

Public Document Pack

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18 November 2022

Performance and Finance Scrutiny Committee

A meeting of the Committee will be held at **10.30 am** on **Monday, 28 November 2022** at **County Hall, Chichester, PO19 1RQ**.

The meeting will be available to watch live via the Internet at this address:

<http://www.westsussex.public-i.tv/core/portal/home>.

Tony Kershaw

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Agenda

10.30 am 1. **Declarations of Interest**

Members and officers must declare any pecuniary or personal interest in any business on the agenda. They should also make declarations at any stage such an interest becomes apparent during the meeting. Consideration should be given to leaving the meeting if the nature of the interest warrants it. If in doubt please contact Democratic Services before the meeting.

2. **Minutes of the last meeting of the Committee** (Pages 5 - 12)

The Committee is asked to agree the minutes of the meeting held on 26 September 2022 (cream paper).

3. **Urgent Matters**

Items not on the agenda which the Chairman of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances, including cases where the Committee needs to be informed of budgetary or performance issues affecting matters within its terms of reference, which have emerged since the publication of the agenda.

4. **Responses to Recommendations** (Pages 13 - 20)

The Committee is asked to note the responses to recommendations made at the 26 September 2022 meeting.

- 10.35 am 5. **End of September 2022 (Quarter 2) Quarterly Performance and Resources Report** (Pages 21 - 164)
- A report by the Chief Executive and Director of Finance and Support Services setting out the corporate performance, finance, workforce, risk and capital programme positions as at the end of September 2022.

The Committee is asked to examine the data and supporting commentary for the Performance and Resources report and make any recommendations for action to the relevant Cabinet Member or Scrutiny Committee.

- 11.50 am 6. **Council Plan and Medium Term Financial Strategy** (Pages 165 - 182)

A report by the Interim Director of Finance and Support Services outlining the Council's integrated council planning, refresh of the Council Plan and the financial position of the Council and issues to be considered in order to set a balanced budget for 2023/24.

The Committee is asked to consider and comment on the report and make any recommendations to the relevant Cabinet Member.

Lunch

The Committee will break for lunch for 30 minutes.

- 1.00 pm 7. **Update after first year of Joint Venture in Property Development** (Pages 183 - 204)

A report by the Assistant Director Property and Assets setting out the progress made and governance arrangements in establishing the Joint Venture.

The committee is asked to review the report and make any comments to the Cabinet Member for Finance and Property.

- 1.40 pm 8. **Multi-Disciplinary Consultant - Plans for the New Contract** (Pages 205 - 208)

A report by the Assistant Director Property and Assets setting out the new working arrangements established with the consultant as a result of the recent re-procurement exercise.

The committee is asked to review the report and make any comments to the Cabinet Member for Finance and Property.

2.20 pm 9. **Work Programme Planning and possible items for future scrutiny**

The Committee is asked to review its current draft work programme taking into account the Forward Plan of Key Decisions and any suggestions from its members for possible items for future scrutiny.

If any member puts forward such an item, the Committee's role at this meeting is to assess, briefly, whether to refer the matter to its Business Planning Group to consider in detail.

(a) **Forward Plan of Key Decisions** (Pages 209 - 216)

Extract from the Forward Plan dated 10 November 2022 – attached.

An extract from any Forward Plan published between the date of despatch of the agenda and the date of the meeting will be tabled at the meeting.

The Committee is asked to consider whether it wishes to enquire into any of the forthcoming decisions within its portfolio.

(b) **Work Programme** (Pages 217 - 224)

The Committee to review its draft work programme taking into consideration the checklist at Appendix A.

10. **Requests for Call-in**

There have been no requests for call-in to the scrutiny committee within its constitutional remit since the date of the last meeting. The Director of Law and Assurance will report any requests since the publication of the agenda papers.

11. **Date of next meeting**

The next meeting of the Committee will be at 10.30am on 25 January 2023 at County Hall, Chichester. Probable agenda items include: -

- Council Plan and Budget 2023/24

Any member wishing to place an item on the agenda for the meeting must notify the Director of Law and Assurance by 10 January 2023.

To all members of the Performance and Finance Scrutiny Committee

Webcasting

Please note: this meeting is being filmed for live and subsequent broadcast via the County Council's website on the internet. The images and sound recording may be used for training purposes by the Council.

Generally the public gallery is not filmed. However, by entering the meeting room and using the public seating area you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

Performance and Finance Scrutiny Committee

26 September 2022 – At a meeting of the Performance and Finance Scrutiny Committee held at 10.30 am at County Hall, Chichester, PO19 1RQ.

Present: Cllr Montyn (Chairman)

| | | |
|--------------|---------------|---------------|
| Cllr Burrett | Cllr Condie | Cllr McKnight |
| Cllr Baldwin | Cllr Gibson | Cllr Sparkes |
| Cllr Boram | Cllr Linehan | Cllr Bence |
| Cllr Britton | Cllr McDonald | |

Apologies were received from Cllr Elkins, Cllr Kerry-Bedell, Cllr Turley and Cllr Wall

Also in attendance: Cllr Hunt, Cllr Marshall and Cllr Waight

Part I

21. Declarations of Interest

21.1 In accordance with the code of conduct, the following personal interests were declared: -

- Cllr Bence in respect of item 6, End of June 2022 (Quarter 1) Quarterly Performance and Resources Report – as the proposed alternative route for the A29 goes through his division
- Cllr Boram in respect of item 6, End of June 2022 (Quarter 1) Quarterly Performance and Resources Report – as a member of Adur District Council
- Cllr Sparkes in respect of item 6, End of June 2022 (Quarter 1) Quarterly Performance and Resources Report – as a member of Worthing Borough Council
- Cllr Waight in respect of item 9a, Forward Plan of Key Decisions (Endorsement of design and procurement process: Worthing Public Realm Improvements programme: Railway Approach Scheme)– as a member of Worthing Borough Council

22. Minutes from 17 June 2022

22.1 Resolved – That the minutes of the meeting held on 17 June 2022 be approved as a correct record and that they be signed by the Chairman.

23. Part I minutes from 13 July 2022

23.1 Resolved – That the Part I minutes of the meeting held on 13 July 2022 be approved as a correct record and that they be signed by the Chairman.

24. Responses to Recommendations

- 24.1 Resolved – That the Committee notes the responses to recommendations made at the 17 June and 13 July 2022 meetings.

25. End of June 2022 (Quarter 1) Quarterly Performance and Resources Report

- 25.1 The Committee scrutinised a report by the Director of Finance and Support Services (copy appended to the signed minutes).
- 25.2 Summary of responses to committee members' questions and comments: -
- The increase from £5.5m underspend to more than £7m overspend may get bigger due to a number of challenges and inflationary pressures – the Council will continue to monitor the situation closely, look for ways to provide services in a more efficient manner and use contingency budgets if necessary, in order to keep the pressures under control.
 - The Council estimates that the National Joint Council pay offer will cost an extra £4.5m, which has been budgeted for
 - The Council has always paid above the minimum wage, but it is important to offer good, competitive packages for staff to encourage recruitment and retention
 - Some Covid grants had been carried forward and will cover the lagging impact of Covid – it was assumed that if Covid worsened, more grants would be made available
 - The Council is expected to meet inflationary pressures from contingency and reserves. If budget management reserves were to be used, they would have to be replenished, but it is thought this won't be necessary as fuel prices are expected to decrease
 - There was a query as to whether the A2300 improvement scheme had led to active/sustainable travel choices –
ACTION: Head of Performance & Intelligence to investigate
 - £20m was added to the Capital Programme for High Needs Capital Funding, but a grant for £21.050m has now become available to cover this expenditure. Cabinet will be briefed on possible ways to utilise this capital budget going forwards
 - There was a query about the end date of the Crawley Schools Private Finance Initiative contract –
ACTION: Deputy Chief Finance Officer, to investigate
 - The Dedicated Schools Grant deficit is likely to have to come out of budget management reserves from 2023/24 but awaiting Government guidance around this
 - The Council is aware of the inflationary pressures on the Capital Programme and expects inflation of 24% over the next five years. The Programme is being closely monitored and analysis is taking place to model the inflationary impact across a range of materials. The impact will be built into the budget review of the Capital Programme and could be mitigated by use of contingency reserves or, if necessary, borrowing
 - Corporate Risk 11 (skills shortage) is a big challenge for the Council as workforce recruitment and retention problems are

being faced across all services. Work is underway to better understand the issues and develop competitive packages.

- Corporate risk 68 is still valid as the Covid-19 pandemic is ongoing, but it may be reviewed and combined with corporate risk 70
- The Human Resources and Organisational Development Directorate's salary benchmarking target has been achieved and the policy was working. More information will be included in the Quarter 2 report
- Significant changes are taking place in Adult Social Care to build flexible capacity around assessments and budgets
- The Council would welcome a countywide rollout of the food waste collection trial in Arun, but this was unlikely until the Government announces funding for it
- The figure of £655,996 for Waste – New Service Model (Recycling Credits) was not in the previous performance and resources report – **ACTION:** Cabinet Member for Finance and Property to investigate
- The joint initiative with district and borough councils to support small businesses with their carbon journey was part of the Council's economic strategy – a target to assist 1,760 had been surpassed
- The development of Pond Road in Adur was part of One Public Estate but could not be advanced as the NHS was unable to provide its share of the capital required
- In the Worthing Public Realm Improvements programme, the Portland Road scheme had been delivered and well received, design work was being carried out on the Station Road scheme and the first part of the Montague Place scheme was complete, but a complicated Traffic Road Order was required to complete the final part
- The Pulse Survey had a 53% response rate providing a good temperature check of the organisation
- A Key Performance Indicator (KPI) for vacancy levels was not thought to be a good idea in case it encouraged taking on people just to meet a target – more useful would be looking at the number of vacancies and the time they took to fill
- The data around staff sickness was unclear – **ACTION:** Director of Human Resources and Organisational Development to investigate
- The options being considered to mitigate cost pressures on the A29 scheme in the Capital Programme to be raised at the next meeting of the Communities, Highways and Environment Scrutiny Committee
- Concerns over obtaining a balanced budget for Adults' Services by realising savings should be raised at the next meeting of the Health & Adult Social Care Scrutiny Committee

25.3 Resolved – that the Committee: -

- i. Has concerns over the continuing impact of increasing inflation on the Council's finances, both on revenue and capital
- ii. Has concerns over the level of the Dedicated Schools Grant and any on-going implications on the Council's finances

- iii. Recognises the pressures in Adult Services to balance the budget and the reliance on meeting savings targets
- iv. Recognises the continuing impact and relevance of the Covid-19 pandemic
- v. Requests more information in the Quarter 2 Performance and Resources Report on Corporate Risk 11 in terms of controls and actions
- vi. Recognises the need to refresh the Pulse Survey
- vii. Has concerns over the recruitment and retention situation reported through the risk register (Corporate Risk 11) and supported the need for the Committee to keep a watchful eye on this
- viii. Requests that consideration be given to inclusion of a Key Performance Indicator on vacancy rates

26. Workforce and organisational culture - update

26.1 The Committee scrutinised a report by the Director of Human Resources and Organisational Development (copy appended to the signed minutes).

26.2 Summary of responses to committee members' questions and comments: -

- To improve equality and diversity, the Council needs to better understand the experience of staff with protected characteristics and make reasonable adjustments to working arrangements where necessary
- The Fire & Rescue Service is trying to attract people from various backgrounds by highlighting different aspects of the role e.g. the leadership and managerial aspects of the role over the purely physical requirements
- The Key Performance Indicators used by the Council were its own, but were similar to those used by other local authorities
- The Council is starting to promote careers in local government by going to schools/colleges and run its own careers fairs. Also need to promote careers with the long term unemployed.
- Weekly recruitment meetings are held to review vacancies in Children's Services due to pressures in that area
- Apart from surveys, staff feedback comes from managers, weekly meetings with UNISON and exit interviews
- Planned reduction in office space was based on team feedback through the Smarter Working Project
- It was expected that more people might work from offices during the cold months
- The Council will be cautious about reducing the available accommodation until the situation settles in case more people decide to work from offices
- Most staff are comfortable with webinars to gather views and feedback though face to face events also take place
- Managers are asked to talk to staff regularly about smarter working arrangements
- It was normal practice that existing staff can take up apprenticeships within the Council. Development opportunities like this also helps with staff retention

- The unregistered workforce is people who don't necessarily need a specific qualification to undertake their roles
- Human Resources and Organisational Development is on target to meet £100k savings this year – next year's savings are on hold
- Looking at why people join the Council could be investigated to better understand what attracts people to work for the Council. This could help to develop recruitment and retention strategies
- It is unknown how many people leave and rejoin the Council, but some take early retirement and come back part time
- Staff coming back to the Council from CAPITA will have a clear induction programme and be asked to complete a pulse survey after three months
- The Branch Secretary of UNISON attended the meeting and reported that UNISON feels: -
 - The pulse survey is essential and that some questions should be kept for historical comparison
 - Work around recruitment and retention is essential, especially in social work (where there have been some good initiatives) and schools
 - Human Resources carries a lot of risk for the Council and needs investment as much as any other directorate
 - UNISON will work with Human Resources on integrating CAPITA staff back into the Council

26.3 Resolved – that the Committee: -

- i. Recognises the need to understand the workforce with more clarity in terms of protected characteristics
- ii. Asks that consideration be given to developing the relationships with schools, and other groups, in terms of career fairs or other means to attract people into local government and public services
- iii. Supports strengthening the process around exit interviews and further staff engagement to gather and understand better workforce issues and concerns
- iv. Asks that consideration be given to gaining an understanding of why people join the organisation

27. SMARTCORE programme completion and funding

27.1 The Committee scrutinised a report by the Director of Finance and Support Services and the Director of Human Resources and Organisational Development (copy appended to the signed minutes).

27.2 Summary of responses to committee members' questions and comments: -

- The project is on course to meet the new delivery date of April 2023
- Updates to the system are planned in November 2022 and February 2023 – testing of these has been factored into the programme

- The Council has bought support from its delivery partner, DXC, to help with any issues that arise around hypercare after go-live and will train its own staff to deal with these in the future
- Checkpoints have now been built into the programme so that if the Council is not happy with the quality of data the programme can be suspended until issues are resolved
- The length of the delay due to Covid was unknown, so the team working on the project was not stood down as this may have meant not being able to continue the project – it would have cost more to relaunch the project than the extra costs incurred due to keeping the team in post
- Since January 2022, the Council has been nailing down the scope of the project via change control notices to avoid drift and meet delivery requirements
- The contingency of £1.25m is a realistic amount and costs will be monitored closely as the project progresses
- When the Council uses its own staff on projects this is generally not included in costs as they are already being paid

27.3 Resolved – that the Committee: -

- i. Supports training in-house staff to take forwards the system after implementation to reduce reliance on external experts
- ii. Has concerns about the programme delay and change to project scope and stressed the importance of learning lessons around this for future projects
- iii. Asks that consideration be given to whether the internal governance process should be reviewed to be more timely and pro-active with fast moving projects of this nature

28. Forward Plan of Key Decisions

29.1 The Committee considered the Forward Plan of Key Decisions (copy appended to the signed minutes) and learned that in regard to the decision, 'Endorsement of design and procurement process: Worthing Public Realm Improvements Programme: Railway Approach Scheme', the Cabinet Member for Support Services and Economic Development has been asked by Worthing Borough Council to suspend the programme whilst it is looked at in more detail – the decision will therefore come out of the Forward Plan for a while

29.2 Resolved – that the Committee notes the Forward Plan of Key Decisions.

29. Work Programme

30.1 Resolved – that the Committee notes its Work Programme.

30. Date of next meeting

30.1 The Committee notes that its next meeting will take place on 28 November 2022, commencing at 10.30am.

31. Part II Minutes from 13 July 2022

- 33.1 Resolved – That the Part II minutes of the meeting held on 13 July 2022 be approved as a correct record and that they be signed by the Chairman.

The meeting ended at 2.20 pm

Chairman

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Action and recommendations tracker

The recommendations tracker allows scrutiny committees to monitor responses, actions and outcomes against their recommendations or requests for further action. The tracker is updated following each meeting. Once an action has been completed, it will be removed from the tracker at the next meeting.

Recommendations

| Topic | Meeting (date raised) | Recommendation | Responsible Officer/ Member | Follow up | Response/Progress/ Deadlines | Status |
|---|-----------------------|---|---|-----------|---|----------|
| End of June 2022 (Quarter 1) Quarterly Performance and Resources Report | 26 September 2022 | Concerns raised over the continuing impact of increasing inflation on the Council's finances, both on revenue and capital | Director of Finance and Support Services /Cabinet Member for Finance & Property | Qtrly PRR | Within the 2023/24 budget there is just under £5m set aside for additional inflationary pressures but this remains a risk. Detailed monitoring of the impact in the current year is considered each month and reported through the quarterly PRR. In addition, detailed analysis of contracts has taken place and their inflation indices to estimate the impact for next year's budget and inflation allocation required. This will be considered against the latest OBR inflation forecasts expected to | On-going |

| Topic | Meeting (date raised) | Recommendation | Responsible Officer/ Member | Follow up | Response/Progress/ Deadlines | Status |
|---|-----------------------|--|---|-----------|---|----------|
| | | | | | be published on 17 November and then agreed as part of the 2023/24 budget agreed by Council in February. | |
| End of June 2022 (Quarter 1) Quarterly Performance and Resources Report | 26 September 2022 | Concerns over the level of the Dedicated Schools Grant and any on-going implications on the Council's finances | Director of Finance and Support Services /Cabinet Member for Finance & Property | Qtrly PRR | The pressures on the high needs block of the Dedicated Schools Grant is impacting many local authorities across the country. The County will continue to lobby Government for the right level of funding to establish a sustainable education sector but also the continuation of the statutory override which could be removed from April 2023. This removal would result in the deficit bring brought onto the County's balance sheet. This will continue to be monitored and | On-going |

| Topic | Meeting (date raised) | Recommendation | Responsible Officer/ Member | Follow up | Response/Progress/ Deadlines | Status |
|---|-----------------------|--|---|-----------|--|----------|
| | | | | | reported through the PRR. | |
| End of June 2022 (Quarter 1) Quarterly Performance and Resources Report | 26 September 2022 | Recognises the pressures in Adult Services to balance the budget and the reliance on meeting savings targets | Director of Finance and Support Services /Cabinet Member for Finance & Property | Qtrly PRR | Adult Services continues to be an area of financial pressure for the County – both in terms of current costs but also challenges to deliver previously approved savings. For savings not delivered in 2022/23, mitigations have been identified but further work is being undertaken for developing next year’s budget to determine scope to deliver in future years and any potential risks. These are monitored monthly and will be reported quarterly through the PRR. The planning for the 2023/24 budget currently assumes all savings will be delivered no later than 2023/24. | On-going |

| Topic | Meeting (date raised) | Recommendation | Responsible Officer/ Member | Follow up | Response/Progress/ Deadlines | Status |
|---|------------------------------|---|---|------------------|---|---------------|
| End of June 2022 (Quarter 1) Quarterly Performance and Resources Report | 26 September 2022 | Recognises the continuing impact and relevance of the Covid-19 pandemic | Director of Finance and Support Services /Cabinet Member for Finance & Property | Qtrly PRR | Some services continue to face pressures from the pandemic and it is likely that some may be long term. Within the current year, these will be monitored through the PRR and are expected to be funded from the remaining Covid grant. No further Government funding is expected and therefore any longer-term pressures will need to be funded from County Council resources and will be addressed as part of future budget setting. | On-going |
| End of June 2022 (Quarter 1) Quarterly Performance and Resources Report | 26 September 2022 | Requests more information in the Quarter 2 Performance and Resources Report on Corporate Risk 11 (skills shortage) in terms of controls and actions | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | Nov 2022 | Some additional information has been included in consultation with the Head of Risk. | Complete |

| Topic | Meeting (date raised) | Recommendation | Responsible Officer/ Member | Follow up | Response/Progress/ Deadlines | Status |
|---|------------------------------|---|---|---|---|---------------|
| End of June 2022 (Quarter 1) Quarterly Performance and Resources Report | 26 September 2022 | Recognises the need to refresh the Pulse Survey | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | Qtrly PRR | Initial meeting has now taken place to review Pulse Survey questions and frequency of undertaking it. | On-going |
| End of June 2022 (Quarter 1) Quarterly Performance and Resources Report | 26 September 2022 | Concerns raised over the recruitment and retention situation reported through the risk register (Corporate Risk 11) and supported the need for the Committee to keep a watchful eye on this | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | Qtrly PRR | To be monitored through the quarterly Performance and Resources Report and, if appropriate, more detailed reports to the committee. | On-going |
| End of June 2022 (Quarter 1) Quarterly Performance and Resources Report | 26 September 2022 | Requests that consideration be given to inclusion of a Key Performance Indicator on vacancy rates | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | Council Plan and Budget scrutiny – January 2023 | Currently considering this as part of the Council's KPI refresh | On-going |
| Workforce and organisational culture - update | 26 September 2022 | Recognises the need to understand the workforce with more clarity in terms of protected characteristics | Director of Human Resources & Organisational Development/Cabinet Member for Support | Qtrly PRR | Equality & Diversity plan now developed and being presented to ELT on 17/11/22 | On-going |

| Topic | Meeting (date raised) | Recommendation | Responsible Officer/ Member | Follow up | Response/Progress/ Deadlines | Status |
|---|------------------------------|--|---|------------------|---|---------------|
| | | | Services and Economic Development | | | |
| Workforce and organisational culture - update | 26 September 2022 | Asks that consideration be given to developing the relationships with schools, and other groups, in terms of career fairs or other means to attract people into local government and public services | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | None | This is now taking place | Complete |
| Workforce and organisational culture - update | 26 September 2022 | Supports strengthening the process around exit interviews and further staff engagement to gather and understand better workforce issues and concerns | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | Qtrly PRR | Revised exit interview process drafted and also a mechanism for undertaking "Stay" conversations. | Complete |
| Workforce and organisational culture - update | 26 September 2022 | Asks that consideration be given to gaining an understanding of why people join the organisation | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | Qtrly PRR | Work in progress | On-going |

| Topic | Meeting (date raised) | Recommendation | Responsible Officer/ Member | Follow up | Response/Progress/ Deadlines | Status |
|--|------------------------------|--|---|------------------|--|---------------|
| SMARTCORE programme completion and funding | 26 September 2022 | Supports training in-house staff to take forwards the system after implementation to reduce reliance on external experts | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | June 2023 | This is now being considered as part of the overall implementation plan | On-going |
| SMARTCORE programme completion and funding | 26 September 2022 | Sought assurance that lessons have been learnt for future projects in terms of the programme delay and change to project scope | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | June 2023 | Lessons learned have been reviewed and included as part of change of governance approach. On going lessons will be regularly monitored. | On-going |
| SMARTCORE programme completion and funding | 26 September 2022 | Asks that consideration be given to whether the internal governance process should be reviewed to be more timely and pro-active with fast moving projects of this nature | Director of Human Resources & Organisational Development/Cabinet Member for Support Services and Economic Development | June 2023 | Revised governance arrangements implemented with weekly "sponsors" meeting and monthly Smartcore Programme Board. Regular updates also provided to the Lead Member | Complete |

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Report to Performance and Finance Scrutiny Committee

28 November 2022

End of September 2022 (Quarter 2) Performance and Resources Report – Focus for Scrutiny

Report by Director of Law and Assurance

Summary

The Quarterly Performance and Resources Report (PRR) is the Council's reporting mechanism for corporate performance, finance, savings delivery, risk and workforce. It has been designed to reflect the priorities, outcomes and measures included in Our Council Plan. The report is available to each scrutiny committee on a quarterly basis and each committee will consider how it wishes to monitor and scrutinise performance relevant to their area of business.

The report (Annex B) reflects the position at the end of September 2022 and reports the Quarter 2 2022/23 position.

Of the 53 performance measures, 51% of measures are reporting as 'green', 38% as 'amber' and 11% as 'red'.

The projected outturn forecast for 2022/23 is a £9.490m overspend.

The PRR also includes information which is specifically relevant to the portfolio responsibilities of the scrutiny committee including service transformation and workforce. The service transformation section (Appendix 2) includes updates on the key projects currently being managed and the workforce statistics, (Appendix 5) provides quarterly information on Key Performance Indicators (KPIs).

The current Risk Register (Appendix 4) is included to give a holistic understanding of the Council's current performance reflecting the need to manage risk proactively.

The Cabinet meeting on 29 November will approve the Quarter 2 Performance and Resources Report.

Focus for scrutiny

The Committee is asked to consider the PRR (the Annex report attached). Key lines of enquiry for scrutiny include:

- Whether the report provides all the information necessary to enable effective and efficient scrutiny and addresses the concerns raised at previous meetings of the Committee; progress of the Horsham Enterprise Park and Broadbridge Heath Retail Scheme and Corporate Risk 11 the recruitment and retention of key officers.

- Assess the performance indicators and measures identified as most critical to the focus of the committee and whether the narrative provides assurance about the position presented and likely outcomes. Issues recognised previously by the committee as priorities to monitor include cyber security, the Capital Programme, Economy Plan, climate change and staff recruitment
- The continuing impact of the Covid-19 emergency situation on the Council's performance and financial resilience
- Identify any areas of concern in relation to the Risk Register and assess plans in place to mitigate key corporate risks, particularly in relation to Corporate Risk (CR) 11 recruitment and retention and CR 22 financial sustainability
- The effectiveness of measures taken to manage the Council's financial position and any non-delivery of identified savings
- Any areas of concern in relation to the workforce indicators
- Using all the information presented to the committee, identify any issues needing further in-depth scrutiny relevant to the committee's portfolio area of responsibility (where there are outcomes scrutiny may influence/add value)
- Identification of:
 - a) Any specific areas for action or response by the relevant Cabinet Member
 - b) Any issues for further scrutiny by one of the other scrutiny committees as appropriate

The Chairman will summarise the output of the debate for consideration by the Committee.

1. Background and context

- 1.1 The Performance and Resources Report (PRR) is designed to be used by all scrutiny committees as the main source of the County Council's performance information.
- 1.2 Annex A – How to Read the Performance and Resources Report, provides some key highlights on the structure, content and a detailed matrix of the sections of the report which are expected to be reviewed by the different scrutiny committees.
- 1.3 The County Council is focused on delivering the four priorities as set out in Our Council Plan: keeping people safe from vulnerable situations, a sustainable and prosperous economy, helping people and communities fulfil their potential and making the best use of resources, all underpinned by tackling climate change. In the second quarter, the measures reported:
 - 51% (27 measures) as 'Green'
 - 38% (20 measures) as 'Amber'
 - 11% (6 measures) as 'Red'
- 1.4 Appendix 8 includes 3 proposed changes to KPIs for approval by Cabinet on 29 November. The details as to why the changes are proposed are outlined in the Annex. These have been presented to the appropriate service scrutiny committee for discussion and agreement.

- 1.5 The **forecast outturn position** for 2022/23 is a £9.490m overspend. This is an increase in the forecast overspend of £1.936m from the end of June PRR. This projection assumes all Covid related costs will be funded by Government grants and excludes the use of the general contingency budget which is held separately. The contingency budget held for 2022/23 is £9.156m to assist with unplanned pressures. This includes £2.9m earmarked for inflation. An Inflation Contingency Budget has also been established of £4.969m to cover inflationary pressures.
- 1.6 The report highlights the non-delivery and delay in achieving the **savings target**. There are £23.4m savings to be achieved in 2022/23 which includes £12.4m undelivered savings from 2020/21 and 2021/22. £8.5m of the target is judged to be red rated with no expectation of delivery. This has been reflected in the outturn position forecast.
- 1.7 The main **financial risks** from across the portfolios include:
- Increasing inflation price rises on energy, goods and services,
 - Increases in the cost of adult lifelong services provision,
 - The mix between internal and external placements for children,
 - The cost of children in need of secure or specialist placements,
 - The rising numbers of children requiring high needs education,
 - The non-delivery and delays of savings.
- 1.8 The impact of increasing costs within the **capital programme** continues to be monitored on a project-by project basis. The Capital Programme for 2022/23 is currently £113m with an expected spend of £127.6m due to the acceleration of a number of projects. The capital programme monitor is detailed in Appendix 3.
- 1.9 In relation to **corporate risks**, there are 4 corporate risks with severity above the tolerance threshold, more detail can be found in Appendix 4:
- Recruitment and retention,
 - Cyber-security,
 - Failure of social care provisions,
 - Financial sustainability.
- 1.10 There are no **Workforce Key Performance Indicators** rated as 'red' this quarter, which is an improvement on previous quarterly reports, the detail is included in Appendix 5.
- 1.11 The background and context to this item for scrutiny are set out in the attached appendices (listed below). As it is a report dealing with internal or procedural matters only the Equality, Human Rights, Social Value,

Sustainability, and Crime and Disorder Reduction Assessments are not required.

Tony Kershaw

Director of Law and Assurance

Contact Officer

Susanne Sanger, Senior Advisor (Democratic Services), 033 022 22550

Appendices

Annex A – How to read this report

Annex B – Performance and Resources Report

Annex B Section 1 – Adults Services

Annex B Section 2 – Children and Young People’s Services

Annex B Section 3 – Learning and Skills

Annex B Section 4 – Community Support Fire and Rescue

Annex B Section 5 – Environment and Climate Change

Annex B Section 6 – Finance and Property

Annex B Section 7 – Highways and Transport

Annex B Section 8 – Leader

Annex B Section 9 – Public Health and Wellbeing

Annex B Section 10 – Support Services and Economic Development

Appendix 1 – Budget Monitor and Reserves

Appendix 2 – Services Transformation

Appendix 3 – Capital Monitor

Appendix 4 – Risk Register Summary

Appendix 5 – Workforce

Appendix 6 - Children First Improvement Plan

Appendix 7 - Fire and Rescue Improvement Plan

Appendix 8 - Proposed Amendments to KPIs on the Council Plan

Background Papers





None

How to Read the Performance and Resources Report

The Performance and Resources Report is separated into three sections:

- a. **Summary Report** – This is an overall summary of the County Council’s performance for the latest quarter, including:
 - Performance highlights of the County Council’s priorities,
 - Overview of the revenue and capital financial outlook across the organisation,
 - Key corporate risks with a severity graded above the set tolerance level,
 - The latest workforce overview.
- b. **Sections by Portfolio (Sections 1-10)** – There is a separate section for each Portfolio:
 - Section 1 – Adults Services
 - Section 2 – Children’s and Young People
 - Section 3 – Learning and Skills
 - Section 4 – Community Support, Fire and Rescue
 - Section 5 – Environment and Climate Change
 - Section 6 – Finance and Property
 - Section 7 – Highways and Transport
 - Section 8 – Leader
 - Section 9 – Public Health and Wellbeing
 - Section 10 – Support Services and Economic Development

Each Portfolio covers the following aspects in detail which enables the Section to be viewed as a stand-alone report:

- Updates of the performance KPIs agreed in Our Council Plan and the action taking place, including Climate Change  performance measures.
- The KPI measures compare the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.
- The arrows on the KPI measures represent the direction of travel compared to the previous quarter:
 - A green upward arrow  shows that performance is improving,
 - A red downward arrow  shows performance is worsening, and,
 - An amber horizontal arrow  shows no change to performance.
- Overview of the revenue financial position, risks and issues and savings update.
- Overview of the capital financial position and latest capital performance.
- Details of the corporate risks which have a direct impact on the specific portfolio.

c. **Supporting Appendices** – Other documents within the report include:

- Appendix 1 – Revenue Budget Monitor and Reserves
- Appendix 2 – Service Transformation
- Appendix 3 – Capital Monitor
- Appendix 4 – Corporate Risk Register Summary
- Appendix 5 – Workforce
- Appendix 6 – Children First Improvement Plan
- Appendix 7 – Fire and Rescue Improvement Plan

Scrutiny Committee Documents

The relevant elements of the Performance and Resources Report will be made available to Scrutiny Committees prior to being considered by Public Cabinet.

A detailed matrix of the Performance and Resources Report’s Sections and Appendices by Scrutiny Committee responsibility is shown below.

The areas in ‘dark green’ indicate the Scrutiny Committees areas of responsibility and the areas in ‘light green’ denote areas of the report which should be included in the Committee papers for context and consideration where appropriate.

PRR Matrix – Documents for Scrutiny Committees

| | | CYPSSC | HASC | CHESC | FRSSC | PFSC |
|----------------|---|--------|------|-------|-------|------|
| Summary Report | | | | | | ✓ |
| Section 1 | Adults Services Portfolio | | ✓ | | | ✓ |
| Section 2 | Children and Young People Portfolio | ✓ | | | | ✓ |
| Section 3 | Learning and Skills Portfolio | ✓ | | | | ✓ |
| Section 4 | Community Support, Fire and Rescue Portfolio | | | ✓ | ✓ | ✓ |
| Section 5 | Environment and Climate Change Portfolio | | | ✓ | | ✓ |
| Section 6 | Finance and Property Portfolio | | | | | ✓ |
| Section 7 | Highways and Transport Portfolio | | | ✓ | | ✓ |
| Section 8 | Leader Portfolio | | | | | ✓ |
| Section 9 | Public Health and Wellbeing Portfolio | | ✓ | | | ✓ |
| Section 10 | Support Services and Economic Development Portfolio | | | | | ✓ |
| Appendix 1 | Revenue Budget Monitor and Reserves | | | | | ✓ |
| Appendix 2 | Service Transformation | | | | | ✓ |
| Appendix 3 | Capital Monitor | | | | | ✓ |
| Appendix 4 | Corporate Risk Register Summary | ✓ | ✓ | ✓ | ✓ | ✓ |
| Appendix 5 | Workforce | | | | | ✓ |
| Appendix 6 | Children First Improvement Plan Update | ✓ | | | | ✓ |
| Appendix 7 | Fire and Rescue Improvement Plan Update | | | | ✓ | ✓ |

| | |
|-------------|------------------------------------|
| KEY: | Specific Committee Responsibility |
| | To Be Included In Committee Papers |

Performance and Resources Report – September 2022

The County Council's business performance, financial performance (revenue and capital), savings delivery, workforce and risk are monitored through the Quarterly Performance and Resources Report produced for consideration by senior officers, Cabinet and all members including Scrutiny Committee members.

Introduction

1. This report provides an overview of the performance across West Sussex County Council for the second quarter of 2022/23 (July - September). It brings together information on performance, finance, workforce and risk management, all of which are reported on an outturn forecast basis and describes how the County Council is delivering on our Council Plan - as refreshed in February 2022. The Council Plan sets out four priorities: keeping people safe from vulnerable situations, a sustainable and prosperous economy, helping people and communities fulfil their potential and making the best use of resources, all underpinned by tackling climate change.

National Context

2. Following the death of her Majesty Queen Elizabeth II on the 8th September, the Government announced a period of ten days National Mourning. Public services continued as usual during this time, however an additional Bank Holiday on the 19th September was declared for the State Funeral. The Proclamation of the Accession of King Charles III was made on the steps of County Hall on the 11th September.
3. Liz Truss became the Leader of the Conservative Party and Prime Minister in September, resigning in October. It is unclear yet how significantly the changes in Prime Minister and government will impact on central government's priorities and funding. Early announcements have included funding in response to energy price increases for consumers, public sector organisations as well as schools and a £500 million Adult Social Care Discharge Fund. The proposed reversal of the National Insurance rise has been confirmed. The government had announced it will be working with local government to deliver the 'cap and means test' reforms by October 2023, that the NI raise was due to fund, but more recent indications are that a delay maybe being considered. The then Chancellor delivered a "mini budget" on 23 September setting out the government's plans for growth and announced a number of changes to tax rates, many of which have subsequently been reversed by his successor. A further financial statement is anticipated on 31 October which will set out details of the government's Medium Term Financial Plans, where tax rises and slowing of public spending is expected to be announced.
4. The government launched a review of Net Zero, chaired by Chris Skidmore MP which is focusing on ensuring that delivering the 2050 target does not unduly impact on businesses, consumers or economic growth; the report is due by the end of 2022. It remains to be seen if this review will continue under the new Prime Minister.

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5. The Levelling Up White Paper announced earlier in 2022 set expectations about a move towards County Deals for most counties by 2030, as well as signalling a range of challenges for our county as government focus and funding is deliberately shifted away from the South East. Two of the first wave of County Deals have been agreed (in York and North Yorkshire and Nottinghamshire and Derbyshire) and others are understood to be close to agreement. It remains to be seen how evolving national political and public finance changes will impact on the levelling up agenda. The September Growth Plan, initiated a new Investment Zones programme for which West Sussex County Council, working with District and Borough Council partners and MPs, submitted three expressions of interest relating to Burgess Hill Town Centre, Burgess Hill Science and Technology Park and Shoreham Port.
6. Global inflationary pressures have persisted during the quarter. The unrelenting increasing energy prices, which is also affecting the cost of general goods and services, is fuelling rises in inflation; although there has been some small relief in petrol and diesel prices, which remain volatile. This is alongside the continuing supply and demand pressures caused by the conflict in Ukraine and continued impact of the Covid-19 pandemic around the world. These global events are contributing to rising cost-of-living pressures which is increasing household expenses for families and the deterioration in the outlook for UK growth. The Government's Energy Price Guarantee for households, businesses and public services was announced in response to this, together with a further round of the Household Support Fund for October 2022 to March 2023, in addition to the previously announced Cost of Living payments for people in receipt of certain benefits and additional £300 Winter Fuel Payment for pensioners.
7. The first quarterly estimate in UK gross domestic product (GDP) by the Office for National Statistics, shows an estimated rise of 0.2% between April – June 2022, upwardly revised from a first estimated 0.1% fall. However, the GDP is estimated to have fallen by 0.3% in August after growth of 0.1% in July.
8. The UK's unemployment rate for June to August, decreased to 3.5%, the lowest unemployment rate since 1974. In West Sussex, the unemployment rate in August remained 2.8%, the same as the South East average.
9. The Bank of England's Monetary Policy Committee (MPC) sets its monetary policy to meet a 2% inflation target. The Committee has raised interest rates from 1.25% in June to 1.75% in August and 2.25% in September to help curb inflation. The Bank has warned that consumer spending is likely to have peaked this quarter and that there have been some early indications that the demand for labour is weakening.
10. The latest figures from the Office for National Statistics (ONS) on the Consumer Price Index (CPI) and Retail Price Index (RPI) shows that the level of inflation has remained static during the quarter with CPI and RPI rates around 10% and 12% respectively. The monthly rates are reported in **Table 1** below.

Table 1 – Inflation Table - CPI and RPI Rates

| | April 2022 | May 2022 | June 2022 | July 2022 | Aug 2022 | Sept 2022 |
|----------------------------|------------|----------|-----------|-----------|----------|-----------|
| Consumer Price Index (CPI) | 9.0% | 9.1% | 9.4% | 10.1% | 9.9% | 10.1% |
| Retail Price Index (RPI) | 11.1% | 11.7% | 11.8% | 12.3% | 12.3% | 12.6% |

11. Inflation places significant pressure on the County Council’s finances, as well as on residents, businesses and the local economy as money does not go as far as costs rise. The County Council continues to focus spend on those areas that contribute to the delivery of the County Council’s priority outcomes as set out in the Council Plan.
12. Growing recruitment and retention challenges over recent years are expected to continue and may be further exacerbated by the wider job market conditions. Particular areas of pressure include social workers, care workers and occupational therapists; planners, property, transport and development experts; and lawyers. Cost of living pressures and the tighter job market means that there is significant competition in roles across services, which is having an impact on our ability to recruit and retain staff, and we expect this will only get more challenging in the short to medium term.

Performance Summary - Our Council Plan

13. This section reports the latest performance position against Our Council Plan measures. **Table 2** displays the performance by priority with details of each measure reported in each respective Portfolio Section. The values within the table refer to the number of KPI measures included within each portfolio.

Table 2 – Performance by Portfolio/ Priority

| Portfolio / Priority | RAG Status | Keeping People Safe from Vulnerable Situations | A Sustainable and Prosperous Economy | Helping People and Communities to Fulfil Their Potential | Making the Best Use of Resources |
|------------------------------------|------------|--|--------------------------------------|--|----------------------------------|
| Adults Services | R | 1 | 0 | 2 | 0 |
| | A | 1 | 0 | 3 | 0 |
| | G | 2 | 0 | 0 | 0 |
| Children and Young People | R | 1 | 0 | 0 | 0 |
| | A | 3 | 0 | 0 | 0 |
| | G | 1 | 0 | 0 | 0 |
| Learning and Skills | R | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 3 | 0 |
| | G | 0 | 1 | 3 | 0 |
| Community Support, Fire and Rescue | R | 0 | 0 | 1 | 0 |
| | A | 1 | 0 | 0 | 0 |
| | G | 2 | 0 | 4 | 0 |
| Environment and Climate Change | R | 0 | 0 | 0 | 0 |
| | A | 0 | 1 | 0 | 0 |
| | G | 0 | 1 | 0 | 0 |

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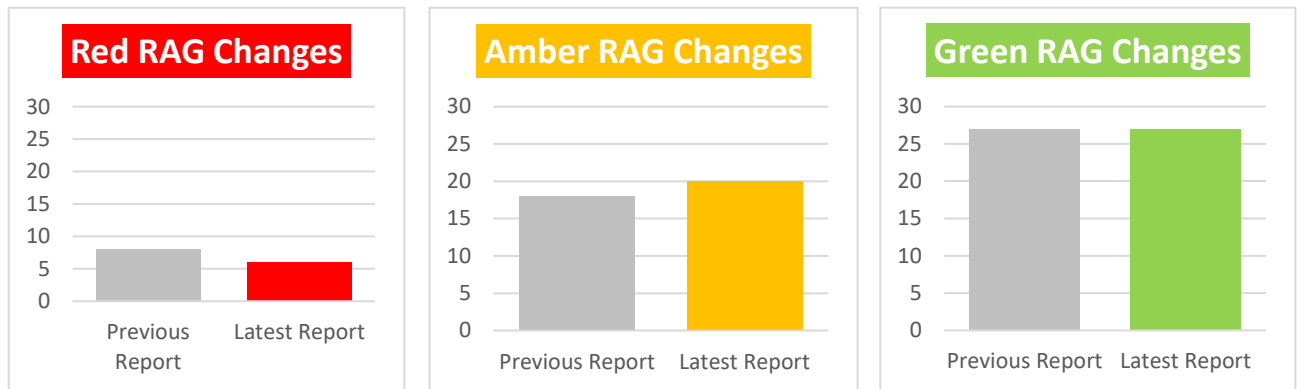
| Portfolio / Priority | RAG Status | Keeping People Safe from Vulnerable Situations | A Sustainable and Prosperous Economy | Helping People and Communities to Fulfil Their Potential | Making the Best Use of Resources |
|---|------------|--|--------------------------------------|--|----------------------------------|
| Finance and Property | R | 0 | 0 | 0 | 1 |
| | A | 0 | 1 | 0 | 0 |
| | G | 0 | 0 | 0 | 2 |
| Highways and Transport | R | 0 | 0 | 0 | 0 |
| | A | 0 | 1 | 1 | 0 |
| | G | 0 | 2 | 0 | 0 |
| Leader | R | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 0 | 0 |
| | G | 0 | 3 | 0 | 0 |
| Public Health and Wellbeing | R | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 3 | 0 |
| | G | 3 | 0 | 0 | 0 |
| Support Services and Economic Development | R | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 0 | 2 |
| | G | 0 | 0 | 0 | 3 |

Key:

Cells highlighted in blue indicate the KPIs which include a **Climate Change** (CC) measure. Overall, there are three Climate Change measures.

14. **Table 3** and **Graph 1** below provides a comparison of the latest RAG status on the 53 measures with the previous reporting period.

Table 3 – Performance Comparison With Previous Reporting Period



Graph 1 – Performance Comparison With Previous Reporting Period



15. The quarter two performance position reports the following:
- 51% (27 of 53) - met target (Green). The same number of measures as the previous quarter.
 - 38% (20 of 53) - close to meeting their target (Amber). A net increase of two measures from the previous quarter
 - 11% (6 of 53) – target not met (Red). A net decrease by two measure from the previous quarter.

Performance Summary by Priority

16. During this period, the key focus has been on the ongoing global energy crisis, cost of living and inflation which is impacting operations across the council. The County Council has no additional resources to address the impact and is anticipating additional cost and demand pressures in many services. The County Council with focus on partnership working continues to help those most in need to access the range of support that is available.

Keeping People Safe from Vulnerable Situations

17. The Ofsted Monitoring visit in September 2022 confirmed that the Children First Transformation Programme remains on track and is continuing to improve our services to children and families, and thereby their outcomes.
18. The implementation of the second phase of the Family Safeguarding model, introducing dedicated adult services workers, is continuing following the stabilisation of the service after the phase one implementation earlier in the year. Phase two of the Fostercare Service redesign is also progressing. Alongside these projects, we are continuing to progress our Practice Improvement Plan, with quality assurance activity and performance reporting helping us to understand where there are issues and implement improvement activity immediately, ensuring we continue to make progress as we prepare for a full inspection in early 2023.
19. It continues to be a period of high demand within the areas of Early Help and Children's Social Care; therefore, the service has undertaken a range of recruitment and retention activities, which have included the successful recruitment of 36 qualified social workers from South Africa who will join the organisation in early 2023.
20. Teams across the council continue to work together to respond to the 'Homes for Ukraine' scheme and the Community Hub continues working closely with internal teams, partners and District and Borough Councils distributing the Household Support Fund, as well as providing information and signposting to wider sources of support for people impacted by the cost-of-living pressures.
21. As a response to cost-of-living pressures, it was announced that the Household Support Fund would be extended and will provide support between 1st October 2022 – 31st March 2023. The County Council has been allocated £4.8m, the same funding allocation as previous rounds to distribute across the county. This funding

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will enable the County Council to continue to provide £15 per week supermarket vouchers during the holidays for children eligible for term-time free school meals. Household Support Funds will also be available through a range of different distribution methods including via the County Council's Community Hub, District and Borough Councils and also other partnership organisations including Citizens Advice and Food and Fuel Banks.

22. In July, a report by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) following the inspection of our Fire and Rescue Service in November 2021 was published. It highlighted marked improvement in the service, though noted more work to do. This independent and externally validated progress supports, the now embedded, working arrangements to manage service performance and effectiveness. The report provides evidence that we have completed the Fire and Rescue Service Improvement Programme but will be taking forward follow-up actions from the inspection as part of our regular management of performance and continuous improvement.
23. During the period of high temperatures in the summer, firefighters dealt with a number of wildfire outbreaks, attending 32 grassland fires since July. A third of those incidents took place between 1st August and 9th August.

A Sustainable and Prosperous Economy

24. Work continues to help boost our economy including projects underway for the provision of freely accessible outdoor public Wi-Fi at six popular visitor areas in West Sussex. They will provide Wi-Fi for visitors, businesses, event traders and live streaming events.
25. Development continues on our infrastructure including the successful completion of the £9.0m Eastern Gateway scheme which has improved links between Crawley town and key nearby development sites. Construction of a 2km-long shared cycleway/ walkway route, connecting Findon Valley with the South Downs National Park gateway of Findon Village, started in August to provide a link for those wanting to opt for a more active way of travelling and links with an existing cycleway south of the Findon Valley shops, towards the A27 and a signed route into Worthing town centre.
26. A key focus of the Council's Economy Plan is working with Districts and Boroughs to initiate various programmes to support businesses and enterprises. Initiatives include:
 - The Track -a creative digital hub in Bognor Regis that supports the start-up and growth of creative digital businesses;
 - Experience West Sussex partnership (EWS) – supporting tourism and the visitor economy;
 - The Business Hot House - a University of Chichester led EU funded programme of support to pre-start and growing businesses in Coast to Capital area;
 - RISE (Research and Innovation in Sussex Excellence) – helping to accelerate business innovation and investment in research and development; and
 - LoCASE (Low Carbon Across the South and East) - helps green businesses and advances energy efficiency across sectors.

Despite the continuing economic challenges, these initiatives are progressing well and their programmes are on track.

Helping People and Communities Fulfil Their Potential

27. Work continues to ensure that all children are able to access 'Good' or 'Outstanding' provision in schools through tackling weaknesses and support schools to improve. This has led to over 90% of West Sussex children and young people attending 'Good' or 'Outstanding' provision which is the highest seen in West Sussex over a long period. A key focus of activity is on implementing a new Education and Learning Strategy which continues to have SEND and Inclusion at the core. This involves continuing to ensure that the County has sufficient high-quality provision to meet children's needs in mainstream schools and also creating additional specialist provision to cover increasing demand.
28. Following Covid-19, West Sussex has seen a surge in requests for Education, Health and Care Needs Assessments (EHCNAs). The number of new requests for Plans has grown considerably (+16.5%) compared to the previous academic year and there has been a 32.5% increase in the number of plans agreed. Whilst this has challenged the process of completing Education, Health and Care Plans (EHCPs) within the twenty-week deadline, work is being undertaken to manage this process, reduce the timelines and also to signpost schools, early years providers and parents to ordinarily available inclusive practice where needs of children can be met without the need for an EHCP.

Making the Best Use of Resources

29. The County Council's ten-year contract with Capita for internal support services ended on 30th September 2022, with Accounts Payable, Business Services Administration, Operational Procurement, Online Service Delivery and the Customer Service function moving to the Council. The induction of over 300 staff is well underway with a focus on maintaining service continuity.
30. Following the period of prolonged hot dry weather over the summer, staff from the County Council's grass cutting contractor were redeployed to other highway-related tasks, including clearing vegetation from signs and tending 450-plus young trees, which had become stressed in the extreme heat and would otherwise be at very high risk of not surviving these exceptionally dry conditions.
31. Work to implement the new SmartCore enterprise business information management system has continued through the summer. The system is due to go live in April 2023 for all computer-users across the Council. Once launched, SmartCore will replace the current SAP system and deliver a wide range of benefits across all departments, helping to transform the Council's business processes and operations and providing long-term benefits for the future.
32. The Smarter Working Programme is continuing to develop tools, guidance and support for our teams to enable them to operate in the most effective location that prioritises services whilst providing flexibility for staff. This flexibility will also increase our attractiveness as an employer and our retention of staff. In parallel we have enlisted a partner to redesign the floor layout at County Hall, building on

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the success of the Bridge House interior refit and industry best practice to provide a space that meets the needs of our staff and provides an inspiring workspace. The revised floor layout will allow the Council to move staff from our Northleigh and The Grange buildings, allowing us to mothball both buildings. This is on course to be completed by the end of 2023.

Responding to the Challenges Posed by Climate Change

33. The County Council's bid to the Government's Low Carbon Skills Fund (Phase 3) for a further £277,000 to deliver 40 Heat Decarbonisation Plans has been successful. The new Heat Decarbonisation Plans will cover more of the county's schools and corporate sites and add to the 50 already completed following a successful bid into an earlier round of Government funding. The plans, which will be completed by March 2023, will show where heating systems powered by fossil fuels could be replaced by low carbon alternatives, complementing improvements to the energy efficiency of the buildings.
34. The Energy Services Team have provided advice and guidance to schools and academies across the county regarding how to mitigate and manage the high energy prices being offered in the gas and electricity markets. The team have supported some schools to join the council's buying basket administered by the LASER Energy Buying Group (Kent County Council's Commercial Services). For one school, this has reduced their expected annual cost of energy by approximately £88,000.

Finance Summary

35. The forecast outturn position for 2022/23, as at the end of September, is currently **projecting a net £9.490m overspend**, an increase of £1.936m when compared to June. This overall position assumes that any in-year costs related to the Covid-19 pandemic will be fully funded from government grants received. Also, this position excludes the use of the general contingency budget which is held separately.
36. **Table 4** details the revenue outturn position by Portfolio.

Table 4 –Year End Outturn Position and Variation

| PORTFOLIO | CURRENT NET BUDGET (£'000) | PROJECTED OUTTURN VARIATION (£'000) | VARIATION % | MOVEMENT SINCE Q1 (£'000) |
|---|----------------------------|-------------------------------------|-------------|---------------------------|
| Adults Services | 215,868 | 0 | 0.0% | 0 |
| Children & Young People | 139,450 | 9,070 | 6.5% | 4,870 |
| Learning & Skills | 28,664 | 1,271 | 4.4% | 162 |
| Community Support, Fire & Rescue | 45,143 | 36 | 0.1% | (206) |
| Environment & Climate Change | 61,948 | -2,100 | -3.4% | (2,600) |
| Finance & Property | 25,156 | -150 | -0.6% | 30 |
| Highways & Transport | 41,460 | 1,100 | 2.7% | (400) |
| Leader | 2,892 | -88 | -3.0% | (88) |
| Public Health & Wellbeing | 0 | 0 | 0.0% | 0 |
| Support Services & Economic Development | 41,418 | 271 | 0.7% | 88 |
| Non Portfolio | 46,022 | 80 | 0.0% | 80 |
| Total | 648,021 | 9,490 | 1.5% | 1,936 |

Key:
 and - Provides a view of the Q1 projection
 and - Reports the Q2 projection

Inflationary Pressures and Staffing Pay Award

37. Within the net revenue overspend position, there is a net £7.0m of identified service specific inflationary pressures, largely in relation to energy prices and contract inflation increases.
38. The annual inflationary increase for in-house foster care, special guardianship and adoption allowances, have historically been allocated at the same value as NJC staffing pay awards. Although the NJC pay award is not formally resolved for 2022/23, the employer has offered an uplift rate of £1,925, which would equate to 6.4% increase for an average annual fostering allowance. Within the Children's and Young Peoples portfolio, there is currently an inflation provision available of 3.75% for these allowances. If it is decided that a link to the NJC pay award should be maintained in 2022/23 and the £1,925 NJC pay award is agreed; this would equate to an additional £0.3m in-year pressure on allowances.
39. **Table 5** details the specific items for closer review. Please note, some portfolios are not reporting an overall overspend projection because other mitigation opportunities have been identified to offset the pressure.

