

Public Document Pack

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5 July 2022

Performance and Finance Scrutiny Committee

A virtual meeting of the Committee will be held at **10.30 am** on **Wednesday, 13 July 2022**.

Note: This meeting will be held virtually with members in remote attendance. Public access is via webcasting.

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
Director of Law and Assurance

Agenda

Part I

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. **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.

3. **Part II Matters**

Members are asked to indicate at this stage if they wish the meeting to consider bringing into Part I any items on the Part II agenda.

- 10.35 am 4. **End of March 2022 (Quarter 4/end of year) Quarterly Performance and Resources Report** (Pages 5 - 146)
- 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 March 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.
- 11.35 am 5. **Treasury Management Annual Report 2021/22** (Pages 147 - 172)
- Report by the Director of Finance and Support Services setting out the performance of the Treasury Management function in 2021/22.
- The committee is asked to review and comment on the Treasury Management Annual Report and make any relevant recommendations for action to the Cabinet Member for Finance and Property in relation to Treasury Management activity.
- 12.05 pm 6. **Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore) - Focus for Scrutiny** (Pages 173 - 174)
- Report by Director of Law and Assurance.
- The appendix attached for members of the committee (Part II) sets out the urgent action decision that has recently been taken to approve a contract variation to provide the contractual basis for the successful implementation of the Smartcore programme and its costs to the Council.
- Committee is asked to review the urgent action decision report and make any comments to the Cabinet Member for Support Services and Economic Development.

Part II

7. **Exclusion of Press and Public**

The Committee is asked to consider in respect of the following item(s) whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Part I of Schedule 12A of the Local Government Act 1972, as indicated below, and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

Exempt: Paragraph 3, financial or business affairs of any person (including the authority).

8. **Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore) Appendix** (Pages 175 - 182)

Report by Head of Procurement & Contract Management and SmartCore Programme SRO **(for members of the Committee only)**.

The Committee is asked to consider the attached appendix.

12.35 pm

9. **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.

10. **Date of next meeting**

The next meeting of the Committee will be at 10.30am on 9 September 2022 at County Hall, Chichester. Probable agenda items include: -

- End of June 2022 (Quarter 1) Performance and Resources Report
- Staffing and cultural issues arising from scrutiny of the Performance and Resources Report
- Smartcore Project
- Pre-decision scrutiny of the procurement of a Multi-Disciplinary Consultant

Any member wishing to place an item on the agenda for the meeting must notify the Director of Law and Assurance by 25 August 2022.

To all members of the Performance and Finance Scrutiny Committee

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Report to Performance and Finance Scrutiny Committee

13 July 2022

End of March 2022 (Quarter 4/end of year) Quarterly 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 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 March 2022 and reports the 2021/22 end of year position.

Of the 53 performance measures, 40 have end of year figures to report. Of those 40, 70% of measures are reporting as 'green', 10% as 'amber' and 20% as 'red'. 13 measures have no rating currently attached to them as end of year data is not currently available. Of these measures 4 are expected to meet their target (green rated) and 9 will be close to target (amber rated).

Following a review of the Key Performance Indicators (KPIs) within the Council Plan there are two proposed small changes to enable clearer reporting that will be presented to Cabinet on 20th July for approval.

The provisional revenue outturn position for 2021/22 is £625.673m, which is a corporate underspend of £5.566m.

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 3) includes updates on the key projects currently being managed and the workforce statistics, (Appendix 6) provides quarterly information on Key Performance Indicators (KPIs).

The current Risk Register (Appendix 5) is included to give a holistic understanding of the Council's current performance reflecting the need to manage risk proactively.

The Cabinet meeting on 20 July will approve the End of Year Performance and Resources Report.

Focus for scrutiny

The Committee is asked to consider the PRR (the Annex report attached). Areas for scrutiny include:

- Whether the report addresses the concerns raised at the March meeting of the Committee, including more HR related KPIs and expanding the information content for the service transformation projects;
- The impact of the national financial situation, including Covid-19, on the Council's performance and financial resilience;
- Identify any areas of concern within the Committee's portfolio responsibilities relating to the 2021/22 performance indicators and any measures required to address these. The committee has previously recognised the need to measure KPIs in relation to the economy, cyber security, the savings and transformation programmes and climate change;
- To review the Risk Register and assess plans in place to mitigate key corporate risks;
- 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. Details of the end of year performance is included in the attached report.
- 1.4 The **provisional outturn position** for 2021/22 is a £5.566m underspend. Details of this position are included within the Finance Outturn Summary of

the attached report, including the contingency budget, savings and carry forward figures.

- 1.5 The main **financial risks** from across the portfolios include:
- Continued increases in the cost of older people care packages,
 - The mix between internal and external placements for children,
 - The rising numbers of children requiring home to school transport,
 - The rising numbers of children requiring high needs education,
 - The commencement of inflation price rises on goods and services,
 - The non-delivery and delays of savings (£8.4m (45%) of the savings target for 2021/22 is undelivered).
- 1.6 During 2021/22 £94.4m of **covid related revenue funding** was available. At the end of the year £71.3m has been spent, £19.8m will be carried forward into 2022/23 and £3.3m of unspent ringfenced grants will be repaid to Government.
- 1.7 The **Capital Programme** full year spend is £112.0m, an increase of £4.6m on the programme agreed at County Council in February 2021.
- 1.8 In relation to **corporate risks**, there are 2 corporate risks with severity above the tolerance threshold:
- CR39a Cyber security, and
 - CR58 Failure of Social Care provision.
- Further details can be found in Appendix 5.
- 1.9 10 of the **Workforce Key Performance Indicators** are rated 'Green'. 2 are amber rated; sickness absence and completion rate of staff induction. Details are included in Appendix 6.
- 1.10 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

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Annex A – How to Read the Performance and Resources Report

Annex B – Performance and Resources Report – Outturn 2021 (Quarter 4)

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: Covid-19 Summary

Appendix 3: Service Transformation and Flexible Use of Capital Receipts Summary

Appendix 4: Capital Monitor

Appendix 5: Corporate Risk Register Summary

Appendix 6: Workforce

Annex C – Proposed Amendments to KPIs on Our 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 – Covid-19 Summary
- Appendix 3 – Service Transformation
- Appendix 4 – Capital Monitor
- Appendix 5 – Corporate Risk Register Summary
- Appendix 6 – Workforce

Scrutiny Committee Documents

The relevant appendices will be made available to Scrutiny Committees prior to being considered by Public Cabinet. The complete reporting pack, including the Cabinet Cover Report, will be considered by the Performance and Finance Scrutiny Committee.

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	Covid-19 Summary					✓
Appendix 3	Service Transformation					✓
Appendix 4	Capital Monitor					✓
Appendix 5	Corporate Risk Register Summary	✓	✓	✓	✓	✓
Appendix 6	Workforce					✓

KEY:	Specific Committee Responsibility
	To Be Included In Committee Papers

Performance and Resources Report – Outturn 2021 (Quarter 4)

The County Council's business performance, financial performance (revenue and capital), savings delivery, workforce and risk are monitored through the Quarterly Business Performance Report produced each quarter 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 fourth quarter of 2021/2022 (January - March). 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 the four priorities set out in Our Council Plan.

National Context

2. The County Council is focused on delivering the four priorities 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.
3. On the 24th February, the Government announced its plan for 'Living with Covid' and the removal of all Covid-19 domestic legal restrictions in England. The plan details how vaccines and other pharmaceutical interventions will continue to form the first defence against the virus. The County Council has continued to provide support to the vaccination programme and to the community by working with local partners and providing help and support to vulnerable people through the Community Hub and other front-line services.
4. Also on the 24th February, Russia invaded Ukraine. This has led to millions of Ukrainian civilians fleeing to neighbouring countries. The UK Government has condemned Russia's actions and has sanctioned over 1,600 individuals and businesses with Russian links. The UK has provided military and humanitarian assistance to Ukraine alongside announcing the Ukraine Family Scheme and the Home for Ukraine Sponsorship Scheme which enables UK households to offer a home to people fleeing Ukraine. Locally, the County Council is supporting these schemes and is working with local and national government, charities and volunteer groups to provide appropriate support. The war in Ukraine has exacerbated other economic pressures that have contributed to growing inflation that is impacting on the council's costs of delivery as well as on the cost of living for residents.
5. On this same day in February, the Chancellor also announced a number of measures to help households with cost-of-living increases:
 - Energy Bills Rebate - through the Energy Bills Support Scheme. All domestic electricity customers will have a £200 discount applied to their energy bills from October 2022. This discount will then be automatically recovered from bills in equal £40 instalments over the next five years;

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beginning in 2023, when global wholesale gas prices are expected to reduce.

- Council Tax Rebate. Households in England which are Council Tax Band A-D will receive a £150 one-off rebate from April 2022. This will be administered by individual Council Tax Collection Authorities who will be reimbursed by the Government.

6. In addition, on the 23rd March, the Chancellor presented his Spring Statement where further announcements were made regarding support for people dealing with the rising cost-of-living, these included:

- Increase in the National Insurance Threshold, which will save the typical employee over £330 a year. This will come into effect from July 2022.
- Reduction in Fuel Duty. A 5p per litre reduction on petrol and diesel fuel duty came into effect on the 23rd March 2022.
- £500m of further Household Support Fund Grant which will be distributed by councils in England to directly help support vulnerable households meet daily needs, such as food, clothing and utilities.

7. On the 26th May, the Chancellor announced a Cost-of-Living Support package which detailed the following support measures:

- Households will receive £400 of support with their energy bills through an expansion of the Energy Bills Support Scheme.
- The £200 Energy Bill Rebate, which was announced in February, has been revised with the value of the rebate doubling to £400 per household and the full £400 payment now becoming a grant, which will not be recovered through higher bills in future years.
- More than 8 million households on means tested benefits will receive a one-off Cost of Living Payment of £650 this year.
- Pensioner households will receive an extra £300 this year to help cover the rising cost of energy this winter.
- Around 6 million people who receive disability benefits will receive a one-off payment of £150 from September to assist with additional costs.
- A further £500m increase and extension of the Household Support Fund from October 2022 – March 2023 to support people who need additional help.

8. The Levelling Up White Paper was published on the 2nd February. It sets the policy framework for delivering the Government's ambition to spread opportunity more equally across the UK, including by refocusing funding. It sets out 12 Levelling Up Missions with targets for 2030 grouped under four Objectives:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging.
 - Spread opportunities and improve public services, especially in those places where they are weakest.
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost.
 - Empower local leaders and communities, especially in those places lacking local agency.
9. The White Paper also sets out a new approach to devolution, with an expectation that devolution deals will be in place across England by 2030 for areas that want them. It confirmed that this would include County Deals that would be agreed with county and unitary authorities, with the involvement of district and borough councils encouraged but without a right of veto. County Deals would require populations over 500,000 and Government will not accept 'islands' left out of the final pattern of deals. A three-tier framework for devolution deals, dependent on leadership models was set out in the White Paper. Nine County Deal pilots were announced, as the start of a future pipeline. The White Paper also confirmed that the Government will not impose local government reorganisation and only consider cases where there is broad local support, and that UK Shared Prosperity Funding will go to District and Borough Councils in areas without a County Deal.
10. On the 28th March, the Schools White Paper, Opportunities for All, was published which sets out plans to make sure every child can reach the full height of their potential. The document sets out a series of new measures to support children's education, which include:
- Schools will offer a minimum school week of 32.5 hours by September 2023.
 - Local authorities for the first time will be able to set up their own Multi-Academy Trusts.
 - Ofsted will inspect every school by 2025.
 - By 2030, all children will benefit from being taught in a school in, or joining, a multi-academy trust.
 - At least £100m to put the Education Endowment Foundation on a long-term footing so they can continue to evaluate and spread best practice in education across the country.
11. The SEND Review: Right Support, Right Place, Right Time Green Paper was published on 29th March. This paper seeks views about the proposal to establish a single national SEND and alternative provision system that sets clear standards for the provision that children and young people should expect to receive and the processes that should be in place to access it.

Performance Summary - Our Council Plan

12. This section reports the latest performance position against Our Council Plan measures. **Table 1** displays the performance by priority with details of each measure reported in each respective Portfolio Section.

Table 1 – Performance by Portfolio/ Priority

Portfolio/Priority	RAG Status	Making the Best Use of Resources	Helping People and Communities to Fulfil Their Potential	A Sustainable and Prosperous Economy	Keeping People Safe from Vulnerable Situations
Adults Services	R	N/A	2	N/A	1
	A	N/A	2	N/A	N/A
	G	N/A	2	N/A	3
Children and Young People	R	N/A	N/A	N/A	2
	A	N/A	N/A	N/A	2
	G	N/A	N/A	N/A	1
Learning and Skills	R	N/A	N/A	N/A	N/A
	A	N/A	2	N/A	N/A
	G	N/A	4	1	N/A
Community Support, Fire and Rescue	R	N/A	N/A	N/A	2
	A	N/A	N/A	N/A	N/A
	G	N/A	4	N/A	1
Environment and Climate Change	R	N/A	N/A	N/A	N/A
	A	N/A	N/A	N/A	N/A
	G	N/A	N/A	2	N/A
Finance and Property	R	1	N/A	N/A	N/A
	A	N/A	N/A	N/A	N/A
	G	2	N/A	1	N/A
Highways and Transport	R	N/A	1	1	N/A
	A	N/A	N/A	1	N/A
	G	N/A	N/A	1	N/A
Leader	R	N/A	N/A	N/A	N/A
	A	N/A	N/A	N/A	N/A
	G	N/A	N/A	3	N/A
Public Health and Wellbeing	R	N/A	N/A	N/A	N/A
	A	N/A	N/A	N/A	N/A
	G	N/A	2	N/A	3
	NO RAG	N/A	1	N/A	N/A
Support Services and Economic Development	R	N/A	N/A	N/A	N/A
	A	1	N/A	N/A	N/A
	G	4	N/A	N/A	N/A

	The values within the table refer to the number of KPI measures.
	Blue highlighted cells indicate the KPI includes a Climate Change measure. Overall there are three Climate Change measures.

13. We have 53 measures of which 40 have year-end results available. The remaining 13 measures (mostly annual measures) will not have updates until later in 2022 and their RAG status relates to the latest results available. Of those 40 measures with 2021-22 results the break-down is as follows:

- 70% (28 of 40) - met or exceeded the target (Green)
- 10% (4 of 40) - close to meeting the target (Amber)
- 20% (8 of 40) - not met their target (Red)

This compares to Q3 performance: -

- 62.5% (25 of 40) - met target (Green)
- 17.5% (7 of 40) - close to meeting their target (Amber)
- 20% (8 of 40) - not met their target (Red)

and compares to their forecasted outturn: -

- 70% (28 of 40) - met target (Green)
- 17.5% (7 of 40) - close to meeting their target (Amber)
- 12.5% (5 of 40) - not met their target (Red)

14. Of those 13 measures that do not yet have data updates for this year we forecast, four of them will meet their target (Green) and nine will be close to target (Amber).

Performance Summary by Priority

15. The Council has responded to several events and challenges over the last three months which have impacted the operations and priorities of the council, diverting resources to support our residents. These include the war in Ukraine, the energy crisis and the cost-of-living increases and three named storms within a week in mid-February. In parallel, it has continued to focus on core delivery and progressing a range of improvement programmes.

Keeping People Safe from Vulnerable Situations

16. This has been a strong year for improved performance within the Children, Young People and Learning Directorate. The Children First Transformation programme has progressed with the Early Help service, Family Safeguarding (phase 1) and education redesigns all being implemented as planned. Children's services also continue to make improvements in service delivery notably within services provided to children we care for, which was confirmed by the latest Ofsted monitoring visit which noted that, *'The quality of social work practice and the experiences of the children in the care of West Sussex have significantly improved since the May 2019 inspection.'*
17. The Commissioner, who provides independent scrutiny and monitoring of the service performance, has conducted a full review of the evidence of progress during 2021. He submitted his latest report to the Secretary of State in January 2022. In acknowledgement of the improvements that have been made by the Council, his report recommended that the Government remove the statutory direction for a Children's Trust, allowing Children's Service to remain within West Sussex County Council. His report outlined the steps taken by the Leader of the Council and the wider Council to ensure that Children's Services is properly supported and resourced to maintain the pace of improvement. His recommendation has now been approved by the Secretary of State which has put a stop to a Trust arrangement. This is a significant milestone on our recovery.
18. The Covid-19 Omicron variant, although found in the UK back in December didn't peak until January 2022 and further variants continue to be discovered. We remain

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focused on making sure we continue to support the most vulnerable people in our community with rising costs of essentials, through our Household Support Fund. The Community Hub received over 24,000 cases from Test and Trace this quarter and since February has, in partnership, been involved with supporting individuals experiencing hardship for reasons not necessarily linked to Covid

19. For adult social care there has been unprecedented demand across the services, mirroring a national trend. The ongoing pressures, in particular for supporting the NHS with hospital discharges has impacted on the ability to meet all the targets.
20. The Council is implementing processes to support eligible families and individuals leaving Ukraine, providing appropriate support in line with Government policy for resettling refugees, while continuing to provide support for other refugees and migrants, including those from Afghanistan.
21. Also, during February, the Council responded to three storms within one week, which created disruption across the region. Teams worked together with emergency planning partners to support communities. On the Friday 19th the Highways team received 554 calls about emergency incidents (an average is 80 on a normal day) and by the close of day on Monday, the team had responded to 388 emergency incidents, the majority of which related to clearing fallen trees. West Sussex Fire and Rescue Service responded to numerous 999 calls from across the County. The Joint Fire Control received almost 600 calls between 8am and 5.30pm on Friday across West Sussex, East Sussex, and Surrey.

A Sustainable and Prosperous Economy

22. Our six growth deals with District and Borough Council partners remain the focus for our investment and activity to support economic growth. A construction contract worth over £1 million for highways improvements in the Manor Royal Business District was awarded as part of the Crawley Growth Programme, with a £60 million package of improvements across the town to support business investment and employment growth. Littlehampton has also had £1.25 million approved for the Terminus Road project to enhance the town centre and promote sustainable modes of transport.
23. A £32 million programme of investment in highways and transport was agreed and will cover investment on more than 650 schemes to improve carriageways, pavement, road safety, bridges, and public rights of way as well as schemes to tackle flood issues, including those caused by extreme weather events.

Helping People and Communities Fulfil Their Potential

24. Ofsted inspections of schools continued uninterrupted between January to March 2022. By March 2022, 88.8% of schools were judged to be either Good or Outstanding, an all-time high. Although national data for Key Stage 2 and Key Stage 4 data has not been published, we continue to provide a programme of professional development for teachers and school leaders and additional school led improvement projects are used to support schools to improve, and where outcomes for pupils are too low.

25. Personal Education Plans (PEP), a statutory document required for all Children we care for from the age of two until they turn 18 and are classed as an adult, remains at an all-time high with 97% completed during the Spring Term 2022, helping children to achieve their potential through a personalised approach to education.

Making the Best Use of Resources

26. The cost of living continues to rise steeply, exacerbated by the energy crisis. As a result, additional funding of up to £3 million has been allocated by West Sussex County Council for the second year running to provide support for households experiencing financial pressures during the pandemic and in the year ahead.

Responding to the Challenges Posed by Climate Change

27. The Cabinet Member for Environment and Climate Change has approved the County Council's new 2030 Energy Strategy. This will guide decision making on energy for the next decade and support the transition to clean energy and action on climate change.
28. Heat Decarbonisation Plans have been produced for 50 County Council buildings, including County Hall and Parkside, to show where fossil fuel systems could be replaced by low carbon technologies such as heat pumps.
29. The County Council has also signed a new three-year contract with E-On to operate the County Council's battery sites. Our grid scale batteries at Westhampnett and, from next year, Halewick Lane, store surplus electricity and respond to peaks in power demand. E-On's specialist expertise will ensure that the County Council generates a sustainable income and advise on new opportunities in the energy market.

Finance Summary

National Financial Overview and Potential Impacts

30. Global inflationary pressures have intensified following Russia's invasion of Ukraine, which has led to a deterioration in the outlook for UK growth. Supply chain disruption has also arisen due to the conflict, but also as a result of the continued impact of the Covid-19 pandemic in China. These global events are directly affecting the cost of goods and services within the UK and are increasing household costs for families.
31. The UK's unemployment rate fell to 3.8% in the three months to February, and experts expect it to fall slightly further in coming months as the supply within the labour market tightens adding further pressure to wage inflation.
32. The latest figures from the Office for National Statistics (ONS) on the Consumer Price Index (CPI) and Retail Price Index (RPI) are shown in **Table 2** below.

Table 2 – Inflation Table CPI and RPI

Inflation	Q4 2020/21	Q1 2021/22	Q2 2021/22	Q3 2021/22	Q4 2021/22		
	March 2021	June 2021	Sept 2021	Dec 2021	Jan 2022	Feb 2022	March 2022
Consumer Price Index (CPI)	0.7%	2.5%	3.1%	5.4%	5.5%	6.2%	7.0%
Retail Price Index (RPI)	1.5%	3.9%	4.9%	7.5%	7.8%	8.2%	9.0%

33. The Bank of England’s Monetary Policy Committee (MPC) sets its monetary policy to meet a 2% inflation target. In its meeting on the 4th May 2022, the MPC decided to increase the Bank of England’s base rate by 0.25%, to 1.00%. It also explained that the UK’s GDP growth is expected to slow sharply in the coming months.
34. Looking forward into 2022/23 and beyond, the impact of the increasing cost of goods and services remains a significant concern, with the cost of care continuing to increase at higher rates than budgeted for and the projected costs of delivering the capital programme continuing to increase. Ongoing economic implications on services have been factored into the council’s medium-term financial strategy and budget for 2022/23. However, there is uncertainty with regard to the continuing inflation rises and the effect this will have on the value of our service contracts and funding available to deliver essential services over the short-to-medium term.
35. There remains significant uncertainty around Local Government funding from 2023/24 onwards. The Fair Funding Review and changes to the business rates retention scheme, originally planned to be implemented from April 2020, has been postponed for a number of years and has, therefore, delayed the impact on local authorities’ funding assumptions. It was assumed that Fair Funding would be implemented in 2023/24 but it now seems likely this will be further delayed. Our assumptions will be kept under review as more details emerge.

Finance Outturn Summary

36. This section sets out the financial outturn for 2021/22. The formal financial statements are still in preparation for the external audit; after which time, they will be submitted for approval to the Regulation, Audit and Accounts Committee.
37. The outturn position reported is provisional until the preparation of the accounts and external audit is complete. Any change from this outturn position included in this report will be reported in the narrative to the financial statements.
38. The Performance and Resources Report endeavours to separate the impact of the Covid-19 pandemic from the County Council agreed business as usual budget; to enable a clear view of the financial impact the pandemic has caused.

39. The provisional revenue outturn position for 2021/22 on revenue budgets is £625.673m, **an overall corporate underspend of £5.566m.**

This underspend is comprised of Portfolio budgets have underspent by £1.199m which has been partly mitigated by the £0.602m overspend within **Non-Portfolio budgets** (excluding the Contingency), leading to a net £0.597m underspend prior to use of contingency. In addition, the **General Contingency** concludes the year with **£4.969m of unused funding.** This balance assumes a Decision to transfer funding from Contingency budgets to Portfolio budgets is agreed following the late NJC pay award agreement in February.





40. **Table 3** details the revenue outturn position by Portfolio and **Table 4** provides a comparison of the outturn position to the quarter three projection.

Table 3 – Year End Outturn Position and Variation

Portfolio	Budget	Outturn Expenditure	Outturn Variation	Variation
Adults Services	£210.620m	£210.446m	(£0.174m)	(0.1%)
Children & Young People	£132.937m	£132.799m	(£0.138m)	(0.1%)
Learning & Skills	£36.985m	£38.623m	£1.638m	4.4%
Community Support, Fire & Rescue	£41.923m	£41.473m	(£0.450m)	(1.1%)
Environment & Climate Change	£59.409m	£56.752m	(£2.657m)	(4.5%)
Finance & Property	£28.241m	£30.963m	£2.722m	9.6%
Highways & Transport	£37.229m	£36.010m	(£1.219m)	(3.3%)
Leader	£2.745m	£2.453m	(£0.292m)	(10.6%)
Public Health & Wellbeing	£0.000m	£0.000m	£0.000m	(0.0%)
Support Services & Economic Development	£41.471m	£40.842m	(£0.629m)	(1.5%)
Portfolio Total	£591.560m	£590.361m	(£1.199m)	(0.2%)
Non-Portfolio & Sources of Finance			£0.602m	
Contingency Budget Remaining			(£4.969m)	
Total Outturn Underspend			(£5.566m)	

Table 4 –Year End Outturn Position and Variation - Compared to Q3

PORTFOLIO	CURRENT NET BUDGET (£'000)	OUTTURN VARIATION (£'000)	VARIATION %	MOVEMENT SINCE Q3 (£'000)
Adults Services	210,620	-174	-0.1%	(174)
Children & Young People	132,937	-138	-0.1%	(638)
Learning & Skills	36,985	1,638	4.4%	(219)
Community Support, Fire & Rescue	41,923	-450	-1.1%	(753)
Environment & Climate Change	59,409	-2,657	-4.5%	(292)
Finance & Property	28,241	2,722	9.6%	2,492
Highways & Transport	37,229	-1,219	-3.3%	(239)
Leader	2,745	-292	-10.6%	(242)
Public Health & Wellbeing	0	0	0.0%	0
Support Services & Economic Development	41,471	-629	-1.5%	(1,091)
Portfolio Total	591,560	-1,199	-0.2%	(1,156)
Non Portfolio (Excluding Contingency)	29,144	602	2.1%	0
Contingency	4,969	-4,969	-100.0%	(869)
Total	625,673	-5,566	-0.9%	(2,025)

Key:
 and  - Provides a view of the Q3 projection
 and  - Reports the Outturn position

41. A number of **Technical Accounting Adjustments** have been enacted whilst closing the financial accounts which have been included within the Portfolio outturn position:

- **Increase Doubtful Debts Provision (*Finance and Property Portfolio*)**. Following the work undertaken last year in reviewing the methodology for calculating a more prudent provision for doubtful debt, it has been assessed that a further £1.448m of provision is required within the Doubtful Debt Provision.
- **Insurance Contribution (*Finance and Property Portfolio*)**. An opportunity to fund £0.527m of insurance costs within the Finance and Property Portfolio has been enacted thereby reducing the amount required to be drawn from the insurance reserve for claims in 2021/22.
- **Durrington Bridge House Project (*Finance and Property Portfolio*)**. The costs associated with moving office accommodation from Centenary House to Durrington Bridge House of £0.618m have been charged to the Finance and Property Portfolio. In reality, this project has been fully funded by the in-year homeworking underspends which are held within the individual Portfolios they were generated.

In-Year Homeworking/ Change in Service Delivery Underspend

42. During the year, the Covid-19 pandemic impacted the way the County Council delivered its services to its customers and how it operated internally. Many services have had to adapt to different ways of working to enable the business to continue in an efficient and effective manner. As per government guidelines, the County Council asked its employees to work from home where possible to reduce the risk of infections in the workplace.
43. Homeworking also provided some financial benefits which are detailed in **Table 5** and included in individual Portfolio sections:

Table 5 – Projected In-Year Underspending from Homeworking/ Change in Service Delivery

Type of Spend / Area	In Year Underspending	Comments
Staff Travel and Vehicle Mileage	(£0.455m)	In-year saving from a reduction in staff travel (including social care).
Members Travel, Expenses, Training and Refreshments	(£0.100m)	Saving due to remote working and on-line meetings.
Utilities	(£0.300m)	Reduction in utility expenditure due to reduced occupancy in the majority of county buildings.
Facilities Management	(£0.160m)	Reduction in shredding and refuse, consumables at area hubs and security costs.
Postage and Central Stationery	(£0.200m)	Reduction in the amount of postage and central stationery required.
Total In-Year Underspending	(£1.215m)	

44. Of the £1.215m homeworking underspend which has been generated:
- **£0.618m** has been used to cover the in-year costs for the **Durrington Bridge House Project** which is charged to the Finance and Property Portfolio.
 - It is proposed that the remaining **£0.597m underspend is transferred into the Service Transformation Reserve** to fund future New Ways of Working projects.

Contingency Budgets

45. In February the 2021/22 NJC pay award dispute concluded with a 1.75% pay increase agreed by unions and employers backdated to 1st April 2021. HAY, SMG and Soulbury salaried staff have also agreed a 1.75% increase for 2021/22.
46. A Decision is required to draw £3.406m of Contingency budget to fund the pay award. It is proposed that the £1.975m within the Pay Contingency is applied first,

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Annex B

with a further £1.431m drawn from the General Contingency to cover the full requirement. For clarity, it should be noted that these transactions have been assumed within the presentation of the Outturn Report. **Table 6** demonstrates the effect of these transactions to the Contingency budgets.

Table 6 – Contingency Budget – Impact of Pay Inflation Draw-down

Contingency Budgets in 2021/22	Remaining 2021/22 Contingency Budget	2021/22 1.75% Pay Award Agreed	Contingency Budget Remaining
Pay Contingency ¹	£1.975m	(£1.975m)	£-
General Contingency	£6.400m	(£1.431m)	£4.969m
Total	£8.375m	(£3.406m)	£4.969m

Note:

¹ £0.225m previously drawn from Pay Contingency Budget in September 2021 to fund the Fire & Rescue Pay Award.

47. After drawing the £3.406m required for the pay award, the **General Contingency budget concludes the year with a £4.969m underspend.**
48. With uncertainty growing regarding inflationary increases in 2022/23 and the general downbeat economic forecast over the short-to-medium term, it is **proposed that the unspent Contingency is transferred into a specific Inflation Contingency Reserve** to enhance the £2.9m Inflation Contingency already created within the 2022/23 Budget.

Carry Forward Requests

49. A number of carry forward requests totalling £3.679m have been actioned as part of the financial year end transactions; these are detailed in **Table 7**. The majority of the carry forward requests relate to grant funding which has been allocated for a specific purpose but has not been fully spent by the end of the financial year. Further details on each of these requests are included in the individual portfolio sections.

Table 7 – List of Carry Forward Requests

Portfolio	Carry Forward Request	Amount
Adult Services	Domestic Abuse Grant – To fund the Pan Sussex Domestic Abuse Accommodation and Support Strategy. Decision (AS03 21/22).	£1.498m
Children & Young People	Youth Justice Service - To fund projects including speech and language therapy, specific training and alternative education provision.	£0.040m
	West Sussex Safeguarding Children Partnership – To fund the implementation of an improvement plan in 2022/23.	£0.163m

Portfolio	Carry Forward Request	Amount
Fire & Rescue and Communities	Domestic Homicide – Delays in completing review cases due to legal processes	£0.115m
	Bequest for Worthing Fire Station – A generous gift has been left to Worthing Fire Station.	£0.098m
	Proceeds of Crime Act Funding – To be used for specific projects to detect and prevent future crime.	£0.038m
Highways & Infrastructure	Capability Fund for Active Travel – This grant was awarded in December 2021 to develop sustainable travel schemes across the county.	£0.251m
	Bus Capacity Grant - Grant to support the development of the Bus Service Improvement Plan and to provide capacity for the implementation of an enhanced partnership approach.	£0.397m
	Capacity Grant for Local Transport Plan – Grant awarded in March 2022. Funding will provide capacity to introduce a carbon impact appraisal system to improve decision-making. <i>Accounted for within Environment and Climate Change Portfolio (Planning Budget).</i>	£0.179m
Leader	One Public Estate Opportunity Development Fund - Grant received in March 2022 to help partners secure capacity to develop a pipeline of public sector property opportunities and help deliver post-pandemic public estate strategies.	£0.100m
Support Services & Economic Development	Provision for IT Restructuring Costs – A number of costs that were initially expected to be met in 2021/22 will now be incurred in 2022/23.	£0.800m
Total		£3.679m

50. In addition to the above listing, **Table 8** details a number of Covid-19 grants received from the Government which were unspent at the end of the year. These funds have been carried forward into 2022/23 to assist the County Council with the on-going Covid-19 pressures it is continuing to encounter. Further details on the Covid-19 grants is detailed in **Appendix 2**.

Table 8: Listing of Revenue Covid-19 Grants Transferred into 2022/23.

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

Financial Outturn – Areas to Highlight

51. 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 the portfolios include:
- Continued increases in the cost of older people care packages,
 - The mix between internal and external placements for children,
 - The rising numbers of children requiring home to school transport,
 - The rising numbers of children requiring high needs education,
 - The commencement of inflation price rises on goods and services,
 - The non-delivery and delays of savings.
52. During the year, the **Adults Services Portfolio** has been under significant pressure, largely due to the cost of care for older people continuing to increase and the imbalance of supply and demand in the care sector. Between the Older People and Learning Disabilities cohorts, the aggregate 2021/22 overspend was £12.9m, however due to the extent to which the causes are attributable to the Covid-19 pandemic, £11.3m of the overspend was charged to the County Council's Contained Outbreak Management Fund (COMF) allocation and £1.6m was met from the Improved Better Care Fund (iBCF).
53. Looking forward, the level of underlying risk within the Adults Services Portfolio for 2022/23 is in the region of £4.7m. When combined with existing savings targets, it makes for a challenging outlook, even if the market returns to a settled state.
54. In addition, 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 as a result of more residents engaging with the council for their social care needs. The other element is that there is 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, despite this where the cost impact of the reforms will be greatest. To mitigate that risk, the Adult and Health Pressures and Recovery Reserve is to be repurposed as the Adult Social Care Reform Risk Reserve. This action is being taken as a pro-active measure and will mean that funding of £5m is available to manage adverse financial implications, particularly in relation to the one-off spending which will be incurred in 2023/24 from the surge in activity that is expected as self-funders approach the County Council for an assessment so that they may benefit from the reforms. In addition, the reserve will support the County Council in managing any unforeseen market effects that may arise. Further details are reported in **Section 1** – Adult Services Portfolio.
55. The **Dedicated Schools Grant** (DSG) overspent by £7.7m in 2021/22. It should be noted that this overspend value is after allowing for a £7.0m transfer from the DSG Reserve which was agreed by Schools Forum. The total DSG deficit held in unusable reserves now totals £25.5m. Further details are reported in **Section 3** – Learning and Skills Portfolio.

56. The **English National Concessionary Travel Scheme** underspent by £1.1m in 2021/22 due to Covid-19 restrictions. There is still some uncertainty as to how the number of passengers will rebound following the lifting of restrictions, but there may be potential to re-invest resources to other bus service priorities within the Bus Service Improvement Plan.

Savings Update

57. The **2021/22 savings target** across all portfolios was £18.5m. Of this amount, £10.2m (55%) was achieved as originally envisaged or has been delivered by other means or mitigated within the service; with £8.4m (45%) of savings undelivered this year. These unachieved savings are included with the outturn position.
58. **Table 9** summarises the savings position by Portfolio. Details of each saving is included in the separate portfolio sections.

Table 9 – 2021/22 Savings by Portfolio

Total Savings 2021/22	Red	Amber	Green	Blue	Total (£000)
	Significant Risk Not Delivered (£000)	At Risk (£000)	On Track Delivered in Year (£000)	Delivered On an On-Going Basis (£000)	
Adults Services	7,338	-	530	108	7,976
Children and Young People	200	-	1,050	2,656	3,906
Learning & Skills	187	-	463	131	781
Community Support, Fire & Rescue	-	-	70	368	438
Environment & Climate Change	-	-	170	370	540
Finance & Property	-	-	-	243	243
Highways & Transport	-	-	76	1,221	1,297
Leader	-	-	-	101	101
Public Health & Wellbeing	-	-	-	-	-
Support Services & Economic Development	632	-	400	2,199	3,231
Total	8,357	-	2,759	7,397	18,513

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

59. In addition, we have also been monitoring **£3.1m of savings from 2020/21** which had not been delivered permanently by the start of the financial year. The majority of these savings plans were adversely affected by the pandemic and are taking longer than predicted to deliver. Of these £3.1m savings, £1.2m (39%) were achieved as originally envisaged or have been delivered by other means or mitigated within the service, with £1.9m (61%) of savings undelivered this year. **Table 10** summarises the savings position by Portfolio. Details of each saving is included in the separate portfolio sections.

Table 10 – Savings Brought Forward from Previous Year by Portfolio

Savings Brought Forward From 2020/21	Red	Amber	Green	Blue	Total (£000)
	Significant Risk Not Delivered (£000)	At Risk (£000)	On Track Delivered in Year (£000)	Delivered On an On-Going Basis (£000)	
Adults Services	1,100	-	800	-	1,900
Children and Young People	56	-	44	-	100
Learning & Skills	25	-	100	-	125
Community Support, Fire & Rescue	-	-	-	150	150
Environment & Climate Change	-	-	-	-	-
Finance & Property	150	-	150	-	300
Highways & Transport	300	-	-	-	300
Leader	-	-	-	-	-
Public Health & Wellbeing	-	-	-	-	-
Support Services & Economic Development	-	-	-	-	-
Non-Portfolio	250	-	-	-	250
Total	1,881	-	1,094	150	3,125

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

60. As part of the 2022/23 budget setting process, all of the delayed savings were reviewed, and consideration was given to the likelihood of their deliverability going forward. This exercise led to the removal or reprofiling of £0.6m of savings.
61. Looking forward to 2022/23, there are currently no 2020/21 or 2021/22 savings judged as 'at significant risk' (red), however there are **£9.0m of savings judged as 'at risk' (amber)**. £7.1m of these 'at risk' savings relate to the Adults Services Portfolio. Details of each saving and 2022/23 RAG status are included in the separate portfolio sections.

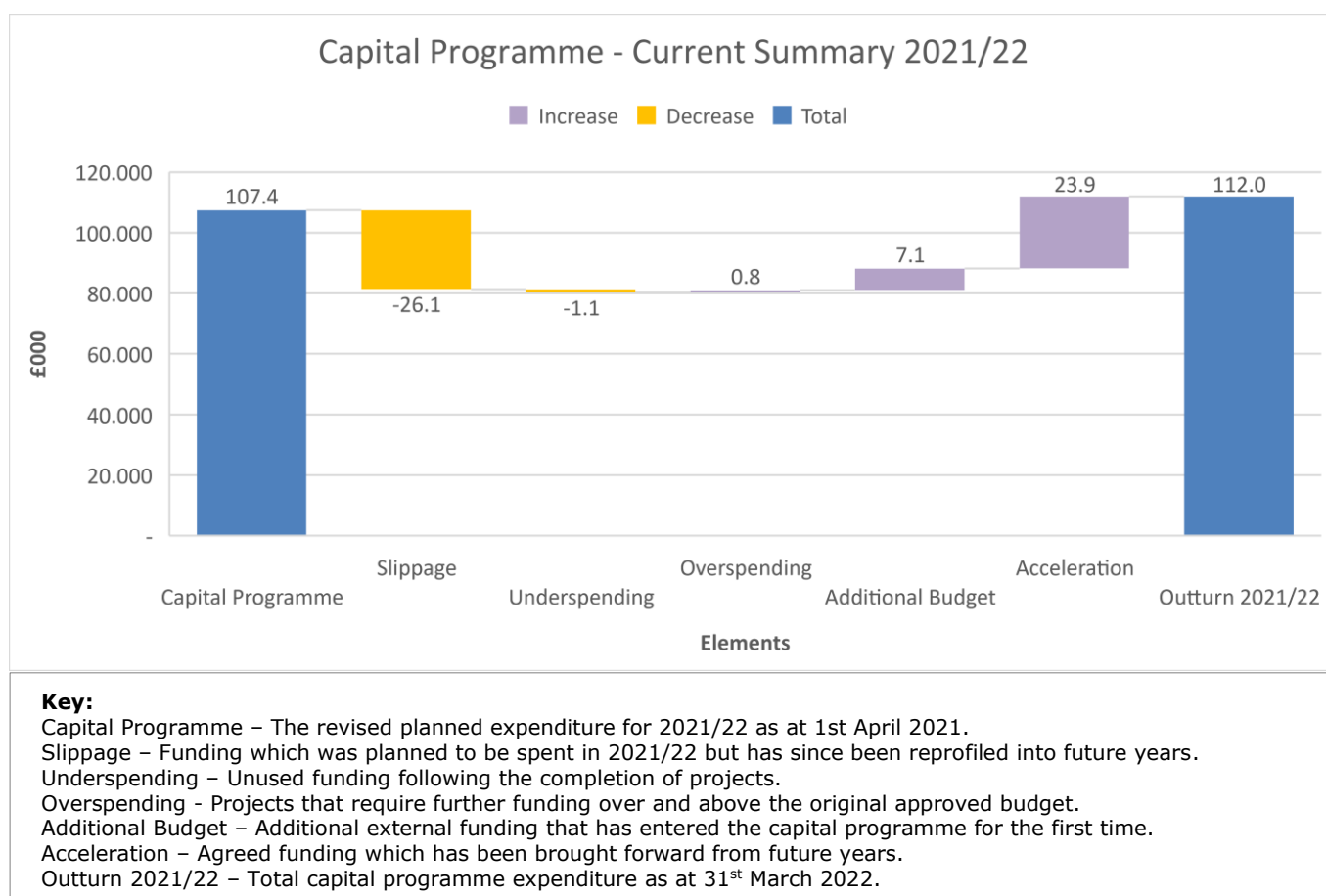
Covid-19 Grants and Income Summary

62. The cost of the Covid-19 pandemic to the County Council has been monitored separately from the portfolio budgets agreed by County Council in February 2021. A total £94.4m of Covid-19 revenue funding was available in 2021/22 which included £92.1m from grants – i.e grant balances carried forward from 2020/21, ringfenced grants with conditions attached, ringfenced grants administered in accordance to Government Requirements (passporting funds to third parties) and other non-ringfenced grants. A further £2.3m of contributions from other organisations including the West Sussex Clinical Commissioning Group (CCG) also contributed to this funding.
63. Of this funding, £71.3m was spent in year in response to the pandemic, £3.3m of unspent ringfenced grants, largely related to government administered funds including Infection Control and Rapid Testing funding, will be repaid to the Government, leaving £19.8m to be carried forward into the 2022/23 financial year to continue to cover the costs of the on-going pandemic. Further details are reported in **Appendix 2**.

Capital Programme Summary

64. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £101.6m for 2021/22. £5.8m of this expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £107.4m.
65. Since this time, spend has increased overall by £4.6m, to give a full year spend for 2021/22 of £112.0m. **Graph 1** demonstrates movements from the revised capital programme to the current forecast.

Graph 1 – Capital Programme



66. Within the Capital Programme there is £4.4m of revenue transformational projects which meet the eligibility criteria under the Flexible Use of Capital Receipts principles. Further details on the Flexible Use of Capital Receipts projects are available in **Appendix 3**.
67. The Capital Programme Budget Monitor, as at the end of March 2022, is included in **Appendix 4**.

Corporate Risks

68. The County Council’s risks are reviewed regularly to ensure risks are understood and appropriate mitigation takes place. Risks are scored considering the likelihood and impact.
69. During the quarter, the Corporate Risk Register has been updated with two changes which are described in **Table 11** below.

