

Thurrock: A place of opportunity, enterprise and excellence, where individuals, communities and businesses flourish

# Corporate Overview and Scrutiny Committee

The meeting will be held at **7.00 pm** on **20 September 2016**

**Committee Room 1, Civic Offices, New Road, Grays, Essex, RM17 6SL**

## Membership:

Councillors John Kent (Chair), Leslie Gamester (Vice-Chair), Jack Duffin, Steve Liddiard, Ben Maney and Aaron Watkins

## Substitutes:

Councillors Tim Aker, James Baker and Tony Fish

## Agenda

Open to Public and Press

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To approve as a correct record the minutes of the Corporate Overview and Scrutiny Committee meeting held on 21 June 2016.	
<b>3 Items of Urgent Business</b>	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	
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**Queries regarding this Agenda or notification of apologies:**

Please contact Charlotte Raper, Senior Democratic Services Officer by sending an email to [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)

Agenda published on: **12 September 2016**

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# DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

## Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

## When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

**What is a Non-Pecuniary interest?** – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

### Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- Not participate or participate further in any discussion of the matter at a meeting;
- Not participate in any vote or further vote taken at the meeting; and
- leave the room while the item is being considered/voted upon

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

### Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

**Vision: Thurrock:** A place of **opportunity, enterprise and excellence**, where **individuals, communities and businesses** flourish.

To achieve our vision, we have identified five strategic priorities:

**1. Create** a great place for learning and opportunity

- Ensure that every place of learning is rated “Good” or better
- Raise levels of aspiration and attainment so that residents can take advantage of local job opportunities
- Support families to give children the best possible start in life

**2. Encourage** and promote job creation and economic prosperity

- Promote Thurrock and encourage inward investment to enable and sustain growth
- Support business and develop the local skilled workforce they require
- Work with partners to secure improved infrastructure and built environment

**3. Build** pride, responsibility and respect

- Create welcoming, safe, and resilient communities which value fairness
- Work in partnership with communities to help them take responsibility for shaping their quality of life
- Empower residents through choice and independence to improve their health and well-being

**4. Improve** health and well-being

- Ensure people stay healthy longer, adding years to life and life to years
- Reduce inequalities in health and well-being and safeguard the most vulnerable people with timely intervention and care accessed closer to home
- Enhance quality of life through improved housing, employment and opportunity

**5. Promote** and protect our clean and green environment

- Enhance access to Thurrock's river frontage, cultural assets and leisure opportunities
- Promote Thurrock's natural environment and biodiversity
- Inspire high quality design and standards in our buildings and public space

## Minutes of the Meeting of the Corporate Overview and Scrutiny Committee held on 21 June 2016 at 7.00 pm

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- Present:** Councillors John Kent (Chair), Jack Duffin, Aaron Watkins, Kevin Wheeler and Tony Fish (Substitute) (substitute for Steve Liddiard)
- Apologies:** Councillor Steve Liddiard
- In attendance:** Roger Harris, Corporate Director of Adults, Housing and Health  
Karen Wheeler, Head of Strategy, Communications and Customer Service  
Matthew Essex, Head of Regeneration and Assets  
Rebecca Price, Community Development Officer  
Charlotte Raper, Senior Democratic Services Officer  
Matthew Boulter, Principal Democratic Services Officer  
Charlotte Raper, Senior Democratic Services Officer
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Before the start of the Meeting, all present were advised that the meeting may be filmed and was being recorded, with the audio recording to be made available on the Council's website.

### 1. Minutes

Observing that no current Members of the Committee were present at the previous meeting, the Committee agreed to note the contents of the Minutes for the Corporate Overview and Scrutiny Committee held on 24 March 2016.

### 2. Items of Urgent Business

There were no items of urgent business.

### 3. Declaration of Interests

Councillor Fish declared Non-Pecuniary Interests in relation to Item 6: "Community Asset Transfer Policy" in that he was the Director of the Council for Voluntary Service (CVS) and a Board Member of Chadwell Centre Community Hub. The Chair noted that since the item would discuss Policy rather than a specific case, it was likely there would be no conflict of interest. Councillor Fish was welcomed to participate in the debate.

#### 4. Terms of Reference

The Officer presented the current terms of reference to the Committee and outlined that they were currently being updated by the Monitoring Officer.

The Chair asserted that the current terms of reference were not appropriate, and requested they come back in September once updated.

#### **RESOLVED:**

**The Terms of Reference for the Overview and Scrutiny Committee will be updated and brought back to the Committee in September 2016.**

#### 5. Community Asset Transfer Policy

The Head of Regeneration and Assets and the Officer presented the report outlining the proposed policy for efficient use of publicly owned buildings and Spaces in Thurrock, particularly in terms of leasing or selling property to a Voluntary Community of Faith Sector (VCFS) organisation. The report also highlighted the importance of a simple, transparent and consistent process which would be fit for purpose to deal with every type of organisation and every type of asset.

Councillor Wheeler explained that he had been contacted by an angling club with a query which he believed was relevant to this item and asked what types of organisations could apply, and whether they had to be voluntary.

Members were advised that there would be an assessment of the eligibility of organisations when they apply, however if they were a club charging fees then they would be running a commercial organisation and as such would be ineligible. The officer continued to express that it would be difficult to give an exact answer without knowing the organisation's specifics.

Councillor Watkins asked what plans there were for promoting the policy to communities and the expressions of interest process. The Officer outlined that reasonable awareness had already been raised through the consultations carried out but there was also hope that relevant training would be introduced.

Councillor Watkins continued to seek clarity on the expressions of interest process, particularly circumstances of several organisations showing interest in one asset.

The officer described an historic case whereby two organisations wanted use of the same property and the outcome had been an agreement where one organisation became the subtenant of the other as neither wanted use of the property at the same time as the other. The Committee heard that it could only be assessed on a case by case basis, but there would be sufficient advertising to ensure the Council would not be open to complaints or challenges suggesting unfair advantage. In every case there would be an

assessment of broader community benefit versus commercial benefit to the Council and the matter would be put to the Member Property Board.

Councillor Watkins then addressed the Member Property Board proposal and whether it would be flexible so that Ward Councillors could be included in cases directly affecting their ward.

The Committee was assured that the Panel would be constituted to reflect the specific asset in question and as such membership would vary from case to case.

Councillor Fish drew the Committee's attention to existing examples in which there had been significant delays and was concerned that this might show the policy and the process weren't working as they should.

The Officers recalled the examples in question and the delays had been on the part of the organisation obtaining the necessary documentation, but Officers were aware that banks were proving particularly slow in providing references.

The Head of Regeneration and Assets agreed with Members that the process needed to be smooth and that it would be refined as time progressed. Currently organisations had showed possible discomfort at being asked for so much documentation but at the same time showed understanding of why it would be required. The Committee was assured that if it became apparent that the Policy or the process was not efficient it would be reviewed.

Councillor Duffin asked for an estimated figure of cases per year, and whether there was a predicted or target timeframe for completion of cases. Members heard that it would be difficult to put a number on how many cases were to be expected, however the consultation process had generated interest. It was also highlighted that the Policy set out certain properties which would not be eligible due to commercial value to the Council or broader regeneration plans. It was expected there would be a spike in interest initially that would subside, to around 6 cases a year, the officers suspected.

The Committee was then informed that there would be an 8 week target from the expression of interest to the end of advertising for that asset. There was to be no target timeframe set for the overall process as some organisations may require additional support with business plans, documentation etc. and the Council did not wish to penalise smaller organisations.

Councillor Wheeler requested an initial point of contact to feed back to interested organisations. The committee heard that assessments would go through the Corporate Property Board, and as such they should be the initial contact.

The Chair asked the Head of Regeneration and Assets as to whether he was the Chair of the Corporate Property Board.

The Head of Regeneration and Assets clarified that he had taken responsibility for managing the Board, but was not the Chair. He insisted he was keen to review the Board and that it would need to be re-drawn; in future it would not be chaired by him but he would be responsible for its coordination.

The Chair suggested that this might be necessary before the Committee could support the proposal. The Committee heard that it would not be necessary as the proposal was in line with the Council's Constitution.

The Chair also referred to Officers' statements that anything above £500,000 would go to Cabinet and the fact that it was not explicitly mentioned within the report. Officers agreed that the Policy would be amended to be more explicit on this point.

The Chair finally raised concern that Member involvement was not explicit within the Policy either and proposed that Cabinet reflect upon the balance of Members to Officers within the decision making process.

**RESOLVED:**

- 1. The Committee acknowledged the work of the Thurrock Community Assets and Management of Assets (COMA) Partnership supported by Locality.**
- 2. Members commented on the Community Asset Transfer Policy.**

**6. Corporate Performance Framework 2016/17 and End of Year Corporate Performance Report 2015/16**

The Head of Strategy, Communications & Customer Services led a presentation outlining the overall performance framework to give context to the report, before presenting the report itself. Within the presentation she highlighted the Council's priorities and objectives, the performance management path, the Corporate Plan and KPI framework for the year ahead and the new reporting process.

Councillor Wheeler enquired as to whether there was a nationwide comparison of Councils to give Thurrock an overall rating. The Chair explained that there had been the Comprehensive Performance Assessment (CPA) but it had ceased to exist in 2010.

The Corporate Director for Adults, Housing & Health continued to explain that there were no overall performance assessments on a national scale, but national frameworks remained within certain individual service areas.

Councillor Wheeler asked if there were any comparative assessments in place and whether they took into account the wealth, size etc. of the Authorities in question. The Committee heard that there were "Comparative

Groups” which grouped Authorities of similar size and population to facilitate benchmarking.

Councillor Fish raised concern about the change from Red, Amber, Green (RAG) to Achieve/Fail as the amber served as a warning of services which might require attention though not necessarily urgent.

The Corporate Director for Adults, Housing & Health outlined that the RAG system would continue to be used internally to act as an early alert, and there would continue to be some level of tolerance within internal operations. The Achieve/Fail system was for information to be sent to Overview and Scrutiny Committees, Cabinet and Council.

The Head of Strategy, Communications & Customer Services also reminded Members that there is also a “direction of travel” assessment regardless of the tolerance which would also serve as an indication of services which are declining.

Councillor Duffin sought clarity regarding targets, as in some work sectors achieving 50% of targets would be unacceptable, however within Councils it seemed to be a different picture. The Chair emphasised that within Local Authorities the figure was promising, but also expressed that Thurrock had always preferred “stretching” targets above “safe” targets.

**RESOLVED:**

- 1. Members commented on the activities for the upcoming year within the Corporate Plan 2016/17.**
- 2. The Committee commented on the performance framework for 2016/17 and supports a full and thorough review of existing KPIs and other performance tools in 2016 in line with recommendations made by Corporate Overview**
- 3. Members noted the progress and performance against the corporate priorities for 2015/16.**

**7. Work Programme**

The Chair asked whether Members were happy to note the Work Programme, and if there were any additional items to request.

**RESOLVED:**

**Members noted the Work Programme.**

**The meeting finished at 7.50 pm**

Approved as a true and correct record

**CHAIR**

**DATE**

**Any queries regarding these Minutes, please contact  
Democratic Services at [Direct.Democracy@thurrock.gov.uk](mailto:Direct.Democracy@thurrock.gov.uk)**

**Part 2 – Terms of Reference of Overview and Scrutiny Committees**

Council has determined that the following Overview and Scrutiny Committees shall be constituted and shall have responsibility for overview and scrutiny in relation to the matters set out below.

