

# Communities Overview & Scrutiny Committee

15<sup>th</sup> November 2023

## Council Plan 2022-2027 Integrated Performance Report Quarter 2 2023/24

Period under review: April 2023 to September 2023

### Recommendations

That the Committee considers and comments on Quarter 2 2023/24 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 Quarter 2 (April 2023 - September 2023) 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 presented to Cabinet on 9<sup>th</sup> November. The paper sets out a combined picture of the Council's delivery, performance, HR, and risk.
- Performance is assessed against the Key Business Measures (KBM)s contained within the agreed Performance Management Framework (PMF) in Section 2 and [Appendix 1](#).
  - Progress against the Integrated Delivery Plan is summarised in Section 3 and more fully presented within [Appendix 2](#).
  - Management of Financial resources is summarised in Section 4 and the summary dashboard is presented in [Appendix 3](#).
  - Management of Risk is summarised in Section 5 and more detailed information is presented in [Appendix 4](#).
- 1.1 This summary report and the detailed performance appendices provide the complete picture of the Council's performance enabling scrutiny and transparency for the organisation, partners and the public. It enables Overview and Scrutiny Committees to consider performance within their own remits. All Members also have continual access to the Performance Management Framework using the [Performance Portal](#) in Power BI to further monitor performance on an ongoing basis.
- 1.2 The approach to strategic performance reporting continues to evolve. Members will be aware that there is a wealth of information and data, and that is used in analysis most relevant to the strategic priorities. At a service level, there is also additional performance data which allows managers to manage

the performance of the service day to day. In addition, Government is developing the 'Office for Local Government' (Oflog) and Council Officers are seeking to collaborate with Oflog to ensure that a meaningful and useful data set is developed to support improvement in a proportionate manner. As such, it is our aim that we streamline our performance data over the next year or so, to ensure that Members have the right and most useful performance data possible, considering any national metrics emerging from Oflog.

- 1.4 There are some key themes that emerged last year that continue to be highlighted by this report, and are impacted by WCC's current operating environment, including: increasing demand and costs being reported in Children & Families Services, Adult Social Care, SEND provision, Home to School Transport and in the number of applications made through the Local Welfare Scheme:
- demand increasing much more quickly than resources is resulting in the capacity and workload issues, which has a further impact on delivery across the organisation, evidenced through staff feedback and addressing this is acknowledged as a high priority for the organisation;
  - difficulties in recruiting and retaining staff in a highly constrained national and local labour market were highlighted throughout 2022/23 and although overall there has been some improvement, issues remain within specific service teams for example Children & Families, Social Care and Support, Waste & Environment, Schools, Commercial and Contracts, On-Call firefighters and Planning Officers; and
  - other services have specific challenges such as staff absence levels in Business & Customer Services, Children & Families and Social Care and Support.

Planned improvement activity to address these issues is described in section 4 of the 9<sup>th</sup> November Cabinet report.

- 1.5 The 2023/24 PMF was agreed at the Cabinet meeting in June 2023 and, of the 105 KBMs detailed in that PMF, 91 are available for reporting in Quarter 2. The remaining 14 that are not being reported are all new measures to the PMF and not due for reporting until Quarter 3 or Year End. There are 28 KBMs within the remit of this Committee, and 25 KBMs are available for reporting this Quarter. One measure No. of learners enrolled onto WCC Adult and Community Learning courses is new for this year and will be reported at year end. There are 2 other measures that are part of the Framework agreed last year that are not in a position to be reported at this stage as there are either no mechanism for recording or are being baselined:
- Annual change in soil and vegetation carbon storage by habitat (tonnes of Carbon per hectare) in WCC rural settings
  - % habitat biodiversity net gain in WCC rural estate

Table 1 below indicates the current assessment of performance:

Quarter	On Track	Not on Track
1	80% (20)	20% (5)
2	84% (21)	16% (4)

Table 1

Table 2 below indicates the Direction of Travel (retrospective comparison), however, please note not all measures have a status e.g. where they are new and there is insufficient trend data:

Direction of Travel	On Track			Not on Track		
	Improving	Static	Declining	Improving	Static	Declining
Quarter 1	27% (3)	64% (7)	9% (1)	0	0	100% (3)
Quarter 2	18% (2)	73% (8)	9% (1)	0	0	100% (1)

Table 2

Table 3 below indicates the future projection forecast for the next reporting period:

Projection	On Track			Not on Track		
	Improving	Static	Declining	Improving	Static	Declining
Quarter 1	36% (8)	55%(12)	9% (2)	67% (2)	33%(1)	0
Quarter 2	55%(12)	41% (9)	5% (1)	33%(1)	67%(2)	0

Table 3

- 1.6 At Quarter 2, with a refreshed PMF, the overall position is marginally improved to that reported at Quarter 1 where 80% KBMs were reported as On Track and 20% Not on Track, continuing a consistent, strong performance delivered against the PMF. This is an encouraging position given the challenges of the current operating environment, which include inflation and interest rates, the impact of global instability, market failures, extremely high demand for social care and education services and resourcing challenges including workforce. [Appendix 1](#) details information for all measures within the PMF. Detailed measure-by-measure performance reporting is accessible through the [Performance Portal](#).
- 1.7 Implementation of the Integrated Delivery Plan (IDP) continues with Quarter 2 seeing a further 9 projects (5%) completed. In the context of the current

operating environment the overall delivery position is strong, with 74% (145) of the actions On Track, 19% (36) are At Risk/Compromised and 2% (4) are Not Started, and it is these actions which are reported on an exception basis in Appendix 2.

