

Resources, Fire and Rescue Overview & Scrutiny Committee

Date of Meeting: 16th September 2020

Council Plan 2020-2025 Quarterly Progress Report: Period under review: April 2020 to June 2020

Recommendation

That the Overview and Scrutiny Committee:

- (i) Considers and comments on the progress of the delivery of the Council Plan 2020 - 2025 for the period as contained in the report.

1. Introduction

- 1.1. The Council Plan Quarter 1 Performance Report for the period April 1st, 2020 to June 30th, 2020 was considered and approved by Cabinet on 10th September 2020. The report provides an overview of progress of the key elements of the Council Plan, specifically in relation to performance against Key Business Measures (KBMs), strategic risks and workforce management. A separate Financial Monitoring report for the period covering both the revenue and capital budgets, reserves and delivery of the savings plan was presented and considered at the same September Cabinet meeting.
- 1.2. This report draws on information extracted from both Cabinet reports to provide this Committee with information relevant to its remit.

2. Council Plan 2020 - 2025: Strategic Context and Performance Commentary

2.1 The Council Plan 2020 – 2025 aims to achieve two high level Outcomes:

- **Warwickshire’s communities and individuals are supported to be safe, healthy and independent;** and,
- **Warwickshire’s economy is vibrant and supported by the right jobs, training, skills and infrastructure.**

Progress to achieve these outcomes is assessed against 64 KBMs.

Outcome	No. of KBMs
Warwickshire’s communities and individuals are supported to be safe, healthy and independent	23
Warwickshire’s economy is vibrant and supported by the right jobs, training, skills and infrastructure	12

In addition, to demonstrate Council Plan delivery by ensuring that **WCC makes the best use of its resources**, a total of 29 KBMs are monitored.

As the Organisation continues to transform the [Commissioning Intentions Performance Framework](#) was developed and implemented in October 2019 providing a sharpened focus on performance linked to the Organisation’s priorities. As part of this transformation several changes to measures were proposed for Cabinet to agree to ensure that the Framework remains fit for purpose and supports delivery of the priorities. The subsequent revised Commissioning Intentions Performance Framework which will be reported on from Quarter 2 can be accessed using this [link](#).

Detailed performance for Quarter 1 for all current KBMs has been visualised utilising the functionality of the Microsoft Power BI system.

2.2 At Quarter 1 there has been an improvement in overall performance compared to the 2019/20 year-end position. Several measures, however, have been impacted by the Covid-19 pandemic and as a consequence there is little or no sign of improvement in these areas. These are fully detailed in 2.5.

2.3 Of the 64 KBMs, 33 are in the remit of this Overview and Scrutiny Committee. At Quarter 1 20 KBMs are available for reporting. 80% (16) KBMs are On Track and 20% (4) are Not on Track. This is an improvement from the year-end position when, of the available KBMs, 40% (9) KBMs achieved target while 60% (13) KBMs were behind target.

Chart 1 below summarises KBM status by quarter since the introduction of the Commissioning Intentions Framework.

