Resources and Fire & Rescue Overview and Scrutiny Committee

Council Plan 2020-2025 Quarterly Progress Report: Period Under Review: April 2020 to September 2020

Date of Meeting: 16 December 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 2 Performance Report for the period April 1st, 2020 to September 30th, 2020 was considered and approved by Cabinet on 12th November 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 November Cabinet meeting.

1.2. This report draws on information extracted from both Cabinet reports to provide this Committee with information relevant to its remit.

1.3. Comprehensive performance reporting is now enabled through the following link to Power BI full OSC Quarter 2 2020/21 Performance Report.

The Resources, Fire and Rescue OSC Quarter 2 2020/21 Exception dashboards contain details of those measures that are of significant note where good performance or areas of improvement activity need to be highlighted:

Warwickshire's Communities Exception Dashboard

Warwickshire's Best Use of Resources Exception Dashboard

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**.

Delivery of the outcomes is supported by **WCC making the best use of its resources**.

Progress to achieve these outcomes is assessed against 58 KBMs.

Outcome	No. of KBMs	No. of KBMs available for reporting at Quarter 3
Warwickshire's communities and individuals are supported to be safe, healthy and independent	28	23
Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure	12	11
WCC making the best use of its resources	18	14

As the Organisation continues to transform, the Commissioning Intentions Framework continues to evolve and provides a sharpened focus on performance and supports delivery of the Organisation's priorities.

2.2 At Quarter 2 there has been a decline in overall performance compared to the Quarter 1 position, alongside a reduction in the number of measures reported to the Committee.

2.3 Of the 58 KBMs, 22 are in the remit of this Overview and Scrutiny Committee. At Quarter 2 18 KBMs are available for reporting. 56% (10) KBMs are On Track and 44% (8) are Not on Track. This is a decline from the Quarter 1 position when, of the available KBMs, 80% (16) KBMs were on track while 20% (4) KBMs were behind track.

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

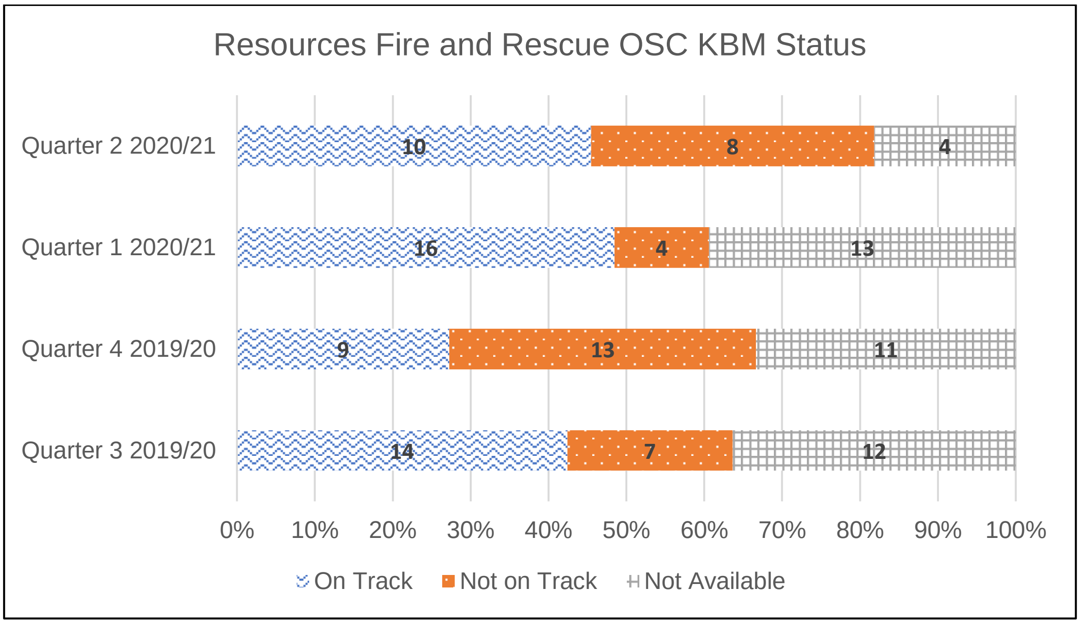

Chart 1

A further 4 KBM’s are unavailable for reporting at this quarter:

- % Employee Engagement Score and % leaders and managers driving a high performance culture are based on the staff check in surveys, which are scheduled for November 2020 and January 2021 respectively;
- % of ICT return on investment (ROI) is currently under review; and
- Total office occupancy costs is impacted upon due to the closure of WCC buildings.

