

INTERIM PERFORMANCE AND FINANCIAL MONITORING REVIEW

Executive Summary

In March 2022 a report was submitted to the Overview and Scrutiny (O&S) Committee which outlined the scope of a review of performance and financial monitoring. It was agreed that an interim report would go back to the O&S Committee in July to outline initial findings, with a final report scheduled for submission in September.

Over the last several weeks, work has been underway to map performance management best practice elsewhere across Surrey. The project team has also begun the process of engaging internal stakeholders, both Councillors and officers, to gather ideas as to how performance and financial management can be enhanced.

There are a number of early highlights based on initial consultation with stakeholders and known best practice elsewhere. Initial highlights include: restructuring performance management to better reflect the Council, making sure the right KPI's are used and ensuring that information goes to the right committee, reassessing the frequency of monitoring reports, making sure the information is user friendly, and revisiting the use of the 'Green Book' name.

Good progress has been made but there is still much to do. The purpose of this report is to provide a detailed update on current activity, and to seek the views of the O&S Committee in relation initial findings and proposed next steps, which will help to inform the next stage of the review.

Recommendations

The Committee is requested to:

RESOLVE That the report be noted.

The Committee has the authority to determine the recommendation set out above.

Background Papers: None.

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1.0 Background

- 1.1 Dr Gifty Edila's Report and Local Government Association Corporate Peer Challenge Action Plan was agreed at Full Council on 10 February 2022. A key recommendation was to undertake a review of the Green Book, as well as wider performance management across the Council, to ensure that the correct mechanisms are in place to properly measure performance in relation to the key priorities of the Council as stated in the Woking For All Strategy.
- 1.2 A report was submitted to the Overview and Scrutiny (O&S) Committee in March 2022, which outlined the objectives and scope of the review. This included:
 - A review of the Green Book and performance monitoring overall, including governance, decision making and the use of technology to improve usability and transparency.
 - Exploration of the 'what?' of performance and financial monitoring. Are current measures fit for purpose? Are we measuring the right things to inform decision making? Is there a clear, evidence-based link between our intended outcomes and our measures? What works well, what is missing?
 - Exploration of the 'how?' of performance and financial monitoring. How is reporting currently done? What works well, and what methods and tools could be used to improve the process, and how information is presented?
- 1.3 It was agreed that an interim report would go back to the O&S Committee in July to outline initial findings and key lines of enquiry, with the final report scheduled for submission in September. Final decision making on any proposed changes will be determined by the Executive.

2.0 Current situation

- 2.1 The Green Book in its current form has been used within the Council for well over a decade. During this time little has changed in relation to the gathering and reporting of Key Performance Indicators (KPI's), other than the occasional addition/removal of a KPI. In recent times there have been additions to the Financial Management section of the Green Book at the request of Councillors, specific examples being the inclusion of the Strategic Property Investments and Sheerwater sections.
- 2.2 The Green Book is monitored by a number of different groups and Committees. This includes submission to the O&S Committee, Financial Task Group, and the Executive. CLT monitor the Green Book at Officer level. The Green Book is published monthly on the Woking Borough Council website.
- 2.3 The Green Book is comprised of four distinct sections which are 'owned' and provided separately by different teams/colleagues both in and outside the Council. Each section is managed and produced in a different way. A breakdown of each section is as follows:
 - Section 1 (Performance Indicators) is managed by the Business Improvement Team. On the last Friday of every month Business Improvement will remind all KPI owners within the Council to update a central spreadsheet with the previous months outturn. The deadline for completion is the first Tuesday of every month.
 - Section 2 (Financial Management Information) is managed and produced by Finance. There are 11 different reports in this section that are managed by various Business Support Managers. The Major Variations section is jointly updated across the team depending on where the variation falls. Business Support Managers work with functional leads across the Council each month to provide an explanation for variances. Finance will send an excel spreadsheet on completion to Business Improvement for inclusion.

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- Section 3 (Treasury Management) is owned and managed by Finance colleagues who produce the reports in a combination of excel and pdf formats and send it to Business Improvement for inclusion.
- Section 4 (Thamesway Group) is owned and managed by external Thamesway colleagues who produce the reports in excel and send to Business Improvement for inclusion.

2.4 Business Improvement collates the four sections once received, using a combination of word, excel and OneNote applications and then produces a pdf copy. This draft is submitted to CLT for comment. Business Improvement will adjust the draft to reflect all comments and queries and a final version of the Green Book is created and published to CLT and the relevant committees/groups.

2.5 The Green Book is produced every month other than April and May, which is combined within the June publication. The process to compile each section is manual for all contributors, and a great deal of Officer time around the Council is expended in both the gathering/insertion of data, as well as the compilation and publishing of the document itself by Business Improvement.

3.0 Research to date

3.1 Work is underway to map performance management best practice elsewhere across Surrey. This assessment includes:

- What approach other authorities take in relation to performance management i.e., the nature, content, and frequency of their Green Book equivalent.
- Who is the information shared with and what governance is in place?
- What information does WBC capture and report that other authorities do not? Equally, what information do other authorities capture that WBC might benefit from?
- Full findings of the desktop research will be appended to the final report.