Table 11 – Changes to the Corporate Risk Register When Compared to Previous Quarter Report

Risk Number	Risk	Action	Reason	Current Score
CR11	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 skilled staff to manage and deliver quality services.	Risk likelihood increased.	To reflect current situation across services with the recruitment and retention of staff.	16
CR72	The Government has stipulated that children in care under the age of 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.	Risk likelihood reduced.	Due to completion of an annual review and update of the placement sufficiency and commissioning strategy, and number of children currently in unregulated care. Risk reduced from 16 to 12.	12

70. There are two corporate risks with severity above the tolerance threshold:
- CR39a – Cyber-security.
 - CR58 – Failure of social care provisions.

71. The latest Corporate Risk Register can be found in **Appendix 5**.

Workforce

72. The Workforce Key Performance Indicators, detailed in **Appendix 6**, report that of the 12 KPIs with a RAG status indicator, 10 are green and two are amber.
73. The amber measures relate to an increase in sickness recorded on the rolling 12-month average calendar days lost to sickness and a reduction in the completion rate of staff inductions.

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: Covid-19 Summary
- Appendix 3: Service Transformation and Flexible Use of Capital Receipts Summary
- Appendix 4: Capital Monitor
- Appendix 5: Corporate Risk Register Summary
- Appendix 6: Workforce

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Adults Services Portfolio – Summary

Performance Summary

- The Portfolio has a number of performance highlights to report this quarter:
 - Unprecedented demand at the ‘front door’ and increased acuity of need is being experienced across all locality teams throughout the county, something which is a national trend, ‘as more people live to older ages, more of us are living with illness and disability, often with complex comorbidities and more challenges in managing everyday life’ (Department for Health and Social Care Evidence review for adult social care reform: summary report – 1 December 2021). Yet in line with Our Council Plan outcome to ‘provide support to people when they need it’, even with this unprecedented demand at the ‘front door’, the County Council has achieved its 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. Also meeting the target of adult social care assessments that result in a support plan by focussing review activity on new customers with eligible social care needs.
 - However, staffing pressures in some parts of the service, exacerbated by the impact of the Omicron Covid-19 variant as well as a need to prioritise support to the NHS in respect of hospital discharges throughout the year, as well as the ability to react to the unprecedented demand at the ‘front door’, has impacted on the ability for the service to achieve other performance measures. This includes the percentage of users of adult services and their carers that are reviewed and/ or assessed in the last 12 months and the percentage of adults with a learning disability in paid employment. The latter is dependent on review activity so that the service can ascertain which customers are in paid employment or not. It is anticipated that the dedicated assessment work that has started to be carried out by social work teams across the county, will see performance improve in respect of these indicators that have not been achieved during 2021/22.
 - The majority of other indicators have remained constant across the year and are expected to remain so, as we move into the next financial year.

Our Council Performance Measures

Adults Services		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Sep-21	Dec-21	Mar-22			
11	Percentage of contacts to adult social care that progress to a social care assessment Reporting Frequency: Quarterly	20-30%	20.2%	19.3%	18.1%	↗	Mar-22: As a result of workflow remapping to allow for accurate data collection, performance is now reflecting an accurate picture of the impact of interventions throughout the customer journey to meet people’s needs through information and advice as well as provision of preventative services. This indicator is now within target.	Monitoring demand and complexity of need will continue as will working with health and voluntary and community sector partners, as part of the emerging Adult Social Care Strategy 2022-25 to look to address this national trend in West Sussex.
12	Percentage of adult social care assessments that result in a support plan Reporting Frequency: Quarterly	65-75%	77.2%	76.3%	74.8%	↘	Mar-22: Following changes to workflows and processes to allow for accurate data collection, performance has now improved and the target has been achieved.	The service will continue to monitor demand and capacity in respect of this measure.

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Adults Services		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
13	Percentage of safeguarding concerns that become a Section 42 enquiry Reporting Frequency: Quarterly	37.0%	Sep-21	Dec-21	Mar-22	↓	Mar-22: Performance against this measure has moved away from the target for the second half of the year, although it should be noted that it is not within the control of the County Council as to how many safeguarding concerns will be received over the year.	Safeguarding concerns are being raised and progressed using the correct pathway and referrals are closely monitored through audit so that officers are assured that the decision making continues to be robust. The pan Sussex Safeguarding Adult threshold guidance has now been published which supports consistent, timely and robust decisions.
			58.2%	62.8%	64.2%			
14	Time to complete outstanding 'deprivation of liberty' cases Reporting Frequency: Quarterly	4.4 Months	Sep-21	Dec-21	Mar-22	→	Mar-22: Performance has stabilised in the second half of 2021/22 and aim is to maintain at this level moving into 2022/23.	Continued monitoring of performance to ensure the target continues to be met.
			2.9 Months	3.4 Months	3.4 Months			
36	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	↓	Dec-21: Data is not available for this quarter due to issues with data collection, following changes to workflows and processes. However, the service continues to be impacted by reduction in staffing levels due to covid, which has reduced capacity in the service. In addition the complexity of customers remains high. The service has also in this quarter provided service to non-reablement customers to support service failures in the domiciliary care market. These impacts are likely to have a negative impact on this performance indicator.	Contract management and oversight will continue throughout quarter 4, working with the provider in respect of performance mitigations that are within the control of the County Council.
			85.5%	85.4%	81.3%			
37	Percentage of adults that purchase their service using a direct payment Reporting Frequency: Quarterly	27.4%	Sep-21	Dec-21	Mar-22	↓	Mar-22: Performance is marginally above target, so intervention is not required at this stage. This continues to be monitored moving into 2022/23.	Continued monitoring of performance to ensure the target continues to be met.
			27.9%	28.5%	28.4%			
38	Percentage of users of adult services and their carers that are reviewed and/or assessed in the last 12 months Reporting Frequency: Quarterly	73.2%	Sep-21	Dec-21	Mar-22	↓	Mar-22: Due to unprecedented pressure related to demand for assessments, hospital discharge work and the impact of the Omicron variant, a decision was made by the directorates management team to suspend routine activity in November 2021 to reduce this pressure. This has caused performance to deteriorate in this quarter.	The suspension of review activity ceased at the beginning of March 2022 and a new review team has been established to manage reviews for older people moving into 2022/23. The main focus of this work is to embed a strength based approach and any financial savings will be used to meet the ongoing demands of the market and allow the department to manage financial pressures within the agreed budget envelope. Moving into 2022/23 the percentage of reviews undertaken within a 12 month period, should also improve. A plan is being developed to implement a similar approach for Life Long Services and Mental Health services.
			67.1%	63.4%	60.0%			
39	The percentage of adults with a learning disability in paid employment Reporting Frequency: Quarterly	3.6%	Sep-21	Dec-21	Mar-22	↑	Mar-22: Performance has improved throughout 2021/22, however this measure is dependent on case reviews/assessments within the last 12 months to record employment, which has not been undertaken due to overall capacity issues within the service during the year.	A project to focus on completing case reviews/assessments will be ongoing throughout 2022/23, which is expected to see a significant increase in performance over the coming year.
			0.4%	0.6%	1.1%			
40	The percentage of adults in contact with secondary mental health services living independently with or without support Reporting Frequency: Quarterly, Reported a quarter in arrears.	71.0%	Jun-21	Sep-21	Dec-21	↑	Mar-22: This is an NHS led measure and is dependent upon the number of patients open to the Sussex Partnership Foundation Trust Mental Health Trust, hence the variability of performance throughout the year. Current performance has increased and this trend is likely to increase as reviews are undertaken and outcomes are recorded through to year end.	Work is on-going in relation to promoting a strength based approach and reducing new admissions to residential care for customers with a mental illness.
			52.0%	67.0%	69.0%			

Adults Services		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Sep-21	Dec-21	Mar-22			
44	Percentage of people affected by domestic violence and abuse who feel safe upon leaving the service Reporting Frequency: Quarterly	80.0%	89.1%	86.0%	91.3%	↗	Mar-22: Data is available for 23 of the 72 clients that exited from Services this quarter. Of those 23 clients, 21 agreed, or strongly agreed that they felt safe, 2 were not certain, 0 client disagreed/strongly disagreed. The overall % of clients that felt safe upon exiting the service was 91.3%, and 8.7% were uncertain.	To maximise data capture the following has been agreed:- <ul style="list-style-type: none"> • Early Help service manager with operational lead responsibility for the IDVA (Independent domestic violence advisor) service to speak to senior staff, reiterating the importance of full completion for dissemination to staff and teams. • Community Safety DSVA lead (domestic & sexual violence and abuse) to join IDVA service team meeting to discuss key performance indicator reporting and why a 'full picture' is required • Senior IDVA service staff have been upskilled in accessing the data capture forms to monitor recording compliance.

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure (<i>Covid-19 position is reported in Appendix 2</i>)	£2.947m	Covid-19 Grant – Assumed funding from Covid-19 grants and contributions (<i>Covid-19 position is reported in Appendix 2</i>)	(£2.947m)	
Older People – delays in delivering 2021/22 savings due to increased care costs and demand	£4.361m	Covid-19 Grant – Allocation of Contained Management Outbreak Fund (COMF) towards eligible costs within Older People and Learning Disability cohorts	(£11.291m)	
Older People – delays in delivering 2021/22 savings on non-residential customers with reduced care package	£0.360m	Covid-19 Grant – Use of Omicron Support Fund and the Workforce Recruitment and Retention Fund to manage market pressures	(£2.182m)	
Delays in delivering 2021/22 savings from the closure of Marjorie Cobby House and Shaw day care services. Delayed until April 2022	£0.890m	Use of external funding sources including Winter Pressures Grant and Improved Better Care Fund (iBCF) to manage market pressures	(£3.270m)	
Older People – under-utilisation of the Shaw contract and exceptional spending on short term residential placements	£6.862m	Underspending from the closure of in-house services during the pandemic	(£0.631m)	
Learning Disabilities– delays in delivery of savings 2020/21 & 2021/22	£2.827m	Underspending across a mix of services including the Domestic Abuse service	(£0.173m)	
Learning Disabilities – expenditure relating to residence dispute adjudication outcome against the County Council (including backdated costs)	£1.800m			
Learning Disabilities –changes in care packages for a small number of customers with complex care needs	£0.273m			
Adults Services Portfolio - Total	£20.320m		(£20.494m)	(£0.174m)

Significant Financial Issues and Risks Arising

Key Financial Issues and Risks Arising	Narrative	Cost Driver	Q1	Q2	Q3	Q4	Action	Trajectory	
Older People's Care Budget	Key cost driver data influencing the trajectory of the Older People's care budget	No. of older people with a care package	4,681	4,694	4,670	4,505	↘	Customer numbers are below pre-Covid levels, having fallen by over 160 during the fourth quarter. Some of this reflects difficulties in obtaining care packages, so numbers may rise by more than would be expected in the first quarter of 2022/23. However, demand continues to represent less of a budget risk than care costs. These are being driven by market-related factors, especially shortages of care workers. At the end of quarter 4, the real terms rate of price increase was 3.95%, if the 1.75% inflationary uplift agreed for 2021/22 is excluded.	↗
		% increase in the average gross weekly cost of a care package for older people	3.0%	4.5%	5.7%	5.7%	↔		
		% increase in the average net weekly cost of a care package for older people	2.8%	4.1%	5.8%	5.8%	↔		

Financial Narrative on the Portfolio's Position

- The 2021/22 outturn position for the Adults Services Portfolio budget is an underspending of £0.174m, however the underlying position is the product of £12.9m of overspending being met by £12.9m of additional funding contributions. It is an outcome which reflects the impact of Covid-19 and the influence it had on demand for adult social care and the provider market together with associated knock-on effects, notably in relation to delivery of savings targets. This enabled the County Council to use Covid-19 funding streams to manage the financial risk that otherwise would have existed. However, those sources are all time-limited, so they will not be available in 2022/23 should any of the pressures persist. Given the challenges currently facing providers it would be premature to assume that these will abate, especially when set in context of workforce shortages and rising inflation. Consequently, it is important to see the County Council's ability to deliver a balanced budget as being the result of circumstances because the financial risks facing adult social care have increased during the past year.

Key Explanations For The 2021/22 Outturn

- Older People - Demand.** Outwardly the level of demand was steady. Compared to March 2021, customer numbers rose by around 30, which is a lower level of increase than implied by population growth. The result is that the proportion of people aged over 80 with a care package has fallen from approximately 7.3% to 7.1%. At around 4,500, the total is now in the region of 200 fewer than the corresponding figure pre-pandemic.
- That appearance of stability is misleading since it masks the increasing challenge that the County Council faced in obtaining care. Some of the reasons which contributed to this should prove time-limited, e.g., the needs of hospital discharge and the closure of care homes to new admissions because of Covid-19, whilst others will continue into the medium term. This has led to an imbalance of demand and supply developing in the market, which, in turn, has

led to growing waiting lists. As such the possibility of numbers rebounding at a future date cannot be discounted.

5. **Older People – Cost of Care.** Those same market-related factors have resulted in the cost of care rising sharply. The average cost of a care package now stands at approximately £505 per week, which is £27 per week more than in March 2021. That represents an annual rate of increase of 5.7%, which equates to a real terms pressure of almost 4% when discounted for the inflationary uplift of 1.75% agreed by the County Council for 2021/22. To put this in context, approximately £125m is spent on care costs through the older people's budget, so every 1% increase in the average price equates to a pressure of £1.25m. In financial terms this exceeded the benefit of the relative reduction in customer numbers by £0.6m as well as meaning that the £4.361m savings target for absorbing demand growth through demand management was not delivered because care could not be purchased at the price on which that plan had been predicated.
6. Among the explanations for the position is that fewer residential providers are accepting new placements at the County Council's usual maximum rates. Over 60% of admissions are now being made at an agreed price and it has become increasingly common for providers to be seeking payment of over £1,000 per week for fairly standard provision. If any encouragement can be drawn, it is that the rate of growth slowed during the last quarter. Whilst it is hoped that this is a sign that the market may be moving towards an equilibrium state, it remains the biggest unknown when trying to assess the implications of the outturn for the 2022/23 budget.
7. Exacerbating the situation, utilisation of the 590 beds that the County Council is contracted to purchase through the Shaw contract fell below 80% in some months. Whilst this was often due to homes being closed to new admissions due to the pandemic, there were occasions when the budget was paying for over 100 unoccupied Shaw beds plus the additional beds that needed to be bought in the market. The cost of doing this was around £4.7m, which took the total pressure relating to Shaw to £5.5m because the decision to close the day services provided under the contract, which was necessary to deliver a savings target of £0.750m, was not implemented until April 2022.
8. At the same time, fragilities within the domiciliary care market caused an additional £2.5m to be spent on short term residential placements to hold customers until suitable care could be sourced to enable them to return home. In different circumstances some of this spending would not have been value for money, but it was incurred as part of the response to the pandemic. This made it legitimate to charge against Covid-19 funding and uncommitted resources within the Winter Pressures Grant and the market fragility allocation in the Improved Better Care Fund. As a result, £5.0m of the £8.0m pressure bound up in these factors was externally funded, leaving £3.0m to be met by the County Council. When added to the £4.961m of overspending attributable to care costs, the level of the overspend on the older people's budget became £8.0m.
9. Through its budget strategy for 2022/23 the County Council has taken action to try and mitigate the risk that it faces, partly through specific savings plans, for example to increase occupancy of the Shaw contract, and partly through the resources it has provided to fund fee increases, which has resulted in uplifts of in excess of 10% being approved for some providers. This means that the older

people's budget enters 2022/23 with an underlying risk in the region of £4m, which will reduce further if those actions that are being taken are completely successful and if Covid becomes less of an influence on the market

10. **Learning Disabilities.** As a relatively static customer group, weekly expenditure on learning disabilities care costs was largely steady. Despite that for the County Council's share of the pooled budget, there was overspending of £4.9m. £2.8m of that amount relates to under delivery of savings. Again Covid-19 was the principal reason for this, since the personal contact on which many of those plans were dependent was not possible. In addition, where the release of savings was contingent on new services being commissioned the market became a limiting factor.
11. Compounding the position, adjudications were made against the County Council in four cases involving disputed residence. Since such decisions are backdated (one of which was to 2014) they resulted in payment of historic arrears as well as on-going care costs. In total these account for £1.8m of the overspending, though as circa £1.4m is bound up in the arrears this will be one-off in 2021/22 rather than spending that will recur. The remaining £0.3m is a consequence of changes in package costs following reassessments.
12. Plans have been laid in the budget for 2022/23 to replace the lost savings. Allowing for this, and discounting the one-off nature of the arrears payments, it follows that the Learning Disabilities budget moves into 2022/23 with a need to manage an underlying risk of around £0.7m, in addition to its savings targets
13. **Summary Position.** Between Older People and Learning Disabilities the aggregate overspend was £12.9m. Elsewhere across Adults Services there were a mix of mainly minor variations which were largely self-balancing. Due to the extent to which the causes are attributable to Covid-19, £11.3m of the overspend was charged against the County Council's Contained Outbreak Management Fund (COMF) allocation and £1.6m was met from the Improved Better Care Fund.
14. The level of the underlying risk which transfers into 2022/23 is in the region of £4.7m. When combined with existing savings targets that makes for a challenging outlook, even if the market returns to a settled state. This may mean that the Adults budget will continue to require temporary funding to enable it to be balanced in 2022/23. In that event, £14m is being carried forward through the Improved Better Care Fund, of which £7m is uncommitted and could be used to mitigate the effect of timing delays.
15. **Repurposing of Social Care Reform Reserve.** 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. To mitigate that risk, the Adult and Health Pressures and Recovery Reserve is to be repurposed as the Adult Social Care Reform Risk Reserve. This action is being taken as a proactive measure and will mean that funding of £5m is available to manage adverse financial implications, particularly in relation to the one-off spending which will be incurred in 2023/24 from the surge in activity that is expected as

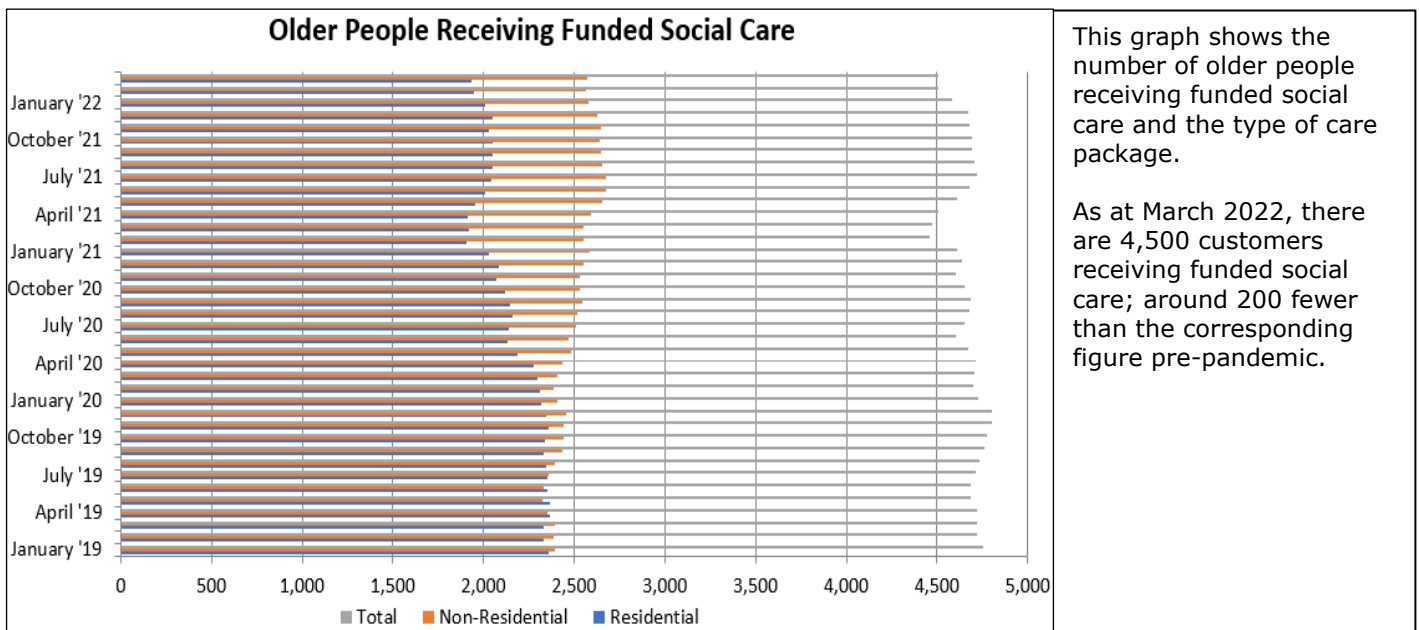
self-funders approach the County Council for an assessment so that they may benefit from the reforms. In addition, the reserve will support the County Council in managing any unforeseen market effects that may arise.

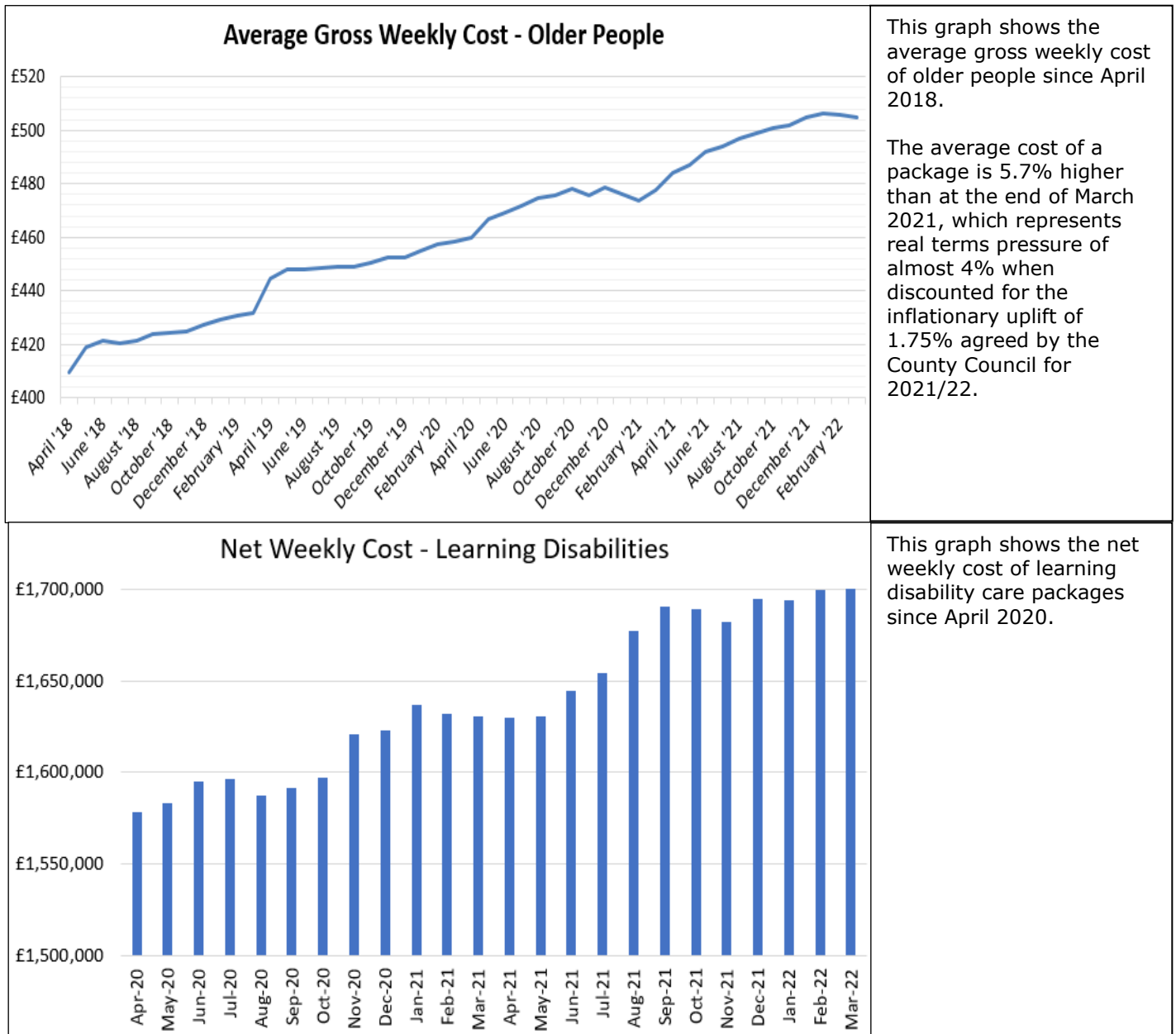
Proposed Carry Forward Requests

16. A number of carry forward requests have been actioned during the closing of the accounts, including the following item within the Adults Services Portfolio:

2021/22 Carry Forward Requests	Amount
Domestic Abuse Grant – A Decision (AS03 21/22) was taken in January 2022 which approved the Pan Sussex Domestic Abuse Accommodation and Support Strategy. Grant funding allocated to the County Council in 2021/22 has been carried forward to enable this work to be undertaken.	£1.498,174

Cost Driver Information





Savings Delivery Update

17. The portfolio has a number of 2021/22 savings and one saving outstanding from the 2021/22 financial year. Details of these savings are included in the table below:

Saving Activity	2020/21 Savings £000	March 2022		Narrative	2022/23
Lifelong Services (<i>Learning Disabilities</i>)	1,900	800	G	Plans have been revised as part of budget preparation for 2022/23. The same level of saving will be pursued but through a different set of initiatives.	G
		1,100	R Covid19		A

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Review of in-house residential services (<i>Older People</i>).	640	640	R	A decision to close Marjorie Cobby House was made by Cabinet in November. This will result in the saving being delivered in full in 2022/23. The shortfall in 2021/22 was mitigated from savings within the in-house services budget, mainly as a result of day services being closed during the pandemic.	G
Review of Shaw day services (<i>Older People</i>).	250	250	R	A decision to close Shaw day services was made by Cabinet in November. This will enable the saving to be delivered in full in 2022/23.	G
Absorption of demand growth for adult social care from older people through demand management (<i>Older People</i>).	4,361	4,361	R Covid19	This is a saving which was planned to be delivered from the benefit of actions previously taken, e.g., the Home First contract. The impacts of Covid-19 and market-related factors overtook everything else, leading the older people's budget into a significant overspend in 2021/22. This made it impossible to evidence whether the saving had been achieved. Plans have been laid as part of budget preparation for 2022/23 to avoid this becoming a recurring pressure.	A
Non-residential customers to remain at home with reduced package (<i>Older People</i>).	890	530	G	Savings to date from the additional capacity available in the Reablement contract.	G
		360	R	Capacity constraints due to provider staff shortages led to fewer additional hours of reablement being delivered than the County Council had sought. When the decision to increase investment in the contract was made in February 2021, funding was earmarked from the Improved Better Care Fund to mitigate the risk of under-performance in 2021/22, so it did not result in overspending.	A
Increase supply and use of shared lives carers (<i>Learning Disabilities</i>).	448	448	R Covid19	Recruitment and training of additional shared lives carers has taken place. Although this did not enable any additional placements to be made before 31st March, it is expected that it will mean the saving is delivered in full in 2022/23.	G
Supported Living - transfer of customers from residential provision (<i>Learning Disabilities</i>).	1,059	1,059	R Covid19	Plans have been revised as part of budget preparation for 2022/23. The same level of saving will be pursued but through a different set of initiatives.	A
Increase number of customers supported by live-in care (<i>Learning Disabilities</i>).	106	106	R Covid19	Plans have been revised as part of budget preparation for 2022/23. The same level of saving will be pursued but through a different set of initiatives.	A
Reduce use of single person services for customers where shared services may be suitable (<i>Learning Disabilities</i>).	114	114	R Covid19	Plans have been revised as part of budget preparation for 2022/23. The same level of saving will be pursued but through a different set of initiatives.	A
Review of Agency Staffing	108	108	B		B

Savings Key:

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

Capital Programme

Performance Summary - Capital

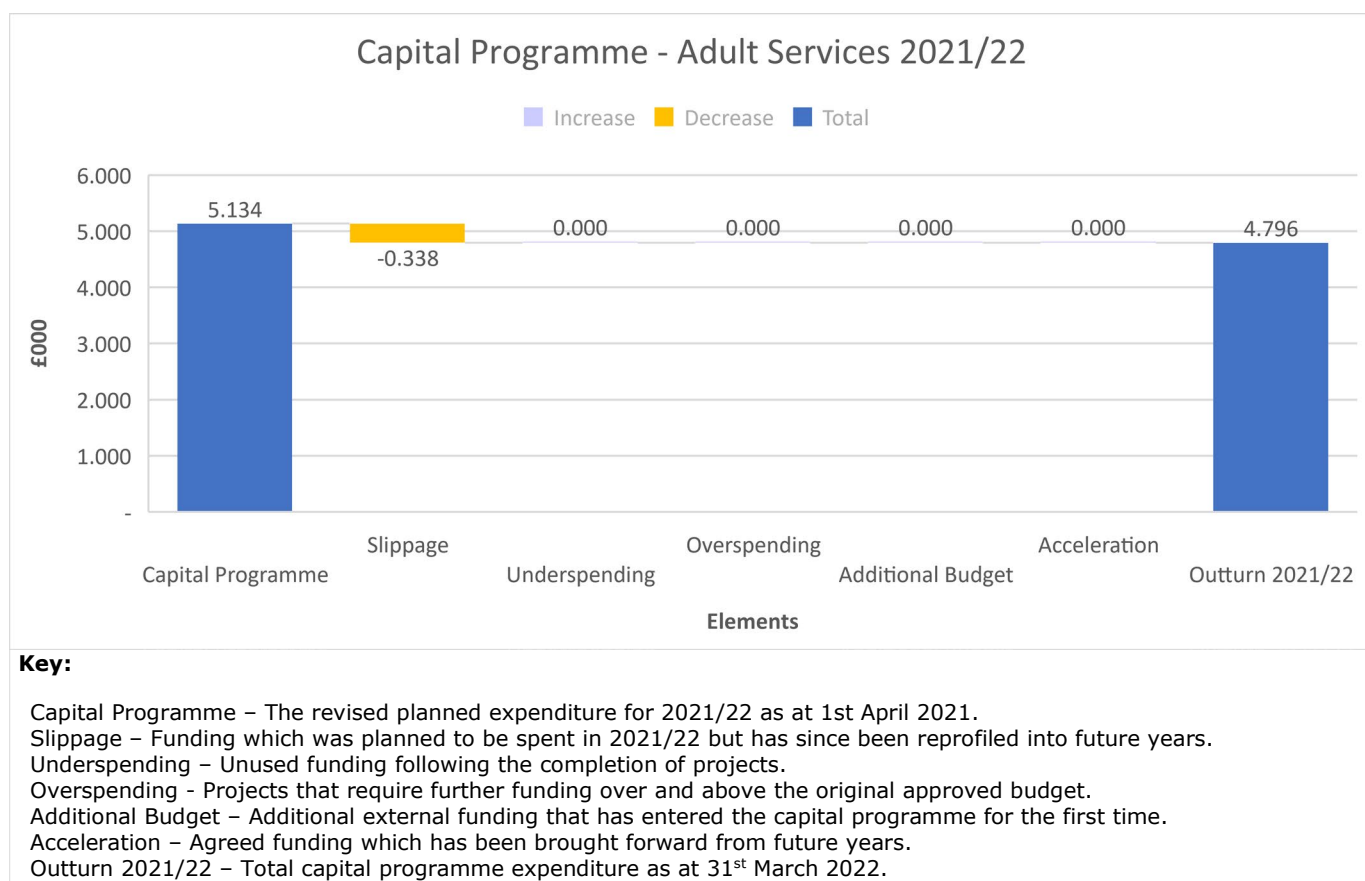
18. There are eight schemes within this portfolio; five of the schemes in delivery are rated green, indicating that the schemes are progressing as planned and three schemes are rated amber indicating that there is an issue, but that it can be dealt with by the project manager or project delivery team. An update on progress of schemes which are not rated green are detailed in the table below.

Scheme	RAG Status at 31 st March	Reason	Latest RAG Status	Updated Position
Adults In-House Day Services Part B - Laurels	AMBER	Site completed and handed back to Service but close out works remain in progress.	AMBER	Project completed but some quality issues remain which are being managed as part of the aftercare process.
Adults In-House Day Services Part B - The Rowans	AMBER	Site completed and handed back to Service but close out works remain in progress	AMBER	Project completed but some quality issues remain which are being managed as part of the aftercare process.
Adults In-House Day Services Part B - Glebelands	AMBER	Site completed and handed back to Service but close out works remain in progress.	AMBER	Project completed but some quality issues remain which are being managed as part of the aftercare process.

Finance Summary - Capital

19. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £2.039m for 2021/22. £3.095m of expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £5.134m.

20. During the year, the Portfolio spent £4.796m, a reduction of £0.338m when compared to the profiled spend in December 2021.



21. Details of movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£0.338m). Movement since Q3 report: (-£0.338m).**
 - **Alinora Crescent – (-£0.020m)** – Small amount of slippage into 2022/23.
 - **Choices for the Future Part A – (-£0.187m)** - This project has completed. £0.187m has been reprofiled into 2022/23 whilst the final invoices are negotiated. It is likely there will be a small underspend that would be returned corporately.
 - **Choices for the Future Part B – (-£0.131m)** – This project is now complete with sites being handed back to the County Council. The contractor is completing the 'aftercare process' having agreed an extension of term to the contract.

22. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

Risk

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

Agenda Item 4
Sections 1-10

Risk No.	Risk Description	Previous Quarter Score	Current Score
CR58	<p>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.</p>	25	25

24. Further details on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

Children and Young People Portfolio – Summary

Performance Summary

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

- The most recent Ofsted Monitoring Visit took place on 30th and 31st March 2022. The improvement noted by Ofsted in the quality of the service and performance within Children Young People and Learning was positive overall and demonstrates that we are continuing with our recovery as planned.
- The Commissioner who provides an independent scrutiny and monitors the service performance, has conducted a full review of the evidence of progress during 2021. He submitted his latest report to the Secretary of State in January 2022. In acknowledgement of the improvements that have been made by the Council, his report recommended that the Government remove the statutory direction for a Children’s Trust, allowing Children’s Service to remain within West Sussex County Council. His report outlined the steps taken by the Leader of the Council and the wider Council to ensure that Children’s Services is properly supported and resourced to maintain the pace of improvement. His recommendation has now been approved by the Secretary of State which has put a stop to a Trust arrangement. This is a significant milestone on our recovery.
- The children’s social care service has now been redesigned and configured to implement the Family Safeguarding model (phase 1) which includes more focused assessment teams and dedicated family support workers. The new service models have moved away from being centre-based and becoming more integrated, flexible, and able to maximise impact out in the community to reach our most vulnerable children, young people, and families. Demand in terms of child protection and children in care plans has safely reduced and remains stable.
- We have created space for increased understanding of performance data and shared learning across the Portfolio, with a particular focus on ensuring our culture is inclusive and child centred. We have strengthened governance arrangements through our Performance Management Framework, to ensure that more effective management oversight and scrutiny of practice improvements for children and families are embedded and sustained. This has resulted in improved performance outcomes in key parts of the service. For example, review child protection conferences, children looked after reviews, personal education plans and review health assessments.
- Workforce development activity has been implemented. This has resulted in levels of service remaining strong and largely unaffected by Covid-19 absences during quarter four.
- The quality assurance and performance frameworks are now embedded and are assisting in driving best outcomes for children and families. This was endorsed by Ofsted during the recent monitoring visit.

Agenda Item 4
Sections 1-10

- Work on the integration of electronic recording systems which is a major programme of activity for 2022/23 has moved forward as planned. The contract has been awarded with work commencing in April 2022.

Our Council Performance Measures

Children & Young People		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Sep-21	Dec-21	Mar-22			
1	Percentage of re-referrals to Children's Social Care within 12 months of the previous referral Reporting Frequency: Quarterly	23.0%	29.6%	19.9%	23.0%	↓	Mar-22: Re-referrals have remained static and are within a range, which is not a concern. We have seen a significant rise in the number of referrals in March, which will again impact on our re-referral numbers.	There will always be a level of fluctuation within this area but will remain under scrutiny to ensure that if there are any significant increases that this will be reviewed, and any practice concerns addressed.
2	Percentage of Early Help Plans closed with outcomes met Reporting Frequency: Quarterly	72.0%	67.7%	68.1%	68.0%	↓	Mar-22: Lower than target but consistent with the levels achieved in the last 12 months.	Putting more focus on outcomes and closures and hopeful to see improvement on this target in the coming year.
7	Stability of children looked after placements – (3 or more placements during the year) - WSCC position in national stability index Reporting Frequency: Quarterly	10.0%	11.2%	9.8%	10.6%	↓	Mar-22: We have seen a small increase in this figure this month, though this has included three children who we have moved positively either back into West Sussex or into in-house provision.	The Entry to Care Panel is now established, and we have growing confidence that we are identifying the right placements for children.
8	Support for care leavers to achieve their aspirations – percentage of care-leavers aged 19-21 who are in Employment, Education or Training Reporting Frequency: Quarterly	64%	54%	53%	57%	↗	Mar-22: Positively this measure has shown some improvement consistent with this being a priority area for the service. Following work initiated in the Journey To Independence sub-group, we are now developing our joint working relationship with the Department for Work and Pensions (DWP), for example our young people can no longer be sanctioned without the Care Leavers service being spoken to- whilst not directly impacting on the EET figure this goes to show how we are trying to work across agencies and get the DWP to consider care leavers as a priority.	We have now agreed a new protocol between the DWP and the Care Leavers service which includes an increased coaching offer accessible to care leavers.
9	Positive outcomes on child protection in 12 months - percentage of Child Protection Plans that result in 'step-down' within 12 months Reporting Frequency: Quarterly	80.0%	66.4%	55.3%	70.0%	↗	Mar-22: We continue to see gradual improvement in this area but still requires a strong drive to improve.	The continued implementation of the Family Safeguarding approach, with its focus on trajectory planning with families, should support further improvement. Benchmarking with good and outstanding authorities will be taking place this year to sense check this target.

Finance Summary

Portfolio in Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure. (Covid-19 position is reported in Appendix 2)	£0.146m	Funding from Covid-19 grant (Covid-19 position is reported in Appendix 2)	(£0.146m)	
Placement costs for mainstream children	£2.550m	In-house residential staffing underspend	(£1.645m)	
Placement costs for children with disabilities	£1.170m	Staffing underspends within Social Care, Safeguarding Quality and Practice and Business Support teams	(£1.949m)	
Children we Care For non-placement costs	£2.550m	Reduction in Intentionally Homeless families requiring accommodation support	(£1.106m)	
Undelivered 2020/21 & 2021/22 savings	£0.256m	Early Help staffing underspend	(£0.930m)	
		Children First Improvement Fund underspend	(£0.090m)	
		Additional income in relation to unaccompanied asylum-seeking children	(£0.580m)	
		In year underspending from homeworking/ change in service delivery due to pandemic restrictions	(£0.260m)	
		Other minor variations	(£0.104m)	
Children and Young People Portfolio - Total	£6.672m		(£6.810m)	(£0.138m)

Key Financial Issues and Risks Arising

Key Financial Issues and Risks Arising	Narrative	Cost Driver	Baseline	Q1	Q2	Q3	Q4	Action	Trajectory	
Placement Mix of Children We Care For (CWCF)	Despite the overall number of Children We Care For being lower than forecast, there are more children than budgeted for in more costly externally provided placements than those provided internally which cost less. This is leading to a pressure on the placement budgets. Baseline shows the % upon which the budget was set.	% mainstream children in external residential placements	10.4%	12.4%	10.3%	12.9%	13.4%	↗	Despite improvements in the purchasing mix of placements for Children We Care For (CWCF) during Q2, this was not sustained during Q3 or Q4. Whilst overall numbers of CWCF have reduced, the proportion placed in external residential placements has increased leading to pressure on the budget. In addition, the re-opened internal residential homes have not been populated as quickly as expected, meaning that cost avoidance has not materialised at the level expected. The trajectory remains red because of the three placement types highlighted, external residential is the most expensive and small changes in percentages can have a significant financial impact.	↗
		% mainstream children in external foster care placements	25.5%	28.6%	28.1%	28.6%	26.4%	↘		
		% mainstream children in internal foster care placements	30.3%	28.3%	28.1%	28.5%	26.4%	↘		

Financial Narrative on the Portfolio's Position

2. The 2021/22 outturn position for the Children and Young People Portfolio budget is an underspend of £0.138m. This is a reduction of £0.638m when compared to the £0.5m overspend forecasted in December. The main movement during this period relates to a reduction in staffing expenditure.

Review of the 2021/22 Financial Year

3. The primary area of budget pressure for the portfolio has again been the cost of placements for Children We Care For. Despite the overall number of Children We Care For being lower than that estimated during the 2021/21 budget setting process, the proportion of children placed in more expensive external placement types has remained higher throughout the year than was forecast when the budget was set. This has led to an overspend of £2.550m against the mainstream placement budgets in 2021/22. The placement budgets for Children With Disabilities, overspent by £1.170m due to the significant costs involved in meeting the requirements of a small number of young people with highly complex needs. Overspends in both of these areas have been exacerbated by a combination of regulatory delays in re-opening the re-modelled Council's own residential homes and issues in recruiting sufficient staff in these homes to safely operate at full capacity.
4. Another area of significant overspend was in relation to non-placement costs for Children We Care For, such as transport from their placement to school, transport for family contact arrangements, support to enable kinship care, therapy etc. Initially the projected overspend was identified as expenditure on vulnerable children and families under Section 17 Children Act 1989 Children in Need, however an officer task and finish group looking into the issue discovered that the majority of expenditure has actually been in relation to these types of non-placement costs for Children We Care For. Despite implementing arrangements to improve the governance around this spend, the forecast remained high in the latter part of the year and ended as a £2.6m overspend. Although the 2022/23 budget has been increased by £0.8m in this area, given the size of the overspend in 2021/22, there is a risk that overspending will continue in the new financial year. Further work by officers to mitigate this projected overspend in the new financial year is underway.
5. There have been some mitigations in year. As previously reported, within the Early Help service a number of staffing positions remained vacant during the year, pending the implementation of the redesign which went live in January 2022. However, there have been a number of posts in the new structure which were not able to be appointed to and have remained vacant. This has led to an underspend of £0.9m despite absorbing the cost of redundancies arising from the re-design. Given the ongoing difficulties in recruiting to vacant posts, there is a likelihood that the Early Help service will again underspend in 2022/23.
6. The Council-run Children's Residential Service has continued to build on the new operating model implemented in 2020/21, however recruitment of staff to the re-opened homes has been slower than expected. This, combined with regulatory delays in re-opening the homes has meant that the service is not operating at full capacity, leading to an underspend of £1.6m at the end of the year.

7. The Portfolio underspent by £1.949m on staffing vacancies within Social Care and other key support teams. As at the end of March 2022, there were 23.25fte of social worker positions which were vacant and not covered by agency staff. This reflects the ongoing difficulty experienced throughout the year in recruiting and retaining social workers, including the lack of availability of agency workers to cover vacant posts. This vacancy gap, along with the cost of the revised social worker pay scales being less than forecast, has led to underspending on the social worker budgets.
8. Another area which has again underspent significantly this year is support for Intentionally Homeless families. The number of families receiving Council support was 30 in March 2021 and ended the year at 29 with minimal fluctuation in the numbers during the 12-month period. This led to an underspend of £1.1m at the end of the financial year. Despite this, all of the service intelligence in conjunction with the increase in the cost of living would indicate that this is unlikely to remain the case in 2022/23.
9. Despite the ongoing impacts of the pandemic, planned savings for the Children's budget have mostly either been delivered in full or temporarily mitigated through underspending. The two exceptions, which are relatively minor in value, are Early Help where following the public consultation process it was agreed to retain one further delivery point for the new service; and Intentionally Homeless where an initiative to use grant funding from Homes England to covert unused Council assets into accommodation for families ceased once the grant funding was withdrawn.

