

Appendix 1:

Corporate Performance Update Q1 (April – June) 2023-24

ORGANISATIONAL HEALTH

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(Directorates: *Resources* and *Fairer Together*)

Priorities:

- Manage our budget effectively and efficiently
- Harness digital technology for the benefit of the resident
- Make sure our workforce is diverse, skilled and highly motivated
- Be open and accountable
- Improving the resident experience

Key success in Q1 2023/24

Manage our budget effectively and efficiently

- Collection of **Council Tax and Business rates** are on track to align with or exceed pre-pandemic levels.
- This quarter we exceeded our target for the **percentage of invoices from local suppliers paid** within 10 days (91%, target 90%).

Harness digital technology for the benefit of the resident

- There were 10 (target <10) priority 1 **technology incidents** this quarter (which typically affect more than 100 staff or residents or significantly impairs applications or access) – significantly lower than the average for the last three years.
- Successful launch of the **Let's Talk Islington** online engagement platform, with 19 projects published, 67 in progress, and 60 staff trained – delivering on two of the six shifts in the 2030 Plan. (*Community Engagement & Wellbeing*)

Make sure our workforce is diverse, skilled and highly motivated

- The percentage of **Black, Asian and Minority Ethnic Staff, and Disabled staff in the top 5% of earners** both increased in Q1 compared to Q4 of last financial year, likely due to recruitment to senior leadership roles. Both are above target and the London Councils average.

Be open and accountable

- To better manage **Information Governance**, a new centralised **Access to Information team** has been created. Staff from the Access to Records team in Children's Services transferred to the corporate team in June '23 and vacant roles have been filled. A new operating model has been created with a phased approach to transferring directorate responsibilities for responding to requests - all areas will be fully centralised by the end of Q2.

Improving the resident experience

- Stage 2 **complaints backlog** cleared on 16 May 2023
- **Access Islington** - the IVR upgrade on 26 April 2023 along with individual and team performance monitoring, reductions in staff sickness and training to cross skill staff has led to improvements for resident's journey. This led to a reduction in abandonment from 22.48% in April to 5.02% in June.

Key challenges in Q1 2023/24

Manage our budget effectively and efficiently

- The **General Fund Forecast Outturn Variance from Balanced Budget** for Q1 shows significant gross overspend of £12.2m before applying the £5m Inflation, Energy and Demand Contingency, to bring the net overspend down to £7.2m. There are outstanding risks in particular around the 2023/24 pay award which could worsen the estimated outturn financial position. The majority of overspend is split between Adult Social Care (+£2m due to unavailability of beds in care homes), Environment and Climate Change (+£4m shortfall in income in the Parking account), and Children and Young People (+£0.7m due to growth in personal travel budgets in the SEND transport budget).
- Two **new quarterly finance measures** have been introduced for 2023/24 – total debt outstanding and total interest paid and accrued on debt. At the end of Q1, total debt outstanding (long and short term) is £257.6m with £3.383m of interest paid and accrued on this debt. It is expected that both these figures will rise, in line with the approved capital programme and in light of funding challenges and rising interest rates, however these measures aim to help monitor the extent of this impact over time.

Make sure our workforce is diverse, skilled and highly motivated

- Our **sickness absence** measure has been calculated this quarter using a different methodology to be consistent with the London Council benchmark but not directly comparable with our previous periods. In Q1, we lost an average of 9.79 days per employee due to sickness (London Councils' average in 2022/23: 9.77 days). This puts LBI in the third quartile for all London councils and second quartile for inner London boroughs. The main causes of sickness remain consistent: musculoskeletal; other; mental health related absence. We will do further analysis of our sickness absence over the next few weeks as part of the performance report to Policy and Performance Scrutiny.
- **Agency usage** (Q1: 14.09%) increased by 0.9% from Q4, continuing the trend of rising quarter on quarter through 2022/23 although it remains lower than the London average of 14.29%. Percentages of agency workers are highest in in Adult Social Care (~28%), Environment and Climate Change (~18%) and Homes & Neighbourhoods (~17%). (See below for additional narrative on agency).

Be open and accountable

- **Freedom of Information requests:** The council did not achieve the ICO target of 90% in Q1 with an overall compliance of 82%. Five directorates did not achieve at least 90% (Adult Social Care, Children's Services, Environment & Climate Change, Community Engagement & Wellbeing and Homes & Neighbourhoods). Compliance was impacted by an increase in requests in Q1, several of which were complex, key staff on annual leave and the focus on reducing the stage 1 complaints backlog in Homes & Neighbourhoods.
- **Subject Access Requests:** The council did not achieve the ICO target of 90% in Q1 with an overall compliance of 67%. Seven directorates received SARs in Q1 and four did not achieve at least 90% compliance (Children's Services, Cross-Service, Environment & Climate Change and Homes &

Neighbourhoods). Compliance was impacted by an increase in the number of requests received (62 more were received in Q1 than Q4 22/23). Children's Services continue to receive the most (83 of the 151 received), most for historic records which are often voluminous and complex (one request needed 43 volumes to be scanned, reviewed and information redacted). The team continue to work hard to clear these requests, but the sheer amount of information mean that delays are inevitable. The council has been monitored by the ICO twice and the ICO were critical of our compliance in this area. Continued failure to meet this target puts the council at risk of further monitoring which could result in a public reprimand from the ICO or an enforcement notice being issued (failure to comply with a notice can result in a fine of up to £17,500,000).

