

# Resources and Fire & Rescue Service Overview & Scrutiny Committee

21<sup>st</sup> February 2024

## Council Plan 2022-2027 Integrated Performance Report Quarter 3 2023/24

### Recommendation

That the Resources and Fire & Rescue Overview and Scrutiny Committee considers and comments on the Integrated Performance Report for Quarter 3 2023/24 contained within this Report and Appendices.

### 1. Executive Summary

- 1.1 This report provides a retrospective summary of the Council's performance at the end of Quarter 3 (April - December 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 3 Integrated Performance and Finance reports presented to Cabinet on 15<sup>th</sup> February and 23<sup>rd</sup> January respectively. 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 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 and reflect the Council's key priorities and pressures. Members will be aware of the wealth of information and data available at both strategic and service

levels. In addition, Government is developing the 'Office for Local Government' (Oflog). As such, the Council's performance framework will continue to evolve, and be streamlined to ensure that Members have the most useful performance data, including reference to Oflog metrics.

- 1.4 There are key themes that emerged last year that continue to be highlighted by this report, which impact WCC's current operating environment, including:
- increasing demand and costs being reported in Children & Families, Adult Social Care, Special Educational Needs and Disabilities (SEND), Home to School Transport and in the number of applications made through the Local Welfare Scheme;
  - in these areas demand is increasing more quickly than resources, creating capacity, workload and delivery challenges; reflecting staff feedback, addressing this is a high priority for the organisation;
  - continuing recruitment and retention difficulties in specific service teams including Children and Young People, Social Care and Health, Waste & Environment, Schools, Commercial and Contracts, On-Call firefighters and Planning officers; and
  - a small number of services continue to experience specific challenges around staff absence levels particularly Business Support, Customer Contact and Social Care and Health.

Planned improvement activity to address these issues is described in section 4 of the Integrated Performance Report to Cabinet in February.

- 1.5 The 2023/24 PMF contains 105 KBMs, 97 of which are available for reporting in Quarter 3. The remaining 8 are all new measures to the PMF this year and are only scheduled for reporting at Year End. There are 29 KBMs within the remit of this Committee, and 25 KBMs of those are 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 Year End. The overall number of measures for this Committee has changed since Quarter 2 due to the restructure which took place in October 2023, and as such, some measures have moved to other Overview and Scrutiny Committees. Table 1 below indicates the current assessment of performance.

Status	On Track	Not on Track
Quarter 1	61% (17)	39% (11)
Quarter 2	48% (13)	52% (14)
Quarter 3	64% (16)	36% (9)

Table 1

Table 2 below indicates the Direction of Travel as a 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)	55% (6)	18% (2)	18% (2)	18% (2)	64% (7)
Quarter 2	33% (3)	0	67% (6)	0	64% (9)	36% (5)
Quarter 3	23% (3)	62% (8)	15% (2)	0	33% (3)	67% (6)

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)
Quarter 3	20% (3)	73% (11)	7% (1)	22% (2)	56% (5)	22% (2)

Table 3

- 1.6 At Quarter 3, with a refreshed PMF, the overall position is an improvement from the Quarter 2 position where 48% of KBMs were reported as On Track and 52% as Not on Track, continuing a reasonably consistent, strong performance against the PMF. This is an encouraging position given the challenges of the current operating environment, which include prolonged inflation and high interest rates, the impact of global instability, market failures, extremely high demand and market pressures in social care and education services, and wider funding/resourcing challenges. [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](#).
- 1.7 The position is also positive in terms of delivery of the 66 actions within the remit of the Resources, Fire and Rescue Overview and Scrutiny Committee, as set out in the Integrated Delivery Plan. 64% of actions are On Track, 13% are At Risk, and 2% have yet to start. There are several actions that are being reviewed and potentially replanned this Quarter (3%), therefore a new status has been introduced so that it is clear which are affected. 19% of activities have closed at Quarter 3. It is these actions which are reported on by exception in [Appendix 2](#).

