

Report of: Executive Member for Finance, Performance & Community Safety

Meeting of:	Date:	Ward(s):
Policy and Performance Scrutiny Committee	23 January 2020	All

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SUBJECT: Review of Performance Reporting to Scrutiny

1. Synopsis

- 1.1 Over recent months, the Policy and Performance Scrutiny Committee has been reviewing the Council's performance reporting arrangements to ensure they are fit for purpose to monitor and challenge delivery of key services and priorities.
- 1.2 The Review found that whilst arrangements were in place for internal and external reporting, there was scope for improvement, particularly around the quality and content of reporting to scrutiny, and the potential to engage scrutiny committees at an earlier point in shaping arrangements for performance and other key initiatives.
- 1.3 This report summarises the issues considered, and sets out recommendations for improving performance reporting and delivery assurance across the Council and the scrutiny function, and for assessing the case for investing in insight and business intelligence tools that could help us to use data better to understand and challenge performance.

2. Recommendations

- 2.1 To note the evidence and key findings of the review, as set out in Section 4.
- 2.2 To agree the recommendations for improving performance reporting arrangements and effectiveness as set out in Section 5.

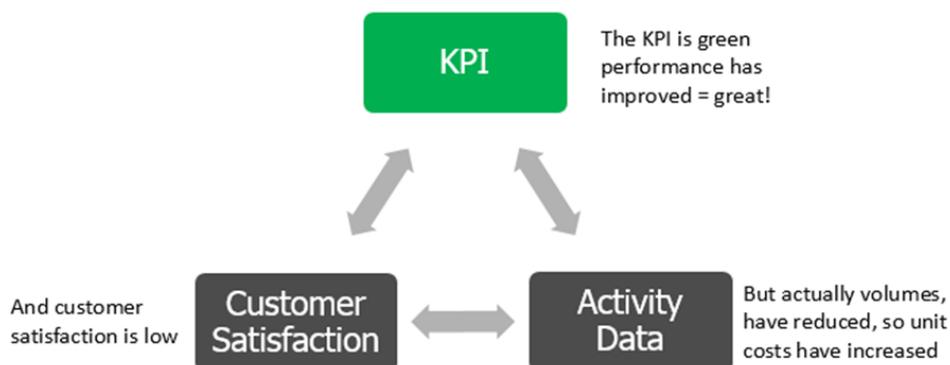
3. Background

- 3.1 The Policy & Performance Scrutiny Committee (PPSC) has overall responsibility for maintaining an overview of the Council's performance. The Committee is also responsible for monitoring and challenging performance for two key service / outcome areas: Safety and A Well Run Council.

- 3.2 The four thematic scrutiny committees – Children’s Services, Health & Care, Environment & Regeneration, and Housing – have responsibility for monitoring and challenging performance relating to those services and outcomes which fall within their remits.
- 3.3 A suite of corporate performance indicators has been agreed to help monitor progress in delivering key services and priorities, with targets set on an annual basis. Progress towards targets is reported to the relevant scrutiny committees on a quarterly or six-monthly basis, depending on the workload of the committee.
- 3.4 In June 2019, the Chair of the Policy and Performance Scrutiny Committee requested a review of the performance reporting arrangements to ensure their effectiveness and to identify any areas for improvement. This report sets out the key messages from this exercise and recommends best practice in terms of performance reporting to scrutiny going forward.

4. Review of performance reporting

- 4.1 An initial report to the Committee on 25 July 2019 outlined the Council’s current performance reporting arrangements including:
- What councils are required to do – there are no legal requirements to set targets and monitor performance, only duties relating to statutory returns for key data sets
 - Current internal and external performance reporting arrangements
 - Process and criteria for identifying corporate performance indicators (PIs)
 - Process and guidance on setting targets for corporate PIs
- 4.2 The Committee also looked at other information that could be useful in challenging performance, including information on complaints, risks, audit reports, resident surveys and financial data. They discussed the limitations of looking at performance data in isolation, and the value of triangulating data i.e. looking at other aspects of performance and delivery to enable more effective monitoring and challenge – as illustrated below:



- 4.4 Three key questions for challenging performance and hold services to account were:
- Why is this not on target?
 - What action are you taking to get it back on track?
 - When do you expect it to be back on track?
- 4.5 A follow up report to PPS on 30 September shared examples of how other councils report performance - comparing content and ways of presenting information e.g.
- Use of RAG ratings (Red, Amber, Green)
 - Diagrams, pictures and dashboards to provide ‘at a glance’ summaries
 - Wider range of information – budget, savings, risks, complaints

- 4.6 Whilst these helped demonstrate the various options and formats for performance reporting, the Committee felt that there was a risk that presenting that too much information could obscure the key facts essential for effective challenge. It was important that performance reports focused on 'telling the story' in sufficient detail to enable Members to understand and challenge performance, making use of charts and diagrams where these would help to explain the position.
- 4.7 The Committee discussed the possibility of a separate interactive dashboard or digest of information, accessible to Members and residents, which could provide more in-depth information on priorities, performance, financial information and risk to enable effective scrutiny and challenge.
- 4.8 They also looked at opportunities for committees to develop more in-depth understanding of key issues within their remit which would help them performance their role including:
- Engagement in agreeing performance indicators and targets, ensuring that the measures supported scrutiny of key priorities for the committees
 - Engagement in pre-decision scrutiny - early involvement in forthcoming decisions or policy changes, acting as a sounding board and representing the voice of communities in advance of any formal decision-making
 - Meeting with Executive Members and Corporate Directors to review the forward programme of work, and identify any issues or challenges that could benefit from an in-depth scrutiny
 - Applying the approach taken for the Universal Credit Scrutiny to other areas of work – hearing from partners, staff and residents, getting out into the community, and visiting services to see how things worked first hand proved effective in understanding the issues and developing solid recommendations