Children First Improvement Plan

10. The delivery of the Children First Improvement Plan was supported with a combination of both permanent and temporary funding totalling £9.0m in 2021/22. There was a small underspend of £0.090m at the end of the financial year.
11. This funding has continued to support the service to implement the improvements required, which has resulted in a revised Statutory Direction being issued in March 2022. This has meant that the implementation of a separate Children's Trust has been halted and the delivery of Children's Services in West Sussex will remain in the control of the Council. Whilst this decision is welcome and evidence of the excellent progress the Service has made on its improvement journey, the Children's Commissioner was keen to highlight that that progress must continue in his recommendation to the Secretary of State: -

"Clearly, in the view of the Commissioner, the overwhelming weight of the evidence considered for these purposes indicates that the progress in WSCC is on track and that the costs and disruption of introducing a trust now do not warrant the step. The picture is not a perfect one. It is again clear from this exercise that while all of the building blocks are now in place, there can be no avoiding the long, hard iterative work of driving relentlessly and collectively at granular practice improvement on a case by case, worker by worker level."

John Coughlan CBE, Commissioner for Children's Services in West Sussex

12. The funding approved for the Children First Improvement Plan within the 2022/23 budget is a critical dependency for the success of the service improvements that are currently underway.

Outlook for 2022/23

13. The budget remains subject to significant risk in 2022/23. The biggest unknown remains the number and mix of placements for Children We Care For and the resulting cost. Although the model upon which the 2022/23 budget was set used sound assumptions at that point, given the volatility relating to Children We Care For it only takes one or two placements to lead to further overspending. Indeed, at the end of February 2022, residential placement arrangements were agreed for specific complex placement at a cost of £0.024m per week. The average cost of an external residential placement is around £0.004m per week. Whilst the intention is that the care package implemented will enable the needs of the young person to de-escalate, if the arrangements do remain in place for the full financial year, then this one case alone will add a budget pressure of £1.4m in 2022/23. The Service continue to try to manage such pressures in the following ways –

- **Entry to Care Panel.** This panel, chaired by an Assistant Director, considers every child or young person for whom a placement is proposed. Amongst other things, the panel assesses whether there are potential alternatives to a placement and ensures that the type of placement proposed is the most appropriate for the needs of the child.
- **High-cost Placements Panel.** This panel is also chaired by an Assistant Director and involves senior managers from the service reviewing the high-cost placements to ensure that they are still required to meet the needs of the child, and to concentrate on a step down or exit plan.
- **Phase Two of the Fostering Service Review.** This will be implemented during 2022/23. The ambition is to increase the proportion of children placed with internal foster carers, hence reducing the reliance on external placements. Savings are anticipated to be generated from 2023/24.
- **Family Safeguarding.** The phased implementation of the new operating model of Family Safeguarding began in February 2022. One of the longer-term outcomes of the model is a reduction in the number of children taken into care. Financial efficiencies could begin to be generated from 2023/24. However, implementing this new operating model is a large-scale transformation programme and is dependent on additional one-off funding being awarded by the Department for Education (DfE) to enable the Council to proceed. The next phase is to begin recruiting workers who will focus on the adults in a family, which are critical roles to the success of the Family Safeguarding model. It is planned that these roles will begin to be filled in the Autumn of 2022.

14. Another significant unknown for 2022/23 is in relation to Intentionally Homeless. Although the eviction ban which was introduced during the pandemic was lifted in early 2021, the number of families receiving support from the Children's budget has not really changed. However, all of the service intelligence points to a problem which will become apparent at some point in the future. It is difficult to forecast exactly when and what the impact on the

Council's budgets may be – hence, this is an area which will remain subject to close monitoring in the new financial year.

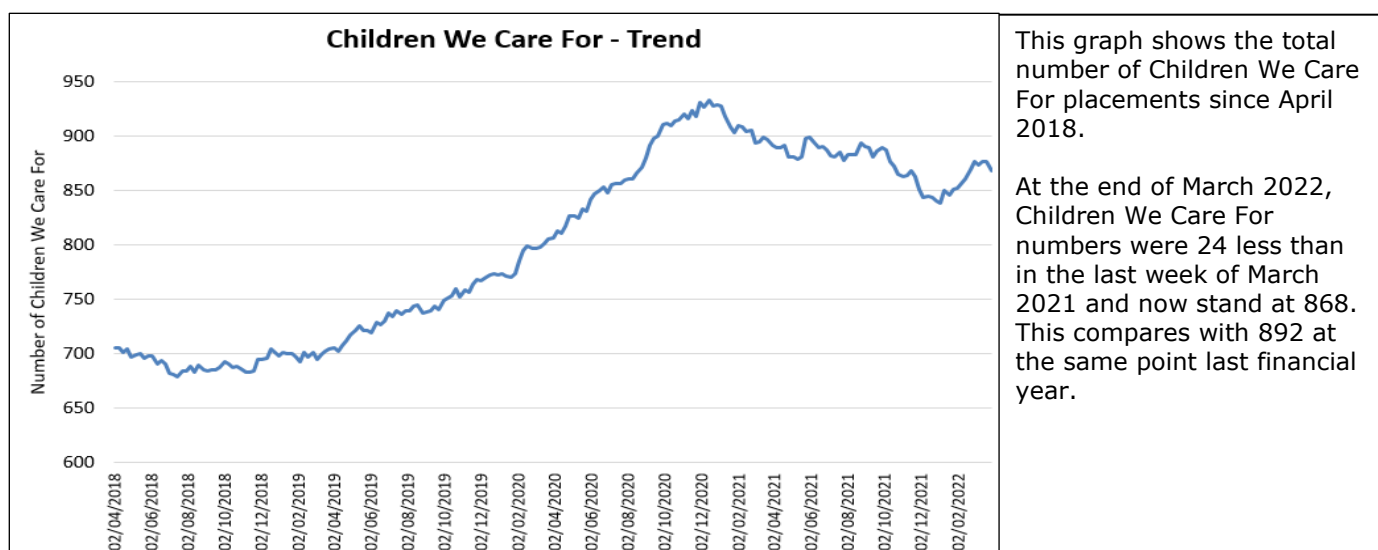
15. Although in 2021/22 the Children's budget ended more or less balanced, this was only possible due to some significant underspends mitigating the pressures as outlined above. While there is potential for some of the mitigations to continue in 2022/23, mostly due to staff recruitment difficulties, there is a financial risk that underspends will not materialise at the same level in 2022/23. In addition, further pressures caused by increasing energy and fuel prices may lead to providers requesting additional inflationary increases on their contracts. All of this means that 2022/23 will be another challenging year to manage within the allocated budget.

Proposed Carry Forward Requests

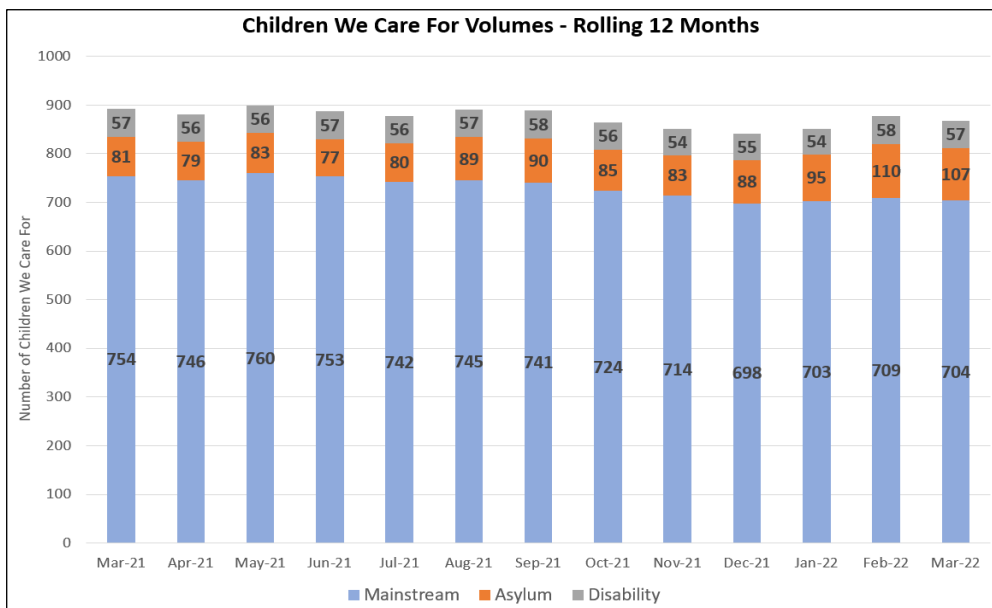
16. A number of carry forward requests have been actioned during the closing of the accounts including the following items within the Children and Young People's Portfolio:

2021/22 Carry Forward Requests	Amount
Youth Justice Service – To fund projects including speech and language therapy, specific training and alternative education provision.	£40,000
West Sussex Safeguarding Children Partnership – To fund the implementation of an improvement plan in 2022/23.	£163,000

Cost Drivers Information



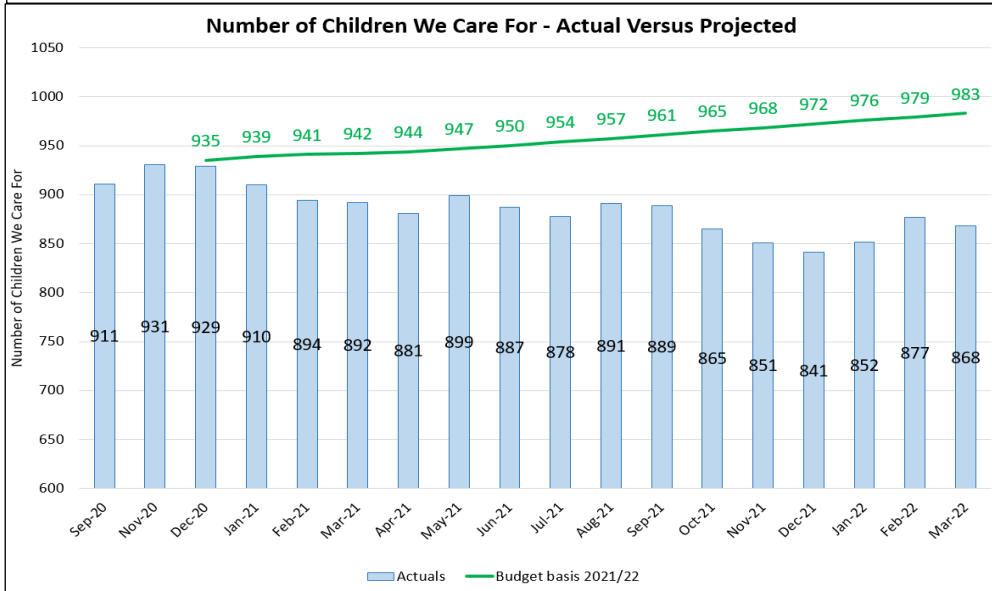
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This graph shows the total number of Children We Care For placements by:

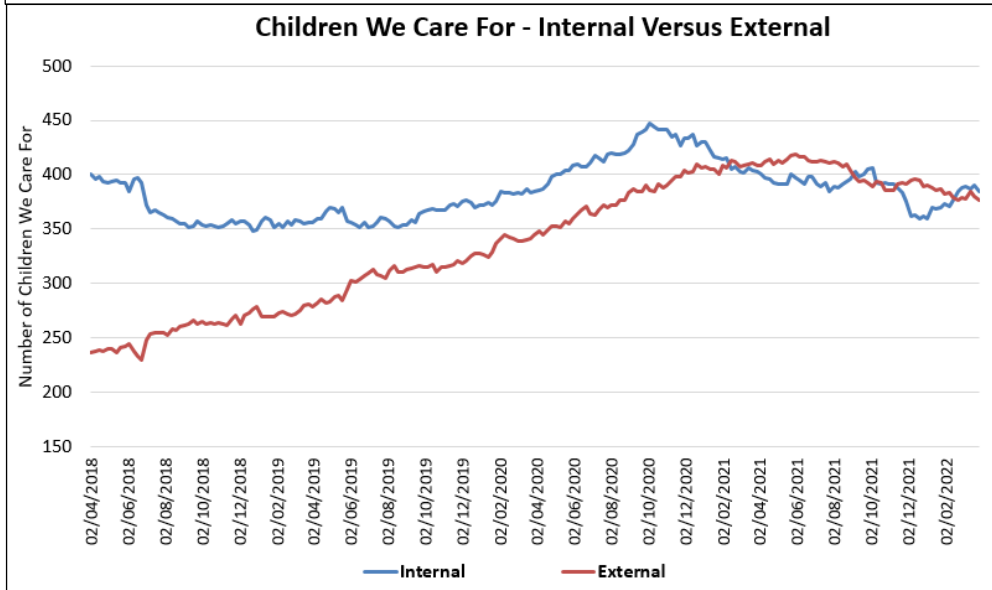
- mainstream placements
- asylum seeking children and,
- children with learning disabilities.

In line with the now mandatory National Transfer Scheme for Unaccompanied Asylum-Seeking Children, the number of UASC Children We Care For has increased. The Council's allocation under the National Transfer Scheme is 124.



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.



This graph shows the internal and external placement mix of Children We Look After since April 2018.

Savings Delivery Update

17. The portfolio has a number of 2021/22 savings included within the budget and one saving outstanding from the 2020/21 financial year. Details of these savings are included in the table below:

Saving Activity	2020/21 Savings £000	March 2022		Narrative	2022/23
Lease of vacant properties to reduce intentionally homeless costs	150	44	G	£0.044m is the full year effect for one family who were accommodated under this scheme in 2020/21, plus the in-year saving from one further family moving from bed and breakfast accommodation into a second property. The roll out of the project was delayed due to the pandemic. Since this time, Homes England have advised that they will no longer be making grants to the Empty Homes Programme. Without the capital funding, the scheme is not financially viable for YMCA – Downslink or for WSCC. This £0.056m pressure has been addressed during the 2022/23 budget creation process.	G
		56	R		Saving Removed

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
National House Project	250	250	G	The savings which were initially expected in Q4 of 2021/22 will not now be delivered until 2022/23, due to Covid-19 related delays in progressing the House project. The 2021/22 savings have been mitigated by other savings which have over-performed. There is a good level of confidence that this saving will be delivered permanently in 2022/23, along with the additional £0.750m target in 2022/23	G
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		B
In-house residential programme – reduced independent placement costs	200	200	G	Delays in re-opening Breakwater (formerly Seaside) and Blue Cove (formerly May House) mean that the permanent delivery of this saving will not now be possible until 2022/23. This saving has been mitigated in year however, through underspending within the residential staffing budget given the delayed timescale for reopening.	G
Reduce the number of solo placements and retainers	100	100	B		B
Improved commissioning for children's social care service - 16+ step down	1,800	450	B		B
Improved commissioning for children's social care service - 16+ recommissioning		100	B		B

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Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Improved commissioning for children's social care service - improved joint commissioning		400	G	Achievement of this saving is dependent on an increased number of children with disability receiving Continuing Health Care contributions towards the cost of their services. Unfortunately, this saving was not achieved in full in 2021/22, however it has been mitigated through other commissioning initiatives which are over-performing. This saving will remain an amber pressure in the 2022/23 budget until such time as clarity can be brought about its achievability, in discussion with Health Partners.	A
Improved commissioning for children's social care service - reducing existing placement costs		650	B		B
Improved commissioning for children's social care service - U16 step down to fostering		200	G	This saving has been mitigated in year through other commissioning initiatives which are over performing; however, it is expected to be delivered in 2022/23 through the commissioning work currently underway.	G
Early help restructure (Year 2 savings)	550	450	B	The Early Help redesign has now been implemented; hence the saving target can be marked as delivered. The increase in the number of delivery points means that the cost of the new service will be more than previously modelled, leading to a shortfall in savings in 2021/22. This £0.1m pressure has been mitigated within the 2022/23 budget.	B
		100	R		Saving Removed
Lease of vacant properties to reduce intentionally homeless costs	100	100	R	Year two savings relating to a project to lease vacant WSCC properties to YMCA to enable accommodation for intentionally homeless families. However, the withdrawal of available grant funding by Homes England means that the project is no longer viable, and savings will not be delivered. This pressure has been addressed during the 2022/23 budget creation process.	Saving Removed
Increased grant funding towards support for unaccompanied asylum-seeking children	450	450	B		B
Review of agency staff	231	231	B		B

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

Capital Programme

Performance Summary - Capital

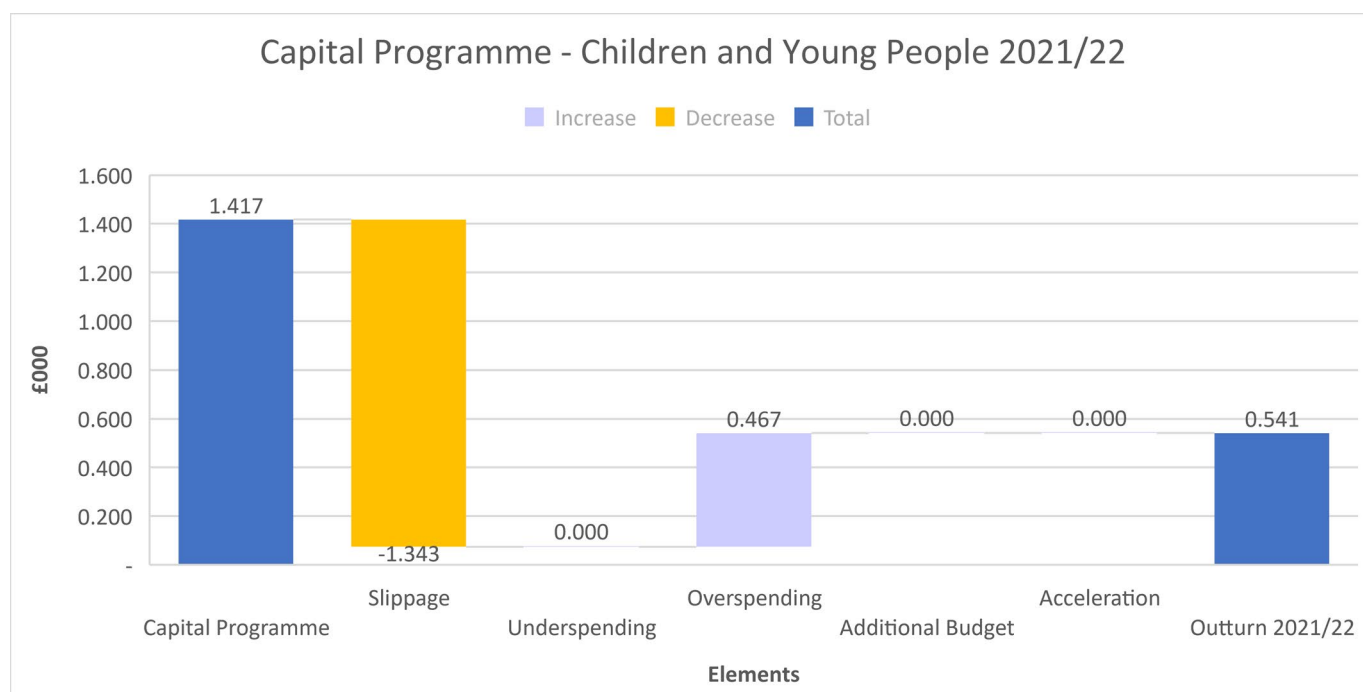
18. There are eight schemes within this portfolio; three of the schemes in delivery are rated green, indicating that the schemes are progressing as planned. Five of the schemes are rated as amber, indicating that there is an issue, but that it can be dealt with by the project manager or project delivery team. An update on the progress of the schemes not rated green are detailed in the table below:

Scheme	RAG Status at 31 st March	Reason	Latest RAG Status	Updated Position
Children's In-House Phase 2 – High Trees and 40 Teasel Close	AMBER	Planned decant to Maidenbower whilst works are being undertaken no longer possible.	AMBER	Feasibility study underway to assess alternative accommodation for required decant.
Children's In-House Phase 2 – 18 Teasel Close Design Stage	AMBER	Planned decant to Maidenbower whilst works are being undertaken no longer possible.	AMBER	Feasibility study underway to assess alternative accommodation for required decant.
Children's In-House Phase 2 – Orchard House	AMBER	There is a dependency with schemes at High Trees & Teasel	AMBER	Feasibility study underway to assess alternative accommodation for required decant.

Finance Summary - Capital

19. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £1.0m for 2021/22. £0.417m of expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £1.417m.

20. During the year, the Portfolio spent £0.541m, a reduction of £1.333m when compared to the profiled spend in December 2021.



Key:

Capital Programme – The revised planned expenditure for 2021/22 as at 1st April 2021.

Slippage – Funding which was planned to be spent in 2021/22 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.

Outturn 2021/22 – Total capital programme expenditure as at 31st March 2022.

21. Details of movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£1.343m). Movement since Q3 report: (-£1.343m).**
 - **Orchard House – (-£0.771m)** – Delays during the design stage have led to delays with this project. Construction works expected to commence in 2022/23.
 - **Teasel Close – (-£0.129m)** – Delays during the design stage have led to delays with this project. Construction works are expected to commence in 2022/23.
 - **High Trees – (-£0.292m)** – Delays during the design stage have led to delays with this project. Construction works are expected to commence in 2022/23.
 - **May House – (-£0.074m)** – Small amount of budget transferred into 2022/23.
 - **Seaside – (-£0.062m)** – Small amount of budget transferred into 2022/23.
 - **East Preston and Cissbury Lodge – (-£0.015m)** – Small amount of budget transferred into 2022/23.

- **Overspending: £0.467m. Movement since Q3 report: £0.010m.**
 - **Brick Kiln - £0.010m** – Project is complete with a small overspend. The additional £0.010m of budget funded by borrowing has been added to the project to cover the additional cost.

22. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

Risk

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

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>	16	12

24. Further details on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

Learning and Skills Portfolio - Summary

Performance Summary

- The Portfolio has a number of performance highlights to report this quarter:
 - Ofsted inspections of schools demonstrate that by the end of March 2022, 88.8% of schools were judged to be either Good or Outstanding and this was an all-time high. The number of children attending Good or Outstanding schools rose again and reached 89.3%, 1.3% above the target set for the end of the year.
 - The proportion of young people not in education, employment, or training as at the end of February 2022, the latest data available, stood at 2.3% with an additional 3.6% unknown. This gives a combined figure of 5.9% which compares to a national figure of 4.6% and a figure of 5.1% across the Southeast. It shows fewer young people are NEET or unknown than the target of 7% set and also represents an improvement of 1.4% in West Sussex against the same period in 2021.

Our Council Performance Measures

Learning and Skills	2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
		2019/20	2020/21	2021/22			
21 The percentage of young people attaining Grade 4 and above for Maths and English GCSE by age of 16 years old Reporting Frequency: Annually	67.0%	66.2%	72.2%	75.2%	↗	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. In January 2021, the government decided that it would not be fair for GCSE, AS and A level exams to take place in summer 2021 because of the disruption to students' education caused by the coronavirus (Covid-19) pandemic. Instead, students received grades based on assessments by their teachers: Teacher Assessed Grades or TAGs. 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.	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. Please note that schools are not accountable to Local Authorities and government departments, such as Ofsted, relating to these grades and the cancellation of exams does not give any meaningful comparison between 2019, 2020 and 2021, as each of these years had different marking criteria.

Learning and Skills		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Sep-21	Dec-21	Mar-22			
25	Percentage of schools with OFSTED rating 'good' or 'outstanding' Reporting Frequency: Quarterly	88.5%	87.6%	88.4%	88.8%	↗	<p>Mar-22: The total for West Sussex schools that are judged good or outstanding has risen slightly and is now at with a recent all time high of 88.8%. This figure is 0.4% higher than the equivalent figures shown in the previous month, with one secondary school becoming good from requires improvement since last month. For March 2022, the percentage for each school phase is as follows:</p> <p>Primary Schools = 87.7%; Secondary Schools = 92.1%; Special Schools = 100%</p> <p>Due to the Covid-19 pandemic Ofsted inspections had only just restarted in September 2021, and a growing number of schools have been inspected during the current academic year and, therefore, this is the latest position.</p>	Ofsted inspections, which had been suspended during the main part of the Pandemic, and due to national and local lockdowns had only just restarted in September 2021, and a growing number of schools have been inspected during the current academic year and, therefore, this is the latest position.
26	Percentage of pupils and students accessing Ofsted 'good' or 'outstanding' schools Reporting Frequency: Quarterly	88.0%	86.6%	87.6%	89.3%	↗	<p>Mar-22: The total for West Sussex pupils in schools that are judged good or outstanding has improved again this month. This figure is 1.3% higher than the equivalent figure shown in the previous month and is at an all time high of 89.3%. One secondary school was rated good from requires improvement since last month For March 2022, the percentage for each school phase is as follows:</p> <p>Primary Schools = 86.3%; Secondary Schools = 93.1%; Special Schools = 100%</p> <p>Due to the Covid-19 pandemic Ofsted inspections had only just restarted in September 2021, and a growing number of schools have been inspected during the current academic year and, therefore, this is the latest position.</p>	Ofsted inspections, which had been suspended during the main part of the Pandemic, and due to national and local lockdowns had only just restarted in September 2021, and a growing number of schools have been inspected during the current academic year and, therefore, this is the latest position.
27	Percentage achieving expected standard in reading, writing and maths combined at the end of Key Stage 2 Reporting Frequency: Annually	64.0%	55.0%	61.8%	62.7%	↗	<p>Mar-22: No results collected for 2021 due to the pandemic</p>	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.

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Learning and Skills		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
28	Average attainment 8 score of students at Key Stage 4 including English and Maths Reporting Frequency: Annually	47.5	2019/20	2020/21	2021/22	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. In January 2021, the government decided that it would not be fair for GCSE, AS and A level exams to take place in summer 2021 because of the disruption to students' education caused by the coronavirus (COVID-19) pandemic. Instead, students received grades based on assessments by their teachers: Teacher Assessed Grades or TAGs. 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.	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. Please note that schools are not accountable to Local Authorities and government departments, such as Ofsted, relating to these grades and the cancellation of exams does not give any meaningful comparison between 2019, 2020 and 2021, as each of these years had different marking criteria.	
			46.9	50.3	51.6			↗
29	Percentage attainment gap of disadvantaged pupils compared with non-disadvantaged peers at the end of Key Stage 2 Reporting Frequency: Annually	24.0%	2017/18	2018/19	2019/20	Mar-22: No results collected for 2021 due to the pandemic	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 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.	
			23.3%	23.4%	25.3%			↘

Learning and Skills		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Dec-21	Jan-22	Feb-22			
30	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) Reporting Frequency: Quarterly	7.0%	6.6%	5.5%	6.0%	↓	Mar-22: The County Council's target is to reduce the percentage of NEET/Not Known young people to 5.0% by 2025. For 21/22 the combined target is 7.0% for the 3-month period Dec-Feb. The latest validated 3-month average is available: The NEET (Not in Employment, Education or Training) figure stands at 2.04% and the current Not Known figure is 3.95%. The combined figure, of 5.99%, is an improvement of 1.67% from 2020/21. Compared to England combined figure of 4.72% and the South East, 5.45% is currently worse than those areas, but the gap has narrowed from 2.18% and 1.25% for national and South East, respectively, to 1.27% and 0.46%, respectively. West Sussex is now ranked 126th out of 152 local authorities, up 11 places from last year, but is in the top quintile for improvements of all authorities since 2020/21 and is the 9th most improved in relation to County Local Authorities. Although our Not Knowns are currently higher than most of our statistical neighbours, the improvements to collection of data and relationships with schools, colleges and other establishments has seen a marked improvement and is lower than the 3-month 21/22 target of 7.0% combined.	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.

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure. (<i>Covid-19 position is reported in Appendix 2</i>)	£1.767m	Funding from Covid-19 grant (<i>Covid-19 position is reported in Appendix 2</i>)	(£1.767m)	
Home to School Transport costs; predominantly Special Educational Needs	£2.581m	Staffing vacancies within the School Effectiveness Service and Early Years' Service	(£0.244m)	
Undelivered 2020/21 and 2021/22 trading services (£0.150m) and home to school transport savings (£0.037m)	£0.212m	Staffing vacancies within Inclusion and School Crossing Patrol Service	(£0.250m)	
		Staffing vacancies within Schools Services team and School Crossing Patrol Service	(£0.202m)	
		In year underspending from homeworking/ change in service delivery due to pandemic restrictions	(£0.090m)	
		Other minor variations	(£0.369m)	
Learning and Skills Portfolio - Total	£4.560m		(£2.922m)	£1.638m

Significant Financial Issues and Risks Arising

Key Financial Issues and Risks Arising	Narrative	Cost Driver	Baseline (March 2020)	Q1	Q2	Q3	Q4	Action	Trajectory		
1	Destination mix of pupils with an Education, Health and Care Plan (EHCP) receiving transport	Approximately one third of our children with an Education, Health and Care Plan (EHCP) also receive transportation to their school.	No of pupils with EHCP transported to a mainstream school / SSC	207 (11.3%)	224 (11.4%)	200 (10.0%)	207 (10.0%)	230 (11.0%)	↗	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.	↗
			No of pupils with EHCP transported to a special school	1,240 (67.8%)	1,265 (64.6%)	1,299 (65.0%)	1,334 (64.6%)	1,316 (62.8%)	↘		
			No of pupils with EHCP transported to independent placements	381 (20.8%)	468 (24.0%)	500 (25.0%)	525 (25.4%)	549 (26.2%)	↗		
			Total no of pupils with EHCP transported	1,828 (100%)	1,957 (100%)	1,999 (100%)	2,066 (100%)	2,095 (100%)	↗		
2	Transport type mix of pupils with an Education, Health and Care Plan (EHCP) receiving transport	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.	No of pupils with EHCP transported in an external taxi/minibus	1,331 (72.8%)	1,394 (71.2%)	1,340 (67.0%)	1,393 (67.4%)	1,421 (67.8%)	↗	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, recent insourcing has focused on expensive accessible vehicle routes and/or where the biggest cost reductions can be made.	↔
			No of pupils with EHCP transported on County Council fleet	443 (24.2%)	462 (23.6%)	551 (27.6%)	559 (27.1%)	563 (26.8%)	↘		
			No of pupils with EHCP transported by parents	54 (2.9%)	101 (5.2%)	108 (5.4%)	114 (5.5%)	111 (5.3%)	↘		
			Total no of pupils with EHCP transported	1,828 (100%)	1,957 (100%)	1,999 (100%)	2,066 (100%)	2,095 (100%)	↔		
3	Daily transport cost of pupils with an Education, Health and Care Plan (EHCP) receiving external transport	The daily cost of SEND external taxi and escort provision has been increasing annually by approximately 10% over the last couple of years. This is mostly due to increased demand (numbers of pupils with an EHCP requiring transport), but also due to additional inflation pressures such minimum living wage.	Current daily cost of SEND external taxi provision across all provision	Average 2020/21 £52.1k	£56.0k	£56.0k	£52.4k	£57.3k	↗	Accessible minibuses (including escort) can easily cost £220 per day with a few up to £300. We are starting to experience Inflationary pressures due to increasing fuel and staffing costs which are evident in the Q4 average daily cost.	↗
			Current daily cost of SEND external escort provision across all provision	Average 2020/21 £10.6k	£11.3k	£11.3k	£10.9k	£11.9k	↗		

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

Key Financial Issues and Risks Arising	Narrative	Cost Driver	Baseline (March 2021)	Q1	Q2	Q3	Q4	Action	Trajectory	
4	Placement mix of pupils with an Education, Health and Care Plan (EHCP) Our High Needs expenditure is largely driven by the number of pupils with an Education and Health Care Plan (EHCP). The 2021/22 budget has been set based on a further 500 pupils this year. Although overall growth so far this year is in line with this, a greater proportion of these children are being placed in more costly placements within the independent sector.	No of pupils with EHCP in mainstream school	1,949 (31.9%)	1,997 (32.0%)	1,845 (29.0%)	1,921 (30.1%)	1,921 (30.1%)	↗	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.	↗
		No of pupils with EHCP in special school / SSC	2,166 (35.4%)	2,183 (35.0%)	2,288 (36.0%)	2,284 (35.7%)	2,273 (34.9%)	↘		
		No of pupils with EHCP in independent placements	615 (10.0%)	647 (10.4%)	669 (10.5%)	688 (10.8%)	715 (11.0%)	↗		
		No of pupils with EHCP in post school placements	1,127 (18.4%)	1,102 (17.6%)	1,309 (20.6%)	1,226 (19.1%)	1,215 (18.7%)	↘		
		No of pupils with EHCP in other placement type	254 (4.2%)	314 (5.0%)	246 (3.9%)	272 (4.3%)	319 (4.9%)	↗		
		Total no of pupils with EHCP	6,111 (100%)	6,243 (100%)	6,357 (100%)	6,391 (100%)	6,510 (100%)	↔		
5	Increase Placement mix of pupils with an Education, Health and Care Plan (EHCP) The 2021/22 budget has been set on the basis of a further 500 pupils with an EHCP this year. Although overall growth so far this year is in line with this, a greater proportion of these children are being placed in more costly placements within the independent sector.	Increase in no of pupils with EHCP in mainstream school	159	48 (2.5%)	-104 (-5.3%)	-28 (-1.4%)	39 (2.0%)	↗	The higher level of increased placements in the independent sector is largely due to lack of capacity in WSSC's settings. 84 additional places were made available from September 2021, but the increased capacity at a number of special schools has only been achievable through the hire of expensive temporary classrooms. Whilst new building work is planned this will take time and therefore in the medium term, it is expected that the number of independent sector placements will continue to rise at a faster rate.	↗
		Increase in no of pupils with EHCP in special school / SSC	177	17 (0.8%)	122 (5.6%)	118 (5.4%)	107 (4.9%)	↘		
		Increase in no of pupils with EHCP in independent placements	51	32 (5.2%)	54 (8.8%)	73 (11.7%)	100 (16.3%)	↗		
		Increase in no of pupils with EHCP in post school placements	91	-25 (-2.2%)	182 (16.1%)	99 (8.8%)	88 (7.8%)	↘		
		Increase in no of pupils with EHCP in other placement type	22	60 (23.6%)	-8 (-3.1%)	18 (7%)	65 (25.6%)	↗		
		Total increase in no of pupils with EHCP	500	132 (2.2%)	246 (4.0%)	280 (4.5%)	65 (25.6%)	↔		
6	Cost of pupils with an Education, Health and Care Plan (EHCP) in an Independent and Non-maintained Special School The 2021/22 budget has been set on the basis of the average Independent and Non-maintained sector placement cost being £46k per week.	Average annual cost	£46k	£48k	£48.5k	£48k	£47.5k	↘	Average independent sector costs increased by £2k per annum at the beginning of the year but have stabilised since. These costs are expected to escalate again in the new financial year.	↗

Financial Narrative on the Portfolio's Position

2. The 2021/22 outturn position for the Learning and Skills Portfolio budget is an overspend of £1.638m. This is a reduction of £0.219m when compared to the £1.857m overspend forecasted in December. The main movement during this period relates to a reduction in staffing expenditure and other minor variations.

Review of the 2021/22 Financial Year

3. The Home to School Transport service overspent by £2.618m over the last year. Within this total, the mainstream transport provision overspent by £0.509m. This was made up of a combination of factors including increased growth in the number of routes provided, higher demand for season tickets and price increases over and above the inflation rate allocated in the budget. The higher inflation rates were largely made of payments to contractors for increased pay costs.
4. SEND transport provision overspent by £2.160m. This was due to a number of different factors:
 - Increased demand for taxi and escort transport provision as a result of the continuing increase in the number of children with an Education and Health Care Plan (£1.563m),
 - Increased use of the internal fleet (£0.349m). Without the use of the internal fleet the cost of those routes would have been £0.2m higher.
 - Increase in the cost of transport provision provided to pupils attending the West Sussex Alternative College (£0.096m). The level of costs that can be charged to the DSG High Needs block is fixed at an historic level and therefore any additional expenditure falls to the County Council to pick up.
 - The net cost of recoupment activity (transport provided to pupils travelling across the county boundaries) resulted in a further overspend of £0.115m.
 - The non-delivery of £0.037m of the planned £0.5m transport savings.
5. In terms of Post-16 transport provision, there was a small net underspend of £0.051m mostly due to an accounting adjustment relating to a prior year commitment.
6. School trading income has not grown significantly over recent years due to the Covid-19 pandemic. This has had an adverse effect on the ability to generate the £0.175m increase in income savings. Although a number of new traded income streams have been developed, the additional income generated in 2021/22 was offset by a £0.1m under collection on teacher training income from schools (when compared to 2018/19 levels).
7. To help mitigate these overspending pressures, other service areas have tried to reduce spending on non-essential items and hold staff vacancies where possible. These underspends included:

- Staff underspending within the School Effectiveness Service (£0.157m) and Early Years' Service (£0.087m) due to vacancies being held ahead of directorate re-structure,
- Staff underspending within the Inclusion Service (£0.250m) largely due to delays with recruiting to new posts at the beginning of the financial year,
- Staff underspending within Schools Services team (£0.102m) partly due to maximising administration charge against Holiday and Activities Fund and School Crossing Patrol Service (£0.100m) due to vacancies throughout the year.

Dedicated Schools Grant (DSG)

8. The Dedicated Schools Grant (DSG) allocation after academy recoupments and deductions in 2021/22 totalled £471.5m and was made up of four separate funding blocks: Schools block (£371.3m), High Needs block (£96.2m), Central School Services block (£6.8m) and Early Years block (£51.1m).
9. The balance on the Dedicated Schools Grant reserves at the beginning of the 2021/22 financial year stood at -£10.388m deficit. After allowing for the estimated £7.0m High Needs budgeted shortfall for 2021/22 and the retrospective adjustment to the Early Years 2020/21 DSG allocation of £0.357m made in November 2021, the December 2021 balance in reserves stood at a deficit of £17.745m.
10. The final position on the DSG in 2021/22 was an overspend of £7.759m. The main variations across the four DSG funding blocks were as follows.

Dedicated Schools Grant – 2021/22	Variation £m
Early Years Block	
• Early Years Providers – £0.720m underspending offset by £0.620m reduction in DSG funding announced in Jan 2022	-0.100
• Centrally Retained – Staffing underspends in Early Years teams	-0.194
Early Years Block Total	-0.294
High Needs Block	
• Independent and Non-maintained Schools – The 21/22 budget that was set allowed for 666 places. By the end of the year 715 children with an EHCP were actually being placed in the independent sector.	+3.651
• Commissioned College Placements and Alternative Provision	-0.233
• Post-16 SEND College Placements – The number of additional placements incurring a cost have increased by 53 during the year. (This compares to a budgeted increase of 17 placements).	+1.240

<ul style="list-style-type: none"> • Post-16 Specialist Independent Provider Placements – Numbers have increased by 18 during the year (compared to a budgeted increase of 3). 	+0.696
<ul style="list-style-type: none"> • Exceptional Needs and Top Up Funding – Increased number of ENF allocations and mainstream top-ups. 420 placements attracted ENF funding in 21/22 compared to 292 allowed for in the budget. 	+1.625
<ul style="list-style-type: none"> • Additional placements at two special school academies 	+0.563
<ul style="list-style-type: none"> • Specialist Support – Significantly higher level of spend on NTAS and SENSE learning packages where children may otherwise have been out of school. 	+1.387
<ul style="list-style-type: none"> • Support for Schools: <ul style="list-style-type: none"> ➢ Additional portacabins at St Anthonys and Manor Green College ➢ Schools in Financial Difficulty ➢ Area Inclusion and Improvement Boards ➢ Contribution to residential disability homes ➢ Staffing underspends within Virtual School ➢ Staffing underspends within Inclusion Service and Pupil Entitlement 	+0.392
	-0.211
	-0.081
	-0.135
	-0.132
	-0.158
High Needs Block Total	+8.604
Schools Block	
<ul style="list-style-type: none"> • Support for Schools: <ul style="list-style-type: none"> ➢ Growth Fund – Unspent funds within £2.5m allocation ➢ Rates – Actual rates bills in excess of estimates less refunds for academy conversions during the year ➢ Property costs 	-0.031
	-0.010
	-0.054
<ul style="list-style-type: none"> • Other De-delegated Services - Underspendings within Free School Meals Eligibility Checking Service, and cover for professional associations 	-0.036
<ul style="list-style-type: none"> • General Duties – Underspending on redundancies budget due to very few school restructures during the year 	-0.300
Schools Block Total	-0.431
Central Block	
<ul style="list-style-type: none"> • Support for Schools: <ul style="list-style-type: none"> ➢ Admissions legal costs ➢ Staffing underspendings within Pupil Entitlement (Admissions and Investigations teams) ➢ Staffing overspendings within Capital Planning Team 	-0.048
	-0.118
	+0.046
Central Block Total	-0.120
Total	+7.759

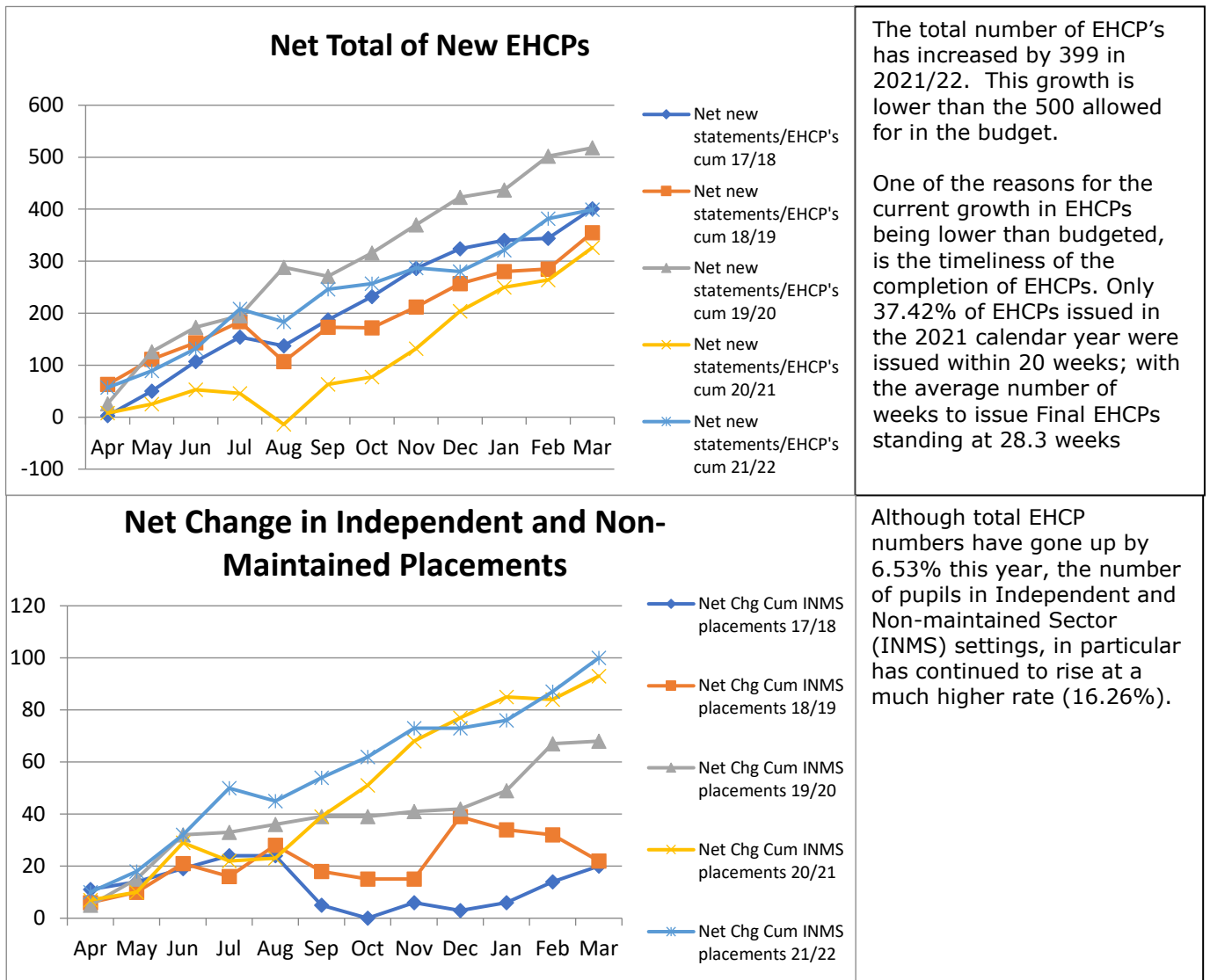
11. As a result of the £7.759m overspending, there is now a deficit of £25.504m within the DSG reserves at the end of 2021/22.

