

MAKE IT YORK PERFORMANCE MONITORING & REPORTING

The following paper outlines draft arrangements for the Council monitoring Make it York performance in delivering against its Commissioning Agreement (included as attached document 2b); as well as overall organisational objectives, including financial viability, as a wholly owned company by the Council.

1. BACKGROUND

The starting point upon which to elaborate on in this paper is what has been agreed by the Council and Make it York as part of existing documents. That is for Make it York:

- To have quarterly meetings with the Council's Make it York Shareholder committee, updating the committee on activity and performance and against the commissioning agreement
- To have quarterly monitoring meetings with the Council's commissioning lead for the contract
- To publish an annual report, which reports against outputs, outcomes and responsibilities in this commissioning agreement, and sets out an updated business plan for the year ahead, which will be shared with the Council's Cabinet
- *Where topics being scrutinised are relevant to the work of Make it York, to provide representation at Overview & Scrutiny Committees as appropriate*

In addition to this, the Council will have 2 representatives on the Board of Make it York which will be responsible for operational oversight of the company. This direct oversight is not further explored in this paper; as it is for Make it York and the Board itself to determine how it wishes to operate.

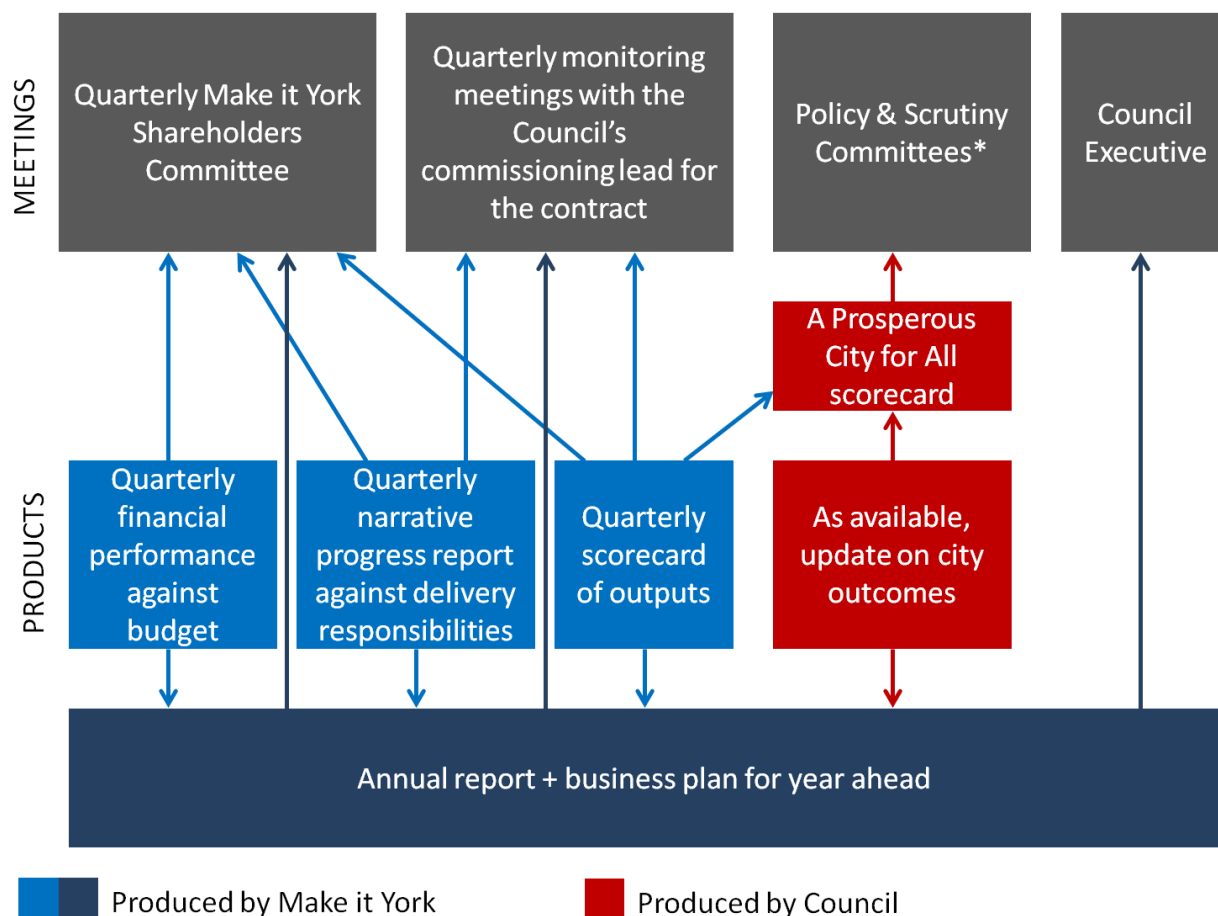
Expanding on the above, there are a number of particular contexts or forums where performance will be considered, such as quarterly monitoring meetings with the Council's commissioning lead and the Make it York Shareholder