<b>1. CORPORATE OVERVIEW AND SCRUTINY COMMITTEE</b>	
<b>Appointed by:</b> Council under section 21 of the Local Government Act 2000	<b>Number of Elected Members:</b> Six, of whom none may be a Cabinet Member
<b>Chair and Vice-Chair appointed by:</b> Council	<b>Political Proportionality:</b> The elected Members shall be appointed in accordance with Political Proportionality
<b>Quorum:</b> Three elected Members	<b>Co-opted Members to be appointed by Council:</b> None
<b>Functions determined by Council:</b>	
<ol style="list-style-type: none"> <li>1. The Council's overall performance</li> <li>2. The Council's overall Budget and Value for Money</li> <li>3. Council's strategic risk management</li> <li>4. Local Strategic Partnership, other partnerships and community forums</li> <li>5. Community Leadership, Community Engagement and Community Empowerment</li> <li>6. Ethical governance matters in conjunction with the Standards &amp; Audit Committee</li> <li>7. Internal and external communications</li> <li>8. External and European Funding</li> <li>9. Resources, including human resources and asset management</li> <li>10. Information and communications technology</li> <li>11. Procurement</li> <li>12. Monitor Councillor Call for Actions</li> <li>13. Monitor and steer the overall direction of the overview and scrutiny function</li> <li>14. Any other issues not covered by the six Overview and Scrutiny Committees</li> </ol>	
<b>Functions determined by Statute</b>	
All the powers of an Overview and Scrutiny Committee as set out in section 21 of the Local Government Act 2000 and Local Government and Public Involvement in Health Act 2007	

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<b>20 September 2016</b>	<b>ITEM: 6</b>
<b>Corporate Overview &amp; Scrutiny Committee</b>	
<b>Council Spending Review Update</b>	
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key
<b>Report of:</b> Councillor Shane Hebb, Portfolio Holder for Finance & Central Services	
<b>Accountable Head of Service:</b> Sean Clark, Director of Finance and IT	
<b>Accountable Director:</b> Sean Clark, Director of Finance and IT	
<b>This report is public</b>	

## Executive Summary

This report summarises the main changes to the MTFS for the period 2017/18 through to 2019/20.

The report also sets out the governance structure for the Council Spending Review and Transformation Programme, including the budget planning table enabling agreement of the budget in February 2017.

### 1 Recommendations

- 1.1 That Corporate Overview and Scrutiny Committee note the revised MTFS position, including any adjustments for an increase to the General Fund Balance;**
- 1.2 That Corporate Overview and Scrutiny Committee note the Council Spending Review approach and timetable.**

### 2 Introduction and Background

- 2.1 The MTFS presented to Council in February 2016 shows the budget gap over the 3 years 2017/18 to 2019/20 as £18.443m. This already assumes delivery of £2.534m savings previously agreed for 2017/18 (see Appendix 1) and assumes a Council Tax increase of 3.99% in each year.

### 3 Issues, Options and Analysis of Options

#### Medium Term Financial Strategy (MTFS)

- 3.1 As part of the ongoing budget planning process, the MTFS has been updated to reflect latest assumptions. The table below sets out the movements from the previous position and revised budget gap.

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
February 2016	7.378	6.098	4.967	<b>18.443</b>
Business Rates	0.399	0.663	(0.463)	<b>0.599</b>
Inflation	(0.285)	(0.071)	(0.071)	<b>(0.427)</b>
Capital Financing	-	(0.042)	0.591	<b>0.549</b>
Government Grant	-	-	1.785	<b>1.785</b>
<b>Revised Budget Gap</b>	<b>7.492</b>	<b>6.648</b>	<b>6.809</b>	<b>20.949</b>

- 3.2 The key movements include:

- The position for 2017/18 and 2018/19 reflects a reduction in the provision for inflation but, adversely, also the possible impact of a significant category of business rate appeals that have been lodged;
- The majority of the increase is expected in 2019/20 and is largely as a result of further analysis on the four year funding settlement. It is prudent, at this stage, to reduce down the level of grant and business rate support in light of discussions on the removal or reduction of New Homes Bonus and further comments on grant levels; and
- The increase in Capital Financing reflects the likely interest rate increases towards the end of the MTFS period. This increased cost has been offset with significant savings in 2016/17 and smaller reductions over the following two years as a result of pushing back the impact in light of current economic forecasts.

- 3.3 One off funding has been identified to meet the costs of a Clean It, Cut It, Fill It pilot. The results of this pilot will be used to determine whether growth is required in the budget for a permanent increase to the Environment and Place budgets and this will be reported once known.

- 3.4 The position above includes the assumption of a 3.99% increase in council tax each year – 1.99% general increase and 2% adult social care precept. The table below sets out how any reductions to this assumption will increase the deficits set out in paragraph 3.2.2:

<b>An increase of:</b>	<b>Increases the budget gap by (£m)</b>			
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
3.99%	0.000	0.000	0.000	0.000
3.00%	0.570	0.585	0.605	1.760
2.00%	1.140	1.170	1.210	3.520
1.00%	1.710	1.755	1.815	5.280
0.00%	2.280	2.340	2.420	7.040

## Council Spending Review Process and Timetable

- 3.5 Given the level of saving previously delivered across the council, the pressures identified in 2016/17 and that there are minimal reserves to call upon, it is essential that there is a clear strategy to close the budget gap set out in the MTFs. As a result, the focus will be on 3 key areas:
- Income generation – including increasing the Council’s commercial trading base. Council Tax increases also fall under this category;
  - Achieving more / same for less – including further transformational projects, contract reviews, spend to save initiatives and alternative delivery models; and
  - Demand management / early intervention. Examples include the Local Area Co-ordinators and Community Hubs.
- 3.6 However, where the budget gap cannot be fully closed through the above, the likely solution will be reductions to, or full cessation of, service provision.
- 3.7 Crossing through all of these areas is the need to adapt our workforce and change our culture to be an organisation which is more entrepreneurial, digitally-minded and commercially-aware.
- 3.8 The Council Spending Review will be underpinned by the following principles.
- Becoming financially self-sustainable;
  - A minimum of 15-20% efficiencies in each service;
  - A review of all services by March 2019 using common design principles (customer / demand management, commercial, ICT / digital, people, procurement, property and process);
  - Non-statutory income generating services should be cost neutral; and
  - Outcome focused including consideration of prevention and early intervention.
- 3.9 The transformation framework for achieving this is set out in the governance structure in Appendix 2. The officer Transformation Board will oversee a number of Strategic Boards each with a specific focus and cross cutting membership. Each Strategic Board will be sponsored by a member of Directors Board and guided by the principles outlined above and strategic policy direction set by Members. The governance structure also includes the cross-party Council Spending Review Panel.

Growth	Performance
Customer Service & Demand Management	Commercial
ICT / Digital	People
Procurement	Property
Service Review	

3.10 The Council Spending Review timetable (Appendix 3) has been prepared to achieve agreement of the budget by Cabinet and Council in February 2017. The main milestones are summarised below:

- July/August 2016 – Officer boards identify proposals and estimated savings for consultation with Cabinet Members;
- 7th September 2016 – Cabinet consider Q1 budget update including budget planning timetable and governance;
- September 2016 – Council Spending Review Panel (cross-party with Group Leaders and Deputies) consider savings options ahead of consultation;
- October/November 2016 – O&Ss consider proposals and public consultation where required;
- January 2017 – Cabinet agree proposals for implementation informed by O&S recommendations and draft budget referred to Corporate O&S; and
- February 2017 – Cabinet and Council budget setting.

### **General Fund Balance**

3.11 The Council's S151 officer (Director of Finance and IT) has a responsibility to report to the Council annually the robustness of the Council's budget and adequacy of reserves.

3.12 A thorough review was carried out in 2010 and a level of £8m was recommended to Council and agreed at that level. Each year that amount has been reviewed at a high level with the Council agreeing the recommendation to maintain the £8m balance.

3.13 The review has been updated during the Summer and has considered the following risks:

- Contract Failure – in the last 12 months the Council, and nationally, has experienced failures in domiciliary care, children's centre provision and waste disposal;
- Interest Rate Increases – since the debt restructuring exercise, the Council has managed its cash flow through short term variable debt. The fact that this is unlikely in the current climate has been reflected in the probability linked to this risk;
- Significant Overspends not able to be mitigated, including a provision for unachieved savings – the Council has a proven track record of meeting various budget pressures in recent years with mitigating actions. However, this is becoming increasingly more difficult and the size of pressures with Children's and Adults' services in recent months have been challenging;
- Business Rates – the recent history of the impact of appeals from businesses to the Valuation office has had a significant impact on the

Council's resources. Whilst there has recently been good news in terms of new business in the area, there has equally been a postponement of a major scheme as well;

- Council Tax – recognising the loss of income should projected house building not take place;
- Government Grants – although the core grants have been reflected in the MTFs, there are still a number of service specific grants that have been reducing annually; and
- Other factors considered: litigation, pay awards higher than budgeted; inflationary impacts; adult social care winter pressures; and civil emergency costs.

3.14 Having considered the above and used probability and impact factors, the balance recommended is an increase of £1.26m to £9.26m. The Council's S151 officer would, considering the existing pressures within the MTFs, recommend an annual increase of £0.42m over the next three years to achieve this balance.

#### **4. Reasons for Recommendation**

4.1 The Council has a statutory requirement to set a balanced budget annually and to review its adequacy of reserves. This report sets out the budget pressures in 2016/17 along with actions to mitigate these pressures and deliver a breakeven position. The report also outlines the budget gap over the next three years as per the MTFs and the approach and timetable to manage the position.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

5.1 The budget planning governance structure includes involvement and consultation with Officers, Portfolio Holders and Members. The timetable allocates October and November for Overview and Scrutiny committees to consider proposals and public consultation where required. The process also includes the Council Spending Review Panel, made up of cross-party Group Leaders and Deputies who will meet regularly during the budget planning period and ahead of key decision points.

#### **6. Impact on corporate policies, priorities, performance and community impact**

6.1 The implementation of previous savings proposals has already reduced service delivery levels and our ability to meet statutory requirements, impacting on the community and staff. There is a risk that some agreed savings may result in increased demand for more costly interventions if needs escalate particularly in social care. The potential impact on the Council's ability to safeguard children and adults will be kept carefully under review and mitigating actions taken where required.

6.2 The scale of future budget reductions as set out in this report are such that work is underway to follow a transformational approach to tackle the challenge.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Carl Tomlinson**  
**Finance Manager**

The financial implications are set out in the body of this report.

Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. Regular budget monitoring reports will continue to come to Cabinet and be considered by the Directors Board and management teams in order to maintain effective controls on expenditure during this period of enhanced risk. Austerity measures in place are continually reinforced across the Council in order to reduce ancillary spend and to ensure that everyone is aware of the importance and value of every pound of the taxpayers money that is spent by the Council.

### **7.2 Legal**

Implications verified by: **David Lawson**  
**Deputy Head of Law & Governance**

There are no direct legal implications arising from this report.

There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget. The Local Government Finance Act 1988 (Section 114) prescribes that the responsible financial officer "must make a report if he considers that a decision has been made or is about to be made involving expenditure which is unlawful or which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency to the authority". This includes an unbalanced budget.

### **7.3 Diversity and Equality**

Implications verified by: **Becky Price**  
**Community Development and Equalities**

There are no specific diversity and equalities implications as part of this report.

