Committee and Date	Item
Transformation & Improvement Scrutiny – Quarter 3 19th February 2024 Cabinet 21st February 2024	Public

Performance Monitoring 2023/24 – Quarter 3

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1. Synopsis

The Shropshire Plan clarifies our vision and priorities, aligning our resources to deliver positive outcomes for our people, businesses and communities. Delivery of our outcomes is measured through the developing Performance Management Framework, demonstrating progress to date.

2. Executive Summary

Overview

The Shropshire Plan (TSP) was created to clarify Shropshire Council's vision, priorities and Strategic Objectives. These objectives reflect the outcomes we aim to achieve within our available financial envelope. We measure the achievement of TSP by monitoring our performance (using Key Performance Indicators (KPIs) to help measure, drive and understand delivery of our Strategic Objectives) and managing our overall financial position (ultimately delivering our outcomes while remaining within our agreed financial envelope).

The current year, 2023/24, is the year we are scrutinising our financial management with the aim to create a sustainable financial future. Over this year we need to closely monitor and review

our finances to support delivery of the Medium Term Financial Strategy (MTFS). We are seeking to rebase our budgets over several years, in line with the outcomes defined in TSP, to secure a modern, efficient, and sustainable base for the Council finances across the 5-year period of the MTFS. This approach is aligned to the recommendations of the LGA peer review and is comparable with the best approaches seen in local government. We will need to make the adjustments each year to ensure financial survival moving towards financial stability and sustainability. Against this backdrop we are seeking to optimise our performance within our available financial envelope. Our plans will focus on economy, efficiency and effectiveness, redefining the way we deliver interventions to optimise delivery of our vision wherever and however possible.

Summary

2.1. The focus of the Council in 2023/24 and the immediate future is necessarily directed at the delivery of a balanced budget, and is currently, therefore, the highest priority Strategic Objective within TSP balanced alongside protecting our most vulnerable children. Our new Performance Management Framework has been reviewed and strengthened to align with all our strategic objectives to enable us to become an evidence led performance managed council.

2.2. Development of our KPIs will continue with Portfolio Holders, Executive Directors and Assistant Directors identified for each indicator. Targets, tolerances and benchmarks will be clarified over the coming months, where possible, with regularly updated monitoring information published via the performance webpage at - **Performance | Shropshire Council** Online performance reporting will be the main source of performance information enabling greater insight and scrutiny of the Council's performance and delivery of its outcomes as set out in TSP.

2.3. Through engagement across all Directorates the PMF has been launched with the focus on using data to inform decisions and actions particularly where performance may not be meeting targets and expectations. As part of the necessary arrangements for delivering TSP, the Council has reviewed and updated its approaches to both performance and financial monitoring. Both areas are now more pro-actively informed by timely activity data and are available to a range of officers to help guide decision making. Interactive dashboards using 'PowerBI' are being developed which will show a summary of KPIs for each Healthy priority through to agreed strategic objectives. It will then be possible to drill down into more detailed information for each KPI including status which is RAG (red, amber, green) rated, trend information and benchmarking where available against England and nearest statistical neighbours.

2.4. The Q3 Finance report (elsewhere on this agenda) sets out the financial envelope of the Council and how spending plans and patterns are being managed to deliver a balanced budget.

2.5. This Q3 Performance report complements the Finance report but provides a different perspective. We may therefore find that the position on KPIs is favourable, but that the finance position is adverse because the activity levels (the cost drivers) are higher than anticipated.

2.6. As part of our new approach feedback on the design and usability of the new report and performance webpage is welcomed. A feedback form will be available for questions and queries, and this will be reviewed with responses provided and published where appropriate alongside the dashboard.

Key Indicators and Context

2.7. The Q3 performance report is written as an exception report with all key performance indicators being provided in the dashboard which should be viewed in conjunction with this report.

2.8. The Q3 report is not fully complete with all the agreed performance indicators due to the time taken to implement the new approach, obtain data and the focus on getting it right. Work will continue to move towards a complete PMF set of indicators and progress will be reported at Q4. At least 4 of the remaining 8 indicators will be reported in Q4. Due to the change of approach, it should be noted that some of the performance indicators are baseline figures from which targets will be established and then performance monitored against this.

2.9. It should be noted that the approach being taken by Shropshire Council is progressive and in advance of many other authorities and places us in a strong position to continually improve our approach to managing performance, identifying areas of under and over performance, and ultimately providing evidence of our ability to deliver the outcomes set out in TSP.

