Resources, Fire & Rescue Service Overview & Scrutiny Committee

13th December 2023

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

Period under review: April 2023 to September 2023

Recommendation

That the Committee considers and comments on the 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 1 Integrated Performance and Finance reports presented to Cabinet on 9th 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 (KBMs) 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 Finance 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.

1.2   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 the opportunity to consider performance within their own remits. All Members also have continual access to the Performance Management Framework (PMF) using the Performance Portal in Power BI to further monitor performance on an ongoing basis.

1.3   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.

1.5   Planned improvement activity to address these issues is described in section 4 of this report.

1.6   The 2023/24 PMF was agreed at the June Cabinet meeting and, of the 105 KBMs detailed in that PMF, 91 are available for reporting in Quarter 2. There are 31 KBMs within the remit of this Committee, and 27 KBMs available for reporting this Quarter. The remaining 4 that are not being reported are all new measures to the PMF and not due for reporting until Quarter 3 or Year End. Table 1 below indicators the current assessment of performance.

Status	On Track	Not on Track
Quarter 1	61% (17)	39% (11)
Quarter 2	48% (13)	52% (14)

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 no previous baseline:

Direction of Travel	On Track			Not on Track		
	Improving	Static	Declining	Improving	Static	Declining
Quarter 1	27% (3)	55% (6)	18% (2)	18% (2)	18% (2)	64% (7)
Quarter 2	33% (3)	0	67% (6)	0	64% (9)	36% (5)

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	6% (1)	88% (15)	6% (1)	18% (2)	27% (3)	55% (6)
Quarter 2	15% (2)	77% (10)	8% (1)	29% (4)	50% (7)	21% (3)

Table 3

1.7 At Quarter 2, with a refreshed PMF, the overall position is a deterioration from the Quarter 1 position where 61% KBMs were reported as On Track and 39% Not on Track. This position is set against the challenges of the current operating environment, which include inflation and interest rates, the global instability, market failures, extremely high demand for social care and education services and resourcing challenges including workforce.

1.8 Appendix 1 details information for all measures within the PMF, including reasons why some measures are not being reported. Detailed measure-by-measure performance reporting is accessible through the Performance Portal.

1.9 The position is positive in terms of delivery of the 67 actions set out in the Integrated Delivery Plan, with 68% being On Track, 28% At Risk or Compromised, 1% complete and 3% have yet to start, and it is these actions which are reported on in Appendix 2 on an exception basis.

1.10 At the end of the second quarter the services reporting to Resources and Fire and Rescue Overview and Scrutiny Committee forecast an overspend of £3.414m, equivalent to 3.9% of their combined revenue budget. Once planned transfers from earmarked reserves are accounted for the position alters to a 1.3% overspend. A £0.080m shortfall is forecast against the current year saving target of £1.942m. Within this underachievement, £0.050 million is attributed to Facilities Management and Maintenance, where cost savings tied

to asset rationalisation are not expected to materialise due to increased expenditure. Additionally, the Libraries and Heritage & Culture sectors are forecasting a shortfall of £0.030 million in vacancy factor savings. Deliberations are underway within the Service regarding the necessary actions to be implemented to achieve the targeted savings. Most areas of Resources remain largely on track to deliver their approved capital programme for the 2023/24, Warwickshire Fire and Rescue service is forecasting a £0.402m delay, representing 6.8% their planned capital spend for the financial year and Strategy, Planning and Governance forecasting £0.605m delay equivalent to 18.6% of their approved capital budget.

1.11   Over Quarter two, the strategic risks have been refreshed to ensure that they reflect the most significant risks facing the Council in the pursuit of its priorities. At the end of Quarter two, three of seven strategic risks more directly relate to the remit of this Committee. Two of the related strategic risks have a red, high level, rating: insufficient skilled and experienced workforce and successful cyber attack. Both risks are significantly influenced by the national and international environment with limited employees in the labour market and low unemployment rates nationally. The cyber related risk is influenced by the increase in related threats, the everchanging type and approaches used and these often originate in overseas countries. Failure to operate and / or improve is the third risk and this is currently medium net risk rated.