A comprehensive Community and Equality Impact Assessment (CEIA) will be completed for any specific savings proposals developed to address future savings requirements and informed by consultation outcomes to feed into final decision making. The cumulative impact will also be closely monitored and reported to Members.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Any other significant implications will be identified in any individual savings proposal business case to inform the consultation process where applicable and final decision making.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. **Appendices to the report**

- Appendix 1 – 2017/18 Savings Tracker
- Appendix 2 – Council Spending Review Governance Structure
- Appendix 3 – Budget Planning Timetable

**Report Author:** Carl Tomlinson, Finance Manager - Finance and IT

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## Appendix 1

### Previously Agreed Savings 2017/18

#### Adults, Housing and Health

Responsible Officer	Description	Target
Roger Harris	External Placements	500
Roger Harris	Public health – review of contracts	250
Roger Harris	Reduction in Voluntary Sector Core Grants	75
<b>Total</b>		<b>825</b>

#### Childrens Services

Responsible Officer	Description	Target
Rory Patterson	Reduce and realign youth provision across Thurrock and related service through internal reorganisation and developing the services as a mutual/ outsourced service	232
<b>Total</b>		<b>232</b>

#### Environment & Place

Responsible Officer	Description	Target
Steve Cox	Transportation restructure and highways efficiencies	250
Steve Cox	Invest in modern highway maintenance	260
Steve Cox	Planning - increased income and/or efficiencies	35
Steve Cox	CEDU Restructure - Regeneration	300
<b>Total</b>		<b>845</b>

**Legal Services**

<b>Responsible Officer</b>	<b>Description</b>	<b>Target</b>
Fiona Taylor	Legal traded service income	50
<b>Total</b>		<b>50</b>

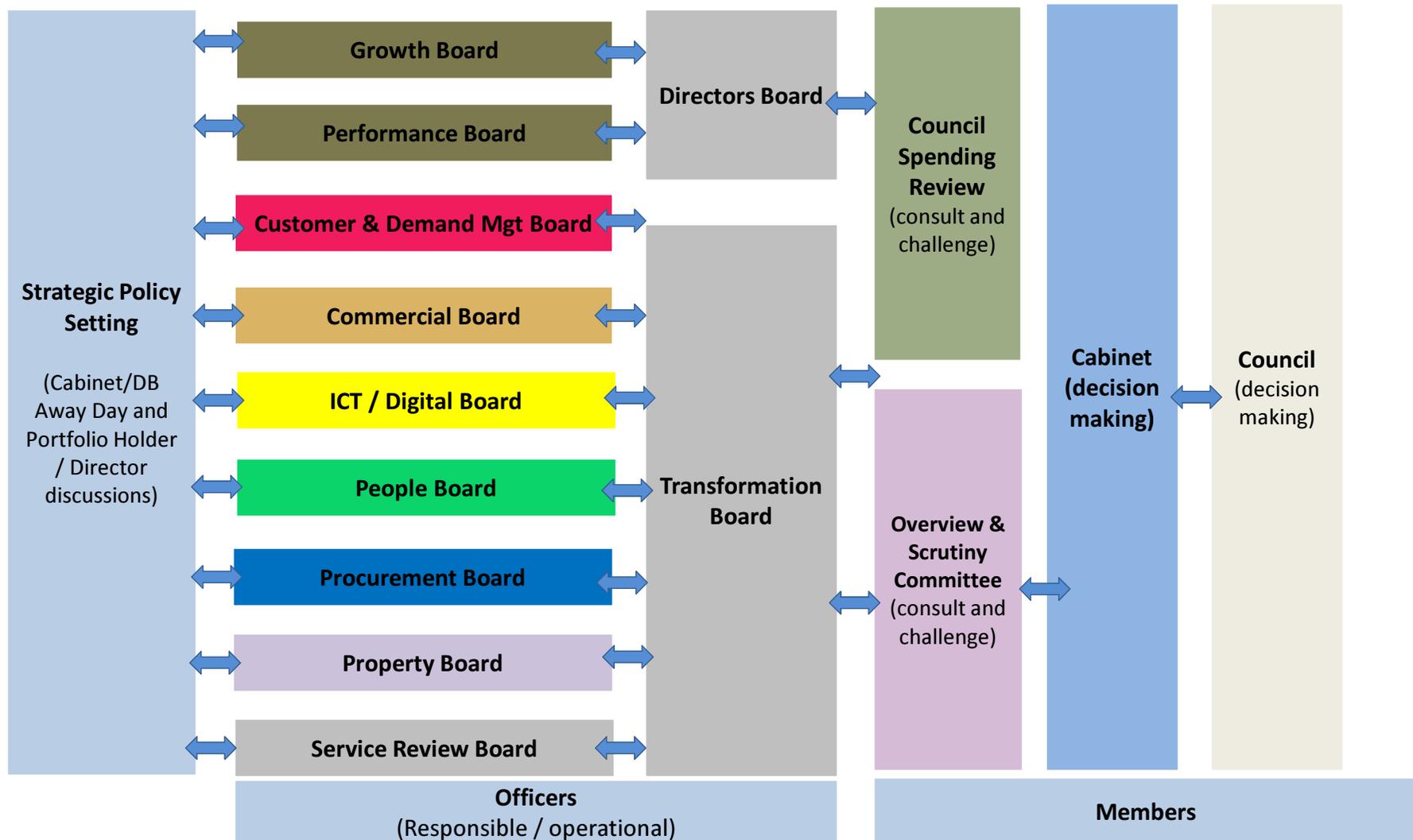
**Finance & IT**

<b>Responsible Officer</b>	<b>Description</b>	<b>Target</b>
Sean Clark	Further changes to staffing levels and revisions of prudential charges	582
<b>Total</b>		<b>582</b>

<b>Total</b>		<b>2,534</b>
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# Governance Structure for Council Spending Review and Transformation Programme

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## Budget Planning Timetable 2017/18+

<b>Date</b>	<b>Meeting</b>	<b>Action/Outcome</b>
7 Sept	<b>CABINET</b>	Quarter 1 budget update 2016/17 and MTFS including governance and timetable for budget process
TBC	<b>Council Spending Review (CSR) Panel</b>	Consider savings options ahead of Overview & Scrutiny Committees and public consultation
6 Oct	Housing O&S	Savings options to be considered
11 Oct	Cleaner, Greener, Safer O&S	Savings options to be considered
12 Oct	<b>CABINET</b>	Agree management actions/efficiencies for implementation and formal staff consultation where required
13 Oct	Children's O&S	Savings options to be considered
8 Nov	Planning, Trans & Regen O&S	Savings options to be considered
9 Nov	<b>CABINET</b>	Budget update if required
10 Nov	Health and Wellbeing O&S	Savings options to be considered
22 Nov	Corporate O&S	Savings options to be considered
TBC	<b>CSR Panel</b>	Feedback on savings options from O&Ss and public consultation
30 Nov	<b>COUNCIL</b>	Local Council Tax Scheme 2017/18
14 Dec	<b>CABINET</b>	Quarter 2 budget update 2016/17
11 Jan 2017	<b>CABINET</b>	Agree savings options to be implemented and draft budget to refer to Corporate O&S
18 Jan	Corporate O&S	Consider draft budget
TBC	<b>CSR Panel</b>	Leaders and Deputy Leaders briefed on budget
8 Feb	<b>CABINET</b>	Agree budget and refer to Full Council
22 Feb	<b>COUNCIL</b>	Agree budget 2017/18

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<b>20 September 2016</b>		<b>ITEM: 7</b>
<b>Corporate Overview &amp; Scrutiny Committee</b>		
<b>Quarter 1 Corporate Performance Report 2016/17</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-key	
<b>Report of:</b> Councillor Deborah Stewart, Portfolio Holder for Performance & Communities		
<b>Accountable Head of Service:</b> Karen Wheeler, Head of Strategy, Communications & Customer Services		
<b>Accountable Director:</b> Jackie Hinchliffe, Director of HR, OD & Transformation		
<b>This report is public</b>		

## Executive Summary

The Corporate Plan 2016/17 outlines the focus areas for service delivery during this year. This is currently based on the existing vision and corporate priorities which will be refreshed during the year. The plan is supported by the Corporate KPI (Key Performance Indicator) Framework which details the statistical evidence the council will use to monitor the progress and performance against those priority activities.

This report provides a progress update in relation to the performance of those KPIs.

This report also provides Corporate Overview and Scrutiny members with a briefing on how services use benchmarking information as requested at the meeting of the committee in June 2016.

- 1. Recommendation(s)**
  - 1.1 To note and comment upon the performance of the key corporate performance indicators in particular those areas which are IN FOCUS**
  - 1.2 To identify any areas which require additional consideration**

## **2. Introduction and Background**

- 2.1 The key corporate plan activities for the year ahead mapped against the priorities were agreed by Cabinet in July 2016. The performance of those priority activities will be monitored through the Corporate KPI (Key Performance Indicator) framework. This report provides a progress update in relation to the performance of those KPIs. The data is included in Appendix 1 and the areas for focusing upon this quarter are detailed in section 3.3.
- 2.2 There will be a full and thorough review of existing KPIs and other performance tools in 2016 keeping in line with recommendations made by Corporate Overview and Scrutiny in 2015/16.
- 2.3 This review will also take into account feedback and intelligence the council receives from residents. During the Autumn, a resident survey will take place to ensure our communities are given the opportunity to express their views about what is important to them and their feelings about services and the borough.
- 2.4 As part of the review the council will also be looking at the trends in other forms of feedback received including complaints and customer service requests.
- 2.5 There is a great deal of analysis done on the volume and issues relating to complaints received by the council. In 2015/16 the top five expressions of dissatisfaction related to housing repairs, missed bins, estate management, council tax and housing solutions. The Corporate Complaints team work with services to establish the root cause for concerns/ complaints received, reasons for complaint escalation and reasons why complaints are upheld and work hard to learn from those complaints.
- 2.6 Similar to complaints, the Customer Services team do extensive monitoring of the calls that come into the council to see which areas are receiving the highest volumes. Not only is monitoring done on a monthly basis, but daily reports are run and there is also real-time monitoring to ensure demand can be met and issues can be picked up at the earliest opportunity. The service also operates trackers, records comments and monitors customer satisfaction. As an example, in June 2016 alone the Contact Centre received over 36,000 calls. The top five areas (not including switchboard) were queries about council tax, benefits, rents, housing registrations and environment services.

### 3.1 Issues, Options and Analysis of Options

- 3.1.1 The Corporate KPI Framework for 2016/17 combines the corporate KPI scorecard with other key service demand indicators. This provides a mixture of strategic and operational indicators.
- 3.1.2 However, in 2016/17, with the demand for council services increasing and being ever more complicated, a more holistic approach to monitoring data and intelligence will be utilised. This will include scrutiny of the workflow and demand in front line services at the highest level. There will also be increased analysis of internal processes at service level by Directors.
- 3.1.3 Although overall the volume of draft KPIs has increased from previous years, not all of these indicators will be reported to members each time. The main focus of the monitoring reports will continue to be those indicators which directly monitor the delivery of the corporate priorities, with other indicators being escalated to members on an exception basis. This approach will ensure the mixture of data being monitored is most useful and provides proper intelligence for business decision making.
- 3.1.4 From 2016/17 the reports no longer categorise KPI performance as Red, Amber or Green (RAG status). Instead there is a simplified Achieved or Failed i.e. performance which is worse than target, regardless of the margin, will have “failed”.

### 3.2 Summary of Corporate KPI Performance

Performance against target		Direction of Travel compared to 2015/16	
Quarter 1		↑ BETTER	45.84%
Achieved	<b>50.00%</b>	→ In Line	6.25%
Failed	<b>27.08%</b>	↓ WORSE	31.25%
Not available for comparison	<b>22.92%</b>	Not available for comparison	16.68%

### 3.3 Focus Areas for Quarter 1

Each quarter, this report will focus on a few key performance highlights and challenges. This quarter there are three focus areas requiring improvement and one area – planning – where performance has excelled.