3.   Recommendations

Transformation & Improvement Scrutiny Committee

3.1. It is recommended that Members of the Transformation & Improvement Scrutiny Committee:

3.1.1. Review and consider performance dashboard information alongside this exception report.

3.1.2. Note progress to date in achieving the outcomes of The Shropshire Plan (TSP) and identify any areas for future consideration by the committee.

Cabinet

3.2. It is recommended that Cabinet :

3.2.1. Review and consider performance dashboard information alongside this exception report

3.2.2. Note progress to date in achieving the outcomes of The Shropshire Plan (TSP) and comment as appropriate

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The management of the Council's Performance Management Framework is a key process in ensuring strategic risks are mitigated and the Council can carry out business as intended and planned for within TSP.

4.2. The management of key performance indicators is a key process to monitoring progress in the delivery of outcomes as set out in TSP. This provides insight into whether corrective action is required to bring performance back on track.

4.3. The performance reports and dashboards provide a high-level lens into the performance of Shropshire Council allowing for further targeted detail analysis to support the mitigation of any risks identified.

4.4. Regular financial reporting is part of the governance and risk management approach within the Council ensuring that it delivers sustainable and value for money services as required under statute. Risk management continues to be an active part of this process, and Officers review potential risk and opportunity scenarios each month. The Council holds two finance related strategic risks regarding managing the current financial situation and so this remains under constant review to consider appropriate management action of the situation.

4.5. The dashboards include instructions for use and a feedback form is available for completion should there be questions or feedback. Members will be shown how to use the dashboards.

4.6. Monitoring will be in place using the dashboards so any issues can be resolved in a timely manner.

4.7. Ultimately, the Council must risk assess the delivery of Strategic Objectives within TSP and adjust, accordingly, to ensure an acceptable balance of outcomes are achieved at a strategic level. This may mean the prioritisation of some objectives over others to react to the evidence presented within the PMF. It may not be possible to achieve optimal performance across all indicators and it may be necessary to oversee expected reductions in performance in some areas to remain within the overall financial envelope.

5. Financial Implications

5.1. The performance report provides progress on key activity targets which will have correlation to financial performance.

5.2. It should be noted that positive improvement on activity may not necessarily correspond to financial improvement, and this should be drawn out in the narrative of the financial and performance reports.

6.   Climate Change Appraisal

6.1.   The performance report includes KPI's for Healthy Environment with measures for monitoring Shropshire Council's direction of progress on climate change.

6.2.   Further indicators will be made available as new data becomes available. This will support a positive outcome.

7.   Background

7.1.   Quarter 3 – as of 19th January 2024 a total of 86 Key Performance Indicators have been added to the Shropshire Plan report. Additional information will be added in the period between writing of this report and its presentation to members.

7.2.   Information on each of these indicators can be found via the performance webpage at – **The Shropshire Plan Performance Report**

7.3.   The online performance report is now the main source of performance information. This report highlights any exceptions or downturns and explains the causal issues and any corrective actions the service is taking.

7.4.   In Q3 there are 12 exceptions that have been raised and these are reported in the additional information section below.

8.   Additional Information

During quarter 3 a total of 12 performance indicators showed an improvement of which the following are the most notable

- HP6 and HP7 a positive reduction in the percentage of children who are overweight,
- HP22 remaining in touch with a high proportion of care leavers,
- HEn6 improved rates of recycling, reuse and composting on last year,
- HO1 and HO2 a reduction in complaints and an increase in compliments,
- HO4 improved satisfaction of Adult Social Care users with their care and support.

There are 12 exceptions to report this quarter.

8.1.   **HO5 Resident satisfaction with Highways and Transport services**

Shropshire Council has actively participated in the National Highways and Transport (NHT) Survey for 14 years. In the latest 2023 survey, 3,300 questionnaires were distributed with an impressive response rate of 29.9%, surpassing the national average of 22.4%.

While the overall feedback scores for Shropshire in 2023 held steady at 45%, which remains slightly below the national average, it's noteworthy that the gap has narrowed from 5% to 2%. In contrast, the national average dipped from 50% to 47%. This positive trend is particularly remarkable given the prevailing challenges faced by authorities nationwide, grappling with a 20% inflation rate in the sector and resultant budget constraints.

Shropshire's innovative mixed economy delivery model for Highways has sought to preserve and improve efficiency levels. Impressively, it resulted in several indicator rankings improving by thirty places or more. Among the extensive survey coverage of 149 indicators, 108 indicators saw improved satisfaction levels, showcasing Shropshire's resilience.