Table 5 – Projected Inflation Costs Over and Above Budgeted Assumption (Excluding Pay)

| Estimated Additional Inflationary Pressures 2022/23 (Revenue) | | Overspend Reported |
|--|--|---------------------------|
| Various Portfolios | Previously reported inflation - Q1 Performance and Resources Report | £7.791m |
| Children and Young People | Potential net inflation increase above the set 2022/23 budget for Fostercare Rates and Adoption, Residence and Special Guardianship Allowances – Projection based on proposed NJC increase (equates to 6.4%) | £0.300m |
| Environment and Climate Change | Solar Energy – Forecast additional income generated from forecast energy price rise | (£1.600m) |
| Environment and Climate Change | Corporate Utilities – Forecast energy price rise | £0.300m |
| Learning and Skills | SEND Home to School Transport – Inflation pressure on running costs | £0.100m |
| Highways and Transport | In-House Transport – Inflation pressure on running costs | £0.100m |
| Total Additional Inflation Pressures Identified (Revenue) | | £6.991m |

40. At this time, we are awaiting the outcome of recent union member ballots following the local government national employers final pay offer announcement for NJC staff. Also, other national unions, including the Fire Brigade Union and the National Education Union are currently negotiating pay and conditions with the government.
41. Following the government’s confirmation on the 17th October that the 1.25% NI reduction will continue to take place; it is estimated that this will result in an in-year saving of £0.580m. Due to the uncertainties around the in-year pay award settlements, it is proposed that this NI underspend is added to the initial 2022/23 pay award funding estimate of £4.5m, therefore the funding earmarked to cover staffing pay awards in 2022/23 is £5.1m. The actual value required will be dependent on the outcome of the current pay negotiations taking place and number of staff within each cohort.

Contingency Budget Overview

42. The County Council’s Contingency Budget is reported within the Non-Portfolio Budget section of the accounts. For 2022/23, a **£9.156m Contingency Budget** is available to assist with unplanned in-year pressures, including £2.9m earmarked for inflation.
43. Following the increasing uncertainty with regard to inflation, a Decision was taken within the 2021/22 Outturn Performance and Resources Report to create an **Inflation Contingency Reserve** using £4.969m of unspent 2021/22 Contingency funds.

44. **Table 6** details the total available contingency funds for 2022/23 alongside the current projected overspend position and the estimated additional funding which may be required for the 2022/23 staffing pay award.

Table 6 – Projected Impact of Contingency

| Contingency Budgets in 2022/23 | Funding Available 2022/23 |
|--|----------------------------------|
| Contingency Budget 2022/23 (Including £2.9m earmarked for inflation) | £9.156m |
| Inflation Contingency Reserve | £4.969m |
| Total Contingency/ Inflation Funding Available | £14.125m |
| Less - Estimated funding required to cover proposed NJC offer (assumes inclusion of HAY) plus funding requirements for other pay bodies at 4%. A further £0.580m of NI savings are also available towards the required funding for staff pay awards | £4.500m |
| Subtotal – Remaining Contingency | £9.625m |
| Less – Current projected revenue outturn overspend – as at September 2022 | £9.490m |
| Remaining Uncommitted Contingency Funding | £0.135m |

Covid-19 Grant Overview

45. The cost of the Covid-19 pandemic to the County Council continues to be monitored separately from the portfolio budgets agreed by County Council. It is expected that all the costs of the pandemic incurred in 2022/23 will be funded from existing government grants.
46. **Table 7** details the remaining Covid-19 grants carried forward into 2022/23 and includes the value of known commitments. The majority of the remaining grants are expected to be fully utilised in 2022/23. Details on planned expenditure are reported in each portfolio section.

Table 7 - Listing of Revenue Covid-19 Grants Transferred into 2022/23 and Current Known Commitments.

| Covid-19 Grant | Details | Grant Carried Forward 2022/23 (£) | Current Known Commitments (£) |
|--------------------------------------|--|--|--------------------------------------|
| Local Authority Non-Ringfenced Grant | Non-Ringfenced Grant – Supporting pressures created by the pandemic | £12.976m | £5.073m |
| Local Council Tax Support | Non-Ringfenced Grant – To support the continuation of the local council tax hardship scheme | £3.000m | £3.000m |
| Contain Outbreak Management Fund | Ringfenced Grant – To help reduce the spread of coronavirus and support local public health. | £3.651m | £3.651m |
| Emergency Active Travel Fund | Ringfenced Grant – To protect and increase travel services. | £0.170m | £0.170m |
| Travel Demand Management | Ringfenced Grant – Support in developing travel demand management programme. | £0.021m | £0.021m |
| Total | | £19.818m | £11.915m |

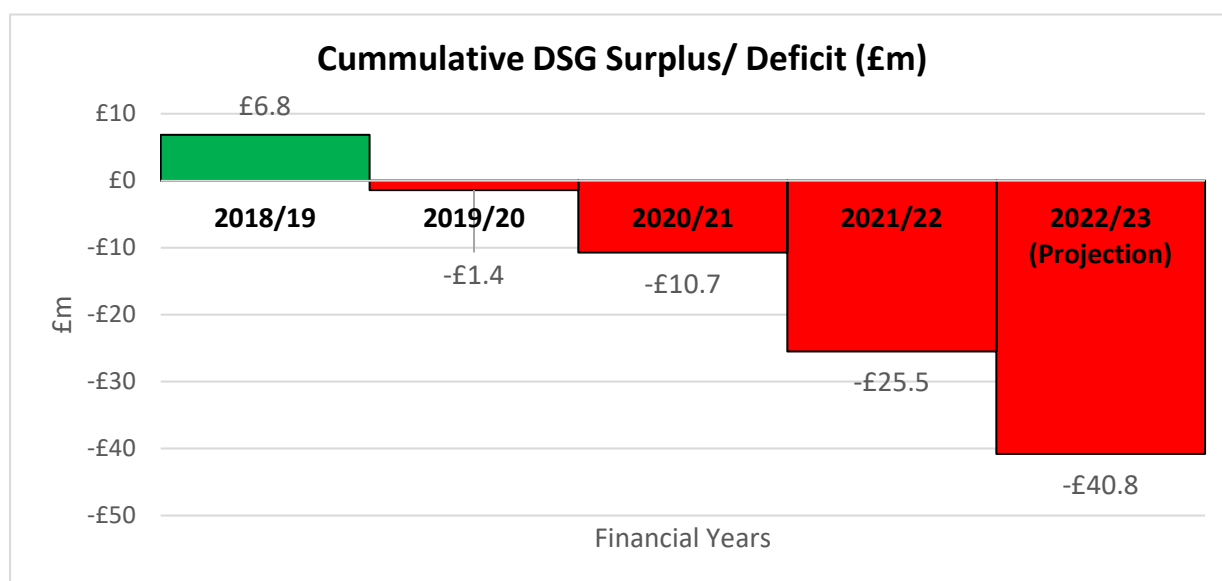
Financial Outturn – Portfolio Risks

47. The individual portfolio sections within the report explain the key movements which have occurred during the year, however the main areas which have arisen within and across portfolios include:
- Increasing inflation price rises on energy, goods and services,
 - Increases in the cost of adult lifelong services provision,
 - The mix between internal and external placements for children,
 - The cost of children in need of secure or specialist placements,
 - The rising numbers of children requiring high needs education,
 - The non-delivery and delays of savings.
48. Taken at face value, the **Adults Services Portfolio** budget continues to appear stable. Within the Older People service, there is evidence to support that the cost of care packages has been reducing in real terms, which is a lead indicator of the good outcomes being produced by the savings target for community care reviews.
49. However, there remains an underlying overspending risk of £10.7m, an increase of £2.3m when compared to June; although the overall forecast remains a balanced budget due to a number of one-off opportunities to cover this overspending position. It should be noted that this forecast includes £7.6m of delayed savings which are no longer expected to be achieved this financial year. Further information on the Adults Services Portfolio is detailed within **Section 1**.
50. The **Children and Young People’s Portfolio** is projecting a £9.1m overspend, an increase of £4.9m when compared to the June position. This increase is largely due

to the mix of placement types, with more external placements, which are more expensive, being required than internal provision. There are also a small number of unique high-cost care and support arrangements which are adding financial pressure.

51. The **Dedicated Schools Grant (DSG)** Reserve is currently reporting a £25.5m deficit, with a further £15.3m projected overspend in 2022/23 currently forecast. This will increase the overall DSG overspending position to £40.8m by the end of the financial year.
52. **Graph 2** shows the cumulative DSG surplus and deficit which has amounted over the last five years. Further details are reported within **Section 3**.

Graph 2 - Five Year DSG Reserve Balance (Included 2022/23 Estimate).



53. Within the **Environment and Climate Change Portfolio**, it is projected that £2.6m of additional income will be achieved in-year due to the elevated solar energy unit cost price increases. This additional income has offset a projected £2.0m corporate utilities overspend which has arisen from the higher energy rates.

Savings Update

54. The 2022/23 savings target across all portfolios is £11.0m. In addition to these planned savings, there remains £12.4m of 2020/21 and 2021/22 savings which were not delivered on an on-going basis; largely due to the Covid-19 pandemic. Therefore, the **overall savings to be achieved in 2022/23 totals £23.4m**.
55. To ensure that all savings are monitored with the same robustness and urgency, **Table 8** has amalgamated all the savings which need to be delivered; including a number of savings within the Adults Services Portfolio which have been re-cast to reflect revised saving plans. These amended plans have been created and supported by an external service provider, and have been developed for each individual workstream, however delivery of savings to date has been limited.

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56. Of the total £23.4m savings:

- £7.8m (34%) is currently judged as on track and has either been delivered as originally envisaged or the saving has been achieved via a different mechanism,
- £7.1m (30%) is judged as amber where further work is required to ensure the saving can be achieved, and
- £8.5m (36%) is judged as red with no expectation of delivery in year. Red savings are reflected within the forecast outturn position.

57. The savings area of highest concern relates to Adult Services where £7.6m of savings are no longer expected to be achieved in year and a further £5.0m are judged as 'at risk' due to setbacks in the ability to instigate saving plans to deliver a full year effect.

58. **Table 8** summarises the savings position by Portfolio. Details of each saving is included in the separate portfolio sections.

Table 8 – Savings by Portfolio

| | RED | AMBER | GREEN | BLUE | |
|---|---------------------------------------|----------------|----------------------------------|---------------------------------------|---------------|
| Total Savings 2022/23 | Significant Risk Not Delivered (£000) | At Risk (£000) | On Track Delivery In Year (£000) | Delivered On an On-Going Basis (£000) | Total (£000) |
| Adults Services | 7,593 | 4,954 | 2,401 | 890 | 15,838 |
| Children & Young People | 400 | 1,700 | 800 | 300 | 3,200 |
| Learning & Skills | 150 | 0 | 25 | 725 | 900 |
| Community Support, Fire & rescue | 0 | 70 | 0 | 0 | 70 |
| Environment & Climate Change | 0 | 20 | 1,550 | 0 | 1,570 |
| Finance & Property | 150 | 0 | 0 | 0 | 150 |
| Highways & Transport | 0 | 376 | 50 | 0 | 426 |
| Leader | 0 | 0 | 0 | 0 | 0 |
| Public Health & Wellbeing | 0 | 0 | 0 | 0 | 0 |
| Support Services & Economic Development | 200 | 0 | 500 | 338 | 1,038 |
| Non-Portfolio | 0 | 0 | 250 | 0 | 250 |
| TOTAL | 8,493 | 7,120 | 5,576 | 2,253 | 23,442 |

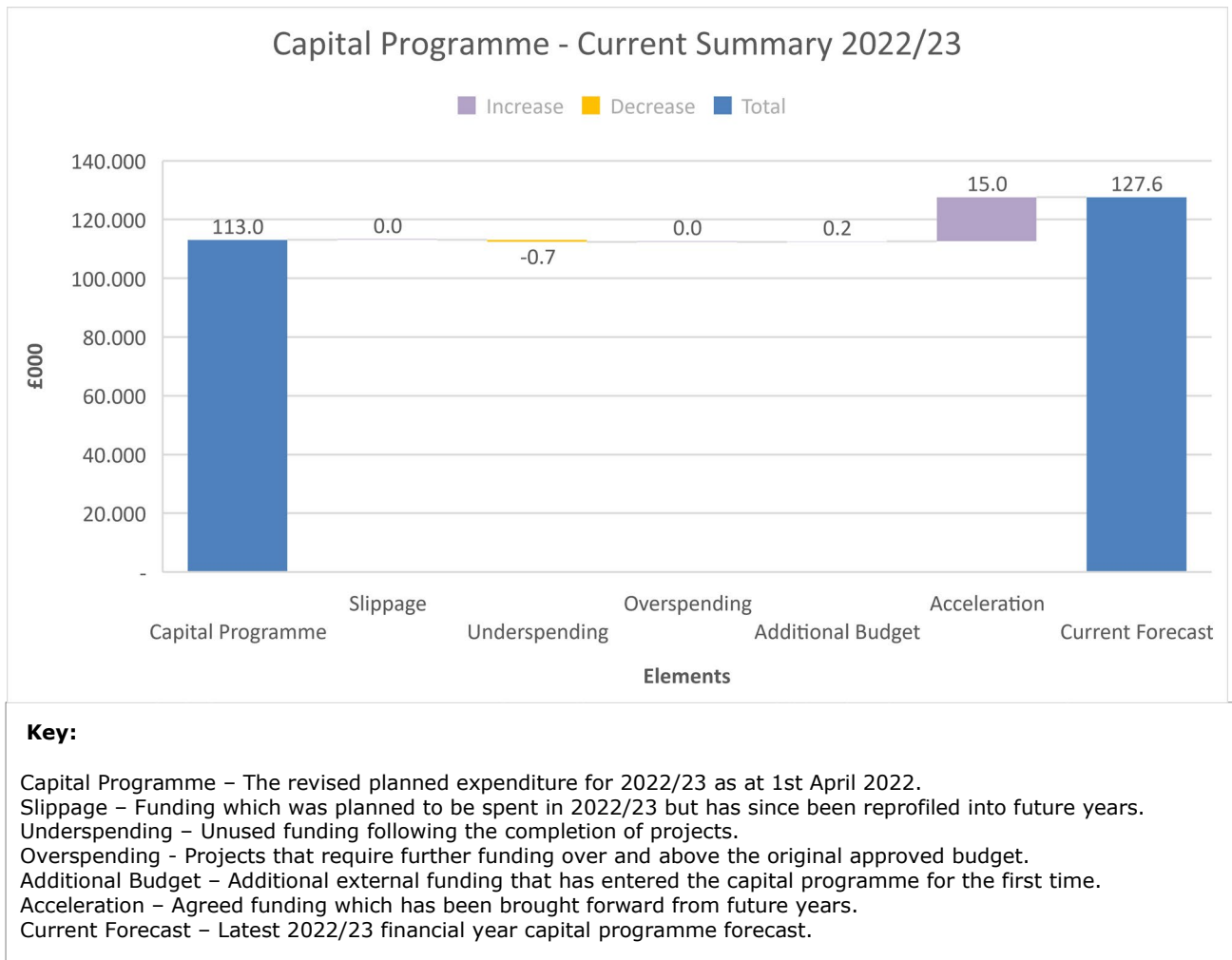
Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

Capital Programme Summary

59. The Capital Programme; as approved by County Council in February 2022, agreed a programme totalling £120.3m for 2022/23. £7.3m of this expenditure, originally profiled to spend in 2022/23, was accelerated into 2021/22, revising the capital programme to £113.0m.
60. Since this time, profiled spend has increased overall by £14.6m, to give a forecast spend for 2022/23 of £127.6m. **Graph 3** demonstrates movements from the revised capital programme to the current forecast.

Graph 3 – Capital Programme



Capital Programme Inflation Risk

61. Inflationary pressures are also impacting on the Capital Programme; however, the impact varies by project and is dependent on the stage of each scheme and the type of material required. The Department of Business, Energy and Industrial Strategy (BEIS) publish monthly statistics on the cost of key areas of business, including the cost of building materials and components. The BEIS reported material price index for 'All Work' increased by 17.8% in August compared to the same month the previous year.

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62. Some in-flight projects have contingency or inflation provision built-in to their agreed funding allocation. Also, block maintenance and annual works programmes could be managed through delivering less schemes in the short-term, but this is likely to compound the problem in future years and would require funding at a later date.
63. Any projects which require additional funding to cover inflation will continue to go through the County Council's set governance procedure which ensures all aspects are assessed on a case-by-case basis. The Capital Programme contains a £7m inflation budget, earmarked to specifically support inflation pressures.
64. The impact of inflation on the Capital Programme will be considered during the budget process for 2023/24.
65. The Capital Programme Budget Monitor, as at September 2022, is presented in **Appendix 3**.

Corporate Risk

66. The County Council's risks are reviewed regularly to ensure risks are understood and appropriate mitigation takes place. Risks are scored considering their likelihood and impact.
67. There have been no overall score changes to the Corporate Risk Register during the quarter, however **Table 11** provides details of two risks which have been removed from the Corporate Risk Register:

Table 11 – Risks Removed from the Corporate Risk Register

| Risk Number | Risk | Reason for Risk Closure |
|-------------|--|--|
| CR60 | There is a risk of failing to deliver the HMICFRS improvement plan , leading to an adverse effect on service delivery; which may result in failing any subsequent inspection. | The Fire and Rescue Improvement Plan is now completed. On-going service improvements will continue to be managed within the Community Risk Management Plan. |
| CR65 | The review of corporate leadership, governance and culture recommended in the Children's Commissioner's report is not fully undertaken or effectively implemented leading to a lack of necessary improvement and further service failures or external intervention. | Recommendations have been carried out. CR7 sufficiently addresses governance and compliance. |
| CR70 | There is an increasing demand placed on the senior officers due to the ongoing threat of Covid-19 and additional burdens due to devolved responsibilities. This may lead to a continued lack of capacity to deal with strategic/organisational issues , leading to poor decision making. | This risk has been at a tolerable level for some time and no significant impact has been realised. Covid-19 planning and response is embedded within business-as-usual activity. |

68. There are four corporate risks with severity above the tolerance threshold reported in **Table 12**:

Table 12 – Corporate Risks with Severity Above Tolerance Threshold

| Risk Number | Risk | Previous Quarter Score | Current Score |
|--------------------|-----------------------------------|-------------------------------|----------------------|
| CR11 | Recruitment and Retention | 25 | 25 |
| CR58 | Failure of Social Care Provisions | 25 | 25 |
| CR39a | Cyber-security | 25 | 25 |
| CR22 | Financial Sustainability | 20 | 20 |

69. The latest Corporate Risk Register can be found in **Appendix 4**.

Workforce

70. The Workforce Key Performance Indicators, detailed in **Appendix 5**, reports that of the 12 KPIs with a RAG status indicator, nine are green and three are amber.
71. The amber measures relate to:
- A continuing high-level of sickness recorded on the rolling 12-month average calendar days lost to sickness,
 - Lower staff induction completion rates, and
 - Lower than targeted employee declaration rate.

Sections and Appendices

Section 1: Adults Services Portfolio
 Section 2: Children and Young People Portfolio
 Section 3: Learning and Skills Portfolio
 Section 4: Community Support, Fire and Rescue Portfolio
 Section 5: Environment and Climate Change Portfolio
 Section 6: Finance and Property Portfolio
 Section 7: Highways and Transport Portfolio
 Section 8: Leader (including Economy) Portfolio
 Section 9: Public Health and Wellbeing Portfolio
 Section 10: Support Services and Economic Development Portfolio

Appendix 1: Revenue Budget Monitor and Reserves
 Appendix 2: Service Transformation and Flexible Use of Capital Receipts Summary
 Appendix 3: Capital Monitor
 Appendix 4: Corporate Risk Register Summary
 Appendix 5: Workforce Information
 Appendix 6: Children First Improvement Plan Update
 Appendix 7: Fire and Rescue Improvement Plan Update

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Adults Services Portfolio – Summary






Performance Summary

1. The Portfolio has a number of performance highlights to report this quarter:
 - Like other parts of the country, the health and social care system in West Sussex continues to experience significant pressure. The reasons for this are complex but include high demand from our partners and residents, workforce shortages and continuing to support and recover from the Covid-19 pandemic. The County Council's priority is to support individuals who need critical and urgent care or where there are urgent safeguarding concerns, ensuring people are contacted immediately or within 24-48 hours. The service continues to do everything it can to reduce the delay people may be experiencing and are working closely with partners to ensure that vulnerable people are kept safe and well, in line with the commitment set out in Our Council Plan. Even with this pressure the County Council is continuing to stay within target in respect of the percentage of contacts to adult social care that progress to a social care assessment; reflecting the impact of interventions throughout the customer journey to meet people's needs through information and advice as well as the provision of preventative services.
 - Adult Social Care in West Sussex continues to embed a strength-based approach to practice, which emphasises people's right to self-determination and strengths, being customer-led, with a focus on future outcomes and strengths that people bring; and reflects the priorities as set out in Our West Sussex Plan and the Adult Social Care Strategy 2022-25. The ongoing focussed review of existing social care packages has allowed teams to work with customers and their families to reduce and, in some cases, remove packages of care. Customers have reported that this has significantly improved their quality of life and sense of independence.
 - Adult Social Care staff and customers held a Directly Provided Services Co-Production Event in support of people and organisations working together to share influence, skills and experience to design, deliver and monitor care services and projects. This event provided an opportunity to showcase and celebrate many of the Social Care co-production projects over the last year as well as facilitate networking and future planning, including a newly designed co-production toolkit for staff to utilise.

Our Council Performance Measures


2. The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

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| Adults Services | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|---|---|----------------|-------------------------------------|--------|--------|---|-------------------|
| 13 | Measure: Outcomes of safeguarding risk – where a risk was identified, the outcome/expected outcome when the case was concluded for Section 42 enquires (% where risk remains). Reporting Frequency: Quarterly | 7.0% | 2021/22 | Jun-22 | Sep-22 |  | G |
| | | | 8.4% | 7.4% | 9.5% | | |
| Performance Analysis: Sep-22: There is a 2.07% increase on the Q1 data. This figure is likely to be inflated as a result of focussed safeguarding work on reviewing and closing safeguarding enquiries which have been open for longer than 60 days. A number of these enquiries will continue to have "risk remains" as people are able to choose to live with risk and no further action required from Adult Social care. Actions: We will undertake some random sampling to seek further assurance that when safeguarding risk is identified, this is being appropriately mitigated within the safeguarding plan. | | | | | | | |
| 11 | Measure: Percentage of contacts to adult social care that progress to a social care assessment Reporting Frequency: Quarterly | 20% -30% | Mar-22 | Jun-22 | Sep-22 |  | G |
| | | | 24.7% | 23.2% | 22.0% | | |
| Performance Analysis: Sep-22: Performance is within target, continuing to reflect the impact of interventions throughout the customer journey to meet people's needs through information and advice as well as provision of preventative services. Actions: The Access Review Programme is ongoing and will provide a better understanding of the complexity of need being presented at the front door, to ensure ongoing good performance against this measure and maximising opportunities for resolution within the community. | | | | | | | |
| 36 | Measure: Percentage of adults that did not receive long term support after a period of reablement support Reporting Frequency: Quarterly | 85.5% | Mar-21 | Jun-21 | Sep-21 |  | A |
| | | | 85.5% | 85.4% | 81.3% | | |
| Performance Analysis: Sep-22: Council data is not available this quarter due to ongoing system issues that are impacting reporting, however, our provider is reporting a rolling year average of 71% and their latest recruitment drive as well as working to an Improvement Plan has contributed to the latest performance. Actions: Pathway and recording processes continue to be reviewed for reablement due to an ongoing in-year data quality issue. The review is part of the wider adult social care programme, which is unlikely to be resolved by Q3. However, our reablement provider continues to undertake extensive recruitment drives to improve performance. | | | | | | | |
| 12 | Measure: Percentage of adult social care assessments that result in a support plan Reporting Frequency: Quarterly | 65% -75% | Dec-21 | Mar-22 | Jun-22 |  | G |
| | | | 76.3% | 65.3% | 62.0% | | |
| Performance Analysis: Sep-22: Performance reported is for Q1, as data for this measure is retrospectively updated, to ensure that the outcome of the assessment and the need for a support plan have been completed. Performance for Q1 is slightly below the target range. Actions: This measure will be continually monitored and performance will be updated throughout the year to reflect the additional assessments. | | | | | | | |
| 37 | Measure: Percentage of adults that purchase their service using a direct payment Reporting Frequency: Quarterly | 27.4% | Mar-22 | Jun-22 | Sep-22 |  | G |
| | | | 28.5% | 27.3% | 26.4% | | |

| Adults Services | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|---|---|-------------------------------------|------------|------------|------------|-------------------|
| <p>Performance Analysis: Sep-22: Performance is marginally below target, so intervention is not required at this stage.</p> <p>Actions: This measure will be monitored by the Adults Directorate Leadership Team and via the Performance, Quality and Practice Board, both chaired by the Director for Adults and Health.</p> | | | | | | |
| 38 | <p>Measure: Percentage of users of adult services and their carers that are reviewed and/or assessed in the last 12 months</p> <p>Reporting Frequency: Quarterly</p> | 77.0% | Mar-22 | Jun-22 | Sep-22 | R |
| | | | 60.0% | 54.2% | 52.5% | |
| <p>Performance Analysis: Sep-22: It is still expected that the percentage of reviews undertaken within a 12-month period will improve over 2022/23. A dedicated project is in place to manage reviews for older people and Lifelong Services customers with a focus on embedding a strength-based approach. Performance has slightly deteriorated from Q1 due to a reset of the project in Lifelong Services.</p> <p>Actions: The project continues to be monitored on a monthly basis with a project management approach by the Adults Directorate Leadership Team and via the Performance, Quality and Practice Board, both chaired by the Director for Adults and Health, with an expectation that the ongoing work throughout the year will improve the performance of this measure.</p> | | | | | | |
| 39 | <p>Measure: The percentage of adults with a learning disability in paid employment</p> <p>Reporting Frequency: Quarterly</p> | 3.8% | Sep-21 | Dec-21 | Mar-22 | R |
| | | | 0.4% | 0.6% | 1.1% | |
| <p>Performance Analysis: Sep-22: Performance is expected to improve to around 3% due to a recent data check that identified an additional 50 eligible individuals in paid employment, however this cannot be confirmed until the system upgrade issues have been resolved. An increase in eligible referrals is required to maintain this improvement, which will be supported by officers within commissioning.</p> <p>Actions: There is an exercise to understand the data collection methodology used by comparative local authorities, to ensure that the County Council is collecting data to accurately measure this performance indicator is ongoing and a project continues to focus on completing reviews/assessments throughout 2022/23, which is expected to see an increase in performance over the coming year. Work is also underway to establish better ways of working with the market and other stakeholders to increase the number of people in employment and/or engaged in meaningful activities.</p> | | | | | | |
| 40 | <p>Measure: The percentage of adults in contact with secondary mental health services living independently with or without support</p> <p>Reporting Frequency: Quarterly</p> | 71.0% | Mar-22 | Jun-22 | Sep-22 | A |
| | | | 69.0% | 69.0% | 68.0% | |
| <p>Performance Analysis: Sep-22: Performance remains stable, even though it has dipped slightly from Q1 but remains close to target.</p> <p>Actions: Work will continue to promote a strength-based approach and reducing new admissions to residential care for customers with a mental illness. This is primarily an NHS measure, so social care have limited ability to influence the performance.</p> | | | | | | |
| 14 | <p>Measure: Time to complete outstanding 'deprivation of liberty' cases</p> <p>Reporting Frequency: Quarterly</p> | 4.4 Months | Dec-21 | Mar-22 | Jun-22 | G |
| | | | 3.4 Months | 3.4 Months | 4.1 Months | |
| <p>Performance Analysis: Sep-22: During this quarter, cases which would normally have been closed within the Adult Social Care client database system (Mosaic) have remained open due to linked internal processing issues. This has caused reported performance to appear to have deteriorate. However, run rate has remained the same.</p> <p>Actions: This processing issue will be rectified and cases closed on the Mosaic system at an earlier stage therefore performance results will become available in Q3.</p> | | | | | | |

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| Adults Services | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|--|--|----------------|-------------------------------------|--------|--------|---|-------------------|
| 44 | <p>Measure: Percentage of people affected by domestic violence and abuse who feel safe upon leaving the service</p> <p>Reporting Frequency: Quarterly</p> | 85.0% | Mar-22 | Jun-22 | Sep-22 | | G |
| | | | 91% | | 86% |  | |
| <p>Performance Analysis: Sep-22: In the last reporting quarter, the Domestic Abuse Service has seen 69 clients closed following a period of full engagement with the service. The percentage of clients who reported feeling safer following engagement was 86%. Within the remaining 14%, most of these clients had disengaged from support, so we were unable to ask this question. In addition to the 69-clients closed in this period, we submitted 12 "other contact" forms, clients who received a short-term intervention but whom were all provided with safety planning advice.</p> <p>In addition to 86% of clients feeling safer, it is important to recognise that our data evidenced that clients exiting the service have also reported the following:</p> <ul style="list-style-type: none"> • 75% reported improved wellbeing. • 76% reported their quality of life improved. • 76% were optimistic about the future. • 80% reported feeling more confident. <p>Actions: We have made progress in this last quarter to achieving this KPI target. We have promoted the recording of the evaluation data and provided refresher training to the team, to help ensure the team are consistently completing the Insights forms. This is not only to assist with evidencing this KPI, but also to highlight the positive impact the service is having on the clients who are accessing the support, and the difference they are making to people's lives in West Sussex. In this reporting period 51 out of the 69 clients exiting the service were subject of the closing questionnaire. In the last three months there have been an additional 114 client intake forms completed and I predict an increase in both Insights Intake forms as well as client closures in the next reporting quarter. This will reflect closures that are expected for clients who entered the service since July 2022.</p> | | | | | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|---|-----------------|--|-------------------|--------------------------------|
| Older People – Delays in delivering savings due to timing and capacity restraints, less one-off in-year saving on reablement contract (£0.355m) | £3.000m | Staffing vacancies within the service. | (£1.200m) | |
| Lifelong Services – Delays in delivering savings due to timing and capacity restraints | £4.238m | In year staffing budget surplus generated from the implementation of the new pay grades for social workers and occupation therapists | (£1.400m) | |
| Lifelong Services – Underlying overspending pressure | £3.462m | Deferral of the use of the Market Management Fund | (£2.200m) | |
| | | Reduction in the reablement block contract – lower level of service than sought is being delivered | (£0.700m) | |
| | | Use of Improved Better Care Fund | (£2.100m) | |
| | | Other funding opportunities – including additional Better Care Funding | (£3.100m) | |
| Adults Services Portfolio - Total | £10.700m | | (£10.700m) | (£0.000m) |

Significant Financial Issues and Risks Arising

| Narrative | Cost Driver | Q1 | | Q2 | | Action | Trajectory |
|---|--|-------|---|-------|---|---|------------|
| Key cost driver data influencing the trajectory of the Older People's care budget | No. of older people with a care package | 4,391 | ↘ | 4,415 | ↗ | Despite being higher than the first quarter, customer numbers remain around 300 lower than September 2021. Allowing for population growth, this means that proportionately fewer people are receiving care. | ↘ |
| | % increase in the average gross weekly cost of a care package for older people | 5.4% | ↘ | 5.4% | ↔ | Although average costs are rising, the rate is lower than the uplifts agreed for providers in 2022/23, which is in-line with the savings target for customer reviews. The increase in the net cost is expected to reduce once backlogs in financial assessments have cleared. | |
| | % increase in the average net weekly cost of a care package for older people | 8.4% | ↘ | 8.5% | ↗ | | |

Key:

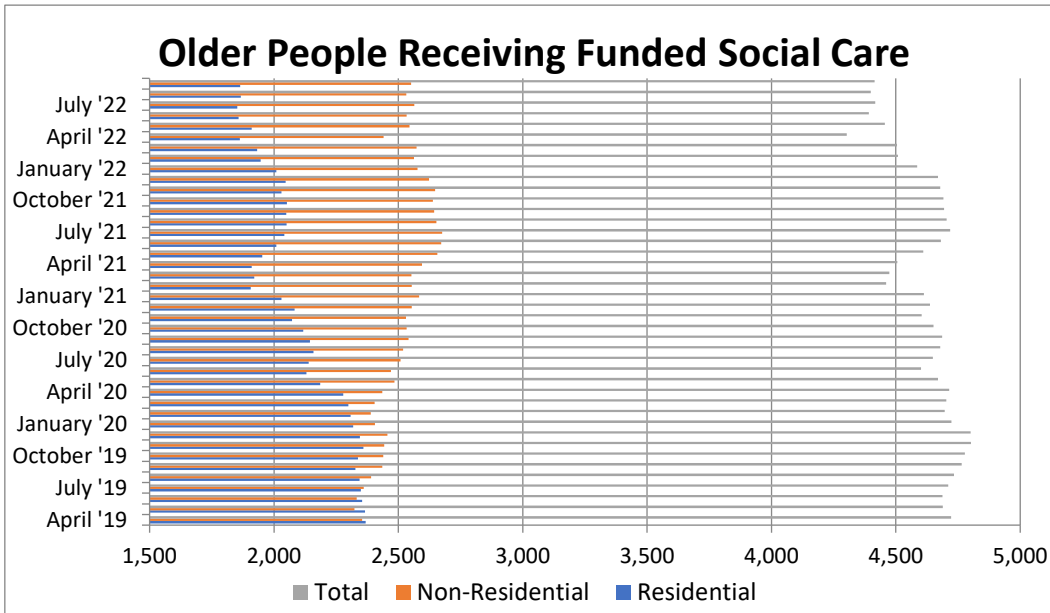
| | | | | | | |
|----------------|------------|-------|------------|-----|--------|--------|
| Arrow: | Decreasing | ↘ | Increasing | ↗ | Static | ↔ |
| Colour: | Improving | Green | Worsening | Red | Static | Yellow |

Financial Narrative on the Portfolio's Position

3. Taken at face value, the Adults budget continues to appear stable. The trajectory of average gross weekly costs for older people is particularly positive to note. At £534, it is 5.7% higher than in March 2022 (£505). In contrast, the County Council agreed average uplifts in April for providers of care for older people of approximately 9%. This means that the cost of packages has been reducing in real terms, which is a lead indicator of the good outcomes being produced by the savings target for community care reviews.
4. Despite outward appearances, the Adults budget is becoming increasingly challenging to forecast. Part of this is a reflection of the extent of changes that are taking place in the service as well as the consequences of staff vacancy rates which remain at 30% in some key areas. Amongst the implications of this are the following:
 - Processing backlogs in connection with the purchasing of care packages are increasing.
 - Delays in financial assessments.
 - Within Lifelong Services there are a number of disputes with third parties about financial responsibility for customers, which are subject to legal processes. All of these are expensive placements and so the resolution will have the capacity to make the Lifelong Services budget either more or less overspent.

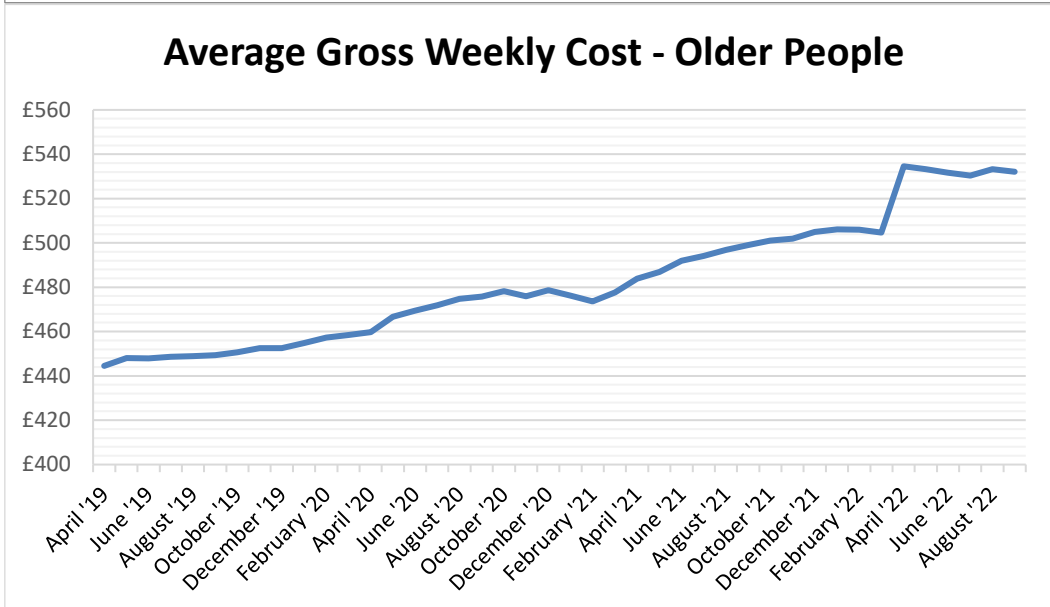
5. The lack of certainty about issues such as these requires assumptions to be included in the forecast.
6. Progress in delivery of savings is slowing. In conjunction with Cabinet, a decision has recently been taken to pursue a target of £0.5m within Lifelong Services through an approach that defers its realisation until next financial year. Alongside this the level of activity in connection with community reviews and Shaw was below profile in September. Even if some of this can be recovered, the part-year implications will reduce the benefit that falls in 2022/23. The result is that net £7.2m of savings are no longer expected to be achieved this financial year. However, in all cases plans have been prepared which should still enable the target sums to be secured in the fullness of time.
7. The outcome is that the underlying overspending risk on care costs has increased by £2.3m from £8.4m to £10.7m since June. Of this, £3m relates to Older People and £7.7m to Lifelong Services. When combined with the risk factors described above, it follows that care costs need to be seen as existing over an overspending range, which stretches to around £14m in a worst-case scenario.
8. Nevertheless, the overall forecast remains a balanced budget, because the pressure is still expected to be mitigated. £8.6m of this will arise from a mix of largely one-off opportunities available elsewhere in the budget. These include:
 - £1.2m. Vacancy savings. Within parts of the social work teams and occupational therapy, turnover is currently running at up to 30%. In addition, in-house day services are still operating below pre-Covid activity levels.
 - £2.2m. Market management fund created as part of the fees uplift decision report. Use of this is being deferred until 2023/24.
 - £1.4m. New pay grades for social workers and occupational therapy. The budget recognises the potential full cost of arrangements that were introduced in May. Since staff will reach the top of their new pay scales over time, there will be underspending during the intervening years.
 - £0.7m. Reduction in the reablement block contract because a lower level of service than was sought is being delivered by the provider.
 - £3.1m. Other funding opportunities, including in relation to the Better Care Fund where there has been an increase in the County Council's allocation for protection of social care.
9. The increase in the overspending forecast now also requires £2.1m to be drawn from the £6m of uncommitted resources carried forward from 2021/22 in the Improved Better Care Fund. This will make for second best use of funding that otherwise would be available for transformational purposes. In so doing it will substantially deplete that safety net, thereby adding to the importance of savings plans being brought to the point where they are ready to deliver in full from 1st April.

Cost Driver Information



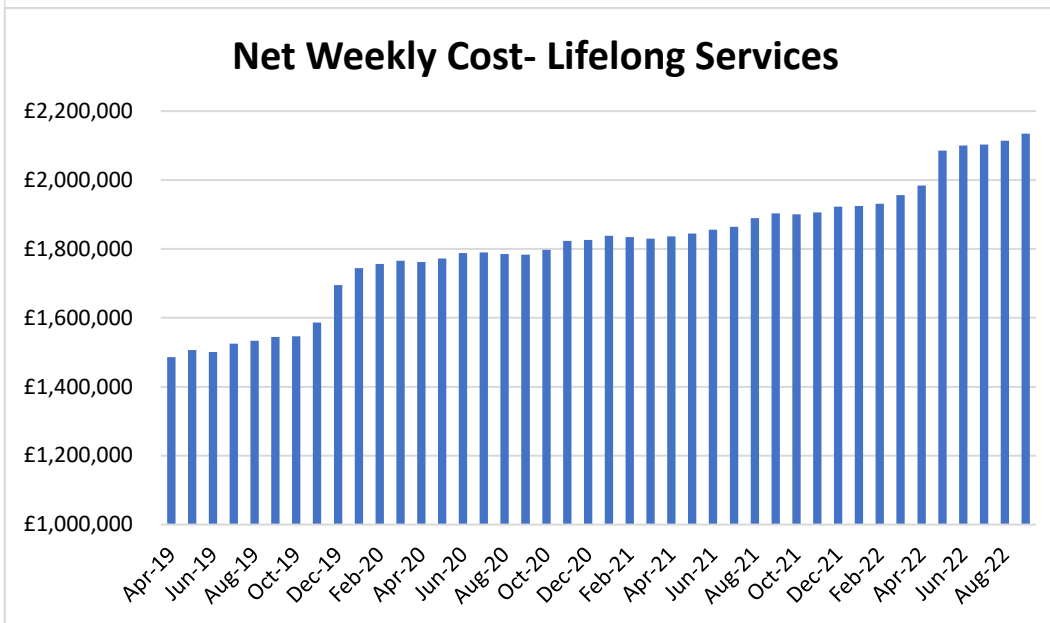
This graph shows the number of older people receiving funded social care and the type of care package.

As at September 2022, there are 4,415 customers receiving funded social care; 279 fewer than June 2022.



This graph shows the average gross weekly cost of older people since April 2019.

The average amount being paid in September 2022 was £534; 5.7% higher than in March (£505). In contrast, the County Council agreed average uplifts in April for providers of care for older people of approximately 9%. This means that the cost of packages has been reducing in real terms.



This graph shows the net weekly cost of Lifelong Services care packages since April 2019.

Savings Delivery Update

10. Since 2020/21, a number of planned savings within the Adults and Health Portfolio have been significantly impacted by the pandemic. As part of the budget setting process for 2022/23, £9.0m of previously unachieved on-going savings were reviewed to ensure realistic savings plans were incorporated.
11. This review led to the £9.0m of the unachieved 2020/21 and 2021/22 savings being re-cast, with new plans developed for each of the individual saving workstreams. These savings, along with the £6.8m 2022/23 planned savings means that the Portfolio has an overall savings target of £15.8m.
12. However, delivery to date has been limited with £7.6m currently reported as 'At Significant Risk' and a further £5.0m reported as 'At Risk'.

| Saving Activity | Saving to be Delivered in 2022/23 (£000) | September 2022 | | Narrative |
|--|--|----------------|---|--|
| Review of in-house residential services | 640 | 640 | B | A decision to close Marjorie Cobby House was made by Cabinet in November 2021 and has now been implemented. |
| Review of Shaw day services | 250 | 250 | B | A decision to close Shaw day services was made by Cabinet in November 2021 and has now been implemented. |
| Increase supply and use of shared lives carers | 448 | 448 | G | Recruitment and training of additional shared lives carers has taken place, which should be the trigger for the delivery of the saving. |
| Community Care | 7,200 | 1,000 | G | Benefits from activity to date. |
| | | 1,508 | A | Expected savings during the remainder of 2022/23 once financial benefits are received from all reviews undertaken to date and from activity that is planned between October and March. |
| | | 4,692 | R | Savings that will not be delivered in 2022/23 because of timing reasons. |
| Redirecting residential customers to home-based care | 1,000 | 1,000 | A | Saving combined with Community Care for delivery purposes. |
| Non-residential customers to remain at home with reduced package | 1,990 | 953 | G | Benefits reported by the County Council's reablement provider for the year to date. |
| | | 213 | A | Expected savings during the remainder of 2022/23. |

| Saving Activity | Saving to be Delivered in 2022/23 (£000) | September 2022 | | Narrative |
|----------------------------|--|----------------|--------|--|
| | | Value | Status | |
| | | 824 | R | Savings that will not be delivered in 2022/23. Capacity constraints due to provider staff shortages will result in fewer additional hours of reablement being delivered than the County Council has procured. £0.355m of this will be mitigated through a reduction in the contract price, meaning that the actual shortfall is £0.469m. |
| Continuing Healthcare | 2,060 | 1,730 | A | Discussions over the eligibility of customers for Continuing Healthcare are taking place with the Sussex Integrated Care Board. It is expected that this will result in some cost recovery during the third quarter. |
| | | 330 | R | Savings that will not be delivered in 2022/23 because of timing reasons. |
| Placement costs | 1,000 | 1,000 | R | Savings that will not be delivered in 2022/23 because of timing reasons. |
| Occupancy of Shaw contract | 1,250 | 503 | A | Occupancy of Shaw contract has increased significantly towards its target figure, but limited financial benefits have accrued to date because of processing reasons. |
| | | 747 | R | Savings that will not be delivered in 2022/23 because of timing reasons. |

Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

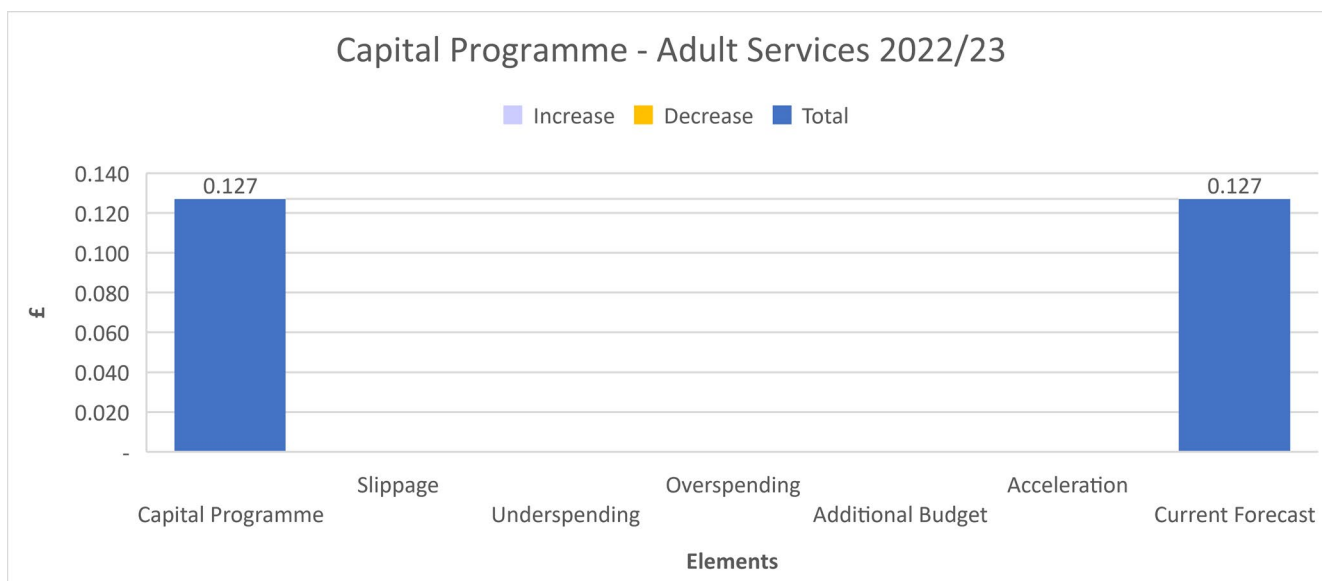
Capital Programme

Performance Summary - Capital

13. There are four schemes within this portfolio which are all in within their final retention phase.

Finance Summary - Capital

14. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £0.127m for 2021/22. As at the end of September, the profiled spend has remained the same.



Key:

Capital Programme – The revised planned expenditure for 2022/23 as at 1st April 2022.
 Slippage – Funding which was planned to be spent in 2022/23 but has since been reprofiled into future years.
 Underspending – Unused funding following the completion of projects.
 Overspending – Projects that require further funding over and above the original approved budget.
 Additional Budget – Additional external funding that has entered the capital programme for the first time.
 Acceleration – Agreed funding which has been brought forward from future years.
 Current Forecast – Latest 2022/23 financial year capital programme forecast.

15. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

16. The following table summarises the risks within the corporate risk register that would have a direct impact on the portfolio. Risks to other portfolios are specified within the respective portfolio sections.

| Risk No. | Risk Description | Previous Quarter Score | Current Score |
|----------|---|------------------------|---------------|
| CR58 | The care market is experiencing an unprecedented period of fragility, particularly due to staff shortages and increasing demand. This has been further exacerbated by Covid-19, including the mandatory requirement for care staff to have a vaccination; however, this also extends to WSCC staff requiring access to these facilities (i.e., Social Workers, Occupational Therapists), and contractors. If the current and future commercial/economic viability of providers is not identified and supported, there is a risk of failure of social care provision which will result in funded and self-funded residents of West Sussex left without suitable care. | 25 | 25 |

| Risk No. | Risk Description | Previous Quarter Score | Current Score |
|----------|---|------------------------|---------------|
| CR74 | The overdue re-procurement of care and support at home services has been further postponed, meaning the contractual arrangements are non-compliant, inefficient to manage, difficult to enforce and present a risk of challenge and CQC criticism. The delay is to enable more time for the market to stabilise, to complete service reviews and to allow imminent legislative changes to take effect. | 15 | 15 |

17. Further details on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

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Children and Young People Portfolio – Summary






Performance Summary

1. The Portfolio has a number of performance highlights to report this quarter:
 - The service completed its final Ofsted Monitoring visit in September which demonstrated that it continues to improve. The senior leadership team have maintained a strong focus on the key indicators that will evidence ongoing and consistent progress as we prepare for a full inspection in early 2023.
 - The service continues with the implementation of the Family Safeguarding model (Phase 2). The service has stabilised since the initial implementation phase and performance remains within acceptable parameters. The new service model is being embedded and plans are well underway to implement Phase 2 of the model which will introduce dedicated adult service workers (mental health, substance misuse and domestic violence) into the teams.
 - There continues to be a strong focus on improvement and the Director will undertake further a 'deep dive' performance those to support progress in those teams that require it. The quality assurance activity and performance reporting ensures that senior managers are able to understand where there are issues in performance and to implement improvement activity immediately.
 - Staff turnover and difficulties in recruitment at a time of service change, coupled with a period of high demand, have put significant pressures on the service. Last quarter we reported on the plans for a range of recruitment activity (both permanent and interim) to provide immediate staff where required whilst a longer-term approach is being implemented. This has resulted in 36 qualified social workers being recruited from our overseas project who will be starting in the service in January 2023.
 - The quality assurance and performance frameworks remain fully embedded and provide evidence that our social workers are child focused and the quality of practice continues to improve. This work is enhanced and support by our partners in improvement (Hampshire County Council) who continue to provide independent oversight and quality assurance work within the service.