Focus 1				
KPI	a) % of Major planning applications processed within target b) % of Minor planning applications processed within target			
Portfolio	Regeneration			
Directorate	Environment & Place	Service	Planning & Growth	
Performance	a) <b>100%</b> b) <b>100%</b>	Quarter 1 Target:	a) <b>75%</b> b) <b>88%</b>	<b>ACHIEVED</b>
<p>The performance of this team is highlighted as it has achieved 100% performance for both of these indicators consistently throughout the year so far.</p> <p>This performance is instrumental in driving growth and investment in Thurrock, with timely decision making being a key concern for developers and investors. In 2016, the council has seen a significant 25% increase in planning applications (much higher than in the rest of South Essex), which signals strong development interest in Thurrock and real confidence in the planning service. This also has a positive effect on income generation. In addition, the team's performance provides credibility and gives confidence to other authorities who are looking for assistance in delivering their own services and has led to profitable trading opportunities.</p> <p>(Commentary agreed by Steve Cox)</p>				

Focus 2				
KPI	% of refuse bins emptied on correct day (No of missed bins per 100,000)			
Portfolio	Environment			
Directorate	Environment & Place	Service	Environment	
Performance	<b>97.2%</b> (Average 2,792 missed bins per 100,000 per month)	Quarter 1 Target:	<b>98.5%</b>	<b>FAILED</b>
<p>These figures are high this quarter due to May collection rates only being at 95%. With both of the Bank Holidays in May many residents had not seen the notification that waste collection crews would be working on the Bank Holiday Mondays and so did not present their bins for collection. Consequently, the following week, crews were faced with side waste to clear, resulting in rounds taking longer than usual. In many instances crews were not able to clear waste from all roads in their rounds. This had a knock on effect and was compounded by increases in the volumes of garden waste. The team will continue to review how best to ensure that notifications are seen.</p> <p>From September, the service is running an additional crew three times a week to ensure that all kitchen and garden waste collections are completed as scheduled.</p> <p>Some issues causing the missed collections are due to unbalanced rounds. There is a</p>				

longer term project ongoing within the team to review and re-balance the rounds and ways of working. It is intended that new rounds will be issued early next year.

The round structure is linked to the re-procurement of the disposal contracts and the procurement of new waste vehicles. Issues have also arisen over the past few months due to vehicle unreliability – the collection vehicles are close to end of life and a procurement strategy is in place. There can be a significant lead time for the delivery of refuse trucks.

As part of wider council programmes, a full review of the service and service delivery is being undertaken and will be completed in the next six weeks. The output will be a time-scaled action plan.

(Commentary agreed by Steve Cox)

Focus 3				
KPI	% of older people still at home 91 days after discharge from hospital			
Portfolio	Adult Social Care			
Directorate	Adults, Housing and Health	Service	Adult Social Care	
Performance	<b>83.2%</b>	Quarter 1 Target:	<b>90.9%</b>	<b>FAILED</b>
<p>In Quarter 1 there were a total of 131 older people (65+) discharged from hospital into reablement/ rehabilitation. Of these, 109 were still at home 91 days later which equates to 83.2%. This is below our target of 90.9% for 2016/17 and also falls short of our 2015/16 outturn of 90.85%.</p> <p>Due to the local domiciliary care crisis additional pressure has been put upon the Joint Re-ablement Team (JRT) within the last year. This pressure has resulted in over 1,800 hours per week being brought back in house and an internal team, Thurrock Care at Home, being created. As JRT is the council's provider of last resort, the team respond to emergency referrals following hospital discharges and preventing premature admissions to hospital or residential care.</p> <p>Staffing issues within the re-ablement team have affected care delivery and the ability to perform true re-ablement. The team has been unable to recruit care staff, therapists and medical professionals not only for substantive posts, but also through the council's matrix system. In addition the population is ageing and becoming more frail, the level of support that is being delivered within the community is becoming more complex. This increase in demand and complexity and decrease in staffing levels may have contributed to the underperformance of this indicator, while the team are prioritising high risk clients.</p> <p>Furthermore, Care Quality Commission (CQC) inspected the JRT in May and has issued the service with a warning notice following a "requires improvement" rating. A current action plan is in place to address the issues highlighted to improve the quality of the service.</p>				
(Commentary agreed by Roger Harris)				

#### Focus 4

KPI	Number of new apprenticeships within the council			
Portfolio	Education			
Directorate	Children's Services	Service	Learning & Skills	
Performance	<b>4</b>	Quarter 1 Target:	<b>15</b>	<b>FAILED</b>

As of end June, there were 45 apprentices in post from a diverse range of teams, which included four new apprentices who have started since April 2016.

Although the number of new apprentices is not currently meeting the in-year target there are a number in the recruitment process, including a further 30 young people who are in initial discussions with various teams around the council. It is likely that the current activity will not increase numbers sufficiently to meet the mid-year target, however, the service do anticipate that the cohort will be on track by the end of Quarter 3 (December).

The Employability & Skills team provide support to the apprentice/manager to enable successful completion and, in some cases, progression to a Level 3 qualification.

Work has also begun on identifying the support required and impact of the Apprenticeship Levy, including officers from a number of services across the council. Officers are also looking at the possibility of establishing our own dedicated apprenticeship training centre which would enable the council to have more control over the way the Apprenticeship Levy is spent. This is all part of a wider review taking place on our support to apprentices.

(Commentary agreed by Rory Patterson)

3.4 The full summary of Corporate Scorecard KPI performance is set out below:

Corporate Priority	No. of KPIs	Performance against Target			Direction of Travel since 2015/16			
		No. of KPIs unavailable for comparison (n/a)	ACHIEVED	FAILED	No. of KPIs unavailable for comparison (n/a)	Better ↑	In line →	Worse ↓
Create a great place for learning and opportunity	11	4	5	2	2	4	1	4
Encourage and promote job creation and economic prosperity	5	1	3	1	2	3	0	0
Build pride, responsibility and respect	4	1	1	2	3	0	0	1
Improve health and well-being	11	2	6	3	0	7	0	4
Promote and protect our clean and green environment	7	3	2	2	1	0	2	4
Well-run organisation	10	0	7	3	0	8	0	2
<b>TOTAL</b>	<b>48</b>	<b>11</b>	<b>24</b>	<b>13</b>	<b>8</b>	<b>22</b>	<b>3</b>	<b>15</b>
		% unavailable for comparison	% achieved target	% failed to meet target	% unavailable for DOT comparison	% better than 2015/16	% same as 2015/16	% worse than 2015/16
		<b>22.92%</b>	<b>50.00%</b>	<b>27.08%</b>	<b>16.68%</b>	<b>45.84%</b>	<b>6.25%</b>	<b>31.25%</b>

### 3.5 Benchmarking

At the meeting of the Committee on 21 June 2016, a number of members asked for clarification on how the organisation compares itself with others.

- 3.5.1 Ever since the National Indicator Dataset was revoked in 2010 benchmarking has become more difficult. Whilst many authorities retained some useful KPIs, (eg sickness absence, invoice payment, planning turnaround), often the definitions were altered locally which prevents “like-for-like” comparison. Similarly, the localisation agenda means councils have different local priorities - performance in Authority A where that function is a top priority compared to Authority B where the service is not a priority and therefore budget efficiencies have impacted service delivery.
- 3.5.2 However, despite the above limitations, comparing performance with others is still a useful piece of intelligence when setting targets, alongside trend data from previous years. Wherever appropriate, services aim to continually improve on the previous year’s performance, however, this is also influenced by any changes to the financial situation and local priorities of the service.
- 3.5.3 There are some “free” benchmarking tools available, such as LG Inform, however the data in this is often several months or years out of date and is restricted by the number of indicators included. Some organisations and professional associations offer benchmarking groups by subscription, but budgets for these are often surrendered as efficiency savings. Therefore the field from which to benchmark changes and reduces each year.
- 3.5.4 In response to this, Performance Board agreed that services should use their own networks to benchmark in whatever way was most appropriate and effective for them. The current position is summarised below in 3.5.6.
- 3.5.5 The most common groupings of authorities which services use to compare and benchmark against are all England authorities, unitaries, the eastern region and CIPFA nearest neighbour. The CIPFA nearest neighbour model is a statistical model, which takes into account a number of characteristics of an authority area including social, economic, geographical size, population, type of authority etc. The latest model shows Thurrock to be nearest statistical neighbours with the following authorities:

Milton Keynes	Trafford	Bedford
Swindon	Telford & Wrekin	Derby
Peterborough	Medway	Coventry
Reading	Bolton	Rochdale
Warrington	Stockton-on-Tees	Calderdale

## **3.6 Service level benchmarking arrangements**

### **3.6.1 Planning**

The Planning team benchmark using the Planning Advisory Service (PAS) Planning Quality Framework. This allows a choice of which authorities to compare with but is dependent on who else is in that benchmarking club. Wherever possible, planning will benchmark against other unitary authorities, however the number of authorities subscribed to the benchmarking group is dwindling and there is the possibility that the group will cease in the future as PAS has seen its funding cut.

Planning are able to compare planning performance on some key indicators via the statistics published nationally by DCLG.

### **3.6.2 Environment**

The Environment team use APSE Performance Networks who generate a “family group”. A family group is similar to the CIPFA Nearest Statistical Neighbours classification whereby authorities with similar characteristics in relation to the specific service being benchmarked are grouped together. This means that the family group for waste will be different to that for fleet services for instance. Environment also use Keep Britain Tidy who provide a benchmark figure for the street cleanliness performance indicator, compared to a national score.

For waste indicators, the DEFRA Waste Data Flow database enables the team to compare against data from a range of groups (all England, Eastern Region, Unitaries etc.)

### **3.6.3 Housing**

Housing no longer uses a benchmarking service having ceased membership in 2013 as a cost saving measure. Therefore comparing delivery and data is done as required as part of service reviews, via other networks, with varying response success.

### **3.6.4 Adult Social Care**

Most of our comparative data for Adult Social Care is done via the Adult Social Care Outcomes Framework. ASCOF is a national data return and therefore the service are able to compare against a number of different groups including All England, regional or indeed any individual authority/group of authorities.

### **3.6.5 Public Health**

The majority of comparative Public Health data can be benchmarked via the Public Health Outcomes Framework, which enables comparison against a number of different groups. Often the benchmarking is performed against the national average or the CIPFA nearest neighbours; however certain indicators have other preferred comparators – drug and alcohol treatment indicators are often benchmarked against their DAT Families group, whilst healthcare indicators available at CCG level often compare to their “Similar 10” group of most demographically similar CCGs.

### **3.6.6 Children's Services**

Children's Social Care are a member of various Eastern Region performance and quality assurance benchmarking groups to monitor general social care performance in the region. They are also a member of the CIPFA Children Looked After Benchmarking Club used to compare the spend on looked after children.

Children's Education and Social Care use comparative data from statistical releases and performance tables provided by the Department for Education. Comparisons are at England authority, statistical neighbour and local neighbour levels.

### **3.6.7 Central Services**

Several of the finance related services use the CIPFA Nearest Neighbour model to benchmark. HR OD use data from Xperthr and EELGA for general policy benchmarking and policy queries and the CIPD Simply Health annual report for sickness absence comparison.

### **3.6.8 Highways and Transportation**

The service uses HMEP (Highways Maintenance Efficiency Programme) for benchmarking and performance comparisons.

## **4. Reasons for Recommendation**

- 4.1 The Corporate Plan and associated performance framework are fundamental to articulating what the council is aiming to achieve and how. It is best practice to report on the performance of the council. It shows effective levels of governance and transparency and showcases strong performance as well as an acknowledgement of where we need to improve.

## **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 The original vision and corporate priorities were extensively consulted upon with residents, community and voluntary sectors and other partners.
- 5.2 Performance monitoring reports are considered on a quarterly basis by Corporate Overview and Scrutiny Committee and where there are specific issues relevant to other committees these are further circulated as appropriate.
- 5.3 Corporate Overview and Scrutiny on 21 June were invited to comment on the draft Corporate Plan and KPIs for 2016/17 ahead of consideration by Cabinet and a full review in 2016. The committee felt that the Corporate Plan was robust and welcomed the change to monitoring progress against KPI targets with the introduction of Achieved and Failed making it clearer.

