

Audit Committee – 26th November 2021

Title of paper:	Council Plan and Corporate Performance Assurance	
Director(s)/ Corporate Director(s):	Ita O'Donovan – Interim Director Strategy and Policy Clive Heaphy - Interim Corporate Director of Finance and Resources	Wards affected: All
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Other colleagues who have provided input:	James Schrodell – Corporate Policy and Performance Manager James Rhodes – Head of Analysis and Insight	
Does this report contain any information that is exempt from publication? No.		
Recommendation(s):		
1.	To note the progress made on the Council's new Performance Management Framework (PMF) to date.	
2.	To note plans for full implementation of the PMF and improvements in performance reporting across the Council.	
3.	To review the critical indicators for Finance and Resources (Appendix 1) and provide feedback on whether additions or amendments are required.	
4.	To consider whether the Audit Committee working group should meet separately with the Policy and Performance team for a more thorough review of the critical indicators.	

1. Reasons for recommendations

- 1.1 To assure Audit Committee of plans for improving the monitoring and reporting of performance across the City Council.

2. Background

- 2.1 As part of its Recovery and Improvement Plan, and in line with recommendations from the Improvement and Assurance Board, the Council is working to improve performance reporting across the authority, with a particular focus on corporate and political oversight of key performance metrics.
- 2.2 Full Council formally adopted a new Strategic Council Plan for 2021-2023 on 13th September 2021, the amended commitments will be incorporated into the new Performance Management Framework (PMF).
- 2.3 Formerly, quarterly corporate performance reporting to the Corporate Leadership Team (CLT) and the Executive focussed on commitments taken from the previous Council Plan, which were adopted from the majority group's Manifesto. Arrangements for the review of other performance data was not coordinated by the centre, but instead owned by each individual Directorate.

2.4 Going forward, the Corporate Policy and Performance Team will now coordinate reporting on both the Strategic Council Plan, and additional metrics outside of the Council Plan. These metrics have been proposed by Directors and Heads of Service to include a mix of statutory duties and strategic indicators that give the best overview of their key responsibilities, priorities and 'business as usual' work. This will better inform the Council's leadership of performance across key service areas.

3. **Changes and improvements – Council Plan and corporate performance assurance mechanisms**

3.1 Nottingham City Council has developed a new Performance Management Framework (PMF), with the following overarching aims:

- To improve the culture of performance reporting in Nottingham City Council.
- To ensure performance is reported on and discussed regularly, accurately and honestly.
- To change the culture of performance reporting so that it is seen as an asset which engenders accountability and can track progress towards meeting targets.

3.2 Performance reporting will be scheduled regularly at Directorate Leadership Team (DLT) meetings, CLT, Leadership Group and with Portfolio Holders. It will be given sufficient time for discussion. Conversations will be open and honest and will offer opportunities to take remedial action to achieve targets which are slipping or make decisions earlier about when to stop or change activity.

3.3 Within the PMF, targets and metrics will be:

- Relevant
- Clearly owned in terms of accountable and responsible officers
- Specific and measurable with clear definitions and target milestones/trajectories, or monitored to determine direction of travel
- Appropriate indicators of the performance of a particular service or strategic outcome
- Agreed in advance between officers and the Executive, with the option to review these if circumstances change significantly.

3.4 Reporting will be:

- Updated according to the 'frequency' agreed (which will vary by metric based on availability of data)
- Accurate, giving an honest update on performance since the last report
- Scheduled regularly at DLTs, CLT and Exec Panel (quarterly), so that performance is known and understood
- Given sufficient time for discussion each quarter, including Strategic Council Plan commitments and strategic indicators.

3.5 Reporting will be captured through the Council's online performance management system, Pentana, linking into other sources of data where available. Reports will include a RAG (red, amber, green) rating for each indicator along with contextual narrative. Dashboards will also be available to allow regular, easy review of indicators, with the ability to filter by directorate and portfolio.

