

Lancashire County Council

Cabinet Committee on Performance Improvement

Monday, 25th July, 2016 at 2.00 pm in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Agenda

Part I (Open to Press and Public)

No. Item

1. Apologies for Absence

2. Disclosure of Pecuniary and Non-Pecuniary Interests

Members are asked to consider any Pecuniary and Non-Pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

3. Minutes of the Meeting held on 8 June 2016 (Pages 1 - 4)

4. Quarterly Corporate Performance Monitoring Report – Quarter 4 2015/16 (Pages 5 - 18)

5. Debt Management (Pages 19 - 24)

6. Corporate Human Resources - Health Check Report (Pages 25 - 34)

7. Urgent Business

An item of Urgent Business may only be considered under this heading where, by reason of special circumstances to be recorded in the minutes, the Chairman of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Members' intention to raise a matter under this heading.

8. Date of Next Meeting

The next meeting of the Cabinet Committee on Performance Improvement will be held on Monday 12 September 2016 at 2.00pm in Cabinet Room B – The Diamond Jubilee Room.

9. Notice of Intention to Conduct Business in Private

Notice is hereby given in accordance with Regulations 5(4) and 6 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that this meeting is likely to move into private session to consider the item listed as Update Report on the Performance of Lancashire County Council's Waste Management Company.

10. Exclusion of the Press and Public

The Committee is asked to consider, whether, under Section 100A(4) of the Local Government Act, 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12 to the Local Government Act, 1972 as indicated against the heading to the items, and that in all circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Part II (Not Open to Press and Public)

- 11. Update Report on the Performance of Lancashire County Council's Waste Management Company** (Pages 35 - 50)

I Young
Director of Governance,
Finance and Public Services

County Hall
Preston

Lancashire County Council

Cabinet Committee on Performance Improvement

Minutes of the Meeting held on Wednesday, 8th June, 2016 at 9.00 am in Former County Mess - The John of Gaunt Room, County Hall, Preston

Present:

County Councillors

D Borrow
T Martin

M Brindle

1. Apologies for Absence

Apologies were received from County Councillor Driver, County Councillor Mein and County Councillor Winlow.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

None.

3. Minutes of the Meeting held on 12 April 2016

Resolved: - That the minutes of the meeting held on 12th April 2016 be confirmed and signed by the Chair.

4. Towards Excellence in Adult Social Care (TEASC) – Risk Awareness

Tony Pounder, Director of Adult Services attended and presented a report on Towards Excellence in Adult Social Care (TEASC) – Risk Awareness.

It was reported that to help frame a systematic and comprehensive understanding of the risks facing adult social care, a framework has been developed under the auspices of the Local Government Association (LGA) and Association of Directors of Adult Social Services (ADASS) which Directors of Adult Social Services (DASS) have been encouraged to use.

The 'Risk Awareness Tool' was completed in November 2015 by the Lancashire DASS, based on data available at the time. An interactive process was followed to identify the top five risks as:

- finance/budget savings;
- market sustainability/quality;
- transforming care for people with learning disabilities or autism;
- performance/system development;
- waiting times for assessment and reviews.

The full Risk Awareness Tool was set out at Appendix 'A'.

It was noted that the top five risks had been determined following peer challenge and discussions at Management Team. The Committee received further detail regarding the five risks, together with a brief account of the mitigating plans in place.

It was agreed that bite size briefings on Adult Social Care and the Quality Care Commission would be provided for members.

Resolved: That the Cabinet Committee on Performance Improvement:

- i. Noted the contents of the completed Risk Awareness Tool for Adult Social Care set out at Appendix 'A';
- ii. Endorsed the assessment of Lancashire DASS regarding the top five risks facing adult social care in Lancashire;
- iii. Endorsed the high level plans to mitigate those risks; and
- iv. Agreed that the Committee should receive an annual report containing an updated Risk Awareness Report for Adult Social Care.

5. Risk & Opportunity Register

Ian Young, Director of Governance, Finance and Public Services and Paul Bond, Head of Legal and Democratic Services attended and presented a report regarding the Risk and Opportunity Register.

It was explained that the corporate approach to reporting on risk and opportunity had been previously agreed and involved Risk and Opportunity reports being provided to Management Team on a quarterly basis. The reports would then come to the Cabinet Committee on Performance Improvement and then to the Audit and Governance Committee.

It was noted that the first report was the first quarterly updated refresh of the Risk and Opportunity Register. The Register for quarter 1 was set out at Appendix 'A' to the report.

The key highlights in the Register were noted and included:

- Allowing for mitigating actions, 16 issues remained on the register as the residual risk score remained 12 or above.
- The wording of Issue CR15 regarding waste had been amended and additional mitigating actions included.
- 3 new entries had been added to the Register relating to issues regarding National Troubled Families Unit, children and young people with special educational needs and/or disabilities and proposed museum closures.
- 11 entries had been removed from the Register because the mitigating actions have reduced the residual risk score to below 12. These would continue to be monitored at a service level.

Resolved: That the report now presented be noted.

6. Customer Access Performance Report

Sarah Jenkins, Head of Service, Customer Access Service attended and presented a report on the operation and performance of the Customer Access Service (CAS).

It was noted that within the programme for Performance, Transformation and Improvement the CAS is actively involved with delivering requirements to support:

- adult and children's social care
- de-commissioning of 0800 and 0845 telephone numbers
- transfer of the County Council's frontline Pension service to the new joint venture with London Pension Group.
- Blue Badge Service
- automated surveys
- compliments and complaints

It was reported that all the CAS contractual SLA targets for 2015/16 were met or exceeded.

The CAS is engaging with future improvements as part of the Core Systems Transformation Programme:

- Highways Asset Management System
- Property Asset Management Systems
- Social care – Liquid Logic update version 7
- Social care – work with Newton

It was agreed to include a narrative around the measurement of the quality of calls and the percentage of those calls resolved at the first point of contact, in future reports.