## **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The Corporate Plan and associated performance framework are fundamental to articulating what the council is aiming to achieve and how. The vision and priorities cascade into every bit of the council and further to our partners, through key strategies, service plans, team plans and individual objectives.
- 6.2 This report will help decision makers and other interested parties, form a view of the success of the Council's actions in meeting its political and community priority ambitions.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Laura Last**  
**Senior Finance Officer – Management Accounts**

The report provides an update on performance against corporate priorities. There are financial KPIs within the corporate scorecard, the performance of which are included in the appendix to the report.

The council continues to operate in a challenging financial environment, therefore, where there are issues of underperformance, any recovery planning commissioned by the council may entail future financial implications, and will need to be considered as appropriate.

### **7.2 Legal**

Implications verified by: **David Lawson**  
**Monitoring Officer & Deputy Head of Law & Governance**

There are no direct legal implications arising from this report. However, where there are issues of underperformance, any recovery planning commissioned by the council or associated individual priority projects may have legal implications, and as such will need to be addressed separately as decisions relating to those specific activities are considered.

### **7.3 Diversity and Equality**

Implications verified by: **Rebecca Price**  
**Community Development Officer**

The Corporate Plan and KPI Framework for 2016/17 contain measures that help determine the level of progress with meeting wider diversity and equality ambitions, including youth employment and attainment,

independent living, vulnerable adults, volunteering etc. Individual commentary will be given throughout the year within the regular monitoring reports regarding progress and actions.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

The Corporate Plan includes areas which affect a wide variety of issues, including those noted above. Where applicable these are covered in the appendix.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright): N/A

9. **Appendices to the report**

- Appendix 1 – Quarter 1 Corporate Performance Report 2016/17

**Report Author:** Sarah Welton, Strategy & Performance Officer

Appendix 1: Corporate Performance KPIs Quarter 1 2016/17

KPIs	Directorate	2014/15 Outturn	2015/16 Outturn	Benchmark / Baseline	Apr-16	May-16	Jun-16	Qtr1 YTD	Qtr 1 Target	2016/17 Target	Qtr 1 DOT (since last year)	Qtr 1 Year end Projection (where available)	Qtr 1 Achieved or Failed
% of primary schools judged "good" or better	Children's	76.5	75.7	87				86.5	80	80	Better	n/a	Achieved
% of 16-19 yr old Not in Education, Employment or Training	Children's	5.5	5.2	5	5.4	5.5	5.6		5.9	5	Better	n/a	Achieved
Number of places accessed for two year olds for early years education in the borough	Children's	720	665	743				700	687	74% of DWP total* (changes each term)	Better	n/a	Achieved
Average time (in days) for a child to be adopted (3 year average)	Children's	625	601	n/a				536	575	500	Better	n/a	Achieved
% of Major planning applications processed in 13 weeks	E&P - Planning	84	84.58	n/a	100	100	100	100	75	75	Better	100	Achieved
% of Minor planning applications processed in 8 weeks	E&P - Planning	88.3	92.9	n/a	100	100	100	100	88	88	Better	100	Achieved
Permanent admissions to residential/nursing homes per 100K pop'n (18+)	AHH - Adults	133	134	163				35	40	163	Better	140	Achieved
% General Satisfaction of tenants with neighbourhoods/services provided by Housing	AHH - Housing	70	70%	n/a	74	73	76	73	72	72%	Better	73	Achieved
No of homes transformed (NB target is given as a % of total stock as the actual figure changes as stock levels change)	AHH - Housing	n/a	58% (5838)	60 per month	192	132	111	435 (6273)	180	65% of all stock by year end	Better	7200	Achieved
% of repairs completed within target	AHH - Housing	n/a	95 (March in month)	85	98	98	97	98	85	85	Better	98	Achieved
Average time taken to complete an emergency repair (in days)	AHH - Housing	n/a	0.29	n/a	0.19	0.19	0.14	0.17	0.2	0.2	Better	0.18	Achieved
% Rent collected	AHH - Housing	99.44	99.64%	99.64	77.9	90.39	93.3		89	99.00%	Better	99	Achieved
Overall spend to budget on HRA (£K variance)	Finance & IT	-2485	900	n/a	n/a	n/a	0	0	0	0	Better	0	Achieved
% Council Tax collected	Finance & IT	98.71	98.58	n/a	10.72	19.54	28.29		28.21	98.9	Better	on target	Achieved
% National Non-Domestic Rates (NNDR) collected	Finance & IT	99.68	99.8	n/a	11.73	20.85	29.93		29.76	99.3	Better	on target	Achieved
Average sickness absence days per FTE	HROD - sickness	9.87	9.69	8.99	0.74	0.8	0.68	2.22	2.25	9	Better	8.88	Achieved
No of people registered for My Account	HROD - transformation	n/a	31561	n/a				36035	35000	45000	Better	on target	Achieved
% timeliness of response to all complaints (all services except social care)	HROD - complaints	98.3	98.1	n/a	99	99	98	99	98	98	Better	n/a	Achieved
Street Cleanliness - a) Litter	E&P - ENV	1.83	3%	6.47%				3.48	4% (Smaller is better)	4% (Smaller is better)	In line	n/a	Achieved
Street Cleanliness - c) Graffiti	E&P - ENV	0.5	0%	1.52%				0.83	2% (Smaller is better)	2% (Smaller is better)	In line	n/a	Achieved
No of business engaged through Council programmes (Quarterly)	E&P - Regen	n/a	n/a	n/a				133	125	500	n/a	n/a	Achieved
Number of people supported by a Local Area Coordinator (LAC)	AHH - PH	n/a	n/a	n/a				359	162.5	650 by year end	n/a	n/a	Achieved
% Early Offer of Help Episodes completed within 12 months	Children's	n/a	97.2	n/a				96	95	95	Worse	n/a	Achieved
No of carers who are in receipt of SDS as a % of all carers receiving a service from Adult Social Care Self-Directed Support - % of adult social care carers in receipt of SDS	AHH - Adults	8.9%	94.4%	77.40%	90.9%	92.3%	92.30%	92.30%	50%	50%	Worse	n/a	Achieved

Appendix 1: Corporate Performance KPIs Quarter 1 2016/17

KPIs	Directorate	2014/15 Outturn	2015/16 Outturn	Benchmark / Baseline	Apr-16	May-16	Jun-16	Qtr1 YTD	Qtr 1 Target	2016/17 Target	Qtr 1 DOT (since last year)	Qtr 1 Year end Projection (where available)	Qtr 1 Achieved or Failed
Unemployment rate (data from ONS/NOMIS) (in arrears)	E&P - Regen	7.3	5.60%	3.9% (regional average)				5.30%	3.9 (regional average)	regional average	Better	n/a	Failed
% of complaints upheld (all services except social care) (based on closed complaints)	HROD - complaints	n/a	50	n/a	66	42	36	46	40	40	Better	n/a	Failed
Number of "exchanges" carried out through time-banking (in hours)	AHH - Comm Dev	n/a	n/a	n/a				2,408	2,500	11,000	n/a	n/a	Failed
Number of volunteers active in roles within the council	AHH - Comm Dev	250	251	n/a				232	250	250	Worse	250	Failed
Self-Directed Support - % adult social care users in receipt of SDS	AHH - Adults	72%	75%	83.70%	74.49	74.47	74.63		80%	80%	Worse	n/a	Failed
% older people still at home 91 days after discharge	AHH - Adults	86.60%	90.85%	82.10%				83.2	90.9%	90.9%	Worse	n/a	Failed
Average time to turnaround/re-let voids (in days)	AHH - Housing	31.5	36	n/a	23	32	40		33	33	Worse	33	Failed
% Household waste reused/ recycled/ composted	E&P - ENV	40.38	39%	42% (Unitary Authorities)	39	46	50	45	47	41%	Worse	n/a	Failed
% of refuse bins emptied on correct day	E&P - ENV	99	98.50%	n/a	99.10%	95.30%	97.30%	97.2	98.5	98.50%	Worse	n/a	Failed
% overall spend on Capital Programme budget	Finance & IT	90	90	n/a				8	10	90	Worse	on target	Failed
Overall spend to budget on General Fund (£K variance)	Finance & IT	0	0	n/a	0	0	158		0	0	Worse	0	Failed
Number of places available for two year olds to access early years education in the borough	Children's	1083	1307	929				1094	1200	1200	Worse	n/a	Failed
No of new apprenticeships within the council	Children's	65	55	65	2	0	2	4	15	60	Worse	n/a	Failed
Number of households at risk of homelessness approaching the Council for assistance	AHH - Housing	2724	2,944	average 245 per month	238	243	244	725	No target	No target	Better	2900	n/a
No of homeless cases accepted	AHH - Housing	n/a	222	average 19 per month	18	7	20	45	No target	No target	Better	180	n/a
Rate of Children subject to Child Protect Plan	Children's	52	71	36	73	77	75		no target	no target	Higher	n/a	n/a
Rate of Looked After Children	Children's	72	85	57	84	85	84		no target	no target	In line	n/a	n/a
% of 17-21 yr old Care Leavers in Education, Employment or Training	Children's	n/a	52.8	TBC	Data	cleansing	in progress		70	70	n/a	n/a	n/a
No of jobs created through Council programmes (quarterly)	E&P - Regen	n/a	n/a	n/a				0	Profile to be agreed	35	n/a	n/a	n/a
No of people killed or seriously injured in road traffic accidents (yearly average taken over a rolling 3 years)	E&P - H&T	awaiting data from Essex	awaiting data from Essex	awaiting data from Essex				awaiting data from Essex	no target	no target	TBC	n/a	n/a
No of incidents of Fly tipping reported	E&P - Residents	n/a	2504	2504	273	238	269	780	560 Baseline	2250 Baseline	Worse	n/a	n/a
No of incidents of Abandoned vehicles reported	E&P - Residents	n/a	1028	1028	115	105	158	378	230 Baseline	930 Baseline	Worse	n/a	n/a
% of young people who reoffend after a previously recorded offence	Children's	37	29	38 (National average)				Qtr in arrears	30	30	n/a	n/a	Qtr in arrears
% of potholes repaired within policy and agreed timeframe	E&P - H&T	n/a	n/a	n/a - new methodology	available from Qtr 2	available from Qtr 2	available from Qtr 2		n/a	100%	available from Qtr 2	n/a	available from Qtr 2

<b>20 September 2016</b>		<b>ITEM: 8</b>
<b>Corporate Overview and Scrutiny Committee</b>		
<b>Staff Survey 2016</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non key	
<b>Report of: Jan Cox – Strategic Lead HR &amp; OD</b>		
<b>Accountable Head of Service:</b> Jackie Hinchliffe - Director of HR, OD & Transformation		
<b>Accountable Director:</b> Jackie Hinchliffe - Director of HR, OD & Transformation		
<b>This report is public</b>		

## Executive Summary

This report outlines the results of the 2016 staff survey, identifies the highest and lowest performing indicators and the priorities for action planning following the analysis of the results.

The 71% response rate demonstrated an excellent level of engagement.

There has been considerable improvement since the 2014 survey with positive changes exceeding the negative. A total of 27 indicators have significantly improved since 2014. Key areas of improvement include **PDRs, job security and awareness of support for health and wellbeing.**

Benchmarking has been used as a key analysis tool, this has shown:

- **66%** of the scores fall above the BMG public sector benchmark
- significantly more Thurrock employees believe the council is an equal opportunity employer compared to the BMG benchmark

High performing areas include:

- **Line Management**
- **Senior Management**
- **Performance & Development**
- **Customer Service**
- **Pay and Fair Treatment**

The weakest performing area of the survey is around Induction.

