

PERFORMANCE SCRUTINY– 18 FEBRUARY 2016

MANAGING THE BUSINESS 2016/17: OUR APPROACH TO BUSINESS MANAGEMENT

Report by Chief Policy Officer, Maggie Scott

Introduction

1. This report provides an overview of the proposed approach to reviewing the business monitoring framework for 2016/17.

Context

2. The bulk of the service and resource planning process for 2016/17 is now completed. On 26 January, Cabinet proposed a balanced budget alongside the Corporate Plan for 2016-2020, and these will go to Council on 16 February. The Corporate Plan sets out our corporate priorities for the coming years. These priorities are:
 - A strong and thriving economy
 - Protection for vulnerable people
 - Efficient public services
3. The details of these priorities as they are presented in the Corporate Plan are set out in Annex A.
4. The development of the directorate business strategies and the new performance measures for the coming year are usually agreed alongside the budget. However, due to the need for directorates to more fully plan their approach in a difficult and uncertain financial context, CCMT proposed that these should be approved later in the year. Additionally, they suggested that the measures for 2016/17 should be reduced in number, be more outcome-focused and largely drawn from those already being monitored internally by directorates (although not necessarily already being reported on in the corporate report).
5. A timetable for the development and approval process for the business management framework, directorate business strategies and corporate performance measures is set out below:

Meeting	Date	Purpose
Performance Scrutiny	24 Mar	Consider proposed corporate performance measures and agree the approach by the Performance Scrutiny Committee for 2016-17.
Cabinet	19 Apr	Agree the overarching approach to business management, including the corporate performance measures

Current Business Management Framework

6. The current business management framework has been in place since 2013 and has broadly served us fairly well. Key features of our current approach include:
 - a) A quarterly process that reviews performance across the Council.
 - b) Corporate key performance indicators (KPIs) which are rated for achievement against a set target. These are agreed annually by Council.
 - c) Directorates consider their own performance via their Directorate Leadership Teams (DLTs) and escalate any significant issues.
 - d) Internal meetings include Business Strategy Monitoring meetings with Deputy Directors, the Chief Policy Officer and the Chief Financial Officer.
 - e) Member engagement in the process comes via Cabinet and Performance Scrutiny, and public engagement comes via publication of performance reports for the Performance Scrutiny Committee and Cabinet.

7. However, there are a number of disadvantages to the current system. These include:
 - a) There is a dislocation of the corporate KPIs and the corporate priorities of the organisation as set out in the Corporate Plan.
 - b) There are a large number of indicators (around 70), which are broadly output-based and centred on measuring and controlling day to day activity. This can mean that conversations focus on particular activities rather than issues within the system as a whole, and it can lead to a lack of focus on the experience of/impact to the service user.
 - c) Indicators are looked at on a directorate by directorate basis both in the report and at the Performance Scrutiny Committee. This may mean that cross-cutting issues which span directorates are missed.
 - d) There are examples of where we have been measuring activities where we have little or reduced control over the outcome as an organisation, such as exclusions from academies.
 - e) Issues which are not included in the agreed list of corporate KPIs are not always escalated to the corporate report. This can mean that key issues, which may have significant impact on the organisation and its service users, are not being discussed at a corporate level or in public.

8. Given these issues, and the scale of the financial challenge facing the council over the foreseeable future, a new approach to business management is being developed.

Suggested Approach for 2016/17

Development of corporate performance measures

9. Broadly speaking, the new approach to business management proposes to produce a smaller and more concise set of outcome-based indicators based directly on the corporate priorities as set out in the Corporate Plan. The intention is to provide assurance that we are delivering the three priorities – e.g. how do we know we're creating a strong, thriving economy? Additionally there will still be a need to have

oversight of the key aspects of OCC “business as usual” measures, ensuring that we are still performing well against our statutory duties.

Links to Corporate Priorities

10. Linking the corporate performance measures directly to the corporate priorities as set out in the Corporate Plan will allow the organisation and the public to more clearly see how we are achieving against our priorities. It will also strengthen the ‘flow and cascade’ of corporate priorities so that all staff are clear about what the council is trying to achieve, how their directorate is working to achieve this and what their individual role is to ensure success.

Outcome-Based Approach

11. As these indicators will be outcome-based, it is likely that some will only be able to be measured on an annual basis. Some priorities, in order to fully articulate how we are (or are not) achieving it, will require some short narrative description setting out our progress against ongoing projects. Some indicators will continue to be measured on a quarterly basis.

Target Setting

12. Target setting for these indicators will need to take into account current financial challenges and other contextual issues including staff capacity.

Escalation of Issues

13. Directorates will continue to measure a broad range of indicators internally in order to manage their own business. If there are any issues not included in the corporate measures which directorates (through their Directorate Leadership Teams) feel are beginning to impact on our corporate priorities, they will be encouraged to escalate this for inclusion in the corporate report.

Financial Context

14. The quarterly performance reports will continue to include financial information alongside the corporate performance measures. Some work will be needed to align these more closely to the corporate priorities. We will also continue to work towards a better integration of all management information (on performance, risk, HR and finance) over the coming months.