Our Council Performance Measures

2. The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

Agenda Item 5
Annex B Section 2

| Children and Young People | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|---|---|----------------|-------------------------------------|--------|--------|---|-------------------|
| 1 | Measure: Percentage of re-referrals to Children's Social Care within 12 months of the previous referral Reporting Frequency: Quarterly | 22.0% | Mar-22 | Jun-22 | Sep-22 |  | G |
| | | | 23.0% | 25.0% | 24.0% | | |
| Performance Analysis: Sep-22: Re-referrals have decreased further in the last month and remains an area of scrutiny as we work to achieve our target. Actions: There will always be a level of fluctuation within this area, however close scrutiny will ensure that any significant increase will be identified quickly, and remedial action taken as identified. | | | | | | | |
| 2 | Measure: Percentage of Early Help Plans closed with outcomes met Reporting Frequency: Quarterly | 74.0% | Mar-22 | Jun-22 | Sep-22 |  | A |
| | | | 68.0% | 69.3% | 69.2% | | |
| Performance Analysis: Sep-22: Slight increase but still under target. Actions: Supporting Families Criteria changed on 3 rd October 2022, and we anticipate that this may have an impact on this target in the short term but have put training around this for staff. | | | | | | | |
| 7 | Measure: Stability of children looked after placements – (3 or more placements during the year) - WSCC position in national stability index Reporting Frequency: Quarterly | 10.0% | Mar-22 | Jun-22 | Sep-22 |  | A |
| | | | 10.6% | 10.5% | 10.1% | | |
| Performance Analysis: Sep-22: This figure decreased in September. Work has been ongoing since January in respect of scrutinising at Entry to Care Panel that children are in the right placements with the right support in place. It is planned that the new Solutions Service will go live in November, working across a number of cohorts including teenagers at risk of entering care (a cohort more prone to multiple moves) and those at risk of placement disruption or who could return home. Actions: Placement sufficiency is an ongoing challenge locally and nationally, a placement recovery plan has been conceived to address challenge in the system including actions around supporting families, improving practice and work from commissioning. | | | | | | | |
| 8 | Measure: Support for care leavers to achieve their aspirations – Percentage of care-leavers aged 17-21 who are in Employment, Education or Training Reporting Frequency: Quarterly in arrears | 64.0% | No Data Available | Mar-22 | Jun-22 |  | A |
| | | | | 63.0% | 64.0% | | |
| Performance Analysis: Jun-22: We have seen a slight percentage increase because 12 more young people are now in education, employment or training. Actions: Positively we have also recruited two care leavers to apprenticeship post in the participation service, and we are also setting up a working group to look at supporting our specific cohort of asylum-seeking young people with access to education and employment in light of some geographic discrepancies. | | | | | | | |
| 9 | Measure: Positive outcomes on child protection in 12 months - percentage of Child Protection Plans that result in 'step-down' within 12 months Reporting Frequency: Quarterly | 83.0% | Mar-22 | Jun-22 | Sep-22 |  | R |
| | | | 70.0% | 57.0% | 67.0% | | |
| Performance Analysis: Sep-22: This measure continues to be an area of improvement. Actions: We continue to scrutinise this measure and ensure that these children have appropriate management oversight. The impact of this is evident in a significant improvement in performance in the last month. | | | | | | | |

Finance Summary

Portfolio in Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|--|-----------------|--|------------------|--------------------------------|
| Placement costs for Children We Care For (mainstream) | £11.200m | In-house residential staffing underspend | (£1.350m) | |
| Homecare and transport costs for Children with Disabilities. | £1.400m | Early Help staffing underspend | (£1.200m) | |
| Delays in saving deliveries – Local House Project | £0.400m | Savings to be delivered through planned improved placement commissioning | (£1.170m) | |
| One-off implementation costs and part-year adult staffing costs for Family Safeguarding - DFE funding not awarded. | £0.460m | Reduction in Intentionally Homeless families requiring accommodation support | (£0.600m) | |
| Family Safeguarding –Section 17 and Children We Care For Non-Placement Costs | £0.680m | Review of child psychology arrangements | (£0.700m) | |
| Family Safeguarding – additional agency staffing | £0.185m | Delays in appointing to new posts within the Fostering Service redesign. | (£0.500m) | |
| Proposed fostering allowance increase to 6.4% - inflationary pressure | £0.300m | Other variations | (£0.185m) | |
| King’s Counsel legal costs | £0.150m | | | |
| Children and Young People Portfolio - Total | £14.775m | | (£5.705m) | £9.070m |

Key Financial Issues and Risks Arising

| Narrative | Cost Driver | Baseline | Q1 | Q2 | Action | Trajectory |
|---|--|----------|-------|-------|--|------------|
| <p>Despite the overall number of Children We Care For being lower than forecast during budget setting, there are more children than budgeted for in more costly external residential placements than budgeted for.</p> <p>This is leading to a pressure on the placement budgets. Baseline shows the % upon which the budget was set.</p> | % mainstream children in external residential placements | 10.8% | 14.3% | 15.1% | At the end of September 2022, there were 27 more children placed in external residential than the number on which the budget was set. This alone adds a pressure of c£6m to the placement budgets, however when also taking into account the expenditure on external placements costing more than £9k per week, and the number of unique care and support arrangements which have had to be arranged, then the full scale of the budget pressure is projected to be c£11.2m. | |

Key:

| | | | |
|----------------|------------|------------|--------|
| Arrow: | Decreasing | Increasing | Static |
| Colour: | Improving | Worsening | Static |

Financial Narrative on the Portfolio's Position

3. At the end of September 2022, the forecast for the Children's budget is a projected overspend of £9.1m which is an increase of £4.9m from the June 2022 position.
4. **Mainstream Placement Costs.** The total overspend against the mainstream placement budgets is £11.6m in total as at the end of September, which is an increase of £5.0m from the position reported at the end of June. £0.4m of this increased overspend is attributable to a forecast shortfall in savings for the Local House Project, where the first young people are anticipated to move into the new accommodation from November 2022. This is slightly later than originally estimated, hence the slippage in savings delivery.
5. The placement overspend position has been reduced by £1.2m of in-year mitigation actions which are expected to be delivered through initiatives to increase the number of children and young people stepping down to less expensive placements before the end of the year. However, given the majority of these mitigations are not profiled to take effect until the third quarter, there remains a risk that this mitigation may not be achieved in full.
6. The biggest issues within the placement budgets remain:
 - the placement mix;
 - placements costing more than twice the average; and
 - unique care and support arrangements which are not budgeted for.
7. At the end of September, the number of mainstream Children We Care For (CWCF) being looked after was 35 lower than the demand modelling upon which the budget was set.
8. In relation to the placement mix, the table below shows the difference between the budgeted and actual number of CWCF in key placement types.

| Type of Placement (Excluding Asylum) | Budgeted Number of Children We Care For (CWCF) | Budgeted Average Weekly Cost (£) | Current Number of Children We Care For (CWCF) | Current Average Weekly Cost (£) | CWCF Variation | Projected Overspend (£) (Based on Budgeted Cost and CWCF Number) |
|--|--|----------------------------------|---|---------------------------------|----------------|---|
| External Residential * | 81 | £4,474 | 108 | £4,623 | 27 | £5,986,000 |
| Independent Fostering | 209 | £963 | 192 | £999 | -17 | (£851,000) |
| Independent Parent & Child Fostering | 5 | £1,450 | 9 | £1,525 | 4 | £186,000 |
| In House Fostering | 210 | £386 | 204 | £391 | -6 | (£104,000) |
| In House Parent & Child Fostering | 2 | £731 | 3 | £1,091 | 1 | £85,000 |
| Kinship | 97 | £209 | 83 | £217 | -14 | (£149,000) |
| Placed for Adoption/Placed with Parents | 60 | £0 | 48 | £0 | -12 | £0 |
| External Residential Family Unit | 3 | £3,958 | 2 | £2,733 | -1 | (£95,000) |
| Secure Unit | 2 | £7,211 | 4 | £7,415 | 2 | £773,000 |
| Other Placement Types | 79 | N/A | 60 | N/A | -19 | N/A |
| SUBTOTAL | 748 | | 713 | | -35 | £5,831,000 |
| External Residential - Additional Costs. 12 of the External Residential cases (included in the table above), cost significantly more than the average placement rate. The extra cost of these placements over the average £4.6k per week is reported separately. The weekly cost of these 12 placements range from £9.3k to £14k. | | | | | | £2,260,000 |
| Unique Cost and Support Arrangements for specific CWCF. Costs range between £11.1k and £27.6k per week. | | | | | | £3,109,000 |
| TOTAL | | | | | | £11,200,000 |
| Note: * There are 108 CWCF External Residential placements as at the end of September. This cohort includes 12 children whose placements cost in excess of £9k per week (statistical outliers). The £6.0m overspend reported as External Residential only includes up to £4.6k of these costs to demonstrate a comparable average unit cost against the budget set. The cost over the £4.6k for these 12 children (£2.3m), is shown separately to illustrate the financial impact of these specific cases. | | | | | | |

9. Taking into account the average unit cost of these placement types, this differential in the placement mix is contributing £5.8m to the budget pressure.
10. Also shown in the table is the additional cost of 12 external residential placements where the cost is over £9k per week which is around twice the average weekly cost of £4.6k. Whilst some of these young people are expected to be able to step down to lower costing placements, and in fact some of the 12 have already ceased, even a part-year effect has a significant impact on the budget. The additional cost above the average rate of these placements is adding a pressure of £2.3m to the budget.
11. This month, this includes alternative placements for two young people who had to be moved at short notice after Ofsted closed their (external) residential home. The costs for these two placements are £22k and £29k per week respectively, compared to £10k per week previously. All such placements require Assistant Director oversight and approval before being made and the plans are then monitored by senior managers to ensure that costs are kept to a minimum and reduced as soon as possible.
12. The remaining pressure is due to the high cost of unique care and support arrangements put in place for a small number of children and young people whose needs have required an urgent response, and for whom searches for longer-term more appropriate arrangements are underway. These types of

placements are volatile by the very nature of the issues being managed and it is not possible to predict them. Where there is more certainty about the next arrangements, the financial projections have taken into account these planned moves and the associated change in cost. There has been an increase in these types of arrangements during September, following a rise also during the summer holiday period.

13. **Children With Disability Home Care and Transport Costs.** The projection for these budgets has increased by £0.6m since June, leading to an overspend of £1.4m now being forecast. The primary reason for this increase is a rise in the number of care at home packages being put in place, however it should be noted that some of these have health-related elements to them and hence contributions to the cost from Health are being sought. Should these contributions be agreed, then there is potential for this overspend to reduce. Equally if more of these arrangements are put into place then the projection could yet increase further still.
14. **Family Safeguarding Implementation and Adult Workers.** The initial projections for the one-off implementation costs and the in-year cost of the adult-facing workers have been revised in September to reflect the likely start dates of the adult workers. This has resulted in a reduction of £0.190m in the projection.
15. **Family Safeguarding Additional Agency Staff.** The initial projections for additional agency staff to support the transition to family safeguarding assumed that all agency positions would be able to be filled. Over the first half of the year, this has not transpired to be the case and hence a review of the projection has enabled a significant reduction in the forecast such that only a small overspend of £0.185m is now being forecast.
16. **Family Safeguarding Section 17/ Children We Care For non-placement costs.** The primary reason for the projected overspend of £0.680m is a number of care at home arrangements which have been put into place for children and young people who are not cared for, in order to try to stabilise their home situation.
17. **King's Counsel Legal Costs.** One particular court case has required the Council to engage the services of a King's Counsel. The cost is expected to be in the region of £0.150m and is not budgeted for either within the Children's budget or within that of Law and Assurance.
18. **Fostering Allowances Inflationary Pressure -** The annual inflation increase applying to in-house foster care, special guardianship and adoption allowances is linked to the staff pay awards for the NJC staff group, and in previous financial years these allowances have been uplifted by the same percentage as the staff pay award. The allowances were last increased from 1st April 2021 in-line with the NJC pay award for that year. Although the NJC pay award is not yet formally resolved for 2022/23, indications are that it is likely to take the form of a flat rate uplift of £1,925.
19. For the average annual fostering allowance, this would equate to a 6.4% increase. Within the 2022/23 budget, there is an allowance of 3.75% built in for the allowances uplift.

20. Potentially, if it is decided that a link to the NJC pay award is maintained for 2022/23, and the £1,925 NJC award is agreed by unions, an additional £0.3m would be required from the Inflation Contingency budget to cover this additional cost.

Mitigations

21. **In-house Residential Staffing.** The projected underspend in relation to in-house residential staffing has reduced by £0.350m since June and now stands at £1.350m. Recruitment is still actively taking place and proposals to extend the employee referral scheme to this service are currently being considered.
22. **Improved Commissioning – In-year Mitigations Profiled To Be Delivered By Year End.** £1.170m of in-year mitigations are currently profiled to be delivered before 31st March 2023. These savings relate to the commissioning projects of 16+ step down from residential, Local House Project, and under-16 step down to fostering. For each of the strands, young people have been identified and dates for step downs or placement moves have been estimated, leading to the forecast of £1.170m being achieved before year end.
23. **Early Help Staffing.** The underspend against Early Help staffing has increased by £0.2m since June and now stands at £1.2m. Although there has been some recent success in recruiting to vacancies, some staff have been promoted from within Early Help, creating new vacancies within the structure. Recruitment is still actively taking place and proposals to extend the employee referral scheme to this service are currently being considered.
24. **Intentionally Homeless.** There has been no change to the projection for Intentionally Homeless since June, with the projected underspend remaining as £0.6m. A small increase in the number of families being supported has been experienced in September, but the future level of families requiring support still remains very uncertain.
25. **Review of Child Psychology Arrangements.** There has been no change to the projection for child psychology arrangements since June.
26. **Fostering Redesign.** The underspend on the fostering redesign which had been due to delays in recruiting to the new structure has reduced by £0.250m and now stands at £0.5m. The reason for the movement in the forecast is primarily that agency staff were employed to temporarily cover the vacancies, given the interdependency of the redesign and the delivery of savings in 2023/24.
27. **Conclusion.** The finance situation for the Children's portfolio remains very uncertain. Whilst there is clarity about the reasons for the projected overspend particularly against the placement budgets, being able to effect sufficient change to recover some or all of the current position in year remains a considerable challenge. Benchmarking with other local authorities reveals that West Sussex is a significant outlier for the proportion of children we care for placed in external residential homes. Excluding children with a disability or seeking asylum, 15% of Children We Care For are currently in such arrangements compared with 10% on average in the South East. However, that same benchmarking has also indicated that other local authorities are also

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seeing an increase in the number of unique care and support arrangements that they are having to put into place at high cost.

28. This situation is a priority for the Children’s Leadership Team, with monitoring of the effectiveness of the placement recovery plan taking place on a monthly basis and exceptions being reported weekly. The main ambition of the recovery plan is to reduce the proportion of children and young people in external residential placements to a level more in keeping with our neighbouring authorities, but this will take time to impact and is dependent on the sufficiency of other placement arrangements such as fostering, given that the number of children we care for per 10,000 population is in keeping with our statistical neighbours.

Covid-19 Expenditure Update

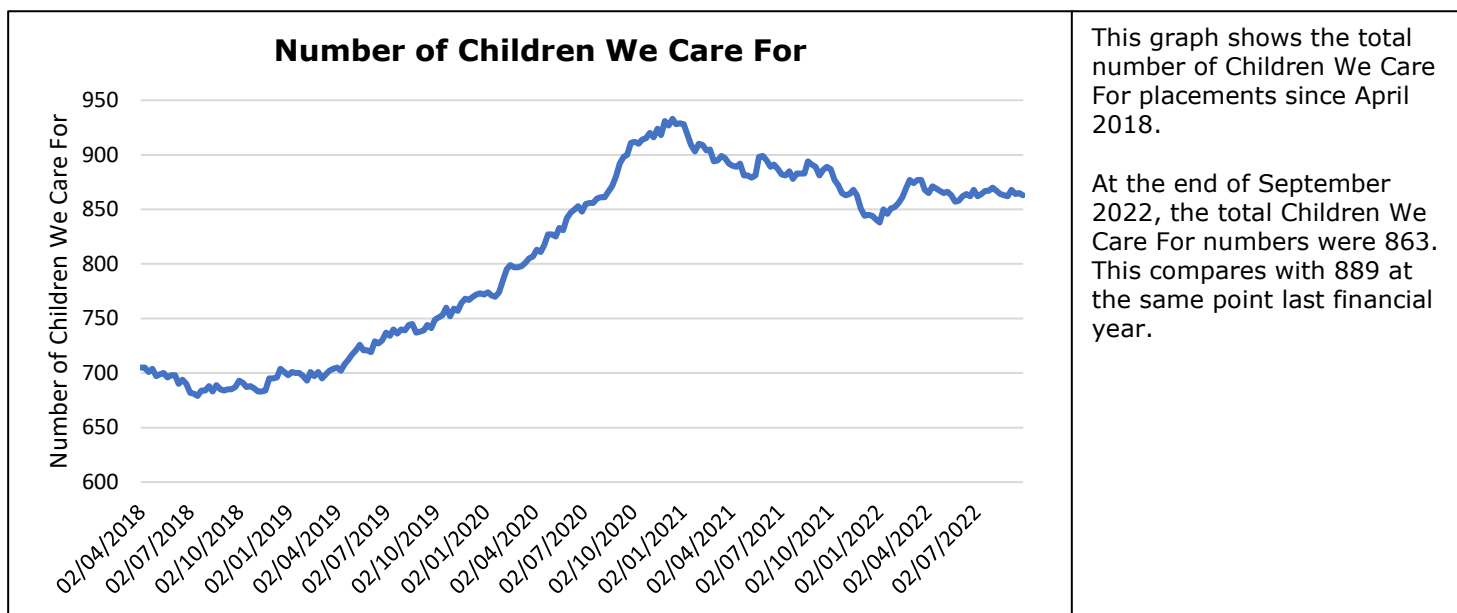
29. Within the Children’s and Young Peoples Portfolio, a project to recruit qualified social workers from overseas to assist the recruitment and retention challenges within social care has commenced. Offers of employment and resettlement have been made to 36 workers, with the new staff expected to start to come onboard in January 2023.

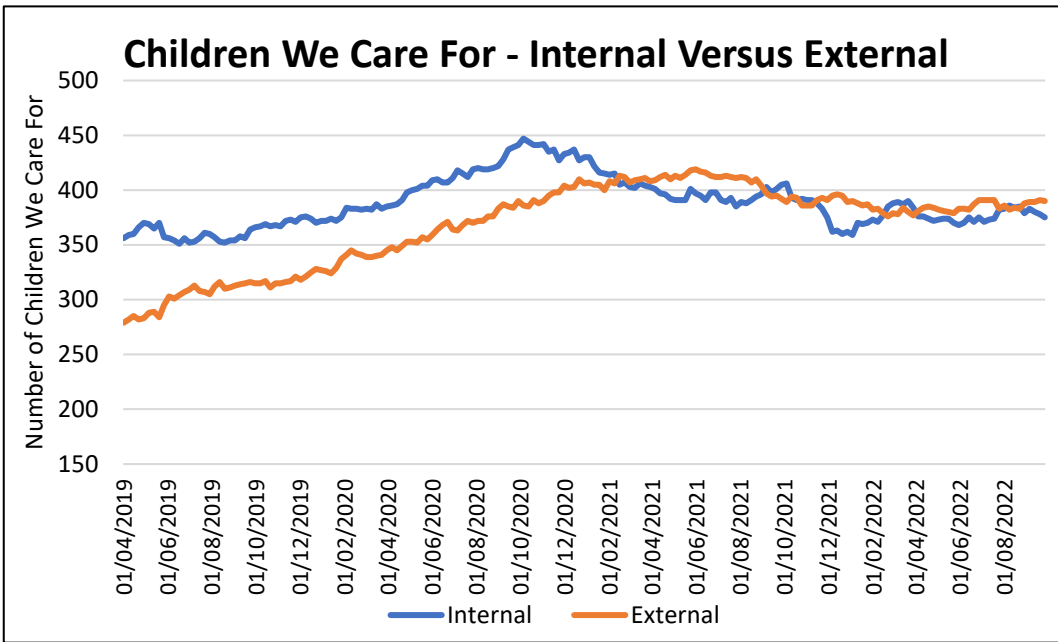
30. Looking forward and reviewing likely future staffing vacancy levels, it is clear that a significant vacancy gap is likely to remain in 2023/24, therefore, the Children’s Leadership Team are planning to repeat this exercise and attempt to recruit further overseas workers in January 2023 with an expectation of the second tranche of workers starting in the summer of 2023.

31. The project cost to recruit the first cohort of workers was £0.6m; with a further £0.6m estimated for the January 2023 scheme.

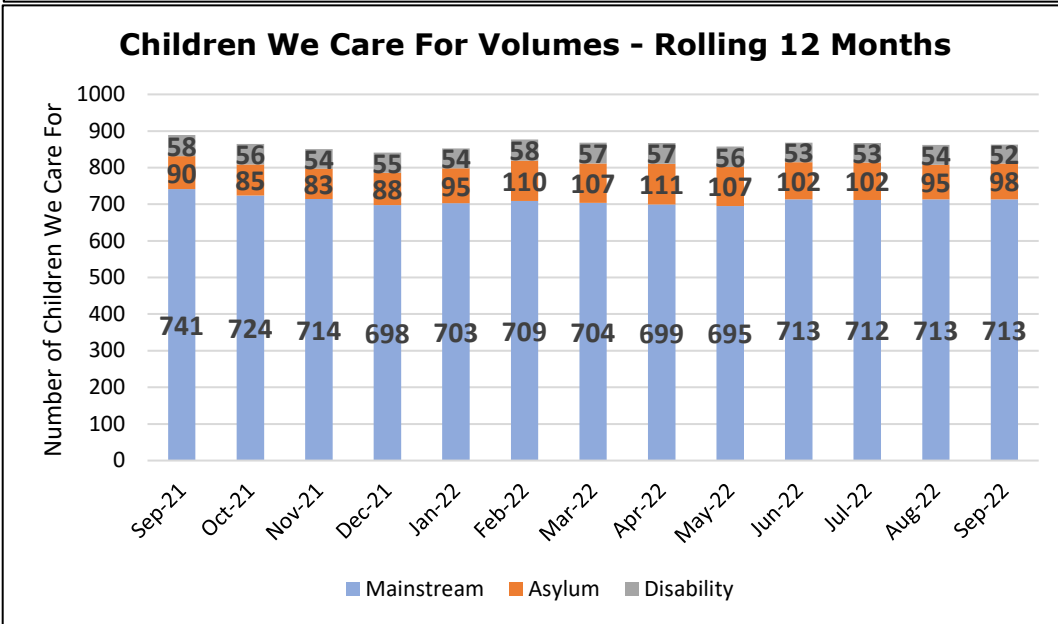
32. It is proposed that non-ringfenced Covid-19 grant is utilised to fund these one-off project costs following the impact of the pandemic on the social work profession.

Cost Drivers Information





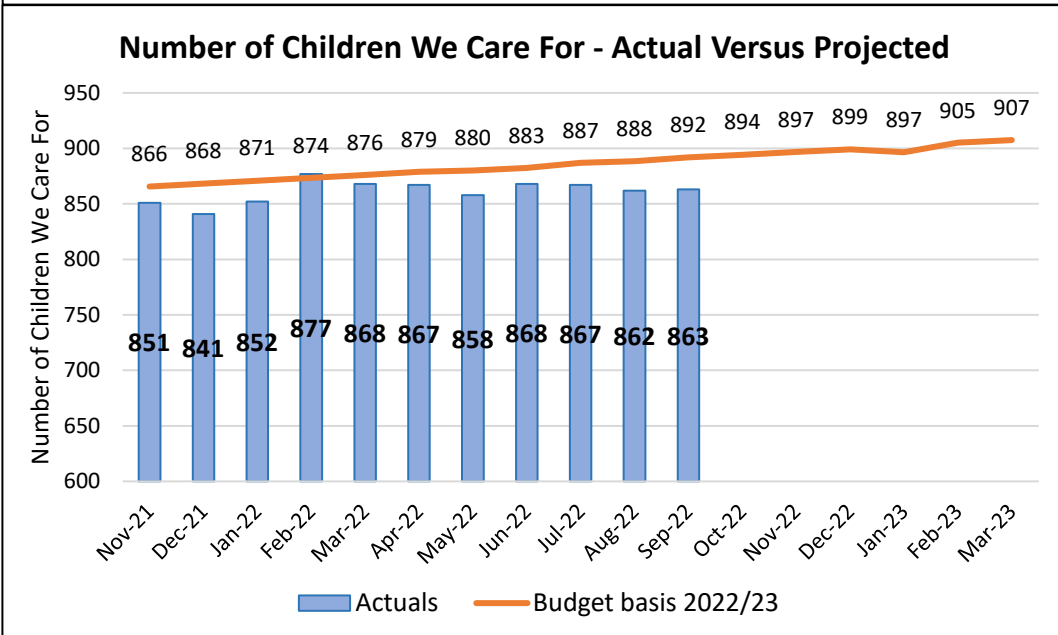
This graph shows the internal and external placement mix of Children We Look After since April 2019.



This graph shows the total number of Children We Care For placements by:

- mainstream placements
- asylum seeking children and,
- children with learning disabilities.

The Council's revised allocation of Unaccompanied Asylum-Seeking Children (UASC) under the National Transfer Scheme is 177. As at the end of September, the number of UASC was 98.



This graph shows the number of Children We Care For placements compared to the budgeted expectation.

The graph depicts that growth in numbers has not transpired as expected, however the shift in placement mix has led to the overspend reported.

Savings Delivery Update

33. In addition to the £2.150m of 2022/23 planned savings, there remains £1.050m of savings from the 2021/22 financial year which were not delivered on an on-going basis. To ensure that these savings are monitored and delivered, all of these savings are detailed in the table below:

| Saving Activity | Savings to be Delivered in 2022/23 £000 | September 2022 | | Narrative |
|---|---|----------------|---|---|
| | | | | |
| National House Project | 1,000 | 600 | A | Based on the current plan, the first young person is expected to move into their tenancy in November 2022. Given this, it is unlikely that these savings will be delivered in full in 2022/23 and may slip to 2023/24. |
| | | 400 | R | Due to slippage from the originally estimated start date, £0.4m of savings will not be achieved in 2022/23 but is expected to be delivered in 2023/24. |
| In-house Residential Programme: Reduced independent placement costs | 300 | 300 | G | Delays in re-opening Blue Cove (formerly May House) mean that the permanent delivery of this saving will be delayed and may even fall into 2023/24. The saving can be mitigated in year however, through underspending within the residential staffing budget given the current problems being experienced in recruiting sufficient staff to be able to safely re-open. |
| Improved Commissioning for Children's Social Care Service: Improved Joint Commissioning | 400 | 400 | A | It is understood that Health intend to implement a pan-Sussex Resource Allocation System for children's continuing health care, the potential financial implications of which for WSCC are not yet clear. This saving will remain a risk in 2022/23 until clarity can be brought about its achievability, in discussion with Health partners. |
| Improved Commissioning for Children's Social Care Service: Under 16's Step Down to Fostering | 700 | 700 | A | 17 young people have been identified as suitable for step-down, however, only two children have stepped down to date. The profiled dates for the cohort would indicate the saving can be achieved, however more certainty is required before the saving can be seen to be on track. |
| Improved Commissioning for Children's Social Care Service: Over 16's Step Down from Residential | 500 | 500 | G | Four young people have already been stepped down, which will lead to a saving of c£0.460m by the end of the financial year. A further two young people have been profiled to step down before the end of the financial year, meaning that this saving is on track to deliver as planned. |
| Improved Commissioning for Children's Social Care Service: Over 16's Recommissioning | 100 | 100 | B | Saving delivered by recommissioning of contracts for accommodation and support for young people aged 16+. |
| Early Help Restructure | 200 | 100 | B | Saving delivered. |

Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

Capital Programme

Performance Summary - Capital

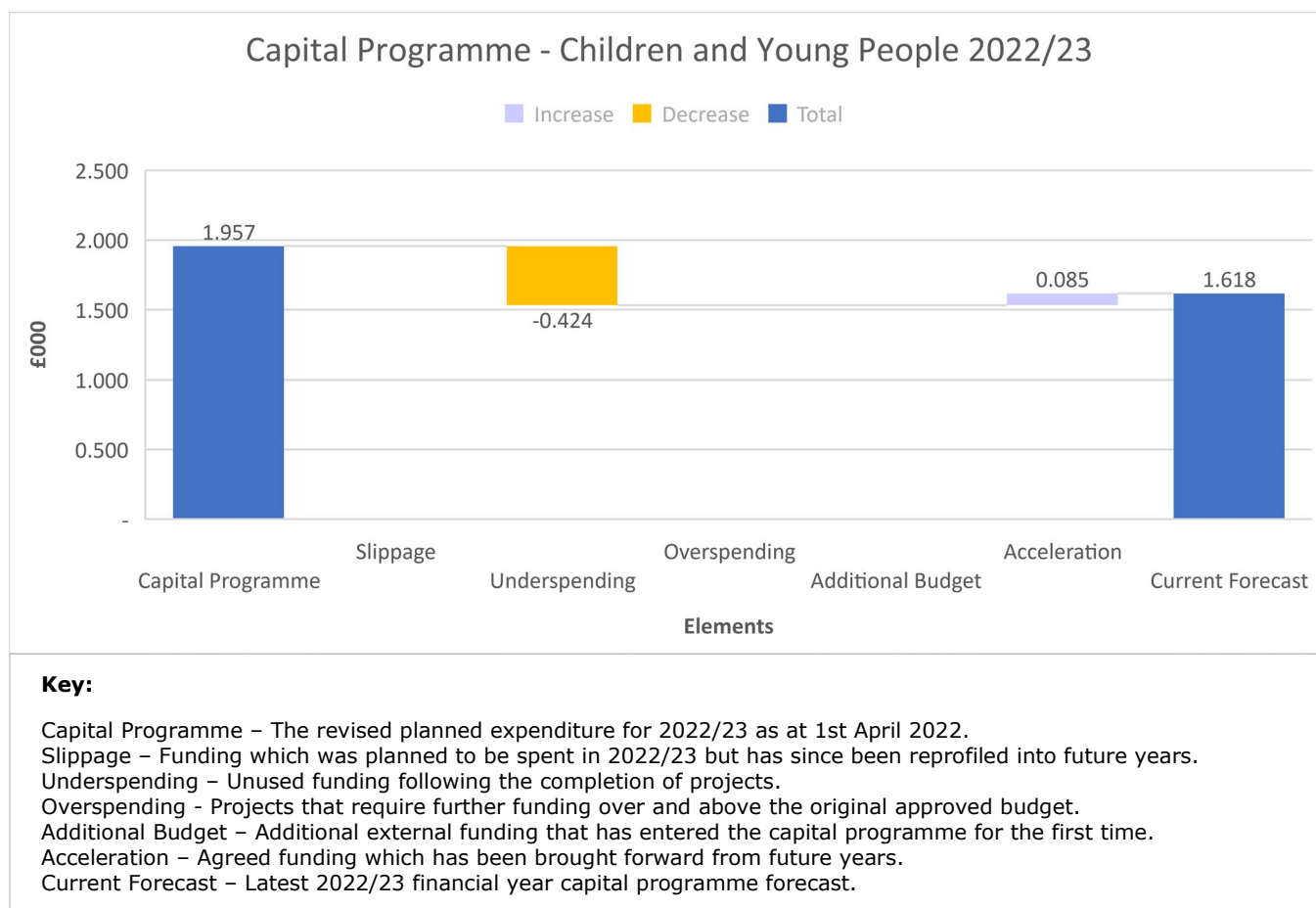
34. There are eight schemes within this portfolio. One scheme in delivery is rated green, indicating that the project is reporting to plan. Three schemes are rated as amber, indicating that there is an issue influencing the project, but that it can be dealt with by the project manager or project delivery team and four schemes are within their final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

| Scheme | RAG Status at Sep 2022 | Reason | Latest RAG Status | Updated Position |
|--|------------------------|---|-------------------|--|
| Children's In-House Phase 2 - High Trees and 40 Teasel Close | AMBER | Higher than expected pre-tender estimates and timeline delays | AMBER | Service to draft a Change Request setting out options. |
| Children's In-House Phase 2 - 18 Teasel Close Design Stage | AMBER | Higher than expected pre-tender estimates and timeline delays | AMBER | Service to draft a Change Request setting out options. |
| Children's In-House Phase 2 - Orchard House | AMBER | Higher than expected pre-tender estimates and timeline delays | AMBER | Service to draft a Change Request setting out options. |

Finance Summary - Capital

35. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £5.230m for 2022/23. £3.273m of budget, originally profiled to spend in 2022/23, was accelerated into 2021/22, revising this year's capital programme to £1.957m.

36. Since this time, the profiled spend has decreased overall by £0.339m, to give a current year end projection for 2022/23 of £1.618m. Of this decrease, -£0.424m relates to underspending on schemes where funding will be returned to enable future projects and £0.085m relates to a project where funding has been accelerated from future years.



37. There has been no changes to the financial profiling this quarter. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

38. The following table summarises the risks within the corporate risk register that would have a direct impact on the portfolio. Risks to other portfolios are specified within the respective portfolio sections.

| Risk No. | Risk Description | Previous Quarter Score | Current Score |
|----------|---|------------------------|---------------|
| CR61 | A 'serious incident' occurs resulting in the death or serious injury of a child where the Council is found to have failed in their duty to safeguard, prevent or protect the child from harm. | 15 | 15 |
| CR69 | If the council fail to make the necessary improvements to progress from the previous 'inadequate' rating, there is a risk that children's services will fail to deliver an acceptable provision to the community . | 15 | 15 |

| Risk No. | Risk Description | Previous Quarter Score | Current Score |
|----------|--|------------------------|---------------|
| CR72 | <p>The government have stipulated that from 9th September 2021, children in care under 16 will not be allowed to be accommodated in unregulated placements. This has strengthened existing regulations that stipulate that all children and young people who require residential care must be placed within registered children's homes. Due to a local and nationwide shortage of registered provision there is a risk that these children and young people will not be cared for in settings that best meet their needs, which could lead to safeguarding concerns and enforcement action against the providers of unregistered homes and local authorities.</p> | 12 | 12 |

39. Further details on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

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Learning and Skills Portfolio - Summary

Performance Summary

- The Portfolio has a number of performance highlights to report this quarter:
 - Ofsted inspections of schools continue to provide positive outcomes leading to over 90% of West Sussex children attending Good or Outstanding schools. Work is being done using the new schools MIS system to better collate and analyse school attendance and to establish a multi-disciplinary attendance team to support schools in tackling persistent absence.
 - The draft Education and Learning Strategy 2022-25 has now been shared among partners with the intent of co-creating detailed workstreams and action plans to drive forward key initiatives. Our focus on tackling disadvantage and supporting the achievement of our most vulnerable children including those with SEND, in care or subject to exploitation or involved in crime is a key priority. This involves improving provision with our schools, targeting additional support, and ensuring sufficient specialist support for those children with SEND either in our mainstream schools or those specialist settings meeting the needs of our more complex students.



Our Council Performance Measures

- The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

| Learning and Skills | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|--|---|----------------|-------------------------------------|---------|---------|-----|-------------------|
| 21 | Measure: The percentage of young people attaining Grade 4 and above for Maths and English GCSE by age of 16 years old Reporting Frequency: Annually (October) | 67.5% | 2019/20 | 2020/21 | 2021/22 | | G |
| | | | 66.2% | 72.2% | 75.2% | ↗ | |
| Performance Analysis: Mar 22: No new results are available until October 2022. Due to the Covid-19 pandemic, the summer exam series was cancelled in 2020 and 2021 and pupils were awarded either a centre assessment grade or a calculated grade using a model developed by Ofqual. Results show an increase since 2018-19 but this reflects the change to the way GCSE grades were awarded rather than improvements in pupil performance. As a result, the 2019/20 and 2020/21 data should not be directly compared to attainment data from previous years. | | | | | | | |
| Actions: The local authority provides a programme of professional development for teachers and school leaders including work on curriculum, assessment and raising expectations. The annual conversation held with all schools identifies where schools may have underperformance and targeted visits and consultancy support is provided to those schools where performance and achievement is requiring improvement. | | | | | | | |

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| Learning and Skills | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|--|--|----------------|-------------------------------------|---------|---------|-----|-------------------|
| 25 | Measure: Percentage of schools with OFSTED rating 'good' or 'outstanding' Reporting Frequency: Quarterly | 90.0% | Mar-22 | Jun-22 | Sep-22 | ↓ | G |
| | | | 88.8% (Target 88.5% in 2021/22) | 89.1% | 88.4% | | |
| Performance Analysis: Sep-22: The total for West Sussex schools that are judged good or outstanding has fallen slightly, by 0.7%, to 88.4%. For September 2022, the percentage for each school phase is as follows: Primary Schools = 87.2%; Secondary Schools = 92.3%; Special Schools = 100%. The schools that became "Good" has a higher school cohort that those that went to "Requires Improvement", hence why the school's percentage has slightly fallen, and the pupil's percentage has slightly risen. Actions: The local authority provides a programme of professional development for teachers and school leaders including work on curriculum, assessment and raising expectations. The annual conversation held with all schools identifies where schools may have underperformance and targeted visits and consultancy support is provided to those schools where performance and achievement is requiring improvement. | | | | | | | |
| 26 | Measure: Percentage of pupils and students accessing Ofsted 'good' or 'outstanding' schools Reporting Frequency: Quarterly | 89.0% | Mar-22 | Jun-22 | Sep-22 | ↗ | G |
| | | | 89.3% | 90.1% | 90.2% | | |
| Performance Analysis: Sep-22: The total for West Sussex pupils in schools that are judged good or outstanding has increased slightly to an all-time high of 90.2%, from 90.1% in July. For September 2022, the percentage for each school phase is as follows: Primary Schools = 87.9%; Secondary Schools = 93.1%; Special Schools = 100%. The schools that became "Good" has a higher school cohort that those that went to "Requires Improvement", hence why the school's percentage has slightly fallen, and the pupil's percentage has slightly risen. Actions: The local authority provides a programme of professional development for teachers and school leaders including work on curriculum, assessment and raising expectations. The annual conversation held with all schools identifies where schools may have underperformance and targeted visits and consultancy support is provided to those schools where performance and achievement is requiring improvement. | | | | | | | |
| 27 | Measure: Percentage achieving expected standard in reading, writing and maths combined at the end of Key Stage 2 Reporting Frequency: Annually (October) | 68.0% | 2017/18 | 2018/19 | 2019/20 | ↗ | A |
| | | | 55.0% | 61.8% | 62.7% | | |
| Performance Analysis: Mar-22: No results collected for 2021 due to the pandemic. Actions: The local authority provides a programme of professional development for teachers and school leaders including work on curriculum, assessment and raising expectations. The annual conversation held with all schools identifies where schools may have underperformance and targeted visits and consultancy support is provided to those schools where performance and achievement is requiring improvement. Additional school led improvement projects are used to support schools in difficulty, where teaching and leadership requires additional support to improve, and where outcomes for pupils are too low. | | | | | | | |
| 28 | Measure: Average attainment 8 score of students at Key Stage 4 including English and Maths Reporting Frequency: Annually (October) | 48.3 | 2019/20 | 2020/21 | 2021/22 | ↗ | G |
| | | | 46.9 | 50.3 | 51.6 | | |

| Learning and Skills | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|--|----------------|-------------------------------------|---------|---------|---|-------------------|
| <p>Performance Analysis: Mar-22: Due to the Covid-19 pandemic, the summer exam series was cancelled in 2020 and in 2021. Pupils scheduled to sit GCSE and A/AS level exams in 2020 were awarded either a centre assessment grade (based on what the school or college believed the student would most likely have achieved had exams gone ahead) or their calculated grade using a model developed by Ofqual - whichever was the higher of the two. The DfE aimed to make sure that students had the greatest opportunity to show the full breadth of their knowledge and understanding based on what they had been taught.</p> <p>Actions: The GCSE grades awarded to pupils in 2020 and 2021 will remain with them as they stay on in further and higher education or enter employment after leaving school. However, the cancellation of summer 2020 and 2021 GCSE exams and the new method of awarding grades has led to a set of pupil attainment statistics that are unlike previous years. Each of the pupil level attainment statistics have increased - more than would be expected in a typical year - between the 2018/19 to 2020/21 academic years. This reflects the change to the way GCSE grades were awarded rather than improvements in pupil performance. As a result, the 2019/20 and 2020/21 data should not be directly compared to attainment data from previous years for the purposes of measuring changes in student performance.</p> | | | | | | |
| <p>Measure: Percentage attainment gap of disadvantaged pupils compared with non-disadvantaged peers at the end of Key Stage 2</p> <p>Reporting Frequency: Annually (October)</p> | 20.0% | 2017/18 | 2018/19 | 2019/20 | | A |
| | | 23.3% | 23.4% | 25.3% |  | |
| <p>Performance Analysis: Mar-22: No results collected for 2021 due to the pandemic.</p> <p>29 Actions: Closing the gap that exists between disadvantaged students and their non disadvantaged peers remains a key priority nationally and for the local authority. As part of the Covid-19 recovery plan, the government have provided a national tutoring programme to provide additional support for children who may have fallen behind along with access to computers for those disadvantaged pupils who had more restricted access to technology at home. The local authority is not engaged in this directly as the relationship has been established directly between central government and schools. West Sussex County Council has provided a broad programme of professional development and support to schools which has included training courses, networks and a school to school led programme of training and support, targeted at those schools with a high differential between outcomes for disadvantaged and their non disadvantaged peers. This has involved an external partner.</p> | | | | | | |
| <p>Measure: Combined percentage of 16-17-year-olds that are Not in Education, Education and Training or whose activity is not known (3-month average Dec-Feb annually)</p> <p>Reporting Frequency: Monthly for December - February only.</p> | 6.5% | Dec-21 | Jan-22 | Feb-22 | | G |
| | | 6.6% | 5.5% | 6.0% |  | |
| <p>Performance Analysis: Sep-22: Under the Education and Skills Act 2008 (ESA 2008) local authorities have a duty to track 16- and 17-years old's Education, Employment or Training (EET) status. The 3-month LA assessed figures are only comparable with other regions and Local Authorities in the 3-month assessed period of December-February in each cycle, as each LA has gone through the process at different stages for September through to November and also through the tracking process during the winter.</p> <p>30 For July 2022 the team have working through the NEET and Not Knowns until the return is sent, with the combined figure being around 1.6% worse than the final return of July 2021. The latest validated data is from July 2022. NEET (Not in Employment, Education or Training) figure stands at 2.6% and the current "Not Known" figure is 6.3%. Note: This increase has occurred as the team are trying to ascertain the status of those that have left college/school at the end of May and June, ready for cycle to resume in September. The nationwide currency requirements set out mean that it is normal for the proportion of young people whose current activity is not known to rise sharply over the summer, especially where most provision is in further education rather than schools. DfE does not monitor 'not knowns' between June/July and September and LAs are advised not to benchmark their performance against others during this period.</p> <p>Next update = December 2022 for period to November 2022.</p> <p>Actions: Our team of careers advisors continue to offer support in a far more targeted way to help young people struggling to fulfil their career potential. Many are gradually re-engaging with education and training, many building up their confidence and skills by starting on short term employability courses before moving on to more full-time education, training or employment opportunities. There remains a number of young people with complex issues for whom we are working with our partners to ensure the right support is made available for them so that they can also progress.</p> | | | | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations (Local Authority)

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year End Budget Variation (£m) |
|--|----------------|---|------------------|--------------------------------|
| Mainstream Home to School Transport costs-inflationary pressures on coach and public transport contracts. | £0.630m | Net staffing underspending - vacancies Educational Psychology Service, School Crossing Patrol and SEND and Inclusion Service. | (£0.353m) | |
| SEND Home to School Transport – including increasing Alternative Provision transport costs and internal escort provision | £0.356m | Minor variations | (£0.012m) | |
| Undelivered saving relating to traded services, following the DfE announcement that LA's will no longer be able to provide the role of Appropriate Body for Early Career Teachers and shortfall in Leadership and Governance income. | £0.150m | | | |
| Crawley Schools PFI – Inflation | £0.500m | | | |
| Learning and Skills Portfolio - Total | £1.636m | | (£0.365m) | £1.271m |

Dedicated Schools Grant - Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year End Budget Variation (£m) |
|---|-----------------|---|------------------|--------------------------------|
| Initial estimated budget deficit identified during 2022/23 budget setting | £6.000m | Staffing underspends within Early Years | (£0.253m) | |
| Independent and Non-maintained Sector Placements | £4.888m | Growth Fund balance | (£0.184m) | |
| Cost of temporary accommodation | £0.862m | Other minor underspends | (£0.087m) | |
| Post-16 Further Education Colleges | £1.502m | | | |
| Post-16 Independent Specialist Providers | £0.899m | | | |
| Exceptional Needs Funding and Top-Ups | £0.268m | | | |
| Specialist Support | £1.355m | | | |
| Dedicated Schools Grant - Total | £15.774m | | (£0.524m) | £15.250m |

Significant Financial Issues and Risks Arising (Local Authority)

| Narrative | Cost Driver | Baseline (March 2022) | Q1 | | Q2 | | Action | Trajectory |
|---|--|-----------------------|---------------|---|---------------|---|---|------------|
| <p>Destination mix of pupils with an Education, Health and Care Plan (EHCP) receiving transport</p> <p>Approximately one third of our children with an Education, Health and Care Plan (EHCP) also receive transportation to their school.</p> | No. of pupils with EHCP transported to a mainstream school / SSC | 212 (10.1%) | 211 (9.9%) | ↔ | 208 (9.8%) | ↔ | <p>The number of complex cases continues to increase and current special school places have now reached full capacity leading to increased places in independent sector. Increasing the number of children being educated in the independent sector and away from their communities also increases the costs of transport.</p> | ↗ |
| | No. of pupils with EHCP transported to a special school | 1,316 (62.8%) | 1,328 (62.3%) | ↓ | 1,346 (63.3%) | ↓ | | |
| | No. of pupils with EHCP transported to independent placements | 549 (26.2%) | 568 (26.7%) | ↗ | 571 (26.8%) | ↔ | | |
| | No. of pupils with EHCP transported to other placements | 18 (0.9%) | 23 (1.1%) | ↔ | N/A | | | |
| | Total no. of pupils with EHCP transported | 2,095 (100%) | 2,130 (100%) | | 2,125 (100%) | | | |
| <p>Transport type mix of pupils with an Education, Health and Care Plan (EHCP) receiving transport</p> <p>Approximately one quarter of our children with an Education, Health and Care Plan (EHCP) who receive transport are transported on the County Council fleet. However, the majority are transported in an external taxi or minibus. This is an expensive option, and as a result, a parental mileage rate has been introduced to encourage parents to transport their own child to and from school instead.</p> | No. of pupils with EHCP transported in an external taxi/minibus | 1,421 (67.8%) | 1,429 (67.1%) | ↓ | 1,346 (63.3%) | ↓ | <p>The decision to have an internal fleet is a long-term strategic one. It means that in areas with fewer suppliers or where prices are unsustainably high the Council can moderate the impact on our spending and overall costs. Whilst there are over 100 minibus routes, the insourcing last year focused on expensive accessible vehicle routes and/or where the biggest cost reductions could be made.</p> | ↗ |
| | No. of pupils with EHCP transported on County Council fleet | 563 (26.9%) | 584 (27.4%) | ↗ | 643 (30.3%) | ↗ | | |
| | No. of pupils with EHCP transported by parents | 111 (5.3%) | 117 (5.5%) | ↗ | 136 (6.4%) | ↗ | | |
| | Total no. of pupils with EHCP transported | 2,095 (100%) | 2,130 (100%) | | 2,125 (100%) | | | |
| <p>Total number of routes required to transport pupils with an Education, health and care Plan (EHCP).</p> <p>The number of externally contracted routes being undertaken has been on the increase over the last few of years.</p> | No. of transport routes | 698 | 717 | ↗ | 688 | ↓ | ↗ | |
| <p>Percentage of pupils with an Education, Health and Care Plan (EHCP) receiving transport requiring a solo taxi.</p> <p>The biggest area of increased spend over the last couple of years has been in relation to solo taxis. Pupils receive solo taxi transport from home to school because of age, SEND or other circumstances e.g., behaviour. Analysis shows around 35% of the pupils travelling alone in a solo taxi is due to needs, whilst the remaining 65% are due to geography/only child at the school.</p> | No. of single occupancy taxi routes | 305 | 322 | ↗ | 298 | ↓ | ↗ | |
| | | | | | | | <p>A review of taxi provision for SEND pupils was undertaken in 2019/20. This review appeared to help moderate the overall pressure at the time but since then numbers have continued to rise. The Special Educational Needs Assessment Team (SENAT) have also reviewed the solo taxi approval process, and these now all go through scrutiny panel with transport representative invited to the meeting</p> | |

Key:

| | | | |
|----------------|-------------------|-----------------|-----------------|
| Arrow: | Decreasing ↓ | Increasing ↗ | Static ↔ |
| Colour: | Improving (Green) | Worsening (Red) | Static (Yellow) |

Significant Financial Issues and Risks Arising- *Dedicated Schools Grant*

| Narrative | Cost Driver | Baseline (March 2022) | Q1 | Q2 | Action | Trajectory |
|--|--|-----------------------|-----------------|-----------------|---|------------|
| <p>Placement mix of pupils with an Education, Health and Care Plan (EHCP)</p> <p>Our High Needs expenditure within West Sussex is largely driven by the number of pupils with an Education and Health Care Plan (EHCP). The 22/23 budget has been set on the basis of a further 450 pupils this year. Overall growth so far this year is significantly above this, although the proportion of these children being placed in more costly placements within the independent sector has remained the same.</p> | No of pupils with EHCP in mainstream school | 1,988 (30.5%) | 2,073 (31.0%) ↑ | 1,963 (28.9%) ↓ | <p>West Sussex has significantly less learners with EHCPs in their mainstream secondary schools than the national picture. A small specialist outreach team has therefore been created as a two-year pilot to support the inclusion of these learners in their local mainstream school. Schools Forum has also approved a £1.2m transfer from the DSG Schools block this year in order to pay for more temporary posts to increase capacity to support mainstream schools, support effective transition in early years and support annual reviews in post-16. The increasing level of placements in the independent sector is largely due to lack of capacity in WSCC's settings. In the medium term, it is expected that the number of independent sector placements will continue to rise at a faster rate.</p> | ↑ |
| | No of pupils with EHCP in special school / SSC | 2,273 (34.9%) | 2,294 (34.3%) ↓ | 2,286 (33.7%) ↓ | | |
| | No of pupils with EHCP in independent placements | 715 (11.0%) | 737 (11.0%) ↔ | 729 (10.7%) ↓ | | |
| | No of pupils with EHCP in post school placements | 1,215 (18.7%) | 1,192 (17.8%) ↓ | 1,415 (20.8%) ↑ | | |
| | No of pupils with EHCP in other placement type | 319 (4.9%) | 398 (5.9%) ↑ | 394 (5.8%) ↔ | | |
| | Total no of pupils with EHCP | 6,510 (100%) | 6,694 (100%) | 6,787 (100%) | | |

Key:

| | | | |
|----------------|-------------------|-----------------|-----------------|
| Arrow: | Decreasing ↓ | Increasing ↑ | Static ↔ |
| Colour: | Improving (Green) | Worsening (Red) | Static (Yellow) |

Financial Narrative on the Local Authority Portfolio's Position

- As at September, the Learning and Skills Portfolio is projecting a £1.271m overspend, an increase of £0.162m when compared to June. The main variations within the portfolio are described below.
- Mainstream Home to School Transport.** This budget continues to project an overspend of £0.6m due to inflationary wage pressure as a result of:
 - increases in the minimum wage,
 - fuel costs,
 - insurance costs and maintenance costs for vehicles,
 - inflation rises for season tickets and coach contracts.
- SEND Home to School Transport.** This area is coming under increasing pressure as fuel costs continue to soar, resulting in a projected overspend of £0.356m. A number of taxi companies have already handed back a number of school routes and some retendering exercises are seeing cost increases in the region of 20%. As a result, the Transport Bureau have increased the fuel support payments to suppliers and also the mileage reimbursement rates paid to parents from 25 pence per mile to 30 pence from September 2022.

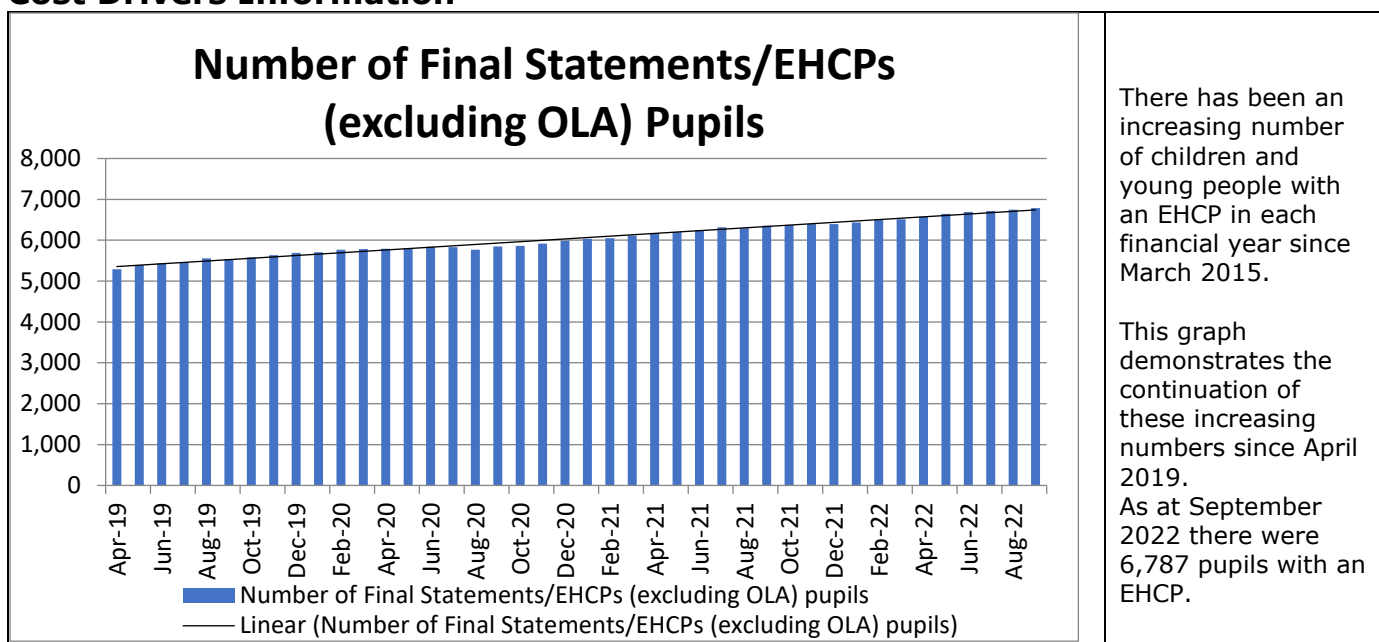
6. There is also an increasing demand for Alternative Provision transport due to increasing numbers of pupils requiring transport following the closure of the Worthing site at Northbrook College, and also increased costs for internal escort provision.
7. **Shortfall of Traded Income (Undelivered Savings).** Reduced traded income following the Department for Education's announcement that Local Authorities will no longer be able to provide the role of Appropriate Body for Early Career Teachers from September 2023. In view of this, the decision has been taken for the County Council not to offer the Appropriate Body role for new two-year registrations from September 2022 (unless the Early Career Teacher will complete before September 2023).
8. In addition, school trading income has not grown significantly following the Covid-19 pandemic, leading to a shortfall against income targets. Overall, the £0.150m planned savings from 2021/22 are no longer expected to be delivered.
9. **Crawley Schools PFI Inflation.** The budget is projected to overspend by £0.5m in 2022/23 due to inflationary pressure on the unitary charge payment and utility costs. Utility costs are reconciled in arrears under contract mechanisms, meaning a firm figure is unlikely to be known until later in the year and a risk of higher costs remains given the current market volatility.
10. **Staffing Vacancies.** £0.353m of one-off underspending within the Educational Psychology Service, School Crossing Patrol Service and SEND and Inclusion Service teams are forecast this year as services continue to experience recruitment difficulties.

Financial Narrative on the Dedicated Schools Grant Position

11. The Dedicated Schools Grant (DSG) budget position, as at the end of September, is projecting an overspending of £15.250m against County Council's DSG allocation from government in 2022/23. This overspending will be transferred to DSG reserves at the end of the year, thereby increasing the DSG deficit to £40.8m. The main variations within the DSG position are described below.
12. **Independent and Non-maintained Sector.** The current projected outturn overspend of £4.888m is based on a continuation of the existing 759 placements at the end of the summer term plus further growth of 70 over the remaining months of the year, less any planned mitigations in the DSG recovery plan in September 2022.
13. **Cost of Temporary Accommodation.** - Temporary classrooms have now been installed at St Anthonys, Manor Green College and Cornfield special schools in order to help reduce the number of pupils being placed in the independent sector. Since these classrooms are being hired, the £0.862m cost incurred cannot be charged to the capital programme.