1.12   At a service level there are four 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 or more and are 3 points above target: insufficient resources to deliver the Council Plan and Priorities and increase in serious data breaches and/or backlog of Subject Access Requests within Resources and cyber security and Reduced on call availability within Fire and Rescue Services.

1.13   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. This includes increasing demand, 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.

1.14   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 or cost of living pressures and climate change.

1.15   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.

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 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.

2.3 Of the of the 27 KBMs available for reporting Quarter 2, 48% (13) are On Track and 52% (14) are Not on Track. There are 4 measures unavailable for reporting at Quarter 2 for a number of reasons which are all outlined in Appendix 1.

2.4 Notable aspects of positive performance for specific measures include:
- The measure '% of applications made to the Warwickshire Local Welfare Scheme which are supported' considers the number of successful applications for support to the Warwickshire Local Welfare Scheme, whereby 99% of applicants received support in kind this period. Between 1st April and 30th September 2023 there were 5,902 applications to the Local Welfare Scheme, with 5,852 successful applications. There has been sustained high levels of performance for this measure, despite the service anticipating a continued increase in demand from households facing financial challenges due to the cost of living rises. Between Quarter 2 2022/23 and Quarter 2 2023/24, there was a 59% increase in the number of applications.
- The Employee Wellbeing Score this year has increased from 77% in 2022/2023 to 81% in 2023/2024, which aligns to the focussed work on the wellbeing offer and reflects positively on work on equality, diversity, inclusion and well-being; and
- Gross Warwickshire Recovery & Investment Fund lending where expected investments are due for drawdown by the end of the year mean this measurement is on track.

2.5 There are some emerging performance challenges that are becoming 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 in order to review standards going

forward to continue to keep communities across the County safe from harm;

- No. of documents being printed by the organisation where performance continues to be above target, continues to increase and is projected to decline further over the next reporting period;
- Dedicated Schools Grant High Needs % overspend compared to DSG recovery plan remains a significant challenge due to demand and individual unit costs continuing to rise above expectations. There are a variety of contributing reasons including overspends on Independent School places; Specialist Resource Provision and Post 16 provision, all leading to significant pressure on the High Needs Block, which is materially underfunded at a national level; while the Council is pleased to be working with the Department for Education on the Delivering Better Value programme to mitigate this risk, it is highly unlikely it will prevent long-term overspends in the absence of a national solution to SEND funding; and
- % Net Variation of Outturn Forecasts to Revenue Budget (Whole Council) is an area of improvement activity with the estimated Year End outturn estimated at 4.25% which is outside the +/- 2% tolerance. The Quarter 2 Finance Monitoring Report has the full detail on the position.

2.6   There are 23 measures of the 27 available for reporting, where there is enough trend data available to ascertain a Direction of Travel. 39% (9) of measures have a Direction of Travel that is On Track, the majority of which, 6, are declining. The other 3 are improving. Conversely, 61% (14) are Not on Track, the majority of which (9) are static.

2.7   All 27 reportable KBMs have a forecast projection from the responsible service for the forthcoming period. Of the measures that are forecast to be On Track at Quarter 2, 2 are forecast to improve further, with 10 to remain static and 1 to decline. Of the 14 that are forecast to be Not on Track, the following are forecast to decline further at the next reporting period. Full details can be found within Appendix 1 and the Performance Portal.
- % of maintained Schools with a Deficit Budget;
- Dedicated Schools Grant (DSG) High Needs Block (HNB) in year forecast % overspend compared to the DSG Recovery Plan; and
- No. of documents being printed by the organisation.

2.8   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 position will be included in the Year End Integrated Performance Report.

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 197 actions within the Integrated Delivery Plan, 67 are attributable to the Resources, Fire and Rescue OSC. The position is positive in terms of delivery, with 68% being On Track, 28% At Risk or Compromised, 1% complete and 3% have yet to start, and it is these actions which are reported on in Appendix 2 on an exception basis

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 Q2 Finance Monitoring Report presented to Cabinet on 9th November 2023.

