Appendix 1: Annual assurance report on corporate performance management arrangements

Introduction

The information in this appendix is based around a 'cycle of internal control framework' which consists of five aspects; define and document; clearly communicate; effectively embed; meaningfully monitor and review and refine.

1.   Define and document

1.1.   Policy and Strategy

1.1.1.   The strategic ambitions, outcomes and priorities of the council are set out in the Best Council Plan (BCP) which provides the framework for the council's performance management arrangements. The BCP was most recently updated in 2020 (covering the period 2020 to 2025) and was approved by Full Council on 12th February 2020. The BCP takes into account local and national developments, policy developments, the latest socio-economic analysis, local and regional partnership plans and the council's budget-setting processes.

1.1.2.   The BCP was developed through engagement with partners, officers, and members, including Scrutiny members. Although the main vision, ambitions and priorities were unchanged this year, in July 2020 an in-year update was made to reflect the need for Leeds to be a safe city in light of the impacts of the coronavirus pandemic, encompassing: safe travel; safe public spaces; safe delivery of services; safe education and safe working[1].

1.1.3.   The BCP continues to draw on and link with a range of supporting council and partnership plans. As well as the Leeds Inclusive Growth Strategy and the Leeds Health & Wellbeing Strategy, the current BCP also makes full reference to other supporting plans including the Safer Leeds Plan, Children & Young People's Plan and the Leeds Housing Strategy. More internally, it links with the council's financial plans and workforce strategies. The ambitions, outcomes and priorities set out in the BCP can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the council's policies against financial constraints. This is the primary purpose of the Medium Term Financial Strategy which then provides the framework for the determination of the authority's annual revenue budgets.

1.2.   Roles and responsibilities

1.2.1.   Responsibility for overseeing and managing performance within the council sits with the following stakeholders:

- Executive Board members oversee performance relevant to their portfolio areas. The Deputy Leader is the Executive Member for Resources, the portfolio for which includes performance management.

- The Corporate Governance and Audit Committee has responsibility for reviewing the performance management arrangements and gaining assurance that they are fit for purpose, up to date and routinely complied with. The Committee receives an annual report on the adequacy of the council's performance management arrangements.

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[1] Relates to an Annual Governance Statement action: We will review the Best Council Plan and key underpinning Best Council Strategies in the light of the longer-term implications of Covid-19.

- Council Scrutiny Boards oversee performance for the areas within their remit. The Boards receive reports containing performance data and an update on progress in delivering the relevant priorities within the Best Council Plan.
- The council's Corporate Leadership Team (CLT), which consists of the council's Chief Executive and directors, has high level responsibility for corporate performance management. As seen in 4.2.3 below, Directors are also able to discuss relevant performance issues with Executive members.
- Directors and their management teams (DMTs) have responsibility for overseeing performance against the Best Council Plan priorities relevant to their service areas, as well as some pure service KPIs. These ambitions feed through into appraisal conversations, along with values and behaviour, throughout the organisation from the Chief Executive, directors and beyond so there is that system approach to improving performance.
- Service Leadership teams within directorates monitor their operational performance and can escalate issues to the DMTs.

Further details of the performance reports produced for these stakeholders can be seen in the Review and refine section (5) of this report.

1.2.2.   Staff within the council's central Intelligence and Policy Team[2] (IPS) have responsibility for maintaining the performance management framework (the systems and procedures used for performance management) and for co-ordinating performance reporting to stakeholders. Intelligence and Policy teams within directorates (notably Adults and Health and Children and Families) maintain performance frameworks tailored to the operational requirements of their service areas.

1.2.3.   The BCP is recommended for use by council staff to help inform their appraisal objectives, against which performance is monitored and managed. Although there were no year-end appraisals in 2020 due to the pandemic, the BCP can still be considered as part of the 'mid-year check-in's' currently taking place between staff and their line managers.