14. **Post-16 Further Education Colleges.** This budget overspent by £1.2m in 2021/22 due to the number of additional placements incurring a cost increasing by 53 during the year (compared to a budgeted increase of 17 placements). The £1.502m projected overspend in 2022/23 is based on a continuation of the number of pupils in the 2021/22 academic year.
15. **Post-16 Independent Specialist Providers.** This budget overspent by £0.7m in 2021/22 due to the number of additional placements incurring a cost increasing by 18 during the year (compared to a budgeted increase of three placements). The £0.899m projected overspend in 2022/23 is based on a continuation of the number of pupils in the 2021/22 academic year.
16. **Exceptional Needs Funding and Top Ups.** Increased budget shares in special school academies to reflect the increased number of planned places and additional pupils in mainstream schools receiving top-up funding through an Individually Assigned Resource (IAR) have led to a £0.268m overspend being forecast.
17. **Specialist Support.** Expenditure for specialist support has grown significantly over the last couple of years, with this budget overspending by £1.4m last year. A similar level of expenditure is currently being forecast in 2022/23, leading to a £1.345m overspend current forecast.
18. **Early Years Staffing.** £0.253m of staffing vacancies within the Early Years' Service are included within the outturn projection.
19. **Growth Fund Commitments.** £2.383m has been allocated to 13 primary schools and 24 secondary schools (including five primary and 13 secondary academies) from the Growth Fund. A further allocation of £0.033m has also been made to one secondary school to top up its summer term funding. The remaining balance of £0.184m is unlikely to be spent this year.

Cost Drivers Information



| | |
|---|--|
| <h3 style="text-align: center;">Net Total of New EHCPs</h3> <p>Legend:</p> <ul style="list-style-type: none"> Net new statements/EHCP's cum 20/21 Net new statements/EHCP's cum 21/22 Net new statements/EHCP's cum 22/23 | <p>So far this year numbers have risen at a significantly faster rate than over the two previous financial years.</p> <p>The number of new EHCP's have increased by a further 277 as at the end of September 2022.</p> <p>We are expecting overall EHCP numbers to continue to rise sharply.</p> |
| <h3 style="text-align: center;">Net Change in Independent and Non-Maintained Placements</h3> <p>Legend:</p> <ul style="list-style-type: none"> Net Chg Cum INMS placements 20/21 Net Chg Cum INMS placements 21/22 Net Chg Cum INMS placements 22/23 | <p>Total EHCP numbers have increased up by 4.3% so far this year, with the number of pupils in Independent and Non-maintained Sector (INMS) settings, continuing to rise at a lower rate (2.0%)</p> <p>72% of the net increase in placements this year have been made in post-16 placements.</p> |

Covid-19 Expenditure Update

20. As the pandemic continues, there remains a need to provide quality services and assistance to residents. Within the Learning and Skills portfolio, some final invoices relating to the backlog of specific psychology assessments have been received, along with the final summer term for a number of specific college placements which were impacted by the pandemic. This has led to £0.291m of the non-ringfenced Covid-19 grant being earmarked for 2022/23.

Savings Delivery Update

21. In addition to the £0.225m of 2022/23 planned savings, there remains £0.675m of savings from the 2021/22 financial year which were not delivered on an on-going basis. To ensure that these savings are monitored and delivered, all of these savings are detailed in the table below:

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| Saving Activity | Savings to be Delivered in 2022/23 £000 | September 2022 | | Narrative |
|---|---|----------------|---|---|
| | | | | |
| Improve School Trading Offer | 175 | 25 | G | Inclusion team are on target to deliver their target. |
| | | 150 | R | Any improved trading income has been offset by a shortfall of income within Leadership and Governance and reduced traded income following DfE announcement that LAs will no longer be able to provide the role of Appropriate Body for Early Career Teachers. |
| Home to School Transport – Increased Internal Fleet | 340 | 340 | B | Phase 1 savings of £0.120m were delivered because of action taken in 2020/21. During 2021/22, 27 accessible minibus routes were insourced which has saved a further £0.220m in a full year. Saving achieved. |
| Home to School Transport – Greater Taxi Competition | 160 | 160 | B | This saving has been delivered through keener pricing from taxi firms at the beginning of the academic year in 2021/22. Saving achieved. |
| Increase in Council's Top Slice of Early Years DSG to Compensate for Lost Central DSG Grant Funding Used for Wider Benefit of Children and Young People | 225 | 225 | B | Centrally retained element of the Early Years DSG block was increased from 4.5% to 5% when the 2022/23 budget was set. |

Savings Key:

| | | | |
|---------------------------|------------------|-------------------|--------------------|
| R Significant Risk | A At Risk | G On Track | B Delivered |
|---------------------------|------------------|-------------------|--------------------|

Capital Programme

Performance Summary - Capital

22. There are 47 schemes within the portfolio. 10 of the schemes in delivery are rated green, indicating that the project is reporting to plan and 12 schemes are rated at amber, indicating that there is an issue, but that it can be dealt with by the project manager or project delivery team. Six schemes are rated red, indicating that there are significant issues requiring corrective action and a further 19 schemes are within their final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

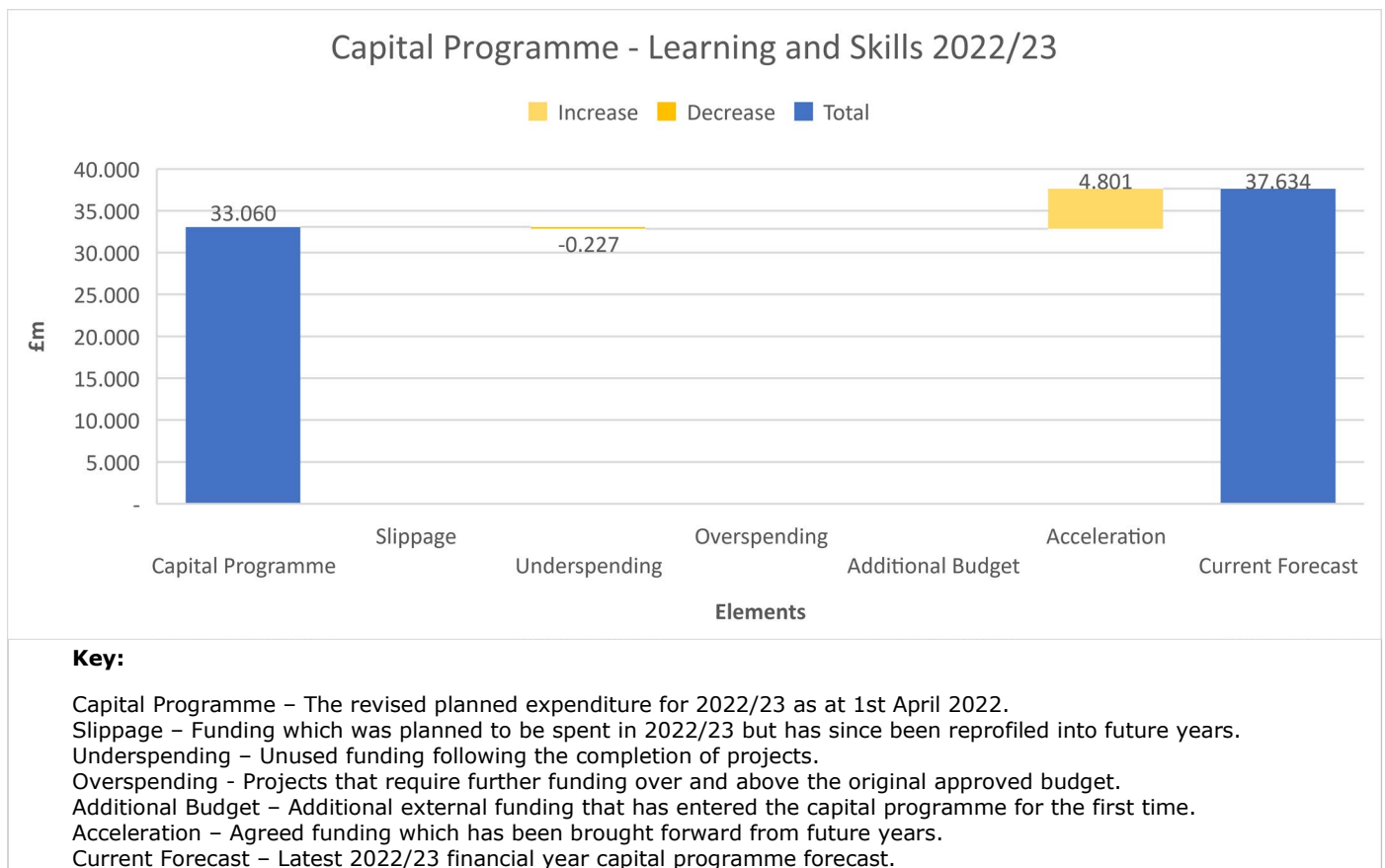
| Scheme | RAG Status at Sep 2022 | Reason | Latest RAG Status | Updated Position |
|--------------------------------------|------------------------|--|-------------------|---|
| Burgess Hill Academy | AMBER | Time delay. | AMBER | Key Decision to award contract required. |
| Cornfield SEND | RED | Construction delays due to arboriculture findings. | AMBER | Options being considered. |
| Edward Bryant Special Support Centre | RED | Tender returns suggest project milestones are at risk. | RED | Programme to be reviewed once Contractor appointed. |
| Felpham Community College SSC | RED | Delay in planning and higher than expected tender returns. | RED | Additional funding approved in late September 2022. Timetable under review. |

| Scheme | RAG Status at Sep 2022 | Reason | Latest RAG Status | Updated Position |
|-------------------------------|-------------------------------|--|--------------------------|---|
| Forest School Science Block | AMBER | Tight timetable for September sign-off. | GREEN | Works now completed. |
| Lindfield Primary | AMBER | Cost of extension exceeds available budget | AMBER | Value engineering to be undertaken |
| Midhurst Rother College | RED | Reduced scope to be reviewed with Academy. | RED | Revised project brief required. |
| Parklands Primary | RED | Defects. | RED | On-going environmental monitoring to March 2023. |
| QEII Silver Jubilee School | AMBER | Time and cost pressures. | AMBER | Phase 1 completed 05/09/2022. Phase 2 estimated to complete before the end of 2022. |
| S106 Burgess Hill Academy | RED | Delay in programme | RED | Delay in planning decision. |
| S106 Forest School AWP | RED | Water Neutrality statement not accepted resulting in delay. | RED | Delay in planning decision. |
| S106 infrastructure Programme | AMBER | Overall cost of programme exceeds budget. | AMBER | Options being considered. |
| S106 Slindfold | AMBER | RIBA stage two milestone delay | AMBER | Projected overspend. Service to draft a change request setting out options. |
| S106 Tanbridge AWP | AMBER | Delays due to subbase and fencing. | AMBER | Contractor completion scheduled for end of October 2022. |
| Safeguarding Programme | AMBER | Final account indicates overspend, mainly due to work at Sheddingdean Primary. | AMBER | Service to draft a change request setting out options. |
| St Margaret's SSC | AMBER | Higher than expected pre-tender estimates – delivery slipped to mid-September. | AMBER | Additional funding approved in September 2022. Timetable to be reviewed. |
| West Park SSC | AMBER | Higher than expected pre-tender estimates – delivery slipped to mid-September. | AMBER | Additional funding approved in September 2022. Timetable to be reviewed. |
| Whitehouse Farm | AMBER | Milestone delay. | AMBER | Developer has submitted planning application. |
| Woodlands Meed | AMBER | Contractor has issued a notice of delay (10 days). | AMBER | Overall completion date of project impacted. Contractor issuing updated programme. |

Finance Summary - Capital

23. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £30.774m for 2022/23. £2.286m of budget, originally profiled to spend in 2021/22, was slipped into 2022/23, revising the capital programme to £33.060m.

24. Since this time, the profiled spend has increased overall by £4.574m, to give a current year end projection for 2022/23 of £37.634m. Of this increase, £4.801m relates to projects where funding has been accelerated from future years and -£0.227m relates to underspending.



25. Details of the financial profiling movements within the capital programme between July and September are as follows:

- **Acceleration: £4.801m. Movement since Q1 report: £4.240m.**
 - **Burgess Hill Northern Arc - £2.009m.** Approval of £53.845m to complete construction of a new six form-of-entry secondary school in Horsham. £2.009m has been profiled to spend in 2022/23 with the balance of £51.836m in future years.
 - **Cornfield - £0.378m.** Approval has been granted for £0.378m in 2022/23 to design three classrooms providing 24 additional SEND places.

- **Heronsdale - £0.336m.** Approval has been granted for £0.336m in 2022/23 to design two classrooms providing 20 additional SEND places.
 - **Edward Bryant Special Support Centre - £0.236m.** Approval has been granted for £1.629m in order to complete construction of the Special Support Centre. This is profiled to spend £0.236m in 2022/23 and £1.393m in future years.
 - **Downlands - £0.330m.** Approval has been granted for £2.300m to create a bulge class for 60 pupils and some internal remodelling. This is profiled to spend £0.330m in 2022/23 and £1.970m in subsequent years.
 - **Queen Elizabeth II - £0.951m.** Approval has been granted for £0.951m to complete the construction of classrooms providing additional SEND places in Sept 2022.
- **Underspending: (-£0.227m). Movement since Q1 report: (-£0.227m).**
 - **Manor Green – (-£0.227m).** This project has completed under budget therefore £0.227m of unspent funding has been returned to the SEND Sufficiency Programme.

26. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

27. There are no corporate risks assigned to this portfolio. Risks allocated to other portfolios are specified within the respective portfolio sections. Further detail on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

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Community Support, Fire and Rescue Portfolio - Summary

Performance Summary

1. The Portfolio has a number of performance highlights to report this quarter:

Fire and Rescue Service

- July saw the much-anticipated publication of the Her Majesty Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) report from the second full round of inspections. The report highlighted the marked improvement in the service since the first formal inspection in 2018 but noted that there was still more work to do. Across the three pillars, the service was judged as requires improvement in effectiveness and people whilst achieving good in the efficiency pillar. We will now focus on an action plan to respond to the one remaining cause of concern which relates to people and culture. Our Fire and Rescue Service Improvement Plan is therefore now completed and this action plan, along with ongoing continuous improvement work, will now be managed through our People Service Plan within the Community Risk Management Plan (CRMP).
- The second quarter also saw one of the busiest operational periods for the Fire Service in recent history with the impact of the long hot summer and record high temperatures. There was significant demand on resources both nationally and here in West Sussex with many neighbouring counties experiencing protracted major wildfire incidents. We responded with well-rehearsed business continuity procedures and support from our specialist wildfire tactical advisors to ensure that we remained prepared throughout this difficult period.
- The summer period saw lots of public engagement and events with many very successful open days at fire stations in Worthing, Shoreham, Crawley, Haywards Heath, and many more. This was the first time in over two years that stations had been able to fully open their doors and with a mixture of warm weather, excellent media and exciting displays, we had record crowds around the county to help us promote crucial community safety messages including the very successful 'disposable barbecues campaign'.
- A number of major projects and project consultations began during this quarter including the first formal CRMP project on 'Day Crewed 7' where we are planning to increase immediate response availability across four-day crewed stations from five to seven days. We also launched two major procurement projects in collaboration with Surrey and East Sussex Fire and Rescue Services to jointly purchase breathing apparatus and incident command vehicles. These are the first projects of this size and scale being led by West Sussex which present an exciting opportunity for greater operational alignment between the services whilst providing wider efficiency and economies of scale in the process.

Community Support


- Teams continue to work together to respond to the needs of Ukrainians entering the UK. Demand remains high and as a result a new Ukraine Support Team has been set up to deal with locality-based need and support, complex needs requiring ongoing casework and the provision of relevant information to enable customers to help themselves and build their independence. Proactive calls are also being made to all sponsors and guests at month four to understand if they are intending to remain in their placement or discuss their plans after the initial six-month period. This is being complemented with a programme of engagement sessions undertaken with guests and hosts approaching the six-month point. In addition to the £350 monthly payment for sponsors, a £400 payment is being made at the four-month stay point to offset some of the additional utility bill and household expense experienced as a result of hosting guests.
- The Community Hub has been working closely with partners distributing the second round of the Household Support Fund. Early analysis indicates that over 3,868 households or 10,821 individuals have been supported by the Household Support Fund (second allocation) since April 2022. Additionally, the Community Hub, with other partners, are distributing funds to those experiencing hardship including Citizens Advice and Carers Support West Sussex.
- The Countering Extremism Team provided 31 different training sessions (both virtually and face to face) to a total of 509 participants, enabling them to recognise the signs of radicalisation and to take appropriate action. By the end of the second quarter, some 245 taxi drivers were trained in essential safeguarding (covering modern slavery, county lines, exploitation, domestic abuse and radicalisation) as part of their license arrangements with district and boroughs across West Sussex.
- During this quarter, 195 residents/professionals engaged in digital safety training. 5,409 people are currently signed up to receive the monthly Staying Safe Online E-newsletter. It is estimated that over 200,000 people were reached via sharing key online safety information by social media, radio, press release and newsletters.
- Customer visits to libraries have continued to grow following the disruption of lockdowns, with visits this period up 41% compared with the second quarter of 2021/22. The Summer Reading Challenge also grew in participation with 10,436 children taking part; an increase of 24% when compared to the 2021/22 uptake.
- The Record Office partnership with Ancestry has resulted in parish registers of baptisms, marriages and burials for West and East Sussex, dating back to 1538, being digitised and made available on the Ancestry website with over 1.3 million views in the first six weeks alone. The first royalty payments have been received for this new income stream, with further records due to go online over the next year. Ancestry is now available free of charge for residents to use at West Sussex Record Office and all libraries.

- For ceremonies, the first half of the year has been exceptionally busy for notices of intent with 4,330 taken. This is a 37% increase compared to the five-year pre-Covid average of 3,160 for this period. 2,577 ceremonies were delivered between April – September, 25% more than the five-year pre-covid average of 2,058 for this period.
- Within Trading Standards there was a seizure of 6,000 illicit cigarettes and 8kg of illicit rolling tobacco seized from shops in Worthing and Littlehampton. 10,600 'Huggy Wuggy' and 'Marvel Superhero' plush and battery powered toys were stopped at Gatwick Airport as they were non-compliant with toy safety requirements. Samples of Cannabidiol (CBD) food taken for analysis showed some contained banned cannabinoids and one £30 jar of jam only contained 10% of the declared CBD. American authorities have also been working with the UK National Trading Standards Scams Team, which has resulted in our Trading Standards Team receiving money to pass back to around 30 local scam victims.

Our Council Performance Measures

Fire and Rescue Service Performance Measures

- The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

| Fire and Rescue | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|-----------------|---|----------------|-------------------------------------|--------|--------|---|-------------------|
| 3 | <p>Measure: Fire Safety Order regulated buildings in West Sussex having received an audit under the Risk Based Inspection Programme. Measured cumulatively in each financial year, from 1st April.</p> <p>Reporting Frequency: Quarterly</p> | 1,000 | Mar-22 | Jun-22 | Sep-22 |  | G |
| | <p>Performance Analysis: Sep-22: At the end of Q2 it was agreed that as a result of the significant challenges that the department faces in relation to development of competency, the previous target of 1,750 audits would be amended to 1,000 per year. Departmental performance is currently 55 audits behind our half-year schedule, however the number of audits undertaken in Q2 was significantly higher than in Q1, despite Q2 being the period where a significant amount of leave is taken.</p> <p>Items that have affected Q2 performance include a number of case conferences following a Prohibition case that has seen two Simple Cautions issued for offences committed. Q3 will also see the team continuing a significant case load to take forward for prosecution.</p> <p>Actions: Now that the target has been amended to reflect some of the internal and external market factors, we are only 55 audits behind schedule. We have a clear plan on how to address this shortfall that includes watch-based fire safety activity, use of retained duty staff and more use of desk top audits.</p> | 841 | 218 | 445 | | | |

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| Fire and Rescue | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|-----------------|---|----------------|-------------------------------------|--------|--------|-----|-------------------|
| 10 | <p>Measure: Number of Safe and Well Visits delivered to households with at least one vulnerability or risk factor. Measured cumulatively in each financial year, from 1st April.</p> <p>Reporting Frequency: Quarterly, Accumulative.</p> | 4,000 | Mar-22 | Jun-22 | Sep-22 | | G |
| | <p>Performance Analysis: Sep-22: In Q2 we carried out 1,300 Safe and Well Visits and 489 home checks. We have seen a month on month increase in visits in the last 12 months which we attribute to the remedial actions taken, the ongoing development of referral pathways and more customers being receptive to having someone visit their home, although our previous referral pathways have yet to return to their pre-Covid levels. Staff based at fire stations are continuing to undertake reactive post-incident as well as proactive referral generation activity.</p> <p>Actions: We continue to promote Safe and Well Visits through our health and social care partners and train their staff to recognise and respond to fire risk. In addition, customer details are being shared to increase referrals of Safe and Well Visits. Crews use local data to drive and target prevention activity to areas where our most vulnerable residents live and we make the most of every opportunity to deliver focused community safety activities following incidents at residential properties. This is leading to more prevention activity being delivered to those at risk, particularly those who are in the vicinity of an incident.</p> | | 3,355 | 1,151 | 2,451 | ↑ | |
| 42 | <p>Measure: Percentage of 'critical fires' where the first appliance in attendance meets our emergency response standard</p> <p>Reporting Frequency: Quarterly.</p> | 89.0% | Mar-22 | Jun-22 | Sep-22 | | G |
| | <p>Performance Analysis: Sep-22: Q2 saw an extended dry spell which placed significant demands on all fire and rescue services across the country, with many services declaring major incidents due to the impact on resources. The impact of this higher demand in West Sussex was a reduction in performance on this measure.</p> <p>Actions: We are confident that the changes we have seen around the introduction of performance data on turn out times being available to Immediate Response stations and the move back to a more normal level of demand will mean we will achieve the target for this measure across the year. The proposals we have for increasing the cover in Mid-Sussex and Shoreham will ensure we have more resilience when facing future occasions of high demand.</p> | | 93.6% | 91.0% | 86.0% | ↓ | |
| 43 | <p>Measure: Percentage of 'critical special service incidents' where the first appliance in attendance meets our emergency response standard</p> <p>Reporting Frequency: Quarterly.</p> | 80.0% | Mar-22 | Jun-22 | Sep-22 | | G |
| | <p>Performance Analysis: Sep-22: We measure critical special service calls separately from critical fires. Critical special service calls can occur anywhere in the county and often away from the population centres which either (due to the number of incidents) warrant a wholetime fire station or have sufficient population density to support a Retained Duty System (RDS) station. This is the most challenging of our three attendance measures and is particularly influenced by the availability of RDS appliances. Performance this quarter remains high, providing further reassurance that the use of the Dynamic Cover Tool (which provides data on potential response times broken down to a district or local level to the control room operators) is having a positive impact on this core measure. We measure critical special service calls separately from critical fires. Critical special service calls can occur anywhere in the county and often away from the population centres which either (due to the number of incidents) warrant a wholetime fire station or have sufficient population density to support an RDS station. This is the most challenging of our three attendance measures and is particularly influenced by the availability of RDS appliances. Performance this quarter remains high, providing further reassurance that the use of the Dynamic Cover Tool (which provides data on potential response times broken down to a district or local level to the control room operators) and the initiative we have introduced this quarter to use our wholetime firefighters more proactively to support RDS availability are both having a positive impact on this core measure.</p> <p>Actions: We continue to work with partner agencies to help improve the time taken to transfer calls and information. We also continue to undertake work at our fire stations to ensure we are doing everything we can to respond to incidents as quickly as possible as well as maximise the availability of RDS fire engines at times of the day when we know these incidents are most likely.</p> | | 80.6% | 82.2% | 81.4% | ↓ | |

Community Support Performance Measures

| Community Support | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|---|--|----------------|-------------------------------------|--------|--------|-----|-------------------|
| 4 | <p>Measure: Percentage of suspected scam victims, identified to WSCC by the National Trading Standards Scams Team, receiving a pro-active intervention from the Trading Standards Service</p> <p>Reporting Frequency: Quarterly</p> | 100% | Mar-22 | Jun-22 | Sep-22 | → | G |
| | | | 100% | 100% | 100% | | |
| <p>Performance Analysis: Sep-22: – American authorities have been working with UK National Trading Standards Scams Team and, as a result of an American intervention, WSCC will be receiving some money back for approximately 30 local victims which will be passed back to them.</p> <p>Actions: There are currently 121 call blockers installed in vulnerable persons homes that have blocked 112,301 scam/nuisance calls. The call blockers were paid for using the proceeds of crime that had been confiscated by the courts in a previous Trading Standards criminal prosecution.</p> | | | | | | | |
| 33 | <p>Measure: Use of virtual/digital library services by residents</p> <p>Reporting Frequency: Quarterly, Accumulative</p> | 5.45m | Mar-22 | Jun-22 | Sep-22 | ↗ | G |
| | | | 5.81m | 1.39m | 2.87m | | |
| <p>Performance Analysis: Sep-22: Customer usage of virtual library services is stabilising to a 'new normal' after the significant increases seen during the pandemic lockdown periods.</p> <p>Actions: Continue to support growing demand though investment in e-Library platforms and production of virtual and online library events content.</p> | | | | | | | |
| 34 | <p>Measure: Number of people reached and supported via the West Sussex Community Hub during the Covid-19 pandemic</p> <p>Reporting Frequency: Quarterly, Accumulative</p> | 36,000 | Mar-22 | Jun-22 | Sep-22 | ↗ | G |
| | | | 76,477 | 85,840 | 87,298 | | |
| <p>Performance Analysis: Sep-22: From October 2021, the Community Hub supports residents and households with wider essential needs such as food, energy, and water bills via the Household Support Fund. The Household Support Fund has been extended until March 2023 and ongoing support to help those households in need continues. In the 9 months to September 2022 10,821 individuals have been supported by the Household Support Fund.</p> <p>Actions: Department for Work and Pensions (DWP) is making a third round of funding available to support those most in need to help with global inflationary challenges and the significantly rising cost of living.</p> | | | | | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|--|----------------|---|------------------|---------------------------------------|
| Community Support – Additional coroner costs projected following work undertaken on long inquests | £0.188m | Community Support – Staffing vacancies within the service | (£0.232m) | |
| Community Support – Shortfall in libraries and archives income relating to changes in customer behaviour post pandemic | £0.240m | Community Support – Additional ceremonies income projected as this is the first summer season in recent times with no pandemic restrictions | (£0.230m) | |
| Community Support – Other variations | £0.070m | | | |
| Community Support, Fire & Rescue Portfolio - Total | £0.498m | | (£0.462m) | £0.036m |

Significant Financial Issues and Risks Arising

3. There are no significant issues to raise within this section.

Financial Narrative on the Portfolio's Position

4. As at September, the Community Support, Fire and Rescue portfolio is projecting a £0.036m overspend, a reduction of £0.206m when compared to June. The main variations are described below.

Fire and Rescue Service

5. Although the Fire and Rescue Service is currently projecting a balanced budget, there is pressure emerging within the Command and Mobilising budget because of a £0.063m in-year reduction to the Fire Link Grant which supports expenditure on data costs associated with the use of service radios. This is a national reduction that will continue over the next three years and is linked to the introduction of a new national communication solution which has been subject to a number of delays. The service continues to work on mitigations to cover the loss of grant over the medium term but in-year this is currently being mitigated by staff vacancy savings.

Community Support

6. The Coroner's Service is projecting an overspend of £0.188m which relates to in-year inquest requirements which will result in additional costs.
7. The Archive and Library Service have continued to experience a shortfall of income which relates to changes in customer behaviour post-pandemic restrictions. It is forecast that there will be a shortfall of £0.240m in 2022/23.

8. These budgetary pressures have been partly mitigated by projected staffing vacancy savings of £0.280m and a forecasted increase in Registrar Service income of £0.230m. This increase is due to a surge of ceremonies being planned in 2022/23 following the relaxation of Covid-19 restrictions.

Covid-19 Expenditure Update

9. As the pandemic continues, there remains a need to provide quality services and assistance to residents. The Community Support Service are continuing to provide support to residents by working with local partners and helping vulnerable people through the Community Hub and other front-line services. As the length and severity of the pandemic still remains unknown at this time, £1.162m of non-ringfenced Covid-19 grant has currently been earmarked to enable the Community Hub and other support to residents to continue and potentially increase if needed.
10. Within the Fire and Rescue Service, £0.371m has been earmarked from the non-ringfenced Covid-19 grant to cover a number of potential in-year pandemic pressures including additional cost arising from required firefighter isolation periods, sickness and overtime, as well as the provision of a one-year rural engagement officer within the Prevention Team to support vulnerable people living in rural areas who have been isolated during the pandemic.

Savings Delivery Update

11. There remains £0.070m of savings from the 2021/22 financial year which were not delivered on an on-going basis. This saving is reported in the table below to ensure that it is monitored and delivered during the year:

| Saving Activity | Saving to be Delivered in 2022/23 (£000) | September 2022 | | Narrative |
|--|--|----------------|---------|---|
| | | Delivered | At Risk | |
| Community Support - Development of adapted Library Service offer in conjunction with Parish Councils | 70 | 70 | A | A permanent solution is being sought for 2022/23. |

| Savings Key: | | | |
|---------------------------|------------------|-------------------|--------------------|
| R Significant Risk | A At Risk | G On Track | B Delivered |

Capital Programme

Performance Summary - Capital

12. There are six schemes within the portfolio. Four of the schemes in delivery are rated as green, indicating that the project is reporting to plan. One scheme is

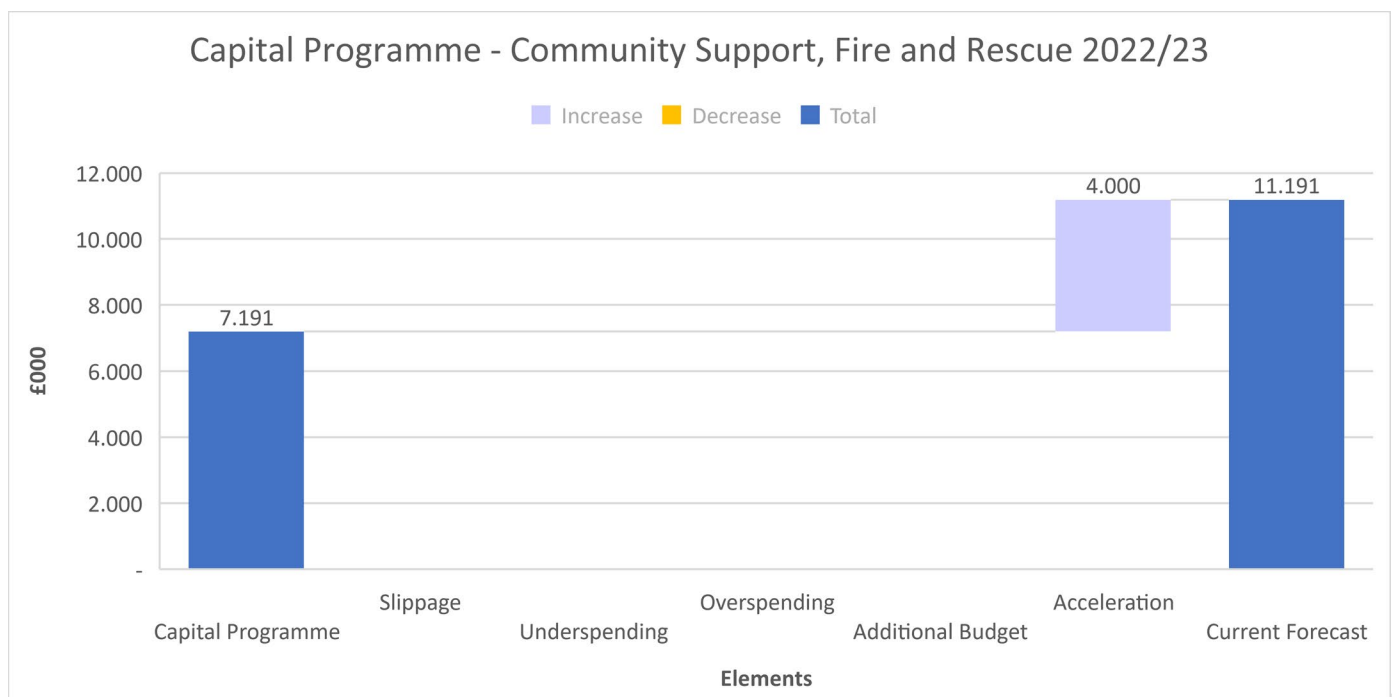
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rated amber, indicating that there is an issue but that it could be dealt with by the project manager or project delivery team, and one scheme is within its final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

| Scheme | RAG Status at Sep 2022 | Reason | Latest RAG Status | Updated Position |
|--|------------------------|---|-------------------|--|
| Horsham Fire Station and Training Centre | AMBER | Utility connection and S278 issues that may impact on timeline. | AMBER | Power legal agreement issued. Final duct routes to be provided by BT (S278). |

Finance Summary - Capital

- The capital programme; as approved by County Council in February 2022, agreed a programme totalling £9.725m for 2022/23. £2.534m of expenditure, originally profiled to spend in 2022/23, was accelerated into 2021/22, revising the capital programme to £7.191m.
- Since this time, the profiled spend has increased overall by £4.000m, to give a current year end projection for 2022/23 of £11.191m. This increase relates to projects where funding has been accelerated from future years.



Key:

- Capital Programme – The revised planned expenditure for 2022/23 as at 1st April 2022.
- Slippage – Funding which was planned to be spent in 2022/23 but has since been reprofiled into future years.
- Underspending – Unused funding following the completion of projects.
- Overspending - Projects that require further funding over and above the original approved budget.
- Additional Budget – Additional external funding that has entered the capital programme for the first time.
- Acceleration – Agreed funding which has been brought forward from future years.
- Current Forecast – Latest 2022/23 financial year capital programme forecast.

15. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

16. There are currently no corporate risks assigned to this portfolio following the closure of risk CR60 - HMICFRS Improvement Plan this quarter. Risks allocated to other portfolios are specified within the respective portfolio sections.

17. Further details on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

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Environment and Climate Change Portfolio - Summary

Performance Summary



1. The Portfolio has a number of performance highlights to report this quarter:
 - The County Council's bid to the Government's Low Carbon Skills Fund (Phase 3) for a further £277,000 to deliver 40 Heat Decarbonisation Plans has been successful. The new Heat Decarbonisation Plans will cover more of the county's schools and corporate sites and add to the 50 already completed following a successful bid into an earlier round of Government funding. The plans, which will be completed by March 2023, will show where heating systems powered by fossil fuels could be replaced by low carbon alternatives, complementing improvements to the energy efficiency of the buildings.
 - The Council have prepared a bid to the Public Sector Decarbonisation Fund to undertake decarbonisation works on 21 qualifying buildings including offices, libraries and fire stations to reduce emissions and dependency on fossil fuels.
 - A carbon literacy course for elected members was undertaken for the first time and participants included the Leader, Deputy Leader and other Cabinet Members. Several hundred staff have now undertaken carbon literacy training and more are booked onto upcoming courses.
 - Recycling efforts continue with facilities for the deposit of hard plastic items rolled out to five further Recycling Centres. The new waste stream, which includes garden furniture, children's toys, plant pots and plastic containers, will add c500 tonnes per annum to the recycling effort. All sites except Midhurst (which regrettably is too constrained by size) now have these facilities.
 - The '1-2-3 collections trial' in partnership with Mid Sussex District Council started early September aimed at working with residents to boost recycling and reduce the amount of general waste produced primarily through offering separate collection of food waste and Absorbent Hygiene Products (AHP). The trial features a '1-2-3' collection system - weekly food waste collections, fortnightly recycling collections and three-weekly general refuse collections. The trial covers around 3,000 households representing a mix of housing types and locations typical of Mid Sussex as a whole.
 - Buchan Country Park celebrates 40 years of being open to the public. The park is of national importance for its dragonfly populations and designated a site of Nature Conservation Importance. The practical conservation work that is carried out by our volunteers also helps to maintain the park's heathland, woodland, meadow and wetland habitats, and allows us to keep our Green Flag status, now held for 12 years.

Our Council Performance Measures

2. The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view,

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with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

| Environment and Climate Change | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|---|--|----------------|-------------------------------------|-------------|-------------|-----|-------------------|
| 22 | Measure: Equivalent tonnes (te) of CO2 emissions from WSCC activities (CC) Reporting Frequency: Quarterly, Accumulative.  | 22,910 CO2te | Mar-22 | Jun-22 | Sep-22 | | G |
| | | | 30,400 CO2te | 5,107 CO2te | 8,556 CO2te | ↑ | |
| Performance Analysis: Sep-22: Recorded carbon emissions for the quarter total 3,449 tonnes, amounting to a decrease of 36% compared to the same baseline period. This reduction primarily results from reduced electricity demand compared to that of the baseline period, with fluctuations in heat related emissions understandably of minimal impact during the warmer months. Overall emission performance remains on track to meet the targeted annual reductions, though it should be noted that the majority of annual emissions sit within the remaining quarters, where both heat demand and streetlighting increase in response to colder temperatures and reduced daylight hours. Actions: Work continues on the actions set out in the Carbon Management Plan to achieve net zero carbon by 2030. | | | | | | | |
| 23 | Measure: Household waste recycled, reused or composted (CC) Reporting Frequency: Quarterly, Reported two quarters in arrears.  | 55.0% | Sep-21 | Dec-21 | Mar-22 | | G |
| | | | 55.4% | 55.3% | 53.7% | ↓ | |
| Performance Analysis: Jun-22: Data always runs around 1 quarter in arrears due to complexity of compiling and verifying data. Q4 is the most up to date figure. This figure is currently unaudited as Defra will not publish the final statistics for 2021-2022 until December this year. The 2021/22 year-end rate increased 0.6% on the year-end rate for 2020/21 of 53.1%. Actions: Our wood contractors stockpiled approx. 2,000 tonnes of recycling centre wood during the final quarter, which we could not count towards the recycling rate. They are recycling 90% of our material and sending the remaining 10% to Biomass. If waste volumes are too high and they cannot get the wood out for recycling, they will stockpile until they can do so, instead of sending it to Biomass. Our contractor was working hard to process the stockpile in the first few months of this financial year, so we can count it in our Waste Data Flow Returns for Q1 and Q2. | | | | | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|--|----------------|---|------------------|--------------------------------|
| Corporate utilities - unit price increase on energy tariffs, affecting corporate buildings | £2.000m | Additional Solar and Battery Farm income due to an increase in unit prices | (£2.600m) | |
| Additional cost on waste contracts above budgeted inflation | £1.826m | Additional income from sale of recyclable material | (£2.800m) | |
| Additional waste tonnage largely due to Adur and Worthing bin strike in March 2022 | £0.374m | Waste disposal volume reduction – favourable waste profile | (£0.600m) | |
| Countryside Services – inflation and demand pressures | £0.200m | Waste recycling volume reduction – largely driven by a reduction in green waste | (£0.500m) | |
| Environment & Climate Change Portfolio - Total | £4.400m | | (£6.500m) | (£2.100m) |

Significant Financial Issues and Risks Arising

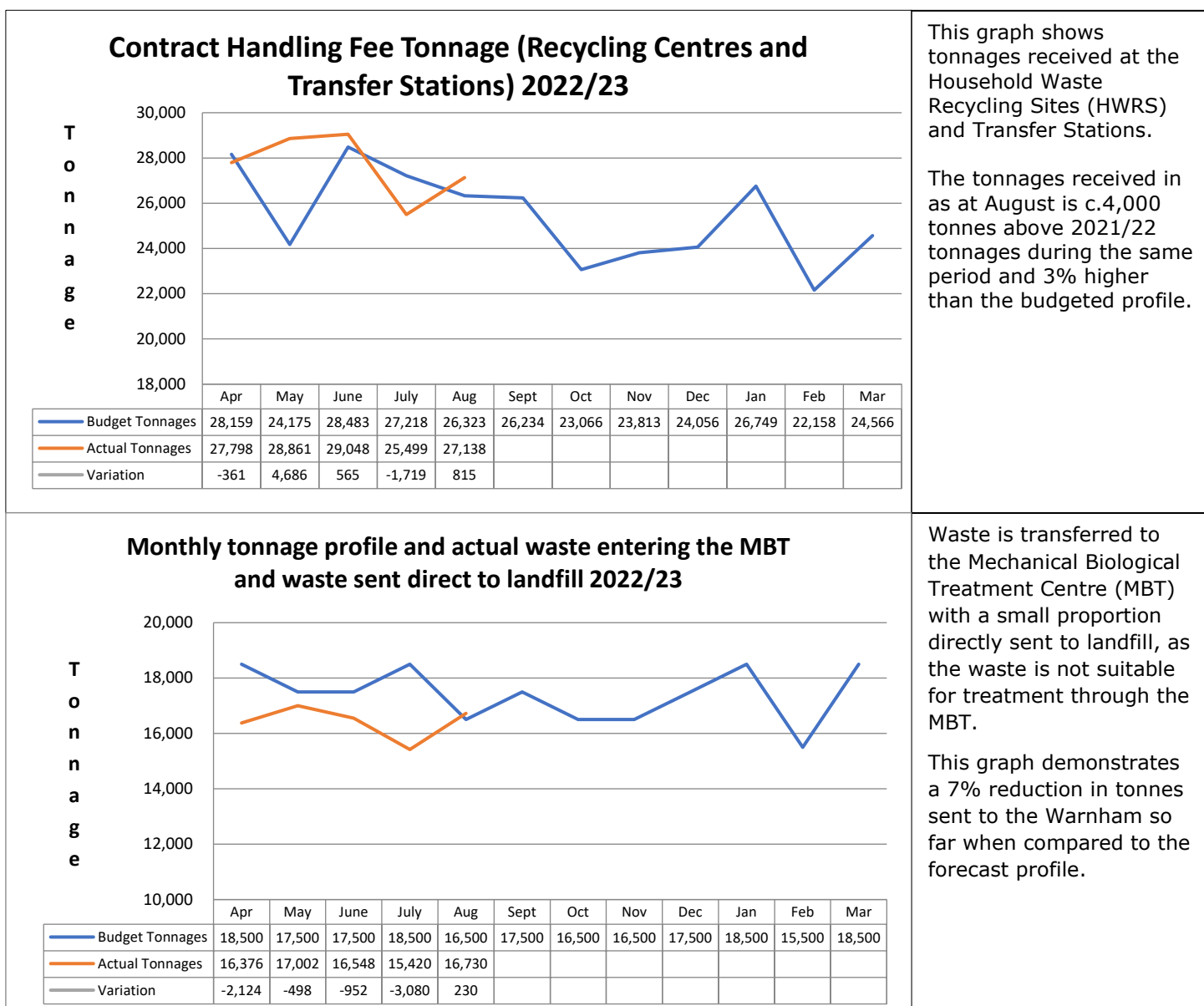
3. There are no significant issues to raise within this section.

Financial Narrative on the Portfolio's Position

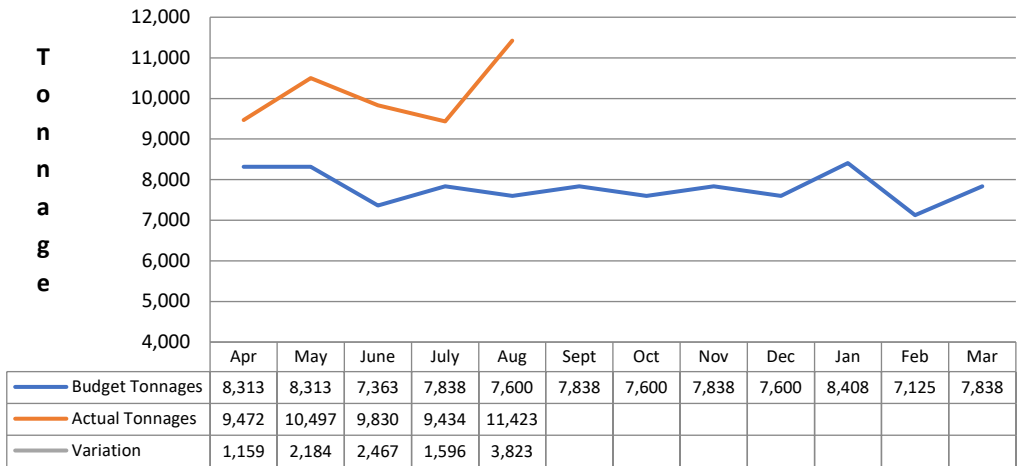
4. The Environment and Climate Change Portfolio is currently projecting a £2.1m underspend, £2.6m less than the £0.5m overspend projection reported in June. The main variations are described below:
5. **Corporate Utilities.** Occupation of County Council buildings is approximately 5% above the 2021/22 occupation for April to August. Gas and electricity prices have risen sharply across Europe in the last year which has added a considerable premium to market rates. The County Council's corporate energy contractor's forward-buying strategy mitigated the impact of the 2021/22 increases, however as the value of the commodities continue to increase, a hedging strategy cannot completely protect the Council from these rises in 2022/23. Currently, a £2.0m overspend is forecast for 2022/23 which is based on known summer prices and service estimated winter prices. The recent Government announced energy support package for businesses is unlikely to make an impact on the price of the main corporate contract as the energy purchase price is within the base floor rate of the announced scheme.
6. **Waste Contract Inflation.** The 2022/23 budget was set based on the September 2021 RPI rate of 5%, whereas the contracts are uplifted annually based on the February RPI, which equated to 8.2% in 2022/23. This has resulted in a £1.826m budget pressure.
7. **Countryside Services.** An overspending of £0.2m is projected due to a combination of inflationary and increased demand pressures.
8. **Solar and Battery Storage.** Based on the current elevated solar sale prices, we are forecasting a £2.6m surplus of income. The weather conditions to date have been favourable and are likely to contribute to energy output above expectation. It is important to note that, corporately any gain in income from the solar projects is likely to be offset by the increased cost in corporate utilities arising from the higher unit rate.
9. **Recyclate Income.** Due to the current high-level of recyclable material to date and increases in the recyclate rates, a £2.8m income surplus is currently projected; however, this is a volatile market which makes accurate forecasting difficult.
10. The largest driver of recycling income is waste paper; of which, the value of this commodity has strengthened from +£95 per tonne in March 2022 to +£118 in August. There has been a mixture of increasing and decreasing values across other recyclate streams in recent months including:
 - Polypropylene plastic packaging - increased in value from +£625 per tonne in March to +£825 in August.
 - Aluminium cans values have decreased from +£1,507 per tonne in March to +£1,267 in August.

11. **Waste Disposal and Recycling.** Waste disposal tonnage volumes continue to be below expectations; however, the household waste recycling sites (HWRS) have seen an increase in waste tonnage volumes of around 3% above the 2021/22 volume so far this year. Part of this increase relates to the impact of the delayed waste received following the Adur and Worthing GMB strike action which commenced in March 2022.
12. The prolonged period of hot dry weather has reduced the growing season considerably, seeing a reduction of around 8,000 tonnes of garden waste compared to the 2021 summer period (June – August).

Cost Driver Information

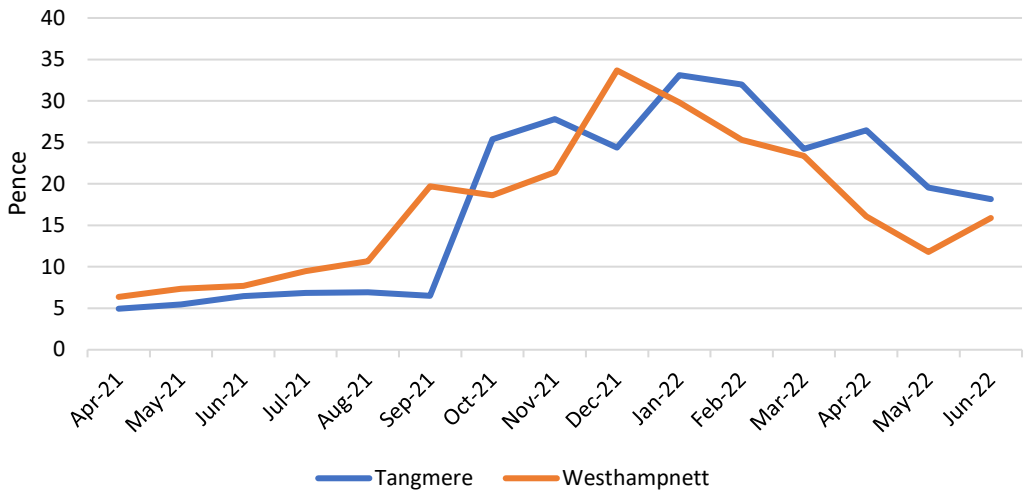


Monthly Profile and Actual Waste Tonnage Converted Into RDF 2022/23



This graph shows the Refuse Derived Fuel (RDF) production compared to the estimated levels. RDF levels are around 28% above expectation.

Pence Per/kWh - Unit Rate



This graph demonstrates the average pence per kWh since April 2021. As at June, Tangmere was generating £0.18p per kWh unit and Westhampnett £0.16p per kWh.

Savings Delivery Update

13. In addition to the £1.450m of 2022/23 planned savings, there remains £0.120m of savings from the 2021/22 financial year which were not delivered on an on-going basis. To ensure that these savings are monitored and delivered, all of these savings are detailed in the table below:

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| Saving Activity | Saving to be Delivered in 2022/23 (£000) | September 2022 | | Narrative |
|--|--|----------------|---|--|
| | | | | |
| Development of battery storage site | 100 | 100 | G | |
| Reduction in MBT Insurance | 650 | 650 | G | |
| Additional income from increased sales of recyclates | 800 | 800 | G | |
| Review Countryside fees and charges | 20 | 20 | A | Uptake being monitored during 2022/23. |

Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

Capital Programme

Performance Summary - Capital

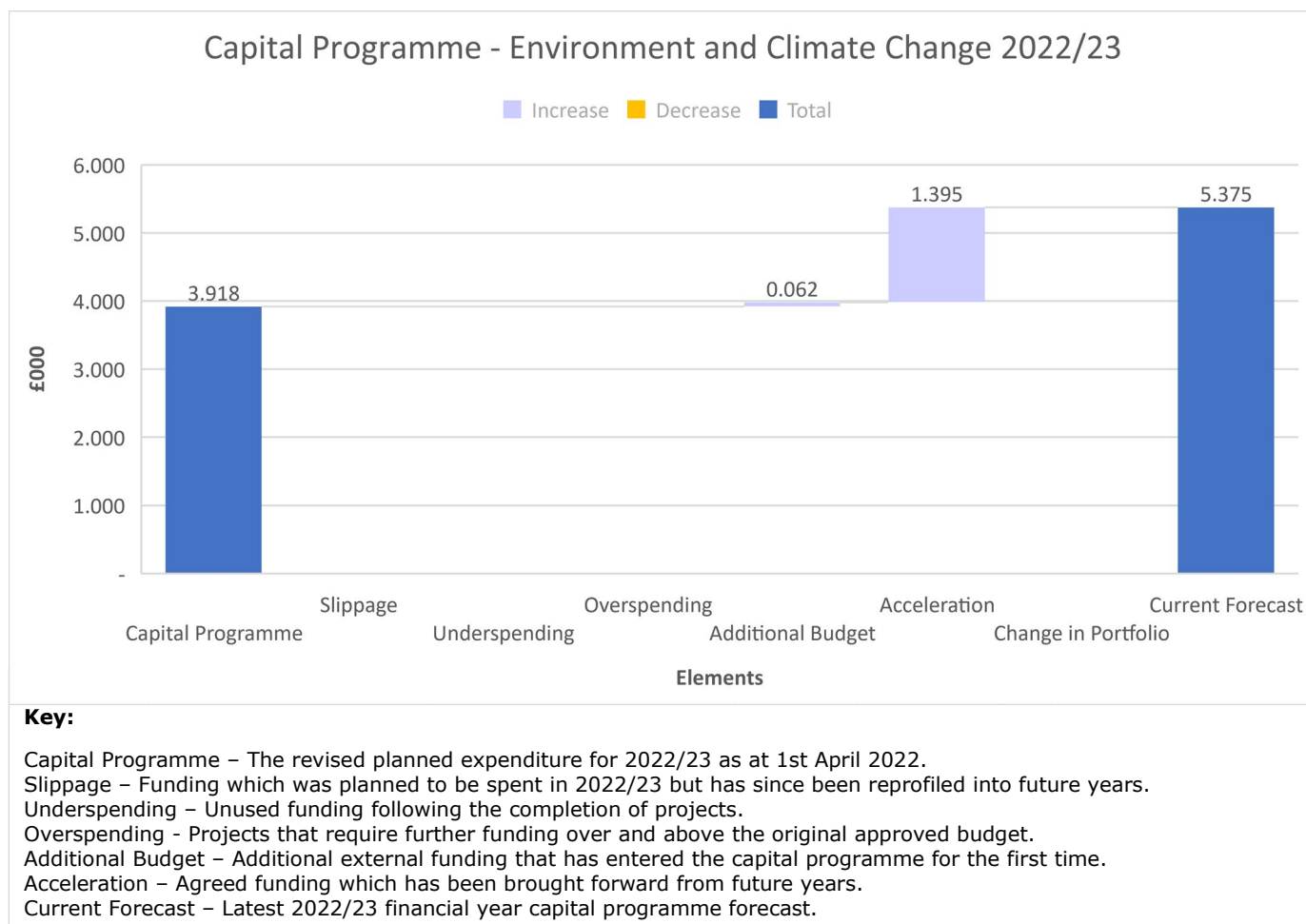
14. There are 10 schemes within the portfolio. Six of the schemes in delivery are rated green, indicating that the project is reporting to plan. Two projects are rated amber, indicating that there is an issue but that it could be dealt with by the project manager or project delivery team and two schemes are within their final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

| Scheme | RAG Status at Sep 2022 | Reason | Latest RAG Status | Updated Position |
|---|------------------------|---|-------------------|--|
| Carbon Reduction (Salix Recycling Fund – CHP) | AMBER | Issues with CHP not operating as expected | AMBER | |
| Schools Solar PV Installation | AMBER | Quality issues caused by one installer has caused some disruption to the programme. | AMBER | Rectification of works underway and dialogue regarding compensation is continuing. |

Finance Summary - Capital

15. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £4.034m for 2022/23. £0.116m of budget, originally profiled to spend in 2022/23, was accelerated into 2021/22, revising this year's capital programme to £3.918m.

16. Since this time, the profiled spend has increased overall by £1.457m, to give a current year end projection for 2022/23 of £5.375m. Of this increase, £0.062m relates to the allocation of additional budget and £1.395m relates to projects where funding has been accelerated from future years.