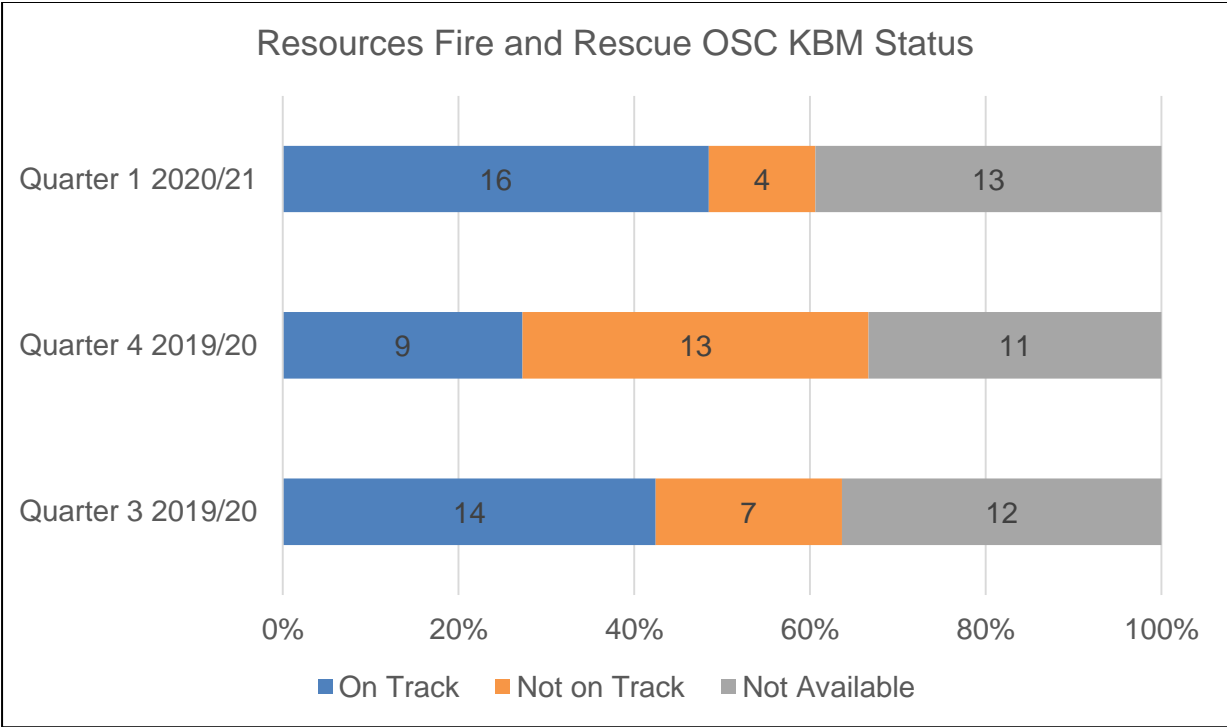


Chart 1

A further 13 KBM’s are unavailable for reporting at this quarter:

- 3 are based on the staff check in survey, which is scheduled for September 2020;
- 4 are considered for removal as detailed in the table at 2.1; and

- the remainder are due to several factors including the impacts Covid-19 such as work being halted to enable resources to focus on the pandemic; data lags and changes in light of the Master Estates Planning work.

2.4 Of the 80% (16) KBMs achieving target, there are 3 of note:

- % Warwickshire broadband coverage as at Quarter 1, Warwickshire businesses and residents have benefitted enormously from the Council's investment in broadband connectivity. This is especially so following the huge increase in home working over the last few months. It is also good to note the good performance on the delivery of the new fibre network, despite the impact of Covid-19 on a number of civil engineering contractors currently deploying the new network This is due to the supplier being able to re-allocate resources to maintain delivery of fibre connections into communities; and
- Value of debt over 35 days old as a % of debt raised in last 12 months - Performance is generally in line with the target despite Covid-19 and the ability of debtors to pay being impacted. Debt collection activity has been relaxed during the Covid -19 period in recognition of the difficulty different sectors have had in paying. This is partly why there was a small spike in May debt outstanding. There has been an overall reduction in invoices raised during Covid-19 reflecting reduced activity around areas like recovering significant developer contributions for major schemes through to rental payment holidays for a lot of business tenants impacted by Covid-19. Once these invoices start to be raised again there may be some worsening of this indicator depending on how financially viable / stable businesses are post Covid-19 (please note this measure has been included as an area of note and good progress, however it is a measure which has been proposed as a KBM, so not included within the original count of 64).
- Number of fire related injuries - For the period 1st April to 30th June there have been 5 fire related injuries which is a reduction on 7 recorded in the same period of 2019. Historically levels of fire related injuries in Warwickshire have remained low and when compared nationally, Warwickshire is one of the top performers for this measure. Of the 5 fire related injuries, one was considered serious, 3 were slight and one saw the casualty given first aid at the scene.

2.5 The 4 KBMs that are Not on Track at Quarter 1 are included in Table 1 below along with details of the current performance narrative, improvement activity and explanation of projected trajectory:

WCC makes the best use of its resources
Value of Revenue Savings Achieved Against Agreed MTFS (previously ‘% of revenue savings achieved against target’)
<p>Current performance narrative: 75% of individual MTFS savings options are being delivered in full. However, the 25% of options that have been impacted and delayed by Covid-19 represent nearly 50% of the value of the savings. There are three key savings that represent the shortfall:</p> <ol style="list-style-type: none"> 1. Just over £1.5m relates to delayed capital receipts that would have reduced the need for borrowing. 2. Covid-19 delay to Business Support restructure and delays with budget transfers has put at risk the £0.880m savings. 3. Delays due to Covid-19 in initiating work on Contract Management savings have impacted £0.5m of savings and the intention is to overdeliver in 2021/22.

