

Communities Overview & Scrutiny Committee

8 February 2023

Council Plan 2022-2027

Integrated Performance Report Quarter 2 2022/23

Period under review: April to September 2022

Recommendation

That the Committee considers and comments on Quarter 2 organisational performance, progress against the Integrated Delivery Plan, management of finances and risk.

1. Executive Summary

- 1.1 The wider national context is a critical frame within which to view the Council's performance. The UK is experiencing the consequences of both significant political, global and macro-economic turbulence, including two recent changes of UK Government, the impact of the Pandemic, and the war in Ukraine. High inflation, rising interest rates and the resulting fiscal challenges are impacting the cost of living, increasing pressure on an already tight labour market, demand for public services and public finances.
- 1.2 Such an unprecedented combination of events at a global and national level leaves the country facing a period of significant uncertainty and a very challenging financial outlook in the short- to medium-term. This volatility is impacting on the Council's resources, both financial and in terms of recruitment and retention, levels of demand, and increased uncertainty about a number of key national policy areas including Adult Social Care reform, devolution, levelling up and climate change.
- 1.3 Inevitably these factors, which were not anticipated at the time the Integrated Delivery Plan and the Performance Management Framework were developed, are impacting on our priorities, focus, capacity and project delivery timescales. The reporting of performance will track and highlight these impacts on delivery and performance, and inform the basis of prioritising activity and resource allocation as we undertake the refresh of the Integrated Delivery Plan.
- 1.4 This report summarises the Council's performance at the end of the second quarter (April-September 2022) against the strategic priorities and Areas of Focus set out in the Council Plan 2022-2027. All information contained within this report has been taken from the Quarter 2 Integrated Performance and Finance reports Cabinet considered on the 10th November. Performance is

assessed against the Key Business Measures (KBMs) contained within the agreed Performance Management Framework. This is summarised in Section 2 and more fully presented within Appendix 1.

- 1.5 Progress against the Integrated Delivery Plan is summarised in Section 3 and more fully presented within Appendix 2.
- 1.6 Management of Finance is summarised in Section 4 and the summary dashboard is presented in Appendix 3.
- 1.7 Management of Risk is summarised in Section 5 and more detailed information is presented in Appendix 4.
- 1.8 The paper sets out a combined picture of the Council's delivery, performance, and risk. Officers are still embedding this new approach and performance framework, and a number of new measures will not be available for reporting until Year End. The format and content of these integrated performance reports will continue to evolve over the course of the current financial year.
- 1.9 Quarter 2 has seen a marginal decline in performance compared with the Quarter 1 position, reflecting the increasingly volatile, uncertain, and high-risk external environment which is impacting on resources and the wider economic environment, capacity and uncertainty about a number of key policy areas.
- 1.10 There are 19 KBMs in total that are in the remit of this Committee and 11 KBMs are being reported at Quarter 2, 10 of which have a measure status. 1 KBM has a status of Not Applicable at this quarter as no grant funding applications have been supported for Regeneration & Place Shaping initiatives as none have been received at this point. For the KBMs available for reporting, the following table indicates an assessment of performance compared to Quarter 1:

Quarter	On Track	Not on Track
1	89% (8)	11% (1)
2	70% (7)	30% (3)

- 1.11 Appendix 1 details performance for all the Committee related measures within the Performance Management Framework. Detailed measure-by-measure performance reporting is accessible through the 2022/23 Performance Portal available through this [link](#).
- 1.12 There are some emerging issues within this Integrated Report, including:
 - Capacity issues are being cited as impacting delivery across the organisation. Difficulties in recruiting and retaining staff in a highly constrained national and local labour market are reflected within the commentary on the Integrated Delivery Plan and performance; given significant and growing financial/inflationary pressures, there is no easy solution to these strategic workforce issues, which are being considered by our HR Strategy team.

- 1.13 Notable aspects of positive performance for specific measures which have experienced improved performance over the last quarter include:
- the number of secondary schools engaged in violence prevention Whole Schools Approach; and,
 - the % of people with Special Educational Needs and Disabilities supported by Warwickshire Employment Support Team moving into employment.
- 1.14 The main performance challenges relate to:
- the number of Domestic Abuse Incidents reported to the Police which has seen a reduction during Quarter 2 and is behind prior year; and,
 - the number of properties better protected from flooding, which is significantly under target, with only 3 properties taking up the scheme year to date, as such the target has been reduced from 81 to 32.
- 1.15 The report sets out services' projected performance trajectory, which recognises a more volatile than usual environment as a result of external factors.
- 1.16 The position is also positive in terms of delivery of the 62 Communities actions set out in the Integrated Delivery Plan, with 73% being On Track and 27% At Risk, Compromised or not Started and it is these actions which are reported on in Appendix 2 on an exception basis.
- 1.17 Three of the Councils 18 strategic risks relate to the remit of this committee and currently have a red status (that economic growth slows or stalls, inflation / the cost of living, and meeting 2050 climate change targets for the county). At service level the key risks being highlighted are those that are currently rated red (high) risk and which at the same time have had a risk rating higher than the target risk rating for 3 quarters. There is currently 1 risk meeting this criteria relating to Adult and Community Learning funding. Section 5.3 details the other risks that exist below this level.