	DSG Unusable Reserve £m
December 2021 Balance	-17.745
Early Years Block Underspending	0.294
High Needs Block Overspending	-8.604
Schools Block Underspending	0.431
Central Block Underspending	0.120
2021/22 Year End Balance (Deficit)	-25.504

12. The DSG conditions of grant require all Local Authorities with a deficit to submit a plan for managing it to their Schools Forum.

Cost Driver Information

13. The Education and Health Care Plan assesses the needs of a child in the context of the Education budget, it is a major cost driver in relation to the Local Authority funded Home to School Transport budget and the DSG funded High Needs block.
14. When the 2021/22 budget was set the overspending on High Needs this year was projected to be £7.0m, but this has increased by a further £8.6m over the last year. This is mainly due to the increased number of children being placed in high-cost independent placements, additional expenditure on specialist support and increased costs in mainstream settings despite the numbers being placed in this sector being lower than expected.
15. Between April 2015 and March 2021, the number of pupils with an Education, Health and Care Plan (EHCP) increased by 2,688 (78.5%) from 3,423 to 6,111. During 2021/22, this number has risen by a further 399.
16. One of the main reasons for the increasing level of EHCPs has been the extension of support to young people up to the age of 25. Statements previously lapsed at age 19, however since 2015 when the system was reformed, West Sussex, along with all other LAs, has been supporting a new cohort of young people aged 19-25 for which they have received no additional funding.



The total number of EHCP's has increased by 399 in 2021/22. This growth is lower than the 500 allowed for in the budget.

One of the reasons for the current growth in EHCPs being lower than budgeted, is the timeliness of the completion of EHCPs. Only 37.42% of EHCPs issued in the 2021 calendar year were issued within 20 weeks; with the average number of weeks to issue Final EHCPs standing at 28.3 weeks

Although total EHCP numbers have gone up by 6.53% this year, the number of pupils in Independent and Non-maintained Sector (INMS) settings, in particular has continued to rise at a much higher rate (16.26%).

Savings Delivery Update

17. The portfolio has a number of 2021/22 savings included within the budget and one saving outstanding from the 2020/21 financial year. Details of these savings are included in the table below:

Saving Activity	2020/21 Savings £000	March 2022		Narrative	2022/23
Improve School Trading Offer	150	25	R	School trading income has been affected by the pandemic and therefore income has not been generated to meet the new budgeted target.	G
		100	G		

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Home to school transport – increased internal fleet	300	300	G		G
Home to school transport – greater taxi competition	200	163	G	£0.163m saving has been achieved through some keener pricing, this is lower than the £0.2m target.	G
		37	R		R
Improve school trading offer (year 2 savings)	150	150	R	School trading income has been affected by the pandemic and therefore income has not been generated to meet the new budgeted target.	A
Charge Inclusion and Disadvantaged Pupils Programme to School Effectiveness	127	127	B		B
Review of Agency Staffing	4	4	B		B

Savings Key:

R Significant Risk	A At Risk	G On Track	B Delivered
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Capital Programme

Performance Summary - Capital

18. There are 45 schemes within the portfolio; 31 of the schemes in delivery are rated green, indicating that the schemes are progressing as planned, eight of the 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, four schemes are rated as red, indicating that there are significant issues requiring corrective action and two schemes are being managed by schools directly.

19. An update on the progress of the schemes rated red and amber are detailed in the table below.

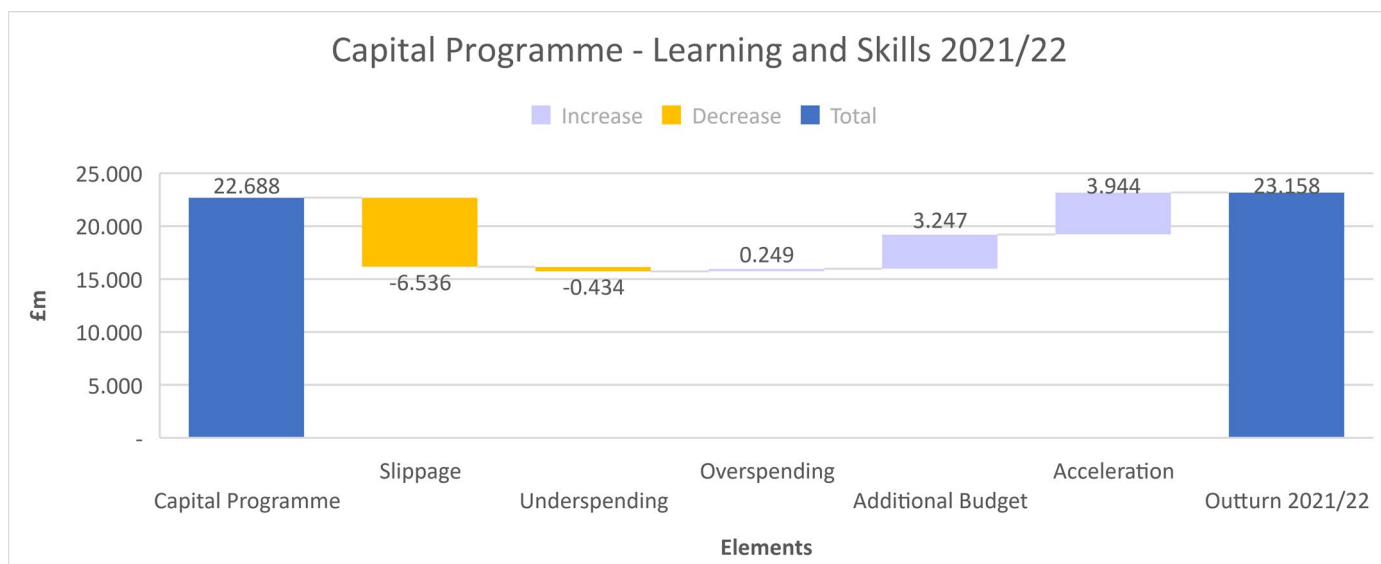
Scheme	RAG Status at 31 st March	Reason	Latest RAG Status	Updated Position
Burgess Hill Northern Arc Secondary School	RED	Additional requirement for SEND Support Centre and target price.	RED	Time and cost pressures being reviewed.
Edward Bryant Special Support Centre	AMBER	Cost estimate following Feasibility higher than expected.	AMBER	Options being considered.
Forest School Co-Ed works	AMBER	Cost estimate following Feasibility higher than expected.	GREEN	Additional funding approved.
Maidenbower Infants - Special Support Centre	AMBER	Additional scope requires additional funding.	AMBER	Service to submit Change Request.

Agenda Item 4
Sections 1-10

Scheme	RAG Status at 31 st March	Reason	Latest RAG Status	Updated Position
Midhurst Rother College	AMBER	RIBA stage two cost increase.	GREEN	Key Decision approved providing required additional funding.
Nyewood CoE School	AMBER	Project completed - Small overspend to be rectified.	AMBER	Awaiting Change Request for additional funding.
Palatine SEN Primary School (Design)	RED	Planned completion date not achievable due to planning delays.	RED	
Parklands Primary	RED	Defects.	RED	Defect management to continue until August 2022.
QEII Silver Jubilee School	RED	Cost Pressures.	RED	Options being considered.
S106 Infrastructure Budget Programme	AMBER	Cost Pressures.	AMBER	Options being considered.
S106 Forest School AWP	AMBER	Water Neutrality statement not accepted resulting in delay.	AMBER	
S106 Slinfold - Design Stage	AMBER	September 2022 delivery at risk due to delays with the school bringing forward requirements.	AMBER	Options being considered.
Safeguarding Programme	AMBER	Final account indicates overspend, mainly due to work at Sheddingdean Primary School.	AMBER	Awaiting Change Request for additional funding.
Woodgate Primary School	AMBER	Project completed but issue with the safeguarding line of fencing.	AMBER	Options being considered.

Finance Summary - Capital

20. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £19.506m for 2021/22. £3.182m of expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £22.688m.
21. During the year, the Portfolio spent £23.158m, a reduction of £3.484m when compared to the profiled spend in December 2021.



Key:

Capital Programme – The revised planned expenditure for 2021/22 as at 1st April 2021.
 Slippage – Funding which was planned to be spent in 2021/22 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.
 Outturn 2021/22 – Financial year capital programme expenditure.

22. Details of the main movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£6.536m). Movement since Q3 report: (-£4.152m).**
 - **Community Schools Capital Maintenance Grant: (-£0.773m).** This project has reprofiled due to several factors including materials shortage, procurement delays and schemes being reprocured. These have had a knock-on effect in delays for getting on site.
 - **S106 Infrastructure Programme - (-£0.808m)** – This block allocation is made up of twenty projects, there has been delays in relation to design, procurement, planning and reworking the scope of projects therefore £0.303m has been reprofiled into future years.
 - **Burgess Hill Northern Arc, West of Chichester and Pease Pottage Primary School – (-£0.310m)** - These projects are developer led school therefore WSCC’s role in the project is as a technical advisor only. £0.310m has been reprofiled into future years due to delays which has resulted in no designs being submitted, hence no costs being incurred as we have no designs to review.
 - **Forest Boys School – (-£0.350m)** – Funds has been reprofiled into 2022/23, due to the works on Phase Two science labs taking longer than first anticipated.
 - **St Margaret’s SSC – (£-0.235m)** - Funds has been reprofiled into 2022/23 due to delays in the design stage of the project

- **Section 106 FFE & IT – (£-0.178m)** – These works are being managed directly by the schools; works have not progressed as quickly as we were informed.
- **Palatine – (-£0.176m)** – This project has been reprofiled into future years due to delays in planning, design & procurement
- **Various Projects – (£1.322m)** – Balance of remaining slippage covering various Basic Need, S106 and Special Schools Sufficiency projects within the Portfolio.
- **Underspending: (-£0.434m). Movement since Q3 report: (-£0.024m).**
 - **Heronsdale: -£0.024m.** Project has completed and under budget therefore the remaining grant funding has been returned to SEND pipeline to help fund future projects.
- **Overspending: £0.249m. Movement since Q3 report: £0.249m.**
 - **Safeguarding in schools - £0.191m.** Works have overspent resulting in an additional £0.191m being spent in 2021/22.
 - **Warden Park, Cornfield and Whytemead Primary - £0.058m -** Small overspends on projects resulting in an additional £0.058m being spent in 2021/22.
- **Additional Budget: £3.247m. Movement since Q3 report: £0.000m.**
- **Acceleration: £3.944m. Movement since Q3 report: £0.443m.**
 - **Schools Access Initiative: £0.199m.** Funding has been accelerated due to an increase in requests from schools being higher than first anticipated.
 - **Devolved Formula Capital Grant: £0.244m.** This budget is held by individual schools. This year schools have spent more than we anticipated and therefore the programme has been adjusted.

23. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

Risk

24. There are no corporate risks assigned to this portfolio. Risks allocated to other portfolios are specified within the respective appendices of this report. Further detail on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

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

- With the continued challenges for safe and well visits we have focussed on conducting sustained post fire activity in and around the communities where fires have occurred. This is proving beneficial with a number of additional referrals and fire safety checks being undertaken by our crews and volunteers.
- To supplement our full fire safety audits, our frontline crews are now conducting business fire safety checks in low-risk high street premises like shops and take-aways. These are premises that would otherwise not attract an inspection by the fire service, but the early indication is that this activity is yielding some positive risk reduction results and helping our partner agencies with other regulatory issues such as housing and environmental health.
- The new joint fire control centre continues to deliver improvements with the latest changes to the mobilising system helping to improve appliance attendance times. We have also approved a new working group to begin to look at future technology that will further assist the reduction in mobilising times and wider operational awareness for control.
- Now that the Community Risk Management Plan (CRMP) has been approved and launched we are busy planning the implementation to ensure that the key proposals and objectives of the plan are delivered in a prioritised and timely way. Starting with the extension of the day crewed system and review of the retained duty system we anticipate these two projects will contribute significantly to the improved availability, resilience, and performance of the service.
- To ensure the golden thread of the CRMP all the objectives filter down through the organisation into service plans which get approved at our Service Executive Board and then into the personal objectives for our teams which are being set as part of the performance discussions which are being completed this quarter.

Community Support

- During this quarter the National Test and Trace service allocated over 24,000 cases for contact tracing to the Community Hub until the announcement made by the Prime Minister on 21 February 2022 which set out the plans for living safely with Covid-19 in England ceasing contact tracing activity.
- The Community Hub have been working closely with internal teams, partners and District and Borough Councils utilising the Household Support Fund to support over 14,000 individuals across 5,100 households during quarter four. This support has been focused on those requiring support with food, energy,

water bills and who are experiencing hardship for reasons not necessarily linked to Covid-19.

- At the end of quarter four, the Community Hub began leading on a range of activities to support the Homes for Ukraine Scheme including DBS checks, safeguarding checks and property visits for all Sponsors. The Community Hub is managing all contact and enquiries from Sponsors including an online enquiry form, telephone, and email enquiries.
- The Customer Relations Team have continued to successfully manage the upswing in complaints following the easing of pandemic restrictions, processing 497 new Complaints and MP enquiries over the last quarter as well as 26 stage two complaints.
- In quarter four the Registration Service has seen deaths go back to pre-pandemic levels, however due to workload of doctors and hospitals we are having significant delays in receiving the medical certificate of cause of death (MCCD), which has a knock-on effect on timeliness to register.
- We saw a record number of notices in March due to the high demand for ceremonies across the County. An additional 500 ceremonies have been booked for this year as of 1st April 2022.
- The One Public Estate (OPE) initiative has continued to develop and deliver fifteen projects during quarter four. WSCC has been awarded £0.1m development funding to support development of new OPE projects.
- In March the Record Office was awarded a £0.092m grant to carry out a survey of AIDS and HIV archives in England and Wales over the next two years. The archive of AVERT, a leading HIV charity set up in Horsham in 1986, was deposited at the Record Office in 2021.
- Customer visits to library buildings have grown 250% over the year, reflecting continued resumption of services, representing 50% of pre-pandemic levels. Physical book borrowing has returned to 80% of pre-pandemic levels, evidencing the need to re-grow the programme of events and activities providing community-based support in addition to the digital offer which has been widely used during the pandemic and is being sustained.
- Healthy Child Programme clinics began operating from 12 libraries during quarter four, sustaining local access to health visitors for families in those communities.
- As part of the work that the Trading Standards undertakes to prevent age restricted products being sold to children the Service requested a review of a Littlehampton shop's alcohol licence after it sold two bottles of alcohol to a child volunteer. The shop had already received advice and guidance from officers after receiving reports that e-cigarettes were being supplied to children. The licence was suspended for seven days. A similar process is underway for a Worthing shop.

Our Council Performance Measures

Community Support, Fire and Rescue		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Sep-21	Dec-21	Mar-22			
3	<p>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, Reported a quarter in arrears.</p>	1,750	468	623	841	↗	<p>Mar-22: The wider protection and fire safety environment is a very challenging one currently with significant demand for qualified people to assist with the changes in fire and building safety regulations. This has created unexpected turnover for our protection team and challenges in recruitment and retention. This has affected our ability to meet the target of 1750 visits which is based on a full department staffing model that is operating at competent level. Significant recruitment has taken place but this has the effect of further demand on qualified staff to help in developing new starters and Covid is also still playing a part in restricting numbers, both from a staffing perspective, but also from having the right person at the audit from the business to provide the right information.</p>	<p>Significant work has taken place to recruit colleagues with skills and backgrounds that will expedite their development in fire safety. We are also working hard to attract qualified officers back into the service to support schemes such as primary authority and fire safety engineering.</p> <p>Now that the new fire safety system and smarter working has been embedded, we are confident that officers will be able to work independently of the office in order to improve productivity and respond quicker to fire safety issues that occur at short notice. We are also continuing the roll out training for station-based response crews to undertake fire safety checks within their communities. Whilst these will not be recorded as full audits, they will reduce risk and increase our footprint into the built environment and therefore enhance our business engagement, providing additional routes to identify unsafe fire safety practice. These checks are already proving valuable with increasing evidence of wider fire safety concerns being uncovered by crews that ordinarily may not have surfaced through our routine inspections.</p>
10	<p>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. Reported a quarter in arrears.</p>	4,000	1,561	2,468	3,355	↗	<p>Mar-22: In Q4 we carried out 883 SWVs and 192 home checks. We have seen a month on month increase in visits in 21/22, ending the year with a 38% increase on last April's figure. We attribute the increase to the remedial actions taken and the ongoing development of referral pathways. Staff based at fire stations have undertaken reactive post-incident as well as proactive referral generation activity. Whilst restrictions relating to the pandemic have been removed, the impact of the pandemic remains evident with a reduction in referrals and requests for visits with vulnerable people still less willing to have services in their homes. Neighbouring FRSs have seen similarly low numbers of visits. Whilst the total number of visits is below this year's target we have delivered a 12% increase on last year. The emergence of the Omicron variant in Q1 resulted in a shortfall that we were unable to recover from. In addition to the 3355 full visits completed we have visited a further 1075 homes to repair, replace, or install smoke detection equipment, with advice being provided where relevant - this gives a total number of visits to 4,430 homes that the FRS visited to make people safer.</p>	<p>We continue to work with our partners, particularly in health and social care, along with telecare providers to increase referrals of Safe and Well Visits. We are also offering revisits to some members of the public due to the time since we last visited them. We have changed the way our stations are supporting and completing Safe and Well Visits through new guidance and we are reviewing risk reduction activity to ensure that every contact can result in a Safe and Well Visit where possible. In many cases the resident has declined a full Safe and Well Visit, this may in part be due to Covid which we hope will change as we move forward. We continue to use data to target our activity to areas in which our most vulnerable residents live and we are making the most of every opportunity to deliver focused community safety activities following incidents at residential properties. This will lead to more prevention activity being delivered to those at risk or those affected by an incident.</p>
42	<p>Percentage of 'critical fires' where the first appliance in attendance meets our emergency response standard</p> <p>Reporting Frequency: Quarterly, Reported a quarter in arrears.</p>	89.0%	82.1%	86.7%	93.6%	↗	<p>Mar-22: Performance for this quarter is 93.58%, which is our highest recorded quarter for this performance measure. For the last nine months we have been trialling the Dynamic Cover Tool (DCT) in fire control. This tool allows control operators to assess the impact of any standby moves on response times before implementing them. In Q4 we adjusted the way that the DCT is used by providing data on response times broken down to a district or local level to the control room operators. The first quarter's results for this approach are promising but we will continue to monitor and to ensure that this is an embedded improvement.</p>	<p>We are carefully monitoring the impact of the DCT and continue to work with JFC to train the control operators and identify every possible efficiency in our mobilising system. 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.</p>

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Community Support, Fire and Rescue		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Sep-21	Dec-21	Mar-22			
43	Percentage of 'critical special service incidents' where the first appliance in attendance meets our emergency response standard Reporting Frequency: Quarterly, Reported a quarter in arrears.	80.0%	77.1%	77.9%	80.6%	↗	Mar-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 an RDS station. This is the most challenging of our three attendance measures and is particularly influenced by the availability of RDS appliances. Performance for this quarter is 80.06%, which is our joint second highest recorded quarter's performance. For the last nine months we have been trialling the Dynamic Cover Tool (DCT) in fire control. This tool allows control operators to assess the impact of any standby moves on response times before implementing them. In Q4 we adjusted the way that the DCT is used by providing data on response times broken down to a district or local level to the control room operators. The first quarter's results for this approach are promising but we will continue to monitor and to ensure that this is an embedded improvement.	We are carefully monitoring the impact of the DCT and continue to work with JFC to train the control operators and identify every possible efficiency in our mobilising system. Specifically with critical special service calls we are working 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.
4	Percentage of suspected scam victims, identified to WSCC by the National Trading Standards Scams Team, receiving a proactive intervention from the Trading Standards Service Reporting Frequency: Quarterly	100.0%	82.0%	100.0%	100.0%	→	Mar-22: The Service has been able to maintain a 100% intervention rate to the referrals received from the National Scams Team.	Using proceeds of crime confiscated from rogue traders a project is underway installing call blocker devices to protect the vulnerable in their own homes.
33	Use of virtual/digital library services by residents Reporting Frequency: Quarterly, Accumulative	5.45m	2.93m	4.31m	5.81m	↗	Mar-22: We are continuing to see higher than normal levels of demand for eBooks and virtual library services, evidence of some customers making greater use of online services which they found through lockdowns.	Continue to support growing demand though investment in eLibrary platforms and production of virtual and online library events content
34	Number of people reached and supported via the West Sussex Community Hub during the Covid-19 pandemic Reporting Frequency: Quarterly, Accumulative	35,000	59,097	62,270	76,477	↗	Mar-22: 76k residents supported to March 2022. This includes 59k residents supported as part of the Central Government Covid-19 Shielding Programme, which ended on the 15/9/2021. From October 2021 the Community Hub has supported residents with Covid-19 related needs and households with wider essential needs such as food, energy, and water bills via the Household Support Fund. Please note this measure does not include the volumes for the Local Tracing Partnership.	The Community Hub continues to provide support to residents remaining agile in its delivery, flexing to support where required, helping those who need additional help and support due to the impact of COVID-19 and to vulnerable households.

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure. (<i>Covid-19 position is reported in Appendix 2</i>)	£10.271m	Funding from Covid-19 grant (<i>Covid-19 position is reported in Appendix 2</i>)	(£10.271m)	
Fire – Additional costs within the Electronic Services Group and Joint Fire Control	£0.250m	Fire – Reduced support costs arising from staffing vacancies across the Fire Service	(£0.206m)	
Fire - Increased pressure from supply of enhanced tactical PPE firefighter uniforms	£0.088m	Fire – Reduced spend in fleet services on staffing and fuel	(£0.082m)	
Fire - Increase in costs of front-line provision driven by increased overtime within the Fire Response Service	£0.333m	Communities – Increased demand for registrar's services	(£0.222m)	
Communities – Additional cost following work undertaken on long inquests	£0.189m	Communities – Staffing vacancies and additional income within Trading Standards	(£0.248m)	
		Communities – Underspending and staffing vacancies within Libraries, Archives and Safety and Wellbeing teams.	(£0.487m)	
		Communities - In year underspending from homeworking/ change in service delivery due to pandemic restrictions	(£0.065m)	
Community Support, Fire & Rescue Portfolio - Total	£11.131m		(£11.581m)	(£0.450m)

Significant Financial Issues and Risks Arising

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

Financial Narrative on the Portfolio's Position

3. The 2021/22 outturn position for the Community Support, Fire and Rescue Portfolio is an underspend of £0.450m. This is a reduction of £0.753m when compared to the £0.303m overspend forecasted in December. The main movement during this period relates to a reduction in staffing expenditure within Communities.

Review of the 2021/22 Financial Year

4. During the year, a number of pressures emerged within the Fire and Rescue Services including:

- £0.250m of additional costs relating to the Electronic Services Group and the operation of the Joint Fire Control.
- £0.088m of additional costs relating to the supply of enhanced tactical protective firefighter uniforms.

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- £0.333m of additional costs within front line services covering Response, Prevention and Protection largely driven by overtime expenditure within the Fire Response team.
5. These costs have been partly mitigated by £0.260m of reduced support costs arising from vacancies across the Fire Service and a £0.082m underspend in Fleet Services following a staffing vacancy and a reduction in planned fuel costs where reduced utilisation has exceeded inflationary price pressures.
6. Within Communities, the Coroner’s Service have had £0.189m of additional costs associated with the undertaking of inquests during the year. This budgetary pressure has been mitigated by:
- £0.222m of increased income from Registrar’s Services, due to an increase in demand for ceremonies following the relaxation of Covid-19 restrictions during the year.
 - £0.248m of underspending within the Trading Standards Service following in-year staffing vacancies and additional income.
 - £0.487m of underspending within Libraries, Archives and Safety and Wellbeing Teams due to staffing vacancies during the pandemic.
 - £0.065m of in-year homeworking savings as a direct result of reduced travel during the pandemic.

Proposed Carry Forward Requests

7. A number of carry forward requests have been actioned during the closing of the accounts including the following items within the Community Support, Fire and Rescue Portfolio:

2021/22 Carry Forward Requests	Amount
Domestic Homicide Reviews – Due to legal processes beyond the authorities’ control, there are a number of outstanding review cases which were not completed in year. The cost of these reviews (once complete) will be realised in 2022/23.	£115,000
Bequest for Worthing Fire Station – A generous bequest has been left to Worthing Fire Station. Plans are being considered on how this gift will be utilised.	£98,000
Trading Standards - Proceeds of Crime Act (POCA) Restricted Funds – Funding received from proceeds of crime has been carried forward into 2022/23 to be used for specific projects in detection and prevention of future crime.	£37,800

Savings Delivery Update

8. The portfolio has a number of 2021/22 savings included within the budget and one saving outstanding from the 2020/21 financial year. Details of these savings are included in the table below:

Saving Activity	2020/21 Savings £000	March 2022		Narrative	2022/23
Communities - Increased income from Registrars Services	150	150	B		B

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Development of adapted Library Service offer in conjunction with Parish Councils	70	70	G	Discussions with Parish Councils are continuing to deliver this saving on a long-term basis; however, in year mitigations have been found.	A
Increased income from copy certificates for Registrars' Services	150	150	B		B
Removal of Community Initiative Fund (CIF)	140	140	B		B
Review of Partnerships & Communities Team	70	70	B		B
Review of agency staff	8	8	B		B

Savings Key:

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

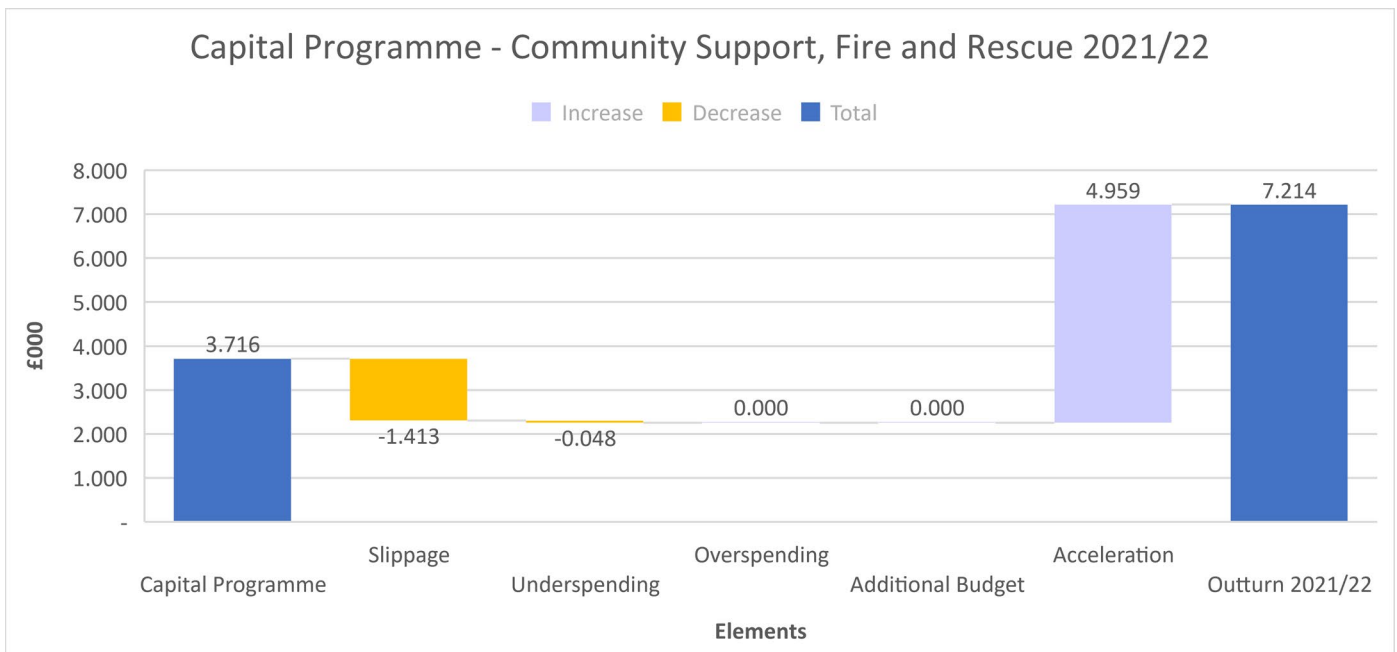
Capital Programme

Performance Summary - Capital

9. There are six schemes within the portfolio with all six schemes in delivery rated green, indicating that the schemes are progressing as planned.

Finance Summary - Capital

10. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £3.645m for 2021/22. £0.071m of expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £3.716m.
11. During the year, the Portfolio spent £7.214m, an increase of £2.484m when compared to the profiled spend in December 2021.



Key:

Capital Programme – The revised planned expenditure for 2021/22 as at 1st April 2021.
 Slippage – Funding which was planned to be spent in 2021/22 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.
 Outturn 2021/22 – Total capital programme expenditure as at 31st March 2022.

12. Details of movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£1.413m). Movement since Q3 report: (-£0.463m)**
 - **Worthing Community Hub – (-£0.159m)** - This project has completed. £0.159m has been reprofiled into 2022/23 whilst the final invoices are negotiated, it is likely there will be a small underspend that would be returned corporately.
 - **Fleet – (-£0.150m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
 - **Fire Equipment – (-£0.134m)** – Internal resourcing issues are causing delays in being able to progress for approval therefore the funding has been reprofiled into 2022/23.
 - **Fire Equipment – (-£0.020m)** - Internal resourcing issues are causing delays in being able to progress for approval therefore the funding has been reprofiled into 2022/23.

- **Underspending: (-£0.048m). Movement since Q3 report: £0.000m**

- **Acceleration: £4.959m. Movement since Q3 report: £2.947m**
 - **Live Training Centre and Horsham Fire Station: £2.947m -**
Works on the new fire station have continued to progress at pace therefore funding from 2022/23 was accelerated to meet expenditure.

13. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

Risk

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

Risk No.	Risk Description	Previous Quarter Score	Current Score
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.	15	15

15. Further details on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

Environment and Climate Change Portfolio - Summary

Performance Summary

1. The Portfolio has a number of performance highlights to report this quarter:
 - West Sussex County Council responded as a statutory consultee to the formal consultation by National Highways on the A27 Arundel Bypass, a nationally significant infrastructure projects that is being taken forward under the statutory Development Consent Order (DCO) process. Responding to the consultation within the tight externally imposed timeframe involved extensive partnership working internally and externally with other consultees and key stakeholders in the DCO process.
 - The County Council also responded to a number of formal and informal consultations by the Government relating to matters in the Environment Act 2021, including Biodiversity Net Gain, Local Nature Recovery Strategies (LNRS), and Protected Landscapes. Responses were also being prepared to consultations on related matters including a Nature Recovery Green Paper and proposed targets for waste, water, air quality and biodiversity.
 - The County Council was provisionally appointed by the Government to prepare a Local Nature Recovery Strategy (LNRS) for West Sussex, which will involve extensive partnership working over coming years with partners authorities, East Sussex County Council and Brighton and Hove City Council, and key stakeholders, including the District and Borough Councils, the South Downs National Park Authority, the Sussex Nature Partnership, the Sussex Wildlife Trust, Natural England, and major landowners.
 - A revised business case for the Halewick Lane battery site was also approved. A combination of the expanded system size (24MW) and a change to new, or 'first life' batteries rather than recycled 'second life' units will improve value for money. Having secured the £23.6m investment, the County Council is procuring a contractor for detailed design and build.
 - Heat Decarbonisation Plans have been produced for 50 County Council buildings, including County Hall and Parkside, to show where fossil fuel systems could be replaced by low carbon technologies such as heat pumps. The plans were funded by a successful £326,000 bid to the Government's Low Carbon Skills Fund.
 - The Energy Services Team acted swiftly to put in place temporary arrangements for the operation and maintenance of the Council's Tangmere and Westhampnett solar farm sites after its contractor, unexpectedly went into administration. An interim contract was let while permanent arrangements are finalised. The rapid response ensured the performance of the solar farms was not affected.
 - Work commenced on a long-term programme of decarbonisation works prioritising amongst 50 sites on the basis of the potential emissions savings, avoiding disruption to the ongoing delivery of council services and value for

money. This will also consider the future arrangements for council employees to undertake office-based working as part of the council's Smarter Working initiative. A similar set of studies is in the pipeline to assess carbon savings potential across a representative set of West Sussex schools.

- Work commenced to evaluate and prioritise amongst the many procurements the council undertakes to identify the most carbon intense activities, assess the viability of reducing their impact and what the market can deliver. This will result in a long-term programme of action to design services on a lower carbon basis, incorporate environmental criteria into procurement specifications and supplier contracts.
- Following Public consultation in quarter three, Cabinet approved that the pilot Recycling Centre booking system at the Bognor Regis, Crawley, Horsham, Littlehampton, Shoreham, and Worthing sites, in place since April 2021, should be made permanent. Same day booking was trialled as a service enhancement at Worthing and rolled out to all booking scheme sites in March.
- Cabinet gave approvals for the future variation of the Materials Resource Management Contract to allow for the processing of source-segregated food waste and the production of loose Refuse Derived Fuel (RDF) at the Mechanical Biological Treatment facility located at Warnham, Horsham. The commencement of a procurement for the disposal of RDF until 2035 (with possible extension until 2040) was also approved.

Our Council Performance Measures

Environment and Climate Change		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Sep-21	Dec-21	Mar-22			
22	Equivalent tonnes (te) of CO2 emissions from WSCC activities (CC) Reporting Frequency: Quarterly, Accumulative. Showing Previous Data Annually	30,521 CO2te					Mar-22: • Carbon emissions for Q4 totalled 10,314 tonnes of CO2e, -9% vs 20/21 and -8% vs the 19/20 baseline. This retains performance in-line with targeted 2021/22 total emissions volume. • Heat demand was the primary emission source, owing to the winter months covered within this quarter. Demand was though reduced compared to 20/21, in part due to warmer external temperatures. • Recorded 21/22 carbon emissions have matched our targeted KPI of a 10% reduction against the 19/20 baseline. • Heat demand from the Schools Estate remained the largest recorded source of carbon emissions. • Total carbon emissions from the Schools Estate rose marginally, with onsite activity increasing as the impact of covid restrictions dissipated. This increase was partly offset by reduced emissions within the Corporate Estate. • Business Transport related emissions showed a minor increase across the year as activity returned post Covid-19 restrictions, though remains significantly lower than pre Covid-19 levels.	Work continues on the actions set out in the Carbon Management Plan to achieve net zero carbon by 2030.
			10,733 CO2te	20,086 CO2te	30,400 CO2te	↗		

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Environment and Climate Change	2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
		Jun-21	Sep-21	Dec-21			
23 Household waste recycled, reused or composted (CC) Reporting Frequency: Quarterly, Reported a quarter in arrears.	54.0%	53.8%	55.4%	55.3%	↓	Mar-22: Performance for the 12 rolling months ending December 2021, has exceeded the target for 2021-2022. The recycling rate usually falls back during quarters 3 and 4, and for quarter 3 the rate only dropped 0.1% compared to quarter 2. Total household waste, and household waste sent for recycling, reuse or composting has decreased very slightly when compared to the previous 12 month rolling figure. Waste Collection Authority and Recycling Centre recydate has dropped at a marginally higher rate than residual tonnages, explaining the very small decrease on the September 2021 rate. The increase in the cost of living is highly likely to reduce household waste levels going forward, although the impact on the recyclable proportion is harder to predict.	The 55.3% reported for December 2021 is the highest rate for West Sussex since Waste Data Flow records began and continues to exceed the 2022 target of 54%. Work continues to sustain the high levels of wood recycling achieved over the past few years at the RCs. In addition to this hard plastics are now being accepted for recycling at a number of RCs and a reuse centre is running successfully at Billingshurst with the potential for expansion. Improvement Projects with the District and Boroughs continuously seek ways to improve performance including, in some areas, implementing the separate collection of waste electrical and electronic equipment, textiles and batteries. Uncertainty prevails for when Local Authorities will be required to arrange for the separate collection of food waste from households. Once clarity is received, further fundamental work can be undertaken to ensure that West Sussex complies with the policies stated in the Environment Act 2021.

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure. (<i>Covid-19 position is reported in Appendix 2</i>)	£0.233m	Funding from Covid-19 grant (<i>Covid-19 position is reported in Appendix 2</i>)	(£0.233m)	
Unit price increase on energy tariffs, affecting corporate buildings	£0.515m	Increase in recydate income	(£2.150m)	
Net increase waste tonnages	£0.260m	Additional Solar and Battery Farm income due to an increase in unit prices	(£1.030m)	
Other minor variations	£0.168m	In year underspending from homeworking/underspend on corporate utility usage – (reduced usage within Corporate buildings)	(£0.300m)	
		Increase in planning income	(£0.120m)	
Environment & Climate Change Portfolio - Total	£1.176m		(£3.833m)	(£2.657m)

Significant Financial Issues and Risks Arising

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

Financial Narrative on the Portfolio's Position

- The 2021/22 outturn position for the Environment and Climate Change Portfolio is an underspend of £2.657m. This is an increase in the underspending position of £0.292m when compared to the £2.365m underspend forecasted in December. The main movements during this period relates to an increase in

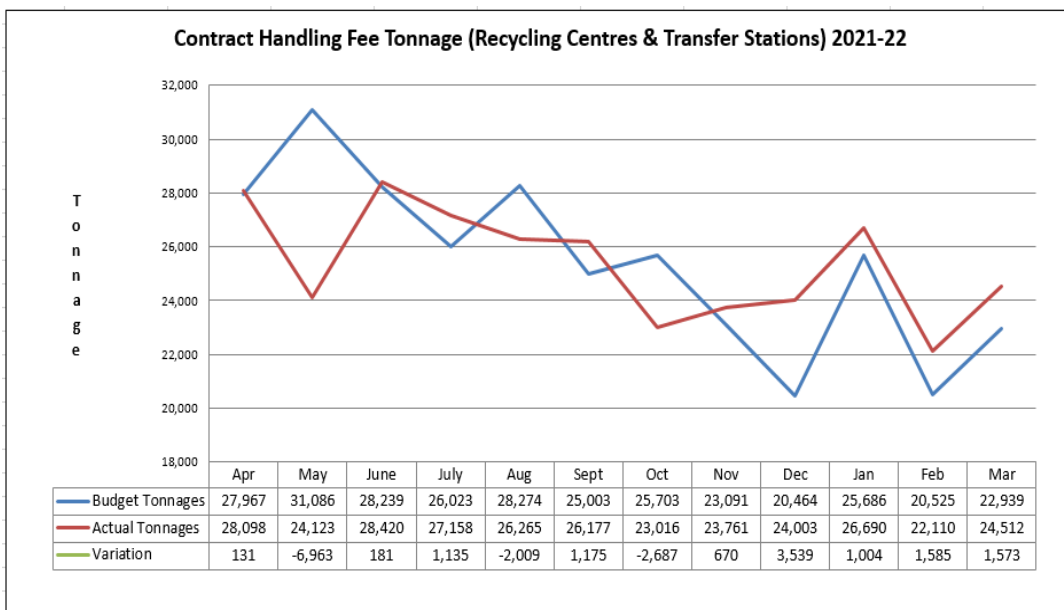
waste recyclate income and additional income generated by our solar and battery storage farms due to an increase in unit prices.

Review of the 2021/22 Financial Year

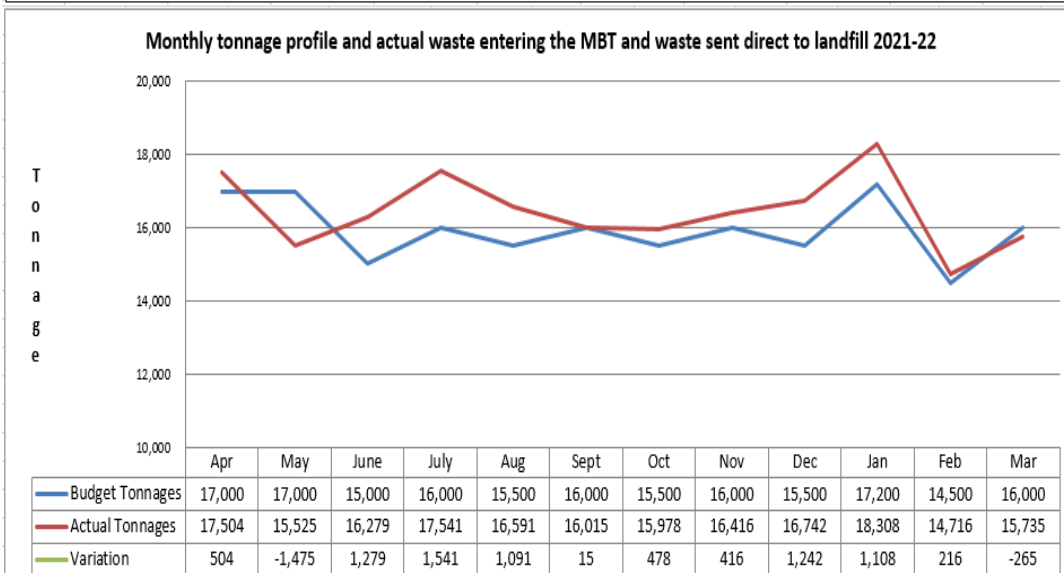
4. The Waste Service experienced a more stable year in 2021/22, with the avoidance of significant restriction and the national lockdowns of the previous year. Overall waste volumes have been slightly lower than in 2020/21 due to a number of factors including:
 - the implementation of the booking system at a number of Recycling Centres,
 - residents returning to their workplaces in greater numbers
 - the lifting of Covid-19 restrictions which has enabled residents to undertake activities outside of the home.
5. The Household Waste Recycling Sites have seen overall waste volumes in line with budgeted tonnages. The data shows that the Material Recycling Facility (MRF) has received around 7,500 tonnes (10%) more than estimated due to the increase in household waste recycling collected at kerbside in part due to continued home working arrangements.
6. Waste disposal tonnage volumes have been around 4% above budget. This increase in waste is largely due to residents disposing of more waste at home, rather than workplaces and other business venues due to Government Covid-19 restrictions. Overall, the overspend on net waste tonnage in 2021/22 due to the increased volumes was £0.260m.
7. As at the end of 2021/22, we generated £2.150m of additional recyclate income due to the strong value of commodities and a small increase in the volume of recycling. Overall, we have seen a general upward movement in the value of recyclate. The largest driver of recycling income is waste paper and the value of this commodity strengthened from +£55 per tonne in March 2021 to a high of +£102 in September 2021. The value of this commodity has since fallen away slightly to £88 per tonne in February 2022, reminding us of the volatility of these markets. Other paper and card product values have stabilised or increased slightly over the past couple of months.
8. Prices for recyclate continue to be subject to global market influences reflecting the international nature of commodity supply and demand. The easing of pandemic restrictions and subsequent behavioural changes may also impact the volume of recyclables in the system, and we will continue to review values and volumes into the new year.
9. The value of energy generated by our Solar and Battery Storage Farms has been increasing steadily since the end of 2020/21 and has seen sharp upward movement in recent months. An additional £1.030m of additional income has been generated this financial year as a result of market forces. It is important to note that, corporately, some of the gain in income from the solar projects has offset the increased cost in corporate utilities arising from the higher unit rate.

