

Communities Overview & Scrutiny Committee

12th April 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 16th 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 improved in Quarter 3 from Quarter 2.

- 1.7 There are 19 KBMs in total that are in the remit of this Committee and 12 KBMs are being reported at Quarter 3. 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 Quarters 1 and 2:

Quarter	On Track	Not on Track
1	89% (8)	11% (1)
2	70% (7)	30% (3)
3	83% (10)	17% (2)

- 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 emerging issues within this Integrated Report, including:
- 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 Notable aspects of positive performance for specific measures which have experienced improved performance over the first 2 quarters 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.
- 1.11 The main performance challenges relate to:
- the number of Domestic Abuse Incidents reported to the Police which is behind prior year and considerably below target; 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.

Overall performance is of concern in the 'Deliver major infrastructure, digital connectivity and improved transport options' Area of Focus. This performance projection is likely to remain in that position for Year End. The three main drivers for this are the delay in the procurement of the Joint Venture partner for the Warwickshire Property and Development Company; the stability of the UK economy impacting on investments and capital projects and slower than expected market appetite for large loans from the Warwickshire Recovery & Investment Fund.

- 1.12 The report sets out services' projected performance trajectory, which recognises a more volatile than usual environment as a result of external factors.
- 1.13 The position is also positive in terms of delivery of the 61 Communities actions set out in the Integrated Delivery Plan, with 61% being On Track and 22% At Risk or not Started and it is these actions which are reported on in Appendix 2 on an exception basis.
- 1.14 Three of the Council's 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 are currently 2 risks meeting this criteria relating to Adult and Community Learning funding and transport and highways scheme delays leading to loss of time limited funding.
- 1.15 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.
- 1.16 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.
- 1.17 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 Of the 12 KBMs which are being reported at Quarter 3, 10 (83%) are On Track and 2 (17%) are 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. The only measure to deviate status from Quarter 2 to Quarter 3 was % of household waste re-used, recycled and composted which moved from Not on Track to On Track.
- 2.6 12 of the measures have a forecast projection from the responsible Service for the forthcoming period. Of the 10 measures that are forecast to be On Track at Year End, 50% (5) are forecast to improve, 40% (4) to remain static and 10% (1) is forecast to decline over the next quarter. For the 2 that are forecast to be Not on Track, performance is set to improve.
- 2.7 10 KBMs were reported on at Quarter 2. It was forecast that 7 would be On Track at Quarter 3, with 3 Not On Track. Performance has materialised as expected, with all KBMs performing as forecast. The Service projections made at Quarter 2 for Quarter 3 were accurate so it is anticipated that the forecast Year End position made now will be accurate also.

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 205 remaining actions within the Integrated Delivery Plan, 61 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 37(61%), 3 (5%) are Completed, 19 (31%) are At Risk and 2 (3%) Not Started, with any exceptions covered in Appendix 2.
- 3.4 A number of 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 27th January 2023.

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	Environment Services	14% overspent
		Strategic Commissioning Communities	0.09% Underspent

The headline revenue overspend reported at Quarter 3 is £6.7m (8.8%), however, specific funding has been set aside to be transferred to earmarked reserves. Once these factors are considered the adjusted forecast position is £6.4m (8.4%)

Performance against the approved savings target as measured by forecast under/overachievement	100%	Environment Services	100%
		Strategic Commissioning Communities	65%
Performance against the approved capital	No more than 5%	Environment Services	33%

programme as measured by forecast delays in delivery	delay	Strategic Commissioning Communities	48%
		S278 funded schemes	18%

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.

5.2 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 are 2 risks that are both red and over target relating to communities or environmental services:

- Loss of income for Adult and Community Learning (ACL).
- Transport and highways scheme delays leading to loss for time limited funding.

To highlight the key risks a table of both red risks and risks significantly above target is provided at [Appendix 4](#).

5.4 Mitigating actions are in place in respect of these risks including for example identifying new ACL opportunities and contributing to national campaigning regarding ACL funding, and project management within transport and highways schemes.

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 16th February 2023

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