5. Recommendations for improved performance reporting

- 5.1 Based on feedback from the Committee, and on internal officer level discussions which have been taking place to ensure better 'grip and pace' in monitoring and driving delivery of corporate priorities, the following approach is recommended:

a) Improving performance reporting and delivery assurance across the Council

- 5.2 Corporate performance processes and reporting have been reviewed to ensure effective oversight of performance and delivery at senior management level, ensuring sufficient opportunity to identify and address key risks and issues. Shorter, more concise performance reports focusing on Exception Reporting have been trialled at Corporate Management Board and Joint Board and have been welcomed. A similar root and branch review of the Council's Portfolio Management Office function and the arrangements for project and programme management across the Council is underway and new arrangements will be in place shortly.
- 5.3 Key features of the revised arrangements across the Council are:
- Quarterly performance reports to Departmental Management Teams, including sign off of detailed performance reports to scrutiny
 - Short, concise quarterly updates to Corporate Management Board and Joint Board – highlighting areas of risk or strong performance, with more detailed insight on two or three specific issues that would benefit from senior level discussion
 - A refreshed role for the Delivery Executive (a senior level Member / Officer forum) to monitor and drive progress in delivering key priorities, programmes and savings

- Political Leadership Meetings between each Executive Member and relevant senior officers – these have been introduced across all portfolio areas and are now up and running. They provide the opportunity to look ahead at key priorities and issues
- Robust arrangements for ensuring effective development, delivery and reporting of key projects and programme across the council – with clear processes, documentation and governance. The current arrangements are being reviewed and strengthened to ensure corporate oversight of large transformation and change programmes, whilst ensuring a consistent approach to project and change management across all directorates

b) Enhancing the effectiveness of the scrutiny function in relation to performance reporting and delivery assurance

5.4 The review of scrutiny found that, in general, the current approach and format is working well but that there are a number of gaps and areas for improvement. However, given the current financial climate, any changes need to be manageable within the current officer resource, avoiding the need for complex systems and reports requiring additional resource.

5.5 Taking these factors into account, we propose the following best practice guidance is agreed and adopted to support scrutiny committees provide effective monitoring and challenge of performance:

Better engagement with scrutiny in shaping performance monitoring

- Scrutiny Chairs should be engaged in the process of agreeing corporate performance indicators and setting targets
- Meetings between Scrutiny Chairs and Executive Members, Corporate Directors / senior officers to identify upcoming major projects, initiatives or decisions that could benefit from feedback from scrutiny, or tricky issues that could be the topic for an in-depth scrutiny
- Deep-dives into specific issues (similar to the Universal Credit Scrutiny) as an alternative means of identifying performance and other issues and areas for improvement

Informative performance reports enabling effective challenge

Quarterly performance reports to scrutiny should adhere to the following core standards:

- Written in Plain English, avoiding the use of jargon and acronyms
- Clear and detailed narrative - telling the story rather than solely commenting on data
- Information on latest performance against target should be broken up into tables for each outcome area followed by commentary on that area, rather than a single table of all PIs followed by a single block of commentary (see Quarter 2 report to PPS as an example)
- Triangulation of information – using different sources of data to provide better insight into performance (KPI, customer satisfaction / experience, activity to deliver)
- Use of charts and graphs to show data and trends where this adds value - but in a format that does not rely on use of colour but can be printed in black and white
- Benchmarking data where possible
- Resident and user surveys, customer feedback etc
- Where targets not being met - commentary to explain the underlying issues and what is being done to address these
- When setting targets - provide details on targets as well as performance over the past few years to help challenge target setting

A template report will be developed to ensure consistency in performance reporting to each scrutiny committee

Effective Officer engagement and support

- Performance reports should be 'owned' and signed off by relevant senior officers
- Key officers are in attendance at Committee meetings to support the Executive Member presenting the report and to respond to issues and questions
- Officers should provide prompt and comprehensive responses to requests / actions raised by the Committee

c) Assessing the business case for investing in insight and business intelligence tools and data science

We are also exploring the potential for a new Business Intelligence (BI) tool that could help analyse and present data in a more engaging way – subject to cost and added value. If this goes ahead, it could enable interactive data to be accessible to Members and the public. Next steps are as follows:

- Initial discussion with Public Health, the Council's lead on Using Data Better scheduled
- A review of activity to date
- An officer group to explore the business case, options, benefits and cost of investing in a business tool to enable a science led approach to data analysis
- Initial report and recommendations by Summer 2020

6. Implications

Financial implications:

- 6.1 There are no financial implications resulting from this report. The cost of monitoring and reporting on performance is met within each service's core budget.

Legal Implications:

- 6.2 There are no legal duties upon local authorities relating to performance reporting.

Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

- 6.3 There are no environmental impact arising from this report.

Resident Impact Assessment:

- 6.4 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 6.5 There are no impacts on residents resulting from this report. However, routine performance reporting will help the Council to identify and address specific issues and could inform areas for further scrutiny through the Council's scrutiny function.

Signed by:

Executive Member for Finance, Performance &
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Date: 13 January 2020

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