

CABINET
December 2021

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: INTEGRATED PERFORMANCE, PROJECT MONITORING AND RISK

REPORT OF: Service Director: Resources

EXECUTIVE MEMBER: LEADER OF THE COUNCIL / *FINANCE AND IT*

COUNCIL PRIORITY: BE A MORE WELCOMING, INCLUSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

This report recommends that the Council changes the way that it approaches the following:

- The setting, and monitoring of, Performance Indicators (PIs).
- The setting, and monitoring of, key Council projects
- The identification process in relation to risks and oversight of risks
- The setting, and publication of, the Service Delivery Plan and Service Action Plans

The intention of the changes is to ensure:

- All the above are better aligned to the Council Plan
- That there is better ownership by Cabinet and improved oversight by the Overview and Scrutiny Committee
- That the results are contained within one document, which is more accessible to Councillors, residents and other stakeholders

2. RECOMMENDATIONS

- 2.1. That the proposals set out in this report be approved, which relate to the creation and monitoring of an Integrated Council Delivery Plan.
- 2.2. That Council be recommended to approve the changes to the Constitution as detailed in section 9.

3. REASONS FOR RECOMMENDATIONS

- 3.1. *To improve the current processes that are in place which do not seem to be well integrated with each other or the Council Plan.*

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. *To continue with the current arrangements. This has been rejected due to the likely benefits from changing the approach.*

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. *The Chairs of Overview and Scrutiny (O&S) and the Finance, Audit and Risk (FAR) Committee have been informally consulted on these proposals. This report has also been added to the agenda to both Committees so that they can formally provide their views on the proposals.*

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. The current overall process has the following elements to it:
- 7.2. **Council Projects:** In March each year, O&S receive a report proposing key Council Projects to be monitored during the following year. O&S then receive a quarterly report on performance against those indicators. The projects are often taken from the capital programme and it is not always clear how well they relate to the achievement of the Council Plan.
- 7.3. **Performance Indicators:** In March each year, Cabinet and O&S receive a report (separate to the projects report) proposing Performance Indicators for the following year. O&S then receive a quarterly report on performance against those indicators. The indicators that are measured do not tend to change much between years, can be quite narrowly focused and do not tend to reflect the objectives contained within the Council Plan.
- 7.4. **Risk.** Corporate risks are formally monitored by Cabinet, with oversight by FAR. There tends to be very few changes to corporate risks over time. The corporate risks identified are generally very important to the Council, but do not tend to link well to the potential impacts on achievement of the Council Plan. The discussions about risk at FAR consider the achievement of service delivery, and therefore cross over into the role of O&S. As this report goes to a separate Committee there is no consideration of the connections with Council Projects and Performance Indicators, meaning neither committee gets to see the full picture.
- 7.5. **Service Delivery Plan (published on the Council's website).** This is a summary of the more important actions from the Service Action Plans. But this is still a long list and does not provide explicit linkages as to how they relate to the Council Plan and objectives.
- 7.6. The plan also includes:
- The Council's priorities and values
 - A description of the services that the Council provides
 - A financial overview
 - A staffing overview
 - An overview of key risks
 - Approach to communication and consultation
 - Review of issues in relation to assurance and governance

- 7.7. **Service Action Plans (published on the Council's website).** These are currently set around March, in advance of the new financial year (which runs from April to March). They list all the projects that the service plans to deliver over the coming year. In general, these plans are far too detailed to be useful to the public. Whilst they match the actions against the Council Plan priorities, they do not detail the relative importance of each project.
- 7.8. **Risk Management Group.** This group is made up of the Executive Member for Finance and IT (as Member Risk Champion) and key Officers in relation to risk (including key Service Directors, Risk Officers, Internal Audit, Insurance and Health and Safety). There is also a standing invite to Members of FAR. It provides an opportunity to discuss risk (and related topics) in detail. It is not a public meeting, but the key issues are likely to form part of risk reporting to FAR.

8. RELEVANT CONSIDERATIONS

- 8.1. This report details changes that seek to provide integrated performance, project monitoring and risk processes. The integration is with each other, and also with the Council Plan. It also aims to improve reporting to O&S and Cabinet, and seeks to make the information that is published on the website more relevant. The proposed changes to each of the elements described in section 7 are detailed below:
- 8.2. **Council Projects (corporate/ strategic):** The focus of this will be on those projects that are either detailed in the Council Plan or are clearly linked to the Council Plan priorities and themes. The Council will carry out other projects, such as actions that are linked to a statutory duty or support the delivery of Council functions. These other projects will be included if they are very significant in terms of impact (e.g. in relation to staff or financial resources), but the focus will be on what contributes towards delivering the Council Plan. For longer term projects, milestones will be used to monitor progress achieved during the year.
- 8.3. **Performance Indicators (corporate/ strategic):** The focus of setting the Indicators will be what shows how well we are doing at achieving the priorities within the Council Plan, including measures linked to the projects detailed above.
- 8.4. **Risk (corporate/ strategic):** The focus will be determining risks that could impact on the delivery of the Council Plan or the Council Projects linked to the Council Plan. This will continue to use the adopted risk management framework and therefore will consider the level of likelihood and impact.
- 8.5. **Council Delivery Plan (setting).** The actions described above will take place during December to March, alongside the setting of the budget for the following year. They will be combined into a single document to be approved by Cabinet in March, with oversight from O&S and FAR. Executive Members will be consulted on the elements that relate to their areas of responsibility.
- 8.6. **Council Delivery Plan (monitoring).** The Council Delivery Plan will be monitored on a quarterly basis by O&S (as per the current timescales for the Projects and Indicators reports). O&S will be able to refer any comments or recommendations on to Cabinet. It is hoped that the new content and structure will encourage more referrals, which in turn will promote the role of O&S and strengthen the ownership by Cabinet.

