

EXECS: 30.06.22

INFORMAL CABINET: 28.06.22

SCRUTINY: TBC

CABINET: TBC

CORPORATE PERFORMANCE REPORT
End of Year 2021/22

Report of: Corporate Performance
Executive Director: Maureen Taylor, Interim Executive Director Communities and Business Development
Cabinet Member: Cllr Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Purpose of Report

To:

- Provide a summary of the Council's Corporate Performance at the end of year 2021/22 including recommendations.
- Provide an update on the work underway to develop Outcome measures for the Council including recommendations.

Executive Summary

- This is the first year that it has been possible to report performance against operational, workforce, financial and Cabinet Members' priorities for the majority of Services, and create a Council-wide annual summary. This will create a baseline against which future years can be compared.
- At the End of Year 2021/22:
 - performance of the 205 operational Corporate KPIs was:
 - 53% were above target (Green)
 - 12% were below target but within agreed tolerances (Amber)
 - 35% were below target (Red)
 - performance against the Absence KPI was 4.5% (against a target of 3.5%).
 - staff turnover was 12%, which is above the LGA benchmark (9%).
 - the provisional outturn showed an underspend for the year of £14.52m (prior to transfers to earmarked reserves and provisions).
- All Members' Priorities are reported as being on track; this remains a key focus in the Portfolio Holder and Executive Director review meetings. More detailed work is due to be completed with key milestones for each priority over the term of the Corporate Plan
- Services that have not met performance targets across two or more areas have been highlighted in this report.
- Since the end of the reporting calendar a number of changes have been recommended following the Independent Governance review, which concluded on 8th June 2022, these include changes to introduce additional governance and scrutiny of the Council's performance.
- Activities to develop Outcome metrics for the Council are underway with the Cabinet and Executive Officers. These will focus on the three strategic priorities; Growth, Tackling Inequalities and Value for Money. This process will be a key element of the work needed to provide greater assurance that the 'Golden Thread' between the Council's key priorities and core service delivery responsibilities are clearly defined and maintained.
- Specifically for the Tackling Inequality's priority, the basis of the outcome measures will be the Indices of Multiple Deprivation. As a first step, analysis of Inequalities Outcomes for State Pension Age residents (Income Deprivation: Older People) has been completed. Work is also underway to extend the model, using publicly available information, to outcomes for the Families most likely to experience Hardship and Poverty.
- The Corporate Performance report for all Services will be reviewed with each Portfolio Holder and respective Executive Director in June / July 2022, including exceptions and mitigations which will be documented and published.

Recommendations

1. The following Services have not met performance targets across two or more areas:
 - a. Complaints and Information Governance (all KPIs have been below target throughout the year).
 - b. Customer Services (all KPIs have been below target throughout the year).
 - c. Housing Services (KPI performance and sickness rates).
 - d. Information Services (KPI performance and budget).
 - e. Neighbourhood Services (KPI performance, sickness rates, and budget).
 - f. Procurement (KPI performance and budget).
 - g. Property Services (sickness rates and budget).

It is recommended that each of the above Service Areas will provide an update as part of the responsible Executive Officer and Portfolio Holder review meeting, the Corporate Performance Team will document and publish the outcomes from these meetings.

2. It is recommended that State Pension age residents claiming Pension Credit is included as the first NCC Outcome measure (covering both eligibility and take-up) attributed to the Tackling Inequalities priority
3. It is recommended, as per the Solace Independent Governance Review¹ which identified the need for improvements to *'Use the data it holds, collects, or needs to collect to define priorities and monitor and improve performance in a systematic way and publish the outcomes'*, that the following actions are taken:
 - a. The Corporate Performance will be published on the Council website.
 - b. Governance of the Council's Corporate Performance will be enhanced to include the Corporate Services and Economic Growth Scrutiny Committee, Cabinet and Full Council.
 - a. The key performance measures for the outcomes delivered by the Council, aligned to the Council's three main priorities: Growth; Inequalities and Value for Money, will be developed (with the Cabinet and Executive team) and reported on as part of the Corporate Performance Framework. This process will be a key element of the work needed to provide greater assurance that the 'Golden Thread' between the Council's key priorities and core service delivery responsibilities are defined and maintained.
 - c. Progress against the delivery of the Cabinet Member's Priorities will be reviewed and reported on monthly by the Corporate Performance service.
4. It is recommended that best practice models for the Corporate Performance service are implemented in line with the actions taken as part of responding to the Solace Independent Governance Review (See Appendix F).

