

## Audit Committee - 28 February 2020

<b>Title of paper:</b>	<b>Council Plan Corporate Performance Reporting</b>	
<b>Director(s)/ Corporate Director(s):</b>	Candida Brudenell, Strategic Director for Strategy and Resources	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	David Rosselli, Policy & Performance Manager Tel:0115 8764008 <a href="mailto:David.Rosselli@nottinghamcity.gov.uk">David.Rosselli@nottinghamcity.gov.uk</a>	
<b>Other colleagues who have provided input:</b>	James Rhodes, Head of Analysis and Insight James Schrodell, Policy and Performance Manager	
<b>Recommendation(s):</b>		
<b>1</b>	To note the corporate performance framework used	
<b>2</b>	To provide any comments as appropriate	

### 1 Reasons For Recommendations

1.1 To inform Audit Committee and to seek comments as appropriate.

### 2 Background

2.1 Audit Committee requested a report on how Council Plan performance is managed. This report considers arrangements for the current Council Plan 2019-23.

### 3 Council Plan 2019-23

#### 3.1 Formation of the Council Plan

The Nottingham Labour Party won Nottingham's 2019 local elections. The 20<sup>th</sup> May 2019 meeting of Full Council resolved to adopt the plans in the Nottingham Labour Party Manifesto 2019 as a basis for Council policies for the current term of office. Then the Leader, Portfolio Holders, CLT and colleagues worked jointly to express the Manifesto as specific Actions and Performance Indicators (PIs), ensuring as far as possible that:

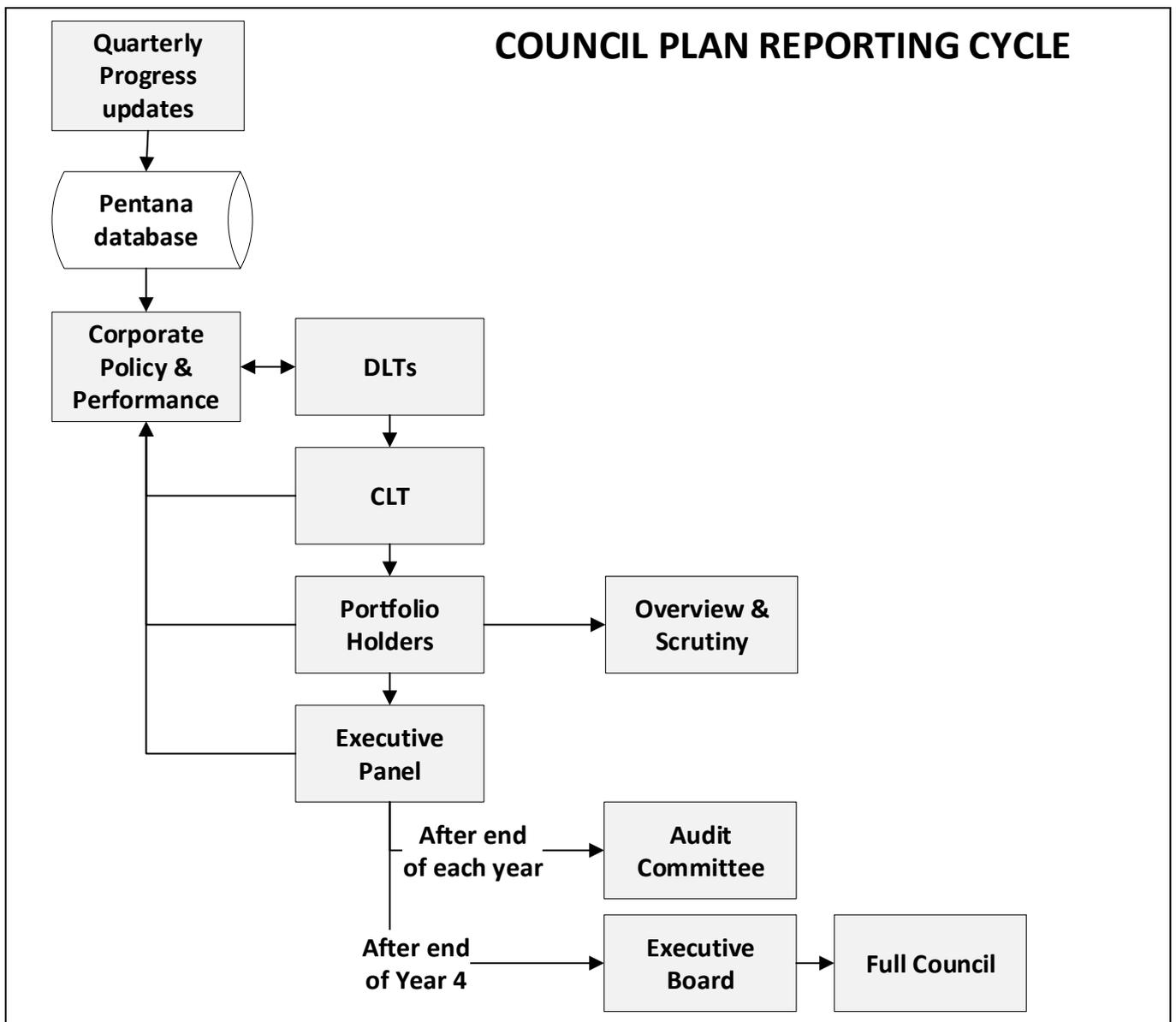
- Every item was specific, measurable, achievable, relevant, timed (SMART),
- PIs had a baseline of past data (where available)
- PIs had a target set and profiled over the four years of the Council Plan period,
- A named manager was accountable for achieving each objective and a named colleague was assigned to do the work and to write the performance updates.