- 1.8 At the end of the third quarter the services reporting to Resources and Fire and Rescue Services OSC forecast an overspend of £3.8m, equivalent to 4.3% of their combined revenue budget. Once planned transfers from earmarked reserves are accounted for the position alters to a £0.039m overspend, equivalent to less than 0.00% of the net revenue budget. A 4% (£0.074m) shortfall is forecast against the current year saving target of £1.863m. Services are considering the necessary actions to be implemented to achieve the targeted savings. Most areas of Resources remain on track to deliver their approved capital programme for 2023/24 except for Enabling Services reporting £2.150m delay across a number of schemes representing 13.0% of their programme. The most significant delays relate to land at Leicester Lane, Cubbington (£0.475m) where we are awaiting a dilapidation report to agree the way forward and the maintenance of the small holding land bank, where opportunities to purchase land are currently limited. The Fire and Rescue service is forecasting a £0.402m delay, representing 6.8% of their planned capital spend for the financial year.
- 1.9 Over the summer, a risk working group was convened to review and refresh the Council's strategic risks. This work resulted in a smaller number of high-level cross-cutting risks being established, which were reported to Cabinet as part of the Q2 report. In Quarter 3, those risks have been reviewed, refined again and the mitigations updated. Strategic risks which are aligned, but not exclusively, to the work of this Committee include:
- Mismatch between demand and resources (high);
  - Lack of resilience and effective continuity arrangements leads to operational failures (medium);
  - Insufficient skilled & experienced workforce (medium); and
  - Successful cyber-attack (high)
- 1.10 At a more detailed service level, 85 risks are currently being monitored, 33 of which relate to the work of this Committee. These risks are being reviewed and refreshed across the Council to ensure that they are reflective of the current environment, priorities and plans and to ensure that appropriate mitigations are in place. Further detail relating to strategic and service risks is included in Section 5 below.
- 1.11 There is a wider context that continues to impact the Council's work, 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. Such a combination of events at a global and national level creates a period of significant uncertainty and a challenging financial outlook in the short- to medium-term. Recent short-term Government funding has partially mitigated financial uncertainty for 2024/25 but the medium-term picture, particularly around reform and costs in key sectors, remains highly uncertain. Such volatility is impacting on the Council's resources, both financial and in terms of recruitment and retention, levels of demand, and uncertainty about medium-term national policy direction in a number of key areas of our work. Performance reporting will continue to track and highlight our delivery and performance, informing prioritisation of activity and resources.

- 1.12 A reprioritisation of the IDP is underway and a refresh of the PMF will follow from this exercise for reporting in 2024/25. It is anticipated that both the IDP and the PMF will be simplified to focus on the key priorities ensuring we grip and improve the drivers of cost pressures to maintain service and financial resilience. Service Business Plans and performance measures will evolve to reflect the more strategic approach at Council 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 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 25 KBMs available for reporting Quarter 3, 64% (16) are On Track and 36% (9) are Not on Track. There are 4 measures unavailable for reporting at Quarter 3 for a number of reasons which are all outlined in Appendix 1.
- 2.4 Although the '% Net Variation of Outturn Forecasts to Revenue Budget (Whole Council)' measure has a status of Not on Track it is important to note that the measure of outturn expenditure used is the gross figure before adjustments for the planned use of reserves and the Council's Investment Funds. The residual overspend once these have been adjusted for, is 1.9% at Quarter 3, which is within the Council's +/-2% tolerance. Further details were presented in the Quarter 3 Financial Monitoring Report.
- 2.5 There are 22 measures of the 25 available for reporting, where there is enough trend data available to ascertain a Direction of Travel. 59% (13) of measures have a Direction of Travel that is On Track, the majority of which, 8, are remaining static. 3 are improving and the other 2 are declining. Conversely, 41% (9) are Not on Track, the majority of which (6) are declining (see table 2).
- 2.6 24 of the 25 reportable KBMs have a forecast projection from the responsible service for the forthcoming period. The remaining measure has a projection of Not Applicable as it's difficult to make a judgement on future performance. Of the measures that are forecast to be On Track at Quarter 3, 3 are forecast to improve further, with 11 to remain static and 1 to decline. Of the 9 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](#).

- % Net Variation of Outturn Forecasts to Revenue Budget (Whole Council); and
- No. of documents being printed by the organisation.

Previous experience illustrates that projections provided by services between quarters are broadly accurate so it is anticipated that this level of accurate projection remains for Year End.

