

Report of:

Meeting of:	Date:	Ward(s):
Policy & Performance Scrutiny Committee	2 December 2021	All

Delete as appropriate	Exempt	Non-exempt

SUBJECT: Quarter 2 Performance Report: Resources
1. Synopsis

- 1.1 The council has in place a suite of corporate performance indicators to help monitor progress in delivering the outcomes set out in the council's Corporate Plan. Progress on key performance measures are reported through the council's Scrutiny Committees on a quarterly basis to ensure accountability to residents and to enable challenge where necessary.
- 1.2 This report sets out Quarter 2 (Jul – Sep '21) progress against targets for those performance indicators that fall within the Resources directorate, for which the Policy & Performance Scrutiny Committee has responsibility.

2. Recommendations

- 2.1 To note performance against targets in Quarter 2 (Jul – Sep '21) 2020/21 for measures relating to the Resources directorate.

3. Background

- 3.1 A suite of corporate performance indicators has been agreed for 2018-22, which help track progress in delivering the seven priorities set out in the council's Corporate Plan - *Building a Fairer Islington*. Indicators are reviewed on an annual basis to ensure they remain relevant. Targets are set annually and performance is monitored both internally, through Departmental Management Teams, Corporate Management Board, and externally through the Scrutiny Committees.

3.2 The Policy & Performance Scrutiny Committee has overall responsibility for performance, and specific responsibility for monitoring and challenging performance for the Resources directorate, which ensures the organisation runs effectively in:

- Managing our budget effectively and efficiently;
- Harnessing digital technology for the benefit of residents and staff;
- Making sure our workforce is diverse, skilled and highly motivated; and
- Being open and accountable

4. Implications

Financial implications:

4.1 The cost of providing resources to monitor performance is met within each service's core budget.

Legal Implications:

4.2 There are no legal duties upon local authorities to set targets or monitor performance. However, these enable us to strive for continuous improvement.

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

4.3 There are no environmental impact arising from monitoring performance.

Resident Impact Assessment:

4.4 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).

4.5 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.

5. Conclusion

5.1 The Council's Corporate Plan sets out a clear set of priorities, underpinned by a set of firm commitments and actions that we will take to work towards our vision of a Fairer Islington. The corporate performance indicators are one of a number of tools that enable us to ensure that we are making progress in delivering key priorities whilst maintaining good quality services.

Signed by:

Dave Hodgkinson (Corporate Director Resources) Date: 23 November 2021
and Cllr. Satnam Gill (Executive Member Finance
& Performance)

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1. Summary of Resources directorate

The Resources directorate includes the following service areas with a vision to **protect, enable and inspire** wider council services:

Law & Governance

Law & Governance comprises Legal Services; Democratic Services; Information Governance and Electoral Services. This function provides professional, cost effective, seamless and timely services to support Members and client departments in order to achieve corporate priorities. The function ensures appropriate access to information and transparency in decision-making processes and encourages resident engagement in local democracy.

Finance

Finance comprises Financial Planning; Transformation; Service Finance; Pension Fund & Treasury Management; Revenues & Technical Services and Internal Audit. This function supports the council and its departments in closing accounts and sets the budget – currently an annual revenue spend of c£900m and a capital programme of £1.6b for the next ten years. This function also collects taxes, performs audits, investigates frauds and manages the pension fund, as well as transforming services across the council to ensure maximum resident impact.

HR

HR comprises HR Strategic Partnering, HR Customer Delivery and Organisational Development. This function oversees and embeds the council's workforce strategy, which focuses on visionary, values-driven leadership; attracting and retaining the best talent; empowering people to perform; and valuing, supporting and collaborating with each other.

Digital Services

Digital Services comprises enterprise planning; architecture & security; programme delivery; application services; operational services and commercial & contracts. The vision for Digital Services is to move from being just a provider of IT services to an active power and enabler for the reinvention of council services and to provide residents, businesses and community groups with a digitally inclusive and transformative experience that enhances lives and livelihoods.

2. Covid Impacts

Managing our budget effectively and efficiently

Covid-19 has had, and continues to have, a huge impact on the council's budgets. The Government's nationwide lockdown measures throughout 2020/21 meant that much of the activity the Council had budgeted for changed fundamentally within a matter of weeks. The financial impacts of Covid-19 were often difficult to predict and covered direct factors, such as the reduction in income from our leisure estate or the increase in costs of providing the response to the pandemic. They have also been indirect, such as the pandemic impacting upon the financial resilience of our residents and businesses. This in turn affects the Council's ability to fund services due to reductions in revenue from Council Tax and Business Rates.