¹ It should be noted that discussions around the need to enhance the Corporate Performance resource and capability first started in July '21.

Further information

Members are also requested to:

1. Note that the Corporate Performance report for each Service will be reviewed with the respective Portfolio Holder and Executive Director in June / July 2022.
2. Note that the provisional outturn forecast, Net Expenditure² is £328.66m, with a forecast underspend against budget for the year of £15.41m. The provisional outturn forecast, Funding of Services is £343.18m, with a forecast shortfall against budget of £0.896m. The combined total shows a net forecast underspend of £14.52m. (prior to transfers to earmarked reserves and provisions). The net expenditure increased from £313.85m in 20/21 to £328.66m in 21/22 (prior to transfers to earmarked reserves and provisions).
3. Note the performance of the Council's Top 15 Service Delivery KPIs:
 - a. 6 KPIs were above target (Green)
 - b. 3 KPIs were below target but within agreed tolerances (Amber)
 - c. 6 KPIs were below target (Red)
4. Note the performance of the Service Delivery KPIs [205] for the entire council across the year were:
 - a. 53% were above target (Green)
 - b. 12% were below target but within agreed tolerances (Amber)
 - c. 35% were below target (Red)
5. Note the following workforce End of Year outturn:
 - a. Council wide sickness rates of 4.4%, against a target of 3.5%.
 - b. Staff turnover of 12.0% vs an industry benchmark from the LGA of 9%.
6. Note the reduction in Staff Absence levels in Children's services from 7.64% at the start of the Performance Year to 3.24% by the end of the Performance Year.
7. Note informal discussions are underway with other Local Authorities to benchmark the workforce performance information and as part of the Strategic Change Programme.
8. Note that the following Services do not have a full set of performance information:
 - a. Northumberland Communities Together (KPIs under development).
 - b. Communications Services (KPIs under development).
9. As part of the initial work focused on identifying Outcomes for our residents and opportunities to improve these Outcomes, note the following information for State Pension age residents, through work undertaken to define the key Outcomes for Tackling Inequalities / Hardship & Poverty:
 - a. Given 9.9% of Northumberland residents are claiming Pension Credit versus a regional average of 15.4% and a national average of 12.4% it is likely that c.3k eligible residents are not currently receiving Pension Credit.
 - b. It is possible to identify (down to a 100 household levels) those residents who are most likely to be eligible, but not receiving the benefit (see Annex E).
 - c. This analysis has been completed entirely with Public Domain information.
 - d. There are c.75k pensioners in Northumberland, and of these it is estimated that c.7.5k are claiming Pension Credit.

² All Finance Information has been provided by the Finance Team, and has been extracted from the Cabinet Finance reports.

- e. If NCC performance follows the national trend of underpayment this means more than **c.3k residents might not be accessing** this payment (this would increase the % claimants to 14%, below the North East average, but slightly higher than national average in line with our overall Indices of Deprivation rank).
 - f. An average claim is circa £3k per year (the equivalent of setting up **a new £9m+ scheme** just for residents who are Pension Age).
10. Note that based on the model developed for State Pension Age residents, the Corporate Performance and Business Intelligence team will support the Northumberland Communities Together team, Adult Social Care and Voluntary Sector Partners develop county wide and targeted interventions to support the uptake of Pension Credit. This work will also require support from the council's Communication and Engagement team.
 11. Note that a Working Age Outcome model, initially focused on Families likely to be experiencing Inequality / Hardship and Poverty is under development.
 12. All Members' Priorities were recorded as 'on track'; where there is a clear link with Service Delivery KPIs these will be reviewed as part of the Portfolio Holder meetings.
 13. Service Summaries for all Service Areas can be accessed here [Service Summaries](#). Note that some Services do not contain a full suite of information (Finance, Workforce, Service Delivery, Member's Priorities) because: there are no aligned Member's Priorities; the Service Delivery KPIs are not yet defined, or; financial information is reported as part of another area.