Key areas of improvement were observed, notably in bus fare satisfaction, whereas challenges were identified in the quality of repair to damaged pavements. The top 10 satisfaction scores were dominated by public transport-related indicators, cold weather gritting, speed limits, and advanced warnings of roadworks.

On the flip side, the lowest 10 satisfaction scores were mainly related to highway maintenance indicators, focusing on conditions and speed of repair, along with a few public transport indicators concerning information and an enforcement issue for illegal on-street parking.

Despite these challenges, the council is proactively evaluating the results to inform strategic plans for effective management of highway maintenance and transport services.

8.2. **HP31 The percentage of Educational Health Care Plans (EHCP) issued within the 20 weeks**.

Performance for the year is lower than target. During the year the service area has seen a substantial increase in the number of EHCP requests received totalling 838 during the 2023 calendar year, compared with 487 in 2022 and 261 in 2021. This represents a 72% increase in assessment requests between 2022 and 2023.

During the calendar year for 2023 a total of 572 new EHCPs have been issued compared with 225 in 2022 and 187 in 2021.This represents a 154% increase in new EHCPs issued between 2022 and 2023.

This substantial increase in demand has placed extreme pressure on service resources and has resulted in delays. Since 1st September 2023, staffing capacity has increased, and caseloads have been reduced to an average of 267 from c.300. However, there are still a high number of EHC plans that are yet to be issued which will impact further on the 20 week performance in the first quarter of 2024. A recovery plan has been developed and is being implemented to mitigate the challenges and improve timeliness during 2024.

8.3 **HP 19 Stability of placements of looked after children,**
Placement stability is a key outcome for any child that is looked after, unless they move in a planned way that is in line with their wishes and feelings. Whilst our

current performance is not yet on target, it is has started to move in a positive direction. We continue to strive to improve this of which Stepping Stones is a key resource enabling the right support to children and carers to make sure placements remain stable.

Latest comparator data was published Nov 23. Our latest rate of 73% remains higher than the National, Regional or Statistical Neighbours (all 69% for Mar 2023)

8.4 HEc2 reduce workplace pay gap with the national average by 50% by 2027

The workplace pay gap in the 2021 baseline year was 9.3%. The aim by 2027 is to reduce that gap by at least 50% to 4.6%. The target profile is to close the gap by 0.8% per year.

Results from the ONS Annual Survey of Hours and Earnings for 2023 show the pay gap to be 10.0% which falls below the target for the year of 7.7%. Workplace pay in Shropshire is £614.20 gross per week for full-time workers compared to £682.60 in Great Britain.

Workplace wages in Shropshire may have grown at a slower pace than they have nationally over the last year (+2.6% compared with +6.0%) in part due to the delay in implementing pay increases for public sector workers.

Please note that individual local authority data can show a greater annual fluctuation due to smaller sample sizes.

8.5 HEc11 Paid employment for people with Learning Disabilities

The rate of people with Learning Disabilities who are in paid employment has shown a slight decrease on the position in March 2023. This was due to some changes in people's circumstances impacting on their employment. The current rate of 6.1% remains above the West Midland average of 3.2%, England 4.1% and statistical neighbours 5%.

The service is working with its clients to find opportunities to develop skills and positive experiences through training, volunteering and where suitable to find paid employment. Significant success this year has involved 41 people with a Learning Disability engaging in internships across Shropshire in a variety of work placements.

8.6 HEc20 'Attainment 8' inline or better than national average

"Attainment 8 is a way of measuring how well pupils do in key stage 4, which they usually finish when they are 16 years old. Each grade a pupil gets is assigned a point score from 9 (the highest) to 1 (the lowest)." (source: GCSE results (Attainment 8) - GOV.UK)

2023 outcomes should not be compared to 2022 as nationally there was a different methodology used. Using the new methodology, the target would have been

reduced to the England rate of 44.6. The achieved A8 score was slightly below this target and below the statistical neighbour rate of 45.18.

A8 is a measure of attainment across 4 areas (English, Maths, EBacc subjects and other subjects). Shropshire's A8 score in each area was below national.

9 out the 20 secondary schools achieved an A8 score above the statistical neighbour rate of 45.18. All but one of the secondary schools in Shropshire are academies. The A8 and P8 scores of the sole maintained school were both above the national and statistical neighbour averages. Responsibility for the outcomes of academies rests with the Regional Director not the LA (Regional Department for Education (DfE) Directors - GOV.UK)

8.7 HO17 Responding to freedom of information requests within statutory timescales

Substantial improvements have been made during the year to improve response times for Freedom Of Information (FOI) requests. During the latest quarter, slippage was noted in the response rate during December. Impact was noted towards and during the holiday period. A FAST review by the Office of the Chief Executive is being undertaken and communications to Executive Directors to advise of the position.