17. Details of the financial profiling movements within the capital programme between July and September are as follows:

- **Additional Budget: £0.062m. Movement since Q1 report: £0.000m**
- **Acceleration: £1.077m. Movement since Q1 report: £0.318m**
 - **Climate Change, Climate Net Zero: £0.295m.** Works have progressed quicker than first anticipated therefore funding has been accelerated from 2023/24 into 2022/23.
 - **Faygate: £0.023m.** Works have progressed quicker than first anticipated therefore funding has been accelerated from 2023/24 into 2022/23.

18. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

19. The following table summarises the risks within the corporate risk register that would have a direct impact on the portfolio. Risks to other portfolios are specified within the respective portfolio sections.

| Risk No. | Risk Description | Previous Quarter Score | Current Score |
|----------|--|------------------------|---------------|
| CR73 | If there is a failure to adequately prioritise, finance and resource our efforts to deliver on WSCC Climate Change commitments (e.g., 2030 Carbon Neutrality), there is a risk that there will be insufficient capacity and capability to complete the necessary actions within the required timeframes. This will lead to prolonged variations in weather and adverse impacts on WSCC service provision. | 12 | 12 |

20. Further detail on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

Finance and Property Portfolio - Summary

Performance Summary

- The Portfolio has the following performance highlight to report this quarter:
 - Property and Assets continues to support Council objectives across the Council including the Capital Programme, Climate Change and the Smarter Working Programme. A significant portion of work undertaken by Property and Assets ensures that assets are available for employees to deliver services directly to the public such as Council Hubs and Libraries. Whilst this includes high profile projects such as Horsham Fire Station, Woodlands Meed, Northern Arc, Broadbridge Heath and the Housing Joint Venture.



Also included within this is the active management of our estate ensuring that we have a portfolio fit for the delivery of services now and into the future.

Our Council Performance Measures

- The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

| Finance and Property | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|----------------------|--|------------------------|---|---|---|-----|-------------------|
| 16 | Measure: New competitive tenders and their resulting contracts over the value of £500,000 include 'social value' criteria as part of the evaluation, in line with the Council's social value framework Reporting Frequency: Quarterly | 60.0% | Mar-22 53.0% (Target 40% in 2021/22) | Jun-22 57.0% | Sep-22 57.0% | → | G |
| | Performance Analysis: Sep-22: There were seven competitive tenders over the value of £500,000 that required a Key Decision in the second quarter of 2022/23. Of these seven tenders, six (86%) had social value criteria as part of the evaluation in line with the social value framework; however only four (57%) met the 10% social value weighting required for this measure. Actions: We continue to ensure we comply with obligations for Social Value and to measure the value and benefit it brings to our local economy. | | | | | | |
| 49 | Measure: Square metres of operational property (e.g., offices, libraries, fire stations etc) that are in use Reporting Frequency: Quarterly | 162,000 m ² | Mar-22 161,625 m ² | Jun-22 150,869 m ² | Sep-22 122,958 m ² | ↗ | G |

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| Finance and Property | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|--|--|-----------------------------|-------------------------------------|-----------------------------------|-----------------------------------|---|-------------------|
| <p>Performance Analysis: Sep-22: The operational sqm of the estate has continued to reduce this quarter. The vacation of a number of smaller properties has contributed to the reduction in the sqm. The year-end target has already been achieved but more rationalisation and space reduction is expected this financial year. It is planned to re-set the baseline at the year end</p> <p>Actions: On-going review of our property portfolio.</p> | | | | | | | |
| 50 | <p>Measure: The aggregated unit cost of our services compared to our statistical neighbours</p> <p>Reporting Frequency: Annually (March)</p> | 7th - 8th highest out of 15 | | 2019/20 | 2020/21 |  | A |
| | | | New Measure - No Data | 2 nd Highest out of 15 | 4 th Highest out of 15 | | |
| <p>Performance Analysis: 2021/22 results due in March 2023.</p> <p>Feb-22: WSCC had the 4th highest expenditure out of all comparable local authorities. The 2021/22 forecast outturn shows an improvement to 8th position.</p> <p>Actions: We are still in uncertain times, the Local Government Finance Settlement is only for one year (2022/23) with further fundamental reviews of financing anticipated, the pandemic is still with us, and our relative position is dependent upon what happens in other local authorities not just what we do ourselves.</p> | | | | | | | |
| 52 | <p>Measure: New competitive tenders and their resulting contracts over the value of £500,000 include an appraised option for partnership working to assess opportunities for efficiency</p> <p>Reporting Frequency: Quarterly</p> | 40.0% | Mar-22 | Jun-22 | Sep-22 |  | G |
| | | | 40.0% | 86.0% | 100.0% | | |
| <p>Performance Analysis: Sep-22: There were seven eligible tenders over the value of £500,000 that required a Key Decision in the second quarter of 2022/23. All seven tenders (100%) considered Partnership working within the business appraisal options process.</p> <p>Actions: We continue to ensure partnership working consideration is embedding in our working practices.</p> | | | | | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|---|----------------|--|------------------|--------------------------------|
| Non-delivery of saving - Procurement | £0.150m | Early savings generated from asset rationalisation | (£0.150m) | |
| | | Other variations | (£0.150m) | |
| Finance and Property Portfolio - Total | £0.150m | | (£0.300m) | (£0.150m) |

Significant Financial Issues and Risks Arising

3. There are no significant issues to raise within this section.

Financial Narrative on the Portfolio's Position

4. As at September, the Finance and Property Portfolio is projecting a £0.150m underspend. This position includes the expected non-delivery of procurement savings which, due to market forces, are judged as 'at significant risk' and is no longer expected to be delivered.
5. To help offset this pressure, £0.150m of early savings have been generated from asset rationalisation. In addition, other smaller variations within the Portfolio are also contributing towards the underspending position.

Covid-19 Expenditure Update

6. Within the Finance and Property portfolio, £0.280m has been earmarked from the non-ringfenced Covid-19 grant to cover additional cleaning materials and PPE storage and distribution.

Savings Delivery Update

7. The Portfolio has one saving outstanding from the 2020/21 financial year. Details of this saving is shown in the table below:

| Saving Activity | Savings to be Delivered in 2022/23 £000 | September 2022 | | Narrative |
|--|---|----------------|--------|---|
| | | Value | Rating | |
| Charging for Frameworks and Amazon Business Accounts | 150 | 150 | R | Work is currently underway to explore other saving delivery models. |

Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

Capital Programme

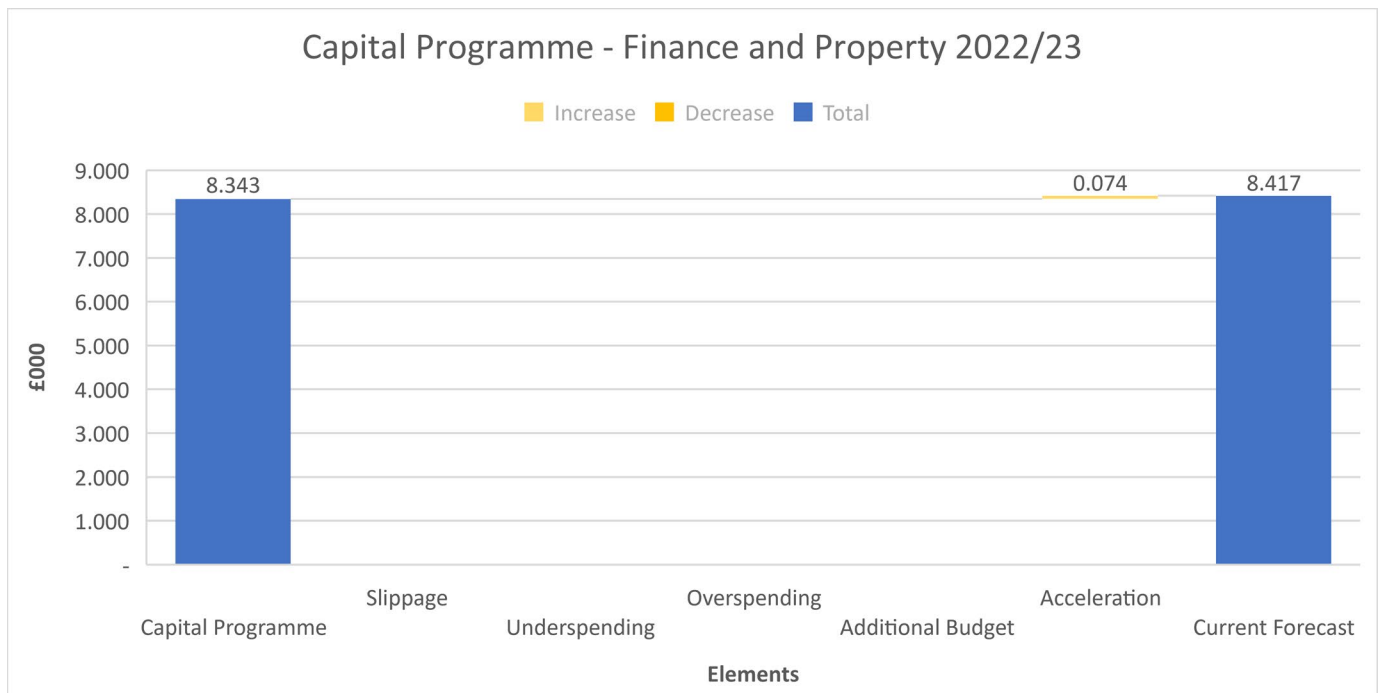
Performance Summary - Capital

8. There are 12 schemes within the portfolio. Seven of the schemes in delivery are rated green, indicating that the project is reporting to plan. Two are rated amber, indicating that there is an issue but that it could be dealt with by the project manager or project delivery team and three schemes is within their final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

| Scheme | RAG Status at Sep 2022 | Reason | Latest RAG Status | Updated Position |
|-------------------------|------------------------|--|-------------------|--|
| Broadbridge Heath | AMBER | Cost and time pressures | AMBER | Options being considered. |
| Horsham Enterprise Park | RED | Water neutrality implications and a Planning Application needs to be made before the expiry of the permission (11 th Feb 2023). | AMBER | A Reserved Matters Application (Water Neutrality) has been made to Horsham District Council. |

Finance Summary - Capital

- The capital programme; as approved by County Council in February 2022, agreed a programme totalling £8.636m for 2021/22. £0.293m of budget originally profiled to spend in 2022/23, was accelerated into 2021/22, revising the capital programme to £8.343m.
- Since this time, the profiled spend has increased overall by £0.074m, to give a current year end projection for 2022/23 of £8.417m. This increase relates the acceleration of funding from future years.



Key:

Capital Programme – The revised planned expenditure for 2022/23 as at 1st April 2022.
 Slippage – Funding which was planned to be spent in 2022/23 but has since been reprofiled into future years.
 Underspending – Unused funding following the completion of projects.
 Overspending – Projects that require further funding over and above the original approved budget.
 Additional Budget – Additional external funding that has entered the capital programme for the first time.
 Acceleration – Agreed funding which has been brought forward from future years.
 Current Forecast – Latest 2022/23 financial year capital programme forecast.

11. Details of the financial profiling movements within the capital programme between July and September are as follows:

- **Acceleration: £0.074m. Movement since Q1 report: £0.004m**
 - **Orchard Street Development, Propco: £0.004m.** A minor amount of funding has been accelerated due to faulty roof tiles and insulation defects.

12. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

13. The following table summarises the risks within the corporate risk register that would have a direct impact on the portfolio. Risks to other portfolios are specified within the respective portfolio sections.

| Risk No. | Risk Description | Previous Quarter Score | Current Score |
|----------|---|------------------------|---------------|
| CR22 | The financial sustainability of council services is at risk due to uncertain funding from central government and/or failure to make the required decisions to ensure the budget is balanced. This has been compounded further with the Covid-19 crisis, and the recent Ofsted and HMICFRS reports. | 20 | 20 |

14. Further details on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

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Highways and Transport Portfolio - Summary

Performance Summary

- The Portfolio has a number of performance highlights to report this quarter:
 - Highways investment and expenditure continues to support the corporate priorities. 331 of over 600 projects have been completed from the Highway, Transport and Planning Delivery Programme for 2022/23. The Programme details planned schemes on our roads and footways, including bridges and public rights of way. Construction works on the A259 (Littlehampton) to widen approximately 2km of the existing single carriageway to a dual carriageway are continuing to progress well with works expected to complete ahead of the calendar year end.
 - Due to the extreme summer dry period, the decision was taken to postpone the fourth urban grass cut by five weeks. The resource was re-purposed and focused on sign cleaning/vegetation clearance around signs and extra watering of young trees. Over 1,000 signs were attended to by this resource in this period.
 - For Transport and Network Operations, there has been a successful bid to government for the Bus Service Improvement Plan with an indicative £17.4m investment promised over next three years and completed successful consultations on two active travel schemes in Crawley and Horsham.
 - We have focused on reaching our corporate objective of 12 apprentices per year and have been utilising the apprenticeship levy to "grow our own" civil engineers. We recently recruited a cohort of five HNC and degree level civil engineer apprentices to help tackle skills gaps within our service.

Our Council Performance Measures

- The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

| Highways and Transport | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|------------------------|--|-------------------------------|-------------------------------------|---------|--------|---|-------------------|
| 17 | Measure: Length of new cycle infrastructure across the County (CC) Reporting Frequency: Quarterly, Accumulative  | 30km by 2025 = 7.5km per year | Mar-22 | Jun-22 | Sep-22 |  | G |
| | | | 16.3 km | 16.3 km | 19.3km | | |

Agenda Item 5
Annex B Section 7

| Highways and Transport | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|---|--|----------------|-------------------------------------|------------------------------|------------------------------|-----|-------------------|
| <p>Performance Analysis: Sep-22: We are advised that the Length of New Cycle Paths across the County is currently 2.95 km to date, with the following Bridleway Upgrades / Surfacing Schemes either have been completed in Q1, or completed by the end of September:</p> <ul style="list-style-type: none"> • BW614 surfacing (Kirdford /south-west of Wisborough Green, just north of the A272) = 0.47km • BW1662 all-weather surface (Two Mile Ash Road, Southwater) = 0.78km • BW15C (Clayton/Hassocks) = 0.22km • BW3569 (Itchingfield / Downs Link) = 0.68 • The Crawley Eastern Gateway scheme (part of the Crawley Growth Programme) = 0.8 km. <p>The Growth Programmes are currently delivering additional length within Burgess Hill which should be completed this financial year.</p> <p>Actions: We continue to work towards our 2025 target (30km over a 4-year period) with the provision of a high-quality cycling.</p> | | | | | | | |
| 18 | <p>Measure: Percentage length of A and B roads that require maintenance</p> <p>Reporting Frequency: Annually (October)</p> | 14.0% | 2019/20 | 2020/21 | 2021/22 | | A |
| | | | 13.6% | 14.7% | 15.6% | | |
| <p>Performance Analysis: Sep-22: The combined percentage of the A and B road network in West Sussex that requires maintenance has been rising since 2014.</p> <p>The current Corporate KPI target for this measure of A and B roads needing maintenance is for a 0.5% reduction in these roads requiring maintenance annually. With the two diverging, meeting future targets is very challenging without more investment. From the most recent national Road Condition data, the proportion of West Sussex A Road network in good condition (Green) is 69%, similar to the other South-East Seven counties who range from 63% - 70%.</p> <p>A similar level of good condition is seen overall for the B and C road networks in West Sussex with 67% rated good, with the South-East Seven range being 63% to 71% rated good. We are currently awaiting the latest road condition survey results for WSCC at the end of October. These results should indicate if recent investment is beginning to alter the declining condition trend.</p> <p>Actions: The investment made and the programme of carriageway treatments undertaken this year should positively impact next year's maintenance requirements. With the level of this year's expenditure being maintained for 2022/23 it is anticipated that the condition of the A and B network will improve.</p> | | | | | | | |
| 19 | <p>Measure: Highway defects repaired within required time scale</p> <p>Reporting Frequency: Quarterly. Reported 1 month in arrears.</p> | 96.0% | Dec-21 | Mar-22 | Jun-22 | | G |
| | | | 74.3% | 71.0% | 99.5% | | |
| <p>Performance Analysis: Jun-22: There is a continued improvement with the target having been exceeded for the last two months.</p> <p>Actions: On-going regular meetings with the contractor to ensure the performance remains at a high standard.</p> | | | | | | | |
| 41 | <p>Measure: Killed and seriously injured casualties per billion vehicle miles</p> <p>Reporting Frequency: Annually (September)</p> | 103 | 2019 | 2020 | 2021 | | A |
| | | | 121 | 127 (2020/21 Target: 112) | 118 (2021/22 Target: 107) | | |

| Highways and Transport | 2022/23 Target | Performance Over The Last 3 Periods | DoT | Year End Forecast |
|--|----------------|-------------------------------------|-----|-------------------|
| <p>Performance Analysis: Sep-22: Currently, WSCC hold injury data to 30 June 2022; there have been 254 KSIs for the first 6 months of the year. This is 21% up on the first six months of 2021. The KSI outturn for 2021 was 469, this is down 7% on 2020. The KSI rate per billion miles travelled for 2021 is 118, a 15% drop on 2020.</p> <p>Ongoing Road Safety Projects include:</p> <ul style="list-style-type: none"> • Major Road Network (MRN) Project – an assessment of the West Sussex MRN against the iRAP route safety assessment methodology has been completed, providing a “STAR rating” demonstrating the potential level of harm road users may be subject to on those routes. The results will be analysed and used as a guide for potential road safety schemes. • Cluster site analysis – we continue to monitor sites with clusters of collisions across West Sussex to help determine future priorities. • Route analysis – we continue to monitor routes with high collision numbers across West Sussex to help determine future priorities. • School Zig Zags project - In early 2023 we intend to partake in a behavioural change project for school zig zags at specific sites (yet to be confirmed) across West Sussex. <p>Actions: Our on-going road safety engineering schemes, education, training, and publicity include:</p> <ul style="list-style-type: none"> • Our partnership with The Sussex Safer Roads Partnership, promoting a wide range of behavioural change programmes. • Provision of Bikeability training to about 9000 year 6 pupils. • Approximately 35,000 offenders undertaking driver training courses each year. • Our Road Safety Facebook page, which allows us to engage with the community on road safety issues, run educational campaigns and generates discussion and dialogue between road users. • 13 locations were treated last year as part of an annual local safety programme that looks to make road improvements to areas that have historically higher number of road traffic accidents. Measures ranged from signing improvements, resurfacing with high skid resistant materials, to altering junction layouts. Four schemes have been delivered this year and a further 34 are at feasibility or detailed design stage. | | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|--|----------------|---|------------------|--------------------------------|
| Street Lighting PFI - Energy Prices | £3.000m | Reduced uptake in National Concessionary Fares | (£2.000m) | |
| Traffic Signals - Energy Prices | £0.300m | Additional Income - Highways Street Works | (£0.600m) | |
| Highway Maintenance - Inflation | £0.600m | Additional Income - Road Safety Training and Local Transport Improvements | (£0.150m) | |
| In house Transport Provision - Increased demand and cost | £0.300m | Additional Income - Highways Agreement (Adoption of Roads) | (£0.350m) | |
| Highways & Transport Portfolio - Total | £4.200m | | (£3.100m) | £1.100m |

Significant Financial Issues and Risks Arising

3. There are no significant issues to raise within this section.

Financial Narrative on the Portfolio's Position

4. As at September, the Highways and Transport Portfolio is projecting a £1.1m overspend, a decrease of £0.4m when compared to June. Inflationary cost pressure remains the major issue within the budget this year.

5. **Street Lighting PFI** – The surge in demand for electricity following the recovery from the Covid-19 pandemic combined with the significant impact to energy markets from the war in Ukraine has led to a substantial increase in electricity prices. Purchasing through the LASER consortium has mitigated the worst of the market extremes; however, prices look set to increase by around 75% compared to last year, leading to a projected overspending of £3m against the budget.
6. The LED conversion programme, which is planned to start during 2022/23, would provide a degree of mitigation against the cost pressure by reducing energy consumption. The variation to the PFI contract has yet to be finalised and agreed, but it is possible that some financial benefit could be delivered this year.
7. The Government’s recently announced Non-Domestic Energy Bill Relief Scheme is not expected to materially change the projection because the rates secured through the LASER consortium are expected to be comparable to those delivered through the scheme. Further analysis of this will be undertaken as more detailed information becomes available.
8. **Traffic Signals.** The electricity price increases have also affected the traffic signals budget, where an overspending of £0.3m is projected.
9. **Highways Maintenance.** The high level of inflation has led to pressure within the Highway Maintenance budget, with an overspending of £0.6m currently projected at year-end.
10. Whilst a significant investment of £2.6m for highway maintenance works and supporting resource was included in the budget for 2022/23, it is not possible to deliver all programmed work within budget given the level of cost increase experienced on contracts and throughout the supply chain.
11. The additional investment is being utilised to deliver a range of essential works to reduce risk and maintain safety on the highway network, including maintenance of bridges and structures, additional drainage cleansing, ditch clearance, sign cleaning and a ragwort weed survey and treatment programme.
12. **In House Transport Provision.** Increased Demand and Cost. An overspending of £0.3m is projected within the In-House Transport budget, reflecting a combination of increased demand for internally provided home to school transport and inflationary pressure on running costs.
13. **Public Transport Support.** Bus operators continue to face the challenges of high fuel costs and increasing wage demands in order to be able to recruit and retain staff. The support provided under the English National Concessionary Travel Scheme maintains a degree of stability, however, inflationary pressure is now affecting this budget.
14. Cost increases are currently leading to a projected overspending of £0.3m, which is so far mitigated within the budget through the use of grant and other one-off external funding. It is unlikely to be possible to continue to fully mitigate this pressure, which is expected to increase further on routes that are due to be retendered later in the year. The position will continue to be kept under review and further updates will be provided in future reports.

15. **National Concessionary Fares.** Payments to bus operators under the English National Concessionary Travel Scheme during the Covid-19 period were maintained based on pre-pandemic patronage but adjusted for reductions to service mileages. This led to underspending of £1.2m in 2020/21 and £1.1m in 2021/22.
16. The approach in 2022/23 continues the same reimbursement arrangement for the first nine months of the year, before moving to being based upon actual patronage from January 2023. This balances the need to continue to provide support to the sector with the incentivisation of operators to actively promote a return to bus travel, progressing a transition to normalised future arrangements.
17. The reimbursement cost forecast reflects these arrangements and continues to suggest a year-end underspending of £2.0m. This recognises the likely lower level of reimbursement in the final quarter of the year and reflects a freeze on fare levels reimbursed whilst support continues to be provided.
18. **Additional Income Generation.** Income generation across the portfolio has exceeded budgeted assumptions in recent years and this is expected to continue, with an estimate of £1.1m included within the current projection. This includes income from street works charges to utility and telecommunication providers as well as income from highways fees and charges.
19. **On Street Parking.** Income from controlled parking zones remains lower than previously expected before the Covid-19 pandemic, whilst operational costs have continued to increase. The impact of this will continue to be monitored through the second half of the year as emerging parking behaviour becomes clearer.

Covid-19 Expenditure Update

20. As the pandemic continues, there remains a need to provide quality services and assistance to residents. Within the Highways and Transport Portfolio, some final invoices relating to 2021/22 Covid-19 highways costs have been received. This has led to £0.040m of the non-ringfenced Covid-19 grant being earmarked for 2022/23.
21. In addition, ringfenced grants of £0.021m Active Travel Grant and £0.171m Emergency Active Travel Grant were carried forward from 2021/22 and are planned to be spent in year in accordance with the grant conditions.

Savings Delivery Update

22. The portfolio has a number of savings outstanding from previous financial years. Details of these savings are included in the table below:

| Saving Activity | Savings to be Delivered in 2022/23 £000 | September 2022 | | Narrative |
|------------------------------------|---|----------------|---|--|
| | | | | |
| On street parking | 376 | 376 | A | Pay and display income and uptake of parking permits were affected by the Covid-19 pandemic in 2021/22. Income levels to be monitored in 2022/23 as post pandemic parking behaviour becomes clearer. |
| Charge for monitoring travel plans | 50 | 50 | G | |

Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

Capital Programme

Performance Summary - Capital

23. There are 23 schemes within the portfolio. 18 of the schemes in delivery are rated green, indicating that the project is reporting to plan. Two are rated as amber, indicating that there is an issue but that it can be dealt with by the project manager or project delivery team, one scheme is reporting as red, indicating that there is a significant issue requiring corrective action and two schemes are within their final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

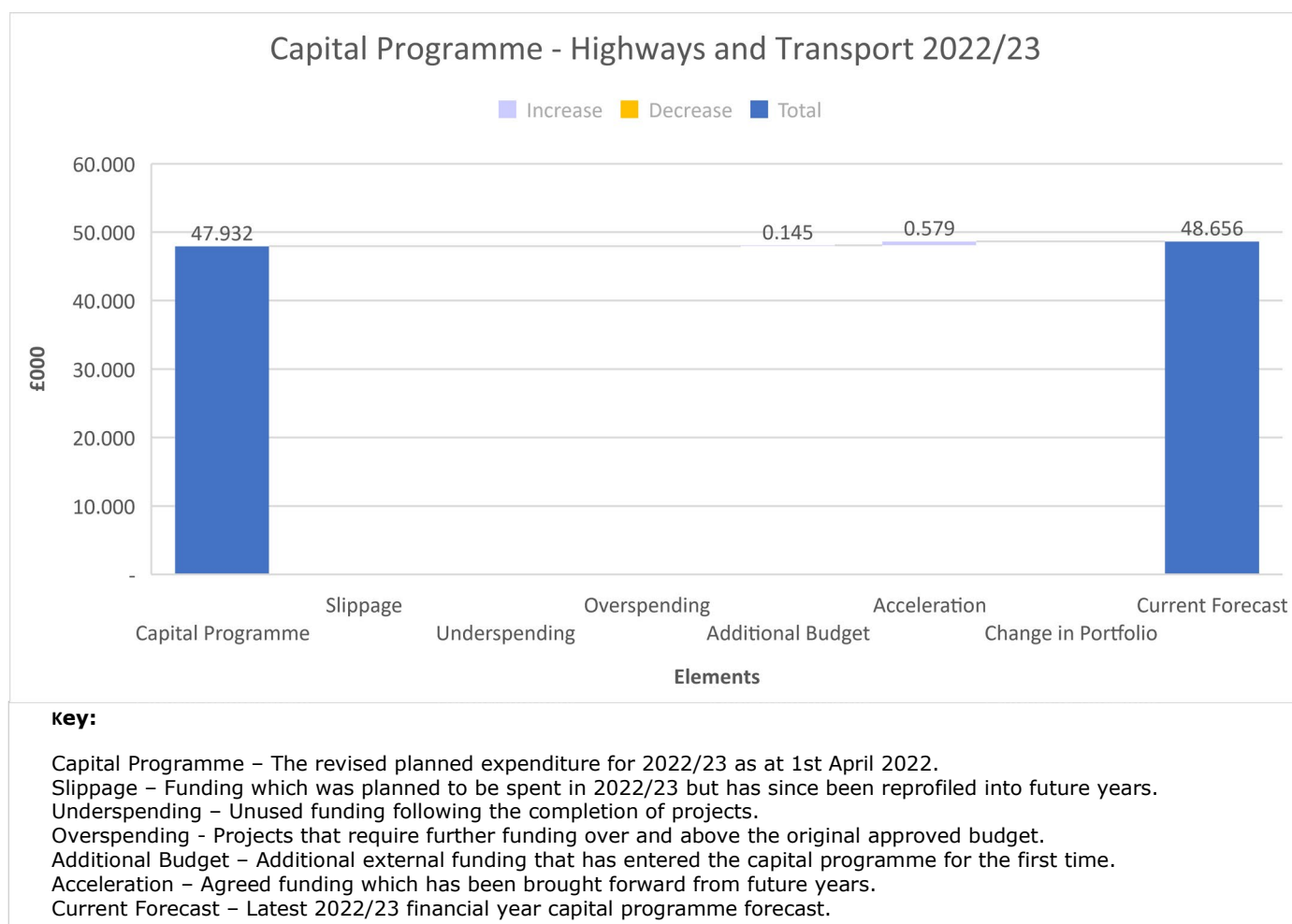
| Scheme | RAG Status at Sep 2022 | Reason | Latest RAG Status | Updated Position |
|---------------------------------------|------------------------|---|-------------------|---|
| A29 | RED | Cost pressure. | RED | Options being considered. |
| A259 Phase 1 (Littlehampton Corridor) | AMBER | Cost pressure. | AMBER | Option to go forward as a Key Decision. |
| LED Streetlight Conversion | AMBER | Protracted legal PFI Contract negotiation and associated Deed of Variation. | AMBER | Awaiting DfT clarification on final point in the Deed of Variation. |

Finance Summary - Capital

24. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £49.790m for 2022/23. £1.858m of budget, originally profiled to spend in 2022/23, was accelerated into 2021/22, revising the capital programme to £47.932m.

25. Since this time, the profiled spend has increased overall by £0.724m, to give a current year end projection for 2022/23 of £48.656m. Of this increase,

£0.579m relates to projects where funding has been accelerated from future years and £0.145m of additional budget.



26. Details of the financial profiling movements within the capital programme between July and September are as follows:

- **Acceleration: £0.579m. Movement since Q1 report: £0.579m.**
 - **A29 Realignment, Arun Phase 1 - £0.492m.** Additional demolition works are now required and will be carried out by the main contractor, these additional works are funded from an external contribution.
 - **West of Horsham - £0.087m.** Budget has been accelerated from future years to 2022/23 to cover main contractor compensation events and reflect retention in 2022/23.

- **Additional Budget: £0.145m. Movement since Q1 report: £0.145m.**
 - **Annual Works Programme - £0.071m** - Grant award from Natural England for Public Rights of Way schemes has been added to the in-year Annual Works Programme block allocation.

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- **A259 Bognor to Littlehampton - £0.053m** - Addition of Arun District Council funding of £0.053m to develop a strategic traffic model.
- **Active Travel Fund - £0.021m.** Travel Demand Management grant added to the Active Travel Fund programme of works.

27. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

28. There are no corporate risks assigned to this portfolio. Risks allocated to other portfolios are specified within the respective portfolio sections. Further detail on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

Leader Portfolio (including Economy) - Summary

Performance Summary

1. The Portfolio has a number of performance highlight to report this quarter:
 - The Growth deal partnership with District and Borough Councils continues to make significant progress. The £9m Crawley Eastern Gateway project is complete, supporting residents and businesses with improved cycle connectivity around the town and enhancing the public realm. Further project progress includes the £4m investment in pedestrian, cycle and infrastructure improvement at Western Gateway, Burgess Hill and Wivelsfield Station. The second phase of the £3m Highways improvements at Manor Royal began in August 2022 this will see significant improvements to cycling, public realm and bus movements. The Growth partnerships have also progressed levelling up funding bids across six of our seven districts totalling just under £100m of possible new investment.
 - We continue to support enterprises with a number of initiatives including a series of Low Carbon videos shared through county council and partner communications channels. The videos feature seven West Sussex businesses who have made great strides to become more sustainable. The Experience West Sussex Partnership also hosted (in partnership with Visit Britain) a one-day training programme for tourism businesses focussed on promoting Sussex to international audiences. Over 40 attendees participated from across the county, networked and expressed support for further work to support the recovery and growth of business through inbound market development activities. The County Council, in partnership with a number of councils and sector partners Wired Sussex, Creative UK and Screen South, also bid to Government as part of a new south-east consortium to be part of the Create Growth Programme, which targets businesses in the creative industries with the potential for significant growth.
 - Supporting communities with gigabit capable connectivity remains a priority. 'Open Network' is now complete with open, accessible duct and dark fibre linking the county's northern towns of Crawley, Horsham, Haywards Heath and Burgess Hill to Brighton.
 - Rural communities remains a key focus. Our £5.7m 'top up' fund is supporting rural communities to access the government's national Gigabit Voucher Scheme and West Sussex have played a crucial role in stimulating demand amongst both suppliers and communities, incentivising suppliers to invest in West Sussex and accelerate delivery into more costly hard to reach rural areas. There are also trials for bespoke 4G solutions with selected businesses in rural areas where broadband speeds are slow or non-existent. One test location is The Albourne Winery which hopes to secure a workable 4G solution to assist with running its business and marketing its wine to customers online as well as to provide freely available public Wi-Fi at the visitor centre.

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- We are also collaborating with District and Borough Councils to deploy freely available outdoor Wi-Fi at key tourism and leisure locations to help support each area's businesses and concessions by allowing outdoors online transactions and innovative digital ways of working. It is expected to also assist in marketing services to attract more visitors as they can share their experience online and promote the locations to new users.

Our Council Performance Measures

2. The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

| Leader | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|---|---|-------------------------------------|---------|---------|---------|-------------------|
| 15 | Measure: Enterprises supported to start, revive, innovate and grow Reporting Frequency: Quarterly, Accumulative. Reported a quarter in arrears. | 1,760 | Dec-21 | Mar-21 | Jun-22 | G |
| | | | 1,854 | 2,385 | 1,751 | |
| Performance Analysis: Jun-22: A key focus of the council's Economy Plan is to provide support to enterprises, encouraging successful start-ups and helping established businesses to revive, innovate, and grow. Seven initiatives make up the KPI, which are The Track creative digital hub in Bognor Regis; partnership programmes Experience West Sussex supporting tourism enterprises, and Business Hot House, RISE, and LoCASE providing business support, innovation support, and grants to enterprises; and two programmes in development being led by the County Council on behalf of the West Sussex local authorities to support enterprises to adopt digital technology and services to help achieve business goals, and to support enterprises to reduce their carbon footprint and become more sustainable. The seven initiatives are on track. Experience West Sussex has exceeded the target for the year due to increased business engagement arising from the County Council COMF funded sector support programme in winter/early 2022. This accounts for the overall enterprises supported target for 22/23 being exceeded in Q2. | | | | | | |
| Actions: All initiatives to continue as part of Economy Plan headline actions for 2022/23. | | | | | | |
| 20 | Measure: Percentage of premises able to access gigabit-capable connectivity by 2025 (working towards government target of 85% by the end of 2025) Reporting Frequency: Annually (April) | 55.0% | 2019/20 | 2020/21 | 2021/22 | G |
| | | | 8.8% | 21.2% | 50.3% | |
| Performance Analysis: Sep-22: Working with DCMS (Department for Digital, Culture, Media & Sport) and suppliers within the county with commercial plans or Voucher schemes. The Public Review is now completed to provide an up-to-date view from suppliers. | | | | | | |
| Actions: Market engagement has begun with suppliers to inform the design of the Intervention Area for Project Gigabit. | | | | | | |
| 24 | Measure: Number of growth deals in place with district and boroughs Reporting Frequency: Annually (April) | 7 | 2019/20 | 2020/21 | 2021/22 | G |
| | | | 7 | 7 | 7 | |

| Leader | 2022/23 Target | Performance Over The Last 3 Periods | DoT | Year End Forecast |
|--------|--|-------------------------------------|-----|-------------------|
| | <p>Performance Analysis: Sep-22: During the quarter:</p> <ul style="list-style-type: none"> Work has started on a £4.7m western gateway and station improvement project that will bring a wide range of connectivity and public realm improvements to Burgess Hill. The scheme will be delivered over several phases and will take 12 months to complete. Six out of our seven District and Borough partners were supported with LUF bids totalling just under £100m of potential investment. Phase two of the £3m investment in highways improvement at Manor Royal Crawley has started on site and is due for completion early next year. The completion of detail design for the Railway approach project has now been achieved and we will be progressing a decision to go out to tender for works in October. <p>Actions: Further progress has also been made with key projects in delivery. £4.672m has been confirmed for pedestrian, cycle and infrastructure improvement at Western Gateway, Burgess Hill and Wivelsfield Station and this will start on site in July. Crawley Eastern Gateway- continues to progress through our partners Volkers Fitzpatrick, the project is on site and on track to complete construction in August 2022.</p> <p>Our One Public Estate (OPE) partnership have been successful with £0.1m of grant funding to develop the Programme in West Sussex. This will see the re-establishment of the OPE board with public sector partners. The funding will focus on the best use of land and assets post pandemic, supporting the councils smarter working strategy.</p> | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|---------------------------------|----------------|---|------------------|--------------------------------|
| | | Staffing vacancies within the portfolio | (£0.088m) | |
| Leader Portfolio - Total | £0.000m | | (£0.088m) | (£0.088m) |

Significant Financial Issues and Risks Arising

- There are no significant issues to raise within this section.

Financial Narrative on the Portfolio's Position

- As at September, the Leader portfolio is projecting a £0.088m underspend. This underspend has arisen due to a number of in-year staffing vacancies.

Savings Delivery Update

- The portfolio has no named savings target for 2022/23.

Capital Programme

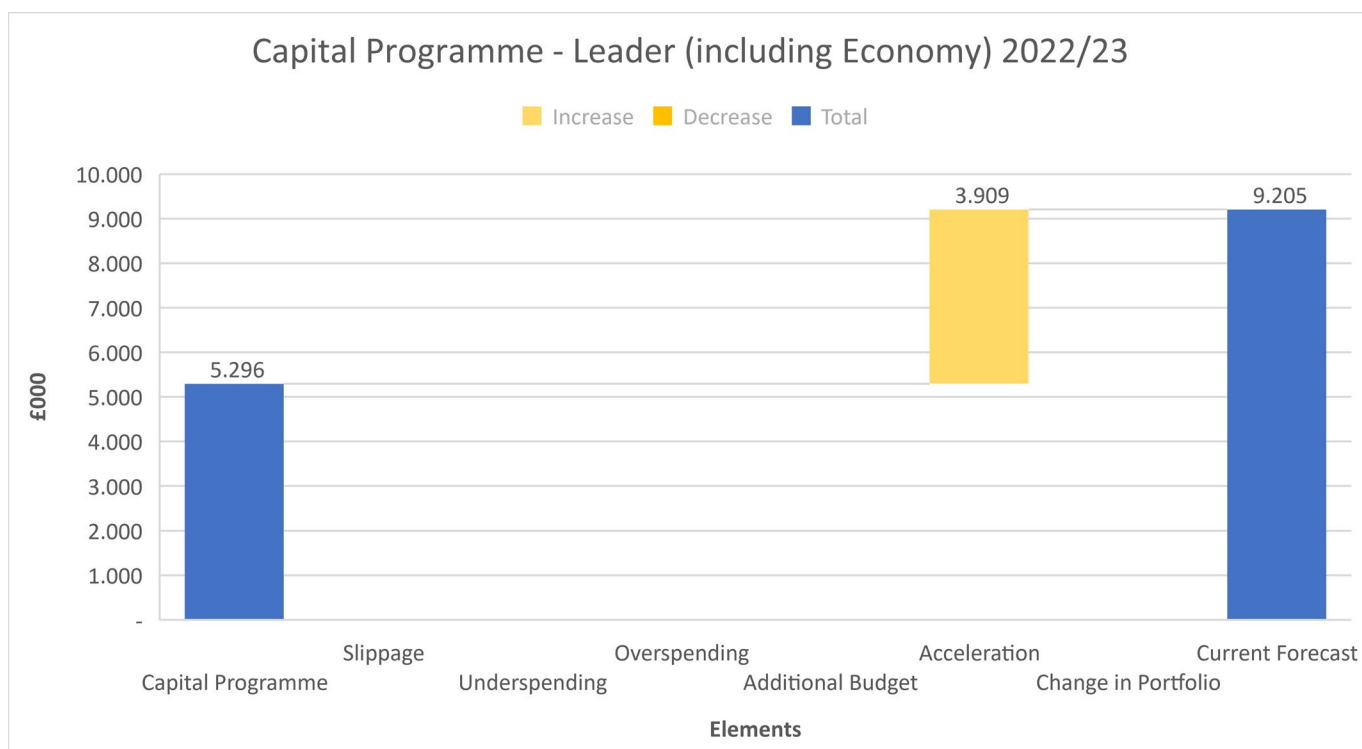
Performance Summary

6. There are 14 schemes within the portfolio. 11 of the schemes in delivery are rated green, indicating that the project is reporting to plan. One scheme is rated as amber, indicating that there is an issue but that it can be dealt with by the project manager or project delivery team and two schemes are within their final retention phase. An update on the progress of the schemes not rated green are detailed in the table below:

| Scheme | RAG Status at Sep 2022 | Reason | Latest RAG Status | Updated Position |
|--|------------------------|-------------------------|-------------------|---|
| Worthing Public Realm – Railway Approach | AMBER | Cost pressure on build. | AMBER | Awaiting figures from Worthing Borough Council. |

Finance Summary – Capital

7. The capital programme; as approved by County Council in February 2022, agreed a programme totalling £2.956m for 2022/23. £2.340m of expenditure, originally profiled to spend in 2021/22, was slipped into 2022/23, revising the capital programme to £5.296m.
8. Since this time, the profiled spend has increased overall by £3.909m, to give a current year end projection for 2022/23 of £9.205m. This increase relates to the acceleration of funding from future years.



Key:

Capital Programme – The revised planned expenditure for 2022/23 as at 1st April 2022.
 Slippage – Funding which was planned to be spent in 2022/23 but has since been reprofiled into future years.
 Underspending – Unused funding following the completion of projects.
 Overspending – Projects that require further funding over and above the original approved budget.
 Additional Budget – Additional external funding that has entered the capital programme for the first time.
 Acceleration – Agreed funding which has been brought forward from future years.
 Current Forecast – Latest 2022/23 financial year capital programme forecast.

9. Details of the financial profiling movements within the capital programme between July and September are as follows:

- **Acceleration: £3.909m. Movement since Q1 report: £3.078m.**
 - **Crawley Growth Programme - £3.078m** - Works on four projects within the Crawley Growth Programme are progressing quicker than first profiled therefore funding has been accelerated from 2023/24 into 2022/23.

Risk

10. The following table summarises the risks within the corporate risk register that would have a direct impact on the portfolio. Risks to other portfolios are specified within the respective portfolio sections.

| Risk No. | Risk Description | Previous Quarter Score | Current Score |
|----------|---|------------------------|---------------|
| CR68 | The government have placed restrictions and imposed requirements on Local Authorities to support in the management of the Covid-19 pandemic. If local (county or district) responsibilities are prolonged or additional measures imposed, there is a risk services will fail to deliver existing work plans due to staff responding to the impact of the pandemic, or staff shortages due to sickness. | 10 | 10 |
| CR7 | There are governance systems which inhibit effective performance and a culture of non-compliance and also a lack of standardisation in some systems and processes . Skills and knowledge of systems inadequate and excessive effort required for sound decisions and outcomes. | 8 | 8 |

11. Further details on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

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Public Health and Wellbeing Portfolio - Summary

Performance Summary

1. The Portfolio has a number of performance highlights to report this quarter:
 - **Sussex Health and Care Assembly.** The Integrated Care Partnership, the Sussex Health and Care Assembly, is the statutory joint committee between the NHS and local government (West Sussex, East Sussex, Brighton & Hove), and comes together to formally agree the strategic direction for the local health and social care system. The Assembly's introductory seminar took place on 12th September with the Cabinet Member for Public Health and Wellbeing in attendance as the Council's representative in his capacity as Chairman of the Health and Wellbeing Board (HWB). Organisations will work closely together at place-level to facilitate joint action to improve the outcomes, equality of access, and patient experience of health and care services for all communities across Sussex.
 - **Autumn Covid-19 Booster Programme and Flu Vaccination Programme.** From September, both the autumn Covid-19 Booster Programme and flu vaccination programme, led by NHS Sussex, have been rolled out across the county with eligible people able to get their flu and Covid-19 jab at the same time depending on local arrangements. The County Council is supporting both vaccination programmes, carrying out targeted work with partners to increase uptake, reduce inequalities, and improve the health of our local population, including offering free flu vaccination to all County Council staff and Elected Members who are not entitled to receive the NHS offer.
 - **Stoptober.** Promotion of this year's Stoptober campaign began on 22nd September with planning taking place ahead of this to support the annual national stop smoking challenge, encouraging and supporting smokers to make a quit attempt during October. The campaign engages with smokers through a range of media channels, with an emphasis on targeting smokers aged 25 to 50 from lower socio-economic groups who work in routine and manual jobs. The messaging focus is on promoting the benefits of quitting, but also giving smokers the confidence that they can quit successfully. In addition to the work of the campaign, stop smoking support tools are available on the Better Health website and those living and working in West Sussex can also access support to stop smoking from West Sussex Wellbeing.

Our Council Performance Measures

2. The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

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| Public Health and Wellbeing | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|-----------------------------|---|---------------------------------------|-------------------------------------|------------|------------|-----|-------------------|
| | | | 2019/20 | 2020/21 | 2021/22 | | |
| 5a | Measure: Uptake of flu vaccine in over 65s or at risk Reporting Frequency: Annually | 75.0% | 74.2% | 83.7% | 85.0% | ↑ | A |
| | Performance Analysis: Jun-22: During the 2021-2022 flu season, the health and social care system faced a very challenging environment, over and above the usual winter pressures. Additional cohorts had been added into the flu vaccination programme and they were delivering the extensive Covid-19 vaccination programme. This was against a backdrop of increased demand for services due to the pandemic, staff shortages and managing outbreaks. Despite this, a successful flu vaccination programme was delivered - for West Sussex in some groups, uptake exceeded previous years and overall West Sussex uptake compares favourably in the majority of eligible groups to the South East average. Actions: The Director of Public Health is member of Sussex Covid-19 and Influenza Vaccination Programme Board to support and promote uptake across the system including and bringing in local authority involvement and support. Consultant in Public Health chairs West Sussex Covid-19 and Influenza Placed Based Cell and represents the County Council at the South East Vaccine Equality Network and NHS England Immunisation Programme Board. | | | | | | |
| 5b | Measure: Update of flu vaccine in 'at risk' groups Reporting Frequency: Annually | 50.0% | 45.8% | 56.7% | 58.5% | ↑ | A |
| | Performance Analysis: Jun-22: During the 2021-2022 flu season, the health and social care system faced a very challenging environment, over and above the usual winter pressures. Additional cohorts had been added into the flu vaccination programme and they were delivering the extensive Covid-19 vaccination programme. This was against a backdrop of increased demand for services due to the pandemic, staff shortages and managing outbreaks. Despite this, a successful flu vaccination programme was delivered - for West Sussex in some groups, uptake exceeded previous years and overall West Sussex uptake compares favourably in the majority of eligible groups to the South East average. Actions: The Director of Public Health is member of Sussex Covid-19 and Influenza Vaccination Programme Board to support and promote uptake across the system including and bringing in local authority involvement and support. Consultant in Public Health chairs West Sussex Covid-19 and Influenza Placed Based Cell and represents the County Council at the South East Vaccine Equality Network and NHS England Immunisation Programme Board. | | | | | | |
| 6 | Measure: Healthy weight of 10-11-year-olds Reporting Frequency: Annually | Top Quartile in South East (62.9%) | 70.4% | 69.8% | 63.2% | ↓ | G |
| | Performance Analysis: Jun-22: Among the West Sussex pupils measured in the 2020/21 academic year, 63.2% were of a healthy weight. This is significantly higher than the England figure of 57.8%. However, there has been a significant reduction, of 6.6 percentage points, in the proportion of pupils who were of healthy weight; the percentage in West Sussex in 2019/20 was 69.8%. This reduction reflects a national trend; in England the percentage of Year 6 pupils who were a healthy weight reduced by 5.8 percentage points, from 63.4% to 57.8% between 2019/20 and 2020/21. 2021/22 results due in November 2022. Actions: The latest data continues to provide a good basis for ongoing and developing obesity work for both Reception and Year 6 children for 2022/23. Obesity is a complex issue affecting all ages, which emphasises the importance of the need for a family targeted approach, working across all age groups. The National Child Measurement Programme (NCMP) for Reception and Year 6 for 2021/22 is on track and will be completed later in the year. | | | | | | |
| 31 | Measure: Healthy life expectancy for men Reporting Frequency: 3 Year Rolling Average | 66 Years (Pre-Pandemic Levels) | 64.6 Years | 66.0 Years | 63.8 Years | ↓ | A |
| | | | | | | | |

| Public Health and Wellbeing | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|--|--|----------------------------------|-------------------------------------|-----------------------|-----------------------|-----|-------------------|
| <p>Performance Analysis: Sep-22: Updated local authority data for HLE for men for the 2018-2020 period has been released, which includes the first year of the Covid-19 pandemic (2020). This shows that since the last data period 2017-2019, HLE for men has decreased by 2.2 years to 63.8 years (2017-2019 66.0 years). It is important to note that the impact of Covid-19 continues, and there may be ongoing direct and indirect, effects of the pandemic on health.</p> <p>Actions: Analyses have detailed the main causes of ill health, disability, and death, and also the underlying risk factors, such as smoking, diet (including those high in salt, low in fibre, and fruit and vegetables) and obesity. This work is informing a population level approach agreed at West Sussex Health and Wellbeing Board and with local partners. In their capacity as Partner Member, the Director of Public Health presented a paper at the inaugural meeting of NHS Sussex Board in July 2022 on the population of Sussex (East Sussex, West Sussex, Brighton & Hove) outlining what are the most important health needs of our population across the area, based on the latest evidence available.</p> | | | | | | | |
| 32 | <p>Measure: Healthy life expectancy for women</p> <p>Reporting Frequency: 3 Year Rolling Average</p> | 64.8 Years (Pre-Pandemic Levels) | 2017/18 64.3 Years | 2018/19 64.8 Years | 2019/20 63.9 Years | ↓ | A |
| | <p>Performance Analysis: Sep-22: Updated local authority data for HLE for women for the 2018-2020 period has been released, which includes the first year of the Covid-19 pandemic (2020). This shows that since the last data period 2017-2019, HLE for women has decreased by 0.9 years to 63.9 years (2017-2019 64.8 years). It is important to note that the impact of Covid-19 continues, and there may be ongoing direct and indirect, effects of the pandemic on health.</p> <p>Actions: Analyses have detailed the main causes of ill health, disability, and death, and also the underlying risk factors, such as smoking, diet (including those high in salt, low in fibre, and fruit and vegetables) and obesity. This work is informing a population level approach agreed at West Sussex Health and Wellbeing Board and with local partners. In their capacity as Partner Member, the Director of Public Health presented a paper at the inaugural meeting of NHS Sussex Board in July 2022 on the population of Sussex (East Sussex, West Sussex, Brighton & Hove) outlining what are the most important health needs of our population across the area, based on the latest evidence available.</p> | | | | | | |
| 35 | <p>Measure: Number of people completing evidence-based falls prevention programmes</p> <p>Reporting Frequency: Annually</p> | 400 | New Measure - No Data | New Measure - No Data | 2021/22 354 | ↓ | A |
| | <p>Performance Analysis: Jun-22: 354 older people across West Sussex are recorded as having completed evidence-based strength and balance falls prevention programmes in 2021-22 delivered through West Sussex Wellbeing. These programmes are for older people at significant risk of falls with completion being defined as participating in 75% of programme sessions.</p> <p>Actions: It is important to highlight that NHS services also provide falls prevention programmes and therefore, it is likely that the number of older people completing these programmes across the county is higher than the West Sussex Wellbeing data reported here. It is also acknowledged that the pandemic response continued during 2021-22, impacting on both service delivery and older people's engagement with services. The County Council will explore opportunities to work with local authorities and health and care partners to coordinate and maximise our approach to falls prevention programmes across the county.</p> | | | | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|---|---------|-------------------------------|-----------|--------------------------------|
| | | | | |
| Public Health and Wellbeing Portfolio - Total | £0.000m | | (£0.000m) | £0.000m |

Significant Financial Issues and Risks Arising

3. There are no significant issues to raise within this section.

Financial Narrative on the Portfolio's Position

4. Due to the impact of the Covid-19 pandemic, activity levels within a number of areas of the Public Health budget continue to see fluctuations and have yet to return to pre-pandemic levels. This includes demand-led areas like NHS health checks and sexual health services, which saw lower than usual volumes during earlier phases of the pandemic. Numbers are expected to increase, and opportunities to add in new ways of working to reflect public preferences for easy access to services and more choice, are being explored.
5. Consequently, a ring-fenced underspend of £3.1m was carried forward from 2021/22. In-line with strict grant requirements, these public health funds can only be spent on meeting public health outcomes for our local population, enabling the local authority to discharge its statutory public health functions. Accordingly, the County Council will be working to ensure any funds are utilised in the most effective way to meet these outcomes, including to address Public Health issues that have emerged over the last two years and the impacts of the Covid-19 pandemic.
6. With regard to the 2022/23 financial year, there is an estimated underspending of around £2.5m currently projected based on known activity. This is in part due to the pandemic and impact of activity levels but also due to the increase in Public Health Grant allocated to the County Council by the Department for Health and Social Care. Although this is an uplift of 2.7%, the grant needs to provide for additional elements, including the HIV prevention drug Pre-Exposure Prophylaxis (PrEP), NHS wage uplifts, test, track and trace and outbreak planning, and other public health spend relating to Covid-19. As the Public Health Grant is a ring-fenced grant, any unspent funds for 2022/23 will transfer into 2023/24.

Covid-19 Expenditure Update

7. As the pandemic continues, there remains a need to provide quality services and assistance to residents. Within the Public Health portfolio, work is continuing to support residents and businesses in containing outbreaks and managing Covid-19. £3.651m from the Contain Outbreak Management Fund was brought forward from 2021/22 and is expected to be utilised during the financial year.

Savings Delivery Update

8. The portfolio has no named savings target for 2022/23, however there is a direct link to the Support Services and Economic Development saving – Use of Uncommitted Public Health Grant (PHG). This saving has occurred due to the Help and Home contract being decommissioned in July 2021. This has allowed £0.088m of eligible corporate overheads to be charged against the grant which has enabled the delivery of a saving within the Support Services and Economic Development Portfolio.