Link to Corporate Plan

This Report is relevant to the following priorities in the Corporate Plan:

- **Thriving** - We will vigorously secure more and new investment and good quality jobs into the county.
- **Living** - We will care for our residents, support the most vulnerable in our society and help people to live healthy lives.
- **Learning** - We will ensure the best education standards for our children and young people.
- **Enjoying** - We will maintain, protect and enhance the environment, prioritising our commitments on Climate Change.
- **Connecting** - We will deliver high-quality services in all our communities and secure investment in housing and transport across the County.
- **How** - In everything we do, we will listen to and communicate with residents, businesses and partners and, ensure value for money in our services. We will pull our weight regionally and nationally, working with our partners to secure maximum benefit for residents and businesses.

Sign-Off

Authors must ensure that relevant officers and Members have agreed the content of the report:

Role:	Full name of Officer:
Chief Executive Officer	Rick O'Farrell
Monitoring Officer/Legal	Suki Binjal
Finance	Jan Willis
Relevant Executive Director	Maureen Taylor
Portfolio Holder(s)	Cllr Richard Wearmouth

Authors

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Report completed: 10 June 2022.

Annex A – Corporate Performance Supporting Information (Page 5).

Annex B – Top 15 KPIs (Page 6).

Annex C – All Corporate KPIs versus target in 2021/22 (Page 7).

Annex D – Quarter 4 Absence rates for all Services (Page 8).

Annex A – Corporate Performance Report Supporting Information³

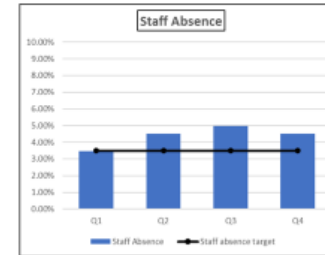
Corporate Performance Summary Report

Operational KPIs – Top 15 Corporate Indicators



#	KPI name	Service	Target	EOY	Status
1	65+ Admissions	Adult Services	806.5 per 100k	601 per 100k	Green
2	Children Looked After	Children's Social Care	70 per 10k	72 per 10k	Amber
3	Child Protection Plans	Children's Social Care	65 per 10k	68 per 10k	Red
4	School exclusions	Education & Skills	37	66	Red
5	Complaints answered on time	Complaints & IG	100%	72.9%	Red
6	Freedom of information	Complaints & IG	100%	81%	Red
7	Urgent Carriageway Defects	Technical Services	96%	96.6%	Amber
8	Property Statutory Tests	Property Services	94%	97.2%	Green
9	Housing Benefit new claims	Revenues & Benefits	20 days	17 days	Green
10	Birth/death registrations	Culture, Leisure & Tourism	5,479	4,988	Red
11	Days lost to sickness	Human Resources	3.5%	4.4%	Red
12	Homelessness cases prevented	Housing	55%	62.5%	Green
13	Planning appeals allowed	Planning	10%	1.54%	Green
14	Successful alcohol treatments	Public Health	32.05%	30.8%	Amber
15	Street cleanliness below standard	Neighbourhood Services	14%	10.1%	Green

Workforce Indicators



Workforce Indicator	Q1	Q2	Q3	Q4	Target
Headcount	4288	4317	4935	4929	-
Staff Absence	3.47%	4.50%	4.99%	4.50%	3.5%
L&D complete	90%	91%	88%	92%	85.0%
Appraisals complete	15%	34%	61%	87%	85.0%
Leave taken	37.4%	NA	86.54%	90.00%	75.0%



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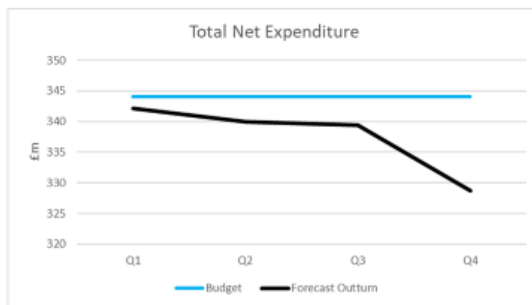
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Finance Information



