

Report of:

Meeting of:	Date:	Ward(s):
Policy & Performance Scrutiny Committee	31 March 2022	All

Delete as appropriate	Exempt	Non-exempt

SUBJECT: Quarter 3 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 3 (Oct – Dec '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 3 (Oct – Dec '21) 2021/22 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: 21 March 2022
and Cllr. Satnam Gill (Executive Member Finance
& Performance)

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1. Summary of Resources

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.

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.

4. Key Performance Indicators for attention

4.1 Overachieving KPIs

The service reports indicators below as currently exceeding target levels by more than 5%. The relevant directorate's section of the appendix details each KPI assessment.

Directorate KPIs	2021/22 Q3 position	Director commentary
Directorate Indicator		
1 Successful management of approved budgets	£0.641m (Target: +/- £5m)	Target exceeded The budget forecasts remain very uncertain with one quarter of the financial year remaining and are still in the recovery stage of the COVID-19 pandemic.

4.2 Underperforming KPIs and related risks

The service reports indicators below as under-performing against target levels by more than 5%. The relevant directorate's section of the appendix details each KPI assessment.

Directorate KPIs	2021/22 Q3 position	Reason for under-performance	Mitigating actions to manage KPI performance
1 Average number of priority 1 incidents per quarter which typically affect more than 100 staff or significantly impair applications or access	15 (Target: 12)	Target not met Q3 includes Christmas and the change freeze that leads up to it. There was also a significant amount of P1 activity following the power down in November. This accounted for 6 calls, preventing us from meeting the target. Ongoing problem with the Oracle cluster (now resolved) resulted in some service outages.	If we do another power down we are likely to have less resulting P1s as the underlying issues have been resolved. A number of wider issues come from old technology and Oracle platforms for which we have inflight projects to move them to Cloud.

2	Percentage of FOIs completed within target (20 working days)	79% (Target: 90%)		<p>Outside of Public Health, Chief Executives and Resources, no other directorate met the 90% target in Q3. In most cases delays were due to unavailability of staff to provide information. The Christmas period often results in lower compliance as although most council services are closed between Christmas and New Year, these are still considered working days and therefore the 'clock continues to tick'.</p>	<p>Although the overall compliance is still low, significant improvements have been made in the number of outstanding overdue requests. The team send 'open and overdue lists' on a weekly basis to all Corporate Directors, Directors and IGOs to highlight these. We will now also be highlighting the age of the oldest request and including reminders that requests need to be closed.</p> <p>The IG Team continue to work with all IGOs, focussing on areas of low compliance and are reviewing our processes to identify if any early flags can be put in place.</p>
3	Percentage of SARs completed within target (one calendar month)	56% (Target: 90%)	Target not met	<p>Children's Services continue with an average compliance of below 50% - this is largely due to historic social care requests. These are time-consuming due to the time taken to retrieve files, scan files, review and redact.</p>	<p>The Access to Records Team plan to recruit an additional member of staff as soon as they can. Within the next six weeks, the IG Team will be carrying out a review of their processes to ensure they are operating efficiently within.</p>

5. Key Performance Indicators

The table below presents the latest cumulative outturns available for each KPI for quarter 3 (October 2021 – December 2021). All KPIs have a focus on residents.

Position at Q1- please colour font	<p>Target exceeded by 5% or more</p> <p>Target met or exceeded</p> <p>Target not met but within tolerance (5% unless otherwise agreed)</p> <p>Off target by more than 5%</p>	Movement since last quarter	<p>Better</p> <p>Stable</p> <p>Worse</p>	<p>↑</p> <p>→</p> <p>↓</p>	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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REF	Key performance indicator	Q2 2021/22 position	2021/22 Q3 target (Profiled)	Target rationale	Position at Q3 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
Manage our budget effectively and efficiently							
R1	Percentage council tax collected in-year	47.9% estimate	72.5% estimate	We set our target to match pre-Covid outcomes (i.e. To match the results achieved in 2019/20)	71.5% estimate	Not applicable as target and performance based on cumulative year-to-date performance	Collection is 1% under our profiled target but we are still broadly on track to meet our budgeted level. As set out in the target rationale column, the target level remains consistent with pre-pandemic levels to provide a comparator. The council's budget recognised the impact of Covid-19 on collection rates and therefore budgeted for a lower level for the financial year.
R2	Percentage business rates collected in-year	48.2% estimate	76.1% estimate	We set our target to match pre-Covid outcomes (i.e. To match the results achieved in 2019/20)	75.8% estimate	Not applicable as target and performance based on cumulative year-to-date performance	Collection is 0.3% under our profiled target. Although this is a welcome improvement to closing the gap towards our profiled target, it is an unexpectedly large improvement, as we paid back some large refunds in December, reducing our net income for that month. We will need to review the cumulative collection at the end of January 2022 before we can confirm that the improvement has sustained.

