussions were held to agree the "excellence thresholds" and "interventions" for each indicator and performance measure.

- 4.3. The purpose of identifying excellence thresholds and intervention levels is to enable us to understand performance in context. They allow the council to understand how good the current position is, rather than simply telling us whether we managed to meet a particular target.
- 4.4. The intention of the excellence threshold is not to state where we may reasonably expect to be at the end of the current financial year (or even where we might necessarily expect to be by 2017), but to state where we would have to be in order to say that we had achieved "**excellence**". At this point, the indicator or performance measure would generate a **GREEN** status.
- 4.5. The intervention level is crucial as it identifies when the position will become a "**priority for improvement**". Interventions are therefore set at the level where some kind of intervention would be required to alter the direction of travel. At this point, the indicator or performance measure would generate a **RED** status.
- 4.6. The difference between the excellence threshold and the intervention will automatically divide into two sections to enable us to understand where the status is neither "excellent" nor a "priority for improvement." Essentially anything above the intervention is, by definition, acceptable. Where the current position is below the excellence threshold, but closer to the excellence threshold than the intervention, this would generate a **YELLOW** status, which we define as "**good**". Where the position is below the excellence threshold, but closer to the intervention than the excellence threshold, this would generate an **ORANGE** status, which we define as "**acceptable**".
- 4.7. As described above, the Corporate Improvement Team has been working with relevant officers and Lead Members to agree which Indicators and Performance Measures should be used for our Corporate Plan. Although this work is largely complete, some further work is required, predominantly on our "economic" and "modernisation" priorities. It is also the case that we are awaiting some research by Glyndwr University in order to be able to confirm the indicators for the housing priority. These indicators will be included in future performance reports to Performance Scrutiny and Cabinet.
- 4.8. In some cases, particularly with performance measures that we are unable to benchmark against other councils in Wales, further work is needed to agree the excellence thresholds and interventions. Again, these will be included in future performance reports to Performance Scrutiny and Cabinet.
- 4.9. The council has developed a framework for setting excellence thresholds and interventions to ensure that the system is consistent and robust. Although each indicator and performance measure must be looked at on an individual basis, the Corporate Improvement Team has developed a default position for excellence thresholds and interventions and some guidance for scenarios where we may wish to deviate from the default position (see paragraphs 4.10 – 4.12 for details).
- 4.10. The default position is that being in the top quarter of councils in Wales is "excellent", and that being in the bottom half of councils in Wales becomes a "priority for improvement" (see table 1 below). However, a different

benchmarking group can be used if Wales is deemed not to be the most appropriate comparator for a particular indicator or performance measure. For example, for the national road condition indicators, it may be more useful for us to benchmark against councils covering areas with a similar mix of rural and urban roads, than to benchmark against all of Wales, including Cardiff, Swansea, etc.

Table 1

Upper Quartile (Excellence Threshold)	Excellent
	Good
Median (Intervention Level)	Acceptable
Lower Quartile	Priority for Improvement

4.11. We may decide to deviate from the default excellence threshold in situations where our position is already consistently in the top quartile and we desire further improvement. Alternatively, this adjustment is useful where the upper quartile threshold in the Wales is still poor when we consider comparators from further afield (e.g. private sector, UK, European or other countries). This covers those scenarios where being in the top quartile in Wales cannot be regarded as “excellent”, but it is difficult to benchmark further afield due to differences in data collection and calculation methodologies. The proposal here is that we use the position of the best in Wales as the excellence threshold (table 2, below). For example, we have decided to use the “best in Wales” as the excellence threshold for educational attainment as Wales is generally regarded as a poor performer in international terms.

Table 2

Best in Wales or Benchmark Group (Excellence Threshold)	Excellent
Upper Quartile	Good
Median (Intervention Level)	Acceptable
Lower Quartile	Priority for Improvement

4.12. It does not necessary follow that current performance in the upper quartile should automatically lead to the adjustment described in table 2. Deviation from the default position is essentially a policy decision. However, the default position provides a good starting point for a discussion in most cases, and the default position will be used unless there is a logical argument for deviation.

5. How does the decision contribute to the Corporate Priorities?

5.1. This report is about defining the detail of our Corporate Priorities. The work to define and agree indicators, performance measures, excellence thresholds and interventions is necessary for the council to understand whether it is successfully delivering those priorities.

6. What will it cost and how will it affect other services?

6.1. The Corporate Plan 2012-17 sets out how much additional money we aim to invest in each corporate priority during the next 5 years. Apart from that additional investment, it is assumed that the corporate plan can be delivered within existing budgets.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

7.1. An EqIA was undertaken of the Corporate Plan and presented to Council when the plan was adopted on 9th October 2012. No further EqIA is required for this report.

8. What consultations have been carried out with Scrutiny and others?

8.1. Since the Corporate Plan was adopted by Council on 9th October 2012, the Corporate Improvement Team has been working with relevant officers and Lead Members to define which indicators and performance measures to use for the purpose of evaluating our success in delivering the new corporate priorities. SLT has discussed and approved the overall proposal.

9. Chief Finance Officer Statement

9.1. A Chief Finance Officer statement is not required for this report.

10. What risks are there and is there anything we can do to reduce them?

10.1. The consequence of not selecting appropriate indicators, performance measures, excellence thresholds and intervention levels would be negative feedback from the WAO in its Annual Improvement Letter. This links to risk DCC012 on the Corporate Risk Register: "the risk of a significantly negative report(s) from external regulators". The Head of Business Planning & Performance and the Corporate Improvement Team Manager are in regular dialogue with the WAO about our progress with developing the performance management framework for the Corporate Plan. We have had positive informal feedback about the concept of "excellence thresholds" from the WAO.

11. Power to make the Decision

11.1. This paper is not for decision. It is to enable a discussion about the range of indicators and performance measures to be used for monitoring the Corporate Plan 2012-17.

11.2. Article 6.1 of the Council's Constitution stipulates that scrutiny of the Corporate Plan and performance management in general lie within the remit of Performance Scrutiny Committee.

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