2.4 Of the 56% (10) KBMs achieving target, there are 4 of note:

- Number of days sick leave per FTE (rolling 12 months). Sickness absence has reduced significantly since April and has already met the annual target of a 7% reduction in days per FTE, (compared to 10.9 days at year end) and is currently at 9.15 days, which is a reduction of 10.9%;
- No. of fire related deaths. For the period 1st April to 30th September 2020 there have been zero fire related deaths which is a reduction on one recorded in the same period of 2019;
- No. of fire related injuries. For the period 1st April to 30th September there have been 10 fire related injuries which is a reduction on 11 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; and
- No. of WCC social media followers. This figure is ahead of target. The Service has continued to build on the social media following by developing innovative and targeted approaches.

2.5 Of the 8 KBMs that are Not on Track at Quarter 2, 4 KBMs require highlighting in Table 1 below which details the current performance narrative, improvement activity and explanation of projected trajectory:

Warwickshire’s communities and individuals are supported to be safe, healthy and independent
% times a fire appliance arrives at life risk or property incidents within agreed response standards
Current performance narrative The April to Sept 2020 figure for the percentage of times an appliance arrives at life risk or property incidents within agreed response standards is 65.97% which is a reduction on the year end 2019/20 figure of 70.1% Figures have been affected by the Covid-19 situation. There has been a reduction in the number of most incident types meaning that one missed response time can alter the statistics quite noticeably, resulting in the variations form month to month. Officer monitoring performance have not noticed a significant increase in attendance times outside of the targets. From April to Sept 2020 the average time to respond to a life risk incident for the attending appliance is: 9 minutes 1 second for Fire incidents 7 minutes 48 seconds for Road Traffic Collisions 8 minutes 5 seconds for Special Services incidents

For initial appliances which missed the 10 minute target the average time for response was:
13 minutes 17 seconds for Fire incidents
13 minutes 09 seconds for Road Traffic Collisions
12 minutes 51 seconds for Special Services incidents

The Service focuses its attention and short-term remedial measures on the incidents which occurred within the modelled 10 minute response time but at which that target time was missed.

Improvement activity

The Service deploys staff flexibly across different duty systems to provide optimum operational crewing at any given time, e.g. On-call staff will be utilised to support whole time crewing when needed and vice versa. Recruitment and retention of On-call firefighters is an ongoing challenge, reflecting the national picture, but the Service has seen significant improvements in On-call availability in recent months. Service Control redeploy both staff and vehicles daily to optimise emergency cover, however with the unpredictability and geographical spread of incidents the mitigating effect of this will always be limited. Targeted fire prevention activity is delivered to remote rural areas which the Service knows it will struggle to reach within the 10 minute response time.

Explanation of the projected trajectory: Not on track – remaining static

In the longer term the Service Asset Management Plan sets out the intention to relocate some whole-time response points onto transport nodes across the County with the intention of improving response to emergency incidents outside of the current predicted 10 minute travel time, particularly those on the motorway network. The first of these new locations established will be "Rugby South" for which section 106 funding has been secured and which will provide much improved cover to both the A45 and the new developments to the south west of Rugby.

WCC makes the best use of its resources

Value of Revenue Savings Achieved Against Agreed MTFS

Current performance narrative

74% of individual Medium Term Financial Strategy (MTFS) savings options for 2020-21 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:

1. Just under £1.3m relates to delayed capital receipts as a result of the impact of Covid that would have reduced the need for borrowing.
2. Covid-19 delay to Business Support restructure and issues with budget transfers means the £0.88m will be reprofiled within the revised MTFS.
3. Delays due to Covid-19 in initiating work on Contract Management savings have impacted £0.5m of savings and the intention is to recover these savings in 2021/22.

Improvement activity

Given Covid-19 has been the main cause of delays in achieving target savings 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, and potentially increased uncertainty about timing of receipts, that may still impact the savings ultimately achieved at a later stage.
2. Revised timescales have been agreed for the delivery of business support savings in future years.
3. There is now £3m of identified Third Party Spend savings over the 2021-2025 period and the remaining £3.5m has been allocated to individual services to identify as part of the MTFS process. The under-delivery of £0.5m in 20/21 will be mitigated from Covid emergency funding.

Explanation of the projected trajectory: Not on track - remaining static

There has been an improvement in this KBM since Quarter 1. There may be a further slight improvement before the end of the financial year, however, a prudent view at this stage has been taken due to the significant uncertainty created by Covid-19.

