

**Open Report on behalf of Debbie Barnes, Head of Paid Service and
David Coleman, Chief Legal Officer**

Report to:	Overview and Scrutiny Management Board
Date:	25 April 2019
Subject:	Performance Reporting to Scrutiny Committees

Summary:

This report sets out a proposed new arrangement of reporting performance against the Council Business Plan to scrutiny committees. The proposal will remove the duplication that currently happens between Overview and Scrutiny Management Board and scrutiny committees, and addresses the concerns raised regarding the order of reporting. It also builds upon the lessons learned from the Northamptonshire County Council (NCC) Best Value Inspection report regarding the need for more budget and capital programme monitoring by the scrutiny committees.

Actions Required:

The Overview and Scrutiny Management Board is asked to:

1. approve Option 3, with the addition of relevant officers attending meetings of the relevant scrutiny committee as and when required to answer questions, as the new arrangement of reporting performance against the Council Business Plan to scrutiny committees, to be implemented from Quarter 1 2019/20 Council Business Plan in August 2019.
2. invite officers, in conjunction with scrutiny committee chairs to explore the future content of performance and budget monitoring reports to scrutiny committees.

1. Background

Order of reporting and timing of scrutiny committees

At its meeting on 28 February 2019, the Overview and Scrutiny Management Board (OSMB) raised concern regarding the order of reporting of the Council Business Plan. For Quarter 3, two scrutiny committees (Children and Young People Scrutiny Committee, and Public Protection and Communities Scrutiny Committee) had not met to consider the performance measures relating to their

remit before the Board's meeting on 28 February and Executive on 5 March. All the measures that had underperformed this quarter related to issues outside of the Board's remit.

The Board noted however that if the Quarter 3 (Q3) report had been put back to the 28 March meeting for the Board and the 2 April meeting for the Executive, then the data would have been out of date. It was suggested that a potential way forward was to ask officers for commentary only on the performance measures that were underperforming which may allow reports to be produced quicker and therefore potentially be provided to earlier meetings. However, this would depend on the calendar of meetings as scrutiny committees meet every six weeks, and the Board and the Executive meet monthly. Officers agreed to look into options for how the order of reporting and the timing of scrutiny committees could be resolved going forward.

Options for changing reporting of performance against the Council Business Plan.

Officers have met since the meeting of the Board and identified five options for changing the reporting of performance against the Council Business Plan. Officers have ruled out the option of adjusting the timing of scrutiny committees due to the impact this would have on the timetabling of other committees, including the Executive, and the different meeting schedules of OSMB and Executive to the other scrutiny committees.

The five options identified are:

Option 1

Do nothing – leave the reporting dates and sequence as they currently are.

- **Benefits** – This option would mean a continuation of the current process which all officers and councillors involved are familiar with.
- **Implications** – This option would not address the concerns raised by OSMB that not all scrutiny committees meet before OSMB and Executive, which occurs for every quarterly performance report. This means that some Chairmen are unable to provide feedback from their scrutiny committee of any areas of concern that were raised in relation to the performance indicators within their remit. There would continue to be duplication of the underperforming performance indicators being scrutinised by OSMB and the individual scrutiny committee.

Option 2

All scrutiny committees receive quarterly performance reports against the Council Business Plan prior to OSMB and once OSMB has discussed performance it is then reported to the Executive.

- **Benefits** – This option would allow the Council Business Plan quarterly reports to be discussed by all the scrutiny committees before OSMB and Executive, permitting the chairmen of individual scrutiny committees to provide feedback regarding any concerns relating to the performance of the measures within their remit to OSMB and Executive.
- **Implications** – This option would result in OSMB and the Executive not seeing Q1, Q2 and Q3 performance until approximately three months after the period the performance relates to and Q4 performance five months after the period the performance relates to. In addition, there would still be duplication of those performance indicators not meeting their target being scrutinised and reported to the individual scrutiny committee and OSMB.

Option 3

Quarterly Performance against the Council Business Plan is no longer reported to all scrutiny committees as a matter of course. OSMB would scrutinise all performance indicators in the Council Business Plan that are not meeting the target or show a downward trend, and recommend to the relevant scrutiny committee to look at any areas of serious concern or where the explanation for underperformance given by the service requires further explanation or detail (e.g. the Reasons Why and the impact – the so what?). The individual scrutiny committee(s) would then discuss these specific performance measures and report back to OSMB, ideally at the next OSMB meeting considering the Council Business Plan measures, e.g. for Q1 any issues recommended by OSMB to the individual scrutiny committee(s) would be reported back to OSMB by the scrutiny committee(s) in Q2. OSMB would then report back to the Executive.

- **Benefits** – This option would avoid duplication of performance indicators being considered by individual scrutiny committees and OSMB. This option would also allow for more drilling down by scrutiny committees of specific performance indicators that are of serious concern which currently does not happen as a matter of course. It would also allow for timely monitoring of the Council Business Plan by OSMB and Executive.
- **Implications** – This option would allow scrutiny committees to have the opportunity to continue to receive performance reports but with a different emphasis such as monitoring underperforming contracts or be widened to include budget and capital programme monitoring. Scrutiny committees may

also be recommended by OSMB to have an in-depth report on specific performance measures in the Council Business Plan if there are any areas of serious concern or where the explanation for underperformance given by the service requires further explanation or detail.