Improvement activity:

Given Covid-19 has been the root cause of delays any shortfall for 2020/21 will be off-set by the Covid-19 grants from Government. In terms of each problem area:

1. Work is still on-going to deliver the delayed capital receipts. There is some uncertainty over Covid-19 impact on disposal values that may still impact the savings ultimately achieved at a later stage though.
2. Work is on-going for Quarter 2 to establish whether any of the Business Support saving can still be delivered in 2020/21 as revised timescales are agreed for the restructure.
3. Corporate Board has now agreed some additional funding for capacity to move the Contract Management savings forward. There is a chance this could deliver something in 2020/21, but if this does not materialise the saving in 2021/22 will be increased by £0.5m to compensate for this loss this financial year.

Explanation of the projection trajectory: Not on target - Improving

There has already been slight improvement in this KBM as the Covid-19 report has suggested only a third of savings might be delivered for 2020/21. More detailed Quarter 1 financial assessment has already improved this to 51%. There may be a further slight improvement in this KBM before the end of the financial year, however, a prudent at this stage has been taken due to the significant uncertainty created by Covid-19.

% of capital expenditure against budget

Current performance narrative:

A more detailed commentary of the Capital position is provided in the Quarter 1 finance report. From the original Capital Programme (£147.89m) carried forwarded into 2020/21 there has been growth for new schemes to a revised programme of £185.26m. Of this programme it is proposed that £23.71m of this programme is reprofiled into future years. Of this figure £8.5m relates to S278 developer funded schemes, which the County Council has little control over timing. A further £6m of schemes have been impacted by Covid-19 for a range of reasons, with the circa £9m balance relating to slippage as a result of other unplanned issues arising with large complex schemes and having to be accommodated. Whilst the indicator identifies rephasing of 12.8% of the programme there has still been an overall growth of 9.2% in the planned delivery from the original Capital Programme approved for 2020/21.

Improvement activity:

Although implementation has been delayed by Covid-19, a new Capital Framework and improved capital monitoring arrangements are being implemented through 2020/21. It is anticipated that this will create better visibility and challenge to capital projects to help ensure planning and scheme phasing is more robust and accurate. 2020/21 will be the trial year for this so there may a lag in impact around increasing overall % deliverable in the current year, but this should help in the medium term. Opportunities to fast track key schemes that can support recovery from Covid-19 to help pump prime economic recovery so anticipate further growth in the overall Capital Programme budget through the year are being explored.

Explanation of the projection trajectory: Not on target - remaining static

It is difficult to predict the trajectory going forward due to the uncertainty created by Covid-19. There may still be some element of slippage, but this will be in the context of a programme that continues to grow overall.

Number of days sick leave per FTE (rolling 12 months)

Current performance narrative:

Since the start of the year, the level of sickness absence has slowly decreased, and is currently at 10.27, after a peak in April of 10.99. However, it is still higher than the same period last year. The main reasons for sickness absence have been constant, with absence for stress and mental health related reasons still accounting for over 30% of total days lost. The split between long term and short-term sickness absence has also changed with an increase in long term sickness absences

Improvement activity:

During 2020/21, to improve performance a specific project will be introduced to be focused on building a sustainable and resilient workforce. This project will be a key part of the refreshed Our People Strategy which will sit within the Change Portfolio and will contribute to our organisational recovery plans. Data analysis and collation will be improved and the results of the staff wellbeing check in surveys will be used to inform actions, build stronger links with Public Health working together on proactive interventions which particularly target mental health and wellbeing and support for managers to have constructive conversations with staff about their health and wellbeing. The Service will establish performance targets which will help drive improvement and progress against targets will be reported through the Change Portfolio. A report is being considered by the How We Work Board on 3rd August 2020.

Explanation of the projection trajectory: Not on target - remaining static

It is expected that sickness absence will remain relatively static in the first 6 months of 2020/21, as both organisational change activities and Covid-19 have impacted disproportionately. The trajectory is expected to start to show improvements in latter 6 months of the year.

% HROD priorities completed

Current performance narrative:

11 (79%) of priorities have been completed. 3 of 14 were deferred by agreement as a result of Covid-19, two relating to organisational design and one relating to 360 feedback.

Improvement activity:

The three activities are now being stood back up as part of Covid-19 recovery plans.

Explanation of the projection trajectory: Not on target - Improving

Performance is expected to improve as the activity is reinstated

Table 1

The Covid-19 pandemic has adversely impacted all of the measures and the improvement activity has not seen the expected result due to extra pressures and demand of the pandemic on services. Improvement activity needs time to embed and positive results to be realised.

Positively, 6 measures have moved to being On Track at Quarter 1 from Not Being On Track at year-end, including % times a fire appliance arrives at life risk or property incidents within agreed response standards and % net variation to budget.

