

Title of meeting: Governance and Audit and Standards Committee

Date of meeting: 29th January 2016

Subject: Performance Management update - Q2, 2015-16

Report by: Director of HR, Legal and Procurement

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 are asked to:**
- 1) note the report; and**
 - 2) comment on the performance issues highlighted in section 4, and governance issues in section 5, including agreeing if any further action is required**
 - 3) 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 second compiled in the new organisational structure. The report is based on the quarterly highlight reports prepared by Directors.
- 3.2 In compiling reports, directors were asked to consider:
- 1) Highlights
 - 2) Areas for concern
 - 3) Areas to watch
 - 4) Risks
 - 5) Projects

- 3.3 As is usual, there are some common themes emerging from the reports. Challenges highlighted include the volatility of generating external income, management and workforce capacity, continued increases in demand (or at the least, no reductions). Summaries of each directorate's report are attached as Appendix 1.
- 3.4 It is worth noting that the reports are compiled by Directors to highlight issues of their choosing. There are some obvious omissions in the shape of reports not submitted at all, but some significant areas of the authority's work not addressed through the reports. These include (but are probably not limited to) waste collection and disposal; housing options and homelessness; private sector housing; parking, and highways network management outside of special events. No report has been received from the Director of Public Health.
- 3.5 It is also the case that reports tend to deal with process and administrative issues, and are notable for the lack of focus on outcomes or reports from the perspective of the customer. Balanced alongside this though is the extent to which reports do not take a consistent view of matters such as the workforce (for example, staff sickness is mentioned in only a handful of reports) and finance (although risks around savings requirements are mentioned, in-year budget positions and responses are not routinely referenced).
- 3.6 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 any further action required.

4. Moving Forward

- 4.1 Improvements to reporting have been made since the last quarter. The summaries now focus clearly on five key areas, and include a sharper focus on risks and projects. This will continue to be developed for the next quarter.
- 4.2 However, current arrangements do not fully satisfy the need to inform corporate governance, and there are some further improvements which could be made. Reports still do not routinely set information in a wider context, to ensure that appropriate support and challenge can be offered. A range of information sources are available to support such benchmarking, including through the LGA, through CIPFA, audit firms, benchmarking clubs and professional associations, as well as information over time in PCC. It is suggested that there should be an expectation from the GAS committee that this information is being considered routinely.
- 4.3 The continued gaps in large areas of activity continue to be a concern, and there is a lack of proportionality across the reports, with small areas of activity in terms of spend and reach receiving greater coverage than much larger areas of activity. This is largely because of the self-selecting nature of reports.
- 4.4 It is recommended that for the next quarter, templates will be tailored to be more specific and ensure that there is broader coverage of activity. It is also suggested that to strengthen ownership of the information, future summaries are incorporated

from Directors without editing, with GAS able to ask Directors to the meeting to answer questions on performance if these are not adequately addressed. Finally it is suggested that the officers charged with ensuring the strong governance of the authority (Chief Executive, Monitoring Officer and s151 Officer) each contribute a narrative providing a corporate perspective, as opposed to the service delivery perspective that is reflected in the current reports.

- 4.5 These adjustments should not represent unreasonable or onerous requirements; it will bring together information that is collected in a range of formats already into a single place for consideration, and focus the required information, so will actually represent a reduction in activity in line with the current direction of travel around smarter working. GAS are asked to agree that this is an appropriate direction of travel for future reporting.

5. Significant governance issues

- 5.1 It was agreed at a previous meeting of the Governance, Audit and Standards Committee that significant governance issues arising from the most recent Annual Governance Statement would also be considered alongside the quarterly performance report. At the September meeting that considered the Annual Governance Statement, it was also agreed that an update would be received on the progress with refreshing business continuity plans and testing these following the organisational restructure.
- 5.2 The current situation is that a Corporate Crisis Management Plan (CMP) is in production, to cover the process and arrangements from the start of a large scale business disruption, though business continuity and eventually recovery to link in with the existing Emergency Response Plan, Disaster Recovery Plan and Business Continuity Plan. The CMP will detail denial of access to all or part of the civic offices (or other PCC satellite office), shortage of staff and partial or complete IS failure. This will link in with a joint large scale loss workshop being delivered jointly with our insurers Zurich in March / April 2016.
- 5.3 As per the new Business Continuity Standard ISO22301 and the new PCC Corporate Structure, a new Directorate Business Continuity Plan template is being produced to reflect the necessary changes. This will be rolled out to the directorates early 2016 with the aim being for each directorate to complete their plan by June 2016. This is of course dependent on engagement from each directorate. The plans will be tested within a year of completion. Each new director has been briefed on the current BC arrangements as per their new structure in the interim. A further progress report will be made to Governance, Audit and Standards committee in June 2016.

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: Jon Bell, Director of HR, Legal and Procurement

Appendices: Appendix 1 - Summary of directorate performance issues

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