4.2 In response to the forecast overspend that emerged at Q1 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 1 latest approved	On budget or no more	Business and Customer Services	0.9%

revenue budget as measured by forecast under/overspend	than 2% underspent	Commissioning Support Unit	(3.1%)
		Enabling Services	10.6%
		Finance	3.0%
		Strategy, Planning & Governance	10.4%
		Fire & Rescue	0.9%

The headline revenue forecast at the end of the second quarter is £3.414m (3.9%) overspend however, specific funding has been set aside to be transferred from earmarked reserves. Once these factors are considered the adjusted forecast position is £1.086m (1.3%).

Performance against the approved savings target as measured by forecast under/overachievement	100%	Business and Customer Services	95%
		Commissioning Support Unit	100%
		Enabling Services	92%
		Finance	100%
		Strategy, Planning and Governance	100%
		Fire & Rescue	100%
Performance against the approved capital programme as measured by forecast delays in delivery	No more than 5% delay	Business & Customer Services	0%
		Enabling Services	-1.7%
		Strategy, Planning & Governance	-18.6%
		Fire & Rescue	-6.8%

5.   Management of Risk

5.1   Risks are monitored in risk registers at a strategic/corporate level and at service level. At a strategic level the following strategic risks relating to Resources and Fire and Rescue Overview & Scrutiny Committee. Two are currently rated as red (high risk) and one rated as amber:

- Insufficient skilled and experienced workforce (red); and
- Cyber-attack is successful and systems and / or data compromised (red)
- Failure to operate and / or improve (amber).

5.2   Mitigating controls are in place in respect of these risks and includes the Council Plan and Integrated Delivery Plan setting out the respective direction and deliverables. A people strategy is in place and is currently being reconsidered. A new post, Director of Workforce and Local Services, has been established acknowledging the risk and demonstrating the commitment to address the risk. In relation to the cyber attack being successful, strategies and mandatory training takes place and there are multiple technical controls in place to help manage the risk. The amber risk, failure to operate and / or improve is mitigated through transformational programmes, projects and activity and work focused on resilience and recovery.

5.3   At a service level there are 40 risks recorded, which relate to Resources and Fire and Rescue Overview and Scrutiny related services. Key risks are highlighted where they are red risks (high risk) and where a risk has been higher than the risk target for 3 quarters or more and is 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.

5.4   The risks that are both red and significantly above target are the most significant risks, further detail is help in Appendix 4, and these are:

- Insufficient resources to deliver the Authority's Council Plan and priorities (Finance);
- Cyber attacks (Fire and Rescue Services);
- Reduced on call availability (Fire and Rescue Services); and
- Increase in serious data breaches and/or backlog of Subject Access Requests (SAR) (Governance and Policy).

5.5   Mitigating activities are in place, in relation to these risks, and includes a MTFS for 2023-24 onwards to deliver a balanced and sustainable position. However, there are emerging pressures in some service areas e.g. SEND and a capital funding gap for the schools programme. The risk of successful cyber-attack is predominantly mitigated corporately as highlighted in 5.2 above and the mitigations also help in managing the data breach risk. Reduced on call availability is being managed in Fire and Rescue Services and includes enhancement to workforce planning and further development of recruitment material aimed at targeting to help attract potential employees.

5.6   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

Background Papers

Cabinet Report 9th November 2023

Role	Name	Contact Information
Report Author	Vanessa Belton, Delivery Lead Business Intelligence, Performance, Planning and Quality	vanessabelton@warwickshire.gov.uk
Director	Craig Cusack, Director of Enabling Services	craigcusack@warwickshire.gov.uk
Executive Director	Mark Ryder, Executive Director for Communities Rob Powell, Executive Director for Resources	Markryder@warwickshire.gov.uk robpowell@warwickshire.gov.uk
Portfolio Holder	Cllr A Crump, Cabinet Portfolio Holder for Fire & Community Safety Cllr Yousef Dahmash, Portfolio Holder for Customer and Transformation Cllr P Butlin, Deputy Leader and Portfolio Holder for Finance and Property	andycrump@warwickshire.gov.uk yousefdahmash@warwickshire.gov.uk cllrbutlin@warwickshire.gov.uk

Local Members: n/a (Countywide report)

Other Members: Councillors Warwick, Birdi, Boad, Feeney and Roberts.