- 1.8 At the end of the second quarter the services reporting to Communities OSC forecast an overspend of £5.838m, equivalent to 6.8% of their combined revenue budget. Once planned transfers to earmarked reserves are completed the position alters to a 6.9% overspend. A £0.837m shortfall is forecast against the current year saving target of £2.413m. Communities combined is forecasting a £19.627m delay, representing 21% their planned capital spend for the financial year.
- 1.9 During Quarter 2, a risk working group was convened to review and refresh the strategic risks that face the Council in the pursuit of its priorities. Currently, 5 of the 7 refreshed strategic risks have a red status, and these risks generally arise because of:
  - demand for services continuing to increase and the cost of providing those services is also increasing creating a potential mismatch between demand and resources;
  - national economic conditions giving rise to a slowdown of the economy in Warwickshire, contributing factors include inflation, interest rates and cost of living rises;
  - supply challenges in the labour market, and cost of living pressures arising from inflation, creating recruitment and retention challenges; and
  - changing types and volumes of cyber-attack experienced nationally.
- 1.10 At a more detailed service level, 84 risks are currently being monitored. Risks are being reviewed and refreshed across the Council to ensure that they are reflective of the current environment, priorities, the Integrated Delivery Plan and to ensure that appropriate mitigations are in place. Over time this will influence the content, volume and value of risks presented.
- 1.11 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 factors, including industrial action across many sectors, the legacy impact of the Pandemic, global conflict, high inflation and interest rates and the resulting fiscal challenges are impacting the communities of Warwickshire.
- 1.3 Such an unprecedented combination of events at a global and national level creates 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 the approach to developing national policy, particularly Adult Social Care reform, levelling up, support for cost-of-living pressures and climate change.
- 1.12 Performance reporting will continue to track and highlight the impacts of this operating environment on delivery and performance. Ongoing analysis

continues to inform the prioritisation of activity and resource allocation of the Integrated Delivery Plan and the Performance Management Framework.

## **1. 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, there are three further themes that will help the Council to be known as 'a Great Council and Partner'. The full performance summary is contained in Appendix 1.
- 2.1 Comprehensive performance reporting is enabled through the Power BI Performance Portal as part of the Performance Management Framework. Where applicable, some performance figures may now have been updated on the Power BI reporting system. The number of reportable measures will change each quarter as the framework considers the availability of new data.
- 2.2 Of the 25 KBMs which are being reported at Quarter 2, 21 (84%) are On Track and 4 (16%) are Not on Track. The remaining 3 measures are all new measures to the PMF and not due for reporting until Quarter 3 or Year End.
- 2.4 Notable aspects of positive performance for specific measures include:
- 5G urban coverage which has expanded within Warwickshire this Quarter;
  - No. of Successful Foreign Direct Investment Projects which has exceeded the target for the year;
  - No. of people with SEND supported by the Warwickshire Supported Employment Service as numbers are encouraging and on track to be above target at year end; and
  - both waste management measures, No. of tonnes of carbon emitted by the Council as a waste disposal authority and % of household waste re-used, recycled and composted, are forecast to achieve the Year End target.
- 2.1 There are some emerging performance challenges that are apparent through the PMF this Quarter:
- Warwickshire Fire and Rescue Service has not achieved the agreed performance targets for appliance arrival time at incidents; the Service is looking at evidence-based options to review standards going forward to continue to keep communities across the County safe from harm; and
  - Linked to rapidly increasing demand for SEND provision, home to school transport costs for SEND and mainstream pupils have further increased from the Quarter 1 position Cost per SEND student journey (£) has increased from £27.04 to £27.44 and Cost per mainstream student journey (£) from £4.93 to £5.06. The increase is due to increasing costs from providers and increasing numbers of children travelling to non-local schools.
- 2.2 For 12 of the reported measures there is enough trend data available to ascertain a Direction of Travel. 92% (11) of measures have a Direction of

Travel that is On Track, the majority of which (10) are either improving or static, only 1 is declining. Conversely, 8% (1) are Not on Track declining (see table 2).

- 2.1 All 25 reportable KBMs have a forecast projection from the responsible service for the forthcoming period (see table 3). Of the 22 measures that are forecast to be On Track at next reporting period, 55% (12) are forecast to improve, 41% (9) to remain static and 5% (1) is forecast to decline over the next quarter. Of those that are forecast to be Not on Track, performance is set to improve for 1, however the following are forecast to Remain Static at the next reporting period, full details can be found in [Appendix 1](#) and the [Performance Portal](#):
- % complaint satisfaction with Trading Standards action
  - Cost per SEND student journey (£)

The projection provided at Quarter 1 for Quarter 2 was broadly accurate for those measures that remain in the new PMF.

