

Report of	Meeting	Date
Chief Executive	Overview and Scrutiny Performance Panel	Thursday, 23 November 2023

Performance Focus - Policy and Governance

Is this report confidential?	No
------------------------------	-----------

Is this decision key?	No
-----------------------	-----------

Purpose of the Report

1. To provide the Overview and Scrutiny Performance Panel with a performance update for the Policy and Governance Directorate. This includes:
 - a) An overall directorate summary and budget position,
 - b) An overview of performance at quarter two 2023/2024
 - c) An update on the Corporate Strategy projects

Recommendations

2. That the information contained within this report is discussed by the Overview and Scrutiny Performance Panel to understand and monitor performance within the Policy and Governance directorate.

Reasons for recommendations

3. To ensure the effective monitoring of performance with the Policy and Governance Directorate and subsequent delivery of the Corporate Strategy and its strategic objectives.

Other options considered and rejected

4. No other options have been considered or rejected. This is because the report does not present any key items for decision.

Corporate priorities

5. The report relates to the following corporate priorities: (Please bold one)

Housing where residents can live well	A green and sustainable borough
An enterprising economy with vibrant local centres in urban and rural areas	Healthy, safe and engaged communities

Background to the report

5. Each quarter a directorate level performance update is presented to the Overview and Scrutiny Performance Panel for review. An update for Policy and Governance has been prepared as of quarter two and this directorate was last reviewed in December 2022. The directorate includes the following five services:
 - Communications and Visitor Economy,
 - Finance,
 - Governance,
 - Transformation and Partnerships,
 - Economic Growth.
6. This report presents an overview of the directorate's performance over 2023/24 as well as a breakdown of the financial position, corporate and service level indicator performance, and the progress of the Corporate Strategy projects as of quarter two 2023/24.

Directorate overview

7. The directorate has been performing well over 2023/24. Of the 28 indicators that can be reported at the end of quarter two, 21 (75%) are performing on or above target or within accepted 5% tolerances. In terms of the 41 business plan projects under the directorate, 31 (76%) are rated as Green or Completed, nine (24%) are rated Amber, and one (2%) is classified as Red. Additional information on the performance of service level projects is reported to this Overview and Scrutiny Performance Panel as part of the bi-annual business plan update.

Financial position 2023/24

8. The below table outlines the General Fund Revenue Budget monitoring quarter two provisional outturn 2023/24 for the Policy and Governance Directorate:




Quarter 2 Provisional Outturn 2023/24 – Policy and Governance	£
Original Budget 2023/24	5,709,900
Agreed changes	358,800
Amended Budget 2023/24	6,068,700
Forecast at 30/09/23	6,091,307
Variance	22,607
Variance	0.4%

9. The biggest spend in this directorate is on staffing cost.
10. The original budget has increased by £359k as at 30th September 2023. £65k due to re-alignment of budgets following Director's review, £287k due to centralisation and movement for all Directors budget within Policy and Governance and £7k transfer of insurance budgets from Property to General Insurance within Policy and Governance directorate.

11. The provisional outturn for Policy and Governance shows an overspend of £23k as at 30th September 2023 giving a 0.4% variance against the current budget. The overspend has been largely due to;
- £310k net underspend on staffing across the directorate compared to the budget for 2023/24. The underspend is primarily due to the centralisation and movement of the budgets and expenditure for all Directors from the individual directorates, to the Policy and Governance directorate; across the Director budgets there is an underspend of £176k due to vacant posts. In addition to this, there are vacancies in the Finance Team (£29k) and the Corporate Policy Team (£98k). These underspends are offset by agency staff costs within the Procurement team and the non-achievement of the staff vacancy provision of 2.5% across several teams within the directorate who are now fully staffed. The forecast also includes the pay award for 2023/24 compared to the 5% provision included in the base budget.
 - £168k overspend due to the increased cost of utilities.
 - £127k forecast overspend/under-recovery of income on the events (£67k) and tourism (£60k) budget.
 - £40k overspend on future events over the remainder of the year, based on current levels of expected expenditure.
 - £18k increase in income compared to budget due to the support provided by government, following the Redmond Review, towards the increase in external audit fees offset by a further increase in the external audit fee of £11k, as the scale fee for 2023/24 has increased.
 - £24k forecast overspend within the Legal Services Team relating to legal fees, licence fees and non-staffing costs.
 - £61k net increase in costs over the amount budgeted within the Human Resources Team due to an increase in council wide recruitment fees, together with additional IT software annual licence costs following re-procurement of contracts and a subsequent overlap in the running of the contracts.
 - £34k increase in income relating to the new lease for office space at the Union Street office.
 - £19k of additional income compared to budget relating to work carried out within the Corporate Policy team for the Primary Care Network.
 - £28k net underspend relating to various other small variances within the directorate.