Resolved: That the report now presented be noted.

7. Urgent Business

None.

8. Date of Next Meeting

It was noted that the next meeting of the Committee would be held on Monday 25th July 2016 at 2.00 pm in Cabinet Room B – the Diamond Jubilee Room, County Hall, Preston.

I Young

Director of Governance, Finance
and Public Services

County Hall
Preston

Cabinet Committee on Performance Improvement

Meeting to be held on 25th July 2016

Report of the Chief Executive

Electoral Division affected: All

Quarterly Corporate Performance Monitoring Report – Quarter 4 2015/16

(Appendices 'A' and 'B' refer)

Contact for further information:

Michael Walder, 01772 533637, Corporate Policy and Performance Team,
Michael.Walder@lancashire.gov.uk

Executive Summary

A robust performance management framework will underpin the delivery of the draft corporate strategy. A suite of key performance indicators will be established to monitor and manage the delivery of strategic outcomes.

For the interim period, regular corporate monitoring of performance across the authority as a whole continues, with the production of quarterly reports and analysis of corporate performance. Quarterly Quality of Service reports against the themes of Start Well, Live Well and Age Well are being produced giving an overview of performance, along with Highlight reports for other areas of the organisation.

In addition to monitoring and providing progress updates against budgets, projects and other future developments, each Quality of Service and Highlight report gives details of performance against Performance Indicators for that quarter.

This Corporate Performance Monitoring Report is derived from the in-depth monitoring reports and provides an overview of performance activity across the Council. An overview of the Quarter 4 budget position is also provided at Appendix 'A' so performance can be viewed within the associated financial context.

In addition as part of this quarterly Corporate Performance Monitoring report, a latest post (safeguarding) Children's Services Ofsted inspection update has been attached at Appendix 'B' and updates will continue to feature in these reports going forward.

Recommendation

The Cabinet Committee on Performance Improvement is asked to comment on the reported performance for Quarter 4 and the Children's Services Ofsted post inspection update information provided.

Background and Advice

The draft Corporate Strategy explains the core purpose, vision, values, approach and evidence base which we will use to inform and guide what we do, playing a key role in shaping the future pattern of the County Council's services.

A robust performance management framework will underpin the delivery of the draft corporate strategy. A suite of key performance indicators will be established to monitor and manage the delivery of strategic outcomes.

Performance dashboards will be created to monitor draft Corporate Strategy key performance indicators (KPIs) and the overall aims of the draft Corporate Strategy are being met.

For the interim period, regular corporate monitoring of performance across the authority as a whole continues, with the production of quarterly reports and analysis of corporate performance. Quarterly Quality of Service reports against the themes of Start Well, Live Well and Age Well have been produced for Quarter 4 2015/16, giving an overview of performance against agreed headings and parameters.

In addition Highlight reports have been produced for Development and Corporate Services and Commissioning, Governance, Finance and Public Services.

Along with monitoring and providing progress updates against budgets, projects and other future developments, each Quality of Service and Highlight report gives details of performance against key indicators for that quarter.

Monitoring across these Quarter (Q) 4 indicators has been used to provide this report.

Performance Summary

Start Well

- The Child Protection Plan (CPP) rate (CPP rate per 10,000) and the Children Looked After (CLA) rate (CLA rate per 10,000) have both increased from Q3. CLA Q4 rate 69.1 and CPP 59. This means the number of Lancashire children on a CPP was 1443 and the number 'looked after' was 1691 at the end of March 2016. It should be noted that the County Council's recently submitted CLA statutory return for 2015/16 year end referenced 2746 CLA at any point during the year.

The Ofsted inspection outcome has increased risk averse practice resulting in relatively high rates of CLA and children on CPP. A risk sensible model is being introduced to ensure that children and young people are the subject of the right interventions.

- The percentage of assessments completed within 45 days.

The March 2016 Lancashire figure is that 61% of assessments are completed within 45 days. This figure increased to 65.8% in April, but has since fallen again and is

currently 62.8% for June. A framework agreement is now in place that supports the County Council to meet demand and will create capacity in the work force.

- The average caseload of Independent Review Officers (IRO).

At the end of Q4 the average caseload per IRO was high at 92. There has been a 7.2% increase in IROs in post from March to April 2016 (all agency workers) and by the end of May the average caseload was 73.8. Recruiting and retaining quality permanent IROs against the regional 'market workforce' remains extremely challenging as Lancashire's salary scale is not competitive with other local authorities in the North West. An approach to regrading has been agreed by Management Team to bring the salary scale more in line with neighbouring authorities and this should reduce the reliance on agency workers.

- Children matched with an adoptive family.

It takes longer for children to be matched with an adoptive family following court authority from 272 days (2011-14) to 279 days (2012-15), an increase of 7 days. Lancashire is also taking longer than the national (223 days), regional (235 days) and statistical neighbour performance (259.5 days). However Lancashire is aiming to achieve good adoptive matches rather than rushing through a process and sometimes this takes longer to achieve, particularly with hard to place children or sibling groups, inevitably bringing down the overall average.

- During 2014/15 more pupils were excluded in Lancashire schools. The proportion of pupils excluded from Lancashire schools (208 or 0.14%) had increased when compared to the previous year (119 or 0.12%) and the rate has been increasing since 2012/13.

An action plan is in place to address the rise in exclusions that includes; the recent review of intervention support to primary schools leading to a new model of Advice and Support being launched in Summer Term 2016; processes for reintegration from Primary Pupil Referral Units is being reviewed and a pilot introduced in Preston and South area.

- During 2014/15, the proportion of Free School Meals (FSM) pupils achieving five or more GCSEs grades A*-C including English and maths within Lancashire (30.8%) was nearly half that of non-FSM pupils (62.8%).