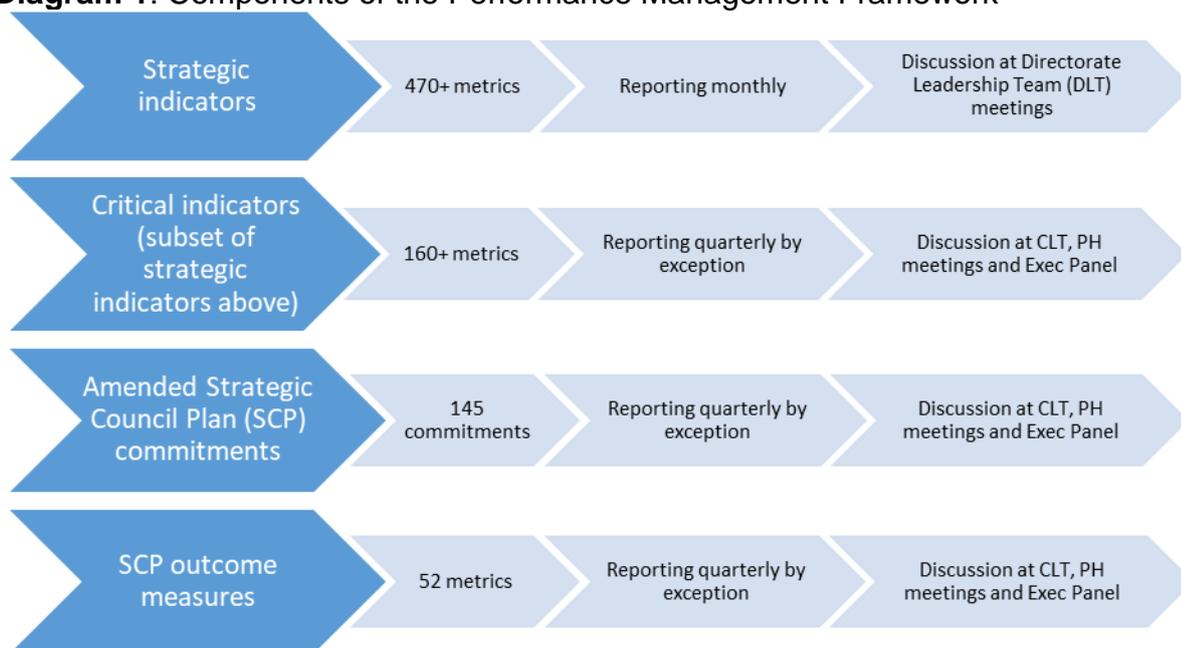
3.6 The PMF is a live document which can be revised, amended and edited at any point. This is necessary to ensure the PMF continues to include relevant indicators to reflect changing strategies, priorities and statutory duties. In addition to the metrics, the PMF

also incorporates the commitments within the Strategic Council Plan in order to ensure accountability of delivery. Diagram 1, below, offers a breakdown of the components of the PMF, the frequency of reporting and where they are reported.

3.7 The PMF is comprised of the following:

- Strategic indicators – including statutory duties – which will be reviewed monthly by Directorate Leadership Teams. Named officers will be responsible for providing data and commentary for these metrics; the frequency of reporting for each individual metric will depend on when relevant data is available.
- Critical indicators – a smaller subset of the strategic indicators, which will provide the Council’s senior leadership with a focussed, more manageable overview of performance. Performance against these critical indicators will be reported to the Corporate Leadership Team and the Executive on a quarterly basis by exception (where anything is RAG rated ‘red’ or ‘amber’).
- Amended Strategic Council Plan (SCP) commitments – these are the revised commitments from the Executive.
- SCP outcome measures – these are metrics we have committed to measure to assess if the 11 high level outcomes in the new Strategic Council Plan are being achieved.