Capital Programme

9. There are currently no capital projects for the Public Health and Wellbeing Portfolio.

Risk

10. There are no corporate risks assigned to this portfolio. Risks allocated to other portfolios are specified within the respective portfolio sections. Further detail on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

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Support Services and Economic Development Portfolio - Summary

Performance Summary



1. The Portfolio has a number of performance highlights to report this quarter:
 - The West Sussex County Council website has gained accreditation from Shaw Trust, a leading UK charity, recognising that the website's content is accessible for people with disabilities. West Sussex are currently the only County Council to hold this accreditation. Any web site carrying this mark has been tested by people with a wide range of disabilities and found to be accessible.
 - Customer Service Centre and Online Service Delivery teams had a smooth transition to the Council and Customer Experience Service following the end of the Capita contract. These two services provide vital support to the residents of West Sussex, our staff, and all other customers of the Council, helping to connect people to the information, advice, guidance, or service they need.
 - The County Council's ten-year contract with Capita for internal support services ended on 30th September 2022, with Accounts Payable, Business Services Administration, Operational Procurement, Online Service Delivery (web team) and the Customer Service function moving to the Council. Employment Services, (including Payroll, Shared HR Services and HR Services to Schools), had already transitioned as planned in June. The Graphic Design printing procurement concluded and the new service is in place. The induction of over 300 staff is well underway with a focus on maintaining service continuity and supporting the aims and objectives of the organisation as set out in the wider Council Plan.
 - The second quarter of this financial year saw IT Services lay the initial groundwork for delivery of technology enablers to support the Council's Digital Service aspirations. During this period IT Services (in conjunction with SSO and CEX colleagues) worked to procure an appropriate channel shift ready unified communications platform that has since replaced the Contact Centre telephony solution phased out during the third week of September. In parallel, IT took the opportunity to both renew and modernise the physical hardware and architectural design that delivers the Council's underlying fixed line telephony services for all staff and members.

Our Council Performance Measures

Please note - the performance measures relating Economy are reported under the Leader (including Economy) Portfolio in **Section 8**.

2. The following section provides updates of the performance KPIs agreed in Our Council Plan and the action taking place, comprising a wider performance view, with KPI measures comparing performance over the last three periods - this may be quarterly, annually or other time periods (depending on how regularly data is released); however, each measure will explain the reporting period.

| Support Services and Economic Development | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|--|--|----------------|-------------------------------------|--------|--------|-----|-------------------|
| 45a | <p>Measure: County councillors have the learning and development needed to enable them to carry out their roles well and it is delivered effectively. A programme design that meets member needs and delivery that works well. a) Attendance</p> <p>Reporting Frequency: Quarterly.</p> | 50.0% | | Jun-22 | Sep-22 | → | G |
| | | | New Measure - No Data | 47.0% | 47.0% | | |
| <p>Performance Analysis: Sep 22: Three all-member development sessions were held in quarter 2, with average attendance levels of 47%.</p> <p>Actions: The Member Development Group (MDG) continuously assesses attendance at, and satisfaction with, the member training and development programme. MDG will consider any measures needed to help increase attendance, including through ensuring the sessions reflect corporate priorities and meet members' identified training and development needs.</p> | | | | | | | |
| 45b | <p>Measure: County councillors have the learning and development needed to enable them to carry out their roles well and it is delivered effectively. A programme design that meets member needs and delivery that works well. b) Satisfaction levels</p> <p>Reporting Frequency: Quarterly</p> | 91.0% | | Jun-22 | Sep-22 | ↓ | G |
| | | | New Measure - No Data | 100.0% | 95.0% | | |
| <p>Performance Analysis: Sep-22: Three all-member development sessions were held in Q2, with satisfaction levels of 95%.</p> <p>Actions: The Member Development Group (MDG) continuously assesses attendance at, and satisfaction with, the member training and development programme. MDG will consider any measures needed to help increase attendance, including through ensuring the sessions reflect corporate priorities and meet members' identified training and development needs.</p> | | | | | | | |
| 47 | <p>Measure: Leadership and management - percentage positive response to the question: "I am part of a supportive team where we regularly reflect on our successes and challenges enabling us to improve continuously"</p> <p>Reporting Frequency: Bi-Annually (November, May)</p> | 78.0% | May-21 | Nov-21 | May-22 | ↓ | G |
| | | | 82.4% | 81.2% | 81.0% | | |

| Support Services and Economic Development | | 2022/23 Target | Performance Over The Last 3 Periods | | | DoT | Year End Forecast |
|---|--|----------------|-------------------------------------|--------|--------|---|-------------------|
| <p>Performance Analysis: Jun-22: Progress: The positive responses to this question are the same as our previous Pulse Survey - 81%. Hybrid Working – The 19th April was identified as a milestone by the Executive Leadership Team where WSCC staff are expected to be working in agreed ways that reflect their team smarter working plans. This is now happening and will be regularly reviewed moving forwards in line with business, customer and staff needs.</p> <p>Actions: Work is underway to review and update the WSCC People Framework, ensuring that progress is recorded, and it enables our workforce to meet our future business and customer needs. Continued Support for Managers & Leaders to undertake relevant professional qualifications (e.g., ILM - The Institute of Leadership & Management, Coaching Professional) via the apprenticeship programme.</p> | | | | | | | |
| 48 | <p>Measure: Wellbeing, values and ways of working - Percentage positive response to the question: "I am treated with dignity and respect by my work colleagues"</p> <p>Reporting Frequency: Bi-Annually (November, May)</p> | 87.0% | May-21 | Nov-21 | May-22 |  | G |
| | | | 90.6% | 89.2% | 91.0% | | |
| <p>Performance Analysis: Jun-22: A small increase in positive responses to this question has been seen across the organisation since the previous Pulse Survey – 89% to 91%. Continued work with our Staff Networks to ensure everyone has a voice and promote continuous improvement of the employee and customer experience.</p> <p>Actions: Work is being undertaken to review and update the HR People Framework. On-going rollout of the Mental Health First Aider programme. Development of the Wellbeing Hub to enable self-help to staff to build skills and personal resilience around their Mental, Physical and Emotional Wellbeing – set to go live summer 22.</p> | | | | | | | |
| 51 | <p>Measure: Percentage of digital services available from WSCC to support self-service</p> <p>Reporting Frequency: Quarterly</p> | 70.0% | Mar-22 | Mar-22 | Sep-22 |  | A |
| | | | 64.0% (60% measure in 2021/22) | 65.0% | 64.0% | | |
| <p>Performance Analysis: Sep-22: Percentage of digital services available from WSCC to support self-service is currently sitting at 64%. Since June we have embarked on our Digital journey with the first step of replacing the Capita telephony system.</p> <p>Actions: This is now bedding in and the procurement of further tools to support our performance measure will commence in January with a view to tools being deployed by December 2023.</p> | | | | | | | |

Finance Summary

Portfolio In Year Pressures and Mitigations

| Pressures | (£m) | Mitigations and Underspending | (£m) | Year end budget variation (£m) |
|---|----------------|---|------------------|--------------------------------|
| Undelivered Savings – Reduction in legal costs for child protection cases | £0.200m | Democratic Services – staffing vacancies and continued reduction in Member travel and expenses. | (£0.100m) | |
| Customer Experience – Additional costs associated with the Children’s statutory complaint process | £0.100m | | | |
| Other minor variations | £0.071m | | | |
| Support Services and Economic Development Portfolio - Total | £0.371m | | (£0.100m) | £0.271m |

Significant Financial Issues and Risks Arising

3. There are no significant issues to raise within this section.

Financial Narrative on the Portfolio's Position

4. As at September, the Support Services and Economic Development Portfolio is projecting a £0.271m overspend, an increase of £0.088m when compared to June.
5. **Undelivered Savings.** A £0.2m saving target relating to a reduction in legal costs for child protection cases was carried forward into the 2022/23 financial year. Unfortunately, this saving is currently judged as 'at significant risk' and is not expected to be achieved in year due to the continuing need to employ agency legal staff to clear the backlog of childcare cases in the courts.
6. **Customer Experience Team.** This service is projecting a £0.1m overspend which relates to additional expenditure incurred following an update from the Local Government and Social Care Ombudsman on how local authorities handle complaints under the children's services statutory complaints process.
7. **Staffing Vacancies and Travel.** There are vacancies within the Democratic Services Team, alongside a reduction in members travel and expenses as a direct result of savings made from the continuation of some on-line virtual meetings. This has resulted in a projected underspend of £0.1m.

Savings Delivery Update

8. In addition to the £0.338m of 2022/23 planned savings, there remains £0.700m of savings from the 2021/22 financial year which were not delivered on an on-going basis. To ensure that these savings are monitored and delivered, all of these savings are detailed in the table below:

| Saving Activity | Saving to be Delivered in 2022/23 (£000) | September 2022 | | Narrative |
|--|--|----------------|---|---|
| Licencing savings following re-procurement of ERP Solution | 400 | 400 | G | Due to revised implementation date of the Oracle system, it is unlikely that this saving will be achieved as originally envisaged in 2022/23. Other opportunities to cover this saving in 2022/23 have been identified. |
| Reduction in legal costs required for child protection cases | 200 | 200 | R | External counsel fees have been used to clear the backlog of childcare cases in the courts created by the Covid-19 pandemic, which has made this saving undeliverable in this financial year. |

| Saving Activity | Saving to be Delivered in 2022/23 (£000) | September 2022 | | Narrative |
|--|--|----------------|---|---|
| | | 100 | G | |
| Review of mileage, allowances and apprenticeship levy | 100 | 100 | G | |
| IT Service Redesign | 250 | 250 | B | Saving delivered. |
| Public Health - Use of uncommitted Public Health Grant | 88 | 88 | B | Saving delivered. |
| HR service redesign (£0.290m) | Paused Until 2023/24 | - | - | Saving of £0.290m 'paused' until 2023/24 following the recent appointment of a permanent HR Director. |

Savings Key:

R Significant Risk **A** At Risk **G** On Track **B** Delivered

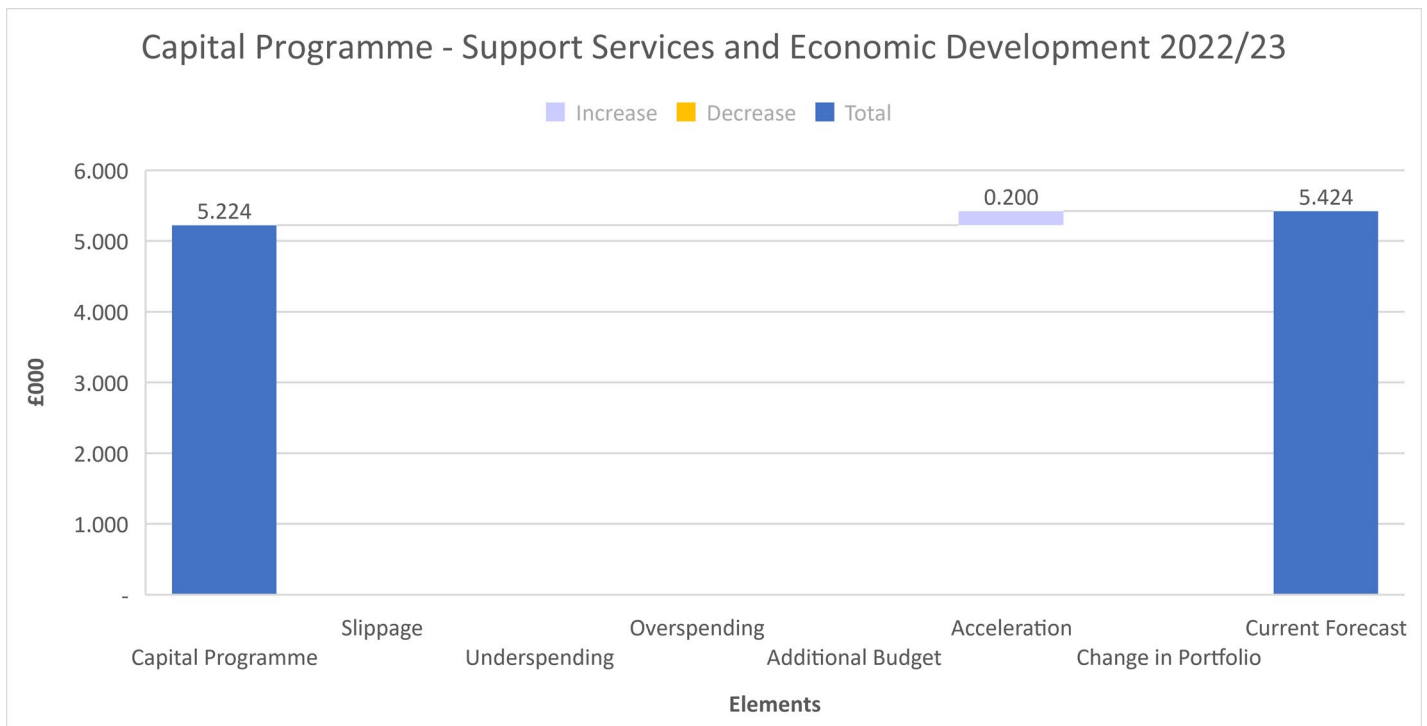
Capital Programme

Performance Summary

- There are six schemes within the portfolio. One of the schemes in delivery is rated green, indicating that the project is reporting to plan. The other five schemes are funded from Business Pool Rates and report directly to the West Sussex Councils' Chief Executives' and Leaders' Board.

Finance Summary

- The capital programme; as approved by County Council in February 2022, agreed a programme totalling £9.106m for 2022/23. £3.882m of expenditure, originally profiled to spend in 2022/23, was accelerated into 2020/21, revising the capital programme to £5.224m.
- Since this time, the profiled spend has increased overall by £0.200m, to give a current year end projection for 2022/23 of £5.424m. This increase relates to the acceleration of funding from future years.



Key:

- Capital Programme – The revised planned expenditure for 2022/23 as at 1st April 2022.
- Slippage – Funding which was planned to be spent in 2022/23 but has since been reprofiled into future years.
- Underspending – Unused funding following the completion of projects.
- Overspending - Projects that require further funding over and above the original approved budget.
- Additional Budget – Additional external funding that has entered the capital programme for the first time.
- Acceleration – Agreed funding which has been brought forward from future years.
- Current Forecast – Latest 2022/23 financial year capital programme forecast.

12. There has been no change in the financial profiling this quarter. The latest Capital Programme Budget Monitor is reported in **Appendix 3**.

Risk

13. The following table summarises the risks within the corporate risk register that would have a direct impact on the portfolio. Risks to other portfolios are specified within the respective portfolio sections.

| Risk No. | Risk Description | Previous Quarter Score | Current Score |
|----------|--|------------------------|---------------|
| CR11 | There is a risk that the Council will not be seen as an attractive place to work by current and potential employees. This will result in problems recruiting and retaining staff in key skills areas. | 25 | 25 |
| CR39a | As a result of failing to maintain and ensure the correct use of our security systems and protocols, there is a risk of a successful cyber-attack directly from external threats; or indirectly as a consequence of staff accessing unsafe links from external sources and unauthorised/insecure website browsing. This will lead to significant service disruption and possible data loss. | 25 | 25 |
| CR39b | Data protection responsibilities. The Council is a Data Controller and has obligations and responsibilities arising from that role. Council needs resources, skills, knowledge, systems and procedures to ensure obligations are met. | 9 | 9 |
| CR50 | WSCC are responsible for ensuring the health and safety at work of its staff and residents. There is a risk that if there is a lack of Health and Safety awareness and accountability by directorates to capture and communicate in accordance with Council governance arrangements, it will lead to a serious health and safety incident occurring. | 9 | 9 |

14. Further details on all risks can be found in **Appendix 4** - Corporate Risk Register Summary.

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Revenue Budget Monitor as at the end of September 2022

| | Approved budget | Latest budget for year | Net income to date | Projected outturn variation |
|--|-----------------|------------------------|----------------------|-----------------------------|
| | £000 | £000 | £000 | £000 |
| Sources of Finance | | | | |
| Precept | -532,646 | -532,646 | -266,323 | 0 |
| Business Rates Retention Scheme | -87,264 | -91,844 | -40,249 | 0 |
| Collection Fund Deficits | 4,818 | 4,327 | 4,327 | 0 |
| Covid-19 Income Loss Compensation | 0 | 0 | -123 | 0 |
| New Homes Bonus Grant | -1,959 | -1,960 | -980 | 0 |
| Revenue Support Grant | 0 | -13 | -7 | 0 |
| Services Grant | -5,464 | -5,464 | -2,732 | 0 |
| Social Care Support Grant | -25,827 | -25,827 | -12,913 | 0 |
| Total Financing | -648,342 | -653,427 | -319,000 | 0 |
| Analysis of Expenditure | | | | |
| | Approved budget | Latest budget for year | Net spending to date | Projected outturn variation |
| | £000 | £000 | £000 | £000 |
| Portfolio Budgets | | | | |
| Adults Services | 215,876 | 215,868 | 103,000 | 0 |
| Children and Young People | 139,318 | 139,450 | 69,039 | 9,070 |
| Community Support, Fire and Rescue | 45,110 | 45,143 | 7,833 | 36 |
| Environment and Climate Change | 62,078 | 61,948 | 23,765 | -2,100 |
| Finance and Property | 25,131 | 25,156 | 14,188 | -150 |
| Highways and Transport | 41,372 | 41,460 | 20,523 | 1,100 |
| Leader | 2,892 | 2,892 | 1,507 | -88 |
| Learning and Skills | 29,056 | 28,664 | -613 | 1,271 |
| Public Health and Wellbeing | 0 | 0 | -9,087 | 0 |
| Support Services and Economic Development | 41,487 | 41,418 | 22,486 | 271 |
| Sub-total | 602,320 | 601,999 | 252,641 | 9,410 |
| Non-Portfolio Budgets | | | | |
| Capital Financing - Repayment (MRP) | 12,090 | 12,090 | 0 | 0 |
| Capital Financing - Interest | 17,579 | 17,579 | 9,607 | 80 |
| Revenue Contribution to Capital - Business Rates Pilot | 4,614 | 4,614 | 0 | 0 |
| Revenue Contribution to Capital - Other | 2,255 | 2,297 | 0 | 0 |
| Investment Income | -2,970 | -2,970 | -2,796 | 0 |
| General Contingency | 9,156 | 9,156 | 0 | 0 |
| Transfers to/(from) Reserves - Business Rates Pilot | -4,614 | -4,614 | -4,614 | 0 |
| Transfers to/(from) Other Earmarked Reserves | 7,912 | 12,754 | 12,754 | 0 |
| Transfer DSG Deficit to Unusable Reserves | 0 | 522 | 522 | 0 |
| Sub-total | 46,022 | 51,428 | 15,473 | 80 |
| Total Net Expenditure | 648,342 | 653,427 | 268,114 | 9,490 |
| Total Forecast Variation - overspending | | | | 9,490 |

| Memo: Contingency | £000 |
|---|--------------|
| Original Budget | 9,156 |
| Available Contingency | 9,156 |
| Potential Commitments | |
| Projected Portfolio Overspend - Including Inflation Pressures | 9,021 |
| Remaining Contingency | 135 |

Appendix 1

| Balances and Reserves | Balance at 31-March-22 | Projected Balance at 31-March-23 | Projected Annual Movement | Detail on Projected Annual Movements >£500k |
|--|---------------------------|--|---------------------------------|---|
| | £000 | £000 | £000 | |
| Earmarked Reserves: | | | | |
| Adult Social Care Reform Risk | -4,963 | -19,963 | -15,000 | £15m reallocated to reserve to support anticipated future social care financial pressures |
| Ash Dieback | -1,200 | -900 | 300 | |
| Budget Management | -61,657 | -40,367 | 21,290 | £31m reallocated to other earmarked reserves offset by £4.7m transfer as part of approved 22/23 budget plus additional £5.1m to reflect final settlement/Ctax/NNDR post budget approval |
| Business Rates & Collection Fund Smoothing Reserve | -460 | -10,460 | -10,000 | £10m reallocated to reserve to protect against shortfalls in council tax and business rate income |
| Business Rates Pilot Fund | -17,380 | -12,766 | 4,614 | £4.6m applied to capital programme for Gigabit (Voucher Schemes 1 & 2 plus District/Borough projects) per approved 22/23 budget |
| Covid-19 Fund | -15,976 | -7,903 | 8,073 | £1.7m applied to capital programme per approved 22/23 budget, £3m set aside for Hardship Fund, and continuing support to communities £3.4m |
| Economic Growth | -1,984 | -1,572 | 412 | |
| Highways Commuted Sums | -5,165 | -7,757 | -2,592 | £3.0m forecast sums receivable by Planning Services during year; offset by £0.4m applied to eligible Highways Maintenance schemes |
| Highways On-Street Parking | -1,397 | -597 | 800 | On-street parking expenditure expected to exceed income generated by £0.8m in year |
| Inflation Contingency | -4,969 | 0 | 4,969 | To support 22/23 service inflationary pressures |
| Infrastructure Works Feasibility | -1,930 | -1,953 | -23 | Estimated transfer from the reserve to fund 22/23 feasibility studies |
| Insurance Reserve | -3,329 | -7,829 | -4,500 | £5.0m increase following a review of funding required in future years |
| Interest Smoothing Account | -2,778 | -2,778 | 0 | |
| Miscellaneous Service Carry Forwards | -1,311 | -57 | 1,254 | Anticipated drawdowns for IT, Independent Case Reviews, and Trading Standards |
| Recycling & Waste PFI | -10,362 | -10,198 | 164 | |
| Schools Sickness & Maternity Insurance Scheme | -1,403 | -1,403 | 0 | |
| Service Transformation Fund | -13,346 | -10,133 | 3,213 | £1m reallocated to reserve. Estimated £4m to be spent in 2022/23 supporting transformation projects |
| Social Care Pressures (Adults and Children's) | 0 | -5,028 | -5,028 | £5.0m residual balances of 2022/23 Services and Social Care Support grants not applied to finance commitments in approved budget |
| Statutory Duties | -2,246 | -2,182 | 64 | |
| Street Lighting PFI | -22,953 | -22,546 | 407 | |
| Unapplied Revenue Grants | -2,805 | -807 | 1,998 | Drawdown of 2021/22 carry forward funding |
| Waste Materials Resource Management Contract | -23,497 | -22,097 | 1,400 | £1.4m applied to Environment and Climate Change portfolio per approved budget for estimated in-year lifecycle expenditure |
| Other Earmarked Reserves | -2,280 | -1,457 | 823 | Social Care and Fire Improvement Funds transferred to support revenue costs |
| Earmarked Reserves (Excluding Schools) | -203,391 | -190,753 | 12,638 | |
| School Balances | -27,740 | -27,575 | 165 | |
| Total Earmarked Reserves | -231,131 | -218,328 | 12,803 | |
| General Fund | -20,286 | -20,286 | 0 | |
| Capital Grants Unapplied | -21,229 | -1,444 | 19,785 | Unringfenced grants applied to finance the overall capital spend |
| Capital Receipts Reserve | -4,789 | 0 | 4,789 | Flexible use of capital receipts - proposal for transformation to be explored |
| Total Usable Reserves | -277,435 | -240,058 | 37,377 | |

Service Transformation and Flexible Use of Capital Receipts Update – Q2 2022/23

Service Transformation Summary

1. At the start of the year, the balance within the Transformation Reserve stood at £13.3m. In addition, the County Council's 2022/23 Flexible Use of Capital Receipts Strategy details that it has flexibility to fund up to £10.0m of qualifying transformation expenditure. The County Council will review transformational expenditure during the year and, if expenditure meets the Flexible Use of Capital Receipts statutory guidance conditions, will consider applying capital receipts funding.
2. There are a number of transformation projects currently underway which include the Smartcore Programme, Insourcing and Procurement of IT Services, Better Use of Technology within Children Services, Support Services Programme, Smarter Ways of Working Programme, Adult Services Professional Services Support and other smaller projects.

Smartcore Programme

3. The Smartcore programme continues to focus upon making HR, Finance and Procurement business processes more efficient and economic through the introduction of Oracle Fusion.
4. The programme is in the latter stages of the configuration phase, the sprints have all been completed and the systems integrator has taken key staff on a 'walk-through' of the defined environment.
5. The programme has just entered the Systems Integration Testing (SIT) phase where the integrations to key line of business applications will be tested, for example, files or reports exchanged with another system, a key element of this phase is the delivery of data to the environment, the systems integrator has been working to extract, transform and load SAP data into Oracle.
6. The overall pace and focus of the programme team has increased and we are working towards the planned implementation date of April 2023.
7. Following a review of the financial elements of the Smartcore programme, additional funding has been agreed to ensure the successful implementation of the project, the inclusion of additional requirements and to take into account the increase in timeline for delivery which has been extended further than first anticipated when the original budget was constructed in 2020.

Insourcing and Procurement of IT Services

8. During the second quarter, IT Services concluded the cloud discovery and systems migration assessments that were commissioned earlier in the year. These works were intended to provide an understanding of what Council server

workloads could be moved from the Datacentre and to the Cloud (with focus on providing increased resilience, operational efficiency and value for money.) The service moves into Q3 with recommendations for cloud migration targets and an approach to Azure Landing Zone design to be progressed and subsequently implemented.

9. A number of aging hardware technology and software platforms that returned as part of the early outsource exit have either been replaced and decommissioned or have seen significant progress towards imminent phasing out and functional replacement during the third quarter of 2022.

Better Use of Technology within Children's Services

10. A decision was taken by the Cabinet Member for Children and Young People in August 2021 to procure a recording system for Children, Young People and Learning. The contract commenced on 1st April 2022 for an initial period of two years, with an option to extend by up to two years. The implementation project will involve significant resource from across the Council for a period of 18 months. This will include business input, IT resource, training and project management.
11. Rationalising data systems in this way will offer a major benefit to children, young people and families across the organisation in terms of the better coordination of evidence-based services delivered to them.

Support Services Programme

12. The County Council's ten-year contract with Capita for internal support services ended on 30 September 2022, with Accounts Payable, Business Services Administration, Operational Procurement, Online Service Delivery (web team) and the Customer Service function moving to the Council. Employment Services, (including Payroll, Shared HR Services and HR Services to Schools), had already transitioned as planned in June.
13. The Graphic Design printing procurement concluded and the new service is in place. The induction of over 300 staff is well underway with a focus on maintaining service continuity and supporting the aims and objectives of the organisation as set out in the wider Council Plan.
14. Costs relating to the completion of the overall programme including legal support to award new contracts and novate the existing 3rd party agreements, transition costs and commercial consultancy support are being finalised.

Early Years Property Support Project

15. As part of the revised Early Help model in West Sussex, a number of one-off and temporary property services costs have been incurred. Costs associated with project management, property clearance and holding were incurred in 2021/22, with further expenditure expected in 2022/23 as works continue on the disposal or re-assignment of affected buildings.

Smarter Ways of Working Programme

16. The County Council is building on the learning and experienced gained from the pandemic to help shape the way we work in the future. The council has a large portfolio of property all across the county which are used for various purposes.
17. The first phase of this programme has now been completed with the second phase of works currently underway. The overall intention of the programme is to realign the development of workforce practices on emerging requirements of services and the Council as a whole. The programme aims to enable the County Council to:
 - Reduce the workspace provided and maintained by the County Council with no impact to the provision, quality or standard of services.
 - Provide good quality workspaces which staff can use in a flexible manner and better suits work and personal lives with no negative impact on well-being or productivity.
 - The ability to better meet the needs of our customers.

Adults Services – Professional Services Support

18. A programme of work has been agreed that will oversee the delivery of the commitments made in Our Council Plan (2021-25), the Adult Social Care Strategy (2022-25) and the Commissioning Review (2022).
19. The programme will be delivered collaboratively with a combination of external resources with skills and experience in delivery of ASC programmes, in-house staff in the three core business areas (Commissioning, Operations and Safeguarding, Planning and Performance) and the newly established in-house PMO.
20. The nature, scale and complexity of the programme means that fixed-term external capacity and skills are needed to work alongside in-house teams to deliver at pace. The programme will deliver core business with additional external resources and embedded in the business, working with existing staff to support the development of leadership and skills that can sustain the progress that will be made over the term of the programme. This work is focussed on working collaboratively and ensuring people who work in the Adults Services are able to sustain the changes made over the longer term.

Waste – New Service Model (Recycling Credits)

21. In 2019/20, Cabinet allocated £2m to support District and Boroughs who commit to implement a New Service Model for refuse and reducing collections, to a specification and timetable agreed with the County Council, including separate food waste collections or alternative approaches which will improve performance and reduce costs.

22. Whilst the pandemic has impacted on the ability to drive this work forward, we continued to explore and incentivise household recycling and reduce demand pressure on the Council's waste services. A successful trial for segregation and disposal of food and absorbent hygiene products in Arun has now concluded and a further trial is underway in Mid Sussex. Other projects underway include:

- A collection service to gather kerbside waste electrical and electronic equipment (WEEE) in many areas including Adur and Worthing, Crawley and Horsham.
- Flat improvement project. The identification of potential flats in Crawley to understand barriers of waste minimisation and increase recycling quality.

Transformation Project Overview

Table 1 – Transformation and Capital Receipt Budget Allocations - Overview of Current Projects

| Project | Total Transformation / Capital Receipt Project Budget Allocated | Spend in Prior Years (Pre-2022/23) | 2022/23 Expenditure - As At 30 th September | Project Spend Forecast |
|---|---|------------------------------------|--|------------------------|
| Smartcore Programme* | £14,070,000 | £5,117,201 | £1,531,227 | £14,070,000 |
| Insource of Procurement and IT Services | £2,750,000 | £1,575,880 | £164,481 | £2,300,000 |
| Better Use of Technology – Children's Services | £463,000 | £125,484 | £260,206 | TBC |
| Support Services Programme | £1,200,000 | £0 | £36,191 | £1,200,000 |
| Early Years Property Support Project | £847,000 | £317,505 | £79,495 | £847,000 |
| Smarter Ways of Working Programme | £1,916,000 | £121,870 | £116,429 | £1,878,000 |
| Adults Services – Professional Services Support | £1,950,000 | £0 | £623,014 | £1,950,000 |
| Waste – New Service Model (Recycling Credits) | £2,000,000 | £655,996 | £10,581 | £2,000,000 |

Note:

*Smartcore Programme– Additional funding from schools to meet additional works to deliver their requirements (£0.857m) and one-off base budget (£0.250m) are not included in the budget allocation reported in this table.

2022/23 CAPITAL MONITOR as at the end of September 2022

| Portfolio | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|---|---|--|---|---------------------------------------|---------------------------------------|-----------------|---|--|--------------------|--------------------|
| | 22/23 In-Flight Capital Programme (February County Council) | 22/23 Pipeline Capital Programme (February County Council) | 22/23 Total Capital Programme (February County Council) | Slippage/ (Acceleration) from 2021/22 | Total 22/23 Revised Capital Programme | Actuals to Date | In-Flight Forecast for Remaining Period | Pipeline Forecast for Remaining Period | Full Year Forecast | Over/(Under) Spend |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| | | | | | | | | | | |
| Adults Services | 127 | 0 | 127 | 0 | 127 | 53 | 74 | 0 | 127 | 0 |
| Children and Young People | 4,117 | 1,113 | 5,230 | (3,273) | 1,957 | 152 | 1,116 | 350 | 1,618 | (339) |
| Community Support, Fire and Rescue | 9,725 | 0 | 9,725 | (2,534) | 7,191 | 6,443 | 4,748 | 0 | 11,191 | 4,000 |
| Environment and Climate Change | 4,034 | 0 | 4,034 | (116) | 3,918 | 2,312 | 3,063 | 0 | 5,375 | 1,457 |
| Finance and Property | 8,161 | 475 | 8,636 | (293) | 8,343 | 1,320 | 7,097 | 0 | 8,417 | 74 |
| Highways and Transport | 49,790 | 0 | 49,790 | (1,858) | 47,932 | 13,778 | 34,878 | 0 | 48,656 | 724 |
| Leader | 2,656 | 300 | 2,956 | 2,340 | 5,296 | 4,288 | 4,917 | 0 | 9,205 | 3,909 |
| Learning and Skills | 28,774 | 2,000 | 30,774 | 2,286 | 33,060 | 12,817 | 24,817 | 0 | 37,634 | 4,574 |
| Support Services and Economic Development | 9,106 | 0 | 9,106 | (3,882) | 5,224 | 108 | 5,316 | 0 | 5,424 | 200 |
| Total Capital Programme | 116,490 | 3,888 | 120,378 | (7,330) | 113,048 | 41,271 | 86,026 | 350 | 127,647 | 14,599 |

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Corporate Risk Register Summary - September 2022

CR11

Current Score
25

Target Score
8

Initial Score
20

Risk Change
Unchanged
➡

Risk Description

As a result of skill shortages across various sectors, and less attractive employment offers in comparison to other organisations and locations (amplified by the current cost of living situation), there is a risk that we will not be able to recruit and retain sufficient numbers of qualified/experienced staff to manage and deliver quality services.

Date Risk Raised

01/03/2017

Risk Owner

Director of Human Resources & Org Dev

Risk Strategy

Treat

Risk Control/Action

Target Date

| | |
|--|------------|
| Benchmarking of salaries against peers to attract and retain talent for key areas. | 01/09/2022 |
| Conduct planning session with HR team to review current recruitment practices, and meet with key stakeholders to develop comprehensive plan to address areas needing improvement. | 01/09/2022 |
| Develop alternative arrangements to attract candidates for hard to recruit to roles including the use of specialist third party search agencies. | 01/02/2023 |
| Development and regular communication of comprehensive employee value proposition to support recruitment and retention. | 01/03/2023 |
| Longer term strategies for addressing recruitment issues e.g. apprenticeships, growing our own. | ongoing |
| Produce Directorate Workforce Plans, in collaboration with services, to identify skills, capacity and capability requirements (current and future). Including succession planning for key roles, and defining training and career pathways to support recruitment and retention. | ongoing |
| Restructure of HR Resourcing function to ensure it better fits how recruitment now needs to be undertaken | 01/03/2023 |

CR58

Current Score
25

Target Score
9

Initial Score
25

Risk Change
Unchanged
➡

Risk Description

The care market is experiencing an unprecedented period of fragility, particularly due to staff shortages and increasing demand. This has been further exacerbated by COVID19. If the current and future commercial/economic viability of providers is not identified and supported, there is a risk of failure of social care provision which will result in funded and self-funded residents of West Sussex left without suitable care.

Date Risk Raised

05/09/2018

Risk Owner

Director of Adults and Health

Risk Strategy

Treat

Risk Control/Action

Target Date

| | |
|--|------------|
| Review capacity of residential and non-residential services to ensure service availability and to support identification of contingencies if needed. | ongoing |
| Regular review of care homes business continuity arrangements to address government vaccination directive. | ongoing |
| Provision of regular support and communication to care homes to monitor financial sustainability (increased engagement during COVID-19 pandemic to monitor Infection Control Grant). | ongoing |
| In the event of an incident, ensure the consistent implementation of Emergency Response Plans, including a full de-brief and lessons learned. | ongoing |
| Financial analysis of high risk provision - due diligence checks. | ongoing |
| Completion of Fair Cost of Care exercise and draft Market Sustainability Plan in order to identify fair costs for care provision to support sustainable markets, and in preparation for Adult Social Care Reforms. | 01/10/2022 |
| Collection of market information on Firefly. Analysis of information and appropriate level of quality assurance response. | ongoing |

CR39a

| | | | |
|---------------|--------------|---------------|---------------|
| Current Score | Target Score | Initial Score | Risk Change |
| 25 | 16 | 20 | Unchanged |

Risk Description

Cyber threat is an evolving, persistent and increasingly complex risk to the ongoing operation of County Council. There is a risk of a successful cyber attack directly from external threats; or indirectly as a consequence of members or staff falling prey to social engineering or phishing attacks. The potential outcome may lead to significant service disruption and possible data loss.

| |
|--|
| Date Risk Raised |
| 01/03/2017 |
| Risk Owner |
| Director of Finance & Support Services |
| Risk Strategy |
| Treat |

| Risk Control/Action | Target Date |
|--|-------------|
| Conduct tests including penetration, DR and social engineering. (conducted 6 monthly) | ongoing |
| Ensure that cyber-attack is identified early, that reporting & monitoring is effective, and recovery can be prompt. | ongoing |
| Improve staff awareness of personal & business information security practices & identification of cyber-security issues. Continued actions due to evolving threats. | ongoing |
| Maintain IG Toolkit (NHS) & Public Service Network security accreditations. | ongoing |
| Provide capacity & capability to align with National Cyber-Security centre recommendations. | ongoing |
| Regular review, measurement and evaluation of corporate (technological/process) / organisational (behavioural) response to current and emerging cyber threats, where applicable to undertake pertinent actions to mitigate risks identified. | ongoing |
| Transition to a controlled framework for process and practice. | ongoing |

CR22

| | | | |
|---------------|--------------|---------------|---------------|
| Current Score | Target Score | Initial Score | Risk Change |
| 20 | 12 | 16 | Unchanged |

Risk Description

The financial sustainability of council services is at risk due to uncertain funding from central government, level of inflation impacting on service delivery, and/or failure to make the required decisions to ensure the budget is balanced. This has been compounded further with the COVID-19 crisis.

| |
|--|
| Date Risk Raised |
| 01/03/2017 |
| Risk Owner |
| Director of Finance & Support Services |
| Risk Strategy |
| Treat |

| Risk Control/Action | Target Date |
|---|-------------|
| Financial impacts arising from the Covid-19 national emergency need to be reflected and addressed within the PRR and MTFS as appropriate. | ongoing |
| Monitor the use of additional funds made available to improve service delivery. | ongoing |
| Pursue additional savings options to help close the budget gap. | ongoing |

CR61

Current Score
15

Target Score
10

Initial Score
25

Risk Change
Unchanged
➡

| Risk Control/Action | Target Date |
|---|-------------|
| Implement Practice Improvement Plan (PIP). Improvement Plans include management development and HCC intervention. | ongoing |
| Provide proactive improvement support to services to assure effective safeguarding practices. | ongoing |

Risk Description

A 'serious incident' occurs resulting in the death or serious injury of a child where the Council is found to have failed in their duty to safeguard, prevent or protect the child from harm.

Date Risk Raised
01/06/2019

Risk Owner
Director of Children, Young People and Learning

Risk Strategy
Treat

CR69

Current Score
15

Target Score
10

Initial Score
25

Risk Change
Unchanged
➡

| Risk Control/Action | Target Date |
|---|-------------|
| Continue to work with Hants CC as a partner in practice to improve the breadth of children's service. | ongoing |
| Deliver Children First Improvement Plan. | ongoing |
| Implement the Children First Service transformation model | ongoing |

Risk Description

If the council fail to make the necessary improvements to progress from the previous 'inadequate' rating, there is a risk that children's services will fail to deliver an acceptable provision to the community.

Date Risk Raised
01/03/2020

Risk Owner
Director of Children, Young People and Learning

Risk Strategy
Treat

CR74

Current Score
15

Target Score
10

Initial Score
15

Risk Change
Unchanged
➡

Risk Description

The overdue re-procurement of care and support at home services has been further postponed, meaning the contractual arrangements are non-compliant, inefficient to manage, difficult to enforce and present a risk of challenge and CQC criticism. The delay is to enable more time for the market to stabilise, to complete service reviews and to allow imminent legislative changes to take effect.

Date Risk Raised

01/04/2022

Risk Owner

Director of Adults and Health

Risk Strategy

Treat

Risk Control/Action

Target Date

| | |
|---|------------|
| Focus resource onto managing provider relationships to improve contract management. | ongoing |
| Regular communication and engagement with providers on programme development/progress, and strategic direction/consequences of changes. | ongoing |
| Service commitment to undertake re-procurement if and when required | ongoing |
| Subject to appropriate approvals, opening up the Contingency Contract wider for providers to work with the Council in the interim | ongoing |
| Update the 2009 contract terms and conditions by variation where these are significantly out of date | 01/10/2022 |

CR72

Current Score
12

Target Score
8

Initial Score
20

Risk Change
Unchanged
➡

Risk Description

The government have stipulated that from 9 Sep 2021 children in care under 16 will not be allowed to be accommodated in unregulated placements. This has strengthened existing regulations that stipulate that all children and young people who require residential care must be placed within registered children's homes. Due to a local and nationwide shortage of registered provision there is a risk that these children and young people will not be cared for in settings that best meet their needs, which could lead to safeguarding concerns and enforcement action against the providers of unregistered homes and local authorities.

Date Risk Raised

01/08/2021

Risk Owner

Director of Children, Young People and Learning

Risk Strategy

Treat

Risk Control/Action

Target Date

| | |
|--|------------|
| Develop and publish a market position statement to be sent out to care providers and other LA's to engage them in placements and requirements, in line with the needs of children. | 01/09/2022 |
| Escalate to Assistant Directors and Exec Director any situation where a child or young person is at risk of being without a registered provision when they require one. | ongoing |

CR73

Current Score
12

Target Score
8

Initial Score
12

Risk Change
Unchanged
➡

Risk Description

If there is a failure to adequately prioritise, finance and resource our efforts to deliver on WSCC Climate Change commitments (e.g. 2030 Carbon Neutrality), there is a risk that there will be insufficient capacity and capability to complete the necessary actions within the required timeframes. This will lead to prolonged variations in weather and adverse impacts on WSCC service provision.

Date Risk Raised
01/01/2022

Risk Owner
Director for Place Services

Risk Strategy
Treat

| Risk Control/Action | Target Date |
|--|-------------|
| Align pipeline of projects for existing and future funding opportunities | ongoing |
| Built into county-wide Business Planning and budgeting process | ongoing |
| Clear prioritisation of CC Strategy delivery within Our Council Plan | ongoing |
| Existing estate & infrastructure made climate change resilient & future developments designed to be as low carbon & climate change resilient | ongoing |
| Recruitment and training policy to ensure all staff & elected members are suitably informed on climate change issues & that specialist skills are embedded through recruitment & training to enable delivery | ongoing |
| SMART programme of actions based on clear definitions and metrics | ongoing |

CR68

Current Score
10

Target Score
10

Initial Score
25

Risk Change
Unchanged
➡

Risk Description

The government have relaxed COVID-19 restrictions, however there are still requirements for Local Authorities to support the management of the COVID-19 pandemic. If there is a resurgence in COVID-19 infections and local (county or district) responsibilities are prolonged or additional measures imposed, there is a risk services will fail to deliver existing work plans due to staff responding to the impact of the pandemic, or staff shortages due to sickness.

Date Risk Raised
01/03/2020

Risk Owner
Chief Executive

Risk Strategy
Tolerate

| Risk Control/Action | Target Date |
|---|-------------|
| Develop communications when required to manage expectations of staff and residents on WSCC response position. | ongoing |
| Regular engagement with MHCLG and ensure information and direction is discussed and implemented through the Strategic Coordinating Group (SCG-Gold) and Tactical Coordination Group (TCG-Silver). | ongoing |
| Review and update business continuity and service critical plans. | ongoing |
| Services to consider impacts should government impose restrictions (via tier system) at a district level as opposed to county. | ongoing |
| To continue to lobby government groups to influence funding decisions. | ongoing |

CR39b

Current Score
9

Target Score
9

Initial Score
20

Risk Change
Unchanged
➡

Risk Description

Data protection responsibilities. The Council is a Data Controller and has obligations and responsibilities arising from that role. Council needs resources, skills, knowledge, systems and procedures to ensure obligations are met.

Date Risk Raised
01/03/2017

Risk Owner
Director of Law & Assurance

Risk Strategy
Tolerate

| Risk Control/Action | Target Date |
|--|-------------|
| Adopt ISO27001 (Information Security Management) aligned process & practices. | ongoing |
| Enable safe data sharing, including using appropriate data standards & appropriate anonymization techniques. | ongoing |
| Ensure the skills and knowledge is available to support Caldicott Guardian in ASC. | ongoing |
| Maintain IG Toolkit (NHS) & Public Service Network security accreditations. | ongoing |
| Review IT systems implemented prior to 25 May 2018 to confirm compliance with updated regulations. | ongoing |
| Test the effectiveness of DPIA | ongoing |
| Undertake Data Privacy Impact Assessments (DPIA) when systems or processes change and carry out resulting actions. | ongoing |

CR50

Current Score
9

Target Score
6

Initial Score
20

Risk Change
Unchanged
➡

Risk Description

WSCC are responsible for ensuring the HS&W of its staff and residents. There is a risk that if there is a lack of H&S awareness and accountability by directorates to capture and communicate in accordance with Council governance arrangements, it will lead to a serious health & safety incident occurring.

Date Risk Raised
01/03/2017

Risk Owner
Director of Human Resources & Org Dev

Risk Strategy
Treat

| Risk Control/Action | Target Date |
|---|-------------|
| Conduct a training needs analysis, produce gap analysis to understand requirements and produce suitable courses as a consequence. | ongoing |
| Develop and introduce a more comprehensive risk profile approach and front line service based audits. | ongoing |
| Incorporate HS&W information into current performance dashboard. | ongoing |
| Purchase, develop and introduce an interactive online H&S service led audit tool. | ongoing |
| Regular engagement with other LA's on best practice and lessons learned. | ongoing |
| Regular engagement with services to ensure H&S responsibilities continue to be fully understood and embedded in BAU activities. | ongoing |

CR7

Current Score
8

Target Score
4

Initial Score
16

Risk Change
Unchanged
➔

Risk Description

There are governance systems which inhibit effective performance and a culture of non-compliance and also a lack of standardisation in some systems and processes. Skills and knowledge of systems inadequate and excessive effort required for sound decisions and outcomes.

Date Risk Raised

01/12/2019

Risk Owner

Director of Law & Assurance

Risk Strategy

Treat

| Risk Control/Action | Target Date |
|--|-------------|
| Audit plan focussing reviews on key corporate support systems to identify areas in need of improvement. | ongoing |
| Data on areas of non-compliance used to inform Directors to enforce compliance with standards. | ongoing |
| Guidance to CMT on governance. Schedule and deliver associated training | ongoing |
| Regular compliance monitoring and active corporate support when non-compliance happens to establish better practice. | ongoing |

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Workforce Information – Q2 2022/23

| Leadership & Management | | Indicator 2022/23 | Q2 2022/23 | Q1 2022/23 |
|---|--|----------------------|--------------------------|--------------------------|
| Leadership Stability | Percentage of Senior Management positions filled by permanent WSCC employees (Excluding Vacancies) | 95% | 100% | 97% |
| | Rolling 12-month turnover percentage for permanent positions at HAY Grade (or equivalent) and above | 11% | 11% | 10% |
| Resourcing & Talent | | Indicator 2022/23 | Q2 2022/23 | Q1 2022/23 |
| Employed workforce <i>(Includes all staff directly employed by WSCC. Excludes casuals, agency, outside bodies, pensioners & partners)</i> | Total Employed Headcount <i>(total number of people employed over reporting period)</i> | Not Applicable | 5,689 | 5,567 |
| | Employed Headcount <i>(at the end of the reporting period)</i> | Not Applicable | 5,475 | 5,408 |
| | Employed FTE <i>(at the end of the reporting period)</i> | Not Applicable | 4,911 | 4,837 |
| | Number of new Apprentice starters since the start of Financial year (excluding Schools) | 113 | 52 | 14 |
| Agency (Matrix) | Total contract spend with Matrix | Not Applicable | £5,638,185 | £4,936,955 |
| | Agency (Matrix) % of Employed workforce | Not Applicable | 9% | 8% |
| Staff Turnover | Rolling 12-month turnover rate | Between 9% & 13% | 14% | 13% |
| Performance & Development | | Indicator 2022/23 | Q2 2022/23 | Q1 2022/23 |
| Performance | Percentage positive response to the Pulse Survey question: "I have regular meaningful conversations with my manager about my performance, wellbeing and support needs" | 78% | 79% (May 2022 Survey) | 79% (May 2022 Survey) |
| Learning & development | Percentage positive response to the question: "I have good opportunities to develop my skills and knowledge in line with my role and my aspirations" | 70% | 71% (May 2022 Survey) | 71% (May 2022 Survey) |
| | Staff induction completion rates | 90% | 80% | 89% |

Agenda Item 5
Appendix 5

| Wellbeing, Values & Ways of Working | | Indicator 2022/23 | Q2 2022/23 | Q1 2022/23 |
|---|--|-----------------------------|---|---|
| Behaviours & Values | Percentage positive response to the Pulse Survey question: "I am treated with dignity and respect by my work colleagues" | 87% | 91% (May 2022 Survey) | 91% (May 2022 Survey) |
| Ways of Working | Percentage positive response to the Pulse Survey question: "I am part of a supportive team where we regularly reflect on our successes and challenges enabling us to continuously improve" | 78% | 81% (May 2022 Survey) | 81% (May 2022 Survey) |
| | Percentage positive response to the Pulse Survey question: "My ideas and opinions are valued and are used to help shape the way we work and our future planning" | 73% | 74% (May 2022 Survey) | 74% (May 2022 Survey) |
| Level of sickness absence <i>(May retrospectively change due to late reporting of sickness)</i> | Rolling 12-month average number of calendar days lost due to sickness absence per FTE | 15 Calendar Days p.a. | 16.1 | 16.4 |
| | Number of calendar days lost due to short term sickness absence (less than 21 calendar days) | Not Applicable | 5,659 | 4,676 |
| | Top reason for short term absence (less than 21 calendar days) | Not Applicable | Coronavirus | Coronavirus |
| | Number of calendar days lost due to long term sickness absence (more than 21 calendar days) | Not Applicable | 12,966 | 13,144 |
| | Top reason for long term absence (more than 21 calendar days) | Not Applicable | Anxiety, Stress, Depression, Mental Health | Anxiety, Stress, Depression, Mental Health |
| Diversity & Inclusion | | Indicator 2022/23 | Q2 2022/23 | Q1 2022/23 |
| Employee Disclosure Rate | Disclosure rate for self-declaration of an employee's: disability; sexual orientation; race/ethnicity; religion | 40% | 31% | 32% |

RAG Rating Key:

R Significant Risk **A** At Risk **G** On Track

Workforce Summary Narrative

1. Of the 12 KPIs with a RAG status indicator: eight are rated 'green'; and four are 'amber'. Last quarter, there were 10 'green' and two 'amber'. The two KPIs that remain rated as amber for Q2 are:

- **Rolling 12-month average number of calendar days lost due to sickness absence per FTE.** The Q2 figure is 16.1 calendar days which is 0.3 days lower than the previous quarter but still 1.1 days above the indicator level of 15 days. Coronavirus accounts for 1,726 absence days of the total sickness absence for Q2 (9.3%). If Coronavirus is excluded from the sickness absence data, then the rolling 12-month average number of calendar days sickness per FTE drops from 16.1 days to 14.3 days. This would be below the indicator range and would result in this KPI being rated as 'green'.
- **Employee declaration disclosure rate* for diversity data***. This KPI remains 'amber' as the figure is 31%, 1% lower than in Q1 and 9% below the new indicator level for this financial year of 40% (which was raised from 30% to match our ambition and to prepare for the transition to Oracle Fusion). The fall in the percentage is due to a higher number of leavers during the quarter who had declared all four Protected Characteristics, than have been replaced by new starters, who so far, have not declared their Protected Characteristic data. The communication campaign has started to encourage staff to provide their diversity data by raising awareness of the value and importance of the data and clarifying how the data will be used. This multifaceted campaign will run over the next 6-12 months and has started with general articles in corporate communications. The success of the campaign is being tracked and it is clear from the initial phase that a more targeted approach to Directorates, Services and Teams is needed. This will also be tied-in with communications on Smartcore around the need for individuals to check and update their personal data. The declaration rate for the four individual Protected Characteristics is: 61% for Ethnic Origin; 45% for Disability; 42% for Sexual Orientation; and 32% for Religion/Belief

* This KPI combines four Protected Characteristics (Disability; Ethnicity; Sexual Orientation; and Religion) and provides the percentage of the workforce who have provided their data across all four Protected Characteristics.

2. The two KPIs that are newly rated as 'amber' for Q2 are:

- **Rolling 12-month turnover rate** has increased by 1% to 14% so has moved outside of the indicator range of 9-13%. Rolling turnover for our two largest Directorates: Children, Young People and Learning; and Adults and Health, is 17.2% and 14.2% respectively (compared to 17.6% and 13.4% respectively last quarter).
- **Staff induction completion rate.** Last quarter this KPI was rated 'green' as the completion rate was 89% (against a 90% indicator). The completion rate has fallen to 80% this quarter. A significant factor has been the completion rate in Children, Young People and Learning (CYPL) which has fallen from 87% in Q1 to 74% this quarter, which is a similar level to Q4 2021/22. Capacity and turnover issues have been a significant

factor in this drop in completion. Individual managers have been contacted, resulting in a substantial number of those staff who had not previously completed their induction, doing so and following up with those who still haven't. Another Directorate which has a reduced completion rate is Place Services where the completion rate has fallen from 93% in Q1 to 73% this quarter. An action plan to address the fall will be implemented, including robust messaging around the importance of induction.

3. The Five KPIs based on the Pulse Survey remain the same as last quarter as the last Pulse Survey was in May 2022 as such, all five KPIs remain above their indicator level.
4. Employee Headcount has increased from 5,408 to 5,475, a rise of 67. Employed FTE also increased from 4,837 to 4,911, a rise of 74. Both increases are largely related to the insourcing of staff from the Capita Shared Services contract.
5. Total sickness absence has increased from 17,820 days in Q1 to 18,625 in Q2, an increase of 805 days. The increase has been in short-term sickness absence (<21 days absence) which has increased from 4,676 days to 5,659 days (+983). Long-term sickness has reduced this quarter from 13,144 days to 12,966 days (-178). In comparison with the same quarter in 2021, total sickness absence is lower by 1,458 days (20,083 days in Q2 2021 compared to 18,625 days this quarter).
6. Despite the increase in total sickness absence, the rolling 12-month average number of calendar days sickness per FTE, which is our main indicator for sickness absence, has fallen to 16.1 days (from 16.4 days in Q1). This is 0.6 days above the indicator level of 15 calendar days per annum. This anomaly is mostly due to the rolling 12-month nature of the KPI because the quarter being replaced (Q2 2020/21) has a higher level of sickness absence – 17,409 days in Q1 2020/21 compared to 17,820 days this quarter so the number of days lost to sickness across the 12-month period has fallen. Another factor is the increase in employee headcount following the insourcing of functions from Capita.
7. The top reasons for sickness have remained the same as the previous quarter with Coronavirus being the top reason for short-term sickness absence and Anxiety, Stress, Depression, Mental Health for long-term sickness absence.