The rate was similar to the regional (30.4%) and statistical neighbour (30.5%) averages during 2014/15 but below the England average (33.3%) with upper quartile performance being 35.9%. The percentage gap between FSM and non-FSM was wider for Lancashire (+32%) than all the other comparator groups. The gap between FSM and non-FSM pupils within Lancashire has however been reducing since 2012/13 demonstrating an improvement with a higher proportion of FSM pupils performing better at Key Stage 4 (Year 11).

- A higher proportion of looked after children gained 5 GCSE A* to C (including English and maths) during 2014/15 (14.0%) when compared to the previous year (8%) and the rate is now similar to national (13.8%) and regional (13.0%) performance for this indicator.
- During 2014/15, 17% of Special Educational Needs and Disability (SEND) pupils achieved Level 4+ at Key Stage 2 (Year 6) in reading, writing and

maths and this was higher than the National (16%), Regional (15%) and Statistical Neighbour (15.7%) averages.

- During 2014/15, 14.3% (or 71 out of 498 pupils) of SEND pupils achieved 5 A* to C grades at GCSE including English and maths and this was higher than the National (8.8%), Regional (8.7%) and Statistical Neighbour (8.4%) averages.

Live Well

- Completion of the Heysham to M6 Link Road. By the end of March 2016, over 90% of the structures work and 78% of road works were complete.

There has been a significant delay to the construction of the new Lune Bridge adjacent to the M6, due to a failure in temporary works during the placement of the bridge deck. Additional delays to the works have been caused by the large amount of rainfall in Lancashire during December 2015. These and other factors mean that the opening of the road is unlikely before the end of autumn 2016.

- The % of all carriageway and footway defects reported repaired within 20 working days was 94% for 2015/16.

In Q1 2015/16 Highways achieved 97% and in both Q2 and Q3 performance was reported at 99% but fell significantly during Q4 (86%). Service feedback is that this was due to the extreme weather conditions and flooding from the storms which resulted in an increase in defect numbers.

- Street lighting fault repair times between Q1 and Q4 of 2015/16 are within the 5 day target for all faults 4.3 days average for 2015/16.

- The diversion of municipal waste away from landfill by recovery, recycling, reuse and composting is forecast for 2015/16 to be 70% with landfill of 30%. The rate achieved in 2014/15 was 67.2%.

- The number of visitors to Libraries went down in Q4 of 2015/16 (1,126,221) from Q3 (1,167,296), and this was lower than for the same quarter in 2014/15 (1,193,802). The number of Library e-Book loans (downloads) has gone up from last year being 28,522 in Q4 of 2015/16 (and 25,416 in Q3 2015/16) from 22,287 in Q4 of 2014/15.

- The numbers of children (aged 0-15) killed or seriously injured has increased from 69 (Jan to Dec 2014) to 88 (Jan to Dec 2015).

63% of these were pedestrian casualties and the predominant age group was the 11-15 age category (55%). During 2015 increases were seen in Preston, Burnley, Lancaster, Wyre and South Ribble. Detailed analyses update (this information initially looking at the Preston area) enables the Safer Travel team to target nurseries and schools in this area with appropriate education interventions. A request has been made to the Partnership's Analyst to complete similar reports for the other districts that have seen increases during 2015.

- The total number of all killed or seriously injured on Lancashire roads are down from 732 (Jan to Dec 2014) to 687 (Jan to Dec 2015), which equates to a 6.1% reduction. All age fatalities are down from 39 to 35.
- In 2015/16, the service completed 45,539 NHS Health Checks which is an increase of 11,939 health checks in comparison to last year.

Age Well

- Results from 2015/16 Adults Social Care Survey have generally maintained the high standards achieved last year.

There was very positive feedback received from service users with particularly high scores for indicators covering quality of life, social contact and people feeling safe with their services. All but one of the indicators remain at a level exceeding the 2014/15 national average. The only exception is "The proportion of people who use services who find it easy to find information about services", which has fallen from 71.8% to 70.8% and is now noticeably short of the 2014/15 national average of 74.5%.

- Personal budgets performance figure has improved from 59.0% in Q3 to 74.1% in Q4. The significant increase results from year-end data cleansing to reflect a truer number of people now on personal budgets.
- Referrals into adult social care rose from 8,632 in Q3 to 9,334 in Q4, an increase of 8.1%. This is in line with an increase in contacts to the Customer Access Service (up by 4.9%). High priority cases are being dealt with quickly and as part of the Transformation of Adult Social Care processes are being reviewed to improve waiting times.
- Delayed Transfers of Care (DToc) increased in Lancashire in Q4.

2015/16 figures show a steadily increasing trend through the latter part of the year. Delayed discharges attributable to all causes has risen from 12.1 (per 100,000 pop 18+) in 2014/15 to 12.9 in Q3 and then to 13.3 in Q4. Delayed discharges attributable to social care initially improved from 2.0 in 2014/15 to 1.7 in Q3 and has since risen again to 2.0 in Q4. Larger increases are reflected nationally in fact in Lancashire for the overall period Apr-15 to Mar-16 a total of only 9.7% of delayed days were attributable to social care compared with the national figure of 31.2%.

- CQC inspection – results have been published under the new inspection scheme for 14 of the 17 Lancashire in-house care homes. 10 are currently rated as Good overall, with 4 currently rated as requires improvement.
- CQC inspections - the CQC inspection reports received for Disability Services in Q4 were Lancaster Domiciliary, Burnley Domiciliary and Lancaster and Morecambe Short Breaks Service, all of which achieved a Good overall rating.
- Admissions of older people to residential and nursing care – Final 2015/16 figures total 1697 admissions, a rate of 728.5 per 100,000 population. This is a steady improvement on the previous Lancashire year end figure of 774.9,

and achieved the Better Care Fund target of 733.7, but is still higher than the national previous year end average of 668.8.

- Reablement – 875 older people were offered reablement when being discharged from hospital in the period of Q4 (compared with 860 reported in Q3).