Analysis of the results has identified 6 council wide themes for action planning:

- **Employee Engagement**
- **Induction**
- **IT**
- **Motivation**
- **Change Management**
- **Communication (particularly across departments)**

These are supplemented by priorities for each of the directorates and embedded in the action plans.

The Corporate Workforce Group and Corporate Staff Forums will work with HR and OD to support analysis and actions identified by the directorates and through the council wide programme.

An ongoing communication and engagement plan will be maintained to demonstrate how the council is responding to the survey with a '**you said, we did**' campaign during November and March 2017. Governance is provided by the People Board with regular updates to Directors Board.

An annual pulse survey will take place to maintain the momentum of taking feedback from staff. This activity will continue to reassure the workforce, directors and committee that employee engagement continues to be a priority.

## **1. Recommendation(s)**

### **1.1 Committee to note and comment on the outcomes of the Staff Survey 2016 and the actions identified.**

## **2. Introduction and Background**

2.1 The 2016 staff survey was undertaken by BMG Research, an independent organisation, commissioned by the Council following a competitive procurement process. Using an external expert survey organisation ensures confidence in confidentiality and compliance with survey standards.

2.2 The survey went live on 11<sup>th</sup> April 2016 and ran for three weeks. The work was led by a project group made of key staff from across HR, OD and IT; the project sponsor for Directors Board is Jackie Hinchliffe.

- 2,080 employees were given the opportunity to complete a survey.
- A total of 1,475 responses were received, giving an excellent **response rate of 71%**, which is in line with the rate achieved in 2014 (72%).

- A total of 1,228 online responses were received, which is a response rate of 83%.
- 247 staff completed paper copies, which is a response rate of 41%.

2.3 The outcomes of the survey were provided to the council through presentations, a comprehensive corporate report and directorate reports. Direct feedback to staff has been conveyed through manager and staff conferences, posters and internal communications.

2.4 All Directors have led action planning workshops and Jackie Hinchliffe led the corporate action planning workshop. The key priorities identified are contained in this report.

### **3. Issues, Options and Analysis of Options**

#### **3.1 Staff Survey - Results**

3.1.1 Analysis of the outcomes of the survey was undertaken at all levels; a staff survey 'reportal' provides managers with the facility to assess results at a team level. The corporate level analysis focused on the highest and lowest performing indicators and identified the key priorities for the council wide action plan.

#### **3.2 High performing indicators**

3.2.1 Analysis of the high performing indicators focused on the highest scoring questions; the responses that have significantly improved since 2014 and the highest benchmark results. Highlights include:

- 27 significant improvements since 2014 with 17 improving by 5% or more
- 11% rise in staff feeling more secure in their job since 2014
- 10% increase in staff awareness of support via health and wellbeing.

3.2.2 Nearly four fifths of staff would like to be working for the council in 12 months' time (78%). This is unchanged from 2014 but does reflect resilience and confidence in Thurrock as an employer considering the significant changes in environment, workforce and budgets. This figure is also 3% higher than the BMG benchmark.

#### **3.3 Highest scoring questions**

3.3.1 The headline themes from the staff survey are set out below; they are the areas that consistently scored highest across the council.

93%	I understand how my work contributes to the objectives of my team / service
89%	I am clear about what is required of me in my job
88%	I understand how my work contributes to the success of the council
87%	Have had an annual PDR / appraisal with their manager within the last 12 months
86%	My last PDR / appraisal accurately reflected my performance (where had an appraisal)

3.3.2 A clear strength of Thurrock is the understanding staff have of how their work supports the objectives of their team/service (93%) and how it contributes to the success of the council (86%). Both statements have significantly improved since 2014. Significantly line managers are cited in supporting this understanding with a 6% increase since 2014.

3.3.3 The positivity continues with 9/10 staff being clear about what is required of them in their job role. This sees a 5% improvement in the previous result and a clear 3% above BMG Research benchmark.

3.3.4 Another notable area is around formal staff support and review in the PDR Process. Responses saw that 9/10 staff has had a PDR/appraisal in the last 12 months but more importantly 86% felt it was an accurate reflection of performance. This is a 16% increase from 2014 and 15% above the benchmark.

3.3.5 **Adults, Health & Housing** consistently demonstrate the most positive results in all of the above indicators.

### 3.4 Significant improvements since 2014

3.4.1 There are 17 areas of significant improvement measuring over 5% increase. These reflect review and continuous improvement across the council. Most important of these are around the formal support of PDR and job security. The confidence in a job that is supportive and secure is a powerful retention strategy.

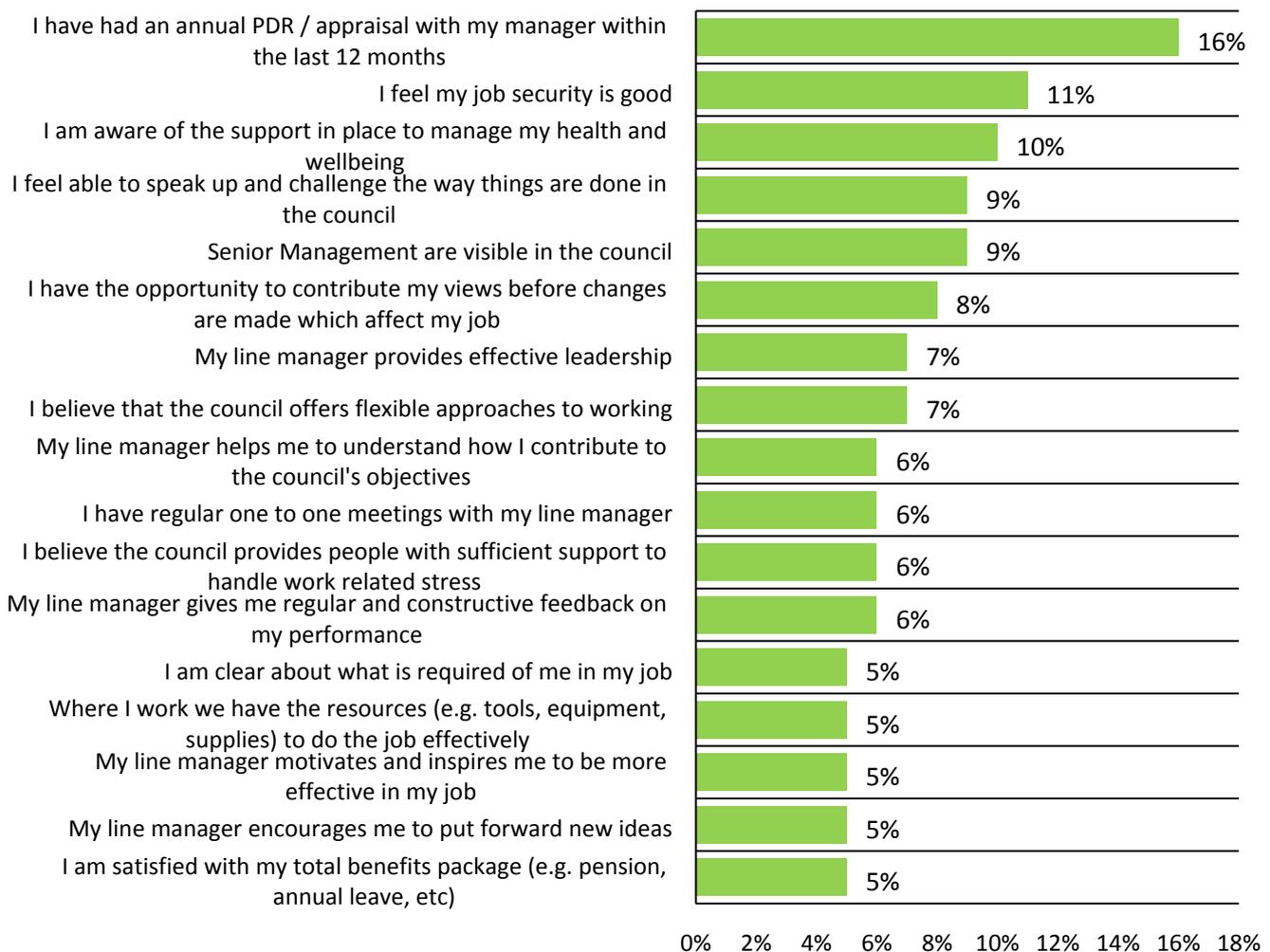
3.4.2 The fourth highest improvement is about challenging and speaking up about the way things are done in the council. This improvement shows a significant increase in and confidence that their views will be listened to.

3.4.3 Changes in senior management and structure has not seen a negative impact in responses and visibility is another area of improvement with 59% agreeing senior managers are visible.

3.4.4 A significant 7% (75%) increase is seen in line managers providing effective leadership and a 3% increase (77%) of managers recognised for open and honest communications.

3.4.5 **Adults, Health & Housing** demonstrate some of the highest scores across the improved indicators; **Children’s Services and HR/OD** represent the highest levels of Senior Management Visibility; **HR/OD staff** are most likely to feel able to challenge the ways things are done and **Finance/IT** staff are most positive about support for work related stress.

3.4.6 The chart below illustrates the measures that have significantly improved since 2014.



### 3.5 Positive Benchmark Results

3.5.1 Benchmarking is a useful technique to effectively place the 2016 staff survey results into context with other similar organisations. The benchmarking figures shown below are based on BMG Research’s own database of results from more than 50 public sector organisations. The Council achieved results higher than the BMG benchmarking figures in 25 questions, an excellent achievement. The benchmarking figures shown below represent all the benchmark questions that scored 6% or more above the BMG benchmark. Of

particular note is the **+14% on awareness of council's long term goals and with opportunities to develop career.**

Indicator	Thurrock	BMG benchmark	% difference
Q9/6. I am satisfied with the opportunities I have to develop my career in the council	50%	36%	+14%
Q4/3. I am aware of the council's long term goals (council's 5 key priorities)	71%	57%	+14%
Q4/2. I understand how my work contributes to the success of the council	88%	76%	+12%
Q13/1. I have the opportunity to contribute my views before changes are made which affect my job	49%	39%	+10%
Q6/4. My line manager gives me regular and constructive feedback on my performance	70%	61%	+9%
Q5/2. I have confidence in Senior Management	49%	41%	+8%
Q8/1. I have enough information to do my job well	79%	71%	+8%
Q9/3. I have opportunities to develop new skills	61%	53%	+8%
Q5/3. I believe Senior Management has a clear vision for the future of the council	52%	45%	+7%
Q5/4. Senior Management provide effective leadership	47%	40%	+7%
Q2. Overall job satisfaction	76%	69%	+7%
Q1/7. I am proud to work for the council	64%	57%	+7%
Q9/1. My job makes good use of my skills and abilities	76%	70%	+6%
Q1/5. I can call on other people I regularly work with to help when things get difficult in my job*	84%	78%	+6%

### 3.6 Low Performing Indicators

3.6.1 Analysis of the low performing indicators focused on the lowest scoring questions; the responses that have significantly deteriorated since 2014 and the lowest benchmark results.

### 3.7 Lowest Scoring Questions

3.7.1 The headline themes from the staff survey are set out below; they are the areas that consistently scored lowest across the council.

28%	When changes are made they are usually for the
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	better
31%	Change is managed well in the Council
32%	Our IT systems meet the needs of the business
36%	Where I work there are enough staff to get the job done
37%	I believe that action will be taken as a result of this survey

3.7.2 In terms of the lowest scoring indicators in the survey; change management comes under scrutiny. Just short of **three in ten** members of staff feel when changes are made they are usually for the better (28%), and that change is managed well (31%), both are in line with 2014. However, the latter is significantly higher than the BMG benchmark of 28% (+3% points). Perceptions of whether the IT systems meet employee needs are in line with 2014 (32% cf. 31%), however agreement is significantly lower than the BMG benchmark of 54%.