Children First Improvement Plan - September 2022

| | Full Amount Estimated | Latest Full Amount Estimated | Actual Spend In 2019/20 | Actual Spend In 2020/21 | Actual Spend In 2021/22 | Planned Spend For 2022/23 | Projected Spend In 2022/23 | Variation to Planned Spend 2022/23 | Planned Spend For 2023/24 | Planned Spend For 2024/25 |
|---|-----------------------|------------------------------|-------------------------|-------------------------|-------------------------|---------------------------|----------------------------|------------------------------------|---------------------------|---------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Temporary investment in targeted improvement | | | | | | | | | | |
| Senior Improvement Leads | 1,160 | 1,553 | 446 | 323 | 384 | 420 | 400 | (20) | 0 | 0 |
| Programme Management and support | 1,500 | 1,268 | 571 | 697 | 0 | 0 | 0 | 0 | 0 | 0 |
| Practice Improvement/Behaviour Change | 3,600 | 980 | 571 | 409 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leadership Development & Training Programmes | 500 | 566 | 0 | 141 | 425 | 0 | 0 | 0 | 0 | 0 |
| Specific Project Consultancy | 1,000 | 280 | 31 | 21 | 218 | 0 | 10 | 10 | 0 | 0 |
| Communications Lead | 55 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Complaints Officer | 75 | 22 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Neglect Strategy work | 64 | 109 | 78 | 31 | 0 | 0 | 0 | 0 | 0 | 0 |
| Casework Audits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Improvement Leads | 194 | 803 | 196 | 351 | 256 | 0 | 0 | 0 | 0 | 0 |
| Additional Corporate Posts | 0 | 98 | 0 | 79 | 19 | 0 | 0 | 0 | 0 | 0 |
| Transition to Children's Trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Extension to PMO supporting improvement work | 0 | 275 | 0 | 0 | 175 | 260 | 100 | (160) | 0 | 0 |
| Young People's Voice & Participation | 0 | 106 | 0 | 59 | 47 | 0 | 0 | 0 | 0 | 0 |
| | 8,148 | 6,060 | 1,915 | 2,111 | 1,524 | 680 | 510 | (170) | 0 | 0 |
| Temporary additional capacity (service & corporate); retention offer | | | | | | | | | | |
| Recruitment & Retention | 2,150 | 2,193 | 2,152 | 0 | 41 | 0 | 0 | 0 | 0 | 0 |
| Additional Service Posts | 611 | 5,212 | 479 | 2,726 | 1,960 | 0 | 47 | 47 | 0 | 0 |
| HR Support | 188 | 216 | 140 | 0 | 36 | 40 | 40 | 0 | 0 | 0 |
| Commissioning Support | 106 | 94 | 94 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additional Corporate Posts | 248 | 314 | 161 | 54 | 91 | 45 | 8 | (37) | 0 | 0 |
| Admin/Business Support for Social Work Teams | 150 | 120 | 0 | 120 | 0 | 0 | 0 | 0 | 0 | 0 |
| Leadership Team redesign | 386 | 350 | 157 | 193 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mosaic Improvement | 0 | 218 | 0 | 121 | 97 | 0 | 0 | 0 | 0 | 0 |
| | 3,839 | 8,717 | 3,183 | 3,214 | 2,225 | 85 | 95 | 10 | 0 | 0 |
| Contingency | 579 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary funding requirement | 12,567 | 14,778 | 5,098 | 5,325 | 3,749 | 765 | 605 | (160) | 0 | 0 |
| Permanent increase in base budget | | | | | | | | | | |
| Cover for ASYE lower caseloads | 1,000 | 1,000 | 1,220 | 1,000 | 1,000 | 0 | 0 | 0 | 0 | 0 |
| Review of Social Work Remuneration/Retention | 2,000 | 2,000 | 2,052 | 2,052 | 2,000 | 3,000 | 3,000 | 0 | 3,000 | 3,000 |
| Admin/Business Support for Social Work Teams | 700 | 700 | 30 | 178 | 700 | 700 | 700 | 0 | 700 | 700 |
| Backfill for Social Work Apprentices | 600 | 600 | 0 | 30 | 30 | 30 | 30 | 0 | 30 | 30 |
| Workforce Retention Initiatives (staff parking; pool) | 350 | 350 | 23 | 300 | 250 | 250 | 250 | 0 | 250 | 250 |
| Additional Service Posts | 337 | 337 | 215 | 363 | 472 | 542 | 542 | 0 | 542 | 542 |
| Leadership Team redesign | 151 | 151 | 204 | 204 | 204 | 204 | 204 | 0 | 204 | 204 |
| Transfer of work to Customer Services | | | 0 | 0 | 145 | 145 | 145 | 0 | 145 | 145 |
| Additional Corporate Posts | | | 0 | 0 | 57 | 57 | 57 | 0 | 57 | 57 |
| SLT central support team | | 235 | 0 | 0 | 235 | 235 | 235 | 0 | 235 | 235 |
| Additional Social Work apprentices | | | 0 | 0 | 105 | 210 | 210 | 0 | 210 | 210 |
| | 5,138 | 5,373 | 1,692 | 4,127 | 5,198 | 5,373 | 5,373 | 0 | 5,373 | 5,373 |
| Contingency | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Permanent funding requirement | 5,138 | 5,373 | 1,692 | 4,127 | 5,198 | 5,373 | 5,373 | 0 | 5,373 | 5,373 |
| Totals | 17,705 | 20,151 | 6,790 | 9,452 | 8,947 | 6,138 | 5,978 | (160) | 5,373 | 5,373 |

Notes:

- The above Improvement Plan monitor is split into two sections:
 - Temporary funding requirement, and
 - Permanent funding requirement.
- The 2022/23 underspend projected is included within the overall Children and Young People's in-year portfolio projection.

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| Phase 1 Summary | Total Improvement Plan Amount Estimated | Improvement Plan Expenditure | | | | Continuous Improvement |
|--|---|------------------------------|----------------------|----------------------|-----------------------|------------------------|
| | | Actual Spend 2019/20 | Actual Spend 2020/21 | Actual Spend 2021/22 | Planned Spend 2022/23 | Planned Spend 2022/23 |
| | | £000 | £000 | £000 | £000 | £000 |
| Temporary Investment | | | | | | |
| Wellbeing Advisor/Lead - initial two year fixed term contract | 38 | 0 | 38 | 0 | 0 | 0 |
| Employers Network for Equality Inclusion – 15 workshops and report | 18 | 12 | 6 | 0 | 0 | 0 |
| Uniform Replacement - One-off to allow for, better fit for females and cultural identity changes | 158 | 0 | 51 | 0 | 107 | 0 |
| Programme Support Officer x 2 | 76 | 0 | 76 | 0 | 0 | 0 |
| | 290 | 12 | 171 | 0 | 107 | 0 |
| Contingency | 0 | 0 | 0 | 0 | 0 | 0 |
| Permanent Increase in Base Budget | | | | | | |
| Prevention Manager | 155 | 23 | 66 | 66 | 0 | 66 |
| Area Manager Protection | 371 | 48 | 178 | 145 | 0 | 145 |
| Diversity and Inclusion Advisor for FRS | 131 | 23 | 54 | 54 | 0 | 54 |
| Workforce Engagement Lead | 126 | 0 | 63 | 63 | 0 | 63 |
| High Risk Safe and Well Visit Specialists x 3 | 206 | 31 | 91 | 84 | 0 | 84 |
| Protection Officers | 637 | 51 | 292 | 294 | 0 | 294 |
| Prevention, Protection, Quality Assurance Trainers | 439 | 23 | 205 | 211 | 0 | 211 |
| Ops Assurance Performance & Audit | 174 | 26 | 73 | 75 | 0 | 75 |
| Crewing Office | 182 | 26 | 75 | 81 | 0 | 81 |
| FRS HMI Performance Manager | 158 | 28 | 65 | 65 | 0 | 65 |
| Reinstate Watch Manager B payments to Hay A's - 60 FTE | 540 | 150 | 195 | 195 | 0 | 195 |
| Farynor IT system annual costs and Licences | 410 | 106 | 164 | 140 | 0 | 140 |
| Assistant Chief Fire Officer | 72 | 0 | 27 | 45 | 0 | 45 |
| Organisational Assurance Manager, Assistant & BA | 313 | 12 | 121 | 180 | 0 | 180 |
| IT equipment and vehicles for additional FTE | 252 | 0 | 152 | 100 | 0 | 100 |
| FRS training budget for protection competency training (for dedicated protection staff) | 112 | 24 | 44 | 44 | 0 | 44 |
| FRS training budget to ensure competence in protection and prevention training (for all appropriate staff) | 76 | 6 | 33 | 37 | 0 | 37 |
| FRS branding and values embedding budget | 73 | 7 | 36 | 30 | 0 | 30 |
| Other | 137 | 37 | 0 | 100 | 0 | 100 |
| Organisational Development Manager | 167 | 19 | 83 | 65 | 0 | 65 |
| HR Advisor | 117 | 19 | 58 | 40 | 0 | 40 |
| | 4,848 | 659 | 2,075 | 2,114 | 0 | 2,114 |
| Total | 5,138 | 671 | 2,246 | 2,114 | 107 | 2,114 |
| Available Funding | | | | | | |
| Base Budget Funding | 3,967 | 400 | 1,971 | 1,596 | 0 | 1,596 |
| Base Budget Funding (Approved as part of 2021/22 Budget) | 518 | 0 | 0 | 518 | 0 | 518 |
| One off Funding | 100 | 0 | 100 | 0 | 0 | 0 |
| Fire Improvement Reserve Funding | 553 | 271 | 175 | 0 | 107 | 0 |
| Total Funding Available | 5,138 | 671 | 2,246 | 2,114 | 107 | 2,114 |

Notes:

As at 1st April 2022, the Fire Improvement Reserve contained £0.107m. This funding has subsequently been drawn to fund the final one-off elements of the Improvement Plan.

For presentation purposes, on-going service improvement plan expenditure, implemented in previous years, has been reported within the 'Continuous Improvement' column from 2022/23.

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Proposed Amendments to KPIs on the Council Plan

| Existing Measure Description | Existing Baseline (Date) | Existing 2022/23 Target | Existing 2023/24 Target | Existing 2024/25 Target |
|--|--|--|--|--|
| Outcomes of safeguarding risk – where a risk was identified, the outcome/expected outcome when the case was concluded for Section 42 enquires (% where risk remains). | 8.6% 2020/21 | 7% | 6% | 5% |
| Proposed Measure Description | Proposed Baseline (Date) | Proposed 2022/23 Target | Proposed 2023/24 Target | Proposed 2024/25 Target |
| Outcomes of safeguarding risk – where a risk was identified, the outcome/expected outcome when the case was concluded for Section 42 enquires (% where risk remains). | 10% WS results for 2020/21 7.4% for Q1 2022/23 | Remain below national average (8.26% 2020/21) | Remain below national average (8.26% 2020/21) | Remain below national average (8.26% 2020/21) |
| <p>Business Case for Change</p> <p>A change to the current target is in recognition of an increase in demand of safeguarding concerns and cases progressing to an enquiry (section 42), complexity and an increase in the volume of cases where risk remains at the end of the process. This is supported by a higher national benchmark, factors which were not visible at the time the 2022/23 target was set. Having benchmarked performance against National and South East results, Adult Social Care are proposing a change to the target to keep WSCC in line, and under, the national average of 8.26%. This is an increase from the original 7% target for 2022/23, while this change will shift the Q1 result from 'Red' to 'Green', the service are currently predicting a downturn in Q2 performance (approx. 9.47%) in light of the factors above.</p> | | | | |

Proposed Amendments to KPIs on the Council Plan

| Existing Measure Description | Existing Baseline (Date) | Existing 2022/23 Target | Existing 2023/24 Target | Existing 2024/25 Target |
|--|--------------------------|-------------------------|-------------------------|-------------------------|
| Fire Safety Order regulated buildings in West Sussex having received an audit under the Risk Based Inspection Programme. Measured cumulatively in each financial year, from 1st April. | 841 (2021-22) | 1,750 | 1,750 | 1,750 |
| Proposed Measure Description | Proposed Baseline (Date) | Proposed 2022/23 Target | Proposed 2023/24 Target | Proposed 2024/25 Target |
| Fire Safety Order regulated buildings in West Sussex having received an audit under the Risk Based Inspection Programme. Measured cumulatively in each financial year, from 1st April. | 841 (2021-22) | 1,000 | 1,000 | 1,000 |

Business Case for Change

This target has been revised based on a number of factors. Firstly, the impact of changes in legislation following the Grenfell Tower Fire and the wider demands on our staff to support the building safety regime have reduced the time that firefighters have available to undertake Fire Safety Audits. Secondly, the original target was based upon a staffing model that has been significantly affected by a surge in demand within the private sector which is affecting our ability to recruit and retain competent staff. This surge in turnover and a new requirement to operate in-line with the national competency framework and meet the requirement of the Fire Standard for Fire Protection means our existing fully competent fire safety staff are required to mentor less qualified staff which reduces their capacity and some are required to undertake further training away from the workplace in order to attain the appropriate qualifications.

The new target has been revised to ensure a more sustainable level of performance that will continue to reduce risk through the activity of audits with our risk-based inspection programme. In the long term this will, alongside firefighter fire safety and primary authority schemes, deliver sustainable growth in performance both in terms of output and HMI judgement criteria. This new target is in place for Q2 reporting within the WSFRS Core Measures.

Proposed Amendments to KPIs on the Council Plan

| Existing Measure Description | Existing Baseline (Date) | Existing 2022/23 Target | Existing 2023/24 Target | Existing 2024/25 Target |
|---|--------------------------|-------------------------|-------------------------|-------------------------|
| Percentage of suspected scam victims, identified to WSCC by the National Trading Standards Scams Team, receiving a pro-active intervention from the Trading Standards Service. | 100% June 2022 | 100% | 100% | 100% |
| Proposed Measure Description | Proposed Baseline (Date) | Proposed 2022/23 Target | Proposed 2023/24 Target | Proposed 2024/25 Target |
| REMOVE | N/A | N/A | N/A | N/A |
| <p>Business Case for Change</p> <p>Due to matters beyond our local control, we will no longer be receiving the quantity of new referrals from the National Trading Standards Scam team around which this performance measure was based. Therefore, it is not a robust Protecting The Vulnerable KPI moving forward that reflects the work of the Trading Standards Service in this area.</p> <p>Currently looking to develop a KPI based around the effectiveness of scam prevention visits that the Service will be proactively undertaking to households that have been identified to us by Fire and rescue Service and their programme of 'safe and well' visits.</p> | | | | |

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Performance and Finance Scrutiny Committee

28 November 2022

Council Plan and Medium Term Financial Strategy

Report by Director of Law and Assurance

Summary

The attached report was provided by the Interim Director of Finance and Support Services and outlines the Council's integrated council planning and budget setting for 2023/24. It outlines the current situation in relation to the estimated financial position of the County Council and reflects the priorities agreed in the Council Plan agreed in February 2022.

The report sets out the internal and external context for the Council Plan including progress made on the improvement journey and the demands faced in delivering services in a changing national context. It reviews and updates the Medium Term Financial Strategy (MTFS) for the next four years. It considers the primary sources of funding and reviews and updates the assumptions in the strategy. These sources of funding include government grants, business rates, and council tax. The report outlines the uncertainty of future government funding and the potential impact of government initiatives. Key pressures and challenges facing our services are also considered including inflation and service demand pressures.

The budget gap before further savings have been identified is £43.5m over the next four years, as shown in table 2 of the attached report. This is a decrease of £19.9m since the budget was agreed in February 2022. The budget gap for 2023/24 is currently £5.6m.

The forecasts will be updated throughout the autumn as the budget for 2023/24 is set.

Focus for scrutiny

The Committee is asked to scrutinise the content of the report setting out the Council Plan and Medium Term Financial Strategy of the County Council. Key lines of enquiry for scrutiny include:

- That the progress made in achieving the aims/objectives of the Council Plan are on target.
- That the work underway to refresh the Council Plan takes into account both internal and external factors to ensure it remains relevant and appropriate.
- That the MTFS considers the implications of national changes on the County Council's financial position, including those related to the continuing Covid-19 pandemic, and that these are monitored to ensure the Council's financial position is understood and amended as necessary.
- That the financial position of the Council is clearly set out and any growth and/or savings requirements are identified.

- That the inflationary pressures are understood and adequately reflected in the MTFS.
- That the assumptions being made when setting out the MTFS are clear.
- That the objectives of the Council Plan are reflected in the available financial envelope.
- That there is sufficient information in terms of risks and how these will be managed and mitigated.

The Chairman will summarise the output of the debate for consideration by the Committee.

Details

The attached report sets out the priorities for the Council Plan and the financial position of the County Council over the next four years. The report shows that there is currently an estimated budget gap of £5.6m for 2023/24.

The report has been written ahead of the Autumn Budget and Spending Review announcement which is expected on 17 November, any significant changes as a result of that will be highlighted at the meeting. It is important for Members to recognise the particularly challenging circumstances for setting the budget this year with a number of uncertainties around funding including the social care, Business Rates and fair funding reviews. The MTFS is therefore based on a number of assumptions, as detailed in the attached report, which will be reviewed as the budget is developed.

The background and context to this item for scrutiny are set out in the attached Appendix. As it is a report dealing with internal financial matters only the Equality, Human Rights, Social Value, Sustainability, and Crime and Disorder Reduction Assessments are not required.

Tony Kershaw

Director of Law and Assurance

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Appendices

Annex - Council Plan and Medium Term Financial Strategy

Background papers

None

Performance & Finance Scrutiny Committee

28 November 2022

Council Plan and Medium Term Financial Strategy

Report by Interim Director of Finance and Support Services

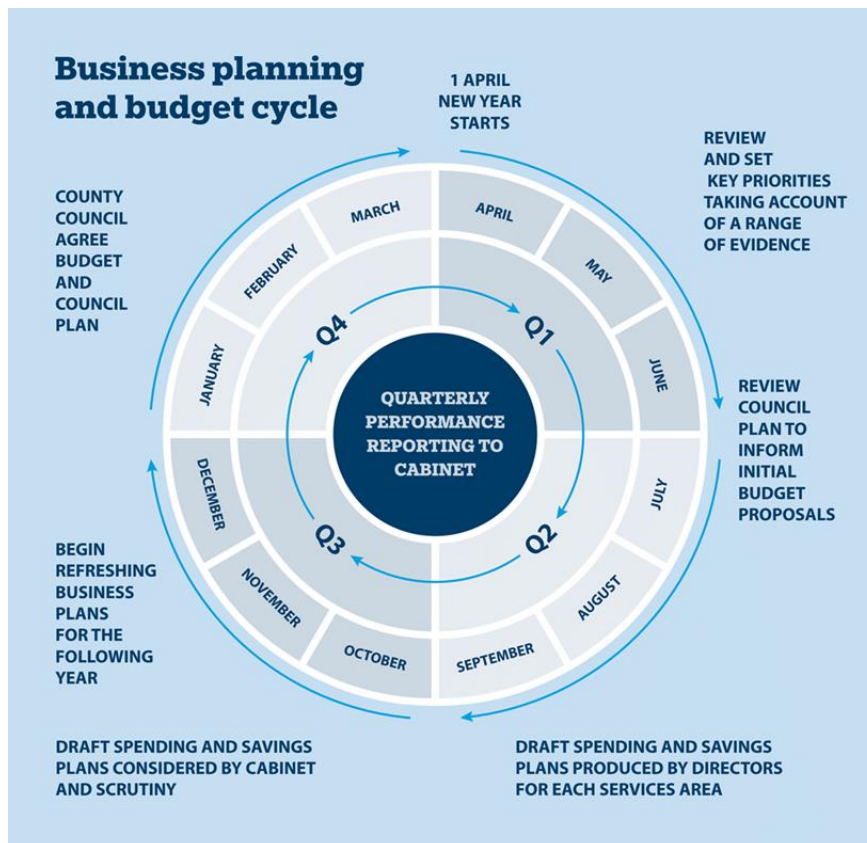
Summary

This report sets out the Council's integrated council planning and budget setting for 2023/24. It provides a comprehensive update on the position and progress towards delivering a balanced budget for 2023/24 as well as reporting the future years' budget gap and challenges over the Medium Term.

1 Integrated Council planning and budget setting

- 1.1 Our integrated business and financial planning process has been running for two years, bringing together business planning, financial planning and risk management processes. It provides the framework for the County Council's decision making and planning to ensure we are focused on priority outcomes, making the best use of the resources available and able to track delivery and value for money. The Council Plan, revenue budget and capital programme are fully integrated through our business planning process. This ensures that the implications of choices that need to be made in the face of changing national policy and operating environment, resource and demand challenges and other uncertainties can be considered together.

1.2 The annual process is as follows:



1.3 The process for 2023/24 started with a stocktake on the Council Plan in the context of the anticipated operating environment and a refresh of the Medium Term Financial Strategy. From this, work has been going on over the Summer to review the Council's strategic ambitions and priorities and identifying areas for improvement, change and savings.

The context for 2023/24

Internal Context

1.4 When the Council Plan was first agreed in early 2020, the major focus for West Sussex County Council was a significant improvement challenge on several fronts. Two years on we have made considerable progress and will need to continue to do so:

- Children's Services is three years into its Children First programme, with significant progress demonstrated by the Government's decision in March 2022 not to require the Council to create a Trust and positive feedback from 6-monthly OFSTED monitoring visits. The next full inspection is expected in early 2023. The focus over this year will be on embedding new practices and delivering the benefits and savings.
- The Fire & Rescue Service is three years into its improvement programme, with significant progress shown in the most recent inspection report published in July 2022. The Community Risk Management Plan agreed in February 2022 confirms the service's future operating model and provides the framework for continuing improvement.

- Adult Social Care is shaping up its improvement programme, with the foundations of a new Strategy agreed in February 2022 and significant plans which are being progressed ahead of an anticipated CQC inspection.
- In parallel with service-specific improvements, the Council has transformed its governance, strengthened its partnerships and corporate capacity and started to improve corporate processes and culture – all while continuing to respond agilely to the global pandemic and other unforeseen events.

1.5 Currently, as well as delivering and embedding improvements, our services are working to adapt to a range of potential Government policy and legislative changes over the coming years, notably:

- in adult social care the timing of the introduction of the proposed cap for self-funders remains as October 2023, with CQC inspections of local authorities expected to start late in 2022 and implementation of various White Papers impacting directly on our services and on working with the NHS as the new Integrated Care Systems (ICS) beds in;
- in children's services and education, the implementation of the plans set out in Education and SEND White Papers, as well as the Independent Review of Children's Services Social Care and White Paper that is expected to follow this;
- implementation of the Fire & Rescue White Paper;
- the enacting of separate food waste recycling requirements in the Environment Act 2021;
- the policy direction established in the Levelling Up White Paper being followed through in further policy and funding decisions and the move towards County Deals in all areas that want them by 2030 and understanding the impact of the recently announced [Growth Plan](#), particularly the implementation of Investment Zones;
- the anticipated significant adverse consequences for the County Council when the Funding Review is progressed – though this is now expected to be delayed for at least two years.

1.6 There remains significant uncertainty around which of these reforms will be maintained by the new Prime Minister and which will change as policy thinking of the new government develops.

1.7 The County Council will also be delivering several major corporate change programmes in 2022/23:

- SmartCore – moving our finance, HR, payroll, procurement and contract management systems from SAP to Oracle, supporting greater self-service, automation;
- The Capita Support Services Outsource (SSO) contract has concluded and we are delivering a range of consequential business change programmes on IT, customer services, website and intranet; and
- Our Smarter Working programme will move the organisation to a post-pandemic model of hybrid working that prioritises business needs while enabling us to offer more flexible working options to support recruitment and retention, staff wellbeing, reducing emissions from commuting and enable us to rationalise our estate and reduce business overheads. We are exploring if this work can be expedited in light of the continued high cost of energy.

External context

- 1.8 It is unclear yet how significantly the change in Prime Minister and Government will impact on central government's priorities and funding. Early announcements have included funding in response to energy price increases for public sector organisations as well as schools and a £500 million Adult Social Care Discharge Fund. The proposed reversal of the National Insurance rise has been confirmed but the government has also announced it will be working with local government to deliver the 'cap and means test' reforms by October 2023, that the NI raise was due to fund. The Chancellor delivered a "mini budget" on 23 September setting out the Government's plans for growth and announced a number of changes to tax rates. A further statement is anticipated later this month (date still to be confirmed) which will set out details of the Government's Medium Term Financial Plans.
- 1.9 The cost of living has been rising across the UK since early 2021. Rising prices particularly for food, energy and fuel are already affecting households. The Office of Budget Responsibility expects household incomes after tax and adjusted for inflation to start falling in Q2 2022 and not recover until Q3 2024. Whilst growth in employees average total pay increased by 5.5% in the period May – July, in real terms over the year total pay fell by 2.6%.
- 1.10 The post-pandemic economic conditions have been exacerbated by the war in Ukraine and inflationary pressures. On 14 September it was announced that UK inflation rose by 9.9% in the 12 months to August, slightly down from 10.1% in July. The fall in fuel prices was the main reason behind the decrease from 10.1% seen in July with rising food prices being the main reason the overall inflation figure has remained high. The Bank of England Monetary Policy September Report forecasted inflation to be just under 11% in October and remain over 10% for the following few months before starting to fall back.
- 1.11 Inflation is being driven by rises in energy prices. Government predicts the interventions announced to reduce the impact of spiralling cost of energy could reduce inflation by 4-5% but currently there is limited detail on how the interventions will be delivered and funded. Inflation places significant pressure on the County Council's finances, as well as on residents, businesses and the local economy as money does not go as far as costs rise. The County Council continues to focus spend on those areas that contribute to the delivery of the County Council's priority outcomes.
- 1.12 Growing recruitment and retention challenges over recent years are expected to continue and may be further exacerbated by the wider job market conditions. Particular areas of pressure are social workers, care workers and occupational therapist; planners, property, transport and development experts; and lawyers. Cost of living pressures and tighter job market means that there is significant competition in roles across services, which is having impact on our ability to recruit to or retain – and we expect this will only get more challenging in the short to medium term.
- 1.13 Data from the 2021 Census shows that the West Sussex population increased by 9% between 2011-2021, to 882,700. This is a higher increase than for our neighbours: Brighton & Hove 1.4%, East Sussex 3.6%, Hampshire and Surrey

6.3%. The county has a higher proportion of over 65-year-olds than the national and regional averages, making up 23% of the population, up from 20% in 2010. Our population is currently forecast to grow to 924,000 by 2030, at 11.7% at a higher rate than England (9%) or the Southeast (7.6%). Over 65s will continue to see the highest growth rates.

- 1.14 The COVID-19 pandemic continues to have an impact. In March 2022, Professor Sir Chris Whitty's expectation was that the virus would become, over time, steadily less dominant but probably remain with seasonal, interspersed, flare ups due to new variants for the next 2-3 years. Vaccines are expected to continue to make the likelihood of further stringent restrictions low, but we will be continuing to adapt to living with Covid, with a further booster programme for various groups rolled out in the autumn of 2022. The knock-on impacts will be felt including pressures on health and care services due to heightened demand from the virus, backlogs and the longer-term implications on mental health, isolation, etc. Other post-pandemic factors will also continue to unfold, such as the move to more home/hybrid working and increased use of digital ways of connecting and accessing services.
- 1.15 The government have announced a review of Net Zero, chaired by Chris Skidmore MP which is focusing on ensuring that delivering the 2050 target does not unduly impact on businesses, consumers or economic growth, to report by the end of 2022. COP27 will take place in Egypt in November 2022. At COP26 governments were asked to 'revisit and strengthen' their 2030 national emission reduction targets for this, which the UK has committed to do. Any implications for local authorities will emerge during this year. In the meantime, the impacts of the climate change agenda in West Sussex will continue to grow including on the delivery and maintenance of infrastructure, the delivery of new homes and developments particularly given water neutrality requirements, the need to respond to more serious weather events and flooding, increased risks to vulnerable people e.g. through more extreme hot weather events, and in differing ways to our economy e.g. salad or wine growing, tourism and the potential for new green businesses and jobs.
- 1.16 The next General Election will need to be called no later than December 2024. In May 2023, there will be elections in all West Sussex Districts and Boroughs except Adur and the next County Council elections will be in May 2025.
- 1.17 Many of our partners will also be facing significant changes over the coming year especially in relation to demand and cost of providing services. Borough and District colleagues are facing particular challenges in relation to Homelessness and Temporary Accommodation. The first year of the Sussex Integrated Health & Care System (ICS), the changing role of LEPs in the light of the Levelling Up White Paper and reduced funding are also important.

2 Our Council Plan – refresh proposals

- 2.1 [Our Council Plan 2021–2025](#) sets out four priorities, with an underlying commitment to climate change action:
- Keeping people safe from vulnerable situations
 - A sustainable and prosperous economy
 - Helping people and communities fulfil their potential

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➤ Making best use of assets.

- 2.2 These have remained unchanged since the plan was created in 2021, although for 2022/23 the narrative in the plan and some of the key performance indicators (KPIs) and associated targets were updated.
- 2.3 By the end of 2021/22, we have seen progress in many key service indicators, hitting or exceeding a number of targets including on adult social care assessments, the quality of education in our schools, emergency response times for fires, digital library services, support provided through the Community Hub, carbon emission reductions, recycling, reducing the size of our operational estate, creating new cycle paths, supporting businesses, increasing gigabit-capable connectivity and uptake of flu vaccines. Many other areas are showing progress, even if we are not yet at the level of performance that we have set ourselves.
- 2.4 The start of 2023/24 will be the halfway point in this Council Plan. The combination of the progress we have made so far and are expecting to make this year on our improvement programmes and against our performance targets, together with the wider developments in our operating environment (particularly inflationary pressures) and challenges and opportunities these create, make the time ripe to take stock more fully of whether our Council Plan is still appropriately focused.
- 2.5 The driving focus behind the work in the first two years of our Plan has been to deliver and embed improvements in services that improve outcomes and deliver better value for our expenditure. While this work will not be complete and will continue to require commitment, our track record of progress increases our credibility and confidence and provides an impetus to review our narrative and aspirations.
- 2.6 Keeping a rigorous and relentless focus on our own service responsibilities, ensuring they remain responsive to needs particularly in the face of changing demands and requirements and making best use of our resources, must remain our top priority. This is especially important as we seek to prioritise our spending as inflation increases our costs, and to ensure that our services respond flexibly and appropriately to cost of living and energy price pressures.
- 2.7 The Levelling Up White Paper set expectations about a move towards County Deals for most counties by 2030, as well as signalling a range of challenges for our county as government focus and funding is deliberately shifted away from the South East. Given the change in Prime Minister, it remains to be seen how the levelling up agenda and the approach to funding choices will evolve, particularly given the recently announced Growth Plan.
- 2.8 The first County Deals have been signed, but it is not yet clear whether further waves will be progressed as originally planned. New low-tax low-regulation investment zones have been trailed, with more information needed to clarify how these will fit into the new government's growth agenda. The County Council will continue to work with district and borough partners to develop and deliver an economic strategy to deliver growth in the County, building on existing collaboration through Growth Deals and pooled business rates. We are also collaborating at a pan-Sussex level on a number of economic issues, where it makes sense to do so – notably on skills and the visitor economy, as well as more widely on transport and infrastructure through Transport for the South

East. This work will provide a sound basis for conversation with government about a possible County Deal or other opportunities – when the time is right.

- 2.9 While our Council Plan needs to be updated to reflect these changes in national policy and our planning needs to reflect inflationary pressures, and the impact of the cost of living and energy price rises on our residents, businesses and communities, we are not proposing changes to the four overarching Council Plan priorities and underlying commitment to climate change. These are still relevant strategic focuses and continuity provides valuable clarity for our stakeholders, partners and staff.
- 2.10 We are planning to update economy objectives that sit within the priorities to reflect the current economic challenges and will review other objectives and KPIs to ensure alignment with our latest strategies and improvements (e.g. Adults Social Care Strategy, Fire & Rescue's Community Risk Management Plan). We will also review targets to ensure they remain relevant and reflective of our ambitions, capacity and resources, given the impacts of inflationary pressures. This will include making relevant comparisons to other councils where possible.
- 2.11 The challenging operating environment and change in Prime Minister means that effective lobbying will also continue to be important, working with local MPs, South East 7, County Councils Network and others as relevant.

3 Medium Term Financial Strategy (MTFS)

- 3.1 The Medium-Term Financial Strategy (MTFS) underpins the development of the budget proposals submitted to the Full Council for approval in February each year. The MTFS looks at the financial outlook for the next four years, with a particular focus upon the next financial year, recognising that the level of uncertainty about funding and expenditure issues increases with time. This section of the report sets out the current position, including details of the current projected budget gap for 2023/24 and the factors that are impacting further financial planning, whether local or national, ahead of proposing a balanced budget in February 2023.
- 3.2 The MTFS is developed upon a foundation of **broad budget principles** which are used to set the priorities from a financially prudent perspective:
- The budget will support the priorities of the Our Council plan and reflect the need for comprehensive service improvement and redesign over the medium term.
 - The Council's financial planning for revenue and capital will cover a period of at least four years.
 - The budget will be sustainable in future years.
 - There will not be reliance on reserves.
 - Any use of reserves to balance the budget will be repaid.
 - Estimates will be used for pay and price inflation.
 - Demographic pressure will be reflected in the budget.
 - Any future loss of specific government grant will result in the same level reduction in expenditure on outcomes previously financed by the grant.
 - The budget process will seek to ensure the Council is providing value for money, increased productivity and is clear about return on investment.

- 3.3 All authorities are required by statute to set a balanced budget each financial year, consequently any budget gap between the available funding and the proposed level of expenditure needs to be bridged.
- 3.4 Throughout the last few months, the key assumptions underpinning the 2022/23 MTFS have been kept under review but there remains significant uncertainty around these as detailed below.

Inflation

- 3.5 Inflation continues to run at elevated levels and the inflation rate is well in excess of the estimates made in the February 2022 budget, which were based on October 2021 Office for Budget Responsibility (OBR) forecasts of 3.7% for the 2022/23 financial year. In recognition of the cost of living crisis and its continuing impact the following updates have been reflected in the MTFS:

- **Price inflation:** Additional provision has been included to reflect increased costs for high value contracts (for example, street lighting and waste) in 2022/23, based upon the latest rates for the specific indexing included within the contract. For 2023/24, in recognition of expectations that inflation will remain high, the MTFS includes a provision for price inflation based upon the Bank of England forecasts set out in the August 2022 Monetary report.

An inflationary increase is also expected for business rates and currently this assumption is also based on Bank of England forecasts. Should government apply a lower level of inflation, this is likely to result in increasing the budget gap. Confirmation of funding will be published in the Local Government Settlement later in the year.

- **Pay inflation:** The local government national employers announced their final pay offer for NJC staff as an increase of £1,925 per FTE on all NJC pay points. A high-level calculation estimating the potential financial impact of the NJC employer proposal and assumed similar stance for other pay bodies has been undertaken. It is anticipated a further £4.5m will be required for 2022/23 and this is assumed in the current budget figures, however the actual value will be dependent on the outcome of the current pay negotiations taking place and number of staff within each cohort. For 2023/24 the current pay inflation assumption is 4%.
- **Fees and Charges:** Services are currently reviewing the individual fees and charges to assess the inflationary increase that can be applied. Following these reviews, the general level inflationary increase will be confirmed as part of the budget report.

Based on the above there is currently a provision of £52.7m for pay and price inflation. Over the coming months inflation will be monitored and a further update will be undertaken following the release of the OBR economic forecasts which are expected as part of the Government statement on the Medium Term Fiscal Plan later this month.

- 3.6 Aside from inflation, there are a number of other key financial risks facing the Council:

- Dedicated Schools Grant (DSG) Deficit – in March 2023, the DSG statutory override, which has required local authorities to separate DSG deficits from local authority reserves, is due to cease. Whilst we await clarity on the future accounting treatment, it is expected that the statutory override will be extended, and this is assumed within the MTFS position. Should the statutory override cease in March 2023, there is no solution, as of now, other than the Council funding the historical DSG deficit and the ongoing shortfall being built into the MTFS. The deficit reported at the end of 2021/22 was £25.5m which would need to be funded from reserves and the current assumption is that the deficit will continue to grow by around £12.0m each year which would increase the current budget gap by some £48.0m across the MTFS period.
- Adult Social Care Reform – the Government’s reforms are due to take effect from 1st October 2023. Since the cost of these will be significant, they create substantial financial risk for all local authorities with adult social care responsibilities because Government has not committed to fund the additional spending in full. At this stage too little is known about the factors that will drive expenditure, particularly in relation to the new means test, to make it possible to produce an accurate cost estimate. For 2023/24 the County Council’s broad order forecast is £30m to £35m. The level of funding that Government will provide is not expected to be confirmed until the Local Government Financial Settlement is announced. Based on options that were recently the subject of consultation, the range in outcomes spanned cost neutral in a best-case scenario to a shortfall of around £9m in a worst-case scenario. Given the scale of that variation, none of this is helpful in a planning context, so this is the approach on which the MTFS is currently based:
 - An assumption that costs will be met fully from government;
 - Alongside this the Adult Social Care Risk Reform Reserve was increased to £20m through a decision made in the June PRR. The purpose of this is to mitigate the immediate funding risk that the County Council faces and to allow the MTFS response to the reforms to be based on an informed understanding of the financial impact that they bring.
- Government Funding 2023/34: funding remains very uncertain. Current assumptions assume the funding for 2022/23 will be rolled over into 2023/24 and an inflationary increase for business rates is assumed as detailed in paragraph 3.5. Additionally, it has been assumed that the 2022/23 Services Grant of £5.5m will continue until the Fair Funding Review is implemented. This sum will be at risk if government chose to distribute this funding differently. Government funding and Council Tax flexibilities for 2023/24 will be confirmed as part of the provisional local government settlement in mid-December (a 1% increase in Council Tax would generate an estimated £5.4m).
- Fair Funding Review: our funding assumptions have been updated to assume the fair funding review is further delayed to 2025/26 and the funding for 2022/23 will be rolled over into 2023/24 and 2024/25. From 2025/26, a baseline reset is assumed and business rate growth and s31 cap compensation is redistributed nationally. This is also a high risk assumption and will be updated as the picture becomes clearer.

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- 3.7 Given our continuing demand pressures, the level of uncertainty in future funding and the absence of multi-year settlements from the Government, effective lobbying with local, regional and national partners to ensure the Government understands the needs of West Sussex residents, businesses and communities will be key.
- 3.8 Table 1 below outlines the current basis of the key funding streams and also the inflation assumptions for pay and price increases:

Table 1 – Key assumptions underpinning the review of the MTFS

| Key Assumption | Financial Implications |
|---|--|
| Government funding will be the same as in 2022/23 | That there will not be additional unfunded financial burdens placed upon local government. |
| Fairer Funding – Settlement Funding Assessment | Pressures resulting from the implementation of changes to the distribution methodology move from 2023/24 to 2025/26. |
| Business rates / s31 compensation grant | Business rates assumed as per 2022/23 forecasts from districts and boroughs and S31 compensation grant reflects an assumed uplift in line with Bank of England forecasts. |
| Covid-19 | Assumes existing grant funding will provide the necessary cost resilience. |
| Council Tax | That the current cap on increases in Council Tax (1.99%) will be maintained across the years of the MTFS. For 2023/24 and 2024/25 an additional 1% adult social care precept is assumed. |
| Collection Fund | Any future deficits will be funded through the Business Rates and Collection Fund Smoothing Reserve |
| Taxbase | That the number of households will grow by 1.5% for the duration of the MTFS |
| Social Care Funding Grant | That this will be maintained at the 2022/23 level £25.8 million. |
| Services Grant | That this grant will continue at the 2022/23 level of £5.5m until the funding review takes place (assumed 2025/26) |
| New Homes Bonus | One-off sum of £1.0m |
| Financial Implications of Our Plan for Health and Social Care | It is assumed that further costs associated with implementing the process changes and financing additional |

| | |
|-----------------|---|
| | costs will be met by government funding. In addition, the Adult Social Care Risk Reform Reserve is available to mitigate any immediate funding risk. |
| Pay Inflation | Assumes pay inflation for 2022/23 in line with latest offer for NJC staff, 4% for 2023/24 and 2% thereafter. |
| Price Inflation | Additional inflation has been included for high value contracts for 2022/23 based on the latest rates for the specific indexing included within the contract. For 2023/24 onwards, inflation is assumed in line with Bank of England forecasts. |

3.9 The MTFS has been refreshed to reflect the assumptions as outlined above and the projected budget gap for the years of the 2023/24 MTFS is set out in Table 2 below. This shows a total gap before further savings of £43.5m, which is a decrease of £19.9m when compared to the total gap of £63.4m presented to the County Council in February 2022. The movement reflects savings and efficiencies as well as changes to assumptions for funding streams, inflation and service pressures.

Table 2 – Budget Gap for the years of the 2023/24 MTFS

| | 2023/24 £m | 2024/25 £m | 2025/26 £m | 2026/27 £m |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Funding | | | | |
| Council Tax | 556.8 | 582.0 | 602.5 | 623.7 |
| Settlement Funding Assessment/ Business rates | 101.4 | 102.4 | 93.9 | 90.5 |
| Non-Portfolio Specific Grants | 26.8 | 25.8 | 25.8 | 25.8 |
| Services grant | 5.5 | 5.5 | | |
| Total Funding | 690.5 | 715.7 | 722.2 | 740.0 |
| Opening Expenditure | 648.3 | 690.5 | 715.7 | 722.2 |
| Inflation | 52.7 | 20.5 | 14.6 | 15.1 |
| Service Pressures | 17.3 | 16.8 | 12.2 | 12.2 |
| Other corporate changes | -6.0 | 6.5 | 5.3 | 4.8 |
| Total Expenditure | 712.3 | 734.3 | 747.8 | 754.3 |
| Budget Gap (before any savings) | 21.8 | 18.6 | 25.6 | 14.3 |
| Savings proposed | -16.2 | -7.5 | -10.0 | -3.1 |
| Budget Gap (net of savings) | 5.6 | 11.1 | 15.6 | 11.2 |
| Cumulative Budget Gap | 5.6 | 16.7 | 32.3 | 43.5 |

Note: numbers have been rounded within Table 2

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- 3.10 The 2023/24 budget gap previously reported at February County Council was a budget gap of £25.7m, a summary of the movement in the budget gap is shown in table 3:

Table 3 – movement in budget gap

| | £m |
|--|--------------|
| Budget gap as reported at February County Council | -25.7 |
| <i>Funding changes:</i> | |
| Tax base change 1.0% to 1.5% | 2.7 |
| Baseline Funding (Fair Funding rolled forward a year) | 5.3 |
| S31 grant - updated to reflect current inflation indices | 22.1 |
| Services Grant - continued until FFR | 5.5 |
| New Homes Bonus - additional 1 year allocation | 1.0 |
| <i>Inflation:</i> | |
| Pay inflation | -9.6 |
| Price inflation | -24.9 |
| To be managed by contingency in 22/23 | 2.9 |
| Service Pressure changes | -1.1 |
| Updated Budget Gap | -21.8 |
| Savings identified | 16.2 |
| Current Budget Gap | -5.6 |

4 Service Pressures and Savings

- 4.1 The current budget position for 2023/24, as outlined in the previous section, includes provision for service pressures of £17.3m:

Table 4 - Service Position 2023/24

| Portfolio | Service Pressures £m |
|---|-----------------------------|
| Adults' Services | 12.1 |
| Children & Young People | 3.2 |
| Learning & Skills | 1.5 |
| Support Services & Economic Development | 0.4 |
| Other | 0.1 |
| Total | 17.3 |

- 4.2 As shown in table 4 above, the pressures are predominately within Adult Social Care and Children, Young People and Learning. These services are experiencing challenges that are being felt nationwide and contribute to the broader context of risks being managed within the MTFs. Further detail is provided below to demonstrate the local context of these challenges.
- 4.3 **Adult Social Care:** A growing population and rising complexity of needs are increasing demand for adult social care as well as making it more expensive to meet care needs. In addition, delivery of prior year savings have been reprofiled due to the impacts of the pandemic and other market related factors.

Plans are in place to deliver these in the current year but the main risks to these plans are the speed at which the savings can be achieved and the impact of market pressures, including workforce shortages across the whole care sector which may cause savings to be delayed beyond the current timeframe.

- 4.4 The reforms to adult social care that are scheduled to take place in October 2023 expose the County Council to significant financial risks. In part this is because of the additional expenditure that they will bring. There is also a possibility that the formula which Government will use to allocate funding will target insufficient resources towards local authorities in relatively wealthier areas of the country, since this is where the cost impact of the reforms will be greatest. Although this will only become apparent in time, at this stage it would be premature to assume that they will necessarily add to the MTFS shortfall in 2023/24. Given this, it is currently assumed that the reforms will be fully funded.
- 4.5 **Children's Services:** The Family Safeguarding model is designed to improve the main statutory children's social work services for vulnerable children, support the cultural shift within Children's Services to provide effective services that also manages demand, and therefore improves outcomes and controls cost. Additional investment is required in order to develop the Family Safeguarding model through employing Domestic Abuse Perpetrator Practitioners, Substance Misuse Workers & Adult Mental Health Practitioners to provide intensive support to the adults in the families.
- 4.6 Further continued investment in fostering services will also be required to enable the service to manage budgets more effectively and control costs with the expectation that by 2027/28 the annual investment in the service will be offset by the annual savings arising. In addition, while the MTFS allows for additional £1.9m budget for Children We Care For demand, current modelling suggests the situation has deteriorated and the risk may be significantly higher. As this risk remains very uncertain, it is not currently reflected in the current MTFS position but it will be closely monitored over the coming weeks and pressures may need to be increased accordingly.
- 4.7 **Dedicated Schools Grant:** Due to the increase in our High Needs Budget deficit the County Council has been identified for the DfE programme 'Delivering Better Value in SEND'. This new programme aims to support local authorities to improve delivery of SEND services for children and young people while ensuring services are sustainable. The programme will provide dedicated support and funding to 55 local authorities with less severe deficits than those in the Safety Valve programme. The local authorities were selected based on those with the highest deficits (as a percentage of their annual DSG allocation) as at the end of 2020/21, below those in the existing Safety Valve programme.
- 4.8 Newton Europe, in collaboration with the Chartered Institute of Public Finance and Accountancy (CIPFA), will work with the DfE to deliver the programme, which is split in to two phases:
- Phase 1 (6 months from January 2023) - The DfE will provide project management and change management capacity, alongside SEND financial and practice advisers, to support the County Council in engaging with its key stakeholders and conducting a comprehensive diagnostic process to identify the underlying cost drivers of its high needs system and potential reforms to manage/mitigate these cost drivers more effectively.

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- Phase 2 – The DfE will work with the County Council to determine which identified reforms to fund and will provide grants directly to the Council to enable us to implement and embed these reforms, with ongoing support and challenge by DfE officials.

5 Capital Programme

5.1 The current approved capital programme covering 2022/23 to 2026/27 is £755.8 million (table 6).

Table 5 - Current Capital Programme

| CAPITAL PROGRAMME (Expenditure) | 2022/23 £m | 2023/24 £m | 2024/25 £m | 2025/26 £m | 2026/27 £m | Total £m |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Adults Services | 0.1 | 0.8 | 1.9 | 4.0 | 4.4 | 11.2 |
| Children and Young People | 5.2 | 3.4 | 2.5 | 0.0 | 0.0 | 11.1 |
| Community Support Fire and Rescue | 9.7 | 22.1 | 4.5 | 7.2 | 4.0 | 47.5 |
| Environment and Climate Change | 4.0 | 14.8 | 22.1 | 22.3 | 28.0 | 91.2 |
| Finance and Property | 8.7 | 22.9 | 31.7 | 25.7 | 20.8 | 109.8 |
| Highways and Transport | 49.8 | 55.8 | 50.6 | 23.9 | 66.5 | 246.7 |
| Leader | 3.0 | 9.0 | 16.8 | 5.5 | 0.0 | 34.2 |
| Learning and Skills | 30.8 | 40.6 | 27.6 | 34.3 | 34.8 | 168.1 |
| Support Services and Economic Development | 9.1 | 15.6 | 7.3 | 3.0 | 1.0 | 36.0 |
| TOTAL CAPITAL PROGRAMME | 120.4 | 185.0 | 165.0 | 125.9 | 159.5 | 755.8 |

| FINANCING | 2022/23 £m | 2023/24 £m | 2024/25 £m | 2025/26 £m | 2026/27 £m | Total £m |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Capital Receipts | 9.0 | 6.5 | 6.0 | 5.7 | 1.0 | 28.2 |
| External Contributions including S106 | 5.7 | 11.7 | 12.0 | 7.9 | 41.4 | 78.7 |
| Ringfenced Government Grant | 3.5 | 7.8 | 9.2 | 1.2 | 5.5 | 27.2 |
| Non-Ringfenced Government Grant | 51.3 | 22.2 | 22.0 | 21.8 | 21.6 | 138.8 |
| Revenue Contributions to Capital Outlay | 2.3 | 0.5 | 2.8 | 3.0 | 2.5 | 11.2 |
| Revenue Contribution to Capital Outlay – Business Rates Pilot | 4.6 | 8.9 | 0.0 | 0.0 | 0.0 | 13.5 |
| Core Borrowing | 34.9 | 105.2 | 84.4 | 67.2 | 55.0 | 346.8 |
| Economic Development Borrowing | 9.1 | 22.2 | 28.7 | 19.1 | 32.5 | 111.5 |
| TOTAL PROGRAMME | 120.4 | 185.0 | 165.0 | 125.9 | 159.5 | 755.8 |

5.2 The revenue cost of financing the capital programme for 2022/23 is £29.7m. Based upon the Capital Programme set out in paragraph 5.1 above, revenue costs will increase for 2023/24 onwards as set out in table 6 below (accounting for 4.5% of the Net Revenue Budget in 2023/24).

Table 6 - Revenue cost of Current Capital Programme

| | 2023/24 £m | 2024/25 £m | 2025/26 £m | 2026/27 £m |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue impact of capital programme | 1.6 | 5.5 | 4.8 | 2.2 |

5.3 Inflationary pressures are also impacting on the Capital Programme; however, the impact varies by project and is dependent on the stage of each scheme and the type of material required. In-flight projects have contingency or inflation

provision built-in to their agreed funding allocation and there is a corporate provision of £7m to help manage other costs such as inflationary increases. The ongoing impact of this is being kept under regular review given the current cost of living crisis.

- 5.4 Capital requirements over the 5 year programme will be considered in the Autumn, with the main areas of focus being schools, highways and climate change. New demand on the programme can be met either from increasing borrowing or through reprioritising existing approved Pipeline projects.

6 Next steps

- 6.1 As detailed in the report, the position remains very uncertain and the current projected budget gap could increase further. All assumptions will need to remain under close review over the coming months as further details become available. Work will continue to explore further opportunities to close the remaining gap and to lobby with local, regional and national partners to ensure the Government understands the needs of West Sussex residents, businesses and communities and supports with additional funding to help manage the cost of living crisis.
- 6.2 Any remaining budget gap can be bridged by a combination of a number of factors, albeit some of them are dependent upon the outcome of the Local Government Settlement;
- a) Use of reserves – which by definition would be a one-off option, meaning that the budget gap for 2024/25 would widen, as the reserves would need to be replenished, but that there would also be less flexibility available in a financial year when the budget gap is estimated to be even wider.
 - b) Revising down pressures – re-examining the basis for the estimated growth and/or taking a different approach to the level of risk that should be managed within the budget. If a higher degree of risk is accepted in order to support approval of a balanced budget, there would need to be an explicit recognition that officers and Members would need to accept responsibility for managing within the budget agreed.
 - c) Identifying further savings – at this stage of the process any savings identified would probably only provide a part-year effect, since there would be little opportunity to develop a costed proposal and implement it ahead of April 2023. There is a potential advantage nonetheless in exploring this further as a precursor to the exercise to bridge the budget gap for 2024/25 onwards.
 - d) It is possible, but difficult to predict with any confidence, that the Local Government Settlement may provide additional flexibility, whether via additional direct funding, via grants, or by relaxing the Council Tax cap or removing it altogether. Every 1% increase in Council Tax would potentially deliver £5.4 million in additional income.

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The timeline for the Council Plan and Budget for 2023/24 is:

Table 7 - Budget Timeline

| | | |
|--|--|---|
| 18 th October | Cabinet | Review MTFS, finalise budget gap/savings, priorities and Council Plan update |
| 19 th October | Member Day | Council Plan and Revenue Budget update |
| 16 th – 28 th November | Scrutiny Committees | Scrutiny of any proposed changes to Council Plan and of overall MTFS by P&FSC |
| 29 th November | Cabinet | Update MTFS and Council Plan, comments from Scrutiny Chairmen as advised |
| 20 th January | Member Day | Council Plan and Revenue Budget 2023/24 and possible separate scrutiny focus if required |
| 25 th January | Performance and Finance Scrutiny Committee | Council Plan and Revenue Budget 2023/24 |
| 27 th January | Stakeholder engagement | Council Plan and Revenue Budget stakeholder consultation |
| 31 st January | Cabinet | Council Plan and Revenue Budget for recommendation to Council. Feedback from P&FSC and Scrutiny Committee Chairmen. |
| 17 th February | County Council | Council Plan and Revenue Budget 2023/24 |

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Performance and Finance Scrutiny Committee

Date 28 November 2022

Update after first year of Joint Venture in Property Development

Report by Assistant Director Property and Assets

Summary

This report provides a progress update on the first year of the County Council's joint venture partnership, now registered as Kinsted LLP. It also provides the outcome of a recent internal audit report on the governance of the partnership.

The appointed partner, Lovell Partnerships Limited, part of the Morgan Sindall Group plc was appointed in July 2021. Since then, relations with the Council have developed well into supportive and productive teamwork. The partnership structure is shown in appendix 1.

