

Title of meeting:	Governance and Audit and Standards Committee
Date of meeting:	1 st February 2019
Subject:	Performance Management update - Q2, 2018-19
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 Q2 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 is asked to:
- 1) note the report;
 - 2) note the continued improvement in quality of reports from directorates;
 - 3) agree if any further action is required in response to performance issues highlighted
 - 4) note that reports for 2019/2020 will be provided in a streamlined format, as set out in section 4 of the report.

3 Background

- 3.1 This report is part of the regular series of quarterly report highlighting significant performance issues across the organisation.
- 3.2 In compiling reports, directors are asked to consider:
- 1) Priority performance areas
 - 2) Projects
 - 3) Risks
- 3.3 Expectations have been shared with Directors that reports should cover the breadth of organisational activity and enable GAS to discern a picture of performance in the organisation. Reports should provide an indication of both current performance and trends. 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 In order to make the key issues clearer to members, directors have been asked to provide summaries highlighting the issues the committee needs to be aware of (Appendix 1) with more in depth assurance around the management of performance, projects and risk, presented in further appendices. A summary of strategic risks to the organization is also included as part of Appendix 4.
- 3.5 As well as individual issues, there are themes arising from the report that members of the committee may wish to consider. These are broadly similar to those raised in Quarter 1.
- 3.6 The first significant is that demand for services in key areas is rising, and this is putting pressure on service delivery. This is particularly apparent in "people" services including children's social care, for support in relation to special educational need and disability, adults' social care and housing.
- 3.7 The second significant theme is capacity. This is raised both in relation to resource available to address demand, but also the capacity to progress necessary change projects alongside the day to day service delivery pressures,
- 3.8 Finally, it is clear that the financial pressures in both children's and adults' services, driven by increased demand and stretched resource (including external provision) is a threat to the organisation's financial sustainability, and the strategies in place to achieve affordability in both cases must be closely monitored.
- 3.9 Governance and Audit and Standards Committee are asked to consider the issues raised in the Appendices, and agree where any further information or action is required.

4. Future reporting

- 4.1 The quarterly performance report has gone through various incarnations and is now structured as the three appendices, covering performance, projects and risk, which aggregate the returns from each directorate, along with a series of directors' summaries. The deficiencies in this model have been discussed many times and in summary, focus on the extent to which the current report is too big to easily pull relevant information out of - yet still manages not to cover issues that are of interest, or present the information in a meaningful format. The directorate-driven nature of the report also means that there is equal weight given in the reporting to issues that probably aren't of equal significance in terms of social outcomes or corporate impact. What we have is very detailed subject-specific reports, but no clear or agreed understanding of how the specific reports add up to a coherent corporate picture. It is also true that the current report has moved some way from the core remit of providing assurance to the Committee as part of the governance framework.
- 4.2 It is therefore proposed that the current report format is used to conclude the current reporting year, but that for 2019/20 we move to a more streamlined format

for reporting against performance, projects and risks, aligned with refreshed organisational arrangements for monitoring these issues.

- 4.3 In relation to performance information, this will be presented thematically around the organisational priorities, with the key areas of activity presented under these themes. A reduced set of indicators will allow presentation to be more graphic and less narrative to make the information more accessible. It will be assumed that other areas of activity in the organisation have strong arrangements in place for the reporting and management of performance, and escalating areas of concern, and this will be tested annually as part of the arrangements for assessing the governance framework.
- 4.4 In relation to projects, the administration has begun to develop arrangements for a cross-party major projects board, to ensure that members (including of the Opposition and other parties) have full visibility of the range of major transformational activity the organisation is engaged in. This will include capital projects; equally, it will include "softer" projects that nonetheless have the potential to be controversial or disruptive - for example, significant contract tenders, or organisational reorganisation. Some capital projects may actually be "business as usual" and not need to be monitored as a major project for the organisation as a whole, for example, some housing construction.
- 4.5 Such an arrangement will in no way replace or duplicate the project governance arrangements for individual projects, but will allow for a clear set of project priorities to be identified across the organisation. These prioritised projects will form the basis of GAS reporting in 2019/20.
- 4.6 In relation to risks, we will move to consideration of the strategic risks across the organisation, and on a quarterly cycle, will take a "deep dive" look at a set of identified issues on a rolling programme.
- 4.7 In summary, we will be moving towards a more engaging way of interpreting information for members and residents, that should provide clear messages about how the organisation is achieving around the priorities identified.

5. Equality impact assessment (EIA)

- 5.1 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.

6. Legal Implications

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

7. Finance Comments

7.1 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: Jon Bell, Director of HR, Legal and Procurement

- Appendices:**
- Appendix 1- Summary of directorate issues**
 - Appendix 2 - Performance issues**
 - Appendix 3 -Projects**
 - Appendix 4 - 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