Going forward, much of the financial stability needed by the Council is dependent on how the pandemic evolves. The Council has been making strides in recent years to improve its financial resilience through the direct strategy of boosting its balances and reserves. The impact of the pandemic has highlighted the importance of maintaining this discipline. This responsible decision making provides a solid base on which to provide our vital services to residents.

Harness digital technology for the benefit of residents and staff

For the 2020/21 period, Covid-19 continued to impact Digital Services but with a change in emphasis. In the early part the focus was on enabling adaptation to remote working and supporting initiatives that in turn, support our residents. As the new ways of working bedded in, the backlog of project and discretionary work increased significantly. In broad terms the number of initiatives roughly doubled compared to pre-Covid days, as directorates 'caught up' with their change programme and adopted new ways of working. To compound the issue, over the year it became increasingly difficult to find candidates with IT-related skills – particularly in project management, engineering and commercial disciplines. As a result Digital Services has seen some service backlog in the performance metrics, from delayed service requests to project work. This general situation of increased workload with a skills shortage is expected to continue into the next year.

Make sure our workforce is diverse, highly skilled and motivated

Covid-19 has impacted (and continues to impact on) sickness figures. New MyHR absence reporting codes have been introduced to ensure that self-isolation and sickness is properly recorded. Monthly sickness reports continue to be issued to Service Directors against which managers are required to take action in line with the formal Sickness Absence Procedure. The Employee Relations Team support individual action plans for all long term absences. Regular meeting with managers also consider employee relations casework data and agency staffing which can also act as indicators for further action to address low morale, increased turnover and other staffing issues. Agency figures increased as a result of recruitment to the Lateral Flow Testing sites.

Be open and accountable

Covid-19 has impacted the workload of some services within Law and Governance and we have continued to deliver high level services under difficult circumstances. Services have had to come up with new ways of working and new processes and procedures and collaborated more strongly to improve service delivery. Electoral Services for example delivered the GLA elections and 5 by-elections in May and worked with other departments such as Public Health and Health and Safety to ensure the efficient delivery. Since 7th May, council and committee meetings have had to be held in person, as it was no longer lawful for the majority of formal meetings to be held virtually. Democratic Services have worked to reintroduce meetings back into the Town Hall safely and have successfully implemented a new webcasting system in collaboration with Digital Services, allowing those unable to attend in person to follow proceedings online.

3. Approach to KPI selection (reason for selected KPIs)

The suite of KPIs under Resources provide a number of significantly important measures that foster a culture of openness and transparency. These ensure effective council management through core services, enabling strong budget management, efficient technology and a motivated and diverse workforce.

Managing our budget effectively and efficiently

Managing the Council's revenue budget is a key factor to ensuring the council's overall finances are managed effectively. As such the overall revenue general fund variance has been included as a KPI for the 2021/22 financial year. A minimal variance of between £1m underspend and £1m overspend is the target range. This recognises that an underspend suggests an inefficient allocation of resources whereas an overspend could be a sign for inefficient usage. Additionally, significant volatility in year end forecasts could be a sign of weak financial management therefore this measure is a solid proxy indicator for a number of risks.

The second two measures are similar in nature and closely monitor the collection of local taxation. Council Tax and Business Rates make up a significant proportion of the total funding required to run the Council. Small variations of a percentage can have significant financial implications for the Council. As such these 'debt collection' measures continue to be used as a good measure of performance in a key financial area.

Harness digital technology for the benefit of residents and staff

The indicator chosen is *"Average number of priority 1 incidents per quarter which typically affect more than 100 staff or significantly impair applications or access"*. A priority 1 (P1) incident is one that directly impacts residents being able to complete digital transactions or one which prevents a significant number of staff from undertaking their day-to-day work in support of resident outcomes. Minimising the number of them, in conjunction with resolving those that do occur quickly, is a very tangible and formally measured indicator.

Make sure our workforce is diverse, highly skilled and motivated

The KPIs R7(a) & R7(b) provide a measured indicator for the council's Challenging Inequalities and Workforce Strategy commitments on developing an inclusive diverse workforce. Average number of days lost per year through sickness absence per employee (R5) is a useful indicator for overall employee well-being and organisational health. The council has a continued commitment to the reduction of agency staffing which is measured by the R6 indicator. Both are benchmarkable with data from London Councils.

Be open and accountable

The KPIs now include FOI/SAR compliance, as we have a legal duty to respond to these requests within a statutory timeframe. We also have a legal duty to ensure people's data is secure and must report any high-risk incidents to the Information Commissioners Office. Electoral Services strive to continue to achieve their outstanding voter registrations record while they enter a busy period with staff changes within the team.