% of reports with substantial assurance level or above

Current performance narrative

Covid-19 has created an unusual position in relation to Audit reports given the suspension of the Audit plan from Mid March and only starting work up again around July time. Usually there is an on-going pipeline of reports with a range of opinions that balance out in the reporting. Those with substantial or higher reports are usually signed off more quickly by management and those with Limited or moderate opinions can take longer for management to agree or respond to recommendations. When lock down hit the reports outstanding at that time were the more difficult ones and the lack of any audit plan progression has meant no newer reports with higher level opinions being available to balance the picture. The 0% represents a sample of 6 completed reports from pre-March 2020 with 3 moderate and 3 limited opinions.

Improvement activity

For the audits completed with an assurance level below Substantial there is an agreed action plan to strengthen arrangements and progress on these actions is followed up and progress is reported to the Audit & Standards Committee to support process improvement and compliance.
Examining the annual trends in audit opinions though has highlighted a steady reduction in the proportion of 'substantial' and 'full' audit opinions for the last three years. Work is underway to understand if this simply reflects the cycle of audits or if there are other root causes, like level of organisational change, are leading to this position. Any findings will be reported to the Audit & Standards Committee within the next 2-3 months.

Explanation of projected trajectory: Not on track – improving

This is expected to improve moving forward now the audit plan is once again being delivered as a broader range of audits and opinions will once again emerge.

Value of debt over 35 days old as a % of debt raised in last 12 months
Current performance narrative The increase in debt reflects approved relaxation of debt collection activity as a result of Covid-19, recognising the financial pressures on some sectors, causing a small spike in May. September performance reflects the fact that invoicing has started again and debt recovery will depend on how financially viable / stable businesses are in the current climate. In addition, developers are being invoiced again, who have recommenced work. These invoices are significant and often result in delays in payment. Improvement activity Activity is being balanced to ensure debts are managed proactively, but also to ensure that any enforcement activity does not negatively affect supplier's financial stability, which would reduce the likelihood of recovering income. A proportion of outstanding debt relates to Clinical Commissioning Groups (CCGs), and work is underway with Warwickshire County Council commissioners to improve payment management processes in this area. Explanation of the projected trajectory: Not on track – declining A slight rise in outstanding debt may be expected in the next quarter due to a significant number of bills to Schools having been issued prior to the summer break, and payments may not be received until September / October. There is also uncertainty where there will be a growth in requests from businesses for some level of repayment plans or timing relief due to Covid-19 financial difficulties.

Table 1

Positively, the number of days sick leave per FTE (rolling 12 months) has moved to being On Track at Quarter 2 from Not Being On Track at Quarter 1.

7 KBMs have remained as being on track, however, the performance of 2, including % times a fire appliance arrives at life risk or property incidents within agreed response standards has declined compared to Quarter 1.

2.5 Chart 2 below illustrates the forecast performance projection over the forthcoming reporting period and previous quarters.