10. Although most County Council buildings have been operating with reduced occupancy and consumption during the year, the utilities budget has overspent, with price increases of 20% on electricity and 40% on gas leading to a £0.515m overspend. This has been partly mitigated from savings of £0.300m following a reduction in building occupancy as staff worked from home in accordance to government guidelines. It is important to note that the hedging strategy adopted by our broker LASER Energy Buying Group has likely resulted in a cica.40% cost avoided on prevailing power prices and circa.52% on prevailing gas prices.

Cost Driver Information

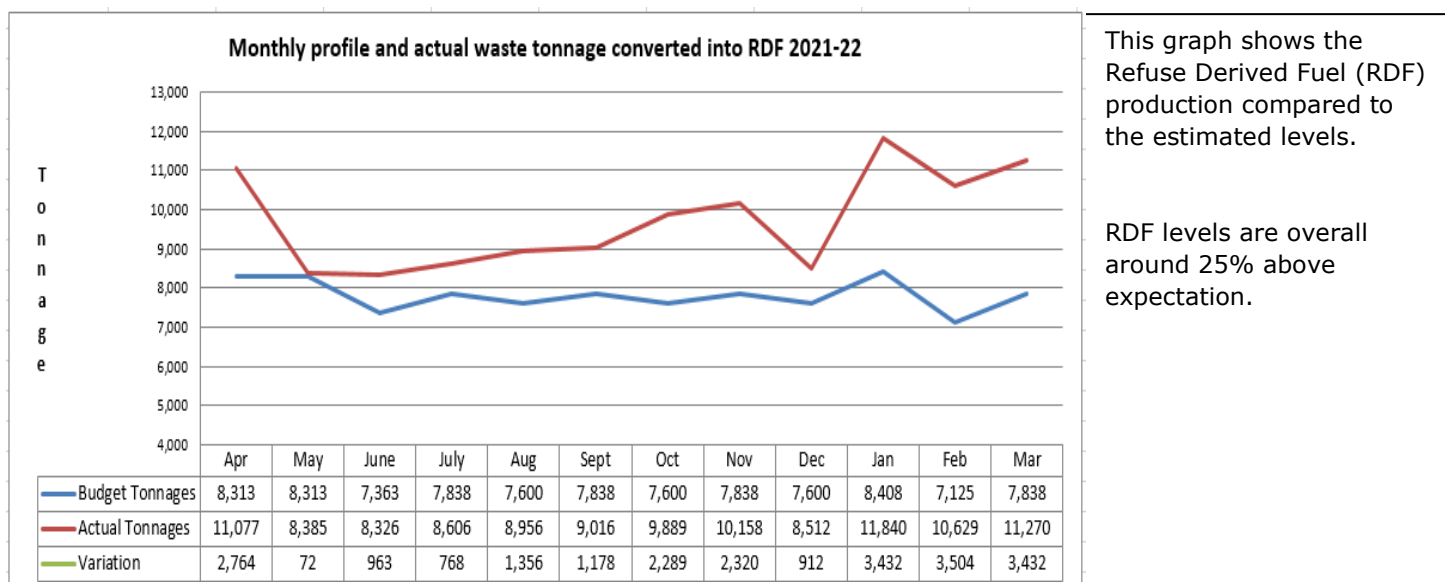


This graph shows tonnages received at the Household Waste Recycling Sites (HWRS) and Transfer Stations.



Waste is transferred to the Mechanical Biological Treatment Centre (MBT) with a small proportion directly sent to landfill, as the waste is not suitable for treatment through the MBT.

This graph demonstrates tonnes sent to the Warnham Mechanical Biological Treatment site for each month compared to the forecast profile and shows volumes at 4% higher than budgeted.



Savings Delivery Update

11. The portfolio has a number of 2021/22 savings included within the budget. Details of these savings are included in the table below:

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Review Countryside Fees and Charges	20	20	G	Shortfall mitigated within the budget in 2021/22 Uptake to be monitored in 2022/23.	G
Community support for the mobile Household Waste Recycling Sites (HWRS)	50	50	B		B
Restructure of Waste Prevention budgets	128	128	B		B
Restructure of Electricity Budget	190	190	B		B
Development of battery storage site	100	100	G	The pandemic has led to some timing delays on the Halewick Lane project. This specific project is now expected to be completed in May 2022. Additional solar income during 2021/22 has enabled this saving to be delivered this year.	G
Charge for monitoring travel plans	50	50	G	New charge unlikely to deliver additional income until 2022/23 due to timescales associated with developer agreements. Shortfall is currently mitigated through over-achievement of other planning income within the budget.	G
Review of agency staff	2	2	B		B

Savings Key:

R Significant Risk	A At Risk	G On Track	B Delivered
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Capital Programme

Performance Summary - Capital

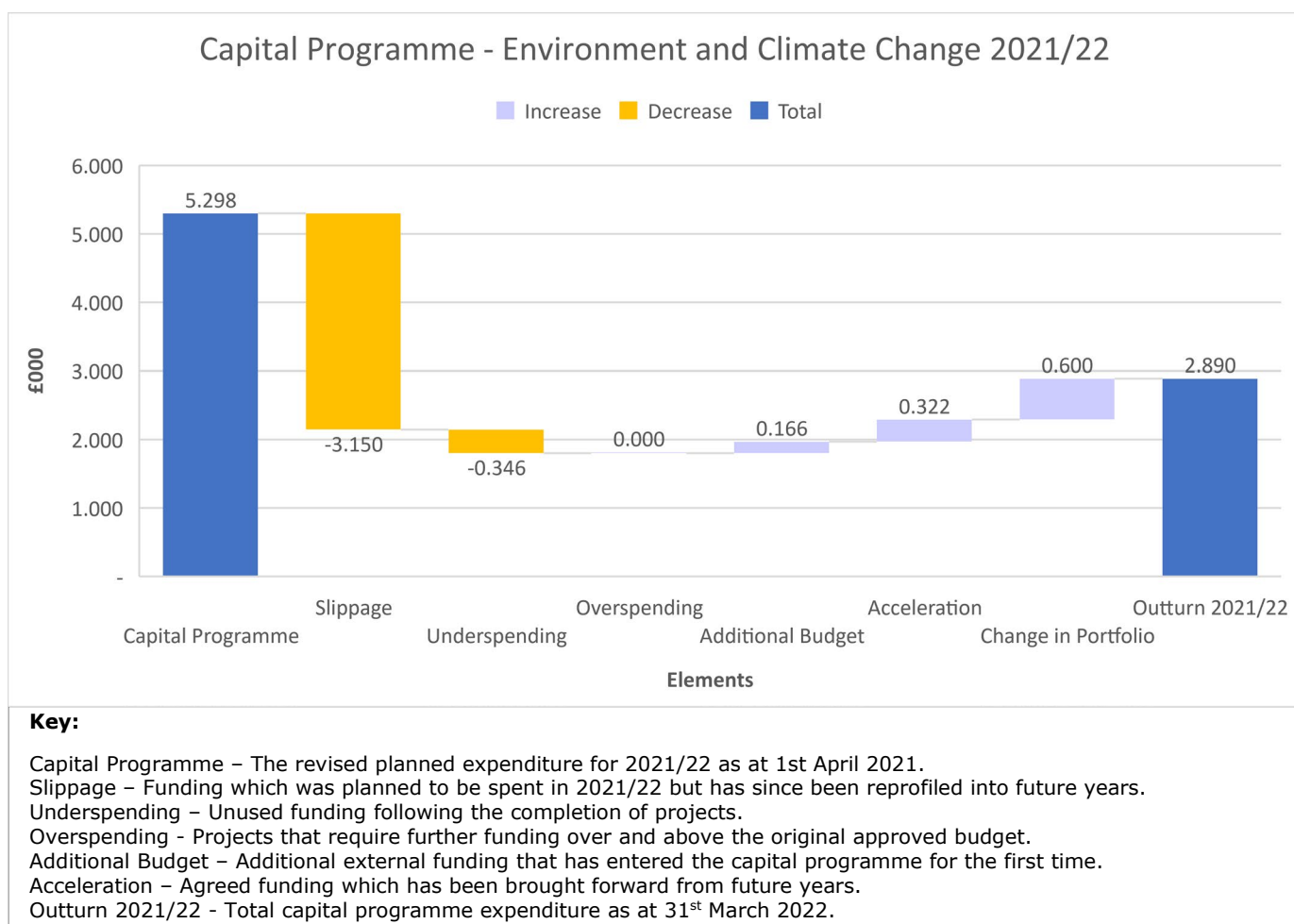
12. There are 11 schemes within this portfolio; nine of the schemes in delivery are rated green, indicating that the schemes are progressing as planned, and two is rated amber indicating that there is an issue but that it could be dealt with by the project manager or project delivery team. An update on the progress of the scheme not rated green is detailed in the table below.

Scheme	RAG Status at 31 st March	Reason	Latest RAG Status	Updated Position
Schools Solar PV Installation	AMBER	Rectification of quality issues caused by one installer has caused some disruption to the programme.	AMBER	Remedial works in hand and compensation being sought.
Carbon Reduction	AMBER	Defects with Parkside Combined Heat and Power unit.	AMBER	Revised remedial programme received from contractor. Expected resolution date Apr 2022.

Finance Summary - Capital

13. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £4.613m for 2021/22. £0.685m of expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £5.298m.

14. During the year, the Environment and Climate Change Capital Programme spent £2.890m, a reduction of £1.873m when compared to the profiled spend in December 2021.



15. Details of the movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£3.150m). Movement since Q3 report: (-£2.415m).**
 - **Halewick Lane (YES) – (-£1.320m)** – A delay has occurred due to negotiations for land consent whilst a Decision is also required to move into Phase Three of the procurement. The Decision is currently progressing through the governance process; therefore, the funding has been reprofiled into future years.
 - **Climate Change Net Zero - (-£0.632m)** – This block allocation of works has not progressed as first anticipated, surveys are ongoing and once received will inform the works that will take place in 2022/23. The funding has been reprofiled.
 - **Flood Management – (-£0.159m)** - Angmering works have been delayed due to ongoing negotiations with the developer for additional funding towards the scheme therefore the funding has been reprofiled into future years.
 - **Operation Watershed – (-£0.138m)** – Internal service governance required for capital grants has meant timings have slipped to April therefore the funding has been reprofiled.

- **Faygate – (-£0.047m)** - Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
- **Schools Solar PV Programme (YES) – (-£0.036m)** - This project is close to completing. £0.016m has been reprofiled into 2022/23 to complete the remaining snagging on the programme.
- **Westhampnett Solar Farm (YES) – (-£0.034m)** - Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
- **Waste General After Care Works – (-£0.028m)** - Scope of works at Sompting gas field site are to be established and quotations sourced, therefore funding has been reprofiled into future years.
- **Schools Solar PV Programme (YES) – (-£0.012m)** - Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
- **Fairbridge Waste Transfer Site - Japanese Knotweed – (-£0.009m)** - This project is close to completing. £0.009m has been reprofiled into 2022/23 whilst the final payments are negotiated.
- **Underspending: (-£0.346m). Movement since Q3 report: (-£0.097m).**
 - **Various Schemes (YES) – (-£0.097m)** – Design expenditure on allocated sites has been completed therefore the remaining funding has been returned to the YES pipeline budget to fund future YES projects
- **Additional Budget: £0.166m. Movement since Q3 report: £0.017m.**
 - **Carbon Reduction: £0.017m.** A small amount of additional budget was required for this project in year.
- **Acceleration: £0.322m. Movement since Q3 report: £0.322m.**
 - **Waste Transformation: £0.300m.** In total, £0.600m of waste collection and disposal efficiency improvements have been undertaken this year meeting the qualifying criteria for capitalisation under the Flexible Use of Capital Receipts regulations. £0.3m had been assumed within the annual profile to be funded in year, leading to a further £0.3m requiring acceleration from 2022/23.
 - **Carbon Reduction: £0.022m.** Funds have been accelerated into 2021/22 as project is progressing quicker than first anticipated.

- **Change In Portfolio: £0.600m. Movement since Q3 report: £0.300m.**
 - **Waste Transformation Project - £0.300m** – Spend in relation to the waste services transformation project, identified as an eligible project under the Flexible Use of Capital Receipts funding, was held in the Support Services and Economic Development Portfolio. All spend relating to this project is now recorded under this portfolio.

16. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

Risk

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

Risk No.	Risk Description	Previous Quarter Score	Current Score
CR73	<p>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.</p>	12	12

18. Further detail on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

Finance and Property Portfolio - Summary

Performance Summary

1. The Portfolio has the following performance highlight to report this quarter:

- During the quarter, Estates delivered Capital Receipts of £8.4m, bringing the total receipt for the year to £11.8m, exceeded the target for the year by £5.3m. This is particularly impressive given the difficult property market at present.
- Work continues with a number of high-profile capital projects. Amongst these are the new Fire Station at Horsham and Woodlands Mead College. Both remain on target and within budget. Three of the Children and Family Centres and Youth Centres which were closed and handed back to the Estates team in the previous quarter have been identified as suitable for Community Asset Transfer and a selection process is under way to identify potential users. Consideration is being given to the alternative use of all of the other properties and implementation of the plan is progressing well.

Our Council Performance Measures

Finance and Property		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			Sep-21	Dec-21	Mar-22			
16	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	40.0%	58.0%	70.0%	53.0%	↓	Mar-22: There were three eligible tenders over the value of £500,000 that required a Key Decision in the third quarter of 2021/22. Of the three tenders, one (33%) contained a social value consideration weighting of 10%. Although the fourth quarter saw a decrease in tenders with the 10% social value weighting, the overall average for the full reporting year is 53%, exceeding the target of 40%.	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	Square metres of operational property (e.g. offices, libraries, fire stations etc) that are in use Reporting Frequency: Quarterly	170,000 m ²	172,808 m ²	159,465 m ²	161,625 m ²	↓	Mar-22: The target to reduce the size of the operational property estate was exceeded this year with a reduction in 17,375sqm or 10.75%. The reduction was largely achieved by the vacation of a number of Early Help properties between September and December 2021 as a result of the re-design of the Early Help Service and other rationalisation projects. The net increase in the size of the estate from the end of the third quarter was due to the acquisition of a lease of a new corporate office accommodation in Durrington. Over the year the number of operational properties reduced by 56 from 267 to 211.	We continue to maximise the use of our assets by disposing of surplus assets and continue looking creatively and how we might use our assets to support economic growth.
50	The aggregated unit cost of our services compared to our statistical neighbours Reporting Frequency: Annually	7th - 8th highest out of 15	New Measure - No Data	2nd highest out of 15	4th highest out of 15	↑	2021/22 results due in March 2023 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.	We are still in uncertain times, the Local Government Finance Settlement is only for 1 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.

52	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 Reporting Frequency: Quarterly	20%	Sep-21	Dec-21	Mar-22	<p>Mar-22: There were five eligible tenders over the value of £500,000 that required a Key Decision in the third quarter of 2021/22.</p> <p>Of the five tenders, two (40%) considered Partnership working within the business appraisal options process.</p> <p>Although the third quarter saw a decrease in contracts that considered partnership working compared to the previous quarter, the overall average for the reporting year is 70%, exceeding the target of 20%.</p>	We continue to ensure partnership working consideration is embedding in our working practices.
			83.0%	100.0%	70.0%		

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure. (<i>Covid-19 position is reported in Appendix 2</i>)	£0.895m	Funding from Covid-19 grant (<i>Covid-19 position is reported in Appendix 2</i>)	(£0.895m)	
Undelivered 2020/21 savings	£0.150m	In year underspending from homeworking/ change in service delivery due to pandemic restrictions	(£0.160m)	
Provision for doubtful debt. (<i>Technical Accounting Adjustment</i>)	£1.448m			
Costs associated with the change in Worthing office location - Centenary House to Durrington Bridge House. (<i>Technical Accounting Adjustment</i>)	£0.618m			
Insurance contributions (<i>Technical Accounting Adjustment</i>)	£0.527m			
Other minor variations	£0.139m			
Finance and Property Portfolio - Total	£3.777m		(£1.055m)	£2.722m

Significant Financial Issues and Risks Arising

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

Financial Narrative on the Portfolio's Position

- The 2021/22 outturn position for the Finance and Property Portfolio is an overspend of £2.722m. This is an increase in the overspending position of £2.492m when compared to the £0.230m overspend forecasted in December.
- The main movements during this period relate the following technical accounting adjustments undertaken:
 - Following the work undertaken last year in reviewing the methodology for calculating a more prudent provision for doubtful debt, it has been

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assessed that a further £1.448m of funding is required within the doubtful debt provision.

- Worthing Hub Project - Durrington Bridge House. As initially planned, the overarching one-off saving within all portfolios is being used to fund the £0.618m in-year costs associated with this project. As the homeworking savings are held in various Portfolios, the cost of this property project has been held within the Finance and Property portfolio.
- Insurance Contribution. An opportunity to fund £0.527m in-year has been enacted, thereby reducing the amount required to be drawn from the insurance reserve for claims in 2021/22.

5. A saving relating to income generation within procurement has been delayed. It had been hoped that this saving could be fully mitigated in-year from proactive work undertaken in faster payment rebates and other income generation initiatives, however only part of the saving has been realised in year, leaving a shortfall of £0.150m.
6. As a result of the Covid-19 restrictions in place during 2021/22, £0.160m of underspending relating to homeworking and changes in service delivery has been made following a reduction in the use of shredding, refuse and consumables within area hubs and security requirements.

Savings Delivery Update

7. The portfolio has a number of 2021/22 savings included within the budget and two saving outstanding from the 2020/21 financial year. Details of these savings are included in the table below:

Saving Activity	2020/21 Savings £000	March 2022		Narrative	2022/23
Amazon business accounts	200	150	G	Saving to be met by via an alternative method. The full £0.3m saving was expected to be delivered through the Oxygen Early Payment Scheme and other income generation initiatives, however due to timing delays, only £0.150m has been achieved.	G
Charging for frameworks	100	150	R		

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Asset & Estates holding of staffing changes	96	96	B	£0.030m is permanent and £0.066m is temporary for 2021/22 only.	B
Reduction in business rates payable on corporate estate	100	100	B		B
Facilities Management - associated services	40	40	B		B
Review of agency staff	7	7	B		B

Savings Key:

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

Capital Programme

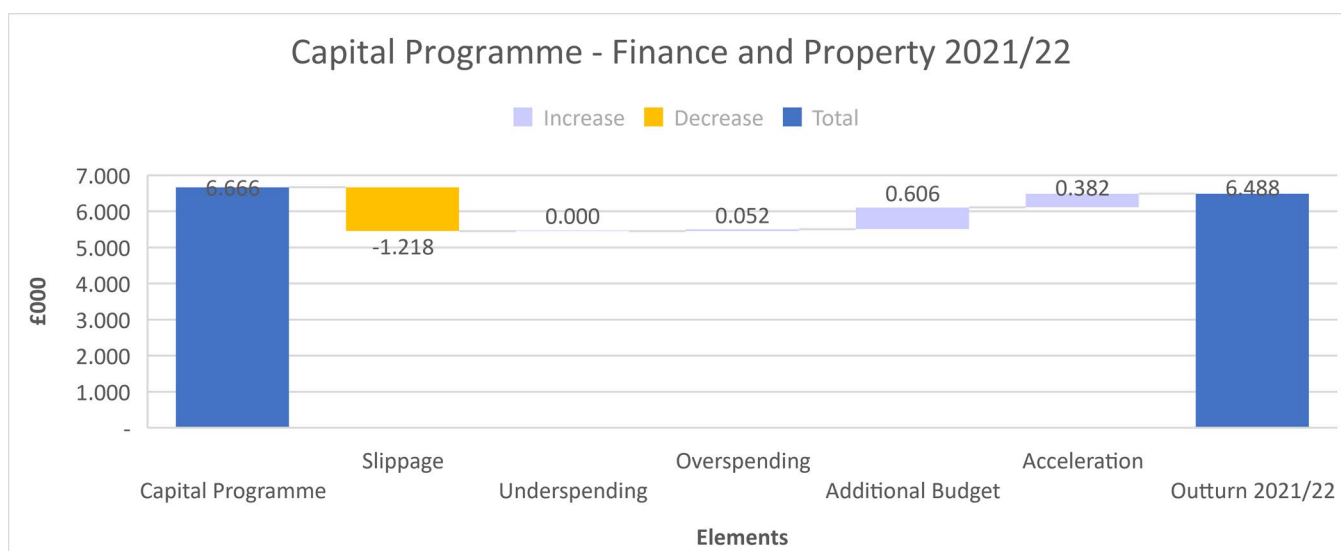
Performance Summary - Capital

8. There are 11 schemes within the portfolio; nine of the schemes in delivery are rated green, indicating that the schemes are progressing as planned and 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. An update on the progress of the schemes not rated green are detailed in the table below.

Scheme	RAG Status at 31 st March	Reason	Latest RAG Status	Updated Position
Broadbridge Heath	AMBER	Cost and time pressures.	AMBER	Options being considered.
Horsham Enterprise Park	AMBER	The Planning Application for the first phase of residential must be made before the expiry of the permission (11 Feb 2023).	AMBER	A Reserved Matters Application (Water Neutrality) has been made to Horsham District Council.

Finance Summary - Capital

9. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £8.837m for 2021/22. £2.171m of expenditure, originally profiled to spend in 2021/22, was accelerated into 2020/21, revising the capital programme to £6.666m.
10. During the year, the Finance and Property Capital Programme spent £6.488m, a reduction of £0.983m when compared to the profiled spend in December 2021.



Key:

Capital Programme – The revised planned expenditure for 2021/22 as at 1st April 2021.
 Slippage – Funding which was planned to be spent in 2021/22 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.
 Outturn 2021/22 - Total capital programme expenditure as at 31st March 2022.

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

- **Slippage: (-£1.218m). Movement since Q3 report: (-£1.112m)**
 - **Gypsy and Traveller Sites Improvement Programme – (-£0.372m)** – An options appraisal is being carried out for required drainage system improvements at the Adversane and Ryebank sites. Any work required following the review is unlikely to take place this financial year, therefore the funding has been reprofiled into future years.
 - **Crawley Demolition – (-£0.206m)** – This project is close to completing with £0.206m being reprofiled into 2022/23 whilst the final payments are negotiated. This funding may not be required and if that is the case it will be cancelled and returned to the pipeline to fund future basic need projects.
 - **Broadbridge Heath Park – (-£0.220m)** – Project has been delayed while costs are being reviewed therefore funding has been reprofiled into 2022/23.
 - **Structural Maintenance – (-£0.137m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
 - **Chichester High School Demolition – (-£0.077m)** – This project is now complete, £0.077m has been reprofiled into 2022/23 whilst the final invoices are negotiated.
 - **Hop Oast Fencing – (-£0.065m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
 - **Horsham Enterprise Park – (-£0.030m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
 - **Tangmere Track Repairs – (-£0.005m)** – Project has completed under budget therefore the remaining corporate funding has been returned to Capital Improvements line to help fund future projects.

- **Overspending: £0.084m. Movement since Q3 report: £0.052m**
 - **Staff Capitalisation - Property: £0.038m.** Staffing costs for the Your Energy Sussex Team funded from the Your Energy Sussex line in the pipeline area of the capital programme.
 - **Targeted Minor Asset Improvement Plan - Property: £0.014m.** Small overspend on project.

- **Additional Budget: £0.606m. Movement since Q3 report: £0.000m**

- **Acceleration: £0.382m. Movement since Q3 report: £0.077m**
 - **Targeted Minor Asset Improvement Plan (CLOG): £0.055m.**
Projects are progressing well in this block allocation therefore £0.055m has been accelerated to fund further projects in 2021/22.
 - **Accessibility Audit – £0.022m** – Small amount of acceleration as costs profiled were slightly different to actuals, expenditure has been forward funded from 2022/23.

12. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

Risk

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

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.	12	12

14. Further details on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

Highways and Transport Portfolio - Summary

Performance Summary

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

- The Works Delivery Programme for 2021/22 has concluded with 503 (£55m) of 528 projects delivered. The remaining projects will be delivered in April/May 2022.
- The 2022/23 Works Delivery Programme has been procured comprising in excess of 600 schemes (£56m).
- The new Professional Services Contract was awarded with mobilisation well underway. This strategic contract for the business is a five-year arrangement with options to extend for a further five years subject to performance.

Our Council Performance Measures

Highways and Transport		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
17	Length of new cycle paths across the County (CC) Reporting Frequency: Quarterly, Accumulative	7.5km per year	Sep-21	Dec-21	Mar-22		Mar-22: The following projects were completed in Q4: A2300, Burgess Hill (3.1km) Burgess Hill Green Circle improvements (4.5km) New surface and route improvements through various off-road links and PROW in Burgess Hill (5.8km) New surface on Bridleway 6F, between Poynings Road and Edburton Road, Fulking (0.14km) The second two were delivered in partnership with MSDC.	We continue to work towards our 2025 target (30km over a 4 year period) with the provision of a high-quality cycling.
			1.9km	2.8km	16.3km	↗		
18	Percentage length of A and B roads that require maintenance Reporting Frequency: Annually	14.5%	2019/20	2020/21	2021/22		Oct-21: There has been a slight increase (deterioration) in the KPI for this year for A+B roads but as the survey was carried out in early Spring of this year, this will not include any planned scheme deliveries for this year. The next survey will be in June 2023 with results reported October 2023.	The investment made and the programme of carriageway treatments undertaken this year should positively impact next years maintenance requirements. With the level of this years expenditure being maintained for 2022/23 it is anticipated that the condition of the A and B network will improve.
			13.6%	14.7%	15.6%	↘		
19	Highway defects repaired within required time scale Reporting Frequency: Quarterly, Reported 1 month in arrears.	96.0%	Sep-21	Dec-21	Mar-22		Mar-22: Overall average for the year was 74%. The target was not met for a number of reasons including weather events, increased workload and staffing levels.	HTP have looked at the resourcing on number of gangs, holding regular meetings with the contractor and are monitoring trackers using the Confirm dashboard. Other activities that may positively influence this measure include Jet Patcher trailing, a pro-active way of dealing with potholes.
			60.5%	74.3%	71.0%	↘		

Highways and Transport		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			2018/19	2019/20	2020/21			
41	Killed and seriously injured casualties per billion vehicle miles Reporting Frequency: Annually	107	110	121	127		<p>Dec-21: Currently WSCC hold KSI data to 30 Nov 2021; the KSI rate has improved against recent years and a positive end of year out-turn is expected.</p> <p>This level of KSIs should lead to a reduction of the KSI per billion vehicle miles travelled, the final outcome is dependent on the reported traffic volume, if rates are similar to 2020, the improvement against 2020 will be smaller but if levels are nearer to pre-pandemic levels it could be possible for an end-of-year outturn close to the 2021 target.</p> <p>The finalised KSI per billion vehicle miles rate for 2021 data will be published by the DfT at the end of September 2022 after both the KSI and traffic volume data have been collected and validated.</p> <p>The KSI per billion vehicle miles rates are based on an end of year to December.</p>	<p>Two road safety schemes have been delivered in 2021/22 with a further two due for delivery before the end of the year. A further 4 schemes are currently designed for delivery in 2022/23.</p> <p>Ongoing Road Safety Projects include:</p> <ul style="list-style-type: none"> Major Road Network (MRN) Project - TRL have been commissioned to undertake video surveys of the West Sussex MRN to undertake safety assessment and provide a "STAR rating" demonstrating the potential level of harm road users may be subject to on those routes. This will guide potential road safety schemes in the coming years. 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 collisions across West Sussex to help determine future priorities. School Zig Zags project - In 2022 we intend to partake in a behavioural change project for school zig zags at specific sites (yet to be confirmed) across West Sussex.

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure including £0.3m loss of 2020/21 savings (<i>Covid-19 position is reported in Appendix 2</i>)	£1.671m	Funding from Covid-19 grant (<i>Covid-19 position is reported in Appendix 2</i>)	(£1.671m)	
Pressure within Highways Maintenance	£0.624m	Reduction in reimbursement payments to bus operators in line with service mileage reductions implemented during the pandemic	(£1.111m)	
		Additional income generation from street works charges and road safety/ local transport improvements	(£0.447m)	
		Delays in felling works for Ash Dieback Scheme	(£0.231m)	
		In year underspending from homeworking/ change in service delivery due to pandemic restrictions	(£0.040m)	
		Other minor variations	(£0.014m)	
Highways & Transport Portfolio - Total	£2.295m		(£3.514m)	(£1.219m)

Significant Financial Issues and Risks Arising

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

Financial Narrative on the Portfolio's Position

- The 2021/22 outturn position for the Highways and Transport Portfolio is an underspend of £1.219m. This is an increase in the underspending position of

£0.239m when compared to the £0.980m underspend forecasted in December. The main movement during this period relates to a reduction in the cost of the English National Concessionary Travel Scheme as less people travelled via this scheme during the winter period. This is likely due to the Omicron Covid-19 variant which was prevalent at the time.

Review of the 2021/22 Financial Year

4. The English National Concessionary Travel Scheme has underspent by £1.111m against budget, although it should be noted that the outturn is based on revised estimates provided during the final quarter of 2021/22. The final mileages will be confirmed following reconciliation with operators during the first quarter of the 2022/23 financial year.
5. The last two years of Covid-19 restricted travel has seen significant underspending against the concessionary fares budget, which is still set with reference to journey numbers and service mileage seen in pre-pandemic times. Following the Covid-19 related underspending of £1.0m in 2020/21 and £1.1m in 2021/22, there is still some uncertainty as to how numbers will rebound now restrictions have been lifted, but there may be potential to re-invest resources to other bus service priorities.
6. The future of bus provision and the level of support provided will also be intrinsically linked to the Bus Service Improvement Plan. This is provisionally expected to provide the County Council with £5.4m of revenue funding over three years from 2022/23 and service priorities will need to be addressed within this. Any service improvements, such as enhancements to concessionary travel, will need to be brought forward for consideration in conjunction with the development of the plan and the confirmation of the staged funding awards.
7. Income generation across the portfolio has exceeded budgeted assumptions by £0.447m this year. This includes street works charges to utility and telecommunication providers and income from road safety and local transport improvements.
8. The Highway Maintenance budget has overspent by £0.624m, due to a number of pressures. These include increased reactive maintenance works to address defects (potholes), structural maintenance required to ensure statutory obligations are met, additional safety related tree works, and surveying to inform future safety and remedial works
9. The Ash Dieback budget underspent by £0.231m due to difficulties securing the necessary road space to complete the planned felling. In particular, the diversion route required following the closure of the A285 near Seaford College has prevented a significant amount of felling work being completed this financial year.

Proposed Carry Forward Requests

10. A number of carry forward requests have been actioned during the closing of the accounts including the following items linked to Highways and Transport:

2021/22 Carry Forward Requests	Amount
Capability Fund for Active Travel – £274,706 of grant funding was awarded in December 2021 to develop and promote sustainable travel schemes across the county. The majority of this work is due to be completed in 2022/23, therefore the remaining grant has been carried forward to fund the project.	£250,500
Local Transport Authority Bus Capacity Grant – £503,000 of grant was received in year to support the development of the Bus Service Improvement Plan and provide capacity for the implementation of an Enhanced Partnership approach to working with bus operators in 2022/23. The remaining grant is expected to be utilised in 2022/23 to deliver the new way of working.	£397,300
Local Transport Authority (LTA) Capacity Grant for Local Transport Plan (LTP) – A grant was notified and received in March 2022 to support the review of Local Transport Plans and build capacity for transport planning. This funding will provide us with the capacity to introduce a carbon impact appraisal system to improve decision-making (expected to be required within the new LTP guidance). *Accounted for within Environment and Climate Change Portfolio (Planning Budget)	£178,600

Savings Delivery Update

11. The portfolio has a number of 2021/22 savings included within the budget and one saving outstanding from the 2020/21 financial year. Details of these savings are included in the table below:

Saving Activity	2020/21 Savings £000	March 2022		Narrative	2022/23
On street parking	300	300	R Covid19	Covid related pay and display income loss has continued at a reduced level during 2021/22. Income levels to be monitored in 2022/23 as post pandemic parking behaviour becomes clearer.	A

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Review highway and transport fees and charges	200	200	B		B
Use of one-off funding to support highways and transport priorities	500	500	B	One year saving in 2021/22 only.	N/A
Reduced level of demand for concessionary bus travel scheme	400	400	B		B
Review the management of graffiti removal	50	50	B		B

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Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
On street parking	76	76	G	Mitigated in year. Uptake of parking permits in newly extended controlled parking zones is currently below the expected level, due to a combination of behavioural change and the impact of home working. Will be closely monitored in 2022/23.	A
Redesign processes for the delivery of highways schemes	50	50	B		B
Review of agency staff	21	21	B		B

Savings Key:

R Significant Risk A At Risk G On Track B Delivered

Capital Programme

Performance Summary - Capital

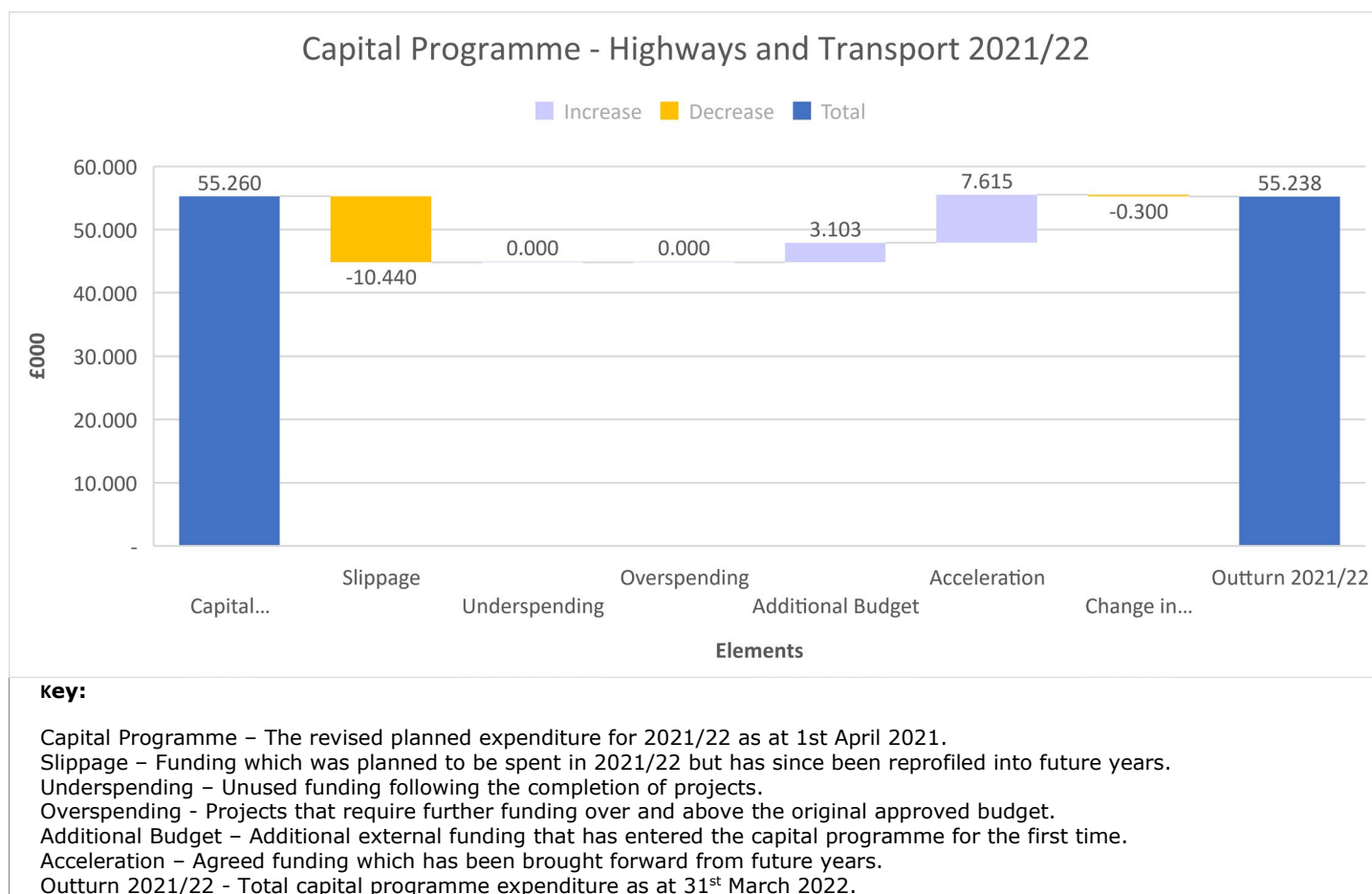
12. There are 21 schemes within the portfolio. 18 of the schemes in delivery are rated green, indicating that the schemes are progressing as planned. Two are rated as amber, indicating that there is an issue but that it can be dealt with by the project manager or project delivery team and one is rated red indicating that there is a significant issues requiring corrective action. An update on the progress of the schemes not rated green are detailed in the table below.

Scheme	RAG Status at 31 st March	Reason	Latest RAG Status	Updated Position
A29	RED	Cost pressure.	AMBER	The Project Board has requested an update to business case be undertaken to prepare for consideration of funding options.
A284	AMBER	Awaiting outcome of DfT funding decision.	AMBER	Full Business Case submitted to DfT, outcome expected imminently.
LED Streetlight Conversion	AMBER	Contract renegotiation and Deed of Variation subject to formal approval.	AMBER	Deed of Variation nearing agreement between all parties, current estimate for project commencement Summer 2022.

Finance Summary - Capital

13. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £54.659m for 2021/22. £0.601m of expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £55.260m.

14. During the year, the Highways and Transport Capital programme spent £55.238m, a reduction of £2.135m when compared to the profiled spend in December 2021.



15. Details of movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£10.440m). Movement since Q3 report: (-£2.951m).**
 - **Annual Works Programme – (-£2.515m)** – This block allocation has been reprofiled due to road space booking delays for Carriageways with works to be delivered in April/May 2022, Structures Vehicle Restraint System schemes due to be retendered in September 2022, and Signs and Lines reprofiled to reflect a two-year delivery programme.
 - **West of Horsham – (-£0.182m)** – The A24 Robin Hood junction works have completed pending the final account. Funding has been reprofiled into 2022/23 due to road space booking for HGV routing restrictions, works expected to be completed in April, with remaining budget available for Great Daux junction improvements.
 - **A259 – (-£0.145m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.

- **Active Travel Fund – (-£0.075m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
 - **Shoreham Footbridge Replacement – (-£0.021m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
 - **Street Lighting LED – (-£0.010m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
 - **On Street Parking – (-£0.003m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
- **Additional Budget: £3.103m. Movement since Q3 report: £0.000m**
 - **Acceleration: £7.615m. Movement since Q3 report: £0.816m**
 - **A29 - £0.167m** – This project has accelerated funding to cover works for discharge of planning conditions, compensation events for programme extension, and advanced works planning for 2022/23.
 - **A2300 – £0.518m** – Project has progressed quicker than first anticipated therefore funding has been accelerated from 2022/23 to 2021/22.
 - **A284 – £0.060m** – Small amount of acceleration as costs profiled were slightly different to actuals, expenditure has been forward funded from 2022/23.
 - **A259 Bognor to Littlehampton – £0.071m** - Small amount of acceleration as costs profiled were slightly different to actuals, expenditure has been forward funded from 2022/23.
 - **Change In Portfolio: (-£0.300m). Movement since Q3 report: (£0.000m)**

16. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

Risk

17. There are no corporate risks assigned to this portfolio. Risks allocated to other portfolios are specified within the respective appendices of this report. Further detail on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

Leader Portfolio (including Economy) - Summary

Performance Summary

- The Portfolio has a number of performance highlight to report this quarter:
 - All six growth deals remain in place with our District and Borough Council partners. In the last quarter, we have achieved some significant milestones within the Growth Deals that are supporting our economic strategy, with the A2300 improvements scheme, Portland Road public realm improvements and the demolition of the former school site in Chichester all reaching completion.
 - Further progress has also been made with three new projects being approved for delivery with a total of just over £6m proposed for investment. This will see the Manor Royal works in Crawley completed along with Littlehampton public realm improvements and the upgrades to the esplanade in Bognor Regis.

Our Council Performance Measures

Leader	2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions	
		Sep-21	Dec-21	Mar-22				
15	Enterprises supported to start, revive, innovate and grow Reporting Frequency: Quarterly, Accumulative. Reported a quarter in arrears.	1,500	1,253	1,854	2,385	↗	Mar-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. Six initiatives make up the KPI. Despite the effects of the pandemic, all programmes were able to adapt their delivery plans and the collective target of 1500 West Sussex enterprises supported was significantly exceeded in 22/23.	All initiatives to continue as part of Economy Plan headline actions for 2022/23.
20	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	40.0%	8.8%	21.2%	50.3%	↗	Mar-22: Working with DCMS (Department for Digital, Culture, Media & Sport) and suppliers within the county with commercial plans or Voucher schemes.	The Open Market Review (OMR) is now completed and the Public Review stage of the process is underway, to provide an up to date view from suppliers and allow the intervention area for Project Gigabit to be scoped.
24	Number of growth deals in place with district and boroughs Reporting Frequency: Annually	6	6	6	6	→	Mar-22: All six growth deals remain in place with our District and Borough Council partners. In the last quarter, there were some significant milestones within the Growth Deals that are supporting our economic strategy, with the A2300 improvements scheme, Portland Road public realm improvements and the demolition of the former school site in Chichester all reaching completion.	Work continues and further progress has been made with three new projects being approved for delivery with a total of just over £6m proposed for investment. This will see the Manor Royal works in Crawley completed along with Littlehampton public realm improvements and the upgrades to the esplanade in Bognor Regis.