Information as of 31 March 22 (£m) - Total Net Expenditure

2021-22 Budget	2021-22 Forecast	Variance
344.076	328.662	-15.414

Members' Priorities



[Link to Corporate Plan](#)

Member/Portfolio	Responsible Executive Officer(s)	Total	On Track	At Risk	Complete
Leader	Daljit Lally	6	6	-	-
Deputy Leader & Corporate Resources	Daljit Lally, Maureen Taylor, Jan Willis	7	7	-	-
Adult Wellbeing	Neil Bradley, Maureen Taylor, Liz Morgan	7	7	-	-
Children and Young People	Audrey Kimham and Graham Reifer	8	8	-	-
Business	Rick O'Farrell	6	6	-	-
Healthy Lives	Maureen Taylor, Rob Murfin, Liz Morgan	8	8	-	-
Local Services	Rob Murfin	6	6	-	-
Community Services	Daljit Lally, Maureen Taylor, Rick O'Farrell, Rob Murfin, Liz Morgan	6	6	-	-
Business Chair	Daljit Lally, Maureen Taylor	4	4	-	-
Total		58	58	0	0



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21 / 22 Council Summary

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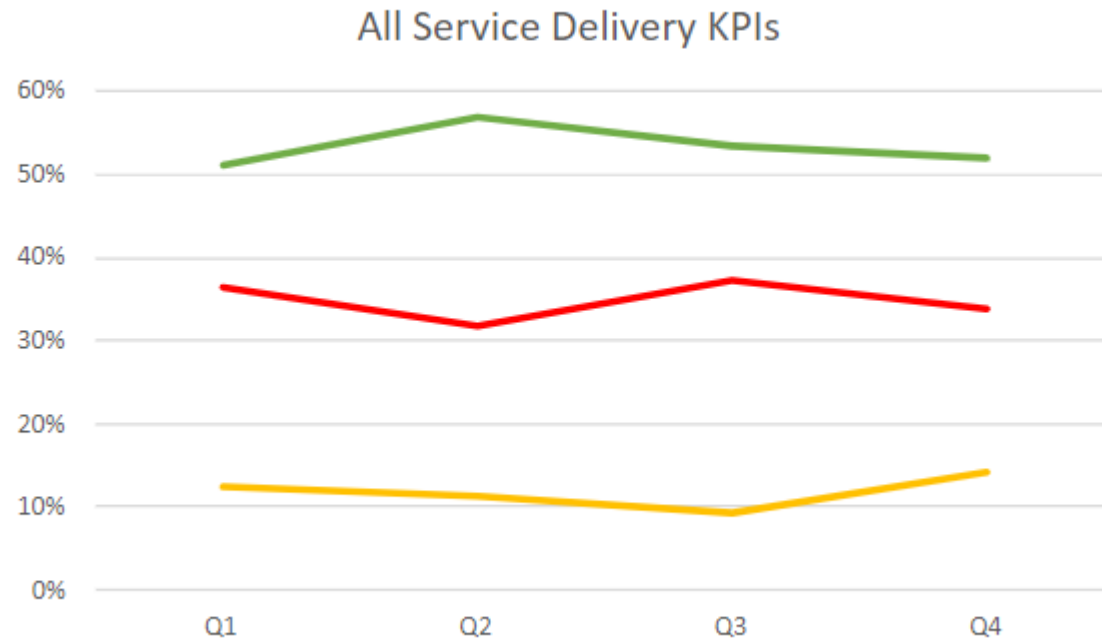
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³ Note: The financial variance relates only to "Net Expenditure" and excludes the variance on "Funding of Services".

