



Title of meeting: Governance and Audit and Standards Committee

Date of meeting: 16th September 2016

Subject: Performance Management update - Q1, 2016-17

Report by: Director of HR, Legal and Performance

Wards affected: n/a

Key decision: No

Full Council decision: No

1. Purpose

1.1 To report significant performance issues, arising from Q1 performance monitoring, to Governance and Audit and Standards committee and highlight areas for further action or analysis.

2. Recommendations

2.1 The Governance and Audit and Standards Committee are asked to:

- 1) note the report;
- 2) note the overall improvement in quality of reports , and the commentary from the Deputy Chief Executive at section 5
- 3) comment on the performance issues highlighted in section 3, including agreeing if any further action is required
- 4) Agree the actions proposed in section 4.

3 Background

3.1 This report is part of the regular series of quarterly report highlighting significant performance issues across the organisation, and the first compiled against the areas identified in the previous baselines report, presented to committee in June 2016.

3.2 In compiling reports, directors were asked to consider:

- 1) Priority performance areas
- 2) Risks
- 3) Projects

3.3 Previous meeting of GAS identified that the reports being received were falling short of the expectations of members, and Directors have been reminded of the expectations. There was a request for more contextualizing information, to allow



members to make informed judgements about the information presented. It was also made clear that the expectation is that reports cover the full breadth of Directorate activity. These messages were communicated to Directors, along with templates tailored to be more specific and ensure that there is broader coverage of activity. Directors have been asked to make use of readily understood RAG (red; amber; green) terminology to describe perspectives where:

- Green is improving; exceeding or on plan
- Amber is no change or some degree of uncertainty about performance
- Red is deterioration; failing to achieve plan; or a high level of concern.

3.4 It is clear that from the reports attached at Appendix 1 that there have been improvements in quality of reporting, and much more detail and analysis is provided. What is notable is that even where service performance can be described more easily in qualitative rather than quantitative terms, there is clear work to place parameters around what the service area is seeking to achieve, and to describe what this looks like, to enable informed discussion.

3.5 As is usual, as well as very specific indicators, there are some common themes emerging from the reports, and it worth noting that in some cases these link strongly with areas highlighted in the Annual Governance Statement:

- Challenges are noted in a number of areas around securing income for the authority, by trading services (notably with schools, but also in quasi-commercial operations such as PCMI) or complying with the tightening requirements of external funding regimes (eg. Troubled Families programme).
- The implications of reducing capacity are noted in respect of a number of areas where performance levels may be reducing; but it is worth noting too that in many cases this is highlighted as a price worth paying in order to achieve a reduction in expenditure - there are very few cases where it appears that performance, even when reducing, is far away from plan; or where there is not a recovery plan.
- There is clearly a need to ensure that there are clear plans for the resilience of the business; a number of directorate reports make reference to this, including in terms of skills and workforce, and are reviewing services to achieve these. This work also includes reviewing service delivery to ensure statutory provision and provision for the most vulnerable is protected.

3.6 What is also notable from the report is the clarity provided around projects. There are some clear issues highlighted in respect of a number of major capital schemes under the Transport, Environment and Business Services directorate and the committee should seek appropriate assurance on these matters.

3.7 Governance and Audit and Standards Committee are asked to consider the issues above, and also the summary highlight reports attached at Appendix 1, and agree where any further information or action is required.

4. Next steps

4.1 As reported, improvements to reporting have been made since the last quarter.



The summaries now focus much more strongly and analytically on the core performance indicators, and include a sharper focus on risks and projects. This will continue to be developed for the next quarter. It is worth noting that in particular, the reporting from Public Health has become much clearer and more meaningful. There are some gaps in information, but in most cases there is an explanation for this and a timetable for provision. For example, most data from the education area will be provided for Q2, in line with termly information provided.

- 4.2 There are unfortunately still some gaps in the reports across areas of the council's activity. The reports for Adult Social Care are in development alongside the measure development following the systems thinking intervention and a management review required to address capacity gaps. This will ensure that data is meaningful and this will come forward as part of Q2 reporting.
- 4.3 Dialogue has also opened with colleagues in Property services to discuss how the requirements of the committee can be reconciled with the systems thinking approach practiced in some areas of the directorate. Much discussion has taken place about the method used, and this is well understood; but the critical point for the committee is to understand the outcomes being achieved across the breadth of the directorate activity, and it is expected that template can be developed for Q2 onwards that will meet all requirements.
- 4.4 The area that is suggested as a next step for the committee is assuring that the activity taking place - and the outcomes resultant from the activity - represent value for money. It is suggested that for Q2, each director is asked to provide a statement of how they assure value for money, with contextual information where possible. This could include spend v outcomes over time or against comparators.
- 4.5 GAS is asked to agree that this is an appropriate direction of travel for future reporting.

5. **Comments from the Deputy Chief Executive**

- 5.1 Reports that have been received are of much improved quality and provide greater assurance around organisational performance than has previously been the case. The clarity of expectation from members of GAS in achieving this has been very helpful for all concerned.
- 5.2 These enhanced reports also support "smarter" ways of working in the organisation by bringing together reporting on risk and projects into one place and process.
- 5.3 The content of the reports clearly highlights service specific issues and allows wider themes to be discerned, which is helpful for the committee in identifying issues relating to the wider governance of the organisation.
- 5.4 Specifically in relation to the organisational entity, it is notable that key budget deficits are projected to reduce (Health and Care and Children's Social Care) and this is a result of focused activity and close management of this. It is also notable that there are no key concerns in relation to workforce indicators, with sickness



remaining steady (although not further reducing after a period of sustained improvement). We have also seen no critical exceptions reported through audit. This again suggests that the organisation is managing well through a period of contraction, and prioritising successfully.

- 5.5 Areas to watch for future reports will be the extent to which our increasing activity in providing services and support for other partner organisations and authorities is impacting on performance (positively or negatively) and considering what implications this will have for organisational governance.

6. Equality impact assessment (EIA)

- 6.1 Any equality matters arising through performance or value for money consideration will be considered as a discrete process, as separate EIAs will be completed for these areas of work.

7. Legal Implications

- 7.1 The report has incorporated legal implications and accordingly there are no other immediate legal implications arising from this report.

8. Finance Comments

- 8.1 There are no financial implications to bring to member's attention at this stage. However, it should be noted that there could be further financial implications following further exploration of any of the performance issues raised in this report, and related future reports could result in financial implications. These will be flagged to members at the appropriate time.

Signed by: Jon Bell, Director of HR, Legal and Procurement

Appendices: **Appendix 1 - Summary of directorate performance issues, Q1**

Background list of documents: Section 100D of the Local Government Act 1972
The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1. Summary business plans	Individual directorates