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
		Underspending and staffing vacancies within the Economy Team, Growth and OPE and Chief Executives Office	(£0.292m)	
Leader Portfolio - Total	£0.000m		(£0.292m)	(£0.292m)

Significant Financial Issues and Risks Arising

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

Financial Narrative on the Portfolio's Position

- The 2021/22 outturn position for the Leader Portfolio is an underspending of £0.292m. This is an increase in the underspending position of £0.242m when compared to the £0.050m underspend forecasted in December. The main movement during this period relates to a number of small underspends and staffing vacancies from within the Economy Team, Growth and One Public Estate Team and Chief Executive Office.

Proposed Carry Forward Requests

- A number of carry forward requests have been actioned during the closing of the accounts including the following item within the Leader Portfolio:

2021/22 Carry Forward Requests	Amount
One Public Estate (OPE) Opportunity Development Fund – £100,000 of grant funding was received in late March 2022 to help the OPE partners secure capacity to develop a pipeline of public sector property opportunities and help deliver post-pandemic public estate strategies. Due to the late award, this grant has been carried forward via the One Public Estate Reserve.	£100,000

Savings Delivery Update

- The portfolio has the following 2021/22 savings included within the budget. Details of these savings are included in the table below:

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
Review of Economy project budgets	100	100	B		B
Review of agency staff	1	1	B		B

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

Capital Programme

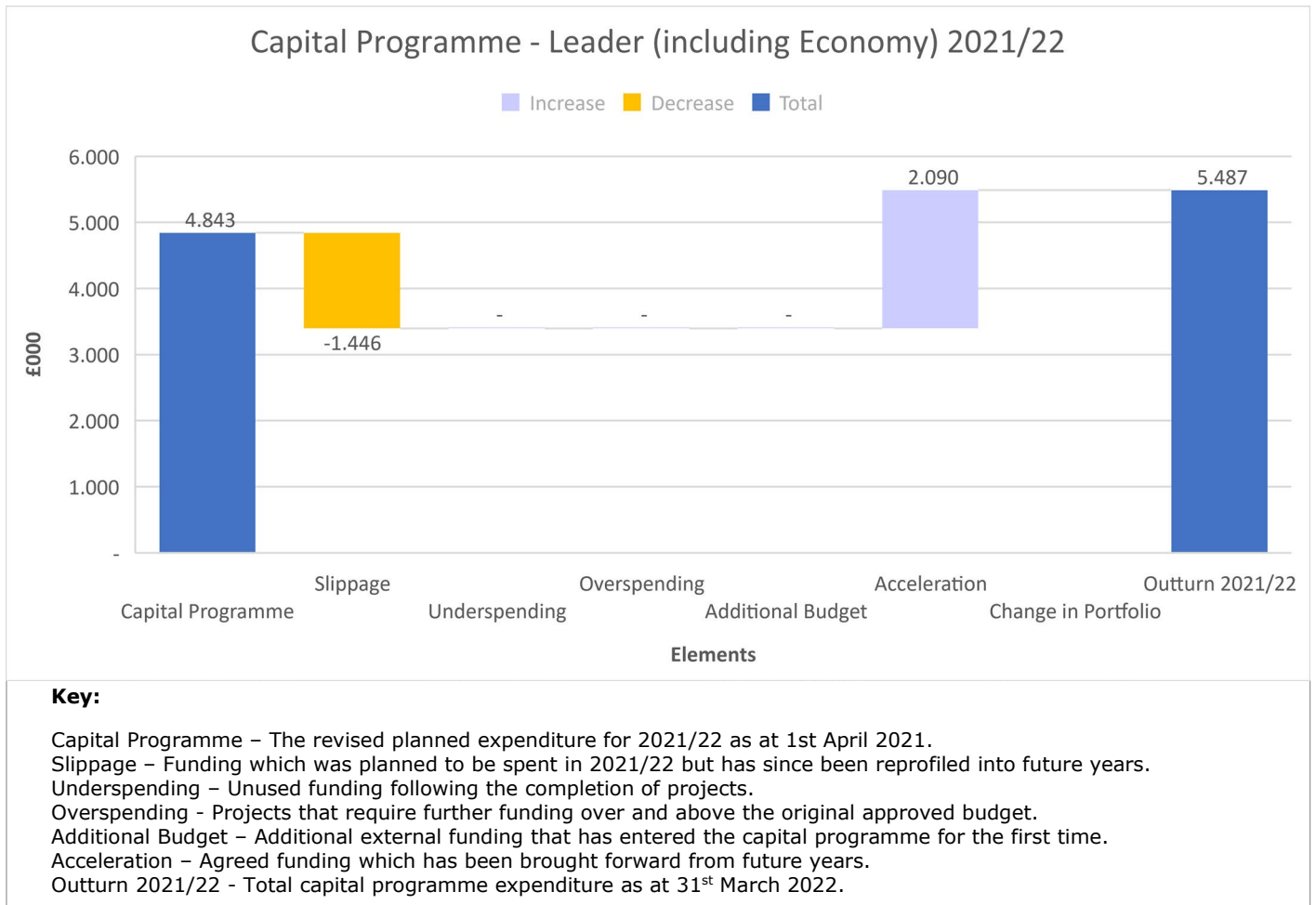
- Following a review of the Capital Programme, a number of Economy projects have been re-assigned to the Leader Portfolio from the Support Services and Economic Development Portfolio.

Performance Summary

- There are 10 schemes within the portfolio and all 10 schemes in delivery are rated green, indicating that the schemes are progressing as planned.

Finance Summary – Capital

- The capital programme; as approved by County Council in February 2021, agreed a programme totalling £2.184m for 2021/22. £2.659m of expenditure, originally profiled to spend in 2020/21, was slipped into 2021/22, revising the capital programme to £4.843m.
- During the year, the Leader Capital Programme spent £5.487m, a reduction of £1.152m when compared to the profiled spend in December 2021.



10. Details of movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£1.446m). Movement since Q3 report: (-£1.152m).**
 - **Crawley Growth Programme, Manor Royal Highway Improvements - (-£0.511m)** - An increase in costs meant budgets had to be revisited at partnership level, which lead to delays in the progression and subsequent award of the WSCC key decision to award the main contract therefore funding has been reprofiled into 2022/23.
 - **Burgess Hill Growth Programme, Town Centre and Victoria Estate - (-£0.401m)** – Further public engagement is expected to take place in Spring 2022. Work has been delayed due to the need to agree the revised scope of works and seek approval through the governance process therefore the funding has been reprofiled into 2022/23.
 - **Portland Road - (£0.108m)** - Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.

- **Railway Approach - (-£0.076m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.
- **Crawley Growth Programme, Eastern Gateway and Manor Royal Bus Lane Extension - (-£0.056m)** – Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.

- **Acceleration: £2.090m. Movement since Q3 report: £0.000m.**

Risk

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

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.	15	15
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.	12	12
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
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.	6	6

12. Further details on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

Public Health and Wellbeing Portfolio - Summary

Performance Summary

1. The Portfolio has a number of performance highlights to report this quarter:
 - **Local Stop Smoking Services:** Smoking remains the number one cause of preventable illness and premature death in England and is a major risk factor for cancer, cardiovascular disease, and respiratory illness. Smoking rates have gradually fallen over recent years, however, approximately 70,000 people in West Sussex still smoke. With increased smoking rates among young adults in England since the outbreak of the Covid-19 pandemic, and alongside the risks and impacts of the virus itself, there has never been a more important time to quit. Together with partners, including the Smokefree West Sussex Partnership, District and Borough Councils, universities and colleges, pharmacies, and local NHS organisations across West Sussex, the Council's Public Health Directorate and Communications team, have continued to raise awareness following No Smoking Day (9th March) of the health and financial benefits of quitting smoking, and encourage people to visit the [West Sussex Wellbeing website](#) to find out more information about local Stop Smoking Services available to anyone who lives or works in West Sussex.
 - **West Sussex Wellbeing Programme:** Thousands of local people are healthier and more active thanks to the West Sussex Wellbeing service which celebrates more than 10 years of supporting people across the county since it was established countywide in 2011. Commissioned by the Council's Public Health Directorate and funded by the Public Health Grant via a partnership agreement with the seven District and Borough Councils in the county, the service offers free impartial, friendly advice and support on a one to one basis through groups and activities, helping people to make positive choices to tackle risk factors such as excess weight, sedentary behaviour, smoking and drinking too much alcohol. [A countywide wellbeing website](#) provides further support, information, and advice on a range of topics, as part of the overall programme.
 - **NHS Influenza Vaccination Programme:** Local Authority Public Health (LAPH) provides an oversight and assurance role for immunisation and screening programmes, working closely with delivery partners to tackle inequalities, including access to vaccination, to increase uptake across the local population of West Sussex. Local NHS partners, Sussex Health and Care Partnership (SHCP) delivered the NHS Influenza Vaccination Programme during the period November 2021 to January 2022; the Council's Public Health Directorate supported the programme during this time by encouraging all eligible residents to take up the offer of the free flu vaccine, via a wide range of communication channels and engaging with key stakeholders. They also encouraged uptake amongst County Council staff and members, and WSCC offered and promoted free flu vaccination to all staff who were not eligible for the free NHS flu vaccine, including school staff, teachers, Capita staff, and foster carers.

Our Council Performance Measures

Public Health and Wellbeing		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			2018/19	2019/20	2020/21			
5a	Uptake of flu vaccine in over 65s or at risk Reporting Frequency: Annually	75.0%					<p>Mar-22: 2021/22 results due in August 2022.</p> <p>Local NHS partners, Sussex Health and Care Partnership (SHCP) delivered the NHS Influenza Vaccination Programme during the period November 2021 to January 2022; the Council's Public Health Directorate supported the programme during this time by encouraging all eligible residents to take up the offer of the free flu vaccine, as well as encouraging take-up among all WSCC staff and Elected Members. Activities included delivering key public health messages to local residents and communities (including at-risk groups) in newsletters and press releases, banners in WSCC libraries, an extensive local social media campaign (Facebook and Instagram), and providing information and advice on the West Sussex Wellbeing website. WSCC also offered and promoted free flu vaccination to all County Council staff who were not eligible for the free NHS flu vaccine, including school staff, teachers, Capita staff, and foster carers.</p>	<p>Director of Public Health is member of Sussex wide Covid-19 and Flu Vaccination Board to support and promote uptake across the system including and bringing in local authority involvement and support. Consultant in Public Health is member of Sussex Vaccine Inequalities Group working across the system and for West Sussex to promote uptake in most vulnerable groups.</p>
			73.4%	74.2%	83.7%	↑		
5b	Update of flu vaccine in 'at risk' groups Reporting Frequency: Annually	47.0%					<p>Mar-22: 2021/22 results due in August 2022.</p> <p>Local NHS partners, Sussex Health and Care Partnership (SHCP) delivered the NHS Influenza Vaccination Programme during the period November 2021 to January 2022; the Council's Public Health Directorate supported the programme during this time by encouraging all eligible residents to take up the offer of the free flu vaccine, as well as encouraging take-up among all WSCC staff and Elected Members. Activities included delivering key public health messages to local residents and communities (including at-risk groups) in newsletters and press releases, banners in WSCC libraries, an extensive local social media campaign (Facebook and Instagram), and providing information and advice on the West Sussex Wellbeing website. WSCC also offered and promoted free flu vaccination to all County Council staff who were not eligible for the free NHS flu vaccine, including school staff, teachers, Capita staff, and foster carers.</p>	<p>Director of Public Health is member of Sussex wide Covid-19 and Flu Vaccination Board to support and promote uptake across the system including and bringing in local authority involvement and support. Consultant in Public Health is member of Sussex Vaccine Inequalities Group working across the system and for West Sussex to promote uptake in most vulnerable groups.</p>
			49.1%	45.8%	56.7%	↑		
6	Healthy weight of 10-11 year olds Reporting Frequency: Annually	62.9%					<p>2021/22 results due in November 2022</p> <p>Dec-21: West Sussex is one of only 19 local authorities who met the criteria to have National Child Measurement Programme (NCMP) data published for the Year 6 cohort. (Local authority data was only published where more than 75% of children were measured compared with previous full measurement years).</p> <p>The data shows that there was a significant reduction in the prevalence of healthy weight for 10 to 11 year olds in England, the South East, and West Sussex by 5.6 percentage points, 4.2 percentage points, and 6.6 percentage points respectively, to 57.8% in England, 62.9% in the South East, and 63.2% in West Sussex in 2020/21. Despite this reduction in healthy weight, the prevalence in healthy weight in this cohort of children in West Sussex, remains significantly higher (better) than England. It is recognised that there are likely to be many confounding factors in additional weight gain, for example, the impact of the Covid-19 pandemic with a number of lockdowns, a reduction in children and young people undertaking physical activity, and changes in dietary intake.</p>	<p>The latest data provides a good basis for ongoing and developing obesity work for both Reception and Year 6 children for 2021/22. 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.</p>
			70.4%	69.8%	63.2%	↓		

Agenda Item 4
Sections 1-10

Public Health and Wellbeing		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
			2016/17	2017/18	2018/19			
31	Healthy life expectancy for men Reporting Frequency: 3 Year Rolling Average	66 (2017/19 Baseline Data)					Mar-22: The latest local authority level data available for healthy life expectancy for men and healthy life expectancy for women was published in May 2021 and relates to the period 2017-2019.	Nationally, women's Healthy Life Expectancy is worse than men and often for different reasons e.g. cancer type. We are looking to address this inequality in the county as with other approaches to inequality e.g. disadvantaged communities and minority groups.
			65.8 Years	64.6 Years	66.0 Years	↗	An update, for the period 2018-2020, will be released later in 2022, and this includes the first year (2020) of the Covid-19 pandemic. It is important to note, however, that the impact of Covid-19 continues and there may be on-going, direct, and indirect, effects of the pandemic on health.	Work has been undertaken locally to detail 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.
32	Healthy life expectancy for women Reporting Frequency: 3 Year Rolling Average	64.8 (2017/19 Baseline Data)					Mar-22: The latest local authority level data available for healthy life expectancy for men and healthy life expectancy for women was published in May 2021 and relates to the period 2017-2019.	Nationally, women's Healthy Life Expectancy is worse than men and often for different reasons e.g. cancer type. We are looking to address this inequality in the county as with other approaches to inequality e.g. disadvantaged communities and minority groups.
			63.6 Years	64.3 Years	64.8 Years	↗	An update, for the period 2018-2020, will be released later in 2022, and this includes the first year (2020) of the Covid-19 pandemic. It is important to note, however, that the impact of Covid-19 continues and there may be on-going, direct, and indirect, effects of the pandemic on health.	Work has been undertaken locally to detail 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.
35	Number of people completing evidence-based falls prevention programmes Reporting Frequency: Annually	400					Feb-22: Covid-19 restrictions during the pandemic have impacted on the provision of group exercise classes; they were paused for a significant period of time, and in the main, re-established at the beginning of Autumn 2021. Programmes run for approximately 6 months and thus, data for completers will be available in Q1 2022-23.	Falls are a significant risk factor for reducing independence in older people. The Covid-19 pandemic is likely to have further increased this risk due to deconditioning taking place as a result of shielding for the Clinically Extremely Vulnerable (CEV) and other social distancing requirements. Reduction in activity levels can lead to loss of muscle strength and postural stability, which both increase falls risk. Work is currently taking place with NHS and district and borough partners to assess and review the current situation and actions to respond.
			New Measure No Data	New Measure - No Data	New Measure No Data		A range of partners and providers deliver falls prevention programmes in West Sussex, and therefore data is combined from a range of areas. Due to this, the reporting frequency has been reviewed and revised to annual reporting.	

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure. (Covid-19 position is reported in Appendix 2)	£9.692m	Funding from Covid-19 grant (Covid-19 position is reported in Appendix 2)	(£9.692m)	
Public Health and Wellbeing Portfolio - Total	£9.692m		(£9.692m)	£0.000m

Significant Financial Issues and Risks Arising

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

Financial Narrative on the Portfolio's Position

3. The 2021/22 outturn position for the Public Health and Wellbeing Portfolio is a balanced budget. This is due to any underspending within the ring-fenced Public Health Grant being carried forward into 2022/23 and costs associated with the Covid-19 pandemic being met from specific Government grants.

Review of the 2021/22 Financial Year

4. Public Health has been impacted heavily by the consequences of the Covid-19 pandemic. This has resulted in £1.9m of underspending within the Portfolio, primarily because activity levels in demand-led areas like NHS health checks and sexual health were lower than usual during the pandemic.
5. As the Public Health Grant is a ring-fenced grant, the £1.9m in-year underspend will be carried forward, where it will add to the underspending of £1.2m that was brought forward from 2020/21. In total this means that a sum of £3.1m will transfer into 2022/23.

Savings Delivery Update

6. The portfolio has no named savings target for 2021/22, however it should be noted that there is a direct link to the Support Services and Economic Development saving – Use of Public Health Grant (PHG). This comes about because £1.2m of opportunity was available within the Public Health budget, partly from uncommitted Public Health Grant and partly from cost reductions secured in spending areas like the Help at Home Contract. That has allowed £1.2m of corporate overhead costs that support delivery of Public Health activities to be recharged against the PHG, so enabling delivery of the saving within the Support Services and Economic Development Portfolio. This £1.2m saving is reported as delivered.

Capital Programme

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

Risk

8. There are no corporate risks assigned to this portfolio. Risks allocated to other portfolios are specified within the respective appendices of this report. Further detail on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

Support Services and Economic Development Portfolio - Summary

Performance Summary

- The Portfolio has a number of performance highlights to report this quarter:
 - During January 2022, IT Services successfully replaced both uninterruptable power supplies that feed the Council's main datacentre with resized, modern units. These changes have provided assurance for ongoing resilience of operations, seen a reduction in ongoing electricity consumption and further contributed to reducing the Council's carbon footprint.
 - The Digital Infrastructure Team has been working with Property and Assets and Facilities Management Teams as well as colleagues in Legal Services to amend policy to enable the County Council to provide Mobile Network Operators with access to assets to host telecommunications infrastructure. This is to comply with national legislation (Digital Economy Act 2017) and help to accelerate deployment of mobile services across the county.
 - A 'Use of assets for telecommunications equipment and third-party installations' policy has now been approved and the team is developing guidance to help with decision-making to ensure the County Council engages constructively with all requests from communications network operators to use our land, buildings or other assets, in a timely and efficient manner. The policy will help to manage our street scenes to protect against unnecessary clutter and suggest alternative locations for telecommunications equipment where initial requests are not able to be agreed.

Our Council Performance Measures

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

Support Services and Economic Development	2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
		Sep-21	Dec-21	Mar-22			
45 All member training and development needs identified and training completed within 12 months of 2021 election (future year targets and measures to be set by the Member Development Group) Reporting Frequency: Quarterly	100.0%	81.0%	86.8%	92.8%	↗	Mar-22: All members have discussed and settled their personal training and development needs. The target date for completing mandatory training is 5 May 2022. At March 2022 completion rates were: Code of Conduct 100%, Safeguarding 90.5%, Corporate Parenting 97%, IT Security and Data Protection 86% and Equalities 93%.	Further training events are scheduled during April.
46 New Code of Governance published, assisting the public, staff and elected members to navigate the Council's decision making process Reporting Frequency: Quarterly	By 2021 elections	Qualitative measure - no data	Qualitative measure - no data	Qualitative measure - no data		Mar-22: A new Code of Governance was endorsed by the Council's Governance Committee on 7 February 2022 and was then published.	Supporting guidance and training for officers on the governance has been developed to complement the Code.

Support Services and Economic Development		2021/22 Target	Performance Over The Last 3 Periods			DoT	Performance Analysis	Actions
47	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" Reporting Frequency: Bi-Annually (November, May)	75.0%	Nov-20	May-21	Nov-21	Nov-21: A small decrease in positive responses to this question has been seen across the organisation since the previous Pulse Survey – 82% to 81%. Despite a small decrease across the Organisation of 1% of positive responses we are exceeding our KPI target by 6%. ↓	WSSC continues to support Managers and Leaders across the organisation to build an engaged workforce by enhancing day to day employee experience. In addition to the actions that have been undertaken above, we offer development programmes, both corporately and service specific to ensure they have the right confidence, capability and competence to support their teams to meet the challenges ahead.	
			73.0%	82.4%	81.2%			
48	Wellbeing, values and ways of working - Percentage positive response to the question: "I am treated with dignity and respect by my work colleagues" Reporting Frequency: Bi-Annually (November, May)	86.0%	Nov-20	May-21	Nov-21	Nov-21: A small decrease in positive responses to this question has been seen across the organisation since the previous Pulse Survey – 91% to 89%. Despite a small decrease across the Organisation of 2% in positive responses, we are exceeding our KPI target by 3%. ↓	WSSC continues to work with our staff networks and Unison colleagues to ensure all staff across the organisation feel they are treated with dignity and respect at work. We have further committed to this over the past 12 months by the hiring of an Equality, Diversity and Inclusion lead to support us to achieve our goals.	
			86.0%	90.6%	89.2%			
51	Percentage of digital services available from WSSC to support self-service Reporting Frequency: Quarterly	60.0%	Sep-21	Dec-21	Mar-22	Mar-22: The performance for 2021/2022 was 64% against the target of 60%. →	We will continue to focus on enabling customers to self-serve 24/7, where they can apply, ask, book and pay online, making it easy for customers to get the support and information they need when they need it.	
			71.0%	64.0%	64.0%			

Finance Summary

Portfolio In Year Pressures and Mitigations

Pressures	(£m)	Mitigations and Underspending	(£m)	Year end budget variation (£m)
Covid-19 pandemic expenditure. (<i>Covid-19 position is reported in Appendix 2</i>)	£0.542m	Funding from Covid-19 grant (<i>Covid-19 position is reported in Appendix 2</i>)	(£0.542m)	
Undelivered 2021/22 Savings – reduction in legal costs, HR redesign, review of mileage, allowances, apprenticeship levy and a small element on the communications redesign	£0.632m	Reduction in SSO contract expenditure	(£0.760m)	
Other minor variations	£0.069m	In year underspending from homeworking/ change in service delivery. Reduction in postage and stationery, Member's travel, expenses, refreshments and training during the pandemic restrictions	(£0.300m)	
		Underspending on the County Council elections in May 2021	(£0.270m)	
Support Services and Economic Development Portfolio - Total	£1.243m		(£1.872m)	£0.629m

Significant Financial Issues and Risks Arising

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

Financial Narrative on the Portfolio's Position

3. The 2021/22 outturn position for the Support Services and Economic Development Portfolio is an underspend of £0.629m. This is a reduction of £1.091m when compared to the £0.462m overspend forecasted in December. The main movements during this period relate to the underspending within the Support Services outsourcing contract.

Review of the 2021/22 Financial Year

4. A saving target of £0.2m had been set in 2021/22 in relation to the reduction in legal costs required for child protection cases. This saving was not achieved in year due to the need to employ agency legal staff to clear the backlog of childcare cases in the courts, and to address the increasing workload within Legal Services. This saving is expected to be achieved in 2022/23 as the service reviews its current structure to reduce the reliance on locums and external resources.
5. Other savings totalling £0.432m were also not achieved in year. The planned HR Service redesign was delayed following the time needed to appoint a permanent HR Director, leading to £0.290m of savings being reprofiled into 2023/24. In addition, £0.1m of savings relating to a review of mileage allowances and the apprenticeship levy; alongside a small savings shortfall of £0.042m from the Communications Team restructure, were also not achieved.
6. The support services contracts have delivered a £0.760m underspend this year. This is a result of additional savings from the early insourcing of services and in-year savings arising from a reduction in transition and restructuring costs falling into 2021/22. As part of the year end entries, a proposed carry forward request has been actioned to ensure provision is available to meet restructuring costs that will now fall within 2022/23.
7. As a result of the Covid-19 pandemic restrictions in place during 2021/22, the portfolio has delivered £0.300m of one-off in year savings following a reduction in postage and stationary costs and the reduction in Member's travel, expenses and training.
8. The final expense claims have been received following the County Council elections in May 2021 which has created a £0.270m underspend.

Proposed Carry Forward Requests

9. A number of carry forward requests have been actioned during the closing of the accounts including the following item within the Leader Portfolio:

2021/22 Carry Forward Requests	Amount
Provision for Restructuring Costs – As development and restructuring of our IT services continues, a number of costs that were initially expected to be met in the 2021/22 financial year will now be incurred in 2022/23.	£800,000

Savings Delivery Update

10. The Portfolio has a number of 2021/22 savings included within the budget. Details of these savings are included in the table below.

Saving Activity	2021/22 Savings £000	March 2022		Narrative	2022/23
IT service redesign	500	500	B		B
Review of Democratic Support	108	108	B		B
Reduction in professional fees to support One Public Estate (OPE) delivery	50	50	B	One year saving in 2021/22 only.	N/A
Digital Infrastructure - 1 FTE Vacancy Freeze	45	45	B	One year saving in 2021/22 only.	N/A
Reshaping communications offer	200	42	R	A small element of the initial savings target is currently unachievable. This pressure has been addressed during the 2022/23 budget creation process.	Saving Removed
		158	B		B
Reduction in corporate stationary requirements	100	100	B		B
Licencing savings following re-procurement of ERP Solution	400	400	G	Due to uncertainties in the implementation date of the Oracle system, it is unlikely that this saving will be achieved as originally envisaged in 2021/22. To offset this, a one-off opportunity to reduce IT expenditure in year is expected to mitigate this pressure.	G
Closure of Martlets Public Café	0	0	B	The Martlets café has now been closed.	B
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.	A
HR service redesign	300	290	R	Given the imminent appointment of a permanent HR Director, it was not appropriate to undertake this restructure during the year. Saving planned to be delivered in 2023/24.	Saving Re-profiled
		10	B	Saving delivered on corporate contract.	B
Public Health – use of uncommitted Public Health Grant/other changes within existing contracts	1,210	1,210	B		B
Review of mileage, allowances and apprenticeship levy	118	18	B		B
		100	R	The pandemic continues to impact our ability to achieve this saving in year. Work is on-going to recruit apprentices to enable this saving to be realised in 2022/23.	A

Savings Key:

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

Capital Programme

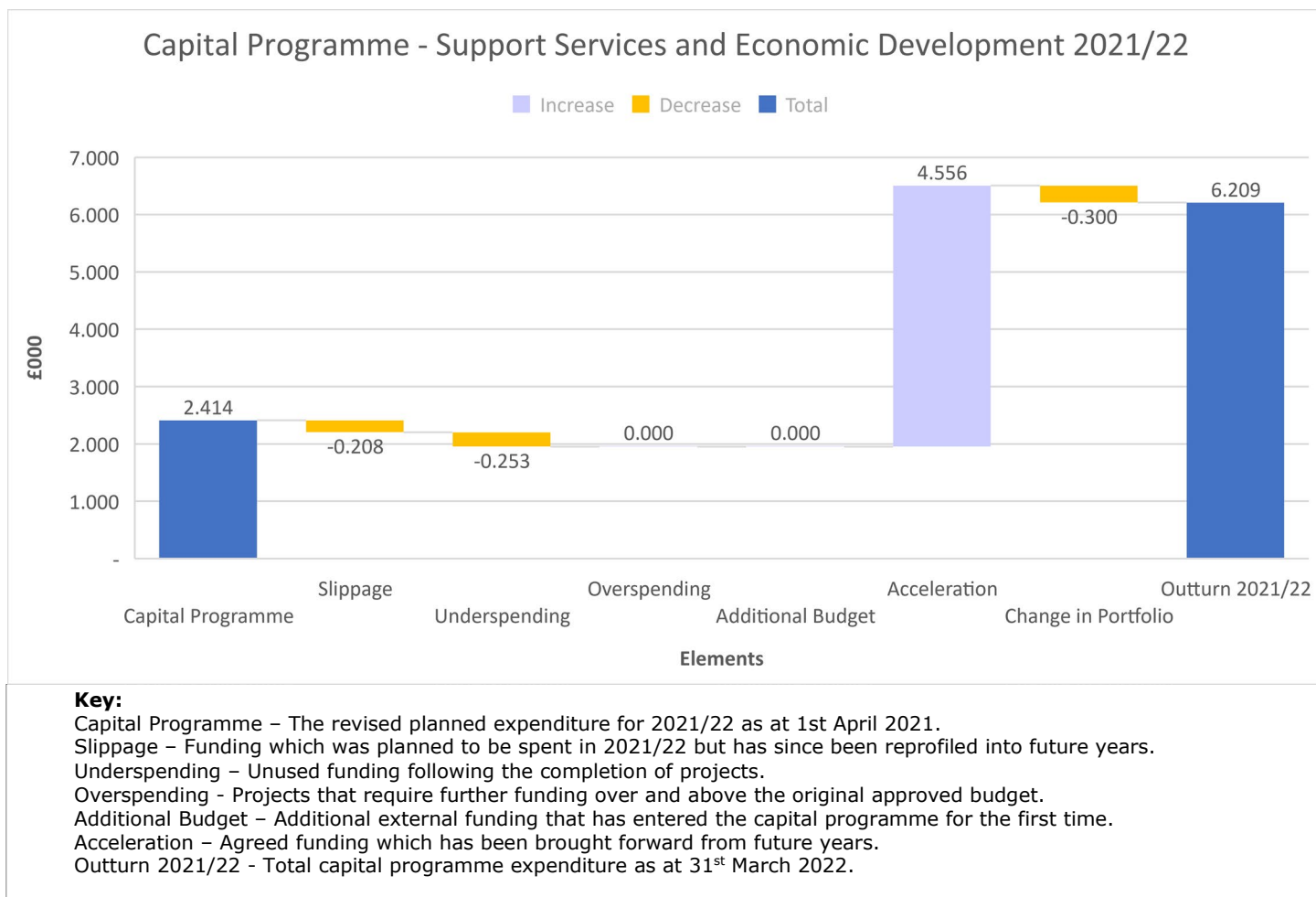
11. Following a review of the Capital Programme, a number of Economy projects have been reassigned to the Leader Portfolio from the Support Services and Economic Development Portfolio.

Performance Summary

12. There are three schemes within the portfolio. One of the schemes in delivery is rated green, indicating that the project is progressing as planned. Two of the schemes are funded from Pooled Business Rates and are reported directly to the West Sussex Council's Chief Executives' and Leaders Board.

Finance Summary

13. The capital programme; as approved by County Council in February 2021, agreed a programme totalling £5.174m for 2021/22. £2.760m of expenditure, originally profiled to spend in 2021/22, was accelerated into 2020/21, revising the capital programme to £2.414m.
14. During the year, the Support Services and Economic Development Capital Programme spent £6.209m, an increase of £3.953m when compared to the profiled spend in December 2021.



15. Details of movements of the financial profiling within the capital programme between December and March are as follows:

- **Slippage: (-£0.208m). Movement since Q3 report: (-£0.019m)**
 - **Bold Ideas, Creative Bognor - (-£0.019m)** - Small amount of slippage as costs profiled were slightly different to actuals, expenditure will go through in 2022/23.

- **Underspending: (-£0.253m). Movement since Q3 report: £0.000m**

- **Acceleration: £4.556m. Movement since Q3 report: £4.272m**
 - **SmartCore Transformation (Flexible Use of Capital Receipts)- £2.651m** – Spend on the Smartcore project has been funded by the use of capital receipts in line with the 2021/22 Budget Strategy.
 - **IT Transformation (Flexible Use of Capital Receipts) - £1.102m** – Spend on the IT Transformation project has been funded by the use of capital receipts in line with the 2021/22 Budget Strategy.
 - **IT Investment - £0.432m** – Investment in IT equipment that had previously been profiled to spend in 2022/23 has been accelerated into 2021/22.
 - **Gigabit Voucher Scheme - £0.055m** - Small amount of acceleration as costs profiled varied slightly to plan, expenditure has been forward funded from 2022/23.
 - **Converged Fibre - £0.032m** - Small amount of acceleration as costs profiled varied slightly to plan, expenditure has been forward funded from 2022/23.

- **Change In Portfolio: (-£0.300m). Movement since Q3 report: (-£0.300m)**
 - **Transformation Projects - (£0.300m)** – Spend in relation to the waste services transformation project, identified as an eligible project under the Flexible Use of Capital Receipts scheme, was held in this portfolio. All spend relating to this project is now recorded under the Environment and Climate Change portfolio.

16. The latest Capital Programme Budget Monitor is reported in **Appendix 4**.

Risk

17. The following table summarises the risks on the corporate risk register that would have a direct impact on the Portfolio. Risks to other portfolios are specified within the respective appendices to this report.

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.	12	16
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

18. Further details on all risks can be found in **Appendix 5** - Corporate Risk Register Summary.

REVENUE BUDGET OUTTURN 2021/22

	Latest budget for year £000	Net spending £000	Outturn variation £000
Sources of Finance			
Precept	-509,476	-509,476	0
Business Rates Retention Scheme	-93,408	-93,408	0
Collection Fund Deficits	20,171	20,171	0
Covid-19 Expenditure Pressures Grant	-15,618	-15,618	0
Covid-19 Income Loss Compensation	-158	-158	0
Local Council Tax Support Grant	-6,632	-6,632	0
Local Tax Income Guarantee - Business Rates	199	199	0
Local Tax Income Guarantee - Council Tax	-224	-224	0
New Homes Bonus Grant	-2,358	-2,358	0
Social Care Support Grant	-18,169	-18,169	0
Financing Sub-Total	-625,673	-625,673	0
Portfolio Budgets			
Adults Services	210,620	210,446	-174
Children and Young People	132,937	132,799	-138
Community Support, Fire and Rescue	41,923	41,473	-450
Environment and Climate Change	59,409	56,752	-2,657
Finance and Property	28,241	30,963	2,722
Highways and Transport	37,229	36,010	-1,219
Leader	2,745	2,453	-292
Learning and Skills	36,985	38,623	1,638
Public Health and Wellbeing	0	0	0
Support Services and Economic Development	41,471	40,842	-629
Portfolio Sub-Total	591,560	590,361	-1,199
Non-Portfolio Budgets			
Capital Financing - Repayment (MRP)	11,866	12,373	507
Capital Financing - Interest	19,198	19,293	95
Revenue Contribution to Capital - Business Rates Pilot	1,900	1,900	0
Revenue Contribution to Capital - Other	4,458	4,458	0
Investment Income	-2,481	-2,481	0
General Contingency	4,969	0	-4,969
Transfers to/(from) Reserves - Business Rates Pilot	-4,490	-4,490	0
Transfers to/(from) Reserves - Other Earmarked	13,809	13,809	0
Transfer DSG Deficit to Unusable Reserves	-15,116	-15,116	0
Non-Portfolio Sub-Total	34,113	29,746	-4,367
Net Outturn Underspend			-5,566
Agreed Allocations:			
- Balance of homeworking net underspending transferred to Service Transformation Fund			597
- Unallocated Contingency balance carried forward via Inflation Contingency Reserve			4,969
Total (Transferred to Reserves)			5,566
Memo: Contingency			
		£000	
Original Budget (General & Pay Consolidated)		8,600	
September PRR Decision: Funding allocation for the Fire & Rescue Service pay award		-225	
Outturn PRR Decision: Funding allocation for backdated NJC/Hay/SMG pay award		-3,406	
Available Contingency		4,969	

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Appendix 1

Balances and Reserves	Balance at 31-Mar-21	Balance at 31-Mar-22	Annual Movement	Detail on Annual Movements >£1m
	£000	£000	£000	
Earmarked Reserves:				
Adult Social Care Reform Risk (formerly Adults & Health Pressures and Recovery)	-4,700	-4,963	-263	N.B. This reserve has been repurposed to help manage adverse financial implications arising from reforms to Adult Social Care due in October 2023
Ash Dieback	-1,200	-1,200	0	
Budget Management	-54,417	-61,657	-7,240	Includes £6.6m s31 Business Rates Relief NNDR3 Reconciliation Grant 2021/22
Business Rates Pilot Fund	-21,870	-17,380	4,490	£1.9m applied to capital programme (Gigabit, Fibre, Infrastructure); £0.3m applied to revenue (Broadband); £2.3m residual 2019/20 NNDR Collection Fund deficit
Children First Improvement Plan	-2,285	0	2,285	£2.3m full application of 20/21 underspending carried forward to provide temporary improvement funding
Covid-19 Fund	-6,972	-15,976	-9,004	£15.6m Pressures Grant, £44.2m unringfenced service grants, £3.0m retained LCTSG; £47.4m applied to revenue, £3.6m applied to capital, £3.0m income losses
Economic Growth	-2,059	-1,984	75	
Elections Reserve	-600	0	600	
Highways Commuted Sums	-4,069	-5,165	-1,096	Surplus of sums receivable by Planning Services during year over amount applied to eligible Highways schemes
Highways On-Street Parking	-1,921	-1,397	524	
Inflation Contingency	0	-4,969	-4,969	Carry forward of unallocated 21/22 contingency budget to mitigate anticipated inflationary pressures in 22/23
Infrastructure Works Feasibility	-1,436	-1,930	-494	
Insurance Reserve	-5,845	-3,329	2,516	£2.3m partial funding of increase to insurance provision for known claims; £0.2m revenue overspend (school income shortfall)
Interest Smoothing Account	-2,254	-2,778	-524	
Miscellaneous Service Carry Forwards	-221	-1,311	-1,090	Includes £0.8m for IT restructuring and £0.2m West Sussex Safeguarding Children Partnership
Recycling & Waste PFI	-10,547	-10,362	185	
Schools Sickness & Maternity Insurance Scheme	-1,771	-1,403	368	
Service Transformation Fund	-13,569	-13,346	223	
Social Care Support Grant 2018/19	-1,517	-499	1,018	£1.0m applied to Adults Services portfolio per budget approved by Full Council in February 2021 as contribution towards delivering the Adults' Development Plan
Statutory Duties	-2,437	-2,246	191	
Street Lighting PFI	-23,362	-22,953	409	
Unapplied Revenue Grants	-1,045	-2,805	-1,760	Includes £1.5m Domestic Abuse carry forward for allocation in 22/23 in accordance with the Pan Sussex Domestic Abuse Accommodation & Support Strategy
Waste Materials Resource Management Contract	-25,364	-23,497	1,867	£1.9m applied to Environment and Climate Change portfolio per approved budget for estimated in-year lifecycle expenditure
Other Earmarked Reserves	-2,007	-2,241	-234	
Earmarked Reserves (Excluding Schools)	-191,468	-203,391	-11,923	
School Balances	-24,778	-27,740	-2,962	Increase in balances attributable to locally managed school budgets
Total Earmarked Reserves	-216,246	-231,131	-14,885	
General Fund	-20,286	-20,286	0	
Capital Grants Unapplied	-55,031	-21,229	33,802	Net position of grants/contributions receivable for year (conditions met) (£56.8m) and grants/contributions applied to capital programme (£90.6m)
Capital Receipts Reserve	-4,789	-4,789	0	Net position of capital receipts for year (£12.0m) and amounts applied to finance capital expenditure (including flexible use of capital receipts) (£12.0m)
Total Usable Reserves	-296,352	-277,435	18,917	
Memo: Dedicated Schools Grant Reserve	31-Mar-21 £000	31-Mar-22 £000	Movement	
Deficit Balance on DSG Unusable Reserve	10,388	25,504	15,116	
Balance of Usable Reserves	-285,964	-251,931	34,033	
Net of DSG Unusable Reserve				

Covid-19 Summary - As At 31st March 2022

Finance Summary

- The cost of the Covid-19 pandemic to the County Council has been monitored separately from the portfolio budgets agreed by County Council in February 2021. All costs relating to the pandemic which were incurred in 2021/22 have been funded from government grants or from other income received from partners.
- Table 1** details the outturn position of Covid-19 expenditure and income for 2021/22 by Portfolio. The presentation of this table has been updated to separate grants which have been administered by the County Council to care providers on behalf of the Government.

Table 1 – Covid-19 Summary

Portfolio	Projected Expenditure
Adults & Health	£16.420m
Children & Young People	£0.146m
Learning & Skills	£1.767m
Community Support, Fire & Rescue	£10.272m
Environment & Climate Change	£0.233m
Finance & Property	£0.895m
Highways & Transport	£1.668m
Public Health & Wellbeing	£9.692m
Support Services & Economic Development	£0.542m
Non-Portfolio	£8.404m
Total Portfolio Expenditure	£50.039m

Adults & Health – Grants administered by the County Council on behalf of Government	£21.273m
Total Expenditure	£71.312m

Income Allocations (including grants carried forward from 2020/21)	Allocation
<i>Grant</i> - Covid-19 central government non-ringfenced grant (including Local Council Tax Support and Omicron Support Grant)	(£30.252m)
<i>Grant</i> –Covid-19 specific grants including (Contained Outbreak Management Fund, Local Support Grant and others)	(£37.463m)
<i>Grant</i> –Covid-19 specific grants administered in accordance to Government requirements (including Infection Control and others)	(£24.337m)
<i>Other Income</i> – Covid-19 income estimated contribution from the Clinical Commissioning Group (CCG).	(£2.334m)
Total Income Available	(£94.386m)

Repayment of Central Government Administered Grants	£3.064m
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Repayment of Local Authority Unused Grant	£0.192m
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Remaining Grant To Carry Forward into 2022/22	(£19.818m)
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3. The £19.8m grant funding which has been carried forward into 2022/23 consists of:
 - £13.0m of **Local Authority Non-Ringfenced Grant** which remains committed to cover the on-going impacts and costs associated with the pandemic. This balance also includes the committed 2022/23 capital contribution of £1.723m towards the A284 Lyminster Bypass works which have been heavily impacted by the pandemic.
 - £3.0m relates to the **Local Council Tax Support Grant** which has been allocated to provide council tax support to residents in the 2022/23 Budget.
 - £3.6m relates to the ringfenced **Contained Outbreak Management Fund (COMF)**. This funding is committed to help reduce the spread of Covid-19 and to support local public health.
 - £0.2m relates to the ringfenced **Emergency Active Travel Fund** which is committed to protecting and increasing travel services.
4. The County Council has been pragmatic in its approach to the use of the Covid-19 ringfenced grant funding available, with the Executive Leadership Team playing a key governance role in determining how to distribute funding where there is local discretion over its use, which has enabled the projected remaining £13.0m non-ringfenced grant to be safeguarded to assist the challenges ahead.
5. A forward assessment of the areas which may require funding from the Covid-19 grant next year has taken place which has identified the following key areas:
 - Increase in the cost of care provision and the potential need for an extension of support to providers to help secure stability in the adult social care market.
 - Continuation of the additional staffing in Adult Services to meet the needs of customers during the pandemic.
 - The continuation of the Community Hub which helps to support the most vulnerable residents in West Sussex.
 - Other costs associated with the pandemic including personal protective equipment (PPE), Covid-19 test kits for front-line staff and additional cleaning of public buildings.
6. There have been a number of specific ringfenced grants which have been administered by the County Council in accordance with Government directives. These grants included the Infection Control, Rapid Testing, Workforce Recruitment and Retention Fund and Care Staff Vaccination. £3.1m of the Central Government administered grant, covering 2020/21 and 2021/22, has been returned to the County Council from care providers. In accordance with the grant conditions, this funding must be repaid back to the Government.
7. The County Council has endeavoured to maximise the Covid-19 ringfenced grants, however there are two specific grants where the unspent funding balance is required to be repaid to the Government:

- £0.003m - Additional Dedicated Home to School and College Transport Grant, and
 - £0.189m - Practical Support Framework Grant.
8. The Practical Support Framework Grant relates to funding given to Local Authorities to support people who were self-isolating; with clear instruction that the funds could not be used to deliver financial support. With the national Covid-19 restrictions ceasing in February 2022, a modest balance of £0.189m remained unspent and will be returned to the Government.