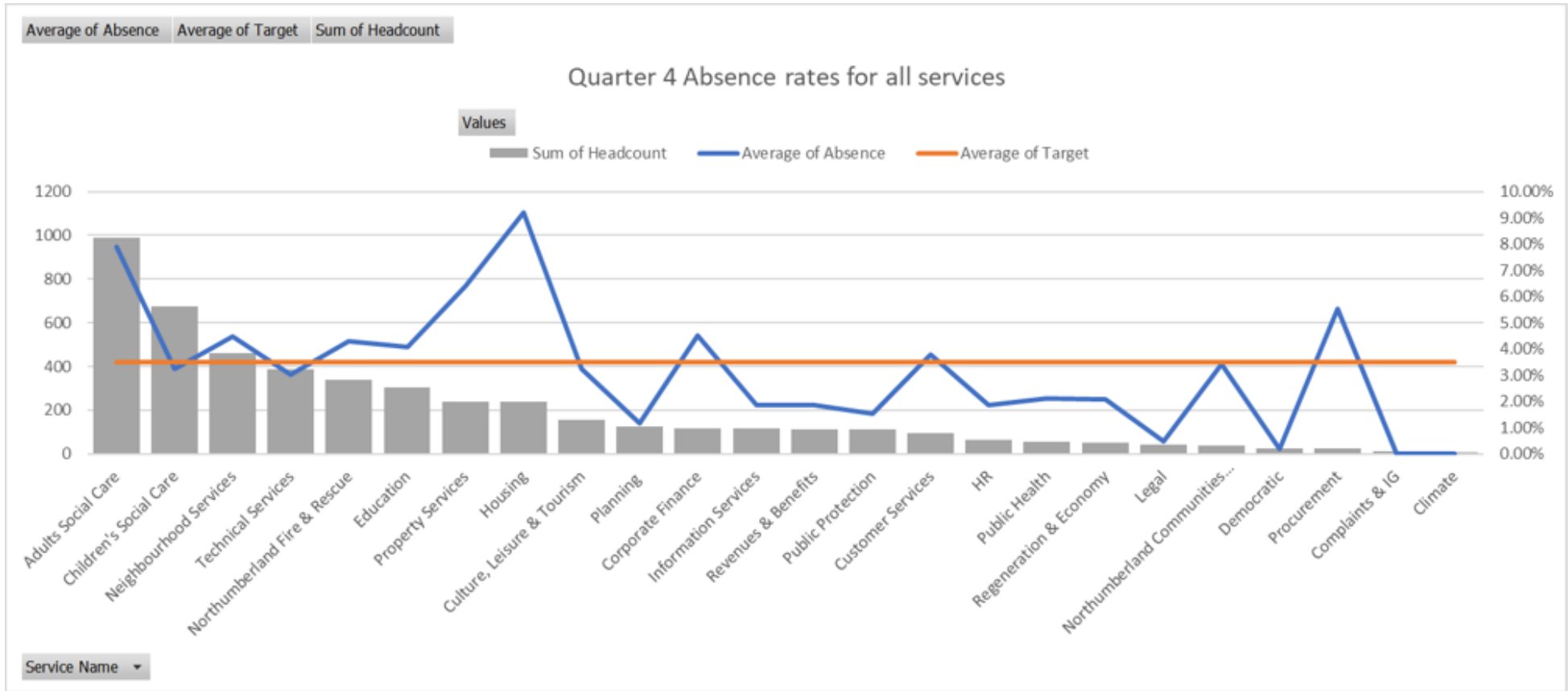
Annex B – Top 15 KPIs per quarter

#	KPI name	Service	Q1	Q2	Q3	Q4
1	65+ Admissions	Adult Services	665.6 per 100k	654.3 per 100k	533 per 100k	601 per 100k
2	Children Looked After	Children's Social Care	74 per 10k	69 per 10k	65 per 10k	70 per 10k
3	Child Protection Plans	Children's Social Care	59 per 10k	62 per 10k	62 per 10k	68 per 10k
4	School exclusions *calculated cumulatively across school year	Education & Skills	38	3	29	55
5	Complaints answered on time	Complaints & IG	77.09%	78.82%	69.5%	63%
6	Freedom of Information	Complaints & IG	87%	76%	85%	82%
7	Urgent Carriageway Defects	Technical Services	93%	100%	96%	96.6%
8	Property Statutory Tests	Property Services	95%	94%	93%	97.2%
9	Housing Benefit new claims	Revenues & Benefits	17 days	17 days	17 days	17 days
10	Birth/death registrations	Culture, Leisure & Tourism	1277	1193	1393	1123
11	Days lost to sickness	Human Resources	3.47%	4.5%	4.99%	4.5%
12	Homelessness cases prevented	Housing	44%	50.9%	48.8%	73.5%
13	Planning appeals allowed	Planning	2.87%	2%	1.9%	1.5%
14	Successful alcohol treatments	Public Health	25.7%	29.7%	30.7%	30.7% <small>(Q3 latest data)</small>
15	Street cleanliness below standard	Neighbourhood Services	6.8%	8.3%	12.6%	8.9%