Performance indicators

12. A three-colour symbol rating system is used for performance indicators to indicate status as shown in the table below:

	Performance is better than target		Worse than target but within threshold (5%)		Worse than target, outside threshold (5%)
---	-----------------------------------	---	---	---	---

13. A summary of key performance information for each service within the Policy and Governance directorate over the year of 2023/24 is provided below:

Corporate Strategy indicators

14. The table below highlights the key Corporate Strategy measures for the directorate. There are five indicators that can be reported at quarter two, with four performing above target and one performing outside of the 5% threshold.

Indicator	Polarity	Target	Performance (Q2 2023/24)	Symbol	Trend
The number of claimants as a proportion of resident population of the area aged 16-64	Smaller is better	4.2%	2.3%	★	Better than Q2 2022/23
Overall employment rate	Bigger is better	73.8% (Regional Average)	64.1%	▲	Worse than Q2 2022/23
Number of projected jobs created through Chorley Council support or intervention	Bigger is better	100	159	★	Better than Q2 2022/23
The % of 16-17 year olds who are not in education, employment or training (NEET)	Smaller is better	3%	1.9%	★	Worse than Q2 2022/23
Number of business engagements by the Council	Bigger is better	450	527	★	New for 2023/24

15. The overall employment rate in quarter two 2023/24 is lower than the National (75.6%) and Regional average (73.8%). This indicator is also performing worse than the 75.1% reported in Q2 2022/23. A key factor affecting employment rates is the performance of the wider economy. High inflation rates, labour costs, interest rates, and the pandemic have all impacted on businesses across the country, leading to limited growth and businesses closures. This coupled with reduced budgets for public services, has caused businesses to be cautious on recruitment nationally over the recent years. Further research is being undertaken to identify the reasons for economic inactivity. This will help identify those people who could potentially work but aren't currently. Work is continuing in collaboration with partners such as the Department of Work and Pensions (DWP), to develop employment support activities, which will be targeted at the cohorts identified. The council is working with businesses to identify job opportunities, this includes ensuring that any business growth leads to the creation of jobs and that businesses are meeting social value priorities. The council are also working with businesses to identify skills gaps to ensure that local residents are able to access any opportunities available.

Local indicators: Communications and Visitor Economy

16. The below table outlines performance relating to Customer and Visitor Economy. There are three indicators that can be reported at quarter two, with all three performing on or above target:

Indicator	Polarity	Target	Performance (Q2 2023/24)	Symbol	Trend
% of email open rates within the Attain System	Bigger is better	50%	58.89%	★	Worse than Q2 2022/23
Social media engagements	Bigger is better	46,500	52,085	★	Better than Q2 2022/23
Number of entrants to Astley Hall	Bigger is better	4,694	6,217	★	Better than Q2 2022/23

Local indicators: Finance

17. The below table outlines performance relating to Finance. One indicator that can be reported at quarter two, and is performing below target and outside the 5% threshold:

Indicator	Polarity	Target	Performance (Q2 2023/24)	Symbol	Trend
Supplier Payment within 30 days	Bigger is better	99%	93.85%	▲	Better than Q2 2022/23

18. Supplier payments remain below target but have seen significant improvement from last year (90.36%). The majority of payments exceeding the payment term timescale is due to teams not goods receiving and authorising in a timely manner. Where teams are late with Goods Received Note (GRN) and authorisations, they are being proactively contacted by Accounts Payable to encourage prompter actions. Any teams that are repeatedly late without explanation are raised as an issue with the section 151 officer.

Local indicators: Governance

19. The below table outlines performance relating to Governance. There are 11 indicators that can be reported at quarter two, with six performing on or above target and five performing below target and outside the 5% threshold:

Indicator	Polarity	Target	Performance (Q2 2023/24)	Symbol	Trend
% of planned time used (Internal Audit)	Bigger is better	90%	104.3%	★	Better than Q2 2022/23
Internal Audit - % of Audit Plan Completed	Bigger is better	45%	75%	★	Better than Q2 2022/23
% Satisfaction level (assignment level) - (Internal Audit)	Bigger is better	90%	94.3%	★	Worse than Q2 2022/23
% of agreed internal audit actions implemented by management	Bigger is better	90%	56%	▲	Worse than Q2 2022/23