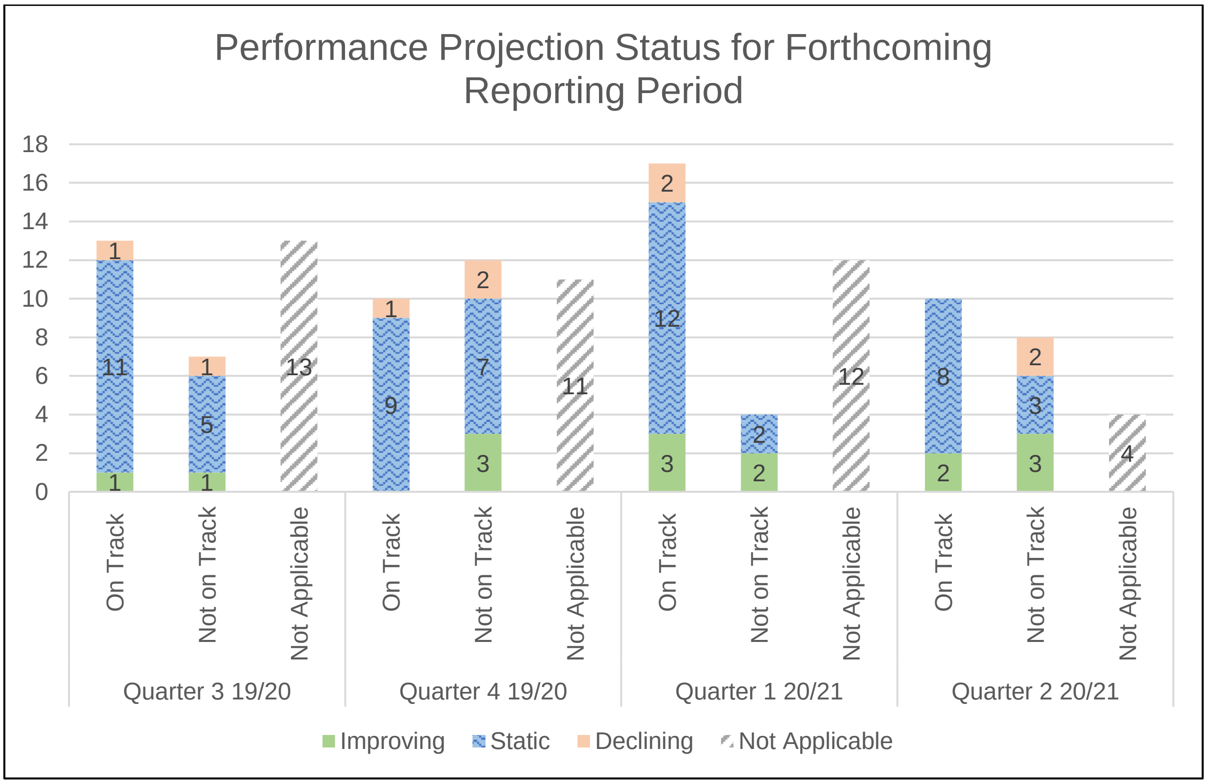

Chart 2

It is forecast that over the next period overall performance will remain similar to Quarter 2 with 10 of the 22 KBMs remaining with a status of On Track over Quarter 3. It is forecast that 3 measures reported as Not on Track at Quarter 2 will have the same status at Quarter 3, however 3 will be improving in performance:

- % of new change projects with measurable benefits identified within the business case;
- % customer satisfaction level with Customer Contact Centre; and
- % of reports with substantial assurance level or above.

The 2 measures which are currently not on track and set to decline further, as explained in Table 1 are:

- Value of Revenue Savings Achieved Against Agreed MTFS; and
- Value of debt over 35 days old as a % of debt raised in last 12 months.

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.

<table>
<tr><th></th><th>2020/21 Budget £'000</th><th>2020/21 Outturn '000</th><th>Revenue Variance £'000 %</th><th>Retained Reserves £'000</th><th>Financial Standing £'000</th></tr>
<tr><td>Business and Customer Services</td><td>17,723</td><td>20,548</td><td>2,825
15.94%</td><td>0</td><td>2,825</td></tr>
<tr><td colspan="6">The Covid related pressure of £3.214m consists of:

• £1.347m expenditure for Shielding Hubs and the Local Welfare Scheme. This represents an increase of £0.409m due to Estates costs to keep Shielding Hubs open until June 2021 and then revert them to their to former use and additional costs of free school meals provision during school holidays.
• Forecast losses of income within the community hubs area (predominantly wedding and library) income of £0.865m. This has increased by £0.113m following an in-depth review of registration income in the light of continued Covid restrictions.
• Non-delivery of £0.763m of MTFS savings relating to the FOM which has been delayed due to Covid.
• Additional costs of £0.239 being incurred to facilitate remote working, deal with increased call volumes and for the digital mailroom and post redirection.

The remaining non-Covid related underspend is made up of £0.455m staff underspends due to vacancies, which is offset with a £0.142m overspend forecast within the Local Welfare Scheme, the latter of which is expected to either be refunded or carried forward for use in future years.

The primary reason for the reduction in forecast overspend compared to Q1 of £0.969m is that a thorough review of the staffing and centralised budget position has been undertaken since the full implementation of the FOM and forecasts adjusted accordingly.</td></tr>
<tr><td>Commissioning Support Unit</td><td>6,349</td><td>8,323</td><td>1,974
31.09%</td><td>0</td><td>1,974</td></tr>
<tr><td colspan="6">The Covid related expenditure includes £1.450m for PPE expenditure and £0.175m of staffing costs incurred due to Covid.