Annex C – All Corporate KPIs versus target in 2021/22

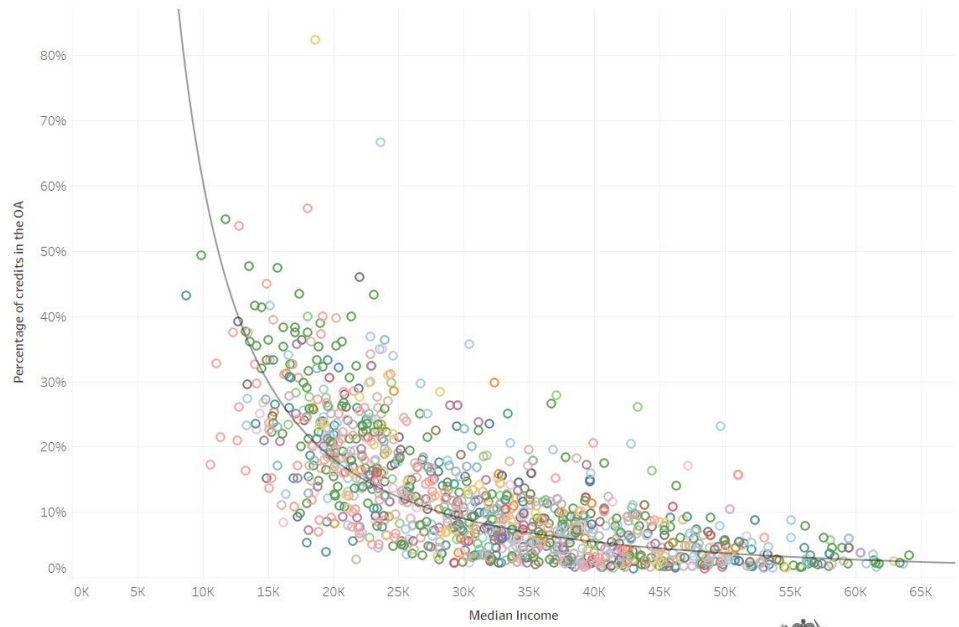
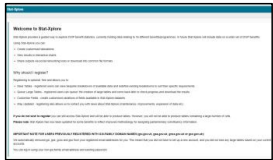


Annex D – Quarter 3 Absence rates for all services (sorted by head count)



Pension credits claims vs median income

It is possible to identify areas where a smaller than expected number of residents are claiming Pension Credit, based on the median income for those areas.



Confidential: Draft for discussion

Pension Credits Claims vs median income

It is possible to identify areas where a smaller than expected number of residents are claiming Pension Credit, based on the median income for those areas.

Parish Name1	Distinct count of Oa11Cd	Median Median Income
Ashington CP	13	19,807
Blyth CP	10	20,137
Cramlington CP	8	21,103
East Bedlington CP	5	18,078
Choppington CP	4	19,407
Newbiggin by the Se..	3	22,001
Morpeth CP	3	20,876
Wooler CP	2	20,582
West Bedlington CP	2	17,359
Hexham CP	2	21,781
Berwick-upon-Twee..	2	20,067
Alnwick CP	2	21,288
Widdrington Station..	1	17,277
Seaton Valley CP	1	14,891
Rothbury CP	1	18,089
Otterburn CP	1	16,031
Lynemouth CP	1	22,181
Longframlington CP	1	18,831
Earle CP	1	21,091
Grand Total	62	20,257

- There are 19 Parishes out of 164 in which there are Output Areas below the trend for claiming pension credits.
- Ashington example:
 - There are 13 Output Areas which are below the trend (under claiming Pension Credits) in Ashington Council Parish
 - There are 100 Output Areas overall within Ashington Council Parish boundary