committee. There are also a number of 'products' to enable this to happen, such as annual reports and updates on activity. This paper aims to bring clarity and agree mutual expectations on these various elements.

From the outset, it is important to outline some broad principles to inform the approach to be taken:

- Performance should be monitored and reported against what Make it York has been tasked with by the Council (through the SLA). Performance and progress against what it has not been explicitly tasked with is secondary.
- There should be clarity from the outset for both Make it York and the Council about what reporting is expected and what that looks like.
- As a publicly owned body, Make it York's performance should be as transparent and straightforwardly presented as it can be, and shared in the public domain where possible while not compromising commercial confidentiality.
- Performance requirements should be streamlined where possible to avoid duplication of effort (e.g. where the same things can be used in multiple contexts) and enable Make it York to focus on delivery. This should also align with internal reporting requirements and plans, again to avoid duplication of effort.
- There should be the opportunity for healthy challenge. As a wholly owned company, success is in both the interest of the Council and Make it York. Similarly, penalisation for underperformance suits neither. Therefore, issues should be sought to be brought to light and addressed in the spirit of openness and collaboration.

2. 'PRODUCTS' TO ENABLE MONITORING OF MAKE IT YORK PERFORMANCE



* This refers to Economic Development & Transport Policy & Scrutiny Committee primarily, but also Learning & Culture Policy & Scrutiny Committee. These bodies are free to scrutinise Make it York as they see fit, so will not receive regular reports automatically unless they wish to. However, some recommendations for how they may wish to take forward the Policy & Scrutiny Function with regards to Make it York, and work coherently with the other groups, is suggested on page 5.

In monitoring Make it York, it is important for the Council to understand the various aspects of Make it York's performance outlined in the Commissioning Agreement:

- Outcomes (which it indirectly contributes to)
- Outputs (which it directly contributes to)
- Responsibilities
- Other requirements

- Financial performance

a) Baseline information

Ahead of measuring performance going forward, it is important to be able to articulate the baseline or historic position to understand how Make it York is doing against comparative targets or its position against the forecast budget for example.

i) Baseline financial position and budget

Baseline budget projections as per the Make it York's Business Plan January 2014 are detailed in attached document 2a. Further work on the business plan and financial projections may have been undertaken since; so it would be worth bringing the most up to date version to the first Shareholder committee.

At the first meetings of the Shareholders meeting and the regular monitoring meetings with the Council's commissioning lead, it will be helpful to ensure these documents are understood sufficiently for effective future monitoring.

ii) Baseline performance

Baseline performance and how this has been collected is detailed in attached document 4a.

b) Ongoing monitoring

Reporting will be carried out on a retrospective basis: i.e. for the April – June, performance will be reported in July or August.

i) Quarterly financial performance updates

As part of these, it would be expected for Make it York to provide actuals and updated projections against each line of the business plan budget. Where there are notable variances from what was budgeted, Make it York should note reasons for this, and, if a negative variance, action being taken to address this. Similarly, if budget projections are altered, assumptions made in this should be

outlined. Any elements which are commercially confidential would be treated as such and not published publicly.

ii) Narrative progress report against delivery responsibilities

The focus of this would be to understand progress of activities being undertaken by Make it York to fulfil its responsibilities and other requirements. Similarly, the report should identify any issues in fully delivering certain elements, and what is being done to address this. A template report for discussion is detailed in attached document 4b.