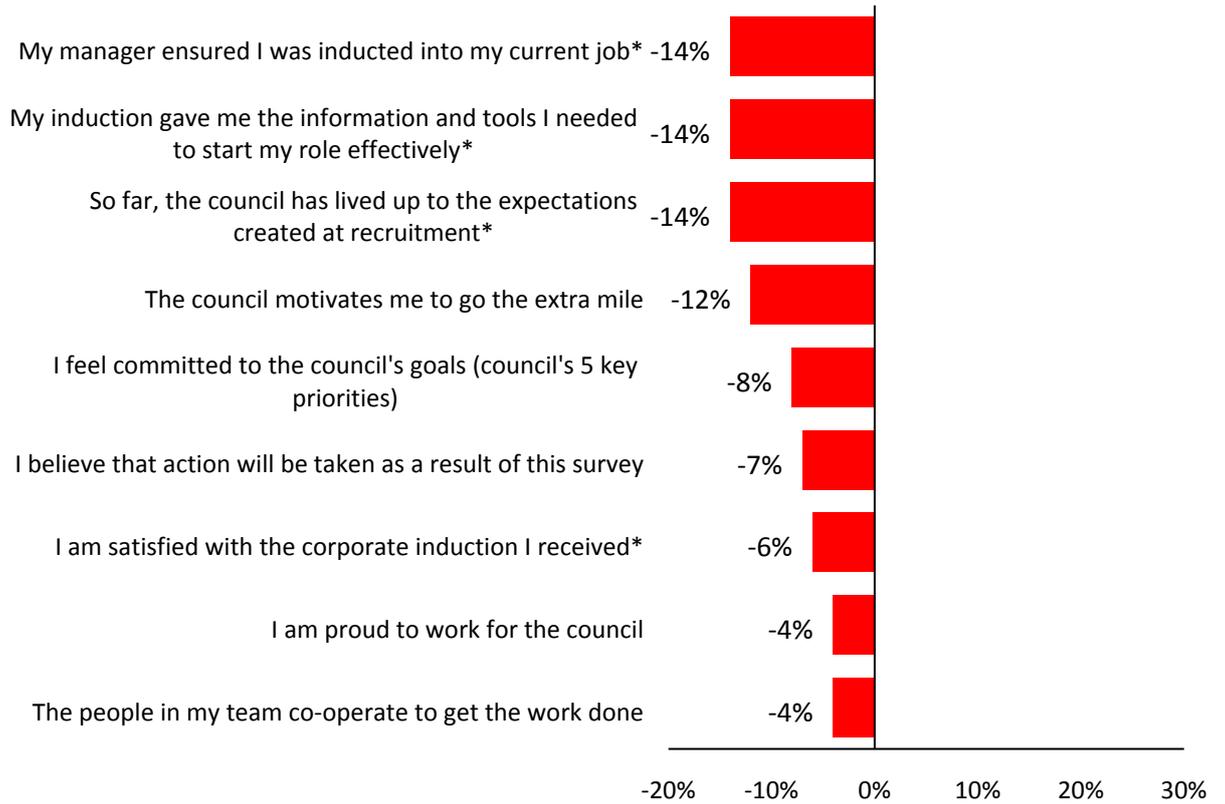
3.7.3 An area that is important in both instilling confidence in staff and also to keep staff interested for future surveys, is that staff believe action will be taken as a result of the survey. Just short of **two fifths** of staff believe action will be taken (37%), which is significantly below 2014 (-7% points) and significantly below the BMG benchmark (-3%)

### 3.8 Measures that have Deteriorated

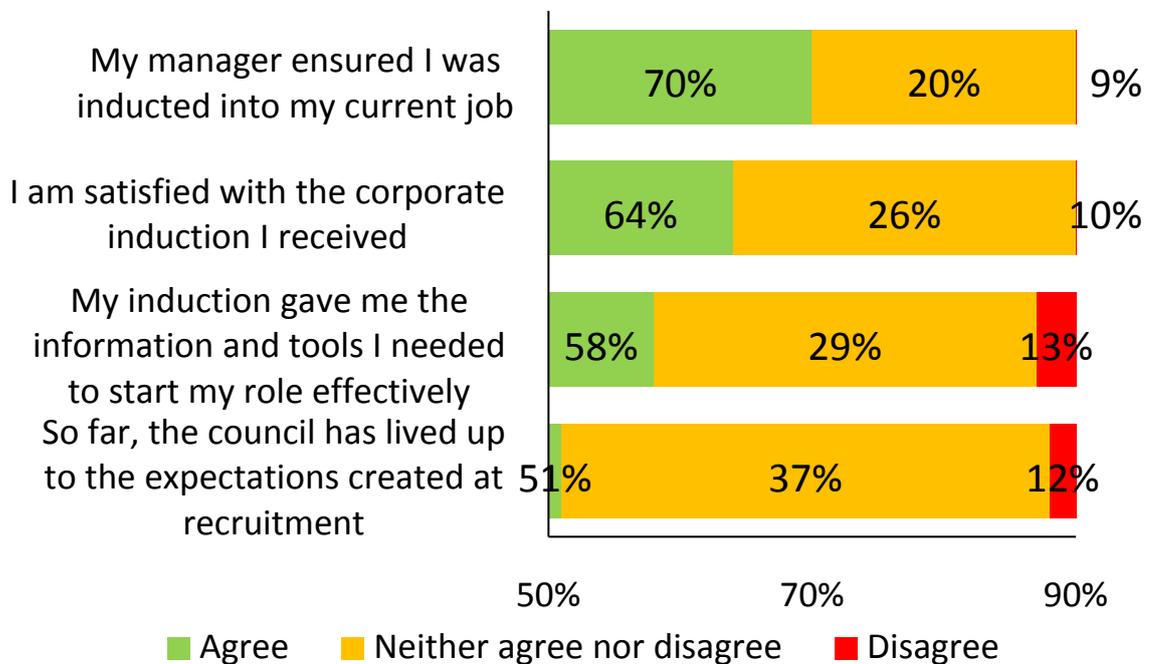
3.8.1 There are 9 measures that have significantly deteriorated since 2014. The largest drops in agreement are in relation to the induction process. Significantly fewer members of staff agree their manager ensured they were inducted into their current job, that it gave them the information and tools needed to start their job and that so far, the council have lived up to expectations (all -14%).

3.8.2 Furthermore significantly fewer staff agree that the council motivates them to go the extra mile (-12%).

3.8.3 The 9 measures that have significantly deteriorated since 2014 are set out below



3.9 Four questions relating to the on boarding of staff are in this 9 as set out below.



Whilst Induction has a significant drop from 2014, it is worth noting that for all the indicators the majority of staff provided positive responses, **the lowest results for the four indicators are in Children's Services.**

### 3.10 Negative Benchmark Results

3.10.1 A with positive benchmarks these provide an indication of how the council are performing against similar organisations.

Indicator	Thurrock	BMG benchmark	% difference
Q3/1. Where I work we have the resources (e.g. tools, equipment, supplies) to do the job effectively	55%	58%	-3%
Q3/2. Our IT systems meet the needs of the business	32%	54%	-22%
Q4/7. I believe that action will be taken as a result of this survey	37%	40%	-3%
Q7. Poor performance is dealt with effectively in your team*	49%	53%	-4%
Q8/5. Communication between departments I work with is effective	45%	57%	-12%

3.10.2 As can be seen the areas that perform least well are IT meeting the needs of the business and Communication between departments.

### 3.11 Results – Summary

3.11.1 Overall there has been some clear headway made since the 2014 survey, with significant positive changes clearly outweighing the significant negative changes.

- Most notably in terms of the level of PDRs, job security and awareness of support around health and wellbeing.
- Similarly, many of the scores across the survey fall above the BMG public sector benchmark.
- Certain areas within the survey have performed well;
  - **Line management** – all scores have significantly improved since 2014.
  - **Senior management** – whilst results are generally in line with 2014, visibility has noticeably increased and agreement is significantly higher against comparable benchmarks.
  - **Performance and Development** (excluding Inductions) – results are in line with 2014. However opportunities to develop new skills, career development and the job making good use of employees skills and abilities are significantly above the BMG benchmark.

- In addition the proportion of employees that have regular one to ones and have had a PDR in the last 12 months has significantly increased from 2014, and the latter is significantly above the BMG benchmark.
  - **Customer Service** – results remain positive, and perceptions of commitment to customer satisfaction and the quality of customer service have both significantly improved since 2014.
  - **Pay and Fair Treatment** – satisfaction with the benefits package and the council offer of flexible approaches to work have significantly improved since 2014. Furthermore, significantly more Thurrock employees believe the council is an equal opportunity employer compared to the BMG benchmark.
- Finally the weakest performing area of the survey is in relation to inductions at the council. All measures have significantly decreased since 2014 and are least positive amongst employees in Children’s Services.

#### **4. STAFF SURVEY – RESPONSE**

- 4.1 Conducting a staff survey provides the council with a clear indication of how staff feel about all aspects of their employment. Of critical importance is responding to the survey; developing clear actions plans; communicating outcomes and actions and demonstrating change.
- 4.2 Following receipt of the results action planning workshops, led by Directors, have been held by all Directorates and for the council. These have identified agreed priorities and actions to respond. The agreed priorities are:

Council wide priorities:

- **Employee Engagement**
- **Induction**
- **IT**
- **Motivation**
- **Change Management**
- **Communication (particularly across departments)**

Children’s Services have prioritised:

- **Change and communication**
- **Work life balance**
- **Induction**

Finance and IT have prioritised:

- **Visibility/access to senior managers**
- **Change**
- **Perspectives on pay and opportunity**
- **Communications**

Environment and Place have prioritised:

- **Interdepartmental communications**
- **PDR'S and local induction**
- **Development opportunities**
- **Senior management visibility**

Adults, Housing and Health have prioritised:

- **Change**
- **Communications**
- **Senior leadership visibility and management**
- **Inductions**
- **Resourcing/pay and conditions**
- **Bullying, Harassment and discrimination**

HR, OD and Transformation have prioritised:

- **Communication between departments**
- **Developing new skills**
- **Managing Poor performance**
- **Line manager motivates me**
- **Training and development helps job**
- **Satisfaction with training**
- **Work gives me a sense of personal satisfaction**

### **4.3 COMMUNICATION**

4.3.1 A clear communication plan in advance of the survey helped drive the high response rate. The results have been communicated through:

- Posters campaigns, Insight, Thurrock Manager, In-form and staff notice boards
- Manager & Staff Conferences
- Directorate Management Teams, Team meetings

4.3.2 A similar communication and engagement plan is in place to develop and deliver action plans this will also include:

- You said, we did campaign, will run November 2016 and March 2017

- Focus groups
- Corporate Workforce Groups & Staff Forums

There will be a “pulse” annual survey to temperature check progress with all staff.

The communications channels will continue to be used through 2016 and 2017 to update staff and provide key messages on progress of action.

## **5. GOVERNANCE**

- 5.1 The existing infrastructure of DMTs, Boards and Corporate and Directorate Workforce Groups and Staff Forums will develop, manage and monitor the response to the survey. People Board will provide the overall governance of the delivery of action plans; additionally Directors Board will retain overall accountability.

## **6. Reasons for Recommendation**

- 6.1 To advise the committee of the outcome of the 2016 staff survey and demonstrate the council’s continued commitment to employee engagement and continuous improvement

## **7. Impact on corporate policies, priorities, performance and community impact**

- 7.1 An engaged and productive workforce is critical to the continued delivery of services for residents and the safeguarding of vulnerable adults and children. Impact on policies will be determined through outcomes of action planning, none are proposed at this stage.