82.3% were still at home 91 days later - this an improvement on the 2014/15 Lancashire figure of 79.3% and the national average of 82.1%. It also compares favourably with the Lancashire 2015/16 Better Care Fund target of 82.0%. Most of the reablement referrals are received from hospital and there is considerable work ongoing to monitor the new block contract hours currently in place from each provider in order to minimise any delay in receiving further services.

Highlight Reports

- The percentage of Facility Management work requests processed within 72 hours increased to 98% in Q4 and exceeded the quarterly target of 85% in all quarters this year (86% in Q1, 87% in Q2 and 92% in Q3).
- By the end of Q4, the Estates team had achieved £6.46m of capital receipts across 40 properties against the 2015/16 target of £7m.
- Phase 1 of the Superfast Broadband programme was completed delivering access to Superfast Broadband for at least 146,000+ premises this being above the national target.
- There was an increase in the number of New Starters onto Employment Programmes (230) compared to the previous quarter (188) bringing the total for 2015/16 up to 960, just short of the annual target of 1,000.
- Outstanding debts owed to the County Council over 6 months old totalled £16.9m at the end of Q4. This has increased steadily over 2015/16 (£14.4m – March 2015), but is only a slight increase on the Q3 figure of £16.8m.

Over the past 6 months, there has been a significant amount of work completed with colleagues at the NHS in relation to income and outstanding debts for joint funded packages. This detailed work has contributed to the reduction in corporate debts over Q4.

There is a detailed debt management report at item 6 on this agenda.

Consultations

Members of Management Team(s) have previously received the information in this report.

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified in relation to the proposals contained within this report.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report to the Cabinet Committee on Performance Improvement – Quarterly Corporate Performance - Quarter 3 2015/16 Report	7 March 2016	Michael Walder, Business Intelligence Team, 01772 533637
Report to the Cabinet Committee on Performance Improvement – Quarterly Corporate Performance - Quarter 2 2015/16 Report	10 December 2015	Michael Walder, Business Intelligence Team, 01772 533637

Appendix 'A'

Financial Summary

The table below gives the County Council's financial position for 2015/16 as of the end of Quarter 4.

Ref	Service Grouping	Revised Annual Budget	2015/16 Final Outturn	2015/16 Variance	Variance reported to Cabinet Q3	Changes since last Cabinet
		£m	£m	£m	£m	£m
3.1	Adults Services	291.837	308.814	16.977	19.144	-2.167
3.2	Children's Services	103.645	105.024	1.379	2.810	-1.431
3.3	Community Services	168.535	163.961	-4.574	-4.322	-0.252
3.4	Public Health and Wellbeing	29.870	30.650	0.780	1.738	-0.958
3.5	Lancashire Pension Fund	-1.842	-1.981	-0.139	0.050	-0.189
3.6	Commissioning	37.844	40.783	2.939	-1.623	4.562
3.7	Development and Corporate Services	35.222	39.329	4.107	4.749	-0.642
3.8	Chief Executive	61.564	39.494	-22.070	-12.955	-9.115
	LCC (All) Narrative Total	726.675	726.076	-0.601	9.591	-10.192

An underspend is forecast on the revenue budget of £0.601m against the budget of £726.675m. This represents a £10.192m reduction in the forecast spend position since the reported position at the end of Quarter 3.

Ofsted Post Inspection Update

Ofsted carried out an unannounced inspection of Children's Services which commenced on 14 September 2015 and which lasted for four weeks.

The inspection focused on the experiences and progress of children in need of help and protection, children looked after and care leavers. It also included looking at the effectiveness of our services and arrangements to help these children, including adoption and fostering. Ofsted also carried out a review of the effectiveness of the Lancashire Safeguarding Children Board (LCSB) at the same time.

Ofsted published its report on Friday 27 November 2015 rating the overall effectiveness of the Children's Services as inadequate. The judgement for the LCSB was good.

A number of actions have been put in place and developed since the last report to CCPI in March 2016:

Remodelling children's social care – significant plans have been developed and are being implemented to introduce additional capacity, at all staff levels, across children's social care. When complete this will equate to an additional investment of £4.6 million in staffing. As well as additional capacity this exercise will also provide a more specialist social care model ensuring that cohorts such as children in need and care leavers receive support from teams solely focussed on their needs. Recruitment has initially been focussed internally but in June this was supplemented by a high profile external campaign that was launched through a recruitment event at Woodlands and really promoted the benefits of working for the County Council.

Framework agreement – an ongoing challenge across the north-west region is that demand for children's social care services continues to increase. In Lancashire this has meant that there is a significant backlog of work that social workers are not finding the time to address. For the last three weeks, additional capacity has been drawn down from a framework agreement that was agreed a couple of months ago. This has meant two social work agencies picking up initial work and assessments for any new referrals into children's social care and will allow social workers to start to address the backlog of work. In the first two weeks of this additional capacity being in place social workers have completed over 2,000 tasks to address the backlog including completing 631 assessments and closing 350 cases.

Improvement Plan – the Improvement Plan has been produced and was agreed by the Improvement Board in March and then also agreed by the DfE. Delivery of the Improvement Plan is on track with all areas either completed or well on schedule to be completed within the agreed timeframe. Recent meetings with Ofsted and the DfE have also provided assurance that we have the right plan in place and this now needs to be progressed at pace. An additional 12 week plan is being developed to sit alongside the Improvement Plan with the aim of ensuring a sharper focus on some key areas and providing a challenge to address these over a very short timeframe.

[Link to the Improvement Plan](#)

Ofsted – since February 2016 Ofsted have been visiting Lancashire on a monthly basis, looking at case files and providing feedback on the progress being made to

improve services. The last visit took place on 18 May 2016. At this visit Ofsted noted that they can now see 'some green shoots of improvement'. This will be the last visit of this kind from Ofsted as from June they be moving to a new model of quarterly monitoring inspections. The first of these monitoring inspections in Lancashire will be in September. Further detail around these new arrangements will be available in June.