Key Performance Indicators for attention

4.1 Overachieving KPIs

The indicators presented below are reported by the service as currently exceeding target levels by more than 5%.

Directorate KPIs		2021/22 Q2 position	Director commentary
Directorate Indicator			
1	Successful management of approved budgets	£0.551m (+/- £5m]	Target exceeded The budget forecasts remain very uncertain at just half-way through the financial year and still in the recovery stage of the COVID-19 pandemic, but we remain within a reasonable budget variance tolerance.

4.2 Underperforming KPIs and related risks

The indicators presented below are reported by the service as currently under-performing against target levels by more than 5%. Detail on each KPI assessment can be found in the relevant directorate's section of the appendix.

Directorate KPIs	2021/22 Q2 position	Reason for under-performance	Mitigating actions to manage KPI performance
1	Percentage business rates collected in-year 48.2% (Target: 52.8%)	Target not met Pre-Covid targets in place to determine impact of pandemic. Covid-19 has reduced ability of businesses to pay, as well as closure of Courts that has prevented enforcement action. A large rates payment of £7.4M was factored into the August & Sept target profiles but now this payment is not expected until October. Until this payment is	We are ensuring our procedures designed to maximise collection are closely followed and we will be working with the courts to make sure we take all opportunities to collect the debt owed. In addition, where we have permission to use contact details:

				<p>received the gap between rates collected and the profiled target will be superficially high. However, factoring the expected £7.4M payment we estimate we would be in the region of 1.5% below our profiled target.</p>	<ul style="list-style-type: none"> • we contact chargepayers to remind them a payment is due; • before summons we call & text to warn people of the seriousness and urge them to make a payment arrangement; • after liability order, we will make contact with all non-CTS chargepayers to urge to make a payment arrangement before we refer them to enforcement agents.
2	Percentage of SARs completed within target (one calendar month)	57% (90%)	Target not met	<p>Cross-service, Homes and Neighbourhoods and Resources all had one month where they were below 90%. They were all 100% for the other two months.</p> <p>Children & Young People continue to see compliance below 50%.</p>	<p>The under-performance in Children & Young People has been attributed to historic social care requests. These are time-consuming due to the time taken to retrieve files, scan files, review and redact. The Access to Records Team have increased capacity in team by 1FTE. The IG Team have arranged a meeting to review their processes to identify if there is a way to speed up the process.</p>

5. Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI for quarter 2 (July 2021 – September 2021). All KPIs are developed with a focus on residents.

Position at Q1- please colour font	Target exceeded by 5% or more Target met or exceeded Target not met but within tolerance (5% unless otherwise agreed) Off target by more than 5%	Movement since last quarter	Better ↑ Stable → Worse ↓	Target rationale	What is the rationale for the 21/22 target for this PI (e.g. London Average, meeting or exceeding performance last year, national target, MOPAC, etc)
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<i>REF</i>	Key performance indicator	Q1 2021/22 position	2021/22 Q2 target (Profiled)	Target rationale	Position at Q2 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
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Manage our budget effectively and efficiently							
R1	Percentage council tax collected in-year	25.1%	49.1%	We set our target to match pre-Covid outcomes (i.e. To match the results achieved in 2019/20)	47.9%	Not applicable as target and performance based on cumulative year-to-date performance	Collection by the end of Q2 remains broadly on track to meet year-end target

REF	Key performance indicator	Q1 2021/22 position	2021/22 Q2 target (Profiled)	Target rationale	Position at Q2 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
R2	Percentage business rates collected in-year	24.9%	52.8%	We set our target to match pre-Covid outcomes (i.e. To match the results achieved in 2019/20)	48.2%	Not applicable as target and performance based on cumulative year-to-date performance	<p>Pre-Covid targets in place to determine impact of pandemic. Covid-19 has reduced ability of businesses to pay, as well as closure of Courts that has prevented enforcement action. A large rates payment of £7.4M was factored into the August & Sept target profiles but now this payment is not expected until October. Until this payment is received the gap between rates collected and the profiled target will be superficially high. However, factoring the expected £7.4M payment we estimate we would be in the region of 1.5% below our profiled target.</p> <p>We are ensuring our procedures designed to maximise collection are closely followed and we will be working with the courts to make sure we take all opportunities to collect the debt owed.</p> <p>In addition, where we have permission to use contact details:</p> <ul style="list-style-type: none"> • we contact chargepayers to remind them a payment is due; • before summons we call & text to warn people of the seriousness and urge them to make a payment arrangement; • after liability order, we will make contact with all non-CTS chargepayers to urge to make a payment arrangement before we refer them to enforcement agents.
R3	Successful management of approved budgets	+ 0.275m	+ / - £5m	Reasonable budget variance tolerance	£0.551m	↓	The budget forecasts remain very uncertain at just half-way through the financial year and still in the recovery stage of the COVID-19 pandemic.