- 2.5 Chart 2 below illustrates the forecast performance projection over the forthcoming reporting period and previous quarters. Please note the numbers in chart at 2.3 and 2.5 are slightly misaligned due to the '% of reports with substantial assurance level or above' measure being paused due to Covid-19, and as such was reported as not available, however, is it projected to be back on track for the forthcoming reporting period.

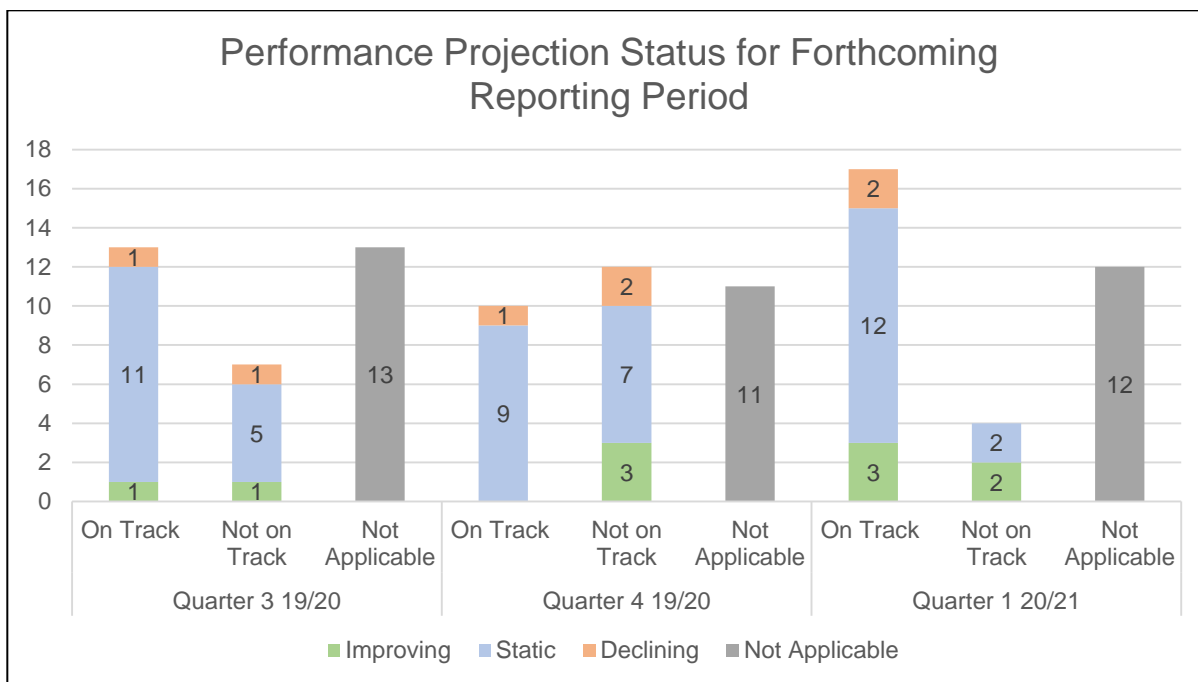


Chart 2

It is forecast that over the next period there will be a slight improvement in performance with 17 of the 33 KBM's moving to a status of On Track over Quarter 2. It is forecast that 2 measures reported as Not on Track at Quarter 1 will have an improved status at Quarter 2.

- 2.6 Comprehensive performance reporting is now enabled through the following link to Power BI [full OSC Quarter 1 2020/21 Performance Report](#).

The Resources, Fire and Rescue OSC Quarter 1 2020/21 Exception dashboards contain details of those measures that are of significant note where good performance or areas of concern need to be highlighted:

[Warwickshire's Communities Exception Dashboard](#)

[Warwickshire's Economy Exception Dashboard](#)

[Warwickshire's Best Use of Resources Exception Dashboard](#)

Financial Commentary – relevant finance information taken from Cabinet report

3.1 Revenue Budget

- 3.1.1 The Council has set the following performance threshold in relation to revenue spend: a tolerance has been set of zero overspend and no more than a 2% underspend. The following table shows the forecast position for the Services concerned.

	2020/21 Budget £'000	2020/21 Outturn '000	Revenue Variance £'000 %	Retained Reserves £'000	Financial Standing £'000
Business and Customer Services	17,454	21,428	3,974 22.77%		3,974

The Covid-19 related pressure of £2.353m consists of:

- £0.488m expenditure for Shielding Hubs;
- Local welfare scheme and forecast losses of (wedding and library) income of £0.985m;
- Non-delivery of £0.880m of MTFs savings relating to the Business Support FOM implementation which has been delayed due to Covid-19.

