

Title of meeting: Governance and Audit and Standards Committee

Date of meeting: 3rd March 2017

Subject: Performance Management update - Q3, 2016-17

Report from: Deputy Chief Executive and City Solicitor

Wards affected: n/a

Key decision: No

Full Council decision: No

1. Purpose

- 1.1 To report significant performance issues, arising from Q3 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 reports 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) rating 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 deteriorating; failing to achieve plan; or a high level of concern.

- 3.4 In order to provide more assurance to members around the management of performance, projects and risk, and to enable discussion on these areas, the report is now presented with three appendices, focused on business as usual performance, projects (both business transformational and capital schemes) and risk.
- 3.5 It is clear that from the reports attached at Appendices 1-3, that the improvements in quality of reporting continue to be made, 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 a more informed discussion.
- 3.6 The reports highlight some key issues, and of particular note:
- Children's services report that in quarter 3, demand and caseloads increased notably and causes are under investigation. This means that whilst activity has increased, rates of performance have dropped in some areas. There has been activity to recover the situation related to the Troubled Families, which appears to be proving successful. There are improvements and maintained performance across the range of activity to support education in the city, although the projected outcomes remain likely to be below national comparators.
 - Adults' services have made progress in defining the plan that they will report performance against, although there remains more to be done in capturing performance in these areas. It is of note that much activity is collaborative with partners in the NHS.
 - Public Health have reported a challenging quarter, with the effects of reduced capacity noted. There are a number of areas where annual data is awaited.
 - Regulatory Services and Community Safety also highlight a number of areas where demand is outstripping available resource and income generation is proving challenging; but also report a high number of change projects underway to address the need to find savings and develop new ways of working in that context.
 - Transport, Environment and Business Support report a broadly positive quarter, although the Strategic Parking Review is flagged as "Amber" and there are some concerns re income generation through the employment, learning and skills service.

- Culture and city development highlight that reduced resources and structural change has impacted on the timelines for some work being completed, including a review of green spaces, and preparation of public realm, heritage and contaminated land strategies. However, clear revised timelines and plans are in place to address these areas.
- Community and communications report broadly positive progress, but as with other services, highlight challenges in securing external income. The Committee will be interested to note the improvement in timescales for addressing Freedom of Information requests.
- HR, Legal and Performance also report positively, but note that progress in reducing staff sickness appears to have plateaued.
- Financial and Information Services report an improving position in regard to forecasts deficits agreed against allocated budget (notably through reductions in forecasts underspends against the children's and adults' portfolios). There is a downturn in payment performance as a result of phasing in some changes, and slower progress than anticipated in progressing the Digital Strategy, although this is forecast to be on track by the end of the year.

- 3.7 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. 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. Nonetheless, there is a recurrent concern that demand is outstripping capacity to respond. 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. Securing external income to improve service resilience continues to be challenging.
- 3.8 Appendix 2 details matters around projects. Two key concerns are raised around system replacement projects - the transition from the SWIFT /AIS system for adult social care, and the replacement of regulatory services database. The key issue in respect of the SWIFT projects relates to information governance and the matter has been raised to the monitoring officer for resolution. Projects previously highlighted as a concern (Dunsbury Hill Farm Link Road and Traffic Signal Optimisation) are now reporting recovered positions.
- 3.9 The reporting of risks has also moved on, and there is good development in terms of categorising risk likelihood and impact. Of note are significant risks flagged to the Committee for the first time by Adult Social Care.
- 3.10 Governance and Audit and Standards Committee are asked to consider the issues above, and also the summary highlight reports attached at Appendices 1-3, 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.
- 4.2 The next significant development for reporting will be the inclusion of reporting from Portsmouth International Port.
- 4.3 It is also necessary to consider more strongly the external perspective in the reports - currently these are focused on internal organisational process and more could be done to explore what this is achieving from a customer perspective.
- 4.4 Presentationally, future reports will include a table of contents and confirmation of when the last report was submitted when there are any omissions.

5. Comments from the Deputy Chief Executive

- 5.1 Reports that have been received continue to improve in 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 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. In general terms, the report shows that there are challenges associated with the ongoing reduction of resource and capacity, but that the impacts of these are being effectively mitigated as far as possible.
- 5.3 Information from the Property directorate has not been submitted for inclusion. Given the breadth of organisational activity carried out through this directorate, the significant level of resource involved, and the risks managed on behalf of the organisation - including in respect of areas such as asbestos, legionella and fire safety - this is a significant ongoing gap in terms of the assurance the committee can derive around the management of performance, projects and risk in the organisation.

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.

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Signed by: Michael Lawther, Deputy Chief Executive and City Solicitor

Appendices: **Appendix 1- Summary of directorate performance issues, Q3**
 Appendix 2 - Summary of projects
 Appendix 3 - Summary of risks

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