#### 3.2 Council Plan Performance Reporting

The Council Plan reporting cycle is as follows (also see the diagram overleaf):

- The reporting cycle is quarterly.
- Colleagues are responsible for updating any items they are working to deliver.
- Colleagues enter updates into the Pentana IT system, including explanatory notes, the latest data, and the expected outcome (Red/ Amber/ Green).
- The Corporate Policy and Performance Team reminds colleagues when to do the next quarterly update, chases late items, and prepares the reports.

- Where under-performance occurs, the explanatory notes include the improvements underway or planned to resolve the matter.
- The Corporate Policy and Performance Team prepares draft reports and summary slides and takes them to Departmental Leadership Teams (DLTs) for Corporate Director sign-off.
- The quarterly reports and slides go to Corporate Leadership Team (CLT) for discussion and any decisions needed.
- The quarterly reports and slides go to each Portfolio Holder.
- Portfolio Holders attend Executive Panel and present their progress update.
- A Council Plan progress report goes to Audit Committee each year.
- Portfolio Holders attend the Overview and Scrutiny Committee to give a progress update on their elements of the Council Plan.



### 3.2 Pentana

Pentana is our performance management software that allows us:

- To store data, commentary and so form the agreed record for each item,
- To report progress towards achieving the Council Plan objectives,

- To identify responsibilities and accountability,
- To see when anything is under-performing,
- To access customised dashboards and information online.

The Corporate Policy and Performance Team administers and manages the Pentana system, and provides support and training for Pentana users.

#### **4 Performance Management Framework**

Nottingham City Council uses a Performance Management Framework (PMF, see diagram in Appendix 1), which was adopted in 2014. The PMF is useful as it:

- Sets out our high level performance management approach,
- Shows the 'golden thread' from high level strategy to frontline services,
- Illustrates how the Council Plan is performance managed and reported on,
- Supports service delivery and decision making with evidence-based data,
- Drives improvement to achieve the best results for Nottingham's citizens.

Audit Committee has a lead role regarding the PMF (see Appendix 3); however, everyone in the Council plays a part in the PMF (see Appendix 2).

#### **5 Internal Audit 2019**

In 2019, the Internal Audit Service conducted a review of the arrangements for corporate performance monitoring and reporting. The arrangements were found to be satisfactory. Three recommendations were made to further improve matters. They were as follows.