Improvement Notice – in February 2016 the DfE commissioned a diagnostic report with the intention that this will provide a clear steer to ministers around the County Council's capacity and capability to improve services for children and young people. The outcome of this report and subsequent conversation with civil servants determines the approach the DfE will take with the county council. This can range from a formal intervention with parts of children's services being run by external bodies/organisation or an Improvement Notice which provides formal notice for what needs to be improved and by and how the DfE will monitor this. At the time of writing this report an Improvement Notice has been received and which the Leader has agreed. This can be seen [here](#).

Peer Challenge - following discussion with colleagues from the Local Government Association (LGA) and Association of Directors of Children's Services (ACDS) it has been agreed that Lancashire will undergo two reviews over the next 12 months. In October 2016, Bernie Brown (Assistant Director – Children's Social Care, Liverpool City Council) will lead a team drawn from across the region who will spend four days reviewing cases, referrals, assessments and practice. In February 2017, the LGA will facilitate a Safeguarding Peer Review and the themes that will be covered will include: effective practice service delivery and voice of a child; outcomes, impact and performance; working together; capacity and managing resources; and vision, strategy and leadership. The LGA team will consist of a Director of Children's Services, a Cabinet Member, two operational peers (at head of service level), a health peer and an LGA peer review manager.

Operational Improvement Group – this group has been established as a subgroup of the Improvement Board to ensure that the decisions and discussions at the Board are grounded in the reality of issues and challenges faced by frontline practitioners. The Operational Improvement Group consists of frontline staff from across the County Council's children's services, health, police, education and voluntary sector and is chaired by the Principal Social Worker, Louise Storey. Already the Group has met with Jo Turton and the independent chair of the Improvement Board, Tony Crane. They have also produced a practitioner's guide to the Improvement Plan. A one page guide that has been commended by Ofsted and the Improvement Board as an excellent piece of work.

[Link to the practitioners guide to the Improvement Plan](#)

Young People – a group of young people from a range of vulnerable backgrounds are working with the Improvement Board so that we can ensure that the Board is capturing the voice and experiences of children and young people. Young people recently led an hour long session at the Board and already some of the feedback from these young people is being used to shape the way we provide services for care leavers. In addition, the Children's Commissioner for England, Anne Longfield, has been impressed by the approach the Board is taking to working with young people and arrangements are being made for her to visit Lancashire and meet them in the autumn.

Refreshed audit model – at the May meeting of the Improvement Board a new audit model was agreed to improve the way audits are undertaken and that the learning from audit activity supports continuous improvements in practice and outcomes for children. The new Audit Framework serves three basic functions:

- 1) It identifies both good practice and where practice needs to improve through a systematic approach to sampling files;
- 2) It provides senior management with assurance as to the quality of work;
- 3) It provides a framework for responding to areas of concern through continuous learning and embedding good practice.

The framework was launched to practitioners and managers in May and the first audit report will be available in July, and then on a monthly basis.

Project Accuracy – a project launched in April to improve the quality of practice and recording of case work. It is focused on improving the accuracy of the seven key pieces of information below:

1. Team structures
2. Caseloads
3. S47s and strategy discussions
4. Referrals per week
5. C&Fs due and overdue
6. Visits due and overdue
7. Reviews due and overdue

Performance Management – in addition to the specific work being undertaken through project accuracy other developments are starting to increase confidence in performance data and management. A multi-agency Performance Sub Group of the Improvement Board now meets on a monthly basis to better understand the performance data and in particular the wide variance in this across Districts. Senior social care managers are also holding monthly Practice Improvement Meetings in East, Central and North Lancashire to better understand what performance data is telling us and ensuring that this then informs decisions about resources. And finally, a significant piece of work is underway to address the issues in the LCS system and ensure we can produce accurate information in the Annex A submission when Ofsted undertake the first of their monitoring inspections in September.

Cabinet Committee on Performance Improvement

Meeting to be held on Monday 25th July 2016

Report of the Head of Exchequer Services

Electoral Division affected: (All Divisions);
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Debt Management

Contact for further information:

Kate Lee, Tel: 01772 531733, Head of Exchequer Services,
kate.lee@lancashire.gov.uk

Executive Summary

In October 2013 a Performance Indicator Recovery Plan was presented to Cabinet Committee on Performance Improvement due to the high levels of outstanding debts owed to the County Council.

The levels of outstanding debt continue to be high with particular difficulties in collecting debts that are over 6 months old and a high number of debtors who do recurrently not pay their debts despite being chased by the Debt Management Team.

A significant amount of work has taken place over particularly the last 12 months to put in place process, IT systems and policies that aim to increase the debt recovery rates over the next 12 months.

Recommendation

The Cabinet Committee on Performance Improvement is asked to review and comment on the report.

1. Background and Advice

In October 2013 a Debt Management Performance Indicator Recovery Plan was presented to the Cabinet Committee on Performance Improvement (CCPI). This report identified a number of actions that needed to take place and provided deadlines.

Further reports were provided to CCPI in March and July 2015 which provided updates in relation to each action point, with the majority being completed by July 2015. The action points that were presented and discussed are set out below:

- Development of a Corporate Income and Debt Management Policy

- Charging Policy for Care
- Development of Debt Strategies and subsequent re-configuration of IT systems
- Direct Debit Take Up/Financial Assessment Process
- Paperless Direct Debit
- Clarification of Roles with Legal Services

2. Outstanding Debt Position as at 31st March 2016

Over the past 5 years the outstanding debt position of the County Council has continued to increase and is still a significant problem that requires attention. This is an area that has regularly been reviewed by Management Team and Members through reports to Cabinet Committee for Performance Improvement and as part of the quarterly Quality of Service Report.

The increasing problem relates to those debts that are over 6 months old (180 days) and also care debtors that recurrently do not pay their debts to the County Council.