1.3.   Democratic Oversight

1.3.1.   The BCP was developed through engagement with Elected Members (as seen in section 1.1.2) including those from Scrutiny Boards. Democratic oversight also takes place though a range of performance reports to members, further details of which can be seen in the Meaningfully Monitor section (4) of this report.

2.   Clearly communicate

2.1.   General

2.1.1.   The BCP 2020 – 2025 was published on the Best Council Plan webpages on the authority's Internet (leeds.gov.uk) and Intranet ('Insite') sites and widely communicated through promotion on the front page of Insite and to the public via social media platforms. This is supplemented throughout the year by 'Best City' key messages from the council's Leader and Chief Executive to staff and partners. Communication on performance is also demonstrated in the following sections on Training (2.2) and Guidance (2.3).

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[2] The IPS takes the lead on the council's corporate performance management and business planning arrangements

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2.1.2.   In previous years, hard copies of the BCP have been circulated to Elected Members and also displayed in council buildings. Unfortunately, due to the impact of the coronavirus pandemic this method of communication was not possible in 2020.

2.1.3.   At the time of writing, the Insite Intranet BCP page has been viewed over 3,000 times and the leeds.gov BCP pages receiving nearly 4,000 hits (2,826 unique visitors) [3].

2.2.   Training

2.2.1.   The council's performance management network is well established and with experienced staff. Performance training delivered by the IPS is usually on a 'one to one' basis for staff taking on new performance management responsibilities as part of their role. Training tends to cover advice on how to complete Key Performance Indicator (KPI) checklists (see 2.3.1) and how to submit results for inclusion in the reports to DMTs and CLT. Performance training can also be tailored to the needs of individual services if required e.g. as part of a wider training session covering the relationship between the BCP, performance and risk. In 2019/20 training of this nature was provided to staff responsible for the recently developed Age-friendly Leeds priority.

2.3.   Guidance

2.3.1.   Guidance takes the form of a checklist which sits behind each BCP KPI. Checklists are maintained by IPS and updated in collaboration with relevant service leads, providing additional explanatory and assurance information, including the source of the data, frequency and timing, comparative organisations/datasets plus any baselines and targets. Some of the key datasets that contribute to the BCP KPIs are subject to independent rigorous checks in terms of being complete, timely, secure and accurate through external audit (primarily of financial data) and external inspections (for example through Ofsted and the Care Quality Commission.

2.3.2.   Information covering the key dates for updating the KPI results so they can be reported to DMTs and CLT is produced by the IPS and communicated to key contacts in the form of a timetable.

2.4.   Leadership

2.4.1.   CLT and Elected Members are involved in the development of the BCP (see 1.1.2 above) and are briefed on performance during the year via reports to Executive Board and Scrutiny Boards (section 4.2). Directors also meet with the respective Executive Board portfolio holders to discuss performance.

3.   Effectively embed

3.1.   Stakeholder engagement

3.1.1.   A wide range of stakeholder engagement takes place on the BCP and performance, as seen in sections 1.1 to 1.3 above. The IPS continually review their performance stakeholder network to ensure it is up to date, in particular at the time of the BCP update and more recently following changes to staffing as a result of the early leavers initiative. Anecdotally, positive comments have been received from stakeholders on the BCP and the Annual Performance Report.

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[3] Results are for the period 23rd July to 24th November 2020.

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3.2.   Clear systems and processes in place

3.2.1.   Systems for managing performance are well established across the council, supported by reporting timetables, KPI documents maintained on Share Point for staff to update with performance results and the IPS workplan which contains entries for the specific work undertaken by the service along with details of progress.

3.2.2.   Although IPS consider the systems and procedures to be fit for purpose, it is acknowledged that more can be done to automate performance reporting, which will help reduce reliance on manual intervention which can be time consuming. Given the implications of the reduction in staff numbers across the council during 2020/21, the importance of making systems and procedures more efficient and effective is a priority. Work is underway to consider greater use of automated performance reporting tools such as Power BI - a data and analytics reporting tool that helps bring together disparate data sets into reporting dashboards.