- 5.1 Recommendation: Maintain a master record of changes made to performance indicators or actions.

Response: In response to this a comprehensive master table was created for every action and performance indicator. In this centralised record, any changes made (e.g. dates, definitions, data source, baselines, ownership) were noted thereby giving a full change record.

- 5.2 Recommendation: Carry out sample checks to spot test for robustness. Checks were to include whether: Items recorded as 'Green' for Expected Outcome were fairly graded; whether Actions and Performance Indicators Items were worded to properly reflect the original intended Objective; and whether the scope had not changed.

Response: Since the creation of the new Council Plan 2019-23 all these matters have been given close attention. Every Council Plan pledge was converted into achievable Actions and Performance Indicators so that the Pledges could be achieved. There was a process of discussion with frontline staff, managers and Councillors. The resulting Council Plan 2019-23 was formally adopted at Full Council in November 2019. Progress since then was checked via the Quarter 3 corporate reporting cycle, which started in early January and is now nearing completion. During this cycle, every item in the Council Plan was checked and reported to DLTs, CLT (exceptions) and Portfolio Holders. This exercise will repeat starting April 2020 for the Quarter 4/ Year End corporate reporting cycle.

- 5.3 Recommendation: Check that the 'software as a service' contract for the Pentana software used for performance management still provides good value for money for the Council.

Response: During 2019 a detailed market testing exercise was done, looking at other potential software providers. Our current system was found to be the most affordable with a sufficient level of quality to meet our requirements and with minimum disruption during our busiest year (setting up the new Council Plan). Following that exercise, a delegated decision was authorised by the Corporate Director (Strategy and Resources) to approve the procurement for a further year. Since then, the time has come to renew the annual contract. The price was checked and found to be affordable and low compared to similar systems, so it has been procured for 2020/21.

- 5.4 Recommendation: Ensure that the users named in the Pentana system are up to date.

Response: During the process of setting up the new Council Plan new users have been added where required, and others removed. During the summer of 2020 there will be a full scale review of all users to ensure that people who no longer require use of the system are removed.

## **6 Internal Audit 2020**

In 2020, the Internal Audit Service started a further review of the arrangements for corporate performance monitoring and reporting. The exercise is still ongoing. It is not known if there will be any recommendations.