- 2.8 A set of high-level, cross-cutting, long-term Warwickshire Outcome Measures, which the Council can influence but are not solely responsible for, are also contained in the Performance Management Framework. These are reported within a [dashboard](#) informing the ongoing State of Warwickshire reporting and includes [Levelling Up](#) and the [Cost of Living](#) metrics. A summary of position will be included in the Year End Integrated Performance Report.

### **3. Progress on 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 There are 197 actions within the Integrated Delivery Plan, 71 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 (68%), a further 6% are Completed, 25% are At Risk or Compromised and 1% 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

- 2.1 The key metrics of financial management are summarised below with further information available in Appendix 3 and in the Quarter 2 Finance monitoring Report presented to Cabinet on 9<sup>th</sup> November 2023.
- 4.2 In response to the forecast overspend that emerged at Quarter 1 Corporate Board developed an action plan aiming to contain and minimise the 2023/24 overspend, ensure the nature and impact of pressures is understood and key staff members as well as elected members are engaged in identifying solutions and developing long term transformation plans.
- 4.3 As part of the Financial Recovery Strategy all Directors with a forecast overspend have been asked to develop a Financial Recovery Plan with primary focus on the areas of Social Care and Support, Children and Families, SEND (linked to the Delivering Best Value plan), Home to School Transport and Enabling Services (utilities).
- 4.4 As part of the strategy a review of short-term budget balancing options is taking place as well as a review of all transformation activity.
- 4.5 The impact of the Financial Recovery Strategy on both one-off and permanent cost will be reflected in the MTFs when it is presented to Cabinet in December 2023.

Metric	Target	Service	Performance at Q2 2023/24
Performance against the latest approved revenue budget as measured by forecast under/overspend	On budget or no more than 2% underspent	Environment & Planning	8.5% overspend
		Economy & Place	2.7% overspend

The headline revenue overspend reported is £5.838m (6.8%).

Performance against the approved savings target as measured by forecast under/overachievement	100%	Environment & Planning	79%
		Economy & Place	54%
Performance against the approved capital programme as measured by forecast delays in delivery	No more than 5% delay	Environment, Planning & Transport	-24.8%
		Economy & Place	-15.6%
		S278 funded schemes	-10.1%

## 5. Management of Risk

- 5.1 Risks are monitored at a strategic/corporate level and at a service level within risk registers. At a strategic level the following risks are more directly related to Communities OSC and currently rated as red, high risk:
- Slow economic growth & increase in inequalities across communities, high level; and
  - Lack of movement towards Sustainable Futures
- 5.2 Mitigating controls are in place in respect of these risks and include the development of a new Economic Strategy, which links health, economy and wellbeing and the Education Strategy is being refreshed. The Council's Plan setting out the direction and priorities and the Integrated Delivery Plan includes the activities to be delivered, the allocation of investment funds, working with regional and local partners to access available funding streams, a Medium-Term Financial Strategy planning process that is incorporating measures to mitigate the risk of inflation.
- 5.3 Specifically relating to Sustainable Futures, a dedicated climate change team has been established and recruitment is taking place with most of the posts now filled. Enabling and promoting climate change action in the community takes place for example through a dedicated website and specific initiatives including the green shoots community climate change fund.
- 5.4 There are two additional strategic risks which are red, relating to *insufficient skilled and experienced workforce and Mismatch between demand and resources*, which are impacting multiple areas of the Council. A People Strategy exists and is being reconsidered, a new Director of Workforce and Local Services post has recently been established and recruitment processes have taken place to appoint from within the Council, which demonstrating an acknowledgement of the risk and commitment to mitigate it. Whilst pandemic risk drivers of risk may be reducing, the economic situation including inflation, interest rates and cost of living rises being experienced have the potential to drive up the cost of services and potential inequalities in communities.
- 5.3 At a service level there are 14 risks recorded which are aligned to Communities and Environmental Services. Two of the 14 are red, high level, risks, which are above target for three quarters or more and currently greater than three points above target as follows:
- Loss of income for Adult and Community Learning (ACL).
  - Transport and highways scheme delays leading to loss of time limited funding.

A further risk at this service level, which is red relates to inability to meet statutory requirements to transport eligible children to school. To highlight the key risks, a table of both red risks and risks significantly above target is provided at [Appendix 4](#).



- 5.4 Mitigating controls are in place and actions in development in respect of these services level risks, which include identifying new ACL opportunities and contributing to national campaigning regarding the approach to ACL and its funding. Programmes and project management exists within transport and highways schemes and associated control arrangements are in place. For transport to school, a SEND change programme has been established and a specific working group to deliver transformation in the use of transport and deliver savings. Longer term plans are being developed to build new schools in the areas of greatest need, which will reduce the burden on transportation.
- 5.5 Over the summer, strategic risks have been reviewed and updated to ensure that the most significant risks are captured. Over the course of the autumn and winter periods, aspects of the Strategic Risk Management Framework will be refreshed along with any implications for the practical application of the Framework to ensure all aspects are fit for purpose.

## 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 9<sup>th</sup> November 2023

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