Improving the resident experience

- Housing has a **backlog of stage 1 complaints** which they are currently working to resolve. This is creating greater demand at stage 2 of the process and this trend is expected to continue until the end of Q2. However, all stage 2's remain within Service Level Agreement. (*Community Engagement & Wellbeing*)

Focus Going Forward 2023/24

Harness digital technology for the benefit of the resident

- A particular focus for **Digital projects** will be to strengthen 'User Acceptance testing' to prevent unfavourable outcomes.

Make sure our workforce is diverse, skilled and highly motivated

- In addition to Directorate People Plans incorporating plans for temporary to permanent staff, the Strategic Resourcing Lead is working with services on a **Workforce plan and Talent Attraction plan** to address skills shortages and hard to fill roles.
- While the number of starts to **council apprenticeships** were on a par this quarter with Q1 last year, work is in development to expand the number of new start apprenticeships for coming quarters.
- **Sickness** deep dive as part of the performance report to Policy and Performance Scrutiny.

Be open and accountable

- The following work is planned for **Information Governance** in Qs 2&3: Training for all members of the team to ensure baseline knowledge; Remediation plans to address backlog of requests where required; Investigate options for redaction software that uses automation to speed up the process; Investigate short-term scanning options to free up staff time for value added work; and, Review of FOIs to identify frequently asked questions so that information can be published to help manage requests.

Improving the resident experience

- New complaints governance and dashboard developed. This will be used to monitor complaints at all stages with themes, trends and learning reviewed and signed off by Directors, before further discussion at CMB and PLM. (*Community Engagement & Wellbeing*)

Agency usage: deeper insights

- Active agency FTE for Q1 was 726.65.
- Agency usage increased by 0.90% in Q1 from Q4 to 14.09%. Usage has risen quarter on quarter for 2022/2023 but remains lower than the London average of 14.29%.
- Total headcount increased for each directorate except Resources in Q1, total FTE increased and the number of hours submitted across Q1 increased by just under 7% compared to Q4.

- By job category, interim executive remains the highest spend with the highest increase of £393k in Q1 (38 orders in Q1 compared to 29 in Q4 and 17 in Q1 2022 as a yearly comparator).
- 49% of the active contingent workforce have been engaged for over a 12-month period with most of these being in the Environment & Climate Change directorate (37%). (This is the criteria for triggering use of the accelerated temp to perm process).
- Nearly 57% of active placements had 'vacancy cover' as their booking justification followed by 29% for 'extra workload'. The remaining 14% of justifications were for holiday, sickness, training and development, maternity/adoption/career break cover or project work.

Barriers to reducing agency staff:

- Continuing difficulties in the permanent recruitment market (skill shortages, rising salaries and the discrepancy between public & private sector pay as sighted by the LGA workforce survey 2022) have resulted in longer tenures for some roles and need for additional agency capacity. Between January '23 and July '23, 481 vacancies were advertised for permanent or fixed term opportunities, 35% of these recruitment attempts were unsuccessful.
- Reluctance among agency workers to take on permanent employment due to the drop in salary they would incur and a lack of flexibility. The accelerated temp to perm process has seen 18 conversions made since it went live in March 2023 with the highest proportion (50%) within Adult Social Care. The normal temp to perm process has seen 102 conversions in the last 12 months with the highest amount within Homes & Neighbourhoods (23%).

Steps to improvement:

There is a perception that hiring agency workers is an accelerated process vs permanently recruiting and there are several strategies in place to reduce this perception:

- A new Applicant Tracking System is being procured to make it easier for managers to recruit permanently.
- End to end review to streamline permanent recruitment processes.
- Production of a Talent Attraction Plan and an Inclusive Recruitment Plan to explore new routes and pathways and those occupied by long tenure agency workers.
- Accelerated temp to perm process for agency workers engaged for 12 months or more wishing to become permanent staff.
- On-going review of permanent recruitment attempts vs agency usage with analysis going to Corporate Directors and Departmental Management teams.
- Directorate People plans which highlight hard to fill roles and to link in with the Talent Attraction Plan to address these.

Workshops are to be organised with agency workers as a myth busting exercise and highlight the benefits of permanent employment.

Resident view: Complaints

Eleven stage 1 complaints were received by Resources and upheld this quarter, almost one third of those received and upheld this quarter last year. Most (9) were around Council Tax. Four were received and upheld at Stage 2, all for Council Tax). Half regarded administrative errors, the other half requested more support, all were completed satisfactorily.