3.2 To inform the direction and content of the review, the project team has/will consult with the following stakeholders:

- All councillors will be engaged via email to contribute if they wish. Cllr Ann-Marie Barker (Leader), Cllr Azad (Chairman of the O&S Committee), and Cllr Sanderson (Vice-Chairman of the O&S Committee) will be directly engaged.
- Members of the O&S Committee will have additional opportunity to engage via the O&S meetings in July and September.
- CLT – discussed at its meeting on 20 June.
- Finance colleagues (Leigh Clarke and Neil Haskell) have been consulted and an email will be sent to senior managers and those involved in the Green Book process.
- Performance Management leads at other Surrey Borough and Districts.

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4.0 Initial highlights for O&S to consider:

- 4.1 There are a number of early highlights based on initial consultation with stakeholders and known best practice elsewhere. The view of the O&S Committee on the points below would be very welcome and would help to inform the next stage of the review. Highlights include:
- 4.2 **Structuring collation/reporting around Directorates:** Restructuring performance and financial information around the Council's three Directorates would reinforce the relevance of Directorate Service Plans and provide a clearer link to the Woking For All Strategy. This approach would move towards a merging of KPI and financial information to provide a service-by-service narrative. This directorate-based approach has been applied to corporate risk and project management, and would provide clearer accountability at Strategic Director level.
- 4.3 **Having the right KPI's:** Ensuring that the right performance management data is collected and reported included in any publication and that these are strategic in nature and linked to the priorities in the Woking For All Strategy.
- 4.4 **In year financial monitoring:** The Green Book currently monitors budgets by variation or exception, which is a good way to focus on areas of concern or anomaly. A way to build on this approach might be to also monitor budgets on actual spend vs. planned or profiled spend – this will allow officers and Councillors to identify overspends or issues in advance of end of year reconciliation. Reporting 'actuals' against budgets throughout the year is not something that can easily/accurately be provided currently, but further investigation as to how we can work towards this ambition can be undertaken if deemed worthwhile.
- 4.5 **Separating out financial monitoring:** Do all financial elements need to be included and published as part of the performance management regime, or could some financial elements be submitted separately to the Financial Task Group or other committee as required?
- 4.6 **Frequency:** Woking Borough Council is the only authority in Surrey to produce and publish performance management reports on a monthly-basis – the majority of authorities do this on a quarterly or 6 monthly basis, with formal published reports often being compiled annually. A quarterly report, but with a more focused narrative may provide greater insight to Councillors and officers, whilst reducing the monthly burden on all contributors.
- 4.7 **Accessible Information:** The Green Book in its current form is very technical in nature which can often mean that it is not perceived as 'user friendly'. The document should be a tool for Councillors and officers to quickly see how the Council is performing, and equip them with the necessary information to answer queries from residents.
- 4.8 **Change the name:** The current title of 'Green Book' is not very clear for stakeholders, so the adoption of a clearer, more relevant name should be considered.

5.0 Next steps/lines of enquiry

- 5.1 The review will continue throughout July and August, and it is planned to investigate a number of additional areas which will feed into the final report to the O&S Committee in September. The proposed lines of enquiry include:
- 5.2 **Centralising:** KPI's are collected around the Council in a devolved way i.e., Housing capture KPI's and produce a monitoring report as does Health & Wellbeing. It is likely that other sections within the Council do the same, but this has not been mapped. It will be useful to investigate the extent of de-centralised performance management across the Council and whether this leads to duplication or missed opportunities in relation to the consolidation of information.

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- 5.3 **Centre of excellence:** Depending on the findings of 6.2, we will explore whether there is merit in providing a central hub or centre of excellence to support teams across the Council. Would it be useful to have all KPI's created and managed on the same system? Will this produce efficiencies and facilitate better corporate awareness and management information?
- 5.4 **Group Company monitoring:** We will work with Legal as part of the Group Company Governance Review to ensure that recommendations align with any newly adopted corporate performance monitoring framework.
- 5.5 **Tools:** Explore the use of systems that could be used to more efficiently compile performance management data. Options to consider include (1) continue as is i.e., excel, OneNote (2) bespoke performance management systems used by other authorities (3) utilising new internal technology from Microsoft such as 'Power BI' (4) hybrid/combination of the above options. An assessment of all options will be undertaken with the emphasis being on using currently licenced tools wherever possible to achieve value for money.
- 5.6 **Resources:** Any additional up-front work or longer-term resources (from both the Business Improvement and Finance teams), required to set-up or maintain any enhanced performance management arrangements will also be mapped and included with any final recommendations.

6.0 Conclusion

- 6.1 Good progress has been made but there is still much to do. The additional lines of enquiry will be undertaken throughout July and August and full recommendations will be made to the O&S Committee in September.
- 6.2 The views of all stakeholders, especially the O&S Committee and all Councillors whose role it is to monitor the performance of the Council, will be key in ensuring that the outcomes from this work delivers tangible enhancements to current processes.

7.0 Corporate Strategy

- 7.1 Robust performance and financial monitoring underpins the effective delivery of the functions that the Council provides, which in turn supports the objectives listed in the Woking for all Strategy. A cross cutting theme in the Woking for all strategy is a 'High Performing Council', and this review will help to achieve one of the stated priorities which is to 'develop and strengthen strategic and financial planning and performance'.

8.0 Implications

Finance and Risk

- 8.1 No additional implications arise specifically from this report.

Equalities and Human Resources

- 8.2 None arising from this report.

Legal

- 8.3 None arising from this report.

9.0 Engagement and Consultation

- 9.1 Engagement and consultation with both Councillors and Officers are a key requirement of this review. The extent and nature of engagement is outlined in more detail at section 3.2 above.

REPORT ENDS