Debts that are over 6 months old are commonly referred to as a "bad debt" and therefore a bad debt provision is held in relation to these debts due to their increasing probability of non-payment. The creation of the provision is as a result of a charge being made to the billing service's revenue budget. In addition the County Council is experiencing a high number of debtors who recurrently do not pay their debts, particularly on Adult Social Care despite being chased by the Debt Management Team at the County Council.

The position for outstanding debts for the County Council as at 31st March 2016 is as follows:

Age of Debt	Corporate Debts (£)	Care Debts (£)	Total (£)
731 Days +	1,738,855	5,640,994	7,379,849
366 – 730 Days	1,200,890	4,135,755	5,336,645
181 – 365 Days	999,161	3,201,496	4,200,657
121 – 180 Days	704,251	1,312,147	2,016,398
91 – 120 Days	312,867	687,452	1,000,319
61 – 90 Days	1,024,259	680,459	1,704,718
31 – 60 Days	6,021,825	1,092,879	7,114,704
1 – 30 Days	13,942,104	1,926,965	15,869,069
Total	25,944,212	18,678,147	44,622,359
Total Invoices	10,067	47,335	57,402
Total Debtors	6,098	10,558	16,656

The table above demonstrates that the County Council has significant levels of debt over 6 months old (Care £13.0m, Corporate £3.9m). As a debt becomes older the probability of collection reduces, and it is therefore good accounting practice to hold a bad debt provision to mitigate the risk of debts being written off. Debts are written off for a variety of reasons, most commonly when a company goes into

administration or is insolvent, but also in other circumstances that mean it would be uneconomical to pursue a debt.

As mentioned above the County Council puts funds aside for those debts that are older than 6 months (180 days). The Bad Debt Provision has been rising over recent years in line with the increasing aging profile of the County Council debt stock.

3. Update on Debt Management Performance Indicator Recovery Plan

a) Development of Corporate Income and Debt Management Policy

The Debt Management Policy, Processes and Responsibilities (2015) document was approved by the Deputy Leader in April 2015. This was subsequently supported by the new Accounts Receivable IT System in July 2015.

The policy stated that there would be no use of external agencies or court action for care debts, but this is a possible course of action for corporate debts. This decision was taken due to the vulnerability of some of the service users/debtors that would be within the care debt category of debts.

When the policy was approved it was agreed that it would be reviewed in October 2015 and any required amendments would be made. As part of this process it became clear that the Income and Debt Management Policy, Processes and Responsibilities did not give the Debt Management Team or the County Council the tools and techniques to be able to chase care debts effectively and assertively. There are a number of outstanding care debtors who are recurrently choosing not to pay their outstanding debts for services provided by the County Council and therefore the policy must be revised to try to rectify this issue. It is important to note that these debtors are not all service users, it is common for others (such as family members) to act on their behalf in relation to financial matters.

The Care Act 2014 (which become operational from 1st April 2015) guidance notes state that it is an option of a Local Authority to refer an outstanding debt to County Court if all other options for repayment have been explored with the debtor. In reviewing and benchmarking against other Local Authority debt policies that we have been able to access, the majority make reference to referring cases to external agencies and court action where necessary.

The revised Income and Debt Management Policy, Processes and Responsibilities (March 2016) removed exclusions to refer outstanding care debts to external agencies and taking court action.

The new policy states that when all other debt recovery options have been exhausted by the Debt Management Team that a referral is made to the County Council's Legal Services who will make an application to the County Court if applicable. Each case will be reviewed in detail prior to referral to Legal Services, as it is acknowledged that those debtors contained within the care debt category could contain some vulnerable service users and there could be a high degree of sensitivity surrounding the debtor. As a final resort a referral will be made to a

Debt Collection Agency (again following a review process assessing the sensitivity and vulnerability of the debtor).

b) Charging Policy for Care

The non-residential charging policy is currently being revised to link to the revised Income and Debt Management Policy, Processes and Responsibilities and also changes that are required in order to achieve increased income for the County Council as part of the budget savings programme. This will be subject to review by the County Council's Finance, Commissioning, Adults Services and Management Teams prior to going forward for Member approval and any necessary periods of consultation.

c) Development of Debt Strategies and subsequent re-configuration of IT systems

The new Accounts Receivable System went live in July 2015. The system provides an automated solution for sending out reminders, statements and letters, combined with the improved classification of debtors using the newly developed debt strategies and should enable the Authority to recover debts more promptly which subsequently will improve the probability of collection.

The new IT system is working well and providing the Debt Management Team with greatly improved performance management information that allows the manager of the team to easily see outstanding debts and individual collector performance.

The system still contains a significant amount of "old" debts where the likelihood of non-collection is high. A review of each individual debtor is currently taking place (initially focussing on the oldest and highest value) to analyse the current position with each "old" outstanding debtor. The Debt Management Team have completed case management documentation for each debt and making a recommendation for the next action for that debtor (one option may be for write off).

d) Direct Debit Take Up/Financial Assessment Process

A key factor in the collection of care debt is the take-up of direct debits. All clients are encouraged to sign up to a direct debit mandate in order that care debt can be collected promptly. A recent benchmarking survey indicated that Lancashire's Direct Debit take-up rate was above the average for Local Authorities, however we would like to increase our rate from c50% to nearer 90% as we understand this is achieved by some Local Authorities.

An end to end process review has been completed over the past 6 months that took a service user from the referral for a financial assessment to the chasing of their outstanding debts, in addition to a review of the Direct Payments process. All the teams involved were fully engaged and have enjoyed seeing the contributions of the feedback they have given.