4.   Meaningfully monitor

4.1.   Benchmarking

4.1.1.   Benchmarking is widely used to compare Leeds' performance against those of other local authorities (including Core Cities UK[4]), the region and England nationally. National datasets such as those published by the Office for National Statistics (ONS), Adults Social Care Outcomes Framework (ASCOF), Public Health England (Public Health Outcomes Framework) and the Department for Education are used for benchmarking. Directorates are encouraged to provide benchmarking results for their KPI's where possible, with notable results and analysis included in the BCP KPI Scorecard reported to CLT and in the Annual Performance Report. Other examples of organisations engaged with on benchmarking and shared best practice include ADASS (Directors of Adult Social Services) and ADCS (Associate directors of children's services)

4.1.2.   Additionally, the Children and Families directorate is represented at a Regional and National Performance and data groups.

4.1.3.   The 'Your Views' West Yorkshire Police and Crime Commissioner Survey is used by Safer Leeds (the city's Community Safety Partnership) to compare Leeds' results against other areas of the county. However, due to the pandemic the survey has been paused for the time being.

4.1.4.   Benchmarking activities have been subject to some disruption in 2020 due to the implications of the coronavirus pandemic resulting in the unavailability of results in areas such as educational attainment and attendance.

4.1.5.   Benchmarking software such as Local Government Inform and CFO Insights have been used to benchmark Leeds' published performance information against that of other local authorities and Core Cities. Although the results identified that it was hard to 'compare like with like', they did act as a signpost to undertake further analysis in some areas. The council is also a member of Housemark, an organisation that benchmarks housing sector costs.

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[4] Core Cities UK is a partnership of eleven city councils (Belfast, Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield) with a wide range of shared interests encompassing transport and connectivity, innovation and business support, skills and employment, sustainable communities, culture and creative industries, climate change, finance and industry, and governance. Leeds City Council's Leader, Councillor Blake, currently chairs the Core Cities Cabinet, comprising the Leaders of each member local authority.

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4.1.6.   Earlier in 2020 the IPS undertook a desktop exercise, reviewing the strategic plans of the other UK Core Cities and looking at how they monitor performance against them[5]. The review identified that our BCP compares favourably in terms of style, presentation, objectives and content. Although KPIs and accompanying commentary were the most commonly used method of monitoring performance, it was noted that a small number of authorities also considered results from 'city surveys' undertaken with the public and partners to help inform strategic priorities. The survey results were also used to gauge (at a high level) how these councils were performing. Whilst such surveys can be a useful tool for performance monitoring, it is acknowledged that they can be costly to undertake. The IPS is currently undertaking further work with performance contacts in the UK Core Cities to discuss the findings in person and to share best practice.

4.2.   <u>Performance indicators robust and challenging</u>

4.2.1.   The current BCP incorporates a set of around 60 'Best City' KPIs to help measure progress over time against the 8 outcomes and 8 priorities set out in the BCP. The majority of these replicate the KPIs in supporting council and partnership plans, facilitating a consistent view of performance. The Best City KPIs are supplemented by an additional 17 'Best Council' KPIs that help measure progress against our Best Council ambition of being a more efficient, enterprising and healthy organisation. Each KPI is supported by a checklist (as described in 4.3.1) and they are subject to regular reviews by service leads and with additional check and challenge carried out by staff in the IPS. Through this ongoing review, KPIs are revised in-year as needed to ensure they remain up to date[6].

4.2.2.   Some of the key datasets that contribute to the BCP KPIs are subject to independent rigorous checks in terms of being complete, timely, secure and accurate through external audit (primarily of financial data) and external inspections (for example through Ofsted and the Care Quality Commission.

4.2.3.   Performance against the BCP is reported to CLT which facilitates cross-council ownership and discussion of specific areas, prompting follow up action as needed. Directors are also able to discuss relevant issues with Executive members.