Covid-19 Key Decisions During 2021/22

Table 2 lists the Key Decisions which have been taken during the year that have impacted Covid-19 expenditure.

Table 2: Key Decisions Which Have Impacted in Year Expenditure

Key Decision	Description	Funding Source	Date	Key Decision Reference
Adult Social Care Infection Control and Testing Fund	Allocation of Infection prevention and control and rapid testing funding	Specific grant allocation	30 th April 2021	OKD75 (20/21)
Contain Outbreak Management Fund (COMF)	Proposal to utilise £6.018m of the total grant funding, of which £2.933m is to support activities by the West Sussex Districts and Boroughs, £0.665m is for homelessness prevention (Adults) and £2.419m is to support services for children and young people	Specific grant allocation	6 th May 2021	OKD78 (20/21)
Emergency Central Government Funding Allocation	Allocation of £0.542m to complete the demolition of the former Chichester High School Year 7 Building project following delays and loss of funding due to the pandemic.	County Council funding	08 th July 2021	FP02 (21/22)
Winter Grant Scheme - Household Support Fund	Distribute funding from the Household Support Fund, working with partners	Specific grant allocation	07 th December 2021	CFFR02 (21/22)

Covid-19 Grant Funding Allocations 2021/22

A listing of available Covid-19 grant funding is shown in **Table 3**. This details the grants brought forward from 2020/21 and confirmed new grants received in year.

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Appendix 2

Table 3 - Covid-19 Grant - As At 31st March 2022

Description	Total Funds Available In 2021/22 £m	Total Utilised In 2021/22 £m	Grants Repaid/ To Be Repaid 2021/22 £m	Total Grant Available 2022/23 £m	Update and Explanation of Grant
Non-Ringfenced Grant and Contributions:					
Local Authority Non-Ringfenced Grant	22.746	9.770	-	12.976	The £12.976m funds remaining are committed to funding the on-going impact of the pandemic into 2022/23. This includes a £1.723m transfer to the Capital Programme to fund additional costs which originated during the pandemic.
Fire Contingency Fund	0.052	0.052	-	-	
Local Council Tax Support	6.628	3.628	-	3.000	The 2022/23 Budget agreed by County Council allocated the remaining £3.0m of Council Tax support for residents.
Omicron Support Grant	0.826	0.826	-	-	
Total Non-Ringfenced Grant	30.252	14.276	-	15.976	
Specific/ Dedicated Grants (WSSC Expenditure):					
Contain Outbreak Management Fund	23.323	19.672	-	3.651	Funding to help reduce the spread of Covid-19 and support local public health. There are commitments against the remaining grant and is expected to be utilised in 2022/23.
Test and Trace	1.311	1.311	-	-	Led by WS Public Health, implementation of tailored outbreak control plans to reduce and manage the virus across the county.
Workforce Recruitment and Retention Fund (Adult Social Care)	1.371	1.371	-	-	To support local authorities to address adult social care workforce capacity pressures in their geographical area through recruitment and retention activity this winter.
Additional Dedicated Home to School and College Transport	0.648	0.645	0.003	-	To provide sufficient transport capacity so children and young people can attend school and college safely and on time. Small underspend to be returned to the Department for Education.
Winter Support Grant	0.823	0.823	-	-	The Winter and Local Support Grants provide support to children and households who are experiencing, or at risk of experiencing, poverty, where they are impacted by the ongoing public health emergency, and where alternative sources of assistance may be unavailable.
Local Support Grant	2.340	2.340	-	-	
Practical Support Framework	1.758	1.569	0.189	-	To support people who have been told to self-isolate in carrying out essential tasks or offer social or emotional support.
Household Support Fund	4.870	4.870	-	-	To support vulnerable households to meet daily needs such as food, clothing and utilities.
Travel Demand Management Grant	0.134	0.113	-	0.021	Public transport support funding. Remaining funding to be fully utilised in 2022/23.
Bus Support Services Grant	0.328	0.328	-	-	To support bus operators to continue running services during lockdown (supported transport routes).
Emergency Active Travel Fund	0.470	0.300	-	0.170	Funding to Protect and Increase Travel Services. Phase 2. Remaining grant to be fully utilised in 2022/23.
Wellbeing for Education Grant	0.087	0.087	-	-	Additional funding for local authorities to support pupils' and students' wellbeing and psychosocial recovery as they return to full-time education.
Total Specific/ Dedicated Grant:	37.463	33.429	0.192	3.842	
Specific/ Dedicated Grants Administered in Accordance to Government Requirements:					
Infection Control	11.660	9.448	2.212	-	To support adult social care providers to reduce the rate of Covid-19 within and between care settings through infection prevention and control practices. Unspent funding repaid by care providers is to be returned to Central Government.
Rapid Testing	7.229	6.693	0.536	-	To support adult social care providers to reduce the rate of Covid-19 by providing rapid testing to staff and visitors. Unspent funding repaid by care providers is to be returned to Central Government.
Workforce Recruitment and Retention Fund (Adult Social Care)	4.995	4.698	0.297	-	To support local authorities to address adult social care workforce capacity pressures in their geographical area through recruitment and retention activity. Unspent funding repaid by care providers is to be returned to Central Government.
Care Staff Vaccination	0.453	0.434	0.019	-	To support care providers and social care staff with the costs associated with accessing Covid-19 and flu vaccinations. Unspent funding repaid by care providers is to be returned to Central Government.
Total Specific/ Dedicated Grants Administered:	24.337	21.273	3.064	-	
Total Revenue Grants	92.052	68.978	3.256	19.818	
Capital Ringfenced Grants:					
Emergency Active Travel Fund - Phase 2	2.233	0.275	-	1.958	Capital funding to protect and increase travel services.
Total Capital Ringfenced Grants	2.233	0.275	-	1.958	
Overall Total Grants	94.285	69.253	3.256	21.776	

Service Transformation and Flexible Use of Capital Receipts Update - Q4 2021/22

Service Transformation Summary

1. At the start of the year, the balance within the Transformation Reserve stood at £13.6m. Of this remaining funding, £9.4m had been earmarked to fund approved projects which are currently progressing. These projects 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 and other smaller projects.
2. Following a robust scrutiny of the Smartcore Programme and Insource and Procurement of Information Technology Services Project, a decision has been taken to utilise the opportunity to fund these eligible projects through the Flexible Use of Capital Receipts Strategy which was agreed by County Council in the 2021/22 Budget. This action has resulted in the releasing of £3.8m within the Service Transformation Reserve funding for future projects; with only £0.8m of costs charged to the Service Transformation Reserve in 2021/22.
3. In addition, an in-year one-off saving of £1.2m has been generated within the Portfolio revenue budgets relating to Homeworking and Changes In Service Delivery. £0.6m of this saving has been used to cover the costs associated with the office move from Centenary House Durrington to Durrington Bridge House, with the remaining £0.6m being transferred to the Service Transformation Reserve to help fund future Smarter Ways of Working projects.
4. This has resulted in the Service Transformation Reserve completing the year with a reserve balance of £13.3m. Of the funding remaining, £4.9m is committed to fund approved projects which are currently progressing, leaving £8.4m of unallocated funding.

SMARTCORE Programme

5. The Smartcore programme is focused upon making HR, Finance and Procurement business processes more efficient and economic through the replacement of the existing SAP system with Oracle Fusion.
6. The programme adheres to a set of design principles that seek to establish a single source of truth for key data and information relating to Finance, HR, Payroll and Procurement and Contract Management Services; which will support strategic and operational decision making and planning, whilst also providing an opportunity to introduce productivity gains via business process improvements.
7. The programme is in the configuration and sprint phases, with the systems integrator taking WSCC on a 'walkthrough' of the defined environment (shaped by the previous design phase). Following this phase, the system will be thoroughly evaluated via integration testing with key line of business applications as well as user acceptance testing, and payroll runs.

8. The data migration strategy has been completed and work is underway to commence data migrations activities. The project is now increasing in pace with a planned implementation in the spring of 2023.
9. A review of the financial elements of the Smartcore programme is currently underway. It is likely that the programme will require additional funding to successfully complete the implementation of the project as the timelines for delivery have extended further than anticipated when the original budget was constructed. Further details will be included within the Q1 2022/23 Performance and Resources Report.
10. Following a robust review of the project's expenditure and in-line with the County Council's Flexible Use of Capital Receipts Strategy, the expenditure incurred for this project in 2021/22 has been funded from capital receipts income, rather than the Service Transformation Reserve.

Insourcing and Procurement of IT Services

11. Following a joint review by the County Council and Capita, a decision was taken to transfer IT services away from Capita on the 30th September 2021 as part of our move to a new operating model.
12. With this transfer completed, the IT Service now has a modern service model supporting the organisation with the right tools on first request which aid productivity and can adapt as business needs change.
13. Rather than a single supplier, the council now has multiple suppliers, smaller and more specialist to support the IT Strategy and Council agenda.
14. During the fourth quarter, the IT service has continued to modernise and has progressed a further procurement to add a specialist network equipment and maintenance supplier to the Council's IT partner ecosystem.
15. Transformation activity has continued, with the notable action of replacing both datacentre uninterruptable power supplies during January, with modern, highly efficient units that will reduce Council electricity consumption and CO2 emissions.
16. It is anticipated the cost of transition will be in the region of £2.3m, £0.4m less than the agreed initial project budget of £2.750m. The transformed services will also deliver the anticipated budget savings of £0.750m per annum.
17. Following a robust review of the project's expenditure and in-line with the County Council's Flexible Use of Capital Receipts Strategy, the expenditure incurred for this project in 2021/22 has been funded from capital receipts income, rather than the Service Transformation Reserve.

Better Use of Technology within Children's Services

18. Following the decision taken by the Cabinet Member for Children and Young People in August to procure a recording system for Children, Young People and

Learning, the contract has now been awarded and work is expected to begin in the early part of 2022/23. As a result of this two-year programme of work, a number of non-financial benefits are expected to be delivered, including:

- A reduction in the time spent recoding information for children in sibling groups,
- Improving data sharing and reducing risks associated with having multiple recording systems across the service,
- Enabling Social Workers to spend more of their time with children and families by having a mobile working toolkit to help them maximise the use of their equipment and work flexibly,
- Improving the quality of data held on the recording system, ensuring the data we hold is accurate and easy to understand for children and their families.

Support Services Programme

19. Our support services contract, currently provided by Capita, concludes on the 30th September 2022. The main services included within the contract include Accounts Payable (OWTB), Payroll services and HR support to schools, Business Administration and the Customer Services Centre (CSC).
20. Services for Graphic Design Printing is expected to be out-to-tender shortly. The service will be delivered under a new contract from 1st October.
21. The Customer Services Centre currently provides support to 23 essential council services. It has been decided that two of the 23 CSC teams will move to the County Council to ensure complex contracts with vulnerable customers are held within direct control of the County Council. These services are confirmed as:
 - Care Point 1 – Supporting Adults Services
 - The Integrated Front Door – Supporting Children’s Services and the Multi Agency Safeguarding Hub.
22. The planned tendering process for the remaining 21 CSC services closed on 16th May and the outcome will be communicated to key stakeholders accordingly.
23. The majority of the remaining services will move to the Council on or before the end of the contract. Employment Support Services (Payroll services and HR support to schools) will move to the Council on the 1st of June. The remaining services will move on the 1st October.
24. £1.2m of funding has been allocated from the Service Transformation Reserve to fund this programme of works. This budget will cover costs for additional resources required to deliver the projects including project managers, business change support, exit costs for Capita and technical support.

Early Years Property Support Project

25. As part of the revised Early Help model in West Sussex, a number of one-off and temporary property services costs have been incurred. Expenditure of £0.317m associated with project management, property clearance and holding was incurred in 2021/22, with further costs expected in 2022/23 as works continue on the disposal or re-assignment of affected buildings.

Smarter Ways of Working Programme

26. 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. Work is currently underway to look at future ways of working which will 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.
27. The programme team have been running workshops with staff to enable experiences and ideas to be shared across the County Council.
28. A budget of £0.320m has been allocated to fund the initial scoping, planning and engagement of this programme of works. This work is currently underway.

Future Projects – Earmarked Commitments

29. A number of new projects are currently being scrutinised through the Service Transformation Governance Process. Currently, £2.6m has been earmarked for these emerging plans. If all these funding requests are successful, the remaining unallocated funding within the Service Transformation Reserve will reduce from £8.4m to £5.8m.
30. As seen in 2021/22, it is likely that some future project expenditure, currently projected to be charged against the Service Transformation Reserve, will be eligible to be funded through capital receipts; enabling more funds to be maintained in the service transformation fund for future transformational projects which are envisaged to improve the productivity of the council.

Table 1 – Service Transformation – Overview of Current Projects

Project	Total Project Budget Allocated	Spend in Prior Years (Pre-2021/22)	Service Transformation Expenditure 2021/22	Flexible Use of Capital Receipts Expenditure 2021/22	Final Project Spend Forecast
Smartcore Programme	£7,500,000	£2,526,224	£0	£2,650,977	TBC
Insource of Procurement and IT Services	£2,750,000	£473,667	£0	£1,102,213	£2,300,000
Better Use of Technology – Children’s Services	£463,000	£0	£125,484	£0	£463,000
Support Services Programme	£1,200,000	£0	£0	£0	£1,200,000
Early Years Property Support Project	£397,000	£0	£317,505	£0	£397,000
Smarter Ways of Working Programme	£320,000	£0	£121,870	£0	£320,000
Temporary Expansion of IT Project Team (2021/22 2021/22 Final year of project)	£668,000	£373,840	£231,881	£0	£605,721
Community Hub – Worthing Library Relocation (2021/22 Final year of project)	£150,000	£78,747	£23,468	£0	£110,000
Total 2021/22 Spend			£820,208	£3,753,190	

Flexible Use of Capital Receipts Summary

31. As detailed within the 2021/22 Budget Report, the County Council approved the use of up to £10.0m of capital receipts in 2021/22 to fund specific eligible transformation projects under its Flexible Use of Capital Receipts Strategy.
32. Following a robust and prudent scrutiny of the expenditure incurred within the proposed projects, a total of £4.4m has been applied to capital receipts funding. The table below details the 2021/22 position for each of the capital receipts funded projects.

Table 2 – Updated of the Flexible Use of Capital Receipts – 2021/22

Project Description	Qualifying Expenditure	Estimated Project Cost as at February 2021	Actual Project Cost as at March 2022	Update on Position
Smartcore	Investment in transformational project, that supports HR, Procurement and Finance processes to enable automation and improved efficiency.	£1.5m	£2.7m	Project planned to complete in 2022/23
Insource & Procurement of IT Services	Service redesign to improve efficiencies and achieve savings.	£0.0m *Noted in narrative	£1.1m	Project planned to complete in 2022/23
Waste Service Transformation	Service redesign to improve efficiencies in waste collection and disposal contracts and continuation on initiatives with the district and boroughs to incentivise recycling (rephased from 2020/21 due to Covid-19 restrictions).	£1.3m	£0.6m	Delayed due to the pandemic
Total		£2.8m	£4.4m	

33. Looking ahead to the 2022/23 financial year, the County Council’s Flexible Use of Capital Receipts Strategy details that it proposes to use the flexibility to fund up to £10.0m of qualifying transformation expenditure.

2021/22 CAPITAL MONITOR as at the end of March 2022

Portfolio	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	21/22 In-Flight Capital Programme (February County Council)	21/22 Pipeline Capital Programme (February County Council)	21/22 Total Capital Programme (February County Council)	Slippage/ (Acceleration) from 2020/21	Total 21/22 Revised Capital Programme	Full Year Actuals	Variance Over/(Under) Spend
	£000	£000	£000	£000	£000	£000	£000
Adults Services	2,039	0	2,039	3,095	5,134	4,796	(338)
Children and Young People	60	940	1,000	417	1,417	541	(876)
Community Support, Fire and Rescue	2,845	800	3,645	71	3,716	7,214	3,498
Environment and Climate Change	3,613	1,000	4,613	685	5,298	2,890	(2,408)
Finance and Property	2,683	6,154	8,837	(2,171)	6,666	6,488	(178)
Highways and Transport	30,957	23,702	54,659	601	55,260	55,238	(22)
Leader	661	1,523	2,184	2,659	4,843	5,487	644
Learning and Skills	10,505	9,001	19,506	3,182	22,688	23,158	470
Support Services and Economic Development	4,674	500	5,174	(2,760)	2,414	6,209	3,795
Total Capital Programme	58,037	43,620	101,657	5,779	107,436	112,021	4,585

Sources of Finance	£000
Government Grant	79,100
Revenue Contributions to Capital Outlay	6,358
Capital Receipts	12,043
Core Borrowing	0
Economic Development Borrowing	2,992
External Contributions including S106	11,528
Total	112,021

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Corporate Risk Register Summary

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

Administration of central government funding to provide financial support to the sector.	Ongoing
Collection of market information on Firefly. Analysis of information and appropriate level of quality assurance response.	Ongoing
Financial analysis of high risk provision - due diligence checks.	Ongoing
In the event of an incident, ensure the consistent implementation of Emergency Response Plans, including a full de-brief and lessons learned.	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
Regular review of care homes business continuity arrangements to address government vaccination directive.	Ongoing
Review capacity of residential and non-residential services to ensure service availability and to support identification of contingencies if needed.	Ongoing

CR39a

Current Score

25

Target Score

16

Initial Score

20

Risk Change
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

Transition to a controlled framework for process and practice.	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
Provide capacity & capability to align with National Cyber-Security centre recommendations.	Ongoing
Maintain IG Toolkit (NHS) & Public Service Network security accreditations.	Ongoing
Improve staff awareness of personal & business information security practices & identification of cyber-security issues. Continued actions due to evolving threats.	Ongoing
Ensure that cyber-attack is identified early, that reporting & monitoring is effective, and recovery can be prompt.	Ongoing
Conduct tests including penetration, DR and social engineering. (conducted 6 monthly)	Ongoing

CR11

Current Score	Target Score	Initial Score	Risk Change
16	8	20	↑

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 skilled 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.	01/07/2022
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.	01/07/2022
Development and regular communication of comprehensive employee value proposition.	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.	Ongoing

CR61

Current Score	Target Score	Initial Score	Risk Change
15	10	25	→

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 Learn...
Risk Strategy	Treat

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

CR68

Current Score

15

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

Treat

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

CR69

Current Score

15

Target Score

10

Initial Score

25

Risk Change
Decreasing



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

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

CR60

Current Score

15

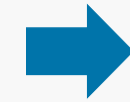
Target Score

10

Initial Score

20

Risk Change
Unchanged



Risk Control/Action

Target Date

Ensure robust project and programme governance in place and monitor delivery.

Ongoing

Risk Description

There is a risk of failing to deliver the HMIC FRS improvement plan, leading to an adverse affect on service delivery; which may result in failing any subsequent inspection.

Date Risk Raised

01/04/2019

Risk Owner

Chief Fire Officer

Risk Strategy

Treat

CR72

Current Score

12

Target Score

8

Initial Score

20

Risk Change
Decreasing



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

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

CR22

Current Score

12

Target Score

12

Initial Score

16

Risk Change
Unchanged



Risk Description

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.

Date Risk Raised

01/03/2017

Risk Owner

Director of Finance & Support Services

Risk Strategy

Tolerate

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

CR70

Current Score

12

Target Score

12

Initial Score

12

Risk Change
Unchanged



Risk Description

There is an increasing demand placed on the senior officers due to the ongoing threat of COVID19 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.

Date Risk Raised

01/08/2020

Risk Owner

Chief Executive

Risk Strategy

Tolerate

Risk Control/Action

Target Date

Continue to monitor service resource impact.

Ongoing

Provision of support to services when required.

Ongoing

CR73

Current Score

12

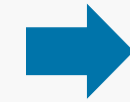
Target Score

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

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	Target Score	Initial Score	Risk Change
9	6	20	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

CR7

Current Score	Target Score	Initial Score	Risk Change
8	4	16	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
01/03/2017
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 CLT on governance. Schedule and deliver associated training	Ongoing
Regular compliance monitoring and active corporate support when non-compliance happens to establish better practice.	Ongoing

CR65

Current Score

6

Target Score

6

Initial Score

20

Risk Change
Unchanged



Risk Control/Action

Target Date

Risk Description

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.

Date Risk Raised

01/12/2019

Risk Owner

Chief Executive

Risk Strategy

Tolerate

Workforce Information - Q4 2021/22

Leadership and Management		Indicator 2021/22	Q4 2021/22	Q3 2021/22
Leadership Stability	Percentage of Senior Management positions filled by permanent WSCC employees (excluding vacancies)	95%	98%	97%
	Rolling 12-month turnover percentage for permanent positions at HAY Grade (or equivalent) and above	11%	10%	11%
Resourcing and Talent		Indicator 2021/22	Q4 2021/22	Q3 2021/22
Employed Workforce <i>(Includes all staff directly employed by WSCC. Excludes casuals, agency, outside bodies, pensioners and partners)</i>	Total Employed Headcount <i>Total number of people employed over reporting period)</i>	Not Applicable	5,550	5,577
	Employed Headcount <i>At the end of the reporting period)</i>	Not Applicable	5,367	5,398
	Employed FTE <i>At the end of the reporting period)</i>	Not Applicable	4,802	4,828
	Number of new Apprentice starters since the start of Financial year (excluding Schools)	113	108	93
Agency (Matrix)	Total contract spend with Matrix	Not Applicable	£4,969,009	£4,618,499
	Agency (Matrix) % of Employed workforce	Not Applicable	8%	7%
Staff Turnover	Rolling 12-month turnover rate	Between 9% and 13%	13%	12%
Performance and Development		Indicator 2021/22	Q4 2021/22	Q3 2021/22
Performance	Percentage positive response to the Pulse Survey question: "I have regular meaningful conversations with my manager about my performance, wellbeing and support needs"	75%	78% (Nov 2021 Survey)	78% (Nov 2021 Survey)
Learning and 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"	68%	70% (Nov 2021 Survey)	70% (Nov 2021 Survey)
	Staff induction completion rates	90%	82%	82%

Wellbeing, Values and Ways of Working		Indicator 2021/22	Q4 2021/22	Q3 2021/22
Behaviours and Values	Percentage positive response to the Pulse Survey question: "I am treated with dignity and respect by my work colleagues"	86%	89% (Nov 2021 Survey)	89% (Nov 2021 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"	75%	81% (Nov 2021 Survey)	81% (Nov 2021 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"	70%	72% (Nov 2021 Survey)	72% (Nov 2021 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.	16.4	15.5
	Number of calendar days lost due to short term sickness absence (less than 21 calendar days)	Not Applicable	6,447	6,956
	Top reason for short term absence (less than 21 calendar days)	Not Applicable	Coronavirus	Respiratory, Cough, Cold, Flu
	Number of calendar days lost due to long term sickness absence (more than 21 calendar days)	Not Applicable	14,144	14,388
	Top reason for long term absence (more than 21 calendar days)	Not Applicable	Anxiety, Stress, Depression, Mental Health	Anxiety, Stress, Depression, Mental Health
Diversity and Inclusion		Indicator 2021/22	Q4 2021/22	Q3 2021/22
Employee Disclosure Rate	Disclosure rate for self-declaration of an employee's: disability; sexual orientation; race/ethnicity; religion	30%	31%	17%

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, 10 are 'Green' and two are 'Amber'. This is different from the previous quarter where there were nine 'Green' measures, two 'Amber' and one 'Red'.
2. The previously rated 'Red' KPI was in relation to the employee disclosure rate for diversity details; this measure has now turned 'Green'. 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. A low rate in one of these characteristics pulls down the combined declaration percentage. The Q3 figure for this KPI was 17% which was significantly below the indicator level of 30%. The figure for Q4 is now 31% (+14%) with the disclosure rate for each of the four individual Protected Characteristics now being: 44% for Disability; 62% for Ethnic Origin; 41% for Sexual Orientation; and 33% for Religion/Belief (for Q3 these were: 32%; 50%; 28%; and 18% respectively). This increase is due to the completion of the first part of the plan to improve the level of employee disclosure across all diversity and inclusion characteristics.
3. This quarter, the 'Amber' rated KPIs are:
 - a. Rolling 12-month average number of calendar days lost due to sickness absence per FTE. The Q4 figure for this KPI is 16.4 calendar days, which is 1.4 calendar days above the indicator level of 15 calendar days per annum. This is a 0.9 calendar day increase on the Q3 figure. Further details are provided below.
 - b. The staff induction completion rate which fell from 90% in Q2 to 82% in Q3 and has stayed at the same level in Q4. The indicator is 90%. The induction completion rate in Children and Young People has fallen for the second consecutive quarter and is now at 71% (from 78% in Q3 and 93% in Q2). Following a fall in Adults and Health last quarter, the completion rate has improved to 83%.
4. The last staff Pulse Survey was undertaken in November 2021. The next Pulse Survey was undertaken in May 2022, therefore the five KPIs based on the Pulse Survey will be refreshed in Q1 2022/23.
5. Employee headcount has decreased slightly from 5,398 to 5,367, a fall of 31. Children and Young People decreased by 46 (1,355 in Q3 from 1,309 in Q4) mainly due to the continuing reconfiguring of the service.
6. Rolling annual turnover has remained within the indicator range but it has increased to 13% (12% in Q3). Rolling turnover for our two largest Directorates: Children, Young People and Learning; and Adults and Health, is 15.1% and 12.4% respectively (compared to 14.8% and 11.6% respectively last quarter).
7. As mentioned above, the rolling 12-month average number of calendar days sickness per FTE, which is our main indicator for sickness absence, has increased by 0.9 days and is above the indicator level of 15 calendar days per

annum for the second quarter running. There are two main reasons for this increase:

- i. like most organisations, the County Council experienced higher than normal absence due to Covid-19. Covid-19 sickness accounts for 3,647 absence days of the total sickness absence for Q4 (20,591). If Covid-19 sickness is excluded from the sickness absence figures then the rolling 12-month average number of calendar days sickness per FTE drops from 16.4 days to 15 days which is the top of the indicator range and would result in this KPI being rated as green.
 - ii. the 12-month rolling nature of this KPI where each new quarter replaces the same quarter from the previous year. This financial year, each new quarter has had higher sickness absence than its counterpart it is replacing, hence a steady increase to where it is now. We would generally expect a decrease going into Q1/Q2 (Spring/Summer) but the rolling 12-month figure will depend on whether it is comparable to or lower than the previous Q1 it is replacing.
8. After an increase in short-term sickness absence (<21 days) last quarter, the number of calendar days lost in Q4 has reduced (6,447 in Q4 from 6,956 in Q3). There has also been a small reduction in the long-term sickness absence (14,144 in Q4 from 14,388 in Q3).
 9. There has been a change in the top reason for short-term sickness absence, which is now Coronavirus from Respiratory, Cough, Cold, Flu last quarter. There has been no change in the top reason for long-term sickness which remains Anxiety, Stress, Depression, Mental Health.

Proposed amendments to KPIs on Our Council Plan

Existing Measure Description	Existing Baseline (date)	Existing 2022/23 Target	Existing 2023/24 Target	Existing 2024/25 Target
Percentage of care-leavers aged 19-21 who are in Employment, Education or Training	53% (Dec-21)	64%	64%	64%
Proposed Measure Description	Proposed Baseline (date)	Proposed 2022/23 Target	Proposed 2023/24 Target	Proposed 2024/25 Target
Percentage of care-leavers aged 17-21 who are in Employment, Education or Training	60% (Dec-21)	64%	64%	64%
<p>Business Case for Change The current measure is just covering 19- to 21-year-olds, who are in employment, education, or training. However, the DfE statutory return (Children Looked After SDSA903) also includes 17- and 18-year-olds. By including them within the measure, we will be able to provide a more accurate picture and a single, comparable view of our CYP who are in Employment, Education or Training (EET). This will allow us to focus on developing pathways for our CYP into EET in a more systematic and coordinated manner. We will also be able to demonstrate the impact of our interventions more readily. Whilst ONS figures cover 16–24 year-olds, this national data comes from the Labour Force Survey (LFS) focussing on those not in full time education, employment or training and is not directly comparable.</p>				

Existing Measure Description	Existing Baseline (date)	Existing 2022/23 Target	Existing 2023/24 Target	Existing 2024/25 Target
Percentage of safeguarding concerns that become a Section 42 enquiry.	53.45%	37%	37%	37%
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).	8.6% 2020/21	7%	6%	5%

Business Case for Change
 The current performance measure was added due to an issue with safeguarding triage. This has been corrected with an improved triage process and the introduction of the Safeguarding Hub. Since the Hub being implemented, the performance has been above the national average, but the service is confident in the decision-making process and proposes a focus on risk reduction. The new measure continues to inform the outcome to provide 'support to people when they need it' in Our Council Plan.

The proposed measure better aligns with adults' outcomes measures and can be benchmarked against other local authorities in the SEADASS group annually. The key measure is where the risk remains even after the section 42 enquiry has been concluded. This should be as low as possible. Risk reduced and risk removed will also be measured.

The SEADASS average is 8.8% (2019/20) and our proposed targets would take WSCC from a position above average with improvements to keep the council in the better performing cohort. (This supports the current Safeguarding Adults Collection (SAC). SAC is part of NHS Digital and hence customer facing. The SAC can also be benchmarked against other local authorities annually).

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Performance and Finance Scrutiny Committee

13 July 2022

Treasury Management Annual Report 2021/22

Report by Director of Law and Assurance

Summary

The attached report by the Director of Finance and Support Services provides the committee with details of the borrowing and investment activity during 2021/22 compared to the approved Treasury Management Strategy. It provides the outturn position for treasury activities and highlights compliance with approved County Council policies.

The Performance and Finance Scrutiny Committee has the responsibility to review and scrutinise Treasury Management policies and activities through regulatory and governance requirements.

Focus for scrutiny

The Committee is asked to scrutinise the content of the attached report. Key areas for scrutiny include:

- That the security of investments and borrowing activity complies with the approved Treasury Management Strategy,
- That there is compliance with approved County Council policies, and
- that the impact of national and local situations, including Covid-19, on future treasury management activities is being managed and monitored effectively.

If appropriate the Committee to make any relevant recommendations for action to the Cabinet Member for Finance and Property in relation to Treasury Management activity.

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

Details

The attached report sets out in detail the performance of Treasury Management for the year 2021/22. It highlights the cautious approach to investing which was followed due to the on-going covid-19 cashflow considerations. The report shows that all statutory and regulatory requirements were complied with including identifying and quantifying levels of risk associated with the treasury management activities.

As at the 31 March 2022 PWLB borrowing was £471.3m. There was no new borrowing during 2021/22 so total external debt remained within the "Authorised

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Borrowing Limit" approved by County Council in February. Internal borrowing fell by £6.3m to £21.3m.

The investment strategy was maintained with no breaches during 2021/22. The security of capital sums invested remained the primary objective of the strategy. As at 31 March 2022 the total County Council investment was £442.8m. Interest received during the year amounted to £2.6m which represents a return of 0.61%.

The background and context to this item for scrutiny are set out in the attached Annex. 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

Contact for Treasury Management Vicky Chuter, 033 022 23414

Annex Treasury Management Annual Report 2021/22
Appendices Appendix 1 – Prudential and Treasury Indicators (Compliance)
Appendix 2 – Investments held as at 31 March 2022

Background papers

None

Performance and Finance Scrutiny Committee

13 July 2022

Treasury Management Annual Report 2021/22

Report by Director of Finance and Support Services

Summary

The County Council is required by regulations issued under the Local Government Act 2003 to review an annual treasury management report detailing borrowing and investment activity (*as compared with the approved Treasury Management Strategy*) and actual prudential and treasury indicators for 2021/22 (*as contained within the approved Budget Report*). The attached report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) "Code of Practice on Treasury Management" (the Code) and the CIPFA "Prudential Code for Capital Finance in Local Authorities" (the Prudential Code).

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. The annual treasury management report is therefore important in that it provides details of the outturn position for treasury activities and highlights compliance with policies previously approved by County Council. Whilst the County Council has taken a cautious approach to investing in 2021/22 (due to ongoing Covid-19 cashflow considerations), it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extremely stressed market and economic conditions.

Treasury Management Strategy (2021/22)

The County Council has substantial amounts of borrowings and investments and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The County Council's risk procedures regarding its treasury management activities focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. Additionally, the County Council has regard to the Department for Levelling Up, Housing and Communities (DLUHC) "Investment Guidance" that:

- Emphasises the need for investments to focus on security and liquidity, rather than yield;
- Recommends that treasury management strategies include details of assessing credit risk;
- Details reasons for borrowing in advance of need (if appropriate); and

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- Details the use of treasury management advisors in undertaking treasury management activities.

Financial risks (including credit and liquidity risks) are minimised through compliance with the annual Treasury Management Strategy, which incorporates the prudential and treasury indicators, approved for 2021/22 by County Council in February 2021. During 2021/22 the County Council complied with all statutory and regulatory requirements which require officers to identify and where possible quantify the levels of risk associated with its treasury management activities. The County Council confirms the following borrowing and investment activity in 2021/22:

- **Borrowing:** At 31 March 2022 the County Council's PWLB borrowing (external borrowing for capital purposes) was £471.3m (£474.8m at 31 March 2021); £3.5m (plus interest) was repaid to the PWLB being the final repayment of the £70m borrowing taken during April 2011.
- No new external borrowing was arranged during 2021/22, consequently the County Council's total external debt remained within the "Authorised Borrowing Limit" approved by County Council in February 2021 and February 2022 (£667m, excluding PFI schemes and finance leases). As a result of the approved 2021/22 Capital Strategy and PWLB activity during the year, the County Council's level of internal borrowing (the use of internal resources in lieu of external borrowing) fell to £21.3m at 31 March 2022 (£27.6m at 31 March 2021).
- Interest payable to the PWLB during 2021/22 was £19.3m (£19.5m in 2020/21) at an average rate of 4.09%. Service contributions (£1.4m) relating to economic development projects and investment properties (purchased prior to April 2020) were received in meeting the revenue cost of borrowing. However, actual interest payable was £0.1m higher than the revised revenue budget at 31 March 2022; this overspend being funded through other year-end revenue underspends.
- Additionally, the County Council's treasury management strategy allows occasional short-term borrowing to cover day-to-day cash flow shortages. During 2021/22 no external borrowing was required for such occasions as they were funded either by way of overdraft facilities in place with the County Council's main provider of banking services (Lloyds Bank Plc) or met from balances held in the County Council's short-term Money Market Funds.
- **Investments:** The County Council's investment strategy was maintained by following the approved counterparty policy as set out in its Treasury Management Strategy for 2021/22. The Director of Finance and Support Services confirms that there were no breaches of the approved investment strategy during the period. Externally managed investments (pooled funds) continued to be approved to help mitigate the effects of ultra-low investment returns.
- Whilst the security of capital sums invested remained the primary objective for all of the County Council's internally managed investments, the importance of monitoring and updating daily cash flows continued to ensure that there were sufficient funds to meet all financial obligations (including those relating to Covid-19) as they arose; consequently high levels of liquid (instant access) cash balances were maintained throughout 2021/22.
- At 31 March 2022 the County Council's investments totalled £442.8m (£414.6m at 31 March 2021). Gross investment interest received during 2021/22 was £2.6m, representing a return of 0.61% on an average investment portfolio of £428.1m.

WSSC Average Investments	2020/21 £'m	2020/21 %	2021/22 £'m	2021/22 %
UK Government	0.0	0.0	14.0	3.3
UK Banks: Unsecured Deposits	60.7	14.9	66.9	15.6
UK Banks: Secured Deposits	10.0	2.5	10.0	2.3
Non-UK Banks: Unsecured	11.3	2.8	36.0	8.4
Non-UK Banks: Secured	0.0	0.0	7.1	1.7
Local Authority	159.8	39.2	111.9	26.1
Housing Associations	10.0	2.5	4.3	1.0
Money Market Funds	99.1	24.3	127.0	29.7
Externally Managed Pooled Funds	56.2	13.8	50.9	11.9
Total	407.1	100.0	428.1	100.0

Focus for Performance and Finance Scrutiny Committee

The Committee is asked to review and comment on the Treasury Management Annual Report.

Treasury Management Annual Report (2021/22)

1. Introduction

1.1 The County Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and report on the actual prudential and treasury indicators for 2021/22. This regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report therefore summarises the following:

- UK economic overview and interest rate movements during 2021/22 (*Section 2*)
- Capital activity during 2021/22 (*Section 3*)
- The County Council's overall treasury position (*Section 4*)
- Borrowing activity during the year (*Section 5*)
- Activity of treasury investments made under statutory "power to invest" provisions granted to the County Council by the Local Government Act 2003 (*Section 6*)
- Actual performance of treasury investments as compared with budgeted returns (*Section 7*)
- A schedule of non-treasury investments (*Section 8*)
- The actual prudential and treasury indicators (*Appendix 1*)
- List of the County Council's treasury investments as at 31 March 2022 (*Appendix 2*)

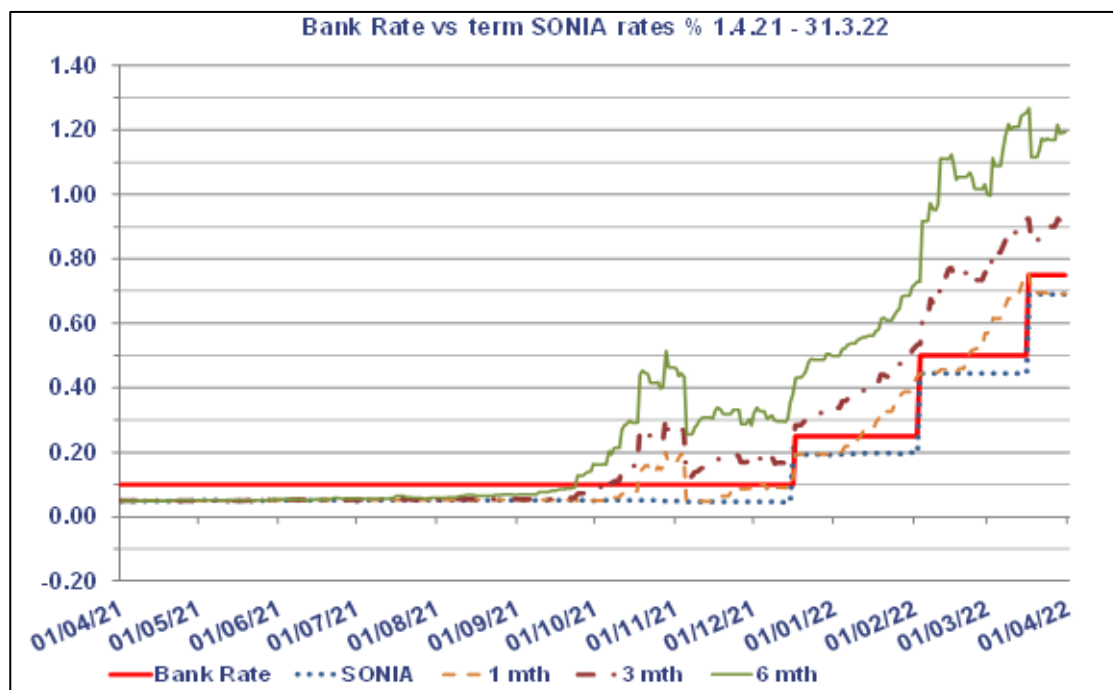
1.2 The County Council's Treasury Management Strategy for 2021/22, originally approved by County Council on 12 February 2021 (Agenda Item 7; Annex 2b) can be accessed on:

<https://westsussex.moderngov.co.uk/ieListDocuments.aspx?CId=136&MId=2317&Ver=4>

2. UK Economy and Interest Rates

- 2.1 Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world, leading to the governments of western countries providing massive fiscal support to their economies; which has resulted in a big increase in total government debt in each country. It is therefore very important that bond yields stay low while debt to Gross Domestic Product (GDP) ratios slowly subside under the impact of economic growth. This provides governments with a good reason to amend the mandates given to central banks to allow higher average levels of inflation than we have generally seen over the last couple of decades. Both the US Fed and Bank of England have already changed their policy towards implementing their existing mandates on inflation (and full employment) to hitting an average level of inflation.
- 2.2 At the outset of the Covid-19 pandemic (March 2020) the Bank of England took emergency monetary policy action and cut Bank Rate to 0.10%, and then leaving the rate unchanged at subsequent meetings whilst the UK economy endured several false dawns throughout the first half of 2021/22. As the year progressed however, and with most of the economy now opened-up and nearly back to business-as-usual (highlighted through robust GDP numbers), the Bank's Monetary Policy Committee (MPC) focus changed to tackling the spiralling effects of high inflation, which given the perfect storm of supply side shortages, labour shortages, commodity price inflation, the impact of Russia's invasion of Ukraine and subsequent Western sanctions all point to inflation being at elevated levels until well into 2023. By December 2021 it was clear that the emergency Bank Rate level introduced at the start of the pandemic was no longer necessitated. As a consequence, the Bank of England raised the Bank Rate at three consecutive MPC meetings; to 0.25% at its meeting in December 2021, to 0.50% at its meeting in February 2022 and then to 0.75% in March 2022.
- 2.3 The squeeze on real household disposable incomes arising from the 54% leap in April 2022 utilities prices as well as rises in taxation, water prices and many phone contract prices, are strong headwinds for any economy to deal with. Consequently, inflation will be a bigger drag on real incomes in 2022 than in any year since records began in 1955; resulting in both additional government support schemes and a further increase in the Bank Rate to 1% in May 2022.
- 2.4 **Investment Rates:** During 2021/22 the Bank of England and the UK Government maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the various lockdowns and negative impact on their cashflows; the Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the turn of the year when inflation concerns indicated central banks (not just the Bank of England) would need to lift interest rates to combat the effects of growing levels of inflation.
- 2.5 With the cessation of London Interbank Bid Rates (LIBID) at the end of December 2021, the County Council's treasury management advisor (Link Group) has provided the following analysis of the Sterling Overnight Index Average (SONIA) rate and average 1-month, 3-month and 6-month investment

earning rates throughout 2021/22. This analysis (shown below) highlights that all short-term deposit rates remained below Bank Rate during the first half of 2021/22, before initially spiking in late October 2021 (on market misconceptions that the Bank of England would increase Bank Rate at their November 2021 meeting) and then subsequently rising throughout the remainder of the year (reaching a high in March 2022) as the Bank Rate was increased to combat inflationary pressures:



Market Rates (2021/22)	Bank Rate	SONIA	One Month	Three Month	Six Month
HIGH	0.75%	0.69%	0.75%	0.93%	1.27%
High Date	17/03/22	18/03/22	16/03/22	28/03/22	17/03/22
LOW	0.10%	0.05%	0.05%	0.05%	0.05%
Low Date	01/04/22	15/12/21	10/11/21	14/04/21	09/04/21
AVERAGE	0.19%	0.14%	0.17%	0.24%	0.34%
Spread	0.65%	0.64%	0.70%	0.88%	1.22%

2.6 **Borrowing Rates:** Public Works Loan Board (PWLB) rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields; the PWLB Certainty Rate (which the County Council has access to) being gilts plus 0.80%. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Gilt yields fell sharply from the spring of 2021 through to September and then spiked back up before falling again through December. However, by January 2022 sentiment had well and truly changed, with gilt yields rising as markets became focussed on the embedded nature of inflation, spurred on by a broader opening of economies post the pandemic, and rising commodity and food prices resulting from the Russian invasion of Ukraine.