Confidential: Draft for discussion

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Annex F – Independent Governance Review – Initial Plan of Action (Planning and Performance Actions – highlighted in yellow)

Independent Governance Review – Initial Plan of Action

Recommendations	Initial comments / Scope	Proposed Workstream	Resources Required and Milestones
<p>10.1 Establish what it means to be a Best Value Unitary Local Authority in its geographic area delivering appropriate services and community leadership to every resident and entity in its area. To do this, it needs new seasoned local government professional leadership at the top of the organisation now to help it do this.</p>	<p>The Group agreed the following proposed actions:</p>		
	<p>1. Following review, a restructure of senior management be implemented as soon as practically possible. This should start with the two top tiers and be based on ensuring capacity and focus to deliver the Council’s priorities. Further tiers of senior management will be restructured in line with the top tier structure. As part of this, the number of interim senior posts will be reduced.</p>	<p>Structure & Recruitment</p>	<p>TBC</p>
	<p>2. The senior management restructure will ensure the Statutory Monitoring Officer post has appropriate seniority and visibility within the organisation to contribute to the good governance of the Council.</p>	<p>Structure & Recruitment</p>	<p>TBC</p>
	<p>3. A working group be established to refresh and refine the Council’s approach to Best Value. The Council’s Best Value plans will be integrated into a redrafted Corporate Plan. This work will involve learning from best practice Best Value plans in other authorities as well as advice and Guidance from the Local Government Association (LGA).</p>	<p>Planning & Performance</p>	<p>TBC</p>
	<p>4. Following a period to be agreed (likely 6-18 months), the Council will commission an external review to assess progress on our improvement journey.</p>	<p>Review & Challenge</p>	<p>TBC</p>
<p>10.2 Once this has been done, it needs to -</p>			
	<p>The Group agreed the following proposed actions:</p>		

Recommendations	Initial comments / Scope	Proposed Workstream	Resources Required and Milestones
10.2.1 Redraft its Corporate Plan in terms of the Administration's Goals and Objectives, moderated by the capacity of the organisation and the legislative framework,	5. To reframe and redraft the Corporate Plan as part of the annual budget-setting cycle for 2022/23. The new Plan will set out a more granular articulation of milestones and outcomes to achieve the Council's priorities and will demonstrate more clearly the role of service performance (for all services) on delivering the Council's vision.	Planning & Performance	TBC
	6. As part of the annual budget setting cycle, ensure a clear 'golden thread' between the Corporate Plan, spending plans (budget), service planning and personal appraisal.	Planning & Performance	TBC
	7. To engage widely with Members, partners and residents on the Corporate Plan, on the same timescales as the Budget setting process.	Planning & Performance	TBC
	8. Ensure the Corporate Plan is embedded in the organisation and with Members, through communication, engagement and training.	Planning & Performance	TBC
10.2.2 Ensure the values by which it seeks to operate are lived within the organisation	The Group agreed the following proposed actions:		
	9. Review and, if needed, refresh the Council's Values Statement.	Culture & Values	TBC
	10. To develop a fresh programme of Member and Officer engagement and training on the Council's values.	Culture & Values	TBC
10.2.3 Use the data it holds, collects, or needs to collect to define priorities and monitor and improve	The Group agreed the following proposed actions:		

Recommendations	Initial comments / Scope	Proposed Workstream	Resources Required and Milestones
performance in a systematic way and publish the outcomes.	12. To undertake a review of use of data and supporting IT systems to make better and more systematic use of the data. The review findings and recommendations to be reported to the Council's Executive Team and Cabinet and other Committees as appropriate. Work on this is already underway.	Planning & Performance	TBC
	13. Produce a statement outlining what performance information will be reported to Council committees, including frequency. The statement will ensure increased frequency of reporting and greater transparency and understanding of service performance as well as senior officer performance.	Planning & Performance	TBC
	14. In line with Action 6 (above), ensure a clear 'golden thread' between the Corporate Plan, spending plans (budget), service planning and personal appraisal. This will more clearly demonstrate the link between service activity and outcomes.	Planning & Performance	TBC
10.2.4 Review and redraft the Constitution to ensure that decisions that should be taken at Member level, by Cabinet, Committee, Individual Member or Full Council are clearly identified and that the recording and scrutiny of officer decisions, both individually and in aggregate, is unambiguous.	The Group agreed the following proposed actions:		
	15. To continue the review and redraft of the Council's Constitution. This should be streamlined as far as possible and be in line with a refreshed Value Statement as per Recommendation 10.2.2 above and be informed by best practice constitutions in other authorities.	Constitution & Standards	TBC
	16. To develop a programme of training on the Constitution for Members and Senior officers.	Constitution & Standards	TBC
	17. To increase the Membership of the Constitution Working Group to support actions 15 and 16 above.	Constitution & Standards	TBC
	The Group agreed the following proposed actions:		