The Exchequer Services Manager is currently implementing the recommendations of the end to end process review which she is working on with many different members of staff within the different teams involved in the process. Examples of "quick wins" have included a pilot team focussing solely on the end to end Direct Payments process, getting issues resolved on IT systems and using the County Council's print resources more efficiently (as the team produce lots of letters for Service Users) etc.

e) Paperless Direct Debit

This item has been delayed, however this will be reviewed over the next 12 months as part of remaining outstanding developments surrounding income and payment methods. The key priority is set out above in point d) in relation to getting debtors to sign up to using direct debit.

f) Clarification of Roles with Legal Services

As part of the revised Income and Debt Management Policy the Legal Services team will undertake a vital role in the recovery of debts. As detailed above the revised policy contains the option to take outstanding debts to court which will increase the volume of cases that Legal Services are involved in. The team have been given approval to recruit additional resources to enable them to meet the increased demand. Weekly meetings are held between Legal Services and Exchequer Services to ensure that progress is made in recovering debts.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There is a need to regularly review, recognise and conclude uncollectable cases in a timely way to enable the County Council's Debt Collectors to focus on potentially recoverable debts. A high volume of live cases currently compromises the ability of collectors to respond to new cases quickly and results in an enlarged and unmanageable debt stock which overestimates the value of income the County Council is likely to recover. The revised Income and Debt Management Policy, Processes and Responsibilities, in addition to new and automated IT systems and strategies, will support the increased probability of debt recovery.

List of Background Papers

Paper	Date	Contact/Tel
Income and Debt Management Policy, Processes and Responsibilities – Revised March 2016	2 nd March 2016	Kate Lee/x31733
Debt Management Recovery Plan Update Report	28 th July 2015	Kate Lee/x31733
Quarterly Corporate Performance Monitoring and Improvement Quarter 3 2014/15 (Appendix B)	10 th March 2015	Lisa Kitto/x34703

Cabinet Committee on Performance Improvement

Meeting to be held on 25 July 2016

Report of the Chief Executive

Electoral Division affected: All

Corporate Human Resources – Health Check Report

(Appendix 'A' refers)

Contact for further information:

Deborah Barrow, 01772 535805, Human Resources Service, Development & Corporate Services

Deborah.Barrow@lancashire.gov.uk

Executive Summary

This Corporate Human Resources 'Health Check' report provides information across the authority against key metrics regarding workforce information for the year 2015/16.

The Corporate Human Resources key metrics regularly monitor and report against workforce data including: sickness absence; the numbers of starters and leavers; reasons for leaving; redeployment activity; vacancy numbers and recruitment costs.

The data highlights that for the year of 2015/16:

- The number of FTE days lost per employee due to sickness absence was 10.7.
- The number of starters decreased by 13.9% in 2015/16 compared with 2014/15.
- The number of leavers was up by 21.2% in 2015/16 compared with 2014/15.
- Turnover increased from 11% in 2014/15 to 14% in 2015/16.
- The number of recruitment adverts decreased by 29.7% in 2015/16 compared with 2014/15.

Recommendation

The Cabinet Committee on Performance Improvement is asked to comment on and note the content of the report and Appendix 'A'.

Background and Advice

This report provides a summary of key human resource (HR) activity within the County Council for the year 2015/16 and for the same period in 2014/15 for comparative purposes. The detailed information is shown at Appendix 'A'.

This is the first time that the HR 'Health Check' data has been presented following implementation of Phase 1 of the County Council's Transformation. The data has been aligned, wherever possible, to the County Council's new structure, i.e., to the new Service Block structure rather than Directorates. Unfortunately, it is not possible to compare Service Block performance to Directorate performance in the previous year, although it is still possible to compare overall County Council performance and this is reflected in the detail below.

Sickness Absence

The overall sickness absence out turn figure for 2015/16 was 10.7 days lost per employee (excluding schools). The figure for 2014/15 was 10.5.

The top reason for absence due to sickness was Mental Health which accounted for 23% of all absence. The top reason for absence in the same period 2014/15 was also Mental Health (25%).

Starters/Leavers

The data shows that the number of new starters in 2015/16 has decreased by 13.9% to 839 compared with 975 in 2014/15. The number of leavers in 2015/16 has increased by 21.2% to 1,792 compared with 1,412 in 2014/15. This is to be expected due to the ongoing County Council Transformation. Voluntary resignation accounted for more than 47% of the total leavers in 2015/16. Voluntary redundancies accounted for just less than 25%.

2015/16 turnover was 14%.

Recruitment Activity

The data provides combined detail on both the number of recruitment adverts placed both internally and externally, and the number of positions advertised, as some adverts include multiple positions. The number of adverts has decreased in 2015/16 to 1599 compared with 2276 in 2014/15, the number of positions advertised has decreased by 33.7%.

Requests for external recruitment advertising are still being closely scrutinised.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified in relation to the proposals contained within this report.

Finance

There are no financial implications.

List of Background Papers

Paper	Date	Contact/Tel
N/A		
Reason for inclusion in Part II, if appropriate		
N/A		

Appendix 'A'

Cabinet Committee on Performance Improvement

25 July 2016

Human Resource Health Check Report

1. Sickness Absence

Note: HR Oracle is undertaking a data cleansing exercise alongside Council transformation and until its completion only an overview of County Council sickness absences can be produced.