8.8 HO18 % of staff and members who have completed the cyber security training (on time)

Cyber security is a critical issue for Shropshire, as it faces various threats and risks from hackers, malware, phishing, and other cyber-attacks. To protect the organisation's data, systems, and reputation, it is essential that all staff are aware of the best practices and policies for cyber security and follow them consistently.

To achieve this goal, the organisation has invested in cyber security training, which covers topics such as: password management, email security, device security, data protection, and incident reporting. The training program consists of online modules and quizzes, which take about 1-2 hours to complete. The training program is mandatory for all members and all staff, regardless of their role, level, or location. The training must be completed annually.

Despite the importance and urgency of the cyber security training program, the take up of the training has been relatively poor. According to the latest data, against our 95% target only 90.54% of members and 83.7% of staff have completed the training program. This means that a lot of the staff are not fully equipped with the knowledge and skills to prevent and respond to cyber security incidents, which exposes the organization to significant risks and vulnerabilities.

The low completion rate of the cyber security training program can be attributed to lack of motivation, and time. Based on the feedback from the staff, they are not able to find the time to complete the training program, as they are busy with their core tasks, projects, or deadlines, and the training program is not factored into their work schedule. The training program is not considered a priority by the staff.

In May 2023 a revised process was agreed by members that has a firmer approach on those who haven't completed the training, disabling access to systems if training

is not completed. Since this time, we have been working hard to understand the best way of technically doing this along with being mindful of the nuances of automatically disabling accounts. For example, how do we handle long term sickness, if an account is disabled for another reason and access is requested how do we flag this, what's the process for reenabling an account, what about service accounts or accidentally locking us all out?

We are now at the stage where we can turn on the automatic disabling of accounts. To communicate this properly, give people adequate time to do the training and understand the impact on services we have developed the following timeline:

• November 2023 – Notification to ERB about the process along with a list of staff who haven't completed the training so that the impact to services can be discussed.

• December 2023 – "Cyber Christmas" campaign. Daily tips and security best practices to avoid scams etc. over the Christmas period, along with the importance of completing the training and that account access will be suspended if training isn't completed. We will be telling staff that this will come into force in January to give them time to complete outstanding training and there will be less staff in ICT over Christmas to deal with any fallout.

• January 2023 – turn on automatic disabling of accounts.

We will review the impact this has on compliance numbers and how the process is working and feedback as appropriate.

8.9 **HO 11 Staff turnover rates**

Staff turnover last quarter was 9.58% or excluding Shire services was 8.02%. This is higher than profiled. Please note the figure quoted is a cumulative annual figure for 2023/24.

8.10 **HO 13 Staff sickness rates**

The increase in sickness absence this quarter largely due to seasonal influences, for example absences due to coughs, colds and influenza has more than doubled compared to last quarter. The team actively monitors all sickness and provides appropriate guidance and support to managers and staff to minimise absence.

8.11 **HO6 Budget outturn vs budget**

At Quarter 3 (April – December), the Council is reporting a BAU ('business as usual') forecast overspend of £14.6m**, including**

a. **The** expected level of savings delivery is £39.798m. That savings not yet confirmed amount to £11.593m.
b. That demand-led services are forecasting significant overall budget pressures of £28.495m in the year, which are likely to continue into the coming year. These are pressures are planned into the budget for next year. After planned

application of £20.5m of reserves set out in the reports for Q1 and Q2, the net budget pressure in People directorate is reduced to £7.995m.

c.   Net service pressures across all areas amount to £14.632m (see Q3 finance monitoring report, table1).

d.   The result of A-C above with no further actions and including changes to corporate budget forecasts and anticipated grant income is a forecast overall overspend of £14.533m.

The significant budget pressure being seen in social care is a position shared in common with many other local authorities, as recent media reports and sector communications have continued to confirm. It is clear that the ongoing impacts of COVID and the cost of living crisis continue to impact on many residents.

8.12 HEn9a Generation of renewable energy – solar

The number of kwh generated and CO_2 savings was lower than the corresponding period in 2022. This reduction is mainly attributed to weather conditions.

9.   Conclusions

9.1.   The development of the new reporting sees a substantive step change in the reporting of performance with more emphasis on target delivery and comparator information.

9.2.   The key performance pressure remains the delivery of a balanced budget which are detailed in the financial report. Delivery of financial savings is sitting at 80% higher than any year and against a higher target than ever.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member:	N/A
Appendices	
None	