Diagram 1: Components of the Performance Management Framework



3.8 Directorate leadership teams will review their available data each month, allowing any issues to be identified in a timely manner and giving an opportunity for remedial action to be considered where necessary. ‘Performance clinics’ will be established to give sufficient rigour, consistency and appropriate accountability to the performance management process; these ‘clinics’ will ensure time is dedicated to the robust review of indicators.

3.9 The link has been established between the PMF and the new performance appraisal system via service plans. Service plans outline the areas of responsibility for particular service areas in regards to the Strategic Council Plan. Thus we have identified which Directors and Heads of Service are responsible for all indicators and actions within the PMF, so these can be easily cascaded into individual performance objectives facilitating

regular discussions to ensure appropriate accountability and oversight as part of the appraisal process.

- 3.10 Discussions are also taking place with risk specialists within the Council to ensure that consideration of risk is included in the performance management process so that risk is evaluated, reported at the appropriate level and, where possible, mitigated. This will likely include the reporting of risk alongside performance as a part of the proposed monthly DLT performance sessions.
- 3.11 Performance reporting will first be discussed with Directorate Leadership Teams followed by a meeting of the Corporate Leadership Team (CLT) for review. After CLT it will then be shared with Portfolio Holders before final discussion at Exec Panel. This will give ample opportunity for review of RAG ratings and to consider any remedial actions which may be required.
- 3.12 Audit Committee's terms of reference include a requirement for members to seek assurance of the Council's financial and non-financial performance. The PMF includes indicators relating to the Council's finances, its workforce, its services and operations, a representative selection of its statutory duties and its key priorities. The new framework will be a tool to assist officers, Councillors and Audit Committee in gaining assurance that performance is being reported and monitored appropriately across all levels of the authority.
- 3.13 Appendix 1 includes a list of critical indicators relating to Finance and Resources which can be reported in the public domain (we have excluded from this list any indicators which may include any commercially or financially sensitive information, or where we do not own the data). We welcome Audit Committee's input in shaping these indicators where members feel anything needs to be added or amended. For a more in-depth review of the critical indicators in the PMF, including those in other directorates, the Policy and Performance team can liaise with the Audit Committee working group outside of the committee meeting as required.
- 3.14 Ongoing and detailed scrutiny of specific areas of performance will also take place at Overview and Scrutiny Committee in the form of contributions to policy development. Overview and Scrutiny may gather evidence at their meetings and, when that evidence shows there could be a better way of doing things, the committee can make recommendations for change and support improvement. The Chair of the Overview and Scrutiny Committee will also be provided with the quarterly performance monitoring reports, and will have the opportunity to raise any queries.
- 3.15 The Companies Governance Committee will oversee the Council's strategic objectives across the Nottingham City Council group of companies and support the development of the group, in line with the Council's regulations and ambitions.
- 3.16 We will operationalise the PMF (with an initial focus on critical indicators and the Strategic Council Plan commitments), including:
 - Building reporting systems into Pentana with defined baselines, targets (where applicable), accountable officers, frequency of data availability and source etc.
 - Developing reporting dashboards so that CLT members, Councillors and senior officers can easily and quickly view their data in a user-friendly way.
 - Establishing data feeds from existing systems (automated where possible) to remove the need for duplication of data entry where available.

- Initiating corporate quarterly reporting to CLT, Leadership Group and Exec Panel (critical indicators and SCP commitments) from January 2022 (subject to sufficient capacity to populate the reporting system with the new and revised indicators). Reporting will cover quarter three of 2021/22 (1st October – 31st December 2021).
- Establishing a consistent approach to monthly Directorate performance clinics (including Terms of Reference and other documentation).

4. **Background papers other than published works or those disclosing exempt or confidential information**

4.1 None.

5. **Published documents referred to in compiling this report**

5.1 Nottingham City Council Plan 2019-2023

5.2 Nottingham City Council Strategic Council Plan 2021-2023

5.3 Nottingham City Council Recovery and Improvement Plan 2021-2024