iii) Make it York Scorecard of Outputs

There are a number discrete output indicators which Make it York will report against, largely on a quarterly basis. The scorecard for this is still in development in order to align with reporting to the Make it York board to avoid duplication. A Visit York scorecard is included in attached document 4c by way of example of what this might look like. Discussion about what is or could be done to address areas of underperformance would form part of monitoring meetings with the Shareholder committee and Officer commissioning lead.

i) Outcomes informing Economy & Place scorecard

The outcomes in Make it York's Commissioning Agreement are largely measured by wider economic data, and as such collating this information will be led by the Council. As this information is reported less frequently, this will be used to feed into the longer term Economy & Place scorecards taken to Scrutiny; and the Annual Report. As above, a focus on what is or could be done to address areas of underperformance would form part of Scrutiny's remit, as the reasons for failing to meet targets could be beyond Make it York's, or indeed the Council's, levers to intervene.

iv) Annual Report

The annual report will cover each of the elements above, summarised on an annual basis. This would subsume the fourth round of quarterly reporting.

v) Business Plan for the year ahead

The business plan for the year ahead would provide a forward budget breakdown as per the business plan. It would be expected to detail any assumptions, particularly where there are changes from the year before projected (e.g. increased income). Any elements which are commercially confidential would be treated as such and not published publicly.

It should also set out intended activity for the year ahead against the desired city outcomes, and each area of responsibility in the Commissioning Agreement.

All these documents would be made public except for any elements which are commercially confidential would be treated as such and not published publicly.

3. FORUMS OR MEETINGS FOR MONITORING MAKE IT YORK PERFORMANCE

To clarify the respective roles.

a) The Executive

Takes important decisions concerning the company including:

- The appointment and dismissal of Directors
- Undertaking borrowing and loans
- Allocating funding to the company
- Agreeing the service level agreement with the company
- Making any changes to the nature of the company

b) Shareholder committee

- Provide a public forum for which the performance of Make it York can be highlighted and monitored
- Scrutinise the affairs and performance of Make it York against the agreed Commissioning contract and budget
- Influence the appointment of Directors including pay packages
- Influence the Make it York board on the direction of Travel of Make it York, and make recommendations on operational matters as highlighted by performance reporting.
- Communicate the practical application of the Council's priorities to the Board and how the Company is able to contribute to them being attained;
- Report to Executive on strategic matters where appropriate.

c) Economic Development & Transport Policy & Scrutiny Committee

Like all scrutiny boards EDTPSC may:

- Review any issue that it considers appropriate: Topics may be in the areas in which Make it York operates and focus on the strategic outcomes that Make it York is pursuing in those areas. Where EDTPSC selects a subject area to scrutinise that is in the remit of MiY then MiY will provide representation.
- Identify aspects of the Council's operation and delivery of services, and/or those of the Council's statutory partners, suitable for efficiency reviews. EDTPSC may wish to do this by:
 - o Scrutinising the Company's annual business plan including capital and revenue plans which are approved by the shareholders.
 - o Scrutinise how control of the Company is exercised on a strategic basis to complement the Council's objectives.
 - o Seeking reassurance that the 20% Teckal threshold is maintained.

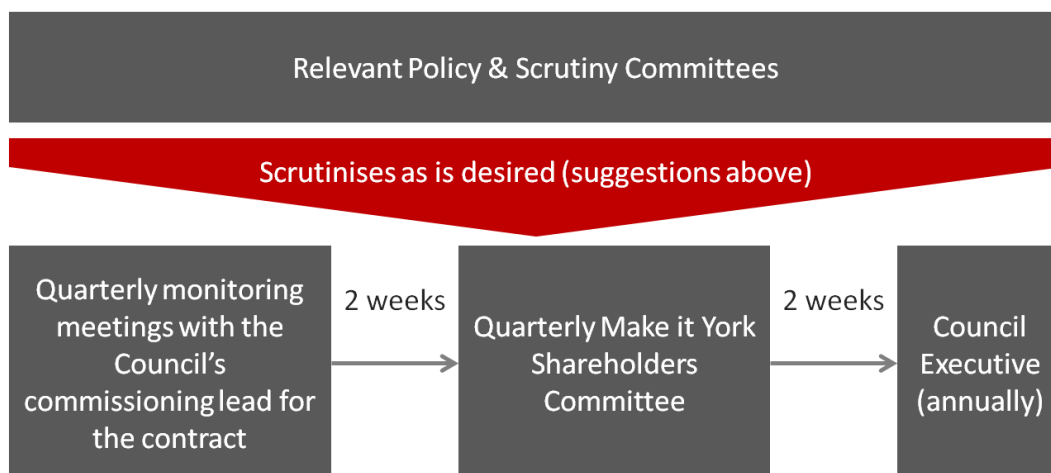
It is suggested that Economic Development & Transport Policy & Scrutiny Committee may wish to consider twice a year; once around the time of the Annual Report and refreshed annual Business Plan (April/May), and once in the lead up to Executive taking budget decisions and considering changes to the Commissioning Agreement for subsequent year (October/November).

