

# **Resources, Fire & Rescue Service Overview & Scrutiny Committee**

**22<sup>nd</sup> February 2023**

## **Council Plan 2022-2027 Integrated Performance Report Quarter 3 2022/23**

**Period under review: April to December 2022**

### **Recommendations**

That the Committee considers and comments on Quarter 3 organisational performance, progress against the Integrated Delivery Plan, management of finances and risk.

### **1. Executive Summary**

- 1.1 This report is a retrospective summary of the Council's performance at the end of the third quarter (April-December 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 3 Integrated Performance and Finance reports Cabinet considered on the 16<sup>th</sup> February. 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.
- 1.2 Progress against the Integrated Delivery Plan is summarised in Section 3 and more fully presented within Appendix 2.
- 1.3 Management of Finance is summarised in Section 4 and the summary table is presented in Appendix 3.
- 1.4 Management of Risk is summarised in Section 5 and more detailed information is presented in Appendix 4.
- 1.5 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 continues to evolve within the current financial year. Both the Performance Management Framework and the Integrated Delivery Plan are under review in preparation for the 2023/24 reporting to begin.
- 1.6 Overall, the Council's performance has seen an improvement in performance compared with the Quarter 2 position and is now closer to the Quarter 1 position in terms of percentages, although assessed against significantly more reported

KBMs. The encouraging position is in spite of the 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. However, for the KBMs in the remit of this Committee performance has marginally declined in Quarter 3 from Quarter 2.

- 1.7 Of the 25 KBMs available for reporting this quarter the following table indicates an assessment of performance, compared to the previous quarters:

Quarter	On Track	Not on Track
1	71% (15)	29% (6)
2	62% (15)	38% (9)
3	56% (14)	44% (11)

- 1.8 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 Performance Portal available through this [link](#).

- 1.9 There are some key emerging themes highlighted by this report, including:
- Increasing demand being reported in services specifically in the People Directorate and within Business and Customer Services such as Brokerage, Family Support Workers, the Local Welfare Scheme and as a result the Customer Service Centre; and
  - Capacity and workload issues are impacting delivery across the organisation. Through the YourSay survey and Big Conversations, workload has been highlighted by colleagues and forms a priority in terms of actions. 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 and in paragraph 4.6 of the Management of Human Resources section in the full Cabinet report. Given the significant and growing financial/ inflationary pressures, there is no easy solution to these strategic workforce issues, which are being actively considered by the HR Strategy team.

- 1.10 A particularly Notable aspect of positive performance is the following measure:
- % of applications made to the Warwickshire Local Welfare Scheme which are supported, currently achieving 99%, despite increased applications.

- 1.11 The main performance challenges relate to:
- % times a first appliance arrives at life risk or property incidents within agreed response standards as the target has not been achieved for a considerable time; and
  - Dedicated Schools Grant High Needs % overspend compared to DSG recovery plan as performance is significantly above target, mainly due to the increased growth in demand for independent special school provision.

- 1.12 Overall performance is below target in the 'Deliver major infrastructure, digital connectivity and improved transport options' Area of Focus. Performance is also likely to remain the same through to the end of the financial year. The main drivers for this are:
- The extended time to secure a Joint Venture partner for the Warwickshire Property and Development Company delayed a number of site-specific business cases. However, the extra time taken to secure the overall deal has led to an estimated £4m additional benefit over the initial life of the Joint Venture. Consequently, the delay in site specific business cases is not deemed an issue as we move forward;
  - The significant uncertainty driven by the instability of the UK economy, cost of living rises / inflation and supply chain / workforce issues have all impacted negatively on the delivery of a large proportion of capital projects, leading to timing delays and cost increases reflected in the performance measure. Under the extreme circumstances being experienced, the current performance level could be deemed acceptable; and
  - In respect of the Warwickshire Recovery and Investment Fund, we are seeing strong demand for lower value revenue loans for small and medium sized businesses in the early stages of their development through the Local Community Enterprise fund, although a delayed start to the fund has limited the overall level of loans provided. However, it has taken longer to deliver the Property & Infrastructure fund (£10m 22/23), which won't now start until 23/24. The Business Investment & Growth (BIG) fund has seen lower demand for purely capital loans to allow growth and expansion. The number of BIG fund expressions of interest has been impacted by a stronger range of alternative financing options available in the market than anticipated at the outset of WRIF, the lack of revenue financing to complement the capital injection, economic conditions making it hard for many established businesses to consider significant capital investment to expand and some expressions of interest having to higher risk profile than the Council is able to justify supporting through the BIG Fund.
- 1.13 The report sets out services' projected performance trajectory, which recognises a more volatile than usual environment as a result of external factors.
- 1.14 The position is also positive in terms of delivery of the 54 actions set out in the Integrated Delivery Plan, with 67% being On Track and a further 4% Complete. 22% of actions are At Risk or Compromised and 7% have yet to start, and it is these actions which are reported on in Appendix 2 on an exception basis.
- 1.15 A number of actions that are at risk relate to 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.