REF	Key performance indicator	Q2 2021/22 position	2021/22 Q3 target (Profiled)	Target rationale	Position at Q3 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
R3	Successful management of approved budgets	+ £0.551m	+ / - £5m	Reasonable budget variance tolerance	+£0.641 m	↑	The budget forecasts remain very uncertain with one quarter of the financial year remaining and are still in the recovery stage of the COVID-19 pandemic.
Harness digital technology for the benefit of residents and staff							
R4	Average number of priority 1 incidents per quarter which typically affect more than 100 staff or significantly impair applications or access	14	12	Based on previous year's data	15	↑	Q3 includes Christmas and the change freeze that leads up to it. There was also a significant amount of P1 activity following the power down in November. This accounted for 6 calls, preventing us from meeting the target. Ongoing problem with the Oracle cluster (now resolved) resulted in some service outages.
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)	6.8	7.5	Remains same as last year	7.4	↑	Sickness absence remains below target although there has been a slight increase since Q3. Mental health continues to be the primary cause of sickness absence.
R6	Percentage of workforce who are agency staff (by FTE)	11.2%	10%	Remains same as last year	10.85%	↓	General agency usage has reduced over the past year and remains well below the London average of 13%. Difficulties in the permanent recruitment market have resulted in longer tenures for some roles and the need for agency capacity. There also 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. People plans will incorporate plans for temp to perm.
R7(a)	Percentage of Black, Asian and Minority Ethnic staff within the top 5% of earners	25.51%	21.7%	Remains same as last year	25.48%	→	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	7.73%	6.3%	Remains same as last year	7.92%	→	Position remains above target with slight variation from Q2. 'Share not declare' campaign is being planned to improve data held on disability. Staff Survey indicates the figure is c.18%.

REF	Key performance indicator	Q2 2021/22 position	2021/22 Q3 target (Profiled)	Target rationale	Position at Q3 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
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 in Q3. Aim is to maintain this level of achievement regardless of the increase in applications received during the lead up to the Local Government Elections.
R9	Percentage of FOIs completed within target (20 working days)	86%	90%	ICO Target	79%	↓	<p>Outside of Public Health, Chief Executives and Resources, no other directorate met the 90% target in Q3. In most cases delays were due to unavailability of staff to provide information. The Christmas period often results in lower compliance as although most council services are closed between Christmas and New Year, these are still considered working days and therefore the 'clock continues to tick'.</p> <p>Although the overall compliance is still low, significant improvements have been made in the number of outstanding overdue requests. The team send 'open and overdue lists' on a weekly basis to all Corporate Directors, Directors and IGOs to highlight these. We will now also be highlighting the age of the oldest request and including reminders that requests need to be closed.</p> <p>The IG Team continue to work with all IGOs, focussing on areas of low compliance and are reviewing our processes to identify if any early flags can be put in place.</p>
R10	Percentage of SARs completed within target (one calendar month)	57%	90%	ICO Target	56%	→	<p>Children's Services continue with an average compliance of below 50% - this is largely due to historic social care requests. These are time-consuming due to the time taken to retrieve files, scan files, review and redact.</p> <p>The Access to Records Team plan to recruit an additional member of staff as soon as they can. Within the next six weeks, the IG Team will be carrying out a review of their processes to ensure they are operating efficiently within.</p>

<i>REF</i>	Key performance indicator	Q2 2021/22 position	2021/22 Q3 target (Profiled)	Target rationale	Position at Q3 2021/22	Movement since last quarter	Narrative (with mitigating actions for below target KPIs)
R11	High risk breaches reported to the Information Commissioner's Office (ICO)	2	No target	A target is not appropriate for this indicator	1	→	<p>The council reported 1 breach to the ICO in Q3. Both cases from Q2 were closed with NFA by the ICO.</p> <p>The case reported in Q3 related to learner outcomes forms being visible on the ACL Gateway site. This information included names and some high-level information relating to career or learning aims for individuals. The ICO closed the case with NFA.</p> <p>There are currently no active data breaches under investigation by the ICO.</p>