d) Commissioning Lead Officer (Economy & Place Strategy & Policy Group Manager)

- Monitors and scrutinises the performance and operation of Make it York (specifically against the Commissioning Agreement and budget set) from an officer perspective
- Advises the Executive, Shareholder committee and relevant Policy & Scrutiny Committees on elements of Make it York delivery and performance it may wish to examine further
- Advises the Executive on options for future allocation of funding to the company through the Council's budget process and any changes to the service level agreement
- Manages the commissioning of ad-hoc additional work for Make of York as appropriate within budgets set by the Council, and with necessary approval from Executive according to agreed financial thresholds.
- Under direction from Executive, negotiates and agrees any changes to the service level agreement with Make it York

A note on staging of meetings with various groups

It is suggested that the scheduling of meetings enables a coherent process of building on discussions with other groups, e.g. for the Shareholder committee to make recommendations and inform Council Executive ahead of its consideration of Make it York’s Annual Report and refreshed business plan. In broad terms, the following ordering is suggested:



4. SHAREHOLDER COMMITTEE OUTLINE AGENDA

It is anticipated that regular future Shareholder Committee meetings would broadly follow the following standing agenda items:

1.	Minutes from previous meeting and matters arising
2.	Monitoring financial performance
3.	Monitoring performance against objectives
	A) Narrative report of latest activities and progress against responsibilities B) Make it York scorecard
4.	Any other business

5. SHAREHOLDER COMMITTEE FUTURE MEETINGS

To tie in with end of quarter reporting, some preliminary suggested dates for future Shareholder Committee meetings are detailed below:

- 5 October 5pm
- 18 January 5pm
- 18 April 5pm
- 18 July 5pm

6. PROCESS FOR RENEGOTIATING COMMISSIONING AGREEMENT, INCLUDING COUNCIL CONTRIBUTION FOR SUBSEQUENT YEAR

It is suggested that as a normal expectation, the Commissioning Agreement and Council contribution is refreshed on an annual basis, to enable clear direction and targets, and focus on delivery throughout the year rather than constant re-evaluation of approach.

Decisions about the Council's contribution to Make it York will be through the annual budget setting process. Unless they are fundamental (i.e. no longer fulfils the purpose of the organisation as set by the Council Cabinet), as per Cabinet's decision, amendments to the Commissioning Agreement (Service Level Agreement) will be delegated to the Chief Officer responsible for Make it York (currently, Chief Executive); but in agreement with the Lead Executive Member(s) and with involvement from the Shareholder committee. Where possible, however, amendments to the Commissioning Agreement for the following year will be agreed at a public meeting of Executive on an annual basis.

Economy Development & Transport Policy & Scrutiny committee may wish to consider making recommendations to Executive on suggested changes to the Commissioning Agreement and Council contribution; including any collated recommendations from Scrutiny reviews for Make it York at this point to enable joined-up decisions taking in all competing priorities. It should do this in a timely way to fit in with the budget and commissioning cycle.

From its ongoing monitoring of organisational performance, the Shareholder committee may wish to make recommendations to Executive which relate to

the Commissioning Agreement and Council contribution; but it is not its core role to re-evaluate the overall priorities and focus of the Make it York. If it is making recommendations, it should do this in a timely way to fit in with the budget and commissioning cycle.