Harness digital technology for the benefit of residents and staff

REF	Key performance indicator	Q1 2021/22 position	2021/22 Q2 target (Profiled)	Target rationale	Position at Q2 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
R4	Average number of priority 1 incidents per quarter which typically affect more than 100 staff or significantly impair applications or access	9	15	Based on previous year's data	14	↓	A continued fast rate of change has contributed to the Q2 position. Change process is being improved as lessons are learnt. 66% of P1s relate to hosted or other application services and the product owners continue to work with the providers to reduce these issues.
Make sure our workforce is diverse, skilled and highly motivated							
R5	Average number of days lost per year through sickness absence per employee (in previous 12-month rolling period)	6.6	7.5	Remains same as last year	6.8	→	Sickness data will not be available until after the payroll run around the third week of the following month. Short-term sickness absence has reduced, partially connected with increased home-working but offset by Covid-related sickness. Some long-term absences continue to impact on figures, primarily mental health related.
R6	Percentage of workforce who are agency staff (by FTE)	10.94%	10%	Remains same as last year	11.2%	→	General agency usage has reduced over the past year but there continue to be temporary staff supporting the council's Lateral Flow Testing programme within Public Health. Once these end, the overall figure will drop further.
R7(a)	Percentage of Black, Asian and Minority Ethnic staff within the top 5% of earners	23.77%	21.7%	Remains same as last year	25.51%	↑	Target exceeded which remains consistent over previous quarters. Also continues to exceed the London Median. Aiming to maintain this level of achievement.
R7(b)	Percentage of disabled staff within top 5% of earners	7.79%	6.3%	Remains same as last year	7.73%	→	Position remains above target with slight variation from Q1. Share not declare campaign being planned to improve data held on disability. Staff Survey indicates the figure is c.18%
Be open and accountable							
R8	Percentage of new voter registrations processed	100%	98%	Remains same as last year	100%	→	Continuing to meet the previous performance of processing 100% of new voter registrations. Aim is to maintain this level of achievement regardless of the increase in applications received during the annual canvass and in the lead up to an election.
R9	Percentage of FOIs completed within target (20 working days)	83%	90%	ICO Target	86%	↑	4 areas did not maintain at least 90% compliance in Q2. CWB did not have a permanent IGO for much of Q2. A new IGO has been identified and trained. The IG Team have

REF	Key performance indicator	Q1 2021/22 position	2021/22 Q2 target (Profiled)	Target rationale	Position at Q2 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
							<p>been providing ongoing support to ensure compliance improves.</p> <p>Public Health consistently have 100% compliance however an issue with the system meant that IGO was not seeing allocations. This was resolved at the end of August and September was 100%</p> <p>Children & Young People had 2 months in Q2 that failed to achieve 90%. A meeting has been arranged with the IGO to identify issues and support for this area.</p> <p>Cross-service did not reach 90% in 2 months in Q2. This was a result of 3 requests missing the deadline. Information was provided late by the service area resulting in the final response being sent out of time.</p>
R10	Percentage of SARs completed within target (one calendar month)	62%	90%	ICO Target	57%	↓	<p>Cross-service, Homes and Neighbourhoods and Resources all had one month where they were below 90%. They were all 100% for the other two months.</p> <p>Children & Young People continue to see compliance below 50% - this has been attributed to historic social care requests. These are time-consuming due to the time taken to retrieve files, scan files, review and redact. The Access to Records Team have increased capacity in team by 1FTE. The IG Team have arranged a meeting to review their processes to identify if there is a way to speed up the process.</p>
R11	High risk breaches reported to the Information Commissioners Office (ICO)	2	No target	A target is not appropriate for this indicator	2	→	<p>The council has reported 2 breaches to the ICO in Q2. Both cases from Q1 were closed with NFA by the ICO.</p> <p>1 was a suspected section 170 offence under the Data Protection Act (where someone has accessed or shared data without the authority of the council). This case has been closed by the ICO pending an internal disciplinary investigation.</p>

<i>REF</i>	Key performance indicator	Q1 2021/22 position	2021/22 Q2 target (Profiled)	Target rationale	Position at Q2 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
							1 was in relation to an incorrectly redacted spreadsheet showing contract spend being published to the council's website before it was spotted and removed by staff. The case has been acknowledged by the ICO.