## **7 Background Papers Other Than Published Works Or Those Disclosing Exempt Or Confidential Information**

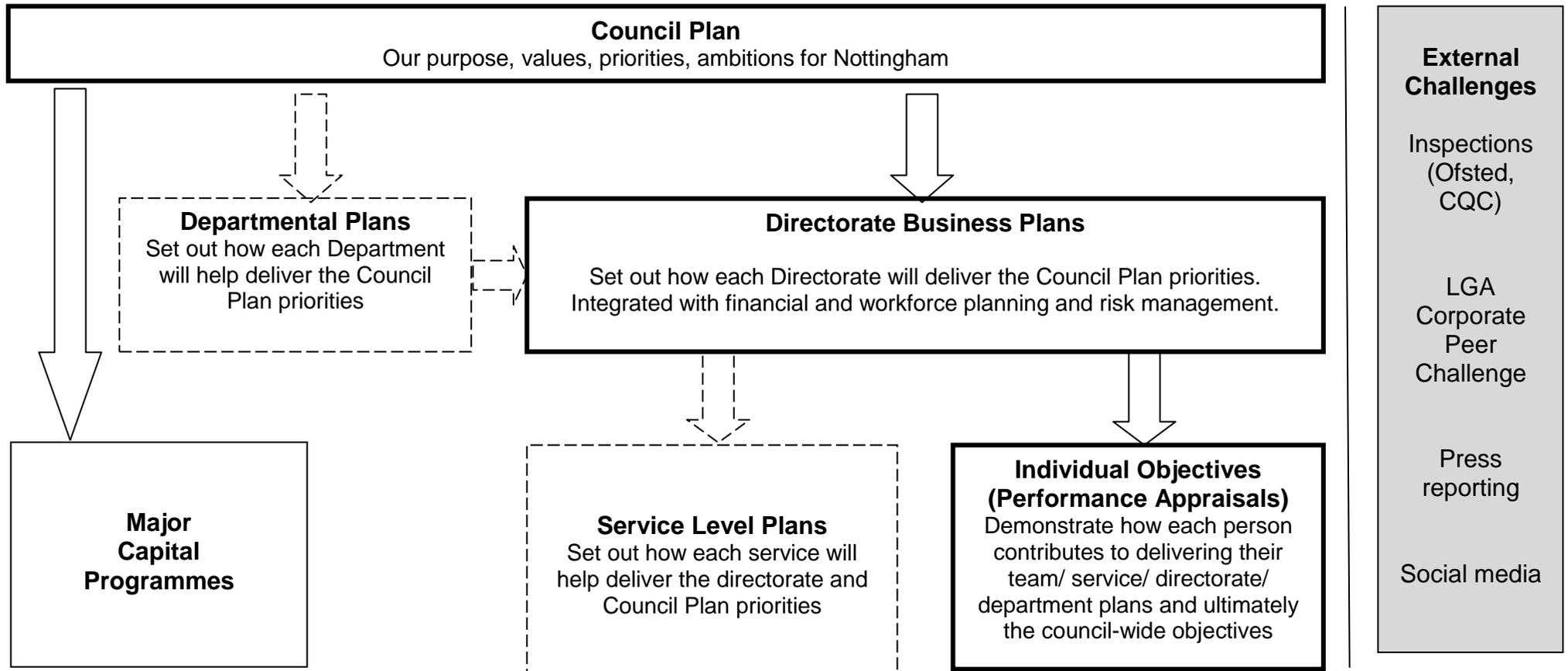
None

## **8 Published Documents Referred To In Compiling This Report**

8.1 Council Plan 2019-23

8.2 Nottingham City Council Performance Management Framework

**Appendix 1: Performance Management Framework (PMF)**



The PMF has many benefits. Colleagues know who will do what and when. We focus on achieving the right outcomes. We know how each initiative is progressing. We can take action early to fix under-performance. Colleagues know how to seek support. Everyone in the Council plays a part in the PMF (see Appendix 2).

The PMF links to: Financial Regulations, Medium Term Financial Strategy, People Management Handbook, Performance Appraisals, Our Behaviours framework.

The PMF has four stages, in a cyclical pattern: Analysis, Plan, Do, Review.

### **Analysis**

The needs of users, citizens and their environment are analysed in the context of:

- The Council Plan,
- National legislation and any regulatory duties,
- The Nottingham Plan (Nottingham's overarching community strategy),
- Citizen demographics (including age profile, gender, ethnicity, etc.),
- Wider social trends (e.g. unemployment, demand for social care, etc.),
- Customer satisfaction and feedback about how services are provided,
- Past performance and trends (e.g. cost, quality, effectiveness),
- Workforce profile (e.g. demographics, skills, talents, engagement etc.).

### **Plan**

The Council Plan sets our purpose, values, priorities and ambitions and shows how we contribute to the strategic priorities in The Nottingham Plan.

Each Directorate produces a business plan, including elements to delivering the Council Plan. Some departments/ Services choose to have a departmental/ Service plan.

Major Capital Programmes are so large and complex that they have a separate management and reporting stream outside the directorate business plans.

### **Do**

The Council Plan and Departmental plans state what will happen and when. They are live documents and are monitored and updated as actual events unfold.

### **Review**

Reviewing outcomes helps us learn and then improve. Progress is reported to the appropriate level: Heads of Service, DLTs, CLT, Portfolio Holders. This applies to the Council Plan and at corporate, departmental, service and team levels. External challenge/ feedback also comes via public consultations, citizen surveys, complaints received, statutory inspections and LGA peer challenges.