Recommendations	Initial comments / Scope	Proposed Workstream	Resources Required and Milestones
<p>10.2.5 Review and redraft the codes of conduct which regulate Member and officer behaviours and working relationships with each other, to make it clear what the expectations of each party should be and how robust challenge can be handled, to ensure proper accountability can be achieved. This needs to recognise the legitimate rights of Councillors for information to enable them to do their role and for Councillors to recognise that policy is the preserve of the Council unless delegated and saying no is a legitimate outcome.</p>	18. To review and redraft the Codes of Conduct.	Constitution & Standards	TBC
	19. To develop and communicate a clearly processes for resolving complaints (Member to Member, officer to Member) informally. Further training will be provided on the Code of Conduct and Group Leaders will emphasise within their respective groups the need to consider informal resolution as a first step.	Constitution & Standards	TBC
	20. To revisit existing complaints that are at the initial assessment stage to explore with the relevant parties whether informal resolution is possible.	Constitution & Standards	TBC
<p>10.2.6 Establish a rationale for the establishment or continuation of any company established under the provisions of the Localism Act 2011.</p>	The Group agreed the following proposed actions:		
	21. To produce a statement of principles and tests for establishing or continuing Council companies established under the Localism Act. This should build on work that has already been undertaken as part of the Strategic Review of Advance.	Companies	TBC
<p>10.2.7 Establish a specific governance framework by which, for those companies wholly or partly owned by NCC, their Directors are appointed, report on performance are presented to a Cabinet Sub-Committee, conflicts of interest are dealt with and risk and how shareholder agreements are ratified, by both the company and NCC.</p>	The Group agreed the following proposed actions:		
	22. Update the Articles of Associations for Council-owned companies and develop a framework for how company performance will be reported to Cabinet.	Companies	TBC
	23. Review the Council shareholder role and produce a clear definition of the relationship between the Council and Council-owned companies and the remit of the Council shareholder.	Companies	TBC
	24. Increase the number of independent Board Members (i.e. non-officer and non-Member).	Companies	TBC

Recommendations	Initial comments / Scope	Proposed Workstream	Resources Required and Milestones
10.2.8 Establish an officer structure which is designed to deliver against earlier recommendations and seek to appoint permanent employees to fulfil those objectives.	The Group agreed the following proposed actions:		
	25. Following implementation of Action 1 above, further tiers of senior management will be restructured in line with the top tier structure. Where possible, these will be permanent posts.	Structure & Recruitment	TBC
10.2.9 Establish a scheme of performance appraisal, starting with the Chief Executive at Member level, in line with the JNC provisions, which cascades throughout the organisation so that every employee is clear about their targets and how they fit into plan delivery. As the Chief Executive is accountable to the Council as a whole for their performance, publish the targets and how they have been achieved as an annual statement to Council.	The Group agreed the following proposed actions:		
	26. To review and update the Council's performance appraisal policy, with a particular focus on Chief Executive performance appraisal. This will be considered and agreed by Members. The performance targets for the CX will be published.	Planning & Performance	TBC
10.3 With the help of the Local Government Association, establish a challenge board with appropriate experience at both top officer and elected Member level in unitary authorities to work with NCC, on a cross-party basis, as it addresses these recommendations.	The Group agreed the following proposed actions:		
	27. To develop, in partnership with the LGA, a menu of options for a challenge board. As well as providing options for challenge on implementation of the recommendations, this should also include options for Officer, Member and Group mentoring.	Review & Challenge	TBC

End of report.