- 2.7 A set of high-level, cross-cutting, long-term Warwickshire Outcome Measures, which the Council can influence but is not solely responsible for, are reported in a State of Warwickshire reporting [dashboard](#) which includes Levelling Up and 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 the 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 190 actions within the Integrated Delivery Plan, 66 are attributable to the Resources, Fire and Rescue OSC. The position is positive in terms of delivery, with 64% being On Track, 13% At Risk, and 2% have yet to start. There are several actions that are being reviewed and potentially replanned this Quarter (3%), therefore a new status has been introduced so that it is clear which are affected. 18% of activities have closed at Quarter 3, these actions 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 Quarter 3 Finance Monitoring Report presented to Cabinet on 23<sup>rd</sup> January 2024.
- 4.2 The headline revenue forecast at the end of the third quarter is £3.800m (4.3%) overspend however, specific funding has been set aside to be transferred from earmarked reserves. Once these factors are considered the adjusted forecast position is £0.039m (0.0%) overspend.

Metric	Target	Service	Performance at Q3 2023/24
Performance against the latest approved revenue budget as measured by forecast under/overspend after application of reserves	On budget or no more than 2% underspent	Workforce & Local Services	(0.3%)
		Enabling Services	4.2%
		Finance	(3.1%)
		Strategy, Planning & Governance	(8.1%)
		Fire & Rescue	(0.3%)
Performance against the approved savings target as measured by forecast under/overachievement	100%	Workforce & Local Services	87%
		Enabling Services	94%
		Finance	97%
		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	Enabling Services	-13.91%
		Strategy, Planning & Governance	0.00%
		Fire & Rescue	-6.8%
		Strategic Infrastructure & Climate Change	4.54%

## 5. Management of Risk

- 5.1 Over the summer a risk working group was established to consider strategic risks and elements of the Strategic Risk Management Framework (the Framework). The working group proposed a smaller number of high-level cross cutting strategic risks, which were agreed by Corporate Board as part of

the Quarter 2 risk review process. During Quarter 3, the strategic risks have been reviewed and adjustments made refine and enhance the mitigations.

- 5.2 Risks are monitored in risk registers at a strategic level and at service level. At a strategic level the following risks are more related to the work of this Committee and they are cross cutting in nature and may impact the whole Council should they occur. The related strategic risks are:
- Mismatch between demand and resources (high);
  - Lack of resilience and effective continuity arrangements leads to operational failures (medium);
  - Insufficient skilled & experienced workforce (medium); and
  - Successful cyber-attack (high).
- 5.3 Mitigating controls are in place in respect of these risks however, demand continues to increase and there are also market pricing pressures in some areas. Controls are in place and include the MTFs and financial monitoring, review and reporting through Corporate Board and the Committee structure. The Council is considering ways in which demand can be influenced and continues to lobby Government to facilitate enhanced support.
- 5.4 Further controls that are in place include a generic emergency plan incorporating response structures to be enacted in emergency circumstances. Our People Strategy is currently being reconsidered by the new Director of Workforce and Local Services and team, with strategic workforce planning underway, initially running pilots with high priority areas to address general and specialist recruitment challenges. In relation to the risk relating to a cyber-attack being successful, information security policies and mandatory training for all employees are in place and there are multiple technical mitigating controls.
- 5.5 At a service level there are 33 risks recorded, which relate to the work of this Committee. 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](#).
- 5.6 The risks that are both red/high and significantly above target for three quarters or more and in excess of three points above target are the most significant risks, these are highlighted below. Further detail is held in [Appendix 4](#):
- Insufficient resources to deliver the Authority's Council Plan and priorities (Finance);
  - Cyber-attack is successful and personal data and systems are compromised (Enabling Services); and
  - Reduced on call availability (Fire and Rescue Services).
- 5.7 Mitigating activities are in place, in relation to these risks, and includes the five year MTFs refresh for 2024-25 which is being considered by Council on 8 February and aims to deliver a balanced and sustainable position over the



medium-term, in line with the Council’s statutory duties. However, revenue pressures remain in some service areas (e.g. SEND, children and families, adult social care and home to school transport), and a capital funding gap exists for the schools programme. The risk of successful cyber-attack is predominantly mitigated corporately as highlighted above. Reduced on call availability is being managed in Fire and Rescue Services and includes the plans for Resourcing to Risk, consultation commenced towards the end of 2023.

## 6. Financial Implications

6.1 None arising directly from this report.

## 7. Environmental Implications

7.1 None arising directly from 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 15<sup>th</sup> February 2024

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