## Appendix 2: ACCOUNTABILITY IN THE PERFORMANCE MANAGEMENT SYSTEM

ACCOUNTABILITY IN THE PERFORMANCE MANAGEMENT SYSTEM	
<b>Councillors</b>	<p><b>Full Council</b></p> <ul style="list-style-type: none"> <li>• Approve the overall priorities and budget for the Council</li> </ul> <p><b>Council Executive</b></p> <ul style="list-style-type: none"> <li>• Make budget recommendations to Council and approve the Housing Revenue Account</li> <li>• Oversight of Council Plan/ Manifesto commitments adopted as Council policy</li> <li>• Portfolio Holders lead and are accountable for their portfolio of services</li> </ul> <p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>• Corporate governance oversight: internal control, risk management, financial reporting</li> <li>• Approve and critically appraise application of the PMF</li> </ul>
<b>Senior management</b>	<p><b>Corporate Leadership Team (CLT)</b></p> <ul style="list-style-type: none"> <li>• Strategic responsibility for achieving Council priorities</li> <li>• Oversight of corporate performance, taking necessary action and focussing resources</li> <li>• Deliver the MTFs and MTFP</li> </ul> <p><b>Corporate Directors</b></p> <ul style="list-style-type: none"> <li>• Deliver departmental objectives</li> <li>• Accountable for departmental operational performance and overall outcomes achieved</li> <li>• Help deliver the Council's strategic priorities</li> <li>• Deliver within budget and strive to achieve better value for money/reduce net cost</li> </ul> <p><b>Directors/Heads of Service</b></p> <ul style="list-style-type: none"> <li>• Are accountable for delivering their service objectives and operational performance</li> <li>• Develop colleagues and teams</li> <li>• Ensure staff deliver their objectives and contribute to the Council's strategic objectives</li> <li>• Deliver services on time, to standard and within budget</li> <li>• Identify and implement net cost reductions</li> </ul>
<b>Colleagues</b>	<p><b>Corporate Policy and Performance Team</b></p> <ul style="list-style-type: none"> <li>• Administer the PMF and the performance management IT system</li> <li>• Act as a corporate centre of excellence for performance management</li> <li>• Customise the PMF IT system to the specific needs of each department or service</li> <li>• Support CLT and Portfolio Holders for performance management</li> </ul> <p><b>Departments</b></p> <ul style="list-style-type: none"> <li>• Ensure corporate performance information is gathered and provided</li> <li>• Take improvement action if anything is under-performing</li> </ul> <p><b>All Colleagues</b></p> <ul style="list-style-type: none"> <li>• Achieve their personal objectives and contribute to those of their team/ service/ Dept.</li> <li>• Take responsibility for individual performance and development</li> <li>• Understand how they contribute to the Council Plan objectives</li> </ul>

## Appendix 3: AUDIT COMMITTEE'S ROLE IN THE PMF

### 1. Overview

The Audit Committee's role includes to review the Council's integrated planning and performance framework.

#### Purpose

Audit Committee has the purpose to:

**'Scrutinise the council's financial and non-financial performance to the extent that it affects the council's exposure to risk and weakens the control environment.'** (Constitution Part 2, Responsibility for Functions and Terms of Reference).

This will involve receiving reports and presentations at least once a year relating to: (a) the PMF, (b) Corporate Risk, (c) financial matters.

### 2. Function

Audit Committee's function is to:

**'Consider arrangements for and the merits of operating quality assurance and performance management processes'.** (Constitution Part 2, Responsibility for Functions and Terms of Reference).

This will involve receiving an annual reports relating to performance management.

### 3. Providing assurance regarding non-financial performance management

Audit Committee therefore needs to be assured as follows:

THEME	NON-FINANCIAL ASSURANCE REQUIRED
System	That suitable arrangements exist and in use for corporate planning and performance management.
Effectiveness	That the corporate planning and performance management system is working well in reality, and that items within the scope of corporate performance management are managed well and are achieving the Council's desired outcomes.