The remaining non-Covid-19 related overspend is predominately made up of staffing pressures; where budget transfers to other service areas need to be agreed and finalised as part of the FOM implementation. Until further work with other services is carried out, it is assumed that the transfers will not resolve the overspend; but will potentially move the pressure to other service areas;

There continues to be some direct staffing underspends (excluding Covid-19 related staff above) with recruitment and retention of staff being a major risk to the service. The directly employed staff budget is over £1m underspent but almost matched by an equivalent overspend on Agency staff. At a spot point in mid-June there were the equivalent of 74 FTE posts vacant in C&F (10%).

Commissioning Support Unit	4,910	6,382	1,472 29.98%		1,472
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- The Covid-19 related expenditure in CSU is £1.778m and this consists of £1.400m for the PPE expenditure and £0.378m of staffing costs incurred due to Covid;
- After taking account of the Covid pressures, there is a net underspend within CSU of £0.306m resulting from a carry forward into 2020/21 not being fully utilised for the service redesign, largely due to delays experienced as a result of Covid.

Enabling Services	25,059	25,246	187 0.75%		187
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- The Covid related expenditure across Facilities Management and Property Construction and Engineering is currently forecast to be £1m related to making offices safe, additional cleaning and security;
- The remaining underspend is primarily due to an overall underspend in Digital and ICT of £0.529m which has been calculated as part of the detailed zero-based budgeting exercise being undertaken across all budgets in this service area;
- Facilities Management is forecasting to underspend by £0.174m largely as a result of savings on equipment spend in relation to Shire Hall;

- Within Property Construction and Engineering there is a forecast underspend of £0.080m due to savings on utilities.

Finance	4,792	4,865	73 1.52%		73
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The forecast overspend is attributable to use of agency staff to cover vacancies within the Pensions team and to provide additional capacity during the closure of the Accounts.

Governance and Policy	2,427	3,527	1,100 45.32%		1,100
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- The Covid related expenditure of £0.150m is as a result of Communications and Marketing Covid related costs;
- There is a staffing pressure of £0.142m in HROD, where agreements to transfer funding between services are to be finalised;
- There is a Property Management £0.190m pressure on staffing, mainly agency related, whilst the FOM is being finalised, and a £0.150m pressure in relation to Hawkes Point;
- Legal and Democratic are forecasting a £0.492m pressure related to the need to cover a high number of maternity absences with agency staff, combined with a projected under recovery of income because of the impacts of Covid in the early part of the year. Most lost income would have come from external customers and a review of this will take place prior to Q2 with a view to recover the position as much as possible through the course of the financial year.

Fire and Rescue	21,240	21,428	242 1.14%		242
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The forecast overspend is primarily due to Covid related factors where overtime has been required to maintain operational crewing to ensure availability of emergency response and provide additional services to the public during the lockdown phase.

3.2. Delivery of the Savings Plan

3.2.1. The savings targets and forecast outturn for the Services concerned are shown in the table below.

	2020/21 Target £'000	2020/21 Actual to Date £'000	2020/21 Forecast £'000
Business and Customer Services	1,140	260	260

Due to the delay in implementing the Business Support FOM, we are reassessing the service's ability to deliver the savings this year and will have a more accurate position statement in the next quarter

Commissioning Support Unit	405	120	405
Enabling Services	774	69	774
Finance	0	0	0
Governance and Policy	40		0
Electronic Record Keeping project delayed due to Covid - will be recommencing shortly - may delay full recovery in year 1.			
Fire and Rescue	0	0	0

3.3 Capital Programme

3.3.1. The table below shows the approved capital budget for the Services and any slippage into future years.

	Approved budget for all current and future years (£'000)	Slippage from 2020/21 into Future Years £'000	Slippage from 2020/21 into Future Years (%)	Current quarter - new approved funding / schemes (£'000)	Newly resourced spend included in slippage figures (£'000)	All Current and Future Years Forecast (£'000)
Business and Customer Services	168	168	0%	0		168
Enabling Services	16,563	16,575	6.64%	11		16,574
Governance and Policy	3,706	4,502	0%	796		8,898
Fire and Rescue	7,523	5,347	28.92%	0		7,523
Delays on the Fire and Rescue HQ project in Leamington Spa (£2.176m)						

4. Supporting Papers

4.1 A copy of the full report and supporting documents that went to Cabinet on the 10th September is available via the committee system.

5. Environmental Implications

None specific to this report.

6. Background Papers

None

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