- 1.16 At Quarter 3, relating to the remit of this committee there are 3 corporate strategic risks with a red (high) rating: economic growth slowing or stalling, inflation / the cost of living, and uncertainty of external influences e.g. Government policy. In addition, at a service level there are 4 risks that are rated red (high) and which at the same time have had an actual risk rating greater than their risk target for 3 quarters: on call fire fighter availability, fire protection capacity, and water rescue services within Fire and Rescue Services, and interruptions to the customer service centre within Business and Customer Services.
- 1.17 The wider national context remains a critical frame within which to view the Council's performance. The UK continues to experience the consequences of both significant political, global and macro-economic turbulence, including industrial action across many sectors, the legacy 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.
- 1.18 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 uncertainty about a number of key national policy areas including Adult Social Care reform, devolution, levelling up, cost of living and climate change Net Zero ambitions.
- 1.19 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.

## **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 which will include Levelling Up and the Cost of Living priorities and will be accessible by April 2023.

- 2.3 Comprehensive performance reporting is enabled through the Power BI link [Performance Portal](#) as part of the revised and adopted Performance Management Framework. Where applicable, some performance figures may now have been updated on the reporting system. For the latest situation, please refer to the Performance Portal.
- 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 31 KBMs in total that are in the remit of this Committee. Chart 1 of Appendix 1 details the reported status of the 25 KBMs which are being reported at Quarter 3. 56% (14) KBMs are considered On Track and 44% (11) Not on Track, this is a decline from the levels at Quarter 2 when 62% (15) KBMs On Track and 38% (9) Not on Track.
- 2.6 All 25 of the reportable measures have a forecast projection from the responsible service for the forthcoming period. 13 measures are forecasting to be On Track at Quarter 4, of which 5 are forecast to improve and 9 to remain static over the next quarter. 12 are forecast to be Not on Track, with 1 forecast to improve, 2 to decline and the other 8 to remain static at the next reporting period.
- 2.7 24 KBMs were reported on at Quarter 2. It was forecast that 15 would be On Track at Quarter 3, with 9 Not On Track. Performance has materialised largely as expected, with some additional measures being reported for the first time this quarter and 3 measures projecting to remain On Track in Quarter 2 to being Not on Track in Quarter 3. This is attributed to the Quarter 3 financial pressures, the delay in procuring a joint venture partner for the Warwickshire Property and development Company and reprofiling of approved budgets. At Quarter 2, % satisfaction with the Customer Service Centre marginally missed the target, although was projected to improve and positively, for Quarter 3, this was the case, and the measure is back on track, with a projection to remain static over the next reporting period.

### **3. Progress against the Integrated 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 Of the 205 remaining actions within the Integrated Delivery Plan, 54 are attributable to the Resources, Fire and Rescue OSC. Detailed information on the performance summary of the Integrated Delivery Plan in relation to Resources & Fire & Rescue is included at Appendix 2. The majority of deliverables are On Track 36 (66%), 2 (4%) Complete 2, 8 (15%) are At Risk, 4 (7%) are Compromised and 4 (7%) are yet to start. Any exceptions are covered in Appendix 2.
- 3.4 Important points to flag in terms of delivery are:
- Inflationary pressures are beginning to put delivery at risk, particularly the provision of new Fire Fighter Training Centres and Nuneaton's new Community Hub.

## 4. Management of Finance

- 4.1 The key metrics of financial management are summarised below with further information providing context available in [Appendix 3](#) and in the [Finance Monitoring Report](#) presented to Cabinet on 27<sup>th</sup> January.

Metric	Target	Service	Performance at Quarter 3 2022/23
Performance against the latest approved revenue budget as measured by forecast under/overspend	On budget or no more than 2% underspent	Business and Customer Services	2.6%
		Commissioning Support Unit	(14.3%)
		Enabling Services	(7.5%)
		Finance	(0.02%)
		Governance & Policy	(28.0%)
		Fire & Rescue	0.03%

The headline revenue underspend reported at Quarter 3 is £3.6m (4%), however, specific funding has been set aside to be transferred to earmarked reserves. Once these factors are taken into account the adjusted forecast position is £1.6m (1.8%)

Performance against the approved savings target as measured by forecast under/overachievement	100%	Business and Customer Services	100%
		Commissioning Support Unit	100%
		Enabling Services	100%
		Finance	100%
		Governance & Policy	96.0%
		Fire & Rescue	0%

Performance against the approved capital programme as measured by forecast delays in delivery	No more than 5% delay	Business & Customer Services	No Variance
		Enabling Services	20%
		Governance & Policy	50%
		Fire & Rescue	43%

## 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 relating to Resources and Fire and Rescue Services are currently rated as red (high risk):

- Economic growth slows or stalls;
- Inflation and the cost of living; and
- Uncertainty of external influences e.g. Government policy.

5.2 Mitigating actions are in place in respect of these risks, for example the Council Plan including a number of activities to protect and promote the local economy and a Medium Term Financial Strategy planning process that is incorporating the risks of inflation.

5.3 At a service level there are 43 risks recorded against services relating to Resources and Fire and Rescue Services. 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. To highlight the key risks a table of both red risks and risks significantly above target is provided at [Appendix 4](#). The risks that are both red and significantly above target are the most significant risks, which are:

- On Call Availability (Fire and Rescue Services);
- Protection Capacity (Fire and Rescue Services);
- Water Rescue Training (Fire and Rescue Services); and
- Interruptions to the Customer Service Centre (Business and Customer Services)

5.4 Mitigating actions are in place in relation to these risks, for example in respect of staff training, recruitment, resourcing, and improved ways of working.

## 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 16<sup>th</sup> February 2023

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