4.2.4.   The CLT report includes the 'BCP Scorecard': an appendix containing the KPIs that help measure progress on the BCP in delivering better outcomes for both the city and the organisation in-year and in the longer term. The BCP Scorecard shows the direction of travel against an appropriate comparator, thus providing directors with a clear insight into the council's overall performance against the BCP. The BCP scorecard is published on the council's website in line with our commitment towards open data and greater transparency.

4.2.5.   The Executive Board and Scrutiny Boards, Community Committees and partnership boards (e.g. Children's Trust Board and Health and Wellbeing Board) receive relevant performance information on the delivery of these related and supporting plans through a range of reports, including annual safeguarding reports, updates on the Equality Improvement Priorities and the Local Account on Adult Social Care performance.

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[5] Relates to an Annual Governance Statement action: We will review how Leeds' approach in developing and monitoring the Best Council Plan compares with that of other core cities.
[6] Relates to an Annual Governance Statement action: We will review the key performance indicators relating to inclusive growth and development of housing mix and will add additional meaningful KPIs as required to the Best Council Plan.

4.2.6.   A year-end performance report that highlight the progress made throughout the year in delivering the strategic objectives set out in the BCP is considered annually by Executive Board, the most recent being in September 2020 (seen here). The report aims to provide an honest assessment, showcasing the many and varied achievements that the council and the city can be proud of but also where further improvements are needed. The most recent report acknowledged the impact of the coronavirus pandemic on our performance in 2019/20, noting that future results are likely to show a very different picture.

4.3.   Risks identified and mitigated

4.3.1.   The council's risk management framework recognises the links between performance and risk, with many of the KPIs also acting as 'key risk indicators', sources of information that indicate whether a risk is increasing in significance or not. Risk management training provided by the IPS acknowledges the relationship between the council's strategic plans, performance indicators and risks.

4.3.2.   For several years, risk and performance information has been included in a single report to CLT (discussed in section 4.2 above) along with any issues relating to the BCP priorities that require further discussion. Risk and performance management information in these and other reports to Boards and Committees is seen as a driver for change and not just as reactive.

4.4.   Escalation process in placed and used appropriately

4.4.1.   The periodic reports to directorate management teams and CLT (seen at 4.2.3 and 4.3.2) act as both a prompt and as an escalation process for performance concerns. Staff are actively encouraged to flag up performance concerns so they can be discussed and follow up action take as necessary.

4.4.2.   In response to some of the challenges faced from the pandemic, a rapid daily reporting process was introduced for community safety threats. The process allows the Director of Communities and Environment to be made aware of any issues and threats, some of which may be linked to performance e.g. increases in levels of anti-social behaviour.

5.   Review and refine

5.1.   Up to date and fit for purpose

5.1.1.   The IPS adopts an approach of 'continual improvement' to the performance management arrangements to help ensure they are kept up to date and remain fit for purpose. Examples of this approach seen earlier in this report include:

- The regular review and update of the BCP (section 1.1)
- Democratic oversight (section 1.3)
- Stakeholder engagement (section 3.1)
- The consideration of automation in reporting (section 3.2.2)
- The review of UK Core Cities performance monitoring (section 4.1.6)

5.1.2.   The BCP is treated as a rolling multi-year plan and is reviewed and updated usually each year (as detailed in section 1.1). This annual review takes into account a range of performance related developments including changes in national standards and statistical information requirements (section 4.1.1).

5.1.3.   Due to the current social, economic, political and financial uncertainties, compounded by COVID-19 and the end of the Brexit transition period, a more fundamental review of the BCP

will be carried out next year that will take account of the latest socioeconomic analysis. A refreshed strategic plan will be considered by Full Council in September 2021 based on the three pillars of Inclusive Growth, Health and Wellbeing and tackling the Climate Emergency.