Option 4

Quarterly performance against the Council Business Plan is reported to individual scrutiny committees including OSMB. OSMB would only scrutinise those performance indicators that specifically fall within their remit e.g. Information Governance, People Management and any comments from each of the scrutiny committees is reported back to the Executive. OSMB would not discuss overall performance against the Council Business Plan.

- **Benefits** – This option would place the onus on each scrutiny committee to provide comments to the Executive rather than it just being OSMB's comments reported to the Executive as it currently is.
- **Implications** – This option would result in the Executive not seeing Q1, Q2 and Q3 performance until approximately three months after the period the performance relates to and Q4 performance five months after the period the performance relates to. OSMB would not have quarterly oversight of all the Council Business Plan performance indicators not meeting their target. There is a risk that there may be no comments from some of the scrutiny committees to the Executive due to all of their performance indicators being on target, which may mean they are not discussed in detail, if at all, by the scrutiny committee.

Option 5

Quarterly performance against the Council Business Plan is reported to OSMB and relevant officers attend OSMB to answer any questions for those measures that have not met the target in that quarter.

- **Benefits** – This option would result in OSMB providing comments to the Executive without individual scrutiny committees having to meet before OSMB which would delay performance reporting to OSMB and the Executive. It would avoid duplication of performance indicators being considered by individual scrutiny committees and OSMB. This option would also allow for more drilling down by scrutiny committees of specific performance indicators that are of concern which currently does not happen as a matter of course.

- **Implications** – This option would result in the relevant Officers time in attending OSMB for those measures that did not achieve the target to answer any questions. It would result in no scrutiny of the performance indicators in the Council Business Plan by individual scrutiny committees unless requested to do so by OSMB and/or the Executive.

Proposals for Future Performance Reporting

These options were presented to the Group Leaders at their meeting on 5 March 2019. The Group Leaders have recommended Option 3, with the addition of having relevant officers in attendance to answer any questions for those measures that have not met the target in that quarter.

Subject to approval, the Board would receive for pre-decision scrutiny the Executive report on the quarterly performance against the Council Business Plan. This report would include those measures which are underperforming, and as proposed at the last meeting of the Board on 28 February 2019, those which are currently on target but starting to show a downward trend in performance. In addition, as suggested at the last Board meeting, commentary would only be required for those measures which are underperforming, showing a downward trend or where managers wish to highlight areas of success. Those measures which are performing well will be summarised within the report to the Executive.

If there is a measure causing serious concern to the Board, such as a measure which is currently on target but has shown a downward trend, the Board may recommend to the relevant scrutiny committee that it examines the measure in-depth on its next available agenda. To avoid inefficient use of officer time, the appropriate officer would be invited to attend the relevant scrutiny committee to answer questions. The scrutiny committee would then provide a report back to the Board, ideally when it considers the next quarterly performance report to be presented to the Executive. OSMB would then report back to the Executive.

Under this proposal the scrutiny committees would not receive the Council Business Plan measures as they do now. This would avoid the duplication that currently exists between OSMB and individual scrutiny committees discussing the same performance measures and at times both requesting additional information on the same measure. It would also allow for thorough scrutiny by an individual scrutiny committee of a measure causing serious concern to find out in more detail what the issues are and the implications for the Council and/or service users. Depending on the nature of the concerns and the implications, it may warrant a scrutiny review of that measure/service area to examine the issues in more detail.

If Option 3 is approved, this would remove the Council Business Plan measures from the quarterly performance reports to the scrutiny committees. Currently the

only other performance information that is presented to all the scrutiny committees is the customer satisfaction data, and in addition, some scrutiny committees receive other performance data and contract performance information in relation to the service area within their remit. Officers will explore how this practice will be implemented consistently to reflect the individual needs of each scrutiny committee and report back within the next six months. In doing so they will consider the following items:

- Customer satisfaction data (which the scrutiny committees currently receive)
- performance monitoring of contracts and internally delivered services, which would include underperforming contracts, services and contracts of high cost and post-delivery impact
- budget and capital programme monitoring

Scrutiny has an important role to play in monitoring the Council's budget and capital programme. The report on Lessons Learned from Northamptonshire County Council, which was considered by the Board on 28 February 2019, highlighted the need for more monitoring of the budget and capital programme by scrutiny committees. It highlighted as an area for improvement that detailed quarterly budget reports should be provided to each individual scrutiny committee to provide more detailed scrutiny of each element of the budget.

In addition, the scrutiny committees could receive service specific performance or budget information as part of the performance and budget monitoring report such as

- Ofsted School Status Report to the Children and Young People Scrutiny Committee
- Major Highway Schemes, Lincolnshire Highways Alliance Performance, National Road Condition Indicators to the Highways and Transport Scrutiny Committee

It is acknowledged that some information may only be available at certain intervals, such as on an annual basis, or may not vary enough to warrant quarterly reporting. It would therefore be for the individual scrutiny committees to determine the frequency and timeliness of those items.

2. Conclusion

The proposed new arrangement for the reporting of performance against the Council Business Plan in Option 3 would address the Board's concerns of the order of reporting to scrutiny committees and remove the duplication of underperforming measures being considered by both the Board and individual scrutiny committees. The addition of budget and capital programme monitoring within the performance

report will address the area of improvement highlighted in the Lessons Learned from Northamptonshire County Council report to the Board's February meeting. The Board is asked to approve Option 3 and invite officers to explore the future content of performance and budget monitoring reports.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

An analysis of the benefits and implications for each of the options was undertaken, which is detailed above under each option.

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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