Indicator	Polarity	Target	Performance (Q2 2023/24)	Symbol	Trend
% Health and Safety Office Inspections	Bigger is better	45%	81.25%	★	Better than Q2 2022/23
% draft minutes circulated within 10 days	Bigger is better	95%	100%	★	Same as Q2 2022/23
% valid postal/proxy vote applications processed within 3 working days	Bigger is better	95%	100%	★	Same as Q2 2022/23
% complaints to the Chief Executive responded to within 10 working days	Bigger is better	75%	60%	▲	Worse than Q2 2022/23
% complaints to the MP responded to within 10 working days	Bigger is better	75%	69.16%	▲	Worse than Q2 2022/23
Number of external Lancastrian bookings	Bigger is better	25	21	▲	Worse than Q2 2022/23
Lancastrian revenue generated	Bigger is better	£8,000	£6,481.51	▲	Worse than Q2 2022/23

20. The percentage of agreed internal audit actions implemented by management is below target, the performance of this indicator is dependent upon services to implement those actions, and in order to address this, reports have been issued to Directors at the end of Q2 highlighting the implementation rates for each of their directorates.
21. The percentage of complaints to the Chief Executive responded to within 10 working days is below target for quarter two and equates to two responses late. There are multiple levels of approval needed when processing these complaints and formulating responses. The Council will be looking to further improve this process in the future to make sure we meet or exceed targets, including a breakdown by Directorate which can be addressed by individual Directors.
22. The percentage of complaints to the MP responded to within 10 working days is below target for quarter two and equates to six responses that were received after the deadline. The Council will be looking to further improve this process in the future, including a breakdown by Directorate which can be addressed by individual Directors.
23. The number of external Lancastrian bookings are below target, unfortunately in July the Lancastrian was unavailable due to a bad leak in the roof which meant that the room could not be safely used for three weeks, plus a further two weeks to allow for planned maintenance and redecoration. All renovations are now complete, and the Lancastrian is available for bookings.
24. The Lancastrian revenue generated is also below target and again this can be attributed to the unexpected closure of the Lancastrian. The Council is also currently reviewing the charges for the Lancastrian to ensure that we cover costs which is likely to result in an increase.

Local indicators: Economic Growth

25. The table below outlines the indicator performance for the two indicators within the Economic Growth Service. At the end of quarter two, both indicators are performing above target:

Indicator	Polarity	Target	Performance (Q2 2023/24)	Symbol	Trend
Number of businesses referred/supported by the Council	Bigger is better	330	399	★	Better than Q2 2022/23
Number of businesses attending Council business/networking and engagement events	Bigger is better	300	374	★	Better than Q2 2022/23

Local indicators: Transformation and Partnerships

26. The below table outlines performance relating to Transformation and Partnership. There are six indicators that can be reported at quarter two, all six performing on or above target or within the 5% threshold:

Indicator	Polarity	Target	Performance (Q2 2023/24)	Symbol	Trend
% of business plan projects rated green or completed	Bigger is better	80%	79	●	Better than Q2 2022/23
% Corporate Strategy projects on track / delivered – Council-wide	Bigger is better	90%	89%	●	Better than Q2 2022/23
Number of FTE days lost per year through short term sickness absence	Smaller is better	1.29	0.77	★	Better than Q2 2022/23
Number of FTE days lost through long term sickness absence	Smaller is better	4.08	3.06	★	Better than Q2 2022/23
Average working days per employee (FTE) per year lost through sickness absence	Smaller is better	5.37	3.83	★	Better than Q2 2022/23
% of service development actions on track	Bigger is better	70%	100%	★	Better than Q2 2022/23

Projects

27. Under the Policy and Governance directorate there are a total of six Corporate Strategy projects, with five rated as green for quarter two 2023/2024. These include:
- Continue to develop Astley Hall,
 - Launch sustainable energy package for business,
 - Launch skills and jobs programme,
 - Rural England Prosperity Fund grants,
 - Deliver high quality, retrospective Council services.
28. One project was rated as amber.
- Improve our Council buildings.
29. Delivery of the Corporate Strategy projects are monitored on a quarterly basis through the quarterly performance report, which is presented to Executive Cabinet. The last update was provided in November 2023 covering quarter two performance. This report can be found under background documents. The next update will be presented in February 2024, which will cover quarter three performance.
30. Service level projects are monitored bi-annually. The latest update will be presented to the Overview and Scrutiny Performance Panel in November 2023.