2.7 At the close of 31 March 2022 all gilt yields from 1 to 5 years were between 1.11% and 1.45%, while the 10-year and 25-year yields were at 1.63% and 1.84% respectively.

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- 2.8 As a consequence, a summary of PWLB borrowing rates for maturity loans (including the 0.2% Certainty Rate discount available to the County Council) during 2021/22 are shown below:

PWLB Rates (2021/22)	One Year	5-Years	10-Years	25-Years	50-Years
01/04/2021	0.80%	1.20%	1.73%	2.22%	2.03%
31/03/2022	1.91%	2.25%	2.43%	2.64%	2.39%
LOW	0.78%	1.05%	1.39%	1.67%	1.25%
Low Date	08/04/21	08/07/21	05/08/21	08/12/21	09/12/21
HIGH	2.03%	2.37%	2.52%	2.75%	2.49%
High Date	15/02/22	28/03/22	28/03/22	23/03/22	28/03/22
AVERAGE	1.13%	1.45%	1.78%	2.10%	1.85%
Spread	1.25%	1.32%	1.13%	1.08%	1.24%

- 2.9 There is likely to be a further rise in short-dated gilt yields and PWLB rates over the next three years as Bank Rate is forecast to rise from 1.00% in May 2022 to 1.50% later this year, with upside risk likely if the economy proves resilient in the light of the cost-of-living squeeze. Medium- to long-dated yields are driven primarily by inflation concerns but the Bank of England is also embarking on a process of Quantitative Tightening when Bank Rate hits 1%, whereby the Bank's £895bn stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is currently unknown and will be reported at a future point in time.

3. Capital Expenditure and Financing

- 3.1 The County Council undertakes capital expenditure on its long-term assets. Additionally, the capital programme includes schemes aimed at promoting economic development and growth (with any resulting income generation a subsidiary aim); such projects only being agreed when supported by approved business cases and subject to members' obtaining appropriate assurance regarding the security of capital sums involved.
- 3.2 All of the County Council's approved capital activities may either be:
- Financed immediately through the application of capital or revenue resources (including capital receipts, capital grants, external contributions, and revenue contributions) which has no resultant impact on the County Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need, which may be sourced either through external borrowing or internal borrowing (in lieu of external borrowing).
- 3.3 Actual capital expenditure and how this was financed in 2021/22 (as compared with the capital estimated spend approved in February 2022) is shown in the tables below:

Capital Expenditure	2021/22 Estimate (i) £'m	2021/22 Actual £'m
Adults Services	5.1	4.8
Children and Young People	1.9	0.5
Community Support, Fire and Rescue	3.1	7.2
Environment and Climate Change	4.9	2.9
Finance and Property	7.4	6.5
Highways and Transport	54.2	55.2
Leader	4.7	5.5
Learning and Skills	27.0	23.2
Support Services and Economic Development	2.3	6.2
Total Capital Expenditure (ii)	110.6	112.0

(i) As per the approved 2022/23 Treasury Management Strategy.

(ii) Capital expenditure arising from approved economic development projects included within above service totals.

Capital Financing	2021/22 Estimate £'m	2021/22 Actual £'m
Capital Receipts	-1.3	-12.0
Government Grants (including LEP funding)	-87.0	-79.1
External Contributions (including S106)	-12.5	-11.5
Revenue Contributions to capital outlay	-3.8	-6.4
Borrowing (unfinanced capital expenditure)	-6.0	-3.0
Total Financing	-110.6	-112.0

3.4 Actual capital expenditure forms one of the prudential indicators required by the Chartered Institute of Public Finance and Accountancy (CIPFA) Codes. A summary of the County Council's prudential and treasury indicators (as approved within 2021/22 treasury management strategy; and revised within the 2022/23 treasury management strategy) are reported at **Appendix 1**.

4. Overall Treasury Position

4.1 Investment returns remained close to zero for much of 2021, before starting to pick in the final quarter of the year as the Bank Rate increased (paragraph 2.2). County Council lending managed to avoid negative deposit rates during 2021/22, however one feature of the year was the continued growth of local authority cash balances (including the County Council) depressing investment rates on the local-to-local lending market (paragraph 2.4). The County Council's expectation for interest rates within the approved treasury management strategy was that Bank Rate would remain at 0.1% throughout the year; and as such investment balances were either held in ultra-low yielding fixed-term (up to a maximum of 12-months) bank deposits and loans with other local authorities, and instant access Money Market Funds. The County Council began unwinding this position during the last quarter of 2021/22 by replacing maturing investments with higher yielding short-term deposits and loans. However, given the resulting nature of the County Council's investment portfolio, it is not expected that all ultra-low deposits and loans will be fully unwound until the second half of 2022/23.

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- 4.2 Additionally, given the continued environment of high local authority cash balances and ultra-low investment returns, new external borrowing required to finance the County Council's approved capital programme was deferred into future financial years to avoid the additional cost of holding even higher levels of investments in 2021/22 (the County Council's internal borrowing strategy). As a consequence, at the beginning and the end of 2021/22 the County Council's actual treasury positions (excluding borrowing by PFI and finance leases) were as follows:

Borrowing (Excluding PFI and Finance Leases)	31/03/21 Actual £'m	31/03/22 Actual £'m
Borrowing Requirement	507.9	498.6
Less: Long-Term Debt (PWLB)	-474.8	-471.3
Less: Short-Term Debt (Non-PWLB) - <i>Paragraph 4.4</i>	-5.5	-6.0
Internal Borrowing	27.6	21.3

Investments	31/03/21 Actual £'m	31/03/22 Actual £'m
Total Investments	414.6	442.8

- 4.3 Throughout 2021/22 the County Council continued to hold cash on behalf of the Chichester Harbour Conservancy (CHC) as part of the Harbour's own investment strategy. This is presented as short-term debt on the County Council's Balance Sheet as the amount is available for repayment on any given notice.
- 4.4 The movement in the County Council's internal borrowing during 2021/22 is detailed below:

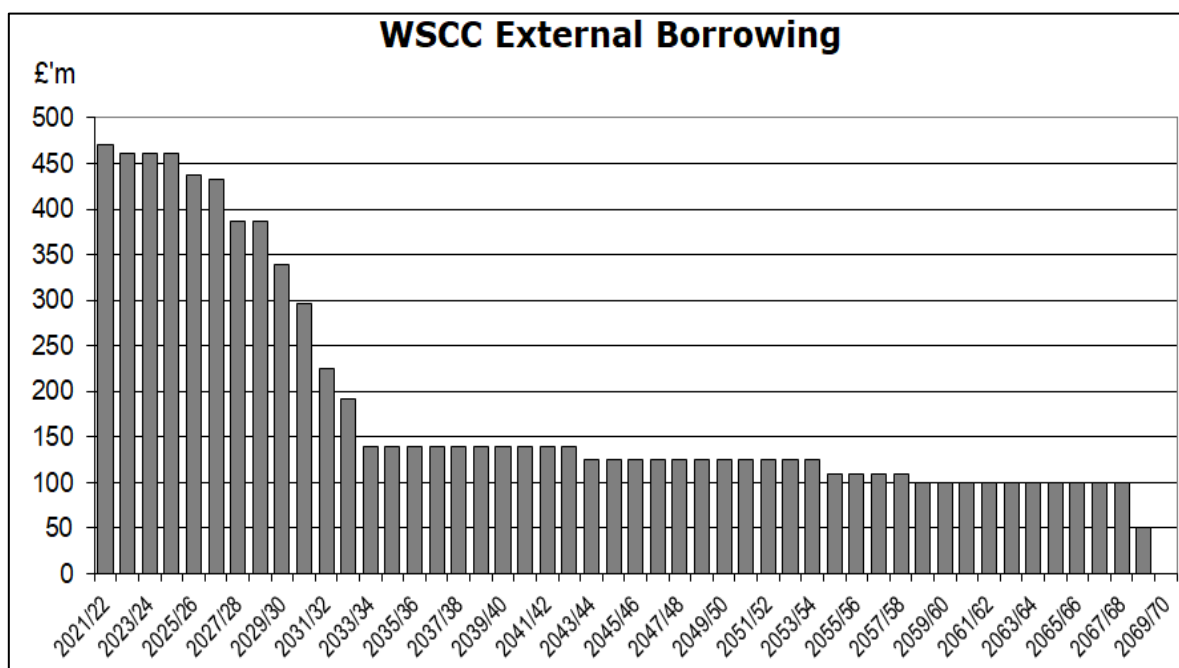
Internal Borrowing Movement	£'m
Internal Borrowing (at 31 March 2021)	27.6
Capital expenditure (<i>to be funded through borrowing</i>)	3.0
Repayment of PWLB Debt (EIP Loans)	3.5
Short-Term Debt (<i>movement</i>)	-0.5
Revenue Provision for Repayment of Debt	-12.3
Internal Borrowing (at 31 March 2022)	21.3

- 4.5 Total investments as reported in paragraph 4.2 (and throughout this report) differ slightly from the totals presented in the County Council's Financial Statements. Tables contained within this Annual Report exclude technical accounting entries made in accordance with International Financial Reporting Standards (IFRS) that require investments be shown inclusive of accrued interest and expected credit losses (where appropriate) on the County Council's Balance Sheet.

5. Borrowing

- 5.1 As reported in Section 4, no new external long-term borrowing for capital purposes was undertaken during 2021/22. £3.5m (plus interest) was however repaid to the Public Works Loan Board (PWLB) being final repayment of the £70m borrowing taken during April 2011.

- 5.2 As a consequence the County Council’s total external borrowing at 31 March 2022 (the funding of previous years’ capital programmes; all arranged via the PWLB) including the loan undertaken on behalf of the Littlehampton Harbour Board in March 2015 (all related costs recoverable from the Harbour Board) was £471.3m (£474.8m at 31 March 2021) with the following maturity profile:



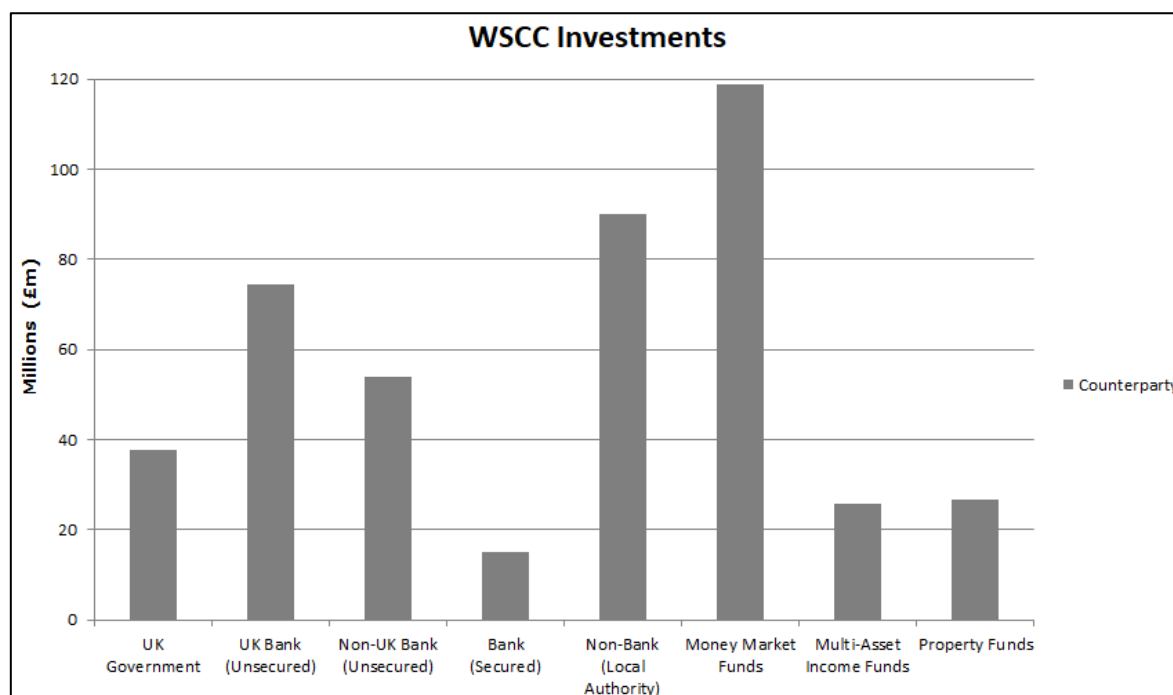
- 5.3 The originally approved “Interest Payable” Revenue Budget (£17.8m) was supplemented in 2021/22 by the inclusion of service contributions towards the cost of borrowing in respect of investment property and Your Energy Sussex initiatives (£1.4m), as shown below:

Interest Payable: Budget (2021/22)	£'m
Approved Budget (February 2021)	17.8
Services Contributions – Investment Property	0.9
Services Contributions – Your Energy Sussex	0.5
Revenue Budget 2021/22 (Interest Payable)	19.2

- 5.4 Interest payable to the PWLB relating to the County Council’s long-term borrowing amounted to £19.3m in 2021/22 (£19.5m in 2020/21); representing an average interest rate of 4.09%. Actual interest payable was therefore £0.1m higher than the revised 2021/22 Revenue Budget (as shown above); which was funded from various revenue underspends at 31 March 2022.
- 5.5 Given the significant borrowing requirement that remains approved within the County Council’s capital programme, the Director of Finance and Support Services continues to evaluate alternative funding sources to the PWLB; including forward starting commercial loans whereby the interest rate is agreed in advance (fixed in context with current rates) but the cash is received in later years. The arrangement of such debt would therefore enable certainty of cost to be achieved without suffering an investment ‘cost of carry’ in the intervening period. As at 31 March 2022 however, no such forward starting loans had been arranged.

6. Investments (Treasury)

- 6.1 The County Council's investment policy has regard to DLUHC investment guidance, and is implemented through the County Council's "Annual Investment Strategy" (as contained within the approved 2021/22 Treasury Management Strategy); all treasury investments were made under statutory provisions granted to the County Council by the Local Government Act 2003 (Section 12; 'Power to Invest').
- 6.2 DLUHC Investment Guidance governs that the security and liquidity of the County Council's internally managed investments remained primary investment objectives. The County Council's investment strategy therefore approved limits regarding the monetary amounts and time durations of deposits arranged with individual counterparties. Additionally the strategy required that internally managed investments were not made with organisations unless they met identified minimum credit criteria; in particular counterparty credit quality was assessed and monitored with reference to credit ratings as provided by the three main credit rating agencies, supplemented by additional market data (including credit default swap prices, bank share prices and general media alerts).
- 6.3 The County Council defined 'high credit quality' as institutions and securities having a long-term credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher (non-UK banks holding a credit rating of A+ or higher). The 2021/22 investment strategy further approved investments in the National Westminster Bank Plc (ring-fenced part of the bank) up to a maximum of one year given the part nationalised status of the bank.
- 6.4 Throughout 2021/22 the County Council complied with all of the relevant statutory and regulatory requirements related to its treasury management activities. The Director of Finance and Support Services confirms that there were no breaches of the approved Treasury Management Strategy (including the Annual Investment Strategy) as set out above.
- 6.5 During 2021/22 the County Council continually monitored its cash flow positions to ensure that there were sufficient funds to meet all financial obligations (including those relating to Covid-19) as they arose and therefore maintained a cautious approach to investing. Internally managed investments in 2021/22 were arranged either through approved London money market brokers or by direct dealing with the relevant counterparty. Corporate bonds, covered bonds and certificate of deposits were held via a HSBC custodian service administered by King and Shaxson Ltd. Additionally, investments arranged with other UK local authorities were protected by statutory provisions set out in the Local Government Act 2003 that prevent default; due to these statutory provisions local authorities were viewed as similar to the UK Government.
- 6.6 At 31 March 2022 the County Council's investments amounted to £442.8m as compared with £414.6m as at 31 March 2021. The full list of County Council investments held at 31 March 2022 (£442.8m) is shown in **Appendix 2**. Additionally a breakdown of the County Council's investments by counterparty type at this point in time is shown below:



6.7 At 31 March 2022 the County Council continued to hold high liquid (instant access) cash balances in accordance with the cautious investment approach taken throughout 2021/22. Reasons for the high cash balances included the ongoing uncertainty on future cash flows (including the timing of when unspent Covid-19 grant funding would be fully utilised), additional capital grants received over the last couple of years but not applied in 2021/22, the approved 2022/23 employers pension contributions lump-sum settlement (£48m) due in early April 2022, and holding cash to take advantage of expected higher deposit rates on the back of forecast increases to the level of Bank Rate during the remainder of 2022. Additionally, during the second half of 2021/22 short-term deposits with banks and building societies were favoured when compared with equivalent duration loans with other local authorities, due to the lower rates being offered in the local-to-local lending market.

6.8 The cash movement in the County Council's internally managed investments during 2021/22 is shown below:

Investment Activity in 2021/22	Balance on 1st April £'m	Investments Made £'m	Investments Sold £'m	Balance on 31st March £'m
UK Government	0.0	111.1	-73.5	37.6
Banks: Secured Deposits	10.0	15.1	-10.0	15.1
UK Banks: Unsecured Deposits	61.3	177.0	-163.7	74.6
Non-UK Banks: Unsecured	15.0	54.0	-15.0	54.0
Local Authority	130.0	90.0	-130.0	90.0
Housing Associations	10.0	0.0	-10.0	0.0
Money Market Funds	150.0	836.8	-867.9	118.9
Total (Internally Managed)	376.3	1,284.0	-1,270.1	390.2
Multi-Asset Income Funds	15.3	12.0	-1.5 (i)	25.8
Property Funds	23.0	3.8 (i)	0.0	26.8
Total Investments	414.6	1,299.8	-1,271.6	442.8

(i) Unrealised gains/losses(-) in fund valuations at 31 March 2022.

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- 6.9 **Credit Risk:** In demonstrating compliance with the County Council’s creditworthiness policy (as contained within the approved 2021/22 “Annual Investment Strategy”) the movement in the County Council’s investment portfolio (actual cash position) by the credit rating of the financial institution, or the credit rating of the specific investment (for example covered bonds) if higher than the individual counterparty rating, is shown below:

Institution / Investment Credit Rating	Mar-21 £'m	Jun-21 £'m	Sep-21 £'m	Dec-21 £'m	Mar-22 £'m
AAA (i)	160.0	97.5	162.8	134.8	134.0
AA-	15.0	15.0	39.8	50.0	77.4
A+	46.3	44.7	34.7	44.2	44.3
A	15.0	15.0	30.0	29.5	44.5
A-	10.0	10.0	0.0	0.0	0.0
Local Authority (No Rating)	130.0	145.0	115.0	90.0	90.0
Internally Managed	376.3	327.2	382.3	348.5	390.2
Externally Managed	38.3	51.2	51.4	52.5	52.6
Total Investments	414.6	378.4	433.7	401.0	442.8

(i) Includes short-term Money Market Funds and Covered Bonds.

- 6.10 Furthermore, the 2021/22 treasury management strategy approved that a maximum of £90m may be invested in non-UK organisations (excluding investments held in short-term Money Market Funds and externally managed Pooled Funds); with a maximum of £30m invested in any one sovereign (non-UK) state. The County Council’s investment portfolio split by sovereign is shown below:

Deposits by Sovereign	Mar-21 £'m	Jun-21 £'m	Sep-21 £'m	Dec-21 £'m	Mar-22 £'m
Australia	15.0	15.0	24.3	24.3	24.3
Canada	0.0	0.0	24.9	24.9	14.9
Finland	0.0	0.0	9.9	9.9	9.9
Netherlands	0.0	0.0	0.0	10.0	10.0
Internally Managed	15.0	15.0	59.1	69.1	59.1
UK (including Local Authority)	211.3	224.7	185.5	169.7	212.2
Money Market Funds	150.0	87.5	137.7	109.7	118.9
Externally Managed Funds	38.3	51.2	51.4	52.5	52.6
Total Investments	414.6	378.4	433.7	401.0	442.8

- 6.11 Counterparty credit quality can be further demonstrated by a benchmarking analysis of the County Council’s investment portfolio (*excluding the County Council’s multi-asset income and property fund investments*) undertaken by the County Council’s treasury management advisor-Link Group (Link Asset Services):

Benchmarking Date: 31 March 2022	Weighted Average Rate of Return	Weighted Average Time to Maturity (days)	Weighted Average Total Time (days)	Weighted Average Credit Risk
Link Client Population Average	0.44%	74	143	2.93
English Counties (Link Clients)	0.49%	107	208	2.68
West Sussex County Council	0.45%	80	189	2.10

- 6.12 The Link Asset Services weighted average credit risk score ranges between 1 (low credit risk) to 7 (high credit risk). The analysis reflects the cautious investment approach adopted by the County Council throughout 2021/22; resulting in performance to be broadly in line with the average of Link clients as a whole.
- 6.13 **Liquidity Risk:** As required by the CIPFA Code of Practice, the County Council uses purpose built cash flow forecasting software (SAP Treasury Management Module) to determine the maximum period for which funds may prudently be invested. The maturity profile (based on remaining duration at given point in time) of the County Council investments throughout 2021/22 is shown below:

Period to Maturity	Mar-21 £'m	Jun-21 £'m	Sep-21 £'m	Dec-21 £'m	Mar-22 £'m
Instant Access Accounts	151.8	87.7	138.2	109.7	119.0
Up to one month	10.0	15.0	10.0	35.0	57.5
One month to 3 months	15.0	89.5	60.0	65.0	73.8
3 months to 6 months	89.5	40.0	85.0	48.8	99.9
6 months to 1 year	100.0	85.0	89.1	90.0	40.0
Greater than 1 year	48.3	61.2	51.4	52.5	52.6
Total Investments	414.6	378.4	433.7	401.0	442.8

- 6.14 **Short-term Borrowing (for cash flow purposes):** The County Council has ready access to short-term borrowings from the money markets to cover any day-to-day cash flow needs. During 2021/22 however, daily cash flow shortages were funded either by way of overdraft facilities in place with the County Council's main provider of banking services (Lloyds) or met from balances held in the County Council's instant access Money Market Funds.

7. Investment Performance

- 7.1 The County Council's budgeted investment income as approved in the 2021/22 Revenue Budget amounted to £3.0m; in line with the amount approved in 2020/21 (pre-Covid-19 implications). The actual forecast reported in the 2021/22 treasury management strategy was based on £320m cash balances being available for investment, and Bank Rate remaining 0.10% throughout the year, resulting in the County Council receiving investment income totalling £2.1m; representing an average 0.66% return given the higher yielding long-term investments held by the County Council. Additionally, the investment income forecast included an estimate of £0.3m in respect of interest payable to internal and external reserve balances held by the County Council; including school accumulating funds, PFI/MRMC reserves and cash held on behalf of the Chichester Harbour Conservancy.
- 7.2 As a consequence, the County Council originally forecast a £1.2m investment income shortfall against the approved Revenue Budget (£3m). This was due to the ongoing impact of the Bank of England's monetary policy decisions at the outset of the pandemic. Originally this anticipated shortfall due to the uncertainty on future returns arising from the pandemic was to be funded either from a contribution from the interest smoothing reserve or from the un-ringfenced Covid-19 grant:

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Investment Income (2021/22)	£'m
Original gross forecast: Interest receipts (February 2021)	2.1
Interest payable (internal/external balances held)	-0.3
Contribution from Covid-19 Government Grant	1.2
Investment Income (Revenue Budget)	3.0

- 7.3 During 2021/22 the County Council actually maintained average investment balances of £428.1m (as compared with the £320m original estimate); slightly higher than average balances held throughout 2020/21 (£407.1m). At 31 March 2022 the County Council's gross investment income amounted to £2.6m (£3.1m in 2020/21) at an average rate of return of 0.61%. In accordance with the approved Treasury Management Strategy performance can be shown by three separate investment types representing liquidity, short-term investments (up to one year duration) and long-term investments (greater than one year). The performance of these investment types during 2021/22 is shown below:

Investment Type	Average £'m	Interest £'m	Rate of Return
Liquidity	127.4	0.1	0.05%
Short-Term Investments	232.5	0.5	0.23%
Long-Term Investments	68.2	2.0	2.96%
Total	428.1	2.6	0.61%

- 7.4 In line with forecasts, £0.3m interest was paid to third parties and other internal balances held by the County Council during 2021/22. As a result the actual performance of investment income throughout 2021/22 as compared against the revised Revenue Budget forecast (paragraph 7.3) is summarised below:

Interest Receipts (2021/22)	£'m
Expected Gross Interest Receipts	2.1
Higher average investment portfolio than assumed (at 0.66%)	0.7
Lower rate of return than revised budgeted rate (-0.05%)	-0.2
Actual Interest Received	2.6
Interest paid to third parties and internal reserves	-0.3
Contribution from Covid-19 Government Grant	1.2
Investment Income (2021/22)	3.5
Revenue Budget 2021/22 (Paragraph 7.1)	3.0
Additional Interest/Shortfall(-)	0.5

- 7.5 The Director of Finance and Support Services approved holding the 2021/22 investment income surplus in the Interest Smoothing Reserve to mitigate future market value fluctuation risks on the County Council's long-term pooled investment funds. As a consequence, the Interest Smoothing reserve balance at 31 March 2022 totalled £2.8m (£2.3m at 31 March 2021).
- 7.6 **Externally Managed Pooled Funds:** At 31 March 2022 the County Council held investments within the following pooled funds, all of which being confirmed signatories to the UN's Principles of Responsible Investment (UNPRI). This includes an additional £12m investment into the Council's Multi-Asset Income

Funds (Fidelity and Ninety-One; £6m per fund) which was approved by the Director of Finance and Support Services during the first quarter of 2021/22:

Fund	Type	Original Investment	Market Valuation (31/03/21)	Additional Investment (2021/22)	Market Valuation (31/03/22)
Fidelity	MAIF	£7.5m	£7.8m	£6.0m	£13.0m
Ninety-One	MAIF	£7.5m	£7.5m	£6.0m	£12.8m
CCLA	Property	£10.0m	£9.4m	n/a	£11.1m
Hermes	Property	£10.0m	£9.1m	n/a	£10.6m
Lothbury	Property	£5.0m	£4.5m	n/a	£5.1m

7.7 An overview of the investment activity in the County Council's externally managed pooled funds (including ultra-short dated bond funds) during 2021/22 is shown below:

Fund	Invested (£'m)	Sold (£'m)	Unrealised Gains / Losses (-) (£'m)	Market Valuation 31/03/22 (£'m)	Dividends & Realised Gains (£'000)	Rate of Return (%)
Fidelity	6.0	0.0	-0.8	13.0	563.3	4.44
Ninety-One	6.0	0.0	-0.7	12.8	461.6	3.58
CCLA	0.0	0.0	1.7	11.1	365.7	3.66
Hermes	0.0	0.0	1.5	10.6	341.2	3.42
Lothbury	0.0	0.0	0.6	5.1	127.8	2.56
Total	12.0	0.0	2.3	52.6	1,859.6	3.65

7.8 The County Council's investments in Property Funds (paragraphs 7.6 and 7.7) are valued on an ongoing basis at the "bid/redemption price"; the price at which units can be sold back to the fund manager. The resulting market valuation of the County Council's total externally managed pooled fund investments at 31 March 2022 (£52.6m) is higher than the original invested amounts (£52.0m). Statutory regulations in force however currently mean that the County Council accounts for the impact of unrealised pooled fund gains and losses (£0.6m total unrealised gain) through a Pooled Investment Funds reserve held on the Balance Sheet.

8. Non-Treasury Investments

8.1 A schedule of the County Council's non-treasury investments is attached below:

Non-Treasury (Commercial) Activity	2020/21 £'m	2021/22 £'m
Historic Investment Property (i)	34.1	33.2
Broadbridge Heath Park	1.4	4.7
Churchill Court, Crawley (Commercial Property)	11.4	11.4
City Park, Hove (Commercial Property)	23.7	26.3
Horsham Enterprise Park	17.0	15.6
Solar Panels (Installed from 2014/15)	7.7	7.9
Sompting Battery Storage (Halewick Lane)	0.3	0.7
Tangmere Solar Farm	7.3	9.3
Westhampnett Solar Farm	12.7	21.5
Total Non-Treasury Investments	115.6	130.6

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(i) *As per the County Council's 2021/22 draft Balance Sheet; including smallholdings and other land/properties held for investment return.*

8.2 During 2021/22 rental income totalling £2.3m in respect of the County Council's investment property (£2.4m in 2020/21) and £2.7m income generated by solar farms and other Your Energy Sussex schemes (£1.6m in 2020/21) were both recognised in the County Council's revenue budgets (as reported in the 2021/22 Statement of Accounts).

9. Risk Implications and Mitigations

Covered in main body of report.

Katharine Eberhart

Director of Finance and Support Services

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Background Papers: None

Prudential and Treasury Indicators (Compliance)

1 Gross Debt and the Capital Financing Requirement

1.1 In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the County Council should ensure that its gross external debt does not, except in the short-term if borrowing in advance of need has been approved, exceed the total of the 2021/22 Capital Financing Requirement plus the estimates of any additional Capital Financing Requirement for 2022/23 and the next two financial years; this essentially demonstrates that the County Council is not borrowing to support revenue expenditure. The table below shows that at 31 March 2022 the County Council's gross external debt has not exceeded its Capital Financing Requirement:

Prudential Indicators -Capital (i)	Estimate 2021/22 £'m	Actual 31 Mar 22 £'m
Capital Expenditure (2021/22)	110.6	112.0
Capital Financing Requirement	590.7	586.9
Gross External Debt; including short/long-term Borrowing, PFI and Finance Leases	566.3	565.6

(i) Revised estimates for 2021/22 Prudential Indicators approved as part of the 2022/23 Budget - incorporated in 2022/23 Treasury Management Strategy Statement (TMSS) approved February 2022.

2 Authorised Limit and Operational Boundary for External Debt

2.1 The Authorised Borrowing Limit is a statutory limit determined under Section 3 of the Local Government Act 2003 (referred to in the legislation as the "Affordable Limit"). This limit sets the maximum level of external debt on a gross basis (excluding all investments) for the County Council. It is measured on a daily basis against all external debt items on the County Council's Balance Sheet, including:

- Long-term borrowing
- Short-term borrowing
- Overdrawn bank balances
- Other long-term liabilities (PFI / Finance Leases)

Authorised Borrowing Limit	Estimate 2021/22 £m (22/23 TMSS)	Actual 31 Mar 22 £'m
External Borrowing (Capital)	532.0	471.3
External Borrowing (CHC)	6.0	6.0
External Borrowing (Cashflow)	40.0	0.0
PFI Schemes & Finance Leases	89.0	88.3
Authorised Borrowing Limit	667.0	565.6

2.2 The Operational Boundary (borrowing limit) links directly to the County Council's estimates of the Capital Financing Requirement and represents the expected borrowing position of the County Council that is required to meet its

capital spending plans. This indicator therefore excludes the additional £40m headroom included within the Authorised Limit approved to cover exceptional (short-term) cash flow movements. Periods where the actual borrowing position is either above or below boundary are acceptable subject to the Authorised Limit not being breached.

Operational Boundary	Estimate 2021/22 £m (22/23 TMSS)	Actual 31 Mar 22 £'m
External Borrowing (Capital)	471.3	471.3
External Borrowing (CHC)	6.0	6.0
PFI Schemes & Finance Leases	89.0	88.3
Operational Borrowing Limit	566.3	565.6

2.3 The County Council confirms that there were no breaches of the Authorised Borrowing Limit during 2021/22.

3 Ratio of Financing Costs to Net Revenue Stream

3.1 This indicator identifies the trend in the corporately funded cost of capital (excluding costs met from economic development schemes) against the net revenue stream.

Financing Costs	Estimate 2021/22 £m (22/23 TMSS)	Actual 31 Mar 22 £'m
Capital Financing Costs	31.7	31.7
Finance Leases: Corporate Contribution	0.0	0.2
Less: Economic Development Schemes (costs)	-2.4	-2.4
Total (excluding Economic Development initiative and PFI/Finance Leases)	29.3	29.5
Net Revenue Expenditure	624.8	619.1
% Ratio	4.7%	4.8%

4 Upper Limits for Fixed and Variable Interest Rate Exposure

4.1 This indicator allows the County Council to manage the extent to which it is exposed to changes in interest rates; the County Council calculates these limits on principal outstanding borrowed sums. The upper limits for variable interest rate exposure have been set with regard to current economic forecasts, to ensure that the County Council is not exposed to interest rate rises which could adversely impact the revenue budget.

Interest Rate Exposure	Approved Limits 2021/22	Actual Position 31 Mar 22
Maximum % Borrowing at Fixed Rates	100%	99%
Maximum % Borrowing at Variable Rates	25%	1%

4.2 The County Council confirms that there were no breaches of these limits during 2021/22.

5 Maturity Structure of External Borrowing

5.1 This indicator highlights the existence of any large concentrations of external debt needing to be replaced at times of uncertainty over interest rates, and is designed to protect against excessive exposures to interest rate changes in any one period, in particular over the course of the next ten years.

Maturity Structure	Lower Limit 2021/22 (%)	Upper Limit 2021/22 (%)	Actual Borrowing 31-Mar-22 (£'m)	Actual Borrowing 31-Mar-22 (%)
Over 30 Years	0%	40%	125.0	26%
Over 25 to 30 Years	0%	25%	0.0	0%
Over 20 to 25 Years	0%	25%	15.0	3%
Over 15 to 20 Years	0%	25%	0.0	0%
Over 10 to 15 Years	0%	50%	84.8	18%
Over 5 to 10 Years	0%	60%	207.7	44%
Over 1 to 5 Years	0%	35%	28.8	6%
Under 12 Months (i)	0%	25%	16.0	3%
Total	n/a	n/a	477.3	100%

(i) Includes short-term (non-PWLB) borrowing.

5.2 The County Council confirms that there were no breaches of these limits during 2021/22.

6 Upper Limit for Principal Sums Invested over 365 Days

6.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the County Council having to seek early repayment of the sums invested.

	Upper Limit 2021/22	Actual Position 31 Mar 22
Maximum invested for longer than a year (£)	£100m	£62.6m

6.2 The above limit reports on investments with expected maturities in excess of one year on commencement of the investment. This limit may therefore differ to the "greater than one year" investment total shown in paragraph 6.13 of the Annual Report which details the remaining period until actual maturity dates. The County Council confirms that there were no breaches of this limit during 2021/22.

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Investments held with counterparty's approved within the County Council's 2021/22 Treasury Management Strategy (together with prevailing credit ratings and maximum monetary and duration limits) at 31 March 2022, are set out below:

Total Investments for period = £442.8m

Table 1: Banks (Secured) – Total £15.1m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Nationwide Building Society (Covered Bond)	AAA	£25m	10 Years	02/08/19	02/08/22	1,096	124	0.962%	£10.0m
Westpac Banking Corp. (Australia)	AAA	£25m	10 Years	12/07/21	30/06/22	353	91	0.131%	£5.1m

Table 2: UK Banks (Unsecured) – Total £74.6m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Goldman Sachs International Bank	A+	£15m	1 Year (i)	04/02/22	04/08/22	181	126	1.020%	£15.0m
Handelsbanken Plc: 35-Day Notice Account	AA-	£15m	1 Year	n/a	n/a	n/a	n/a	0.240%	£15.0m
Lloyds Bank Plc: Business Accounts	A+	£15m	1 Year	n/a	n/a	n/a	n/a	0.000%	£0.1m
Lloyds Bank Corporate Markets Plc	A	£15m	6 Months	03/12/21	01/06/22	180	62	0.265%	£14.5m
National Westminster Bank Plc	A	£15m	1 Year	03/08/21	03/08/22	365	125	0.160%	£5.0m
National Westminster Bank Plc	A	£15m	1 Year	04/02/22	03/02/23	364	309	1.000%	£10.0m
Santander UK Plc	A	£15m	6 Months	10/01/22	11/04/22	91	11	0.280%	£15.0m

- (i) *The 2021/22 Treasury Management Strategy approves investment durations up to a maximum of one year for unsecured deposits in UK Banks holding an A+ long-term credit rating. However, given Goldman Sachs International Bank's elevated CDS price (in comparison with other approved UK banks) the County Council currently only considers deposits up to a maximum six month duration; in line with recommended exposure limits received from Link Group (Link Asset Services).*

Table 3: Non-UK Banks (Unsecured) – Total £54.0m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Australia and New Zealand Bank (Australia)	A+	£15m	1 Year	22/04/21	22/04/22	365	22	0.140%	£5.0m
Australia and New Zealand Bank (Australia)	A+	£15m	1 Year	22/07/21	22/07/22	365	113	0.200%	£5.0m
Australia and New Zealand Bank (Australia)	A+	£15m	1 Year	21/01/22	20/01/23	364	295	0.970%	£5.0m
Cooperatieve Rabobank (Netherlands)	A+	£15m	1 Year	03/11/21	03/11/22	365	217	0.625%	£10.0m
National Australia Bank (Australia)	A+	£15m	1 Year	05/08/21	27/06/22	326	88	0.145%	£4.2m
Nordea Bank (Finland)	AA-	£15m	1 Year	21/09/21	21/09/22	365	174	0.175%	£9.9m
Toronto-Dominion Bank (Canada)	AA-	£15m	1 Year	16/08/21	12/08/22	361	134	0.155%	£10.0m
Toronto-Dominion Bank (Canada)	AA-	£15m	1 Year	15/09/21	13/09/22	363	166	0.195%	£4.9m

Table 4: Short-Term Money Market Funds – Total £118.9m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Aberdeen Standard Sterling Liquidity Fund	AAA	£25m	Note (iii)	n/a	n/a	n/a	n/a	0.507%	£25.0m
Blackrock Sterling Liquidity Fund	AAA	£25m	Note (iii)	n/a	n/a	n/a	n/a	0.534%	£25.0m
Federated (UK) Sterling Liquidity Fund	AAA	£21m (ii)	Note (iii)	n/a	n/a	n/a	n/a	0.506%	£20.0m
Goldman Sachs Sterling Liquidity Fund	AAA	£25m	Note (iii)	n/a	n/a	n/a	n/a	0.482%	£25.0m
State Street (SSgA) Sterling Liquidity Fund	AAA	£23.9m (ii)	Note (iii)	n/a	n/a	n/a	n/a	0.512%	£23.9m

(ii) Maximum monetary limit calculated as 0.5% of the Fund's total Assets Under Management (AUM).

(iii) No defined maturity periods for short-term Money Market Funds; withdrawals based on cash flow liquidity requirements.

Table 5: UK Government Backed Securities – Total £37.6m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Debt Management Account Deposit Facility	AA-	Unlimited	50 Years	07/03/22	22/04/22	46	22	0.495%	£27.5m
UK Gilts (HM Treasury)	AA-	Unlimited	50 Years	05/10/21	07/09/22	337	160	0.180%	£10.1m

Table 6: UK Local Authorities – Total £90.0m

Counterparty	Credit Rating	Monetary Limits	Duration Limits	Start Date	Maturity Date	No. of Days	Days to Maturity	Interest Rate	Amount
Blackpool Council	n/a	£25m	20 Years	29/10/21	28/10/22	364	211	0.100%	£5.0m
Brent Council	n/a	£25m	20 Years	04/03/22	24/06/22	112	85	0.750%	£10.0m
Enfield Council	n/a	£25m	20 Years	28/02/22	27/02/23	364	333	1.300%	£10.0m
Haringey Council	n/a	£25m	20 Years	11/03/22	12/09/22	185	165	0.850%	£10.0m
Plymouth City Council	n/a	£25m	20 Years	19/04/21	14/04/22	360	14	0.260%	£10.0m
Plymouth City Council	n/a	£25m	20 Years	06/05/21	06/05/22	365	36	0.120%	£5.0m
Slough Borough Council	n/a	£25m	20 Years	28/05/21	27/05/22	364	57	0.150%	£5.0m
Southwark Council	n/a	£25m	20 Years	28/02/22	31/05/22	92	61	0.750%	£15.0m
Thurrock Council	n/a	£25m	20 Years	04/08/21	04/08/22	365	126	0.220%	£10.0m
Thurrock Council	n/a	£25m	20 Years	01/10/21	30/09/22	364	183	0.250%	£10.0m

Table 7: Pooled Funds (Externally Managed) – Total £52.6m

Counterparty	Monetary Limits	Duration Limits	Start Date	No. of Days	Invested Amount	Income (Total)	Income (2021/22)	2021/22 EIR	Market Value
Fidelity Multi-Asset Income Fund	£15m	Note (iv)	11/12/18	1,207	£13.5m	£1.3m	£0.56m	4.439%	£13.0m
Ninety-One Diversified Income Fund	£15m	Note (iv)	05/12/18	1,213	£13.5m	£1.2m	£0.46m	3.582%	£12.8m
CCLA (Local Authorities' Property Fund)	£15m	Note (iv)	28/02/17	1,858	£10.0m	£2.1m	£0.37m	3.659%	£11.1m
Hermes Property Unit Trust (HPUT)	£15m	Note (iv)	28/08/18	1,312	£10.0m	£1.2m	£0.34m	3.416%	£10.6m
Lothbury Property Trust (LPT)	£15m	Note (iv)	03/09/18	1,306	£5.0m	£0.5m	£0.13m	2.556%	£5.1m

(iv) Minimum three to five year investment horizon for externally managed multi-asset income and property pooled funds.

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Report to Performance and Finance Scrutiny Committee

17 July 2022

Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore) - Focus for Scrutiny

Report by Director of Law and Assurance

Summary

Cabinet Member decision [ECR01 19-20](#) approved the commencement of a procurement process in November 2019 for services to deliver a replacement business management system for the Council (the SmartCore Programme).

A contract was awarded to Entserv UK Limited (trading as DXC) ("DXC") in June 2020 for DXC to be the Council's contractor for the transition from SAP to Oracle Fusion.

Since that date a number of business design and delivery requirements for the programme have led to changes to the contractual position to ensure a successful implementation of the programme. These have led to additional charges and also changes to the timetable for delivery. Most have been dealt with through extra-contractual letters of authority. It has become more pressing however to bring these changes into a more formal contractual arrangement and for this to provide greater certainty for the completion of the programme and the final costs.

The committee's Business Planning Group (BPG) agreed in December 2021 to include scrutiny of the Smartcore programme on the committee's work programme for September 2022. Since that time the progress in achieving the programme has been monitored through the service up-date provided by the Director of Finance and Support Services at BPG meetings in March and May 2022.

The report attached for Members of the committee (Part II) sets out the urgent action decision that has recently been taken to approve a contract variation to provide the contractual basis for the successful implementation of the Smartcore programme and its costs to the Council.

Focus for scrutiny

The Committee is asked to consider the attached report. Areas for scrutiny include:

- The reason for the contract variation having been taken as an urgent action decision without the opportunity for effective scrutiny.
- That the contract variation provides the clarity and certainty required for assurance for the cost effective delivery of the Smartcore programme.
- That the objectives of the Smartcore programme are being maintained.
- That the arrangements for future scrutiny of the programme are suitable.

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

1. Background and context

- 1.1 The background and context to this item for scrutiny are set out in the attached report.
- 1.2 The delivery of the SmartCore programme supports the delivery of the West Sussex Plan, specifically making best use of resources.

Tony Kershaw

Director of Law and Assurance

Contact Officer

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Appendices

Appendix 1 - provided to members of the committee only

Urgent Action Decision Report - Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore)

Background Papers

None

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