After taking account of the Covid pressures, there is a net overspend within CSU of £0.344m. This position requires further investigation and analysis and is likely to be refined following this work which will include identifying the extent to which funding may potentially offset an element of this.</td></tr>
</table>

The increased overspend compared to Q1 of £0.502m is as a result salary reviews taking place as part of the service redesign within the PMO. Work is ongoing to finalise the position once the redesign is complete.					
Enabling Services	26,140	25,364	(776) -2.97	0	(776)
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 Covid related pressure is made up of equipment for staff working from home and income losses in Catering, Maintenance and Minor Works, Recruitment and Vetting. The underspend within the service is primarily due to a forecast underspend in Digital and ICT of £0.968m which has been calculated as part of the detailed zero-based budgeting exercise. These savings have mostly been incorporated into the refresh of the MTFS. Facilities Management is forecasting to underspend by £0.282m largely as a result of savings on utilities and reduced spend in relation to Shire Hall from having no bookings. Underspends of £0.506m are forecast within the Pears project and the graduate scheme which are likely to be required for carry forward into 2021/22. The reduction to the forecast since Q1 of £0.964m is largely related to the Pears project, graduate scheme and additional savings being identified within ICT as a result of the MTFS refresh.					
Finance	6,277	6,167	(110) -1.75%	0	(110)
The forecast underspend is mainly attributable to staff vacancies which are offsetting some minor operational overspends. This underspend may be partly utilised within year for the use of agency staff to maintain service delivery.					
Governance and Policy	2,760	3,518	758 27.46%	0	758
The Covid related expenditure comprises of £0.240m is as a result of Communications and Marketing Covid related costs, lost income within Legal Service of £0.369m and £0.065m of consultancy costs in Corporate Policy. Excluding Covid, there is a staffing pressure of £0.093m in HROD, where agreements to transfer funding between services are to be finalised.					

Legal and Democratic are forecasting a net non Covid pressure of £0.170m due to the use of agency staff to backfill maternity leave (£0.241m) being offset by savings in Democratic Services as a result of a reduction in meetings and travel (£0.071m). Due to the numbers of vacancies and delays to service redesign there are staff savings of £0.239m within Strategic Asset Management and Corporate Policy which largely offset these pressures. The reduction to the forecast since Q1 of £0.342m is mainly due to reviewing and adjusting the forecasts for staff and consultancy within Strategic Asset Management and small increases in the expected external income within Legal Services.					
Fire and Rescue	21,507	22,047	540 2.51%	0	540
The forecast overspend includes £0.293m 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 and under increased new restrictions. The overspend after Covid Pressures relates to one-off spend relating to the National Workwear project and cover for long term absence and the Firefighter Recruitment Plan recently approved by Corporate Board. The forecast also includes the costs of running a Pilot Citizenship scheme for which Early Intervention Funding has been received. It is likely this will carry forward into 2021/22.					

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
The delay in implementing the Business Support FOM has impacted the Service's ability to deliver the savings this year. A request has been made to reprofile the savings pending the re-engineering of Business Support Service processes coupled with the implementation of digital solutions as appropriate.			
Commissioning Support Unit	405	120	405
Enabling Services	774	774	774

Finance	0	0	0
Governance and Policy	40	0	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	1,950	180	7%	0	0	1,950
A contribution to the Hawkes Point project has meant spend on improving the customer experience has happened sooner than expected (£0.012m).						
Enabling Services	25,964	18,756	-2%	5,699	0	31,663
ICT spending has been delayed to allow time to review datacentre related outcomes and spend with the new ICT leadership group (£0.268m).						
Governance and Policy	4,519	4,502	0%	0	0	4,519
Fire and Rescue	8,081	4,406	-19%	52	0	8,133
£0.513m of funding redistributed between projects within the overarching training scheme and slippage of £0.890m. The Fire training capital scheme is progressing, and tenders have been received via an open market tender for the Kingsbury and Stratford sites. Due to current market conditions and an increase in demand for contractors both tenders exceed the original estimates. This has necessitated the transfer of funding between individual projects. Works are						

likely to commence on these two sites during December 2020. There has been a delay with the Lea Marston site due to additional planning conditions, the Service is hopeful that this site will be presented to the December 2020 planning committee, with a view to receiving and evaluating tenders by February 2021. The Service has taken the decision to temporarily pause the water rescue training provision at the Environment Agency site, until Lea Marston tender evaluation has been carried out. At this point the Service will be able to review the deliverability of the suite of training schemes within the existing budget, and if necessary, consider alternative funding arrangements.

4. Supporting Papers

4.1 A copy of the full report and supporting documents that went to Cabinet on the 12th November is available via the committee system.

5. Environmental Implications

None specific to this report.

6. Background Papers

None

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