Corporate Strategy projects

31. In the table below, an update on the current Corporate Strategy project position for each corporate project under Policy and Governance can be found below:

Project	Rating (Q2 2023/24)	Update (Q2 2023/24)
Continue development of Astley Hall	GREEN	The council is committed to preserving Astley Hall as a valuable community asset and promoting it as a visitor destination and attraction. During the quarter, the council has relocated all the artwork back to the art store and refurbished the walled garden glasshouse. Preparatory work has been completed to identify a list of improvement projects, which will utilise the UK Shared Prosperity Funding (UKSPF). A list of projects will be brought forward to be delivered with detailed timescales over the next quarter.
Launch sustainable energy package for business	GREEN	Over the last quarter, progress has been made in advancing a sustainable energy package to support businesses to thrive amid the current economic climate. The contract terms have been agreed with the Chamber of Commerce, ensuring their commitment to delivering a streamlined grant process, ensuring that businesses can quickly access grant funding and deliver the outcomes as required by the UK Shared Prosperity Fund (UKSPF). Businesses can apply for the grant and the scheme is being promoted via e-mail, newsletters, social media and at events. A launch event took place on 1 November and included the introduction of the council's Climate Change Accreditation Scheme.

Project	Rating (Q2 2023/24)	Update (Q2 2023/24)
Improve our Council buildings	AMBER	<p>This project is rated as Amber due to delays in advancing the heating system options and the need for more comprehensive exploration of wider improvements to the council's buildings. Proactive maintenance has been a contributing factor.</p> <p>To address this and ensure that that the project aligns to the organisation's needs, an Accommodation Working Group which includes Property, Climate Change and Transformation and Change services will be established in October 2023. The group's role will be to co-ordinate and drive forward all non-routine improvements to the council's working accommodation to ensure a modern and fit for purpose environment.</p> <p>The scope of the project will be reviewed and reprofiled through the Accommodation Working Group.</p>
Launch a skills and jobs programme	GREEN	<p>Working with our partners to support skills, development, and innovation, the project to launch a skills and job programme continued to promote future career pathways and provide a local skills pipeline to meet the needs of local enterprise. During the quarter, mapping of needs has taken place to identify upskilling, training and employability provision that is currently available in the area. The key themes for the programme are being developed, and the Employment and Skills Officer will work in collaboration with partners to help build relationships and enable closer working.</p>
Increase digital connectivity in rural areas (Rural England Prosperity Fund Grants)	GREEN	<p>Progress has been made on the development of the Rural England Prosperity Fund project, which seeks to help support specific challenges in rural areas by offering a rural grants scheme to enable eligible businesses to make capital improvements to their operations. Over the quarter a collaborative agreement for the administration of the scheme has been secured with Lancashire County Council, ensuing agreed procedures and processes are in place to support the delivery, monitoring, and evaluation of the scheme.</p> <p>To ensure that the scope of the scheme is aligned to local needs and priorities, a consultation has been undertaken with local businesses to understand the level of demand and identify potential applicants. The scheme was launched on 15 September with expressions of interest now open for rural businesses across Chorley to apply for grant funding. Eligible businesses will have to complete a three stage application process to access the funding.</p> <p>Over the next quarter, the council will deliver its plan to promote the scheme and encourage expressions of interests from rural businesses by the closing date (6 October). Business planning workshops will be arranged, and one to one sessions will be in place to support businesses through the application process.</p>

Project	Rating (Q2 2023/24)	Update (Q2 2023/24)
Deliver high quality, responsive council services	GREEN	<p>To support the delivery of high quality and responsive services, work has progressed to deliver the council's ambitious transformation programme. The focus this quarter has been on aligning new ways of working and processes within the pest control service, which is now a shared service across both councils. Delivery of the Property and Asset development plan has continued to enable a joint operating model.</p> <p>Over the next quarter a Customer Relationship Management (CRM) system will be procured, new external website forms will be developed, and the project will continue to deliver the Property and Asset development plan to support the delivery of exceptional services.</p>

Climate change and air quality

32. The work noted in this report has an overall negative/positive impact on the Councils Carbon emissions and the wider Climate Emergency and sustainability targets of the Council.

Equality and diversity

33. The material presented and discussed in this report has no direct implications on equality or diversity.

Risk

34. There are service level risk registers contained with the GRACE risk management system recording risk for the directorate. These are regularly monitored through Directorate Management Team, where risks are discussed, reviewed, and updated according to service needs and the current risk context.

Comments of the Statutory Finance Officer

35. There are no direct financial implications arising from this report. The information contained within in relating to finance is consistent with the quarterly financial reporting.

Comments of the Monitoring Officer

36. The report is for information and noting – there are no direct legal implications arising.

Background documents

41. The following documents are key background items for this report:
- Business Plan Progress Update 2022/23 (elsewhere on this agenda)
 - [Quarter Two Performance Monitoring Report 2023/24](#)
 - [2023/24 Corporate Budget Monitoring Report](#).

Appendices

There are no appendices that accompany this report.

Report Author:	Email:	Telephone:	Date:
Louise Wingfield (Policy and Performance Advisor)	Louise.Wingfield@chorley.gov.uk		9/11/2023
Jessica Dibble (Policy and Performance Advisor)	Jessica.Dibble@chorley.gov.uk		