The governance of the joint venture has been reviewed by the Council's internal auditor, which reported in October. The report is attached as appendix 2.

Three sites have advanced into planning applications for housing, with one consent being received.

External advisers have been appointed to provide expertise and general oversight in cost control and the value of the return to the Council in relation to its land holdings within the joint venture.

Focus for Scrutiny

The committee is asked to consider the report and note the progress made in the first year of the partnership. The committee should also consider the internal audit report of governance arrangements attached as Appendix 2. Key lines of enquiry for scrutiny include:

- That satisfactory progress has been made in establishing the Joint Venture partnership arrangement
- That the aims/objectives of the arrangements are clear and that they meet the needs of the Council Plan and the Capital Programme to ensure the priorities and targets of the County Council can be met
- That governance arrangements and working practices have been agreed to ensure that the performance and outcomes can be managed and monitored effectively
- That a plan of development sites has been agreed and work is underway to commence work on these to ensure the best outcomes for the Council can be achieved

- That the strategy/proposals include a plan or commitment in relation to the Council's climate change priorities
 - How evidence or learning from other areas that have implemented similar arrangements have been considered
 - Whether any significant risks have been identified and to seek assurance of the effectiveness of actions planned to manage these
 - Plans to monitor the implementation and impact of the proposal/strategy and identify how scrutiny could add value to this process in the future.
 - How any implications for key areas of Council policy or its overarching legal responsibilities have been assessed (legal implications, equality duty, climate change, crime and disorder, public health, social value) and the effectiveness of any mitigations put in place to address these (do these provide assurance that potential adverse impacts are understood and being addressed?)
-

1 **Background and context**

- 1.1 In July 2021 a Partnership Agreement between the County Council's wholly owned company, Edes Estates Limited and Lovell Partnerships Limited commenced.
- 1.2 The operating arrangement of the Joint Venture (JV) is a Limited Liability Partnership, initially registered as West Sussex Property Development LLP, now in the process of being re-named as Kinsted LLP. A structure chart is attached at Appendix 1. A range of technical advisers have been appointed to assist the development of the plans for the sites.
- 1.3 To provide additional assurance, the Council's internal auditor was requested to review the governance and setup of the joint venture partnership. The audit report issued in October 2022, gave an overall 'green' rating and concluded "there is a generally sound system of governance, risk management and control in place". This report is attached at Appendix 2.

2 **Proposal details**

- 2.1 Ten sites were optioned to the JV (Kinsted LLP) in the key decision OKD69 20-21. These were to be progressed to provide site layout design, which was optimised for market facing development returns, a planning consent and finally assessed for viability via a full business case.
- 2.2 Before starting work on housing design for the sites, a set of standard house types with varying numbers of bedrooms was created. The standard designs were briefed to meet the Government's Nationally Described Space Standards, being attractive to buy, economical to build, sustainable and with low carbon features. The standardised basis of house types will now be repeated across all sites for economy of scale.
- 2.3 The sites located at Tilgate Crawley (100 units), Wantley Fields Henfield (25 units), Althelstan Way Horsham (70 units), The Hatches West Chiltoningon (12 units), Church Lane Rudgwick (20 units) have design layouts. All of these sites fall into the Hardham Water Neutrality area and under present guidance cannot currently progress through to a planning determination.

- 2.4 The remaining optioned sites, where progress has been made, are located at: -
- Eastbrook Southwick (22) - full planning consent granted in August, detail design underway for 85% fixed price during February 2023, to commence on site after March 2023
 - Bartons Bersted (21) - planning application in progress but delayed at Arun District Council, decision expected December, detail design for 85% fixed price during March 2023, commence on site after April 2023
 - Littlehampton (100+) - planning in progress delayed at Arun District Council decision expected February 2023, detail design for 85% fixed price during April 2023, commence on site mid 2023
 - Ancton Lane Middleton (80) this site is not in the settlement area for a planning use designation but has been advanced in place of the Water Neutrality delayed sites. A layout has been completed and pre-app progressing with positive comments from planners
- 2.5 The Tannery Chichester (25) is a significantly contaminated site. A third ground investigation was completed in August and the Environment Agency was appointed in September 2022 to consider remedial options. An architect is being selected by tendering process. The approach to remediation recommended by the Environment Agency is to clear the site.

3 Consultation, engagement and advice

3.1 The Council is directly supported by the following advisers:

- **Montagu Evans** property consultant, with expertise in valuation, to provide assurance oversight of the Kinsted LLP operation and site return finances.

They have reviewed the Kinsted LLP arrangements and confirmed that they comply with the market standard.
- **Sharpe Pritchard** provided all the legal advice during contract writing and procurement and retain legal oversight on the commercial operation, land contracts and contract obligations.
- **31ten** provided all the financial assessment evaluation and contract clauses in the procurement and retain oversight on the financial returns in terms of the contract obligations.

3.2 Kinsted LLP is also supported by advisers required by the Partnership Agreement to provide assurance advice in cost and value, with equal duty of care to both the Council and Lovell as follows:-

- **Strutt & Parker** –property valuation adviser owned by BNP Paribas Real Estate. Provides the Royal Institution of Chartered Surveyors (RICS) Red Book valuations for all land values returning to the Council and carries out the development appraisal checks.
- **Calfordseaden** – Quantity Surveyor cost manager providing cost management and checks for benchmark construction costs, analysis of Lovell pricing and Key Performance Indicator (KPI) reporting.

- **Joint Venture Adviser** – a tender is in progress to appoint an adviser with general oversight of all processes in an assurance of best practice role.

4 Finance

- 4.1 The Council's finance department has reviewed the progress and is working to support Kinsted LLP with external advisers. Accountants KPMG for corporate strategic advice and Keston Reeves for general book-keeping accountancy.
- 4.2 Edes Estates Limited, is the Council's wholly owned company, partnering 50/50 in Kinsted LLP with Lovell Partnerships Limited. In the current financial year, Edes Estates is returning to an active company and becoming the Council's corporate vehicle in terms of the joint venture partnership objectives
- 4.3 The principle of the joint venture is that each partner will input assets or resources for each site at equivalent monetary value to then obtain an equal split of the net profits at completion of a development. Should the land value and development costs not be equitable then there is the opportunity for one party to loan money to Kinsted LLP. This will be recovered as the development proceeds with interest on the loan. The decision on whether or not the Council will loan funds will be determined at the time taking into account such factors as central government policy.
- 4.4 For the Council, Edes Estates, the land value is input by an amount independently verified as open market value by the RICS code of practice. This amount is matched by Lovell Partnerships Limited in terms of the value paid for design, planning approval and construction work.
- 4.5 The Partnership and Options Agreements set out conditions to be met relating to land value, viability, planning consent and profit return. Lovell is required to demonstrate these conditions which will then be independently verified by advisers before any site can progress to development.
- 4.6 With a full business case and a valid planning consent in line with the partnership agreement, the schemes can proceed to works starting on site subject to the usual commercial considerations. Edes Estates will act for the Council in this process.
- 4.7 The business cases for the first two sites, Southwick and Bersted, are currently being reviewed and these will include a review of the land value to ensure best value and compliance with section 123 of the Local Government Act. When the Business Case Conditions are met, the land can transfer to Kinsted LLP for development. At that point Edes Estates Limited will become liable for 50% of any loan costs that are incurred on transferred sites, but only payable once all sales are complete and the profits divided at completion. Essentially these are 'top sliced' from the gross profit.
- 4.8 The important starting point for the Council is the confirmation of land value. This is set by the RICS Red Book valuation rules. This value is set at the point where the land transfers from the Council to the Kinsted LLP. This is a Business Case Condition.
- 4.9 Another important Business Case Condition, and to ensure viability of the scheme, is that 85% of the construction costs are confirmed as fully tendered fixed costs figures.

- 4.10 The appointment of Lovell Partnership Ltd as our joint venture partner (Kinsted LLP) is for construction under tendered exclusivity conditions, which are subject to KPIs and five-yearly best value reviews for performance and must be evidenced in carrying out all development services successfully.
- 4.11 To start the partnership, in the original key decision 10 initial sites were 'optioned' by the Council to the joint venture LLP to be progressed, under an Options Agreement.
- 4.12 How the joint venture approach to the use of Council assets represents good value:-
- Value is assured by all costs being benchmarked and verified and compared to other similar building works, by professional advisers.
 - The structure of the Partnership Agreement requires independent consultant expert advisers to verify land and construction value.
 - Montagu Evans has reviewed the proposals for Southwick, North Bersted and Littlehampton and confirm that the profit rates in the business case appraisals are aligned with market expectations in value which is important in the confirmation of land sale returning to the Council. Montagu Evans also confirm the profits Lovell can derive from its appraisals are aligned with market rates. The Council will also be entitled to half of the net profit generated in delivering the schemes.
 - The Montagu Evans review includes a separate development appraisal assessment for each of the sites by applicable market assumptions, build costs and sales returns, including tweaking scheme details where the generalised form may deliver something different from Lovell's specific proposal, which is an important check for best monetary return.
 - For both Southwick and North Bersted, Montagu Evans is of the view that the Lovell proposals are at least in line with market values if not better, and the Council should have sufficient confidence at this stage to continue to work up the proposals in detail.
 - For Littlehampton, the work is on-going but initial land values appear in line with expectations of market rates.
 - In all cases the Montagu Evans input, as well as the Kinsted LLP land valuation advice from Strutt & Parker, will be required to support the development value of the land and profit return, with prevailing/predicted market intelligence before recommending a land transfer to commence development.
- 4.13 As further sites outside of those optioned to the JV become available consideration will be given to their future use. This could be development by the JV. In which case transfer to the JV will be in accordance with Council protocols.
5. Future savings/efficiencies being delivered

To remain financially viable in the Kinsted LLP, Lovell must remain motivated towards finding efficiencies to make and enhance profit. The Council benefits from this motivation by sharing in 50% of the profit. The Kinsted LLP is aware of

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the relationship between sales value and construction cost, to maximise the difference.

6. Human Resources, IT and Assets Impact

None for the Council save in relation to land assets as described.

7. Risk implications and mitigations

7.1 The residential development market is evidenced as being exceptionally resilient over recent years, despite a number of apparent 'macro-shocks'. The present market volatility is partly being driven by rising interest rates, which may lead to a period of cooling in house price rises. This is coupled with a world-wide inflationary environment. The market economists presently predict recovery within a two-year period.

7.2 The context of risk exposure in the Kinsted LLP is noted by the Council's direct advisers as:-

- The partnership arrangement being shared results in 50% exposure to market risks
- the land value is the Council's maximum input
- the land has not been purchased
- West Sussex is noted to be a tight housing market with strong demand for houses against a background of constrained supply
- the ten optioned sites are exceptionally attractive in surrounding location, noted for sales demand and straightforward to deliver in terms of scale and access constraints
- at this outline business case stage the Council is not committing to definite delivery of the schemes, the full business case will produce 85% cost certainty when construction can commence with further sales market information
- the Council is not obligated to develop or sell the land unless Lovell can demonstrate, and the Kinsted LLP parties agree, that the projects will likely generate the targeted level of commercially acceptable returns
- the context of the Options Agreement is the Council is not materially changing its exposure or commitments before development construction and can therefore allow progression of the sites and rely on existing protections in the event market movement adversely impacts the ability to deliver these schemes before it commits to development

7.3 A risk register is in place for the on-going work and this is shared with Lovell the partnering company. The following table is from the register but does not represent any priority of risk.

| Risk | Mitigating Action (in place or planned) |
|---|--|
| <p>Managing public/private interface of joint venture</p> <p>Organisational differences and values between commercial return and public accountability.</p> | <p>Daily contact, open discussions and a motivated teamwork approach to share important factors, views and obligations in the public sector. The operational context for the private company partner is adapting its processes to the obligations of public authorities.</p> |
| <p>Value from assets not met</p> | <p>Kinsted LLP's advisers have specific duties in s123 (section 123 of the Local Government Act 1972 (confers a duty that public assets held are not sold below value)) and the Council's direct advisers oversee due performance is achieved and importantly recorded by the Kinsted LLP's advisers. Before progressing developments 85% of construction cost must be firm price tendered and the evidence of best return demonstrated overall.</p> |
| <p>Support from JV partner company reducing</p> | <p>Lovell is contractually obligated in the agreements to provide Development Management Services to manage and deliver the whole development. This is subject to KPI assessment by advisers with a duty of care to the Council.</p> |
| <p>Viability of developments not transparent</p> | <p>Developments progress in stages and gateways, each is tested for land value, financial return, planning context and market before progressing.</p> |
| <p>Political and reputational risks, building homes in the community.</p> | <p>Earliest engagement with locals, members and the wider community to involve them in the design development and listening to be aware of their concerns.</p> |
| <p>Financial exposure</p> | <p>Developments can be arranged where land value continues as the maximum exposure for the Council. and additional funding if required can be via our partner or through external borrowing.</p> |
| <p>External factors</p> | <p>International situation will be monitored, developments progress in stages and on-site larger ones in phases to minimise exposure.</p> |

| Risk | Mitigating Action (in place or planned) |
|---|--|
| Partnering company difficulties | Lovell is provided with a full parent company guarantee from Morgan Sindall, sixth largest UK construction company founded in 1977. It has a workforce approaching 7,000 and loyal support from employees. |
| Relationship with partnering company | The first year has progressed with exceptionally good working relations, the team with Lovell is established. Progress in the developments is closely monitored and any concerns can be raised at Lovell main board level. |
| Partnering company gains commercial advantage | The Partnership Agreement contains KPI criteria that are monitored in relation to bench-mark prices, also exclusivity is reviewed every five years and after the second renewal construction services must open market tendered. |
| Poor construction leads to after sales reputation | Lovell has 50 years' experience in housing development and a quality/aftercare. |

8. Policy alignment and compliance

8.1 Our Council Plan

A central part of the Kinsted LLP Business Plan is formally documented to support the objectives of the Council in achieving its key priorities for the period to 2026, all of which are underpinned by an awareness of climate change and in the groups of: -

- 1) Keeping people safe from vulnerable situations
- 2) a sustainable and prosperous economy
- 3) helping people and communities to fulfil their potential
- 4) making the best use of resources.

These priorities are central to the design briefing process and can be evidenced in audit.

8.2 Legal implications

The legal adviser Sharpe Pritchard has an on-going oversight in contracts and performance. The County Council's Director of Law is a director and

chairman of Edes Estates Limited, thereby remaining in close contact with commitments and obligations.

8.3 Equality duty and human rights assessment

The Kinsted LLP is an independent operation, but fully sighted on the Council's policies and commitments. Lovell, in the Morgan Sindall Group plc, has responsible, and market aligned policies in human rights. This area was part of the tendering selection assessment.

8.4 Climate change

The Government's vision, to climate change and protection of the environment, is set through statutory standards such as in the Building Regulations and the Environment Act, which work towards the target of all new homes being 'net zero ready' by 2025.

The Kinsted LLP schemes are all designed to fully comply with the latest Building Regulations, which for example from June 2022 require 31% lower carbon dioxide emissions from dwellings than previously, with a particular emphasis on low carbon heating. This will include, where practicable Air/Ground Source Heat Pumps and photo-voltaic solar panels.

To move forward each scheme must have a commercially viable business case. Inclusion of enhanced environmental standards will be measured against this requirement.

8.5 Crime and disorder

The schemes are reviewed by Secured by Design SBD throughout the design process and the features for security incorporated. Housing Associations for the affordable provision generally require Section 2 which is achieved.

8.6 Public health

The developments meet all standards and in the early design stages are dialogued with local authorities.

8.7 Social value

The tendering documentation and Partnership Agreement for the JV set out a comprehensive programme of social impact activities to support the County Council in delivering its key objectives towards improving the quality of life for its residents. Lovell as part of the Morgan Sindall Group has its own 'Total Commitments' programme supporting social value and the JV approach will align the two and generally support Sustainable Development Goals.

Typical areas in an overarching approach will be to visibly demonstrate social value credentials, and to include these in a marketing approach to create a brand that is respected and valued:

- Using the Supply Chain Social Value Bank or other agreed measurement tool to reliably forecast and calculate the

economic, environmental and social value created from the West Sussex projects, in line with best practice valuation methodology as used by HM Treasury in its Green Book.

- Agree and set targets and measure performance against them: at an overall business plan level and on a project by project level.
- Create a Social Value Charter within its first year to illustrate the aims to be achieved in the delivery of the projects; focussing on the five West Sussex strategic priorities through our social value process.
- Set clear targets based upon the Charter commitments within the JV Business Plan and be accountable for achieving them.

Assistant Director of Property and Assets.: Andrew Edwards

Contact Officer: Malcolm Mayo

malcolm.mayo@westsussex.gov.uk 07770 676862

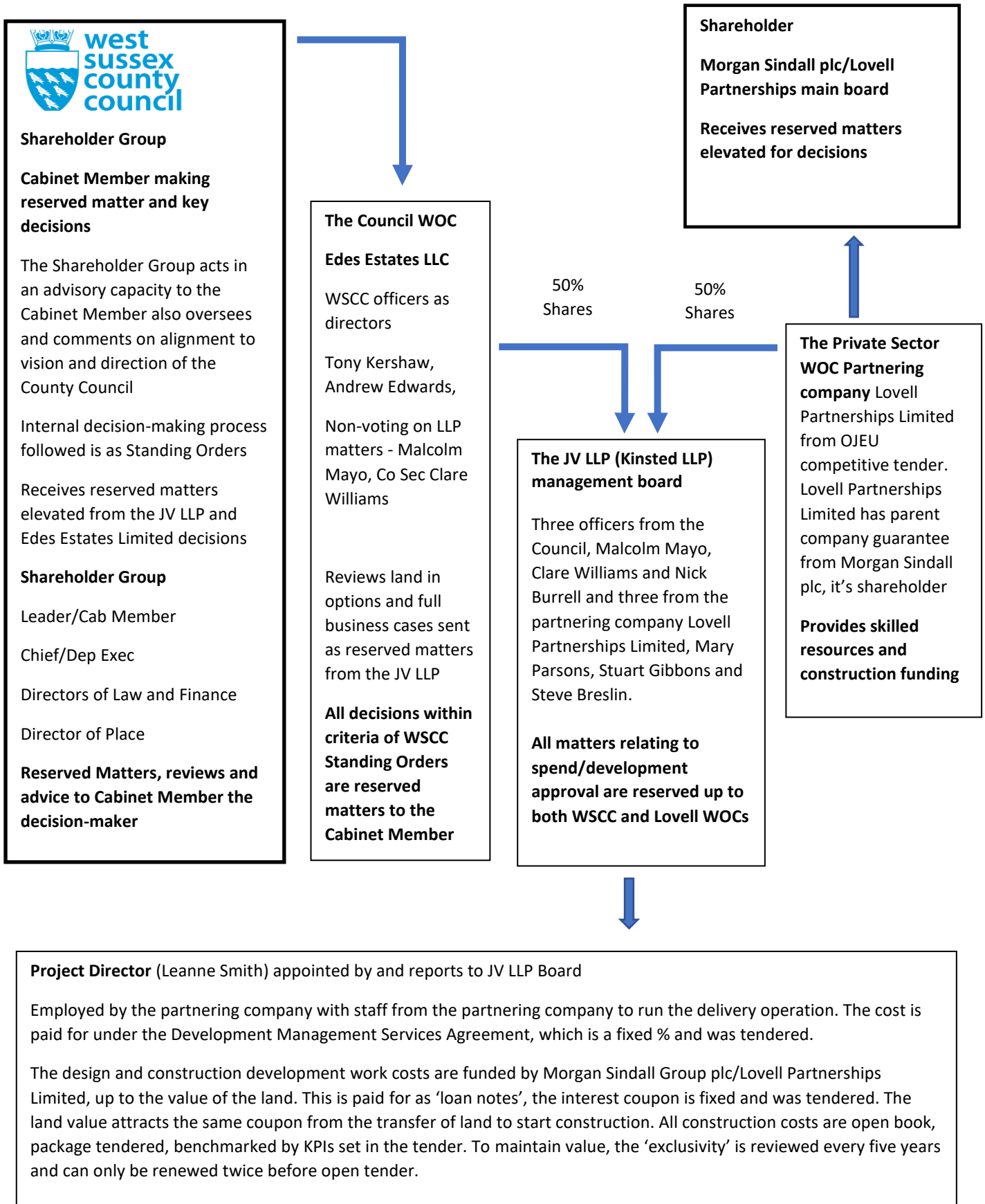
Appendices: –

Appendix 1 - Joint Venture structure chart

Appendix 2 - Internal Audit report on governance

Background papers - none

The structure of governance for Edes Estates and the JV LLP



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Southern Internal Audit Partnership

Assurance through excellence
and innovation

West Sussex County Council

Internal Audit Report

Company Governance Framework 2022/23

27 October 2022

Prepared by: Hazel Collyer

FINAL REPORT

Confidential

Agenda Item 7
Appendix 2

1. Introduction

- 1.1. As part of the Internal Audit Plan for 2022/23, we have undertaken a review of Company Governance Framework.
- 1.2. The purpose of the audit was to ensure the setup of the joint venture partnership (West Sussex Property Development LLP) between WSSC through Ede's Estates Limited and Lovell Partnerships Limited has a robust governance framework in place. As part of the scope of the audit we have not looked at detailed transactional items as the Partnership is in its infancy regarding transactions and this is a high-level governance review.
- 1.3. We are grateful to Malcolm Mayo for their assistance during the course of the audit.

2. Objectives

- 2.1. This review has sought to assess the effectiveness of controls in place focusing on those designed to mitigate risk in achieving the following key objectives:
 - There is a clear and approved business case for the setup of the Property Company / Joint venture.
 - Governance arrangements are clearly defined, documented, agreed, and communicated to allow transparency and accountability
 - Accounting arrangements for the JV/Property Company have been developed and agreed and adhere to local authority accounting regulations

3. Circulation List

3.1. This document has been circulated to the following:

- Lee Harris – Director of Place Services
- Tony Kershaw – Director of Law and Assurance
- Tony Kirkham – Interim Director of Finance and Support Services
- Andrew Edwards – Assistant Director (Property & Assets)
- Malcolm Mayo – Technical Project Manager
- Clare Williams – Deputy Chief Finance Officer



The Southern Internal Audit Partnership conforms to the IIA's professional standards and its work is performed in accordance with the International Professional Practices Framework (*endorsed by the IIA*).

4. Summary Findings

| Assurance Opinion | |
|-------------------|--|
| Reasonable | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |

| Management Actions | |
|--------------------|----------|
| High | 0 |
| Medium | 1 |
| Low | 3 |
| Total | 4 |

| Key Observations |
|---|
| <p>Areas assessed to be working well/controls are effective</p> <ul style="list-style-type: none"> • There is a draft Partnership Business Plan in place which outlines the objectives of the partnership however, the business plan is due to be reviewed again as KPI's are going to be added as well as a clear reference to the Our Council Plan published by WSSC. • A key decision was approved through the appropriate channels in order to develop a property company joint venture. • The Partnership has a clear reporting structure back to the Council via its Shareholder Group which meets quarterly along with having a quarterly Board of Directors meeting. • The board structure demonstrates the decision-making process in order to ensure that there are no conflicts of interest. • A Shareholder Agreement is in place between West Sussex County Council and Ede's Estates which clearly outlines the key roles and responsibilities as well as having a defined reporting framework. |

- Conflicts of Interest training is programmed in for all Directors in November 2022.
- A Partnership Agreement is in place and has been signed by all parties (Edes Estates, Lovell Partnership Limited and West Sussex Property Development LLP). The Agreement defines the services and obligations for each party.
- Transparency and accountability of council key decisions relating to the surplus land to be developed and other decisions relating to the JV are accessible through West Sussex County Council's website.
- A Development Management Services agreement is in place and lays out the financial obligations and liability detailed for each party whilst in the development phase.

Areas where the framework of governance, risk management and control could be improved

- Risk management arrangements are captured in the various documents relating to the joint venture set up including the Edes Estate draft Business Plan along with an example risk register, the Joint Venture draft business plan and a standalone JV risk register which is currently incomplete with no entries for risk owners, target dates and residual risk scores. With the various references to risk including the JV risk register it is not clear what the overall risk management arrangements are for the JV project for WSSC.
- Procurement and Financial procedures are yet to be completed for Edes Estates (which is a limited company and therefore reporting and accounting should be defined by the Companies Act). Through discussion it was confirmed that these will be in line with the council's procedures and that management accounts will be produced and presented to the board, however there is no written evidence to support this.

5. Added Value

- 5.1. One of the Core Principles that underpin the Professional Practice of Internal Auditing is to ‘promote organisational improvement’. The Added Value section of the report provides insight, opportunities and collaborative learning (best practice) that the organisation may wish to consider moving forwards. We do not consider the issues raised in this section to adversely impact the control environment in the achievement of objectives reviewed.
- 5.2. The points raised below are for management to discuss and consider within the context of the organisation, and Internal Audit do not require a response on these.

| Added Value |
|--|
| <ul style="list-style-type: none">• Edes Estates and the partnership may wish to publish board meeting dates in advance and also publish meeting minutes for increased transparency and accountability.• At all formal meetings ‘Declaration of Interests for individuals’ in the agenda items could be considered as a standard agenda item. |

Observation – 1 – Risk Management

During the audit we sought to confirm that there are risk management arrangements in place that effectively maintain and monitor the risks associated with the JV project.

Risk Management arrangements are articulated within draft business plans for Edes Estates and the Joint Venture. There is also a JV risk register available which is incomplete. With the various references to risks including the registers, there is a lack of clarity for the overall risks to WSSC and where these are managed, including risks associated with either Edes Estates or the Joint Venture and their impact on WSSC.

| | |
|-------------|---|
| Risk | Lack of clarity and ownership of risk management processes. |
|-------------|---|

Management Response

| Action | Priority | Responsible Officer | Target Date |
|---|----------|---------------------|---------------|
| 1.1 The Risk Register to be further assessed after specialist assessment, processes put in place with advisers appointed to provide direct assistance to Edes Estates/WSSC. Advisers have been selected and briefed to commence start of September. The outcome is appointed advisers that review the business cases, management controls in place and check/amend the initial risk and issues registers. | Low | Malcolm Mayo | November 2022 |
| 1.2 The proposed action is to further review the current register, assess the present list and status of entries, identify additions, identify risk owners and confirm empowered to act, create realistic target dates informed by the recent revisions to the programme and provide actions that are costed then residual risk scores/issues. | Low | Malcolm Mayo | February 2023 |

| Action | Priority | Responsible Officer | Target Date |
|---|----------|---------------------|---------------|
| 1.3 It is also proposed to review the risk registers of the partnering company, Lovell and the JV's advisers, to identify common risks in those that have potential impact to Edes Estates/WSSC, including political and reputational. This will progress to link the registers. Following on will be Priorities Schedule and Issues Register that are connected to this information. The outcome is linked registers across all contributors to the joint venture. | Low | Malcolm Mayo | February 2023 |
| 1.4 It is proposed, with advisers to Edes Estates, the JV and the JVA to review the registers bi-monthly and link to programme and product strategy to report to the boards. | Low | Malcolm Mayo | March 2023 |
| Auditor assessment of managements response | | | |
| Management actions, once implemented, should help mitigate identified risk. | | | |

Observation – 2 – Accounting Arrangements

Our audit identified that although governance arrangements are being progressed there are currently no written financial or procurement procedures in place for Edes Estates. Therefore, there is a risk that financial transactions may be taking place within the partnership and that they are not being fully discussed or recorded appropriately.

The Council has outsourced the financial management arrangements for Edes Estate to a local firm of Accountants who will produce monthly management accounts and prepare the annual statement of accounts. The Joint Venture has recently prepared their annual statement of accounts however there has been no approval of expenditure through the shareholder board and consequently no transactions to be recorded

| | |
|-------------|---|
| Risk | Financial transactions not being appropriately recorded |
|-------------|---|

Management Response

| Action | Priority | Responsible Officer | Target Date |
|--|----------|---------------------|---------------|
| <p>2.1 The arrangements now in place will be formally recorded in the records of Edes Estates rather than relying on the record of action within the Council. The arrangements for the procurement of external advice and other services will be set down in a set of procurement rules for approval by the Board.</p> <p>The JV has completed outline business cases which are currently being reviewed by Edes Estates consultants. The costs of this review will be recorded in the accounts of Edes Estates.</p> | Medium | Clare Williams | December 2022 |

Auditor assessment of managements response

Management actions, once implemented, should help mitigate future risk.

Appendix 1 – Definitions of Assurance Opinions and Management Actions

We use the following levels of assurance and prioritisations in our audit reports:

| Assurance Opinion | Framework of governance, risk management and management control |
|--------------------|--|
| Substantial | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. |
| Reasonable | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |
| Limited | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited. |
| No | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |

| Management Action | Current risk |
|------------------------|--|
| High Priority | An immediate risk of failure to achieve objectives; system breakdown; or loss. Such risk could lead to an adverse impact on the organisation or exposure to criticism. |
| Medium Priority | Although not immediate, there is risk of failure to achieve objectives; system breakdown; or loss. |
| Low Priority | Areas that individually have no immediate risk impact, but where management would benefit from enhanced process/control or efficiencies. |

Performance & Finance Scrutiny Committee

28 November 2022

Multi-Disciplinary Consultant – Plans for the New Contract

Report by: Andrew Edwards, Assistant Director Property and Assets

Summary

Following a rigorous procurement exercise, West Sussex County Council has appointed Faithful+Gould as its supplier for construction consultancy services with the contract to commence in July 2023 and continue for up to ten years, subject to performance. As the current incumbent, Faithful+Gould delivers construction consultancy services for the Council's built Capital Programme. The new contract comes into force in July 2023 whereupon Faithful+Gould will continue to deliver its services for the Council. Notwithstanding the continuity of supplier, a transition to the new contract will present an opportunity for changes, both minor and significant, in both process and innovation. It is the Council's intention to build on the strong performance and benefits delivered to date, improving the delivery of services where possible.

Focus for Scrutiny

The committee is asked to consider and comment on this report. Key lines of enquiry for scrutiny include:

- That the aims and ways of working of the partnering arrangement are clear and that they meet the needs of the Council Plan and the Capital Programme to ensure the priorities and targets of the County Council can be met. This should cover:
 - How the revised working arrangements will improve outcomes for the Council
 - How performance of the contract and its benefits will be measured and monitored
 - What other changes have been made and what these seek to achieve for the Council
- How value for money from the working arrangements with the Multi-Disciplinary Consultant (MDC) will be shown and what assurances Members can be given over the effectiveness of the contribution the MDC brings to capital projects and the asset strategy
- What will be the MDC's role in the Council's climate change strategy and plans for reducing the carbon footprint of the Council
- Whether any significant risks have been identified and to seek assurance of the effectiveness of actions planned to manage these

1. Background

1.1 A rigorous procurement exercise was carried out from May to August 2022 to appoint a supplier to deliver the multi-disciplinary consultancy (MDC) services for the Council's built Capital Programme using a single-supplier partnership model of delivery. This model of delivery has been in place with Faithful+Gould from

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July 2018 to present, delivering value and benefits for the Council. The current contract is due to expire in July 2023, so it was essential to procure a supplier to deliver the required consultancy services upon expiration of the current agreement.

- 1.2 Considerable research, engagement and planning took place prior to the procurement exercise, with all departments that deal with the MDC asked to contribute during the process. Other delivery models and options were considered. It was determined the single-supplier partnership model of delivery was the best solution for the Council's requirements. This approach was endorsed by the Cabinet Member for Finance and Property in May 2022. Decision notice FP04-22-23 refers.

2. The Procurement

- 2.1 The procurement was through a compliant framework via a mini-competition process. Four tenders were submitted. Tenders were scored based on a set of scoring criteria, marking across both commercial and quality questions, including social value.
- 2.2 Having learned the lessons of the previous procurement in 2017/18, this exercise involved a broad array of Council officers in the evaluation process. Considerable effort was made to bring in officers from across the organisation who would deal with the MDC in practice. A range of perspectives and requirements contributed to the robust evaluation.
- 2.3 Faithful+Gould's tender received the highest overall score, making its tender the most economically advantageous offer received.
- 2.4 Faithful+Gould's tender included offers of innovation and added value, comprising but not limited to:
 - Implementation of digital solutions for programme management, quality control, market insights, contract management and others
 - Mentorship and training for Council staff members, including support with professional qualifications
 - Project pipeline reviews for prioritisation and alignment with strategic priorities
 - Social value advisory, delivery systems and planning and support

3. Plans for Working with the New Partner

- 3.1 The County Council and Faithful+Gould together will build on the successes of the first version of the partnership while making refinements, improvements and innovations to get the most out of the arrangement.
- 3.2 A 6-month mobilisation period will take place from January – June 2023, during which time new processes may be trialled, training will be delivered and the existing contract arrangements will be wound down. By utilising the mobilisation period, the MDC partnership will be fully prepared to deliver at pace from the inception of the new contract in July 2023.
- 3.3 Firm plans for working with the delivery partner include:

- A robust onboarding and training programme will be delivered for all staff working with the partnership
- Refresher training will be delivered for all staff on an annual basis
- Governance arrangements for the contract will include routine monthly monitoring meetings, quarterly contract reviews and annual reports
- Performance in delivery will be tracked using key performance indicators across time, cost and quality
- Programme-level performance will be monitored using key performance indicators, tracking supply chain spend and locality, social value performance
- Issues will be documented in an issues log and dealt with during the monthly monitoring meetings
- Introduction of Multiple Level Risk Estimating on projects for more sophisticated planning and management of contingencies
- Where applicable, the introduction of sensitivity analysis

3.4 Topics still under consideration for working with the new partner include:

- Frequency and logistics of co-locating staff, as working patterns have shifted significantly since the first partnership
- The implementation of construction contract management and reporting software such as CEMAR for more robust and structured contract monitoring with Faithful+Gould
- Developing the capital programme office for increased pipeline visibility, with the offer of added value from the service partner
- The results of any pending review into Council governance and decision-making processes, and how they interact with our business with Faithful+Gould

3.5 Lessons Learned from External Review

- An external review carried out by Hampshire County Council (HCC) Property Services identified several areas where West Sussex County Council has the opportunity to make improvements and learn from its past projects, including project approvals, governance and decision-making processes. The Council and Faithful+Gould will work together to implement improvements arising from lessons learned.

4. Key Risks

- 4.1 Key risks at this stage include ensuring the contract is executed in November 2022, and the potential disruption to projects as the commissions transfer to the new agreement.
- 4.2 The Council's Legal Services is treating this contract as a priority item and has been involved at every stage of the consultation and procurement, so they are well placed to deliver the contract in time.
- 4.3 Projects will be transferred to the new agreement on a project-by-project basis, at the point of least disruption for each piece of work. Forward planning will take place to ensure that new projects starting in the Spring and Summer 2023 are started on the new agreement's terms, where possible.

5. Transition Arrangements

- 5.1 A period of transition will take place during which existing projects with live task orders will continue under the existing contract terms and rates. At the point of

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least disruption, on a project-by-project basis, live projects will be transitioned to the new contract terms and rates. Every effort will be made to ensure project teams are kept consistent.

- 5.2 A review of live projects will take place during the mobilisation period, with a transition plan made for each one as to when the most appropriate time is to instruct new work under the future agreement.

Contact – Caroline Bridges, Cost Control and Capital Monitoring Manager
Caroline.bridges@westsussex.gov.uk
T: 03302225691



Forward Plan of Key Decisions

The County Council must give at least 28 days' notice of all key decisions to be taken by councillors or officers. The Plan describes these proposals and the month in which the decisions are to be taken over a four-month period. Decisions are categorised according to Cabinet Member portfolios.

The most important decisions will be taken by the Cabinet sitting in public. The meetings are also available to watch online via our webcasting website. The schedule of monthly Cabinet meetings is available on the website.

The Forward Plan is updated regularly and key decisions can be taken on any day in the month if they are not taken at Cabinet meetings. The Plan is available on the website. Published decisions are also available via the website.

A key decision is one which:

- Involves expenditure or savings of £500,000 or more (except treasury management); and/or
- Will have a significant effect on communities in two or more electoral divisions in terms of how services are provided.

The following information is provided for each entry in the Forward Plan:

| | |
|--------------------------------------|---|
| Decision | A summary of the proposal. |
| Decision By | Who will take the decision - if the Cabinet, it will be taken at a Cabinet meeting in public. |
| Date added | The date the proposed decision was added to the Forward Plan. |
| Month | The decision will be taken on any working day in the month stated. If a Cabinet decision, it will be taken at the Cabinet meeting scheduled in that month. |
| Consultation/ Representations | How views and representations about the proposal will be considered or the proposal scrutinised, including dates of Scrutiny Committee meetings. |
| Background Documents | The documents containing more information about the proposal and how to obtain them (via links on the website version of the Forward Plan). Hard copies are available on request from the decision contact. |
| Author | The contact details of the decision report author |
| Contact | Who in Democratic Services you can contact about the entry |

Finance, assets, performance and risk management

Each month the Cabinet Member for Finance and Property reviews the Council's budget position and may take adjustment decisions. A similar monthly review of Council property and assets is carried out and may lead to decisions about them. These are noted in the Forward Plan as 'rolling decisions'.

Each month the Cabinet will consider the Council's performance against its planned outcomes and in connection with a register of corporate risk. Areas of particular significance may be considered at the scheduled Cabinet meetings.

Significant proposals for the management of the Council's budget and spending plans will be dealt with at a scheduled Cabinet meeting and shown in the Plan as strategic budget options.

For questions contact Katherine De La Mora on 033 022 22535, email katherine.delamora@westsussex.gov.uk.

Published: 10 November 2022

Finance and Property

Cabinet

| Emergency Central Government Funding (Rolling Entry) | |
|---|---|
| <p>Due to the ongoing public health emergency the County Council has received a number of support packages from Central Government. As funds are received the Council needs to determine arrangements to distribute, allocate or make other preparations for the appropriate use of funds received.</p> <p>The relevant decision maker will be determined by the intended use of the allocated funds. The Council may be required to comply with a number of conditions set out in the terms of the grant which may mean decisions need to be taken quickly due to the need to provide timely financial support related to the Covid-19 pandemic. Members will be consulted or advised of planned decisions with as much notice as can be provided.</p> | |
| Decision by | |
| Date added | 15 February 2021 |
| Month | Before December 2022 |
| Consultation/ Representations | Representations can be made to the officer contact. |
| Background documents (via website) | None |
| Author | Tony Kershaw Tel: 033 022 22662 |
| Contact | Suzannah Hill Tel: 033 022 22551 |

Cabinet, Leader, Cabinet Member for Finance and Property

| Award of Contract(s) Information Technology Services (Rolling Entry) | |
|---|--|
| <p>The Performance and Resources Report (PRR) details the Council's position in relation to revenue and capital spending, budget planning, workforce projections, performance and risk management by portfolio against the County Council's priorities. The Leader, Cabinet Member for Finance & Property, or Cabinet will be recommended to approve the PRR and any decisions required in relation to budget (revenue or capital), resources and performance management.</p> | |
| Decision by | Cabinet Member for Finance and Property (Councillor Jeremy Hunt) |
| Date added | 31 March 2022 |
| Month | Before April 2023 |
| Consultation/ Representations | The following will be consulted: All Scrutiny Committees |

| | |
|--|---|
| | Cabinet Representations concerning this proposed decision can be made to the decision-maker via the report author, by the beginning of the month in which the decision is due to be taken. |
| Background documents (via website) | None |
| Author | Fiona Morris Tel: 033 022 23811 |
| Contact | Suzannah Hill 033 022 22551 |

Cabinet Member for Finance and Property

| Property and Assets: (Rolling Entry) | |
|---|---|
| <p>The <u>Council Plan</u> sets out the Council's ambition to minimise the burden of local taxation, delivering the agreed priorities for residents within the approved budget and capital programme. The Council maintains an <u>Asset Management Policy and Strategy</u> that details how the Council's Assets will be managed and developed to deliver against the targets within the Council Plan. An objective of the Asset Management Strategy is to acquire, manage, maintain and dispose of property effectively, efficiently and sustainably, together with optimising financial and commercial opportunities. Decisions may be taken by the Cabinet, the Cabinet Member for Finance and Property or by the relevant Cabinet Member in relation to assets under the control of the County Council in accordance with the approved and published Asset Management Strategy.</p> | |
| Decision by | Cabinet Member for Finance and Property (Councillor Jeremy Hunt) |
| Date added | 31 March 2022 |
| Month | Before April 2023 |
| Consultation/ Representations | The following are being consulted: Local members Representation can be made via the officer contact in the month prior to that in which the decision is due to be taken. |
| Background documents (via website) | None |
| Author | Elaine Sanders Tel: 033 022 25605 |
| Contact | Suzannah Hill Tel: 033 022 22551 |

Cabinet Member for Finance and Property**Endorsement Community Asset Transfer Lease: Phoenix Centre**

The County Council's [Asset Management Strategy](#) supports the principle of the transfer of community assets in order to empower and strengthen local communities. The Council believes that transferring appropriate public assets to communities leads to more responsive services that better meet local people's priorities. The following vacant property has been identified as suitable for Community Asset Transfer:

- Phoenix Centre, Westloats Lane, North Bersted, Bognor Regis, West Sussex, PO21 5JD

This has been declared surplus to operational requirements following the redesign of the Council's Early Help Centres ([CAB02 21/222](#)).

Constituted community groups, charitable organisations, voluntary groups and Town and Parish Councils working in partnership with local community groups have been invited to apply for transfer of this property. The Council is looking to work with suitable organisations that are able to demonstrate, through a selection process, the ability to take on, manage and maintain these assets through a Full Repairing and Insuring Lease, with terms to be agreed, subject to contract. Providing a suitable proposal comes forward, a preferred lessee will be chosen.

The Cabinet Member for Finance and Property will be asked to approve the granting of a lease of the property of over 14 years in term at nil rent.

| | |
|--|--|
| Decision by | Cabinet Member for Finance and Property (Councillor Jeremy Hunt) |
| Date added | 9 March 2022 |
| Month | December 2022 |
| Consultation/ Representations | The following are being consulted: local member Representation can be made via the officer contact in the month prior to that in which the decision is to be taken. |
| Background documents (via website) | None |
| Author | Elaine Sanders Tel: 033 022 25605 |
| Contact | Suzannah Hill Tel. 033 022 22551 |

Cabinet, County Council

| Council Plan and Revenue Budget 2023/24 | |
|--|--|
| <p>The Council Plan and Budget report details a refreshed Council Plan, the County Council's revenue budget, the level of council tax proposed for 2023/24 and the nature of its expenditure, income and savings for a balanced budget. It will also outline the County Council's Capital Programme to cover the period 2023/24 to 2027/28 which will update the programme previously agreed by County Council.</p> <p>Cabinet will be asked to endorse the refreshed Council Plan, Revenue Budget and Capital Programme to deliver the Council Plan for approval at County Council on 17 February 2023.</p> | |
| Decision by | Councillor Jacquie Russell, Councillor Joy Dennis, Councillor Nigel Jupp, Councillor Paul Marshall, Councillor Deborah Urquhart, Councillor Steve Waight, Councillor Jeremy Hunt, Councillor Amanda Jupp, Councillor Bob Lanzer, Councillor Duncan Crow |
| Date added | 27 October 2022 |
| Month | January 2023 |
| Consultation/ Representations | <p>The following are being consulted:</p> <p>Performance and Finance Scrutiny Committee</p> <p>All Member sessions</p> <p>Representations concerning this proposed decision can be made to the decision-maker via the report author, by the beginning of the month in which the decision is due to be taken.</p> |
| Background documents (via website) | None |
| Author | Taryn Eves Tel: 033 022 23564 |
| Contact | Natalie Jones-Punch Tel: 033 022 25098 |

Support Services and Economic Development

Director of Finance and Support Services

| Award of Contract(s) Information Technology Services (Rolling Entry) | |
|--|--|
| <p>In December 2020 the Cabinet Member for Economy & Corporate Resources approved a proposal via decision ECR04 20-21, to insource and recommission, through new contracts, the services currently provided by Capita through the Information Technology outsource contract.</p> <p>The Cabinet Member delegated authority to the then Director of Finance and Support Services to progress the programme and commence procurement of the Service Desk and End User Compute Services, Networks, Telephony, Cloud Hosting and Infrastructure and Application Management Services. In accordance with the decision a procurement exercise is being undertaken.</p> <p>Contract(s) will be awarded to the successful bidder(s) from June 2021 and such dates as contractually needed. Initial service transitions commenced in July 2021.</p> | |
| Decision by | Director of Finance and Support Services (Taryn Eves) |
| Date added | 14 April 2021 |
| Month | Before April 2023 |
| Consultation/ Representations | <p>The following are to be consulted: External consultants SOCITM</p> <p>Representation concerning this proposed decision can be made to the decision-maker via the report author, by the beginning of the month in which the decision is due to be taken.</p> |
| Background documents (via website) | None |
| Author | Stewart Laird Tel: 033022 25310 |
| Contact | Suzannah Hill 033 022 22551 |

Director of Finance and Support Services

| Award of Contract: Data Archiving Solution for SAP | |
|--|---|
| <p>In preparation for decommissioning of the SAP Enterprise Resource Planning System (when replaced with Oracle Fusion via the SmartCore programme), the Council has undertaken a procurement process for a data archive solution to retain historic Finance, Human Resources and Procurement records in line with data retention obligations.</p> <p>Decision SSED02 22-23 delegated authority to the Director of Finance & Support Services to award the decision.</p> | |
| Decision by | Director of Finance and Support Services (Taryn Eves) |
| Date added | 7 July 2022 |

| | |
|--|---|
| Month | January 2023 |
| Consultation/ Representations | SME's within the Business, Market suppliers. Representation can be made via the officer contact. |
| Background documents (via website) | None |
| Author | Stewart Laird Tel: 033022 25310 |
| Contact | Suzannah Hill Tel: 033 022 22551 |

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**Performance and Finance Scrutiny Committee Work Programme
November 2022 - March 2023**

| Topic | Type of scrutiny | Timing |
|---|-------------------------|--|
| <p>Quarterly Performance and Resources Report (PRR)</p> <p>Performance, risk and budget monitoring: ongoing strategic monitoring of performance, finance, workforce, risk, transformation programme and capital programme.</p> | Performance | <p>Qtr2 November 2022</p> <p>Qtr3 March 2023</p> |
| <p>Council Plan and Medium Term Financial Strategy</p> <p>Committee to scrutinise the Council Plan and MTFS as part of the 2023/24 budget development process.</p> <p>Focus for scrutiny – agreed by the BPG</p> <ul style="list-style-type: none"> • That the progress made in achieving the aims/objectives of the Council Plan are on target. • That the work underway to refresh the Council Plan takes into account both internal and external factors to ensure it remains relevant and appropriate. • That the MTFS considers the implications of national changes on the County Council’s financial position and that these are monitored to ensure the Council’s financial position is understood and amended as necessary • That the financial position of the Council is clearly set out and any growth and/or savings requirements are identified • That the assumptions being made when setting out the MTFS are clear • That the objectives of the Council Plan are reflected in the available financial envelope • That there is sufficient information in terms of risks and how these will be managed and mitigated | Budget | November 2022 |
| Multi-Disciplinary Consultant | Performance | November 2022 |

| Topic | Type of scrutiny | Timing |
|---|--------------------|----------------------|
| <p>Scrutiny of the new working arrangements established with the consultant as a result of the recent re-procurement exercise.</p> <p>Focus for scrutiny – agreed by the BPG</p> <ul style="list-style-type: none"> • That the aims and ways of working of the partnering arrangement are clear and that they meet the needs of the Council Plan and the Capital Programme to ensure the priorities and targets of the County Council can be met. This should cover: <ul style="list-style-type: none"> • How the revised working arrangements will improve outcomes for the Council • How performance of the contract and its benefits will be measured and monitored • What other changes have been made and what these seek to achieve for the Council • How value for money from the working arrangements with the MDC will be shown and what assurances members can be given over the effectiveness of the contribution the MDC brings to capital projects and the asset strategy. • What will be the MDC’s role in the Council’s climate change strategy and plans for reducing the carbon footprint of the Council • Whether any significant risks have been identified and to seek assurance of the effectiveness of actions planned to manage these | | |
| <p>Property Joint Venture Partnership and Development Projects (postponed from June 2022)</p> <p>Review of the progress of setting up the JV partnership and achievement of the partnership aims.</p> <p>Focus for scrutiny agreed by the BPG:-</p> | <p>Performance</p> | <p>November 2022</p> |

| Topic | Type of scrutiny | Timing |
|---|------------------|---------------|
| <ul style="list-style-type: none"> • That satisfactory progress has been made in establishing the Joint Venture partnership arrangement • That the aims/objectives of the arrangements are clear and that they meet the needs of the Council Plan and the Capital Programme to ensure the priorities and targets of the County Council can be met • That governance arrangements and working practices have been agreed to ensure that the performance and outcomes can be managed and monitored effectively • That a plan of development sites has been agreed and work is underway to commence work on these to ensure the best outcomes for the Council can be achieved • That the strategy/proposals include a plan or commitment in relation to the Council's climate change priorities • How evidence or learning from other areas that have implemented similar arrangements have been considered • Whether any significant risks have been identified and to seek assurance of the effectiveness of actions planned to manage these • Plans to monitor the implementation and impact of the proposal/strategy and identify how scrutiny could add value to this process in the future. • How any implications for key areas of Council policy or its overarching legal responsibilities have been assessed (legal implications, equality duty, climate change, crime and disorder, public health, social value) and the effectiveness of any mitigations put in place to address these (do these provide assurance that potential adverse impacts are understood and being addressed?). <p>The Committee may scrutinise individual projects as they arise.</p> | | |
| <p>Treasury Management Mid-year Review</p> <p>As agreed with BPG and Finance Officers the Mid-year report will be circulated virtually to the committee for scrutiny. Member questions to be</p> | | November 2022 |

| Topic | Type of scrutiny | Timing |
|--|------------------|--------------|
| submitted for answers, these will be shared with the whole committee. | | |
| <p>Council Plan and Budget 2023/24</p> <p>Scrutiny of the Council Plan and draft budget ahead of agreement at Cabinet and approval at County Council in February 2023</p> <p>Proposed Focus for scrutiny:-</p> <ul style="list-style-type: none"> • That the Council Plan remains relevant and appropriate and continues to prioritise the outcomes we want to achieve for the people in West Sussex; • Ensuring that the budget presented, including the additional investment to meet demand and other pressures and any proposed savings, are realistic and enable the achievement of the priorities and objectives agreed in the Council Plan; • Ensuring that the level of reserves held ensures the County Council remains financially resilient; • That any risks in achieving the Council Plan and meeting the budget have been recognised and mitigating actions identified; • That the change to Council Tax is justified and appropriate to meet the needs of the residents of West Sussex; • That the Capital Programme and Strategy meet the anticipated future needs of the County Council; • That the Treasury Management Strategy ensures financial risks are minimised, security of capital is ensured and that the borrowing needs of the capital programme are met within the authorised borrowing limit and the efficient management of funds; • That the proposed changes to fees and charges:- <ul style="list-style-type: none"> ○ meet the objectives of cost recovery or meet other financial or policy objectives, ○ are reasonable and meet the needs and priorities of the Council, and ○ that the impact of changes have been considered, with any unintended consequences, and mitigations to address these, identified. | | January 2023 |

| Topic | Type of scrutiny | Timing |
|--|------------------|------------|
| <p>Smarter Working Programme</p> <p>Scrutiny of the findings and recommendations of the Smarter Working Programme with particular reference to the implications for the services within the committee's portfolio responsibility; HR, Property, IT and Finance.</p> <p>Focus for Scrutiny to be agreed.</p> | | March 2023 |
| <p>IT Policy</p> <p>Scrutiny of the up-dated IT Policy and the changes required as a result of the changing way the Council operates and how IT will support this. Committee to provide input to the changing Policy.</p> <p>Focus for Scrutiny to be agreed.</p> | | March 2023 |
| <p>SmartCore</p> <p>Scrutiny post-implementation of the Smartcore system to ensure aims, benefits and objectives of the new system have been achieved and that lessons have been learnt for future large-scale projects.</p> <p>Focus for Scrutiny to be agreed.</p> | | June 2023 |
| <p>Business Planning Group</p> | | |
| <p>Committee and BPG to monitor PRR in relation to Capital Programme (including Horsham Enterprise Park and Broadbridge Heath Retail Park), cyber security, Economy Plan, savings, change programmes and climate change to identify any issues arising for future scrutiny.</p> | Performance | TBC |
| <p>Grant funding</p> <p>BPG to determine whether scrutiny is required and how this may be carried out in relation to how we seek additional funding to bridge budget challenges.</p> | Budget | TBC |
| <p>TFG proposed to review arrangements in relation to commissioning/procurement/contract management.</p> | Performance | TBC |

| Topic | Type of scrutiny | Timing |
|---|-------------------------|---------------|
| BPG to consider outcomes required. Potential timescale of March 2023. | | |

Appendix A – Checklist

Scrutiny Business Planning Checklist

| | |
|--|---|
| Priorities | <p>Is the topic:</p> <ul style="list-style-type: none"> • a corporate or service priority? In what way? • an area where performance, outcomes or budget are a concern? How? • one that matters to residents? Why? • key decision preview, policy development or performance? |
| What is being scrutinised and why? | <ul style="list-style-type: none"> • What should the scrutiny focus be? What key lines of enquiry should be covered? • Where can the committee add value, what impact can scrutiny have? • What is the desired outcome from scrutiny? |
| When and how to scrutinise? | <ul style="list-style-type: none"> • When can the committee have most influence? (Is the committee getting involved at the right time, or the earliest opportunity?) • What is the best approach - committee, TFG, one-off small group, informal briefing or written update? • What research, visits or other activities are needed could complement the scrutiny? • Would scrutiny benefit from external witnesses or evidence? |
| Is the work programme focused and achievable? | <ul style="list-style-type: none"> • Have priorities changed – should any work be brought forward, stopped or put back? • Can there be fewer items for more in-depth consideration? • Is there a balance between policy development, performance monitoring and key decision preview? • Has sufficient capacity been retained for future work? |

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