2. Performance against the Performance Management Framework

- 2.1 The three strategic priorities set out in the Council Plan 2022 - 2027 are delivered through seven Areas of Focus. In addition to these, there are three further areas to support the Council to be known for as 'a Great Council and Partner'. The full performance summary is contained in Appendix 1.
- 2.2 A set of high-level Warwickshire Outcome Measures, where we can influence improvement in performance but do not solely own, are also contained in the Performance Management Framework. Reporting against these is under development and will inform our ongoing State of Warwickshire reporting.
- 2.3 Comprehensive performance reporting is enabled through the Power BI link [2022/23 Performance Portal](#) as part of the revised and adopted Performance Management Framework.

- 2.4 The new approach to performance reporting is evolving, building on the recommendations of the Member Working Group. The number of reportable measures will change each quarter as the framework considers the availability of new data.
- 2.5 There are 19 KBMs in total that are in the remit of this Committee. Chart 1 of Appendix 1 details the reported status of the 10 KBMs which are being reported at Quarter 2, all of which have a measure status. 70%(7) KBMs are considered On Track and 30% (3) Not on Track, this is a marginal decline from Quarter 1 when 89% (8) KBMs On Track and 1% (1) Not on Track. There is one other measure being reported but has a status of Not Applicable as no grant funding applications have been supported for Regeneration & Place Shaping initiatives as none have been received to date.
- 2.6 10 of the measures have a forecast projection from the responsible Service for the forthcoming period. Of the 7 measures that are forecast to be On Track at Quarter 3, 3 are forecast to improve, 3 to remain static and 1 is forecast to decline over the next quarter. For the 3 that are forecast to be Not on Track, performance is set to improve.

3. Progress on Delivery Plan

- 3.1 The Integrated Delivery Plan aligns priority activity from across all service areas against all Areas of Focus within the Council Plan 2022-27. The plan shows how activity across services collectively contributes to delivering these priorities.
- 3.2 Detailed information on the performance summary of the Integrated Delivery Plan is included at Appendix 2. A new [Power BI reporting dashboard](#) is now available and will enable Members to track progress by Service, status, Council Plan Area of Focus, Overview and Scrutiny Committee and Portfolio Holder.
- 3.3 There are 214 remaining actions within the Integrated Delivery Plan, 62 of which are assigned to Communities. Detailed information on the performance summary of the Integrated Delivery Plan in relation to Communities is included at Appendix 2. The majority of deliverables are On Track (73%) and 27% are At Risk, Compromised or Not Started, with any exceptions covered in Appendix 2.
- 3.4 Several actions that are at risk relate to capital programmes and projects, where current inflation levels and supply chain challenges are creating very significant levels of risk and uncertainty about our capacity to deliver as planned within available resources, a challenge common to all Councils.

4. Management of Finance

- 4.1 The key metrics of financial management are summarised below with further information available in Appendix 3 and in the Finance Monitoring Report presented to Cabinet on 10th November 2022.

Metric	Target	Service	Performance at Quarter 2 2022/23
Performance against the latest approved revenue budget as measured by forecast under/overspend	On budget or no more than 2% underspent	Environment Services	0.5% overspent
		Strategic Commissioning Communities	2.2% overspent
Performance against the approved savings target as measured by forecast under/overachievement	100%	Environment Services	100%
		Strategic Commissioning Communities	97%
Performance against the approved capital programme as measured by forecast delays in delivery	No more than 5% delay	Environment Services	9.5%
		Strategic Commissioning Communities	1.0%
		S278 funded schemes	0.7%

5. Management of Risk

- 5.1 Risks are monitored in risk registers at a strategic/corporate level and at service level. At a corporate level the following strategic risks more directly related Communities are currently rated as red (high risk):
- Economic growth slows or stalls;
 - Inflation and the Cost of Living; and
 - 2050 county climate targets not met
- 5.2 Mitigating actions are in place in respect of these risks, for example the Council Plan prioritising the support of Warwickshire's economy, working with regional and local partners to access available funding streams, a Medium Term Financial Strategy planning process that is incorporating the risks of inflation, enabling and promoting climate change action in the community for example through a dedicated website and specific initiatives such as the green shoots community climate change fund.
- 5.3 At a service level there are 15 risks recorded against services relating to Communities and Environmental Services. At service level at this reporting

period there is one risk that is both red and over target relating to communities or environmental services.

- Loss of income for Adult and Community Learning. Mitigating actions include identifying new opportunities and contributing to national campaigning regarding funding.

5.4 The norm for exception reporting in 2022/23 is that key risks are highlighted where they are red risks (high risk) and where a risk level has been higher than the risk target for 3 quarters or more and is currently still 3 points or more over target. However, with only 1 risk being in that category, the remaining high scoring risks are also summarised below (6 risks have a residual risk score of 12 (Amber)):

- Economic downturn due to Covid and Brexit;
- Being unable to deliver the highways planned Winter Maintenance programme in the event of extreme weather;
- Insufficient resources to deliver the Council Plan;
- Insufficient income from Section 106 and Communities Infrastructure Levy to deliver infrastructure;
- Pressure to manage increasing levels of waste; and,
- Unable to deliver Flood Risk Management duties.

5.4 Mitigating actions are in place in respect of these risks and are managed at Service level. Appendix 4 illustrates the standard risk reporting format

6. Environmental Implications

6.1 There are none specific to this report.

Appendices

Appendix 1 – [Quarterly Performance Report](#)

Appendix 2 – [Progress on the Integrated Delivery Plan](#)

Appendix 3 – [Management of Financial Risk](#)

Appendix 4 – [Management of Risk](#)

Background Papers

Cabinet Report 10th November 2022

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