Role of Performance Scrutiny

19. It is important to continue to maintain a robust level of scrutiny by the Performance Scrutiny Committee, and to ensure that the smaller number of measures does not stop the committee from scrutinizing effectively.
20. It is suggested that the Performance Scrutiny Committee will continue to scrutinise the quarterly corporate report, both in its entirety and, on a quarter by quarter basis, focusing on the business of one or other of the Directorates (or specific services or issues within the Directorate) in turn. This “deep dive” approach will enable a more in-depth consideration of key issues, for example drawing together a range of comprehensive performance information that could include comparisons against other authorities, value for money, HR information, risk or audit intelligence as well as key qualitative information.

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21. It is believed that this approach will enable the committee to better scrutinise important issues, enabling more effective and in-depth challenge.

RECOMMENDATION

22. **The Performance Scrutiny Committee is RECOMMENDED to agree the proposed approach to business management for 2016/17, and discuss the role of Performance Scrutiny within the new framework.**

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ANNEX A: EXCERPT FROM THE CORPORATE PLAN

3. Our priorities

Given the financial challenge set out above, we must be clear about our priorities, and what we can and cannot afford to do in the future. Notwithstanding our reducing budget our priorities for 2016-2020 are to use our influence as effectively and efficiently as possible in order to deliver:

1. A strong and thriving economy

We will support a strong and thriving economy, working with the local enterprise partnership, local universities, businesses and the five district councils in Oxfordshire, to:

- Help enable the private sector create new high quality jobs, particularly those which make the most of the county's world-famous expertise in science, technology, and innovation
- Secure government and developer funding towards the costs of the infrastructure which enables and supports that growth, including transport infrastructure, superfast broadband, and other infrastructure such as new schools for growing communities
- Support the LEP in working to ensure a skilled workforce, including the right staff for the public sector, in the context of a growing private sector which generates more, and better paid, jobs, and
- Maximise the funding to public services from a growing local economy, ensuring that developers pay their fair share towards infrastructure, and making the most of business rate devolution. As government withdraws central funding the only way to sustain vital public services in Oxfordshire will be for a thriving economy to generate local resources.

2. Protection for vulnerable people

We will safeguard vulnerable children and adults and meet their eligible care needs, including through:

- Stopping abuse and neglect, and giving children in our care a good start in life
- Backing evidence-based early interventions which prevent more challenging problems arising in the future
- Helping and empowering troubled families, including supporting them to move off benefits and into work
- Supporting people with significant needs, including older people with substantial care needs, and meeting the eligible care needs of people with physical disabilities, learning disabilities, or mental health problems
- Offering information and advice so people can look after themselves
- Supporting informal carers

3. Efficient public services

There are two aspects to this:

Firstly to enable the council to target services at those in greatest need, the Council needs a more efficient business operating model, which will involve consolidation across the council, leaner processes, modernisation and rationalisation of our functions, and other innovation to drive a cross-cutting approach to ensure services are as efficient and effective as possible. As part of this we will be:

- Making transactions and processes digital wherever possible, simplifying customer interaction with the council, making best use of the internet, helping people access online services, and joining up our back office processes more efficiently.
- Stepping up the pace of work on reviewing our asset management, disposing of properties where appropriate, and reducing our need for office space by requiring and supporting our staff to work in an 'agile' way, with fewer office staff having permanent fixed desks, and working with local partners to share property.
- Supporting people and communities to help themselves including by making it as easy as possible for people to volunteer in their communities, and ensuring that their work is valued.
- Taking a more commercial approach to managing our business. This will include generating income where this can be done in a way which makes a net contribution to the savings required - not least from using our remaining property assets in more efficient and innovative ways.

Secondly we recognise that we are part of the broader landscape in the county and that we must work effectively with our local partners to deliver the best possible outcomes for our communities and ensure that residents receive joined up and value for money services. This work includes:

- Working with partners to ensure decisions about services and spending in Oxfordshire are as far as possible made in Oxfordshire, based on local evidence and local accountability. At the time of publication of this plan we, with other local partners, are in discussion with government to seek significant devolution of powers and funding to the county. Current areas of focus for our devolution deal include:
 - Building on the strength of our local economy and the opportunity to drive further economic growth through seeking greater local freedoms in infrastructure provision, housing delivery, skills and business support;
 - Developing a single approach for health and social care in Oxfordshire, bringing together organisations and budgets to create a system that will deliver the care that our residents need as well as better value for money for tax payers.
- Where we are no longer able to fund services we will discuss with communities and other partners (for example local councils, the voluntary sector and community support organisations) how they might be able to develop new and financially sustainable models of service provision, where

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the council no longer provides services directly but supports the a community solution.

We will work closely with district councils to support planning for the growth in our economy and in housing, to plan ahead to meet our infrastructure needs, and to ensure growth is delivered in a way which supports Oxfordshire's heritage and quality of life.

Our statutory responsibilities

We will retain a range of other statutory responsibilities which we will work to deliver efficiently and effectively, including:

- Providing fire and rescue services and preventative advice
- Maintaining local roads to a safe standard
- Disposing of household waste and recycling
- Supporting library services in our communities
- Helping people live healthier lives
- Targeting rogue traders

Examples of what we will not do include:

- Providing universal services without clear evidence for their cost-effectiveness - this will mean some services stopping, and others being provided in a different way, e.g. being taken on by the local community or volunteers where this can be done in a financially sustainable way.
- Spending money on roads and other highway assets where it does not contribute to our objective of maintaining them safely and cost-effectively.
- Making judgements about who should provide a service other than on grounds of effectiveness and efficiency