- 8.7. It is envisaged that the overall Projects and Performance Indicators will remain as they are throughout the year (i.e. new ones will not be added and projects will only be removed if they are fully completed), although there would be scope to make changes in the light of significant events. It is expected that the risk reporting will be more fluid and reflect the changing environment that the Council operates in. Therefore new risks will be added as they emerge, and risks will be removed as they become irrelevant or insignificant.
- 8.8. This proposal requires a slight change to the role of FAR as the Committee would no longer receive regular reports on specific risks. The Committee would still receive reports in relation to the effective development and operation of risk management. These would be considered biannually. As well as giving FAR a more strategic oversight of risk, this would also remove an area of overlap between FAR and O&S. In reviewing specific risk entries, there is a natural tendency for FAR to consider issues in relation to current service delivery. This type of discussion more naturally falls under the remit of O&S.
- 8.9. In setting the Performance Indicators, it is possible that that some will be financial in nature. FAR and O&S could determine that these specific Indicators would be best monitored by FAR. If agreed, they would be incorporated in to quarterly financial reporting.
- 8.10. **Risk Management Group.** With the change to the way that risks are reported (i.e. to O&S), it is proposed that the Chairs of O&S and FAR are encouraged to attend each meeting. The standing invite to FAR members would be continued, and extended to O&S members as well. The current members of the group have been consulted and support this proposed change.
- 8.11. **Service Projects (Action Plans).** Service Directorates will continue to compile a list of projects that they plan to achieve in the forthcoming year. This will be done in consultation with Executive Members and other Service Directors (e.g. to highlight areas of cross-over or where support services are required). These will continue to reinforce the link between service level activities and the Council Plan priorities. Staff will then see how their work links in to what the Council is aiming to achieve, through the Regular Performance Review process. The majority of the content of the plans will be set by the start of April, but there will be some scope to amend them during the year (subject to available financial and people resources). These plans will not be published on the website.
- 8.12. **Performance Indicators (Service level).** The focus of setting the Indicators will be what shows how well the service is doing at achieving its projects and/ or how well it is performing overall (e.g. how well statutory services are being delivered). The indicators will generally be used within Service Directorates but will also be shared with the relevant Executive Member.
- 8.13. **Risks (Service level).** The focus will be determining risks that could impact on the delivery of service objectives and projects. This will continue to use the adopted risk management framework and therefore will consider the level of likelihood and impact. The risk monitoring will generally be used within Service Directorates but will also be shared with the relevant Executive Member.
- 8.14. **Service Delivery Plan.** Some of the elements of this (projects and risks) will be naturally subsumed in to the Council Delivery Plan. The Council Delivery Plan will also provide

some context in relation to Council priorities and an overview of staffing and money. As a result it is proposed that the Service Delivery Plan is no longer produced as a separate document.

- 8.15. The review of assurance and governance issues will still take place and any actions will form part of the Council Delivery Plan or the Service Action Plans. The outputs will also be considered as part of the Annual Governance Statement.

9. LEGAL IMPLICATIONS

- 9.1. The terms of reference for Cabinet includes “to prepare and agree to implement policies and strategies other than those reserved to Council” (Constitution paragraph 5.6.1). The proposals in this report are not reserved to Council and therefore the decision on whether they are adopted rests with Cabinet. However, in the following paragraphs some changes to the Council’s Constitution are considered and these changes require approval by Council (Constitution paragraph 2.6.1).
- 9.2. The Constitution does not explicitly detail Cabinet’s role in managing performance and risk. It is proposed to add the following text in bold at the end of paragraph 5.6.3 so that it would read “To take decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council. **To monitor performance and risk in respect of the delivery of those policies and priorities**”.
- 9.3. These proposals extend the role of O&S in relation to risk monitoring. To make this change clear it is proposed to add the following text in bold to paragraph 6.2.7 (s) “To review performance against the Council’s agreed objectives/ priorities and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/ or service area. **To consider risks to the achievement of those objectives/ priorities. To make recommendations to Cabinet**”.
- 9.4. Whilst the proposals in this report change what is currently reported to FAR, the current terms of reference are still considered to be appropriate. As no change to paragraph 10.1.5 (u) is required, so will continue to read “to monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet”.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report. The alignment between the Council Plan and the budget will be maintained, which helps to ensure that the Council can afford to deliver against its priorities. Financial risks will still be considered as part of the budget setting process and monitored on a quarterly basis. These will continue to be reported to Cabinet and FAR.

11. RISK IMPLICATIONS

- 11.1. The aim of these proposals is to strengthen the link between performance and risk and make risks more current. This should provide an improved perspective of the risks that the Council faces. It should also help Service Managers to get value from the risk monitoring processes and be a useful component of service management.

- 11.2. The proposals will also allow FAR to take on an oversight role in relation to risk, which should add value to the overall risk management process.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equalities implications arising from this report.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to *this report*

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There will continue to be a need to align Council and Service objectives with available people resources to be able to achieve them. It is expected that these changes will help to make that link clearer.
- 15.2 Budget constraints have meant that, over time, the Council has generally reduced its head count. This limits what the Council is able to achieve.

16. APPENDICES

- 16.1 *None.*

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1 *None.*