## **8. Implications**

### **8.1 Financial**

Implications verified by: **Carl Tomlinson**  
**Finance Manager**

The report provides an update on the 2016 staff survey results and therefore does not result in any direct financial implications. However, the planned action outlined in the report will have to be met within existing budgets.

### **8.2 Legal**

Implications verified by: **Dr. Paul Field**  
**Senior Governance Solicitor and Deputy Monitoring Officer**

This report is for noting and does not raise any legal implications in its recommendations. Any changes to employment conditions that may be considered in due course will have to follow established policies relating to consultation.

### **8.3 Diversity and Equality**

Implications verified by: **Becky Price**  
**Community Development and Equalities Team**

The corporate staff forums are working closely with HR and OD to assess any potential diversity and equality implications. They have access to the staff survey responses and can filter by protected characteristic. No implications have been identified at this stage.

### **9. Appendices to the report**

No appendices attached.

**Report Author:** Wendy Allen,  
Manager People and Organisational developmentHR,OD and Transformation

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<b>20 September 2016</b>	<b>ITEM: 9</b>
<b>Corporate Overview and Scrutiny Committee</b>	
<b>Employee Performance Review – 2015/16</b>	
<b>Wards and communities affected:</b> N/A	<b>Key Decision:</b> Non-key
<b>Report of:</b> Mykela Pratt, Improvement Manager	
<b>Accountable Head of Service:</b> Jackie Hinchliffe, Director of HR, OD & Transformation	
<b>Accountable Director:</b> Jackie Hinchliffe, Director of HR, OD & Transformation	
<b>This report is public.</b>	

## Executive Summary

The performance framework is an integral part of the council's Organisational Development Strategy. It is a formal process conducted to help the council manage the performance of its employees against agreed strategic priorities and operational objectives, which are prepared annually then reviewed and monitored throughout the year. The importance of managers holding monthly individual performance sessions with staff remains high priority.

As a Gold accredited Investor in People (IIP) organisation, the council is committed to meeting staff performance and development needs. In our achievement of IIP Gold in 2016, the report noted the success of PDR completion rates at 98% across the organisation and that robust one-to-one's with staff as a key strength under our business priorities. Additionally the IIP report noted the ability to link development needs to PDR's and how we manage the process consistently across all council directorates.

It is to be celebrated that 87.1% of our workforce achieved an overall PDR rating of 1 or 2 meaning that their performance was exceeding expectations or on target respectively. Furthermore, 54.5% of those staff received incremental progression where it was due explicitly showing how we are able to reward positive performance in a robust but consistent and large scale way.

This positive recognition is further supported by the 2016 staff survey results which reflected the excellent completion rates for PDR's across the council alongside one-

to-one's, highlighting that managers are proactively taking responsibility for managing the performance of staff.

This report summarises key elements of the performance review structure and provides data on the performance of employees in the 2015/16 PDR year.

## **1. Recommendations**

**1.1 The Overview & Scrutiny Committee are asked to note the report.**

**1.2 Those directorates with lower compliance rates for the completion of one-to-one's and PDR's confirm action plans to ensure full compliance going forward.**

## **2. Introduction and Background**

### **The Process**

2.1 Managing performance requires managers to regularly communicate with staff on how they are performing. In the council this happens through regular one-to-one meetings and the formal structured PDR process.

2.2 The council continues to maintain a set of Management Standards that summarise the important principles underpinning the PDR scheme. These are:

- Every direct report to have an annual PDR objective setting meeting by the end of May each year, a half-yearly progress meeting in October and an end of year review meeting by the end of February
- Ensure all information is recorded electronically using Oracle Performance Management
- Submit PDR ratings within the deadlines specified each year so that incremental progression or suppression can be processed
- Carry out at least nine one-to-ones with staff per year, separate to the 3 PDR meetings
- Make sure any PDR overall score of 4 is automatically referred to the Capability Policy & Procedure for appropriate management & monitoring
- Attend PDR training and any refresher courses or new training arising from changes to policy, as necessary.

2.3 The performance review process consists of objectives, behaviours and learning / development considerations.

2.4 Objectives are based on a 'golden thread' approach with those being set for Directors and Heads of Service around the Council Vision and Service Plans filtering down to the individual employees' role in achieving these aims.

- 2.5 An overall rating of between 1 and 4, with 1 being the highest, is given for the assessment of an individual's performance against their objectives. A rating of 'achieved', 'some development' or 'not achieved' is given against each behaviour depending on assessment of the extent to which it has been demonstrated.
- 2.6 Those awarded a 1 or 2 overall rating are awarded incremental pay progression where they are not already at the top of their pay band. Those awarded a 3 or 4 overall rating are not awarded incremental pay progression.

### 3. Incremental Progression Key Outcomes 2015/16

- 3.1 From 1804 employees, 1684 (93.3%) of these were processed in time for the April payroll run.
- 3.2 1572 employees (87.1%) received a rating of 2 or above, of these staff 857 (54.5%) were due, and as such have received, incremental progression.
- 3.3 41 employees (2.3%) are not performing at the required standard receiving a rating of 3 or 4 and as such have not received an increment where this would have been due.
- 3.4 Finance budget in the MTFs that the value of incremental progression pay awards, including on costs, is circa £750,000.
- 3.5 The table included below shows a breakdown of numbers for those that received the different overall ratings and whether they were due an increment or not.

Corporate Response	Rating of 1	Rating of 2	Rating of 3	Rating of 4
Due an Increment	132	725	0	1
NOT due an Increment	63	652	40	0
Combined Total Ratings	195	1377	40	1
	10.8%	76.3%	2.2%	0.05%

### 4. Incremental Progression Key Outcomes 2014/15 for comparison

- 4.1 From 1643 employees, 725 of these were awarded an increment.

4.2 A further 678 employees (41%) received a rating of 2 or above, however these employees are not due an increment due to being at the top of their pay band.

4.3 33 employees (2%) were not performing at the required standard receiving a rating of 3 or 4.

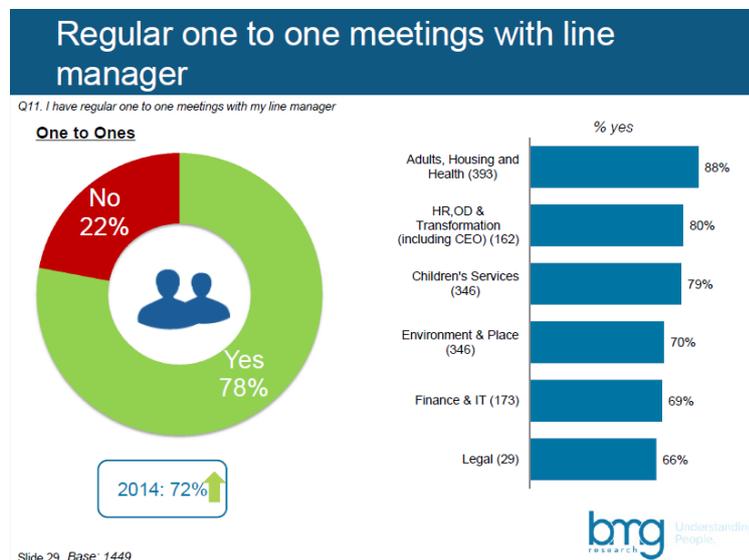
## 5. Quality of performance management

5.1 The staff survey is held every two years to provide a measure of staff engagement. Our PDR process remains one of our important workforce processes and is fundamental to our overarching performance.

5.2 This year we had an excellent response rate, with more than 1,400 surveys being completed, providing useful data on how the workforce is interacting with our key business processes.

5.3 The following chart indicates that 78% of those who responded are having regular one-to-one meetings with their line managers and 87% agree that they have had a formal appraisal meeting.

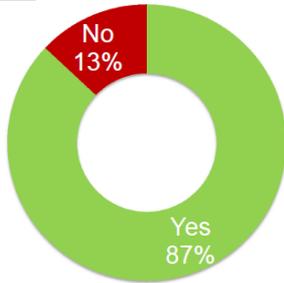
5.4 This represents excellent coverage of the process within the council. In addition 86% of respondents confirmed that their appraisal accurately reflected their performance.



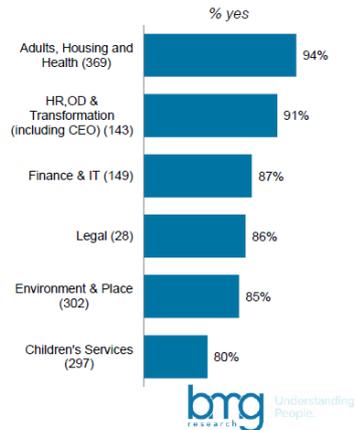
## Had a PDR in the last 12 months

Q11. I have had an annual Performance Development Review (PDR) / appraisal with my manager within the last 12 months

PDR



2014: 71% ↑  
Benchmark: 72% ↑



bmg  
research  
Understanding People

Slide 30 Base: 1288 Where been at the council long enough

### 6. Consultation (including Overview and Scrutiny, if applicable)

6.1 Not applicable

### 7. Impact on corporate policies, priorities, performance and community impact

7.1 Not applicable

### 8. Implications

#### 8.1 Financial

Implications verified by: **Laura Last**  
**Senior Finance Officer – Management Accounts**

The direct financial implications for this report relate to the costs associated with annual incremental progression linked to performance. However, the main focus for our performance management is about increasing performance. Successful use of our performance management system will enable us to improve our programme delivery, increase our employee engagement and productivity and make us better stewards of public funds.

#### 8.2 Legal

Implications verified by: **Chris Pickering**  
**Principal Solicitor**

Any performance standards need to be objectively justifiable if employment action is taken in response to them. This applies as much to the non-awarding of performance related pay as to disciplinary action for those employees whose performance is not to an acceptable standard. To be defensible, standards should be known and published as well as being measurable. This report sets out such an objective scheme.

### 8.3 **Diversity and Equality**

Implications verified by: **Becky Price**  
**Community Development and Equalities**

The performance framework forms an integral process in how we manage and engage our total workforce. In so doing the council gives commitment to deliver a fair and consistent approach in the application of rules, policies and procedures of the system that we operate.

### 9. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Not applicable

**Report Author:** Mykela Pratt, Improvement Manager HR, OD & Transformation

**Corporate Overview and Scrutiny Committee  
Work Programme  
2016/17**

Dates of Meetings: 21 June 2016, 20 September 2016, 22 November 2016, 18 January 2017 (Budget) & 14 March 2017

<b>Topic</b>	<b>Lead Officer</b>	<b>Requested by Officer/Member</b>
<b>21 June 2016</b>		
Terms of Reference	Democratic Services Officer	
Corporate Plan & KPI Framework 2016/17	Karen Wheeler	
Community Asset Transfer Policy	Becky Price	
Work Programme	Democratic Services Officer	
<b>20 September 2016</b>		
Terms of Reference	Democratic Services Officer	
Shaping the Council Budget Update	Sean Clark	
Qtr 1 Corporate Performance 2016/17	Karen Wheeler	
Staff Survey 2016 Report	Jackie Hinchliffe	
Annual Performance Development Review Report	Jackie Hinchliffe	
Work Programme	Democratic Services Officer	

**22 November 2016**

Communications Update	Karen Wheeler	
Budget Update	Sean Clark	
Mid-Year Corporate Performance 2016/17	Karen Wheeler	
Customer Strategy	Karen Wheeler	
IIP Report	Jackie Hinchliffe	
Work Programme	Democratic Services Officer	

**18 January 2017**

2017/18 Draft Budget	Sean Clark	
Work Programme	Democratic Services Officer	

**14 March 2017**

Budget Update	Sean Clark	
Qtr 3 Corporate Performance Report 2015/16	Sarah Welton	