Full Year - LCC Absence rate per FTE	2015/16	2014/15	2013/14
Total number of days lost	10.7	10.5	10.0
Number of days lost per FTE- Short term	3.2	3.4	3.3
Number of days lost per FTE- Long term	7.5	7.1	6.7
Number of employees absent 6 –12 months	154	141	148
Number of employees absent over 12 months	56	38	36

In 2015/16 the top 3 reasons for absence were:

- Mental Health – 23%
- Medical/Dental/Hospital – 21%
- Musculoskeletal – 11%

2. Starters/Leavers

A. Starters – 2015/16

Service Block	2015/16
Adult Services	136
Children's Services	403
Community Services	75
Corporate Commissioning	0
Customer Access	11
Development and Corporate Services	208
Governance, Finance and Public Services	5
Lancashire Pension Fund	1
Public Health and Wellbeing	8
BTLS	3
Total	839

B. Starters – previous years

2013/14	2014/15
Total	Total
1180	975

C. Leavers – 2015/16

Service Block	2015/16
Adult Services	257
Children's Services	490
Community Services	303
Corporate Commissioning	34
Development and Corporate Services	453
Governance, Finance and Public Services	53
Lancashire Pension Fund	4
Public Health and Wellbeing	165
BTLS	33
Total	1792

D. Leavers – previous years

2013/14	2014/15
Total	Total
1930	1412

3. Reasons for Leaving

[Note: 'Dismissal' can be for performance, conduct or related to poor attendance; 'Retirement – Other' can be normal retirement or retirement aged 60 and over; 'Other' can include mutually agreed termination and TUPE transfers out of LCC]

A. Reasons for Leaving

2015/16	Deceased	Dismissal	End of FTC	Redundancy - Compulsory	Redundancy - Voluntary	Ill Health Retirement	Retirement - other	Resignation - Voluntary	Other	TOTAL
Service Block	Reasons for Leaving - 2015/16									
Adult Services	5	9	7	1	13	10	45	142	25	257
Children's Services	3	10	9	0	56	7	46	311	48	490
Community Services	6	9	15	0	85	6	44	122	16	303
Corporate Commissioning	0	0	1	0	22	1	0	9	1	34
Development and Corporate Services	0	4	76	1	168	2	5	156	41	453
Governance, Finance and Public Services	1	0	1	0	30	0	0	19	2	53
Lancashire Pension Fund	0	0	0	0	0	0	0	4	0	4
Public Health and Wellbeing	1	3	4	1	59	3	12	68	14	165
BTLS	0	1	0	0	9	0	0	23	0	33
Total	16	36	113	3	442	29	152	854	147	1792

*Three employees given CR, two on NHS Terms and Conditions as this is more beneficial to the employee and the third opted for CR instead of VR so they could re-apply for County Council vacancies, the VR option prevents this.

B. Reason for Leaving – previous years

2014/15	Deceased	Dismissal	End of FTC	Redundancy - Compulsory	Redundancy - Voluntary	Ill Health Retirement	Retirement - other	Resignation - Voluntary	Other	TOTAL
Reasons for Leaving - 2014/15 Full Year										
Total	19	28	63	0	349	15	137	671	130	1412

2013/14	Deceased	Dismissal	End of FTC	Redundancy - Compulsory	Redundancy - Voluntary	Ill Health Retirement	Retirement - other	Resignation - Voluntary	Other	TOTAL
Reasons for Leaving - 2013/14 Full Year										
Total	16	79	82	4	429	33	197	857	233	1930

4. Redeployment List

A. Number of employees remaining at 31st March 2016 on the Redeployment List

	2015/16
Service Block	Total
Adult Services	20
Children's Services	12
Community Services	43
Corporate Commissioning	5
Development and Corporate Services	30
Governance, Finance and Public Services	19
Lancashire Pension Fund	1
Public Health and Wellbeing	4
BTLS	7
Total	141

B. Number of employees remaining at 31st March on the Redeployment List previous years

2013/14	2014/15
Total	Total
172	159

C. Average time on Redeployment List (in weeks)

2013/14	2014/15	2015/16
Total	Total	Total
9.6	6.83	25.35

D. Number of assignments from Redeployment List

2013/14	2014/15	2015/16
Total	Total	Total
67	90	50

E. Reasons for removal from Redeployment List

2015/16	Total
Alternative assignment found - LCC	50
Compulsory Redundancy	1
Dismissal	0
End of Fixed term contract - left LCC	26
Extended in post	11
Ill Health Retirement	3
Mutually agreed termination	1
Resigned	7
TUPE Out	2
Voluntary Redundancy	18
Total	119

5. Vacancies (number of advertisements)

[Note: This includes the number of vacancies advertised, both internally and externally but does not contain schools' based posts].

A. Vacancies 2015/16

	2015/16
Service Block	Total
Adult Services	472
Children's Services	661
Community Services	186
Corporate Commissioning	24
Development and Corporate Services	119
Governance, Finance and Public Services	51
Lancashire Pension Fund	16
Public Health and Wellbeing	45
BTLS	25
TOTAL	1599

B. Vacancies – previous years

2013/14	2014/15
Total	Total
1787	2276

6. Vacancies (number of positions advertised)

[Note: This table shows the number of posts advertised within the adverts detailed in table 5. E.g. one job advert may advertise multiple posts].

A. Positions advertised – 2015/16

	2015/16
Service Block	Total
Adult Services	1026
Children's Services	1381
Community Services	386
Corporate Commissioning	29
Development and Corporate Services	161
Governance, Finance and Public Services	102
Lancashire Pension Fund	24
Public Health and Wellbeing	62
BTLS	32
TOTAL	3203

B. Positions Advertised – previous years

2013/14	2014/15
Total	Total
3848	4832

7. Recruitment Advertising Costs

A. Advertising costs – 2015/16

Service Block	Costs (£) 2015/16
	Total
Adult Services	£12,361.97
Children's Services	£66,930.16
Community Services	£4,103.14
Corporate Commissioning	£0.00
Development and Corporate Services	£468.02
Governance, Finance and Public Services	£13,474.89
Lancashire Pension Fund	£0.00
Public Health and Wellbeing	£0.00
BTLS	£789.29

Schools	£194,737.35
TOTAL	£292,864.82
TOTAL (excl Schools)	£98,127.47

B. Advertising costs – previous years

Total for 2014/2015 – Excl Schools	£101,090
Total for 2013/2014 – Excl Schools	£80,110

8. New Starts onto all Employment Programmes

Note: Whilst this information has previously been reported in the HR Health Check report, it is noted that the information is being provided separately to this Committee within the Corporate Performance Report in being part of the Corporate Projects and Developments Highlight report, so is not repeated here.

Agenda Item 11

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