

Report to Cabinet

July 2021

Quarterly Performance Monitor - Outturn 2020/21

Report by the Director of Finance and Support Services

Electoral division(s): All

Summary

The attached report provides an overview of performance across West Sussex County Council for the year ending on 31st March 2021. It brings together information from a range of perspectives including financial, key performance indicators, workforce and risk management.

The provisional outturn position for 2020/21 is a £8.923m underspend, of which £3.144m relates to Portfolio underspending, £0.103m relates to Non-Portfolio underspending, and £5.676m relates to the unused Contingency Budget.

It is proposed that this £8.923m underspend is allocated as follows:

- £4.700m to the Adults and Health Pressures and Recovery Reserve,
- £1.200m to the Ash Dieback Reserve, and
- £3.023m to the Service Transformation Reserve.

In relation to the additional expense caused by the Covid-19 pandemic, the County Council has been able to cover the additional cost from in-year Government grant allocations.

Performance indicators measured in relation to the West Sussex Plan priorities, reflect that 83% are at Green (64%) or Amber (19%) levels. There are several measures with no data to report this year due to the Covid-19 pandemic.

Recommendations

That Cabinet: -

- (1) Notes the information contained in the Quarterly Performance Monitor, in particular the outturn financial position
 - (2) Agrees the allocation of the contingency budget and underspend set out in paragraph 2.1 below.
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Proposal

1 Background and context

- 1.1 The year has been dominated by the Covid-19 pandemic and the impact of this national health emergency. Throughout this unprecedented period, the Government has enforced restrictions on social interaction, including three national lockdown periods. This has inevitably affected the day-to-day services the County Council provides to its residents, with temporary closures of public buildings and the suspension of services. However, staff and partners have strived to continue and deliver vital services where possible and have found innovative ways to reach residents.
- 1.2 During the year, £114.4m of Covid-19 funding has been received or passed through the County Council to fund pressures and activities during the pandemic. The funding received is a mix of ring-fenced, un-ringfenced grants and contributions from the West Sussex Clinical Commissioning Group (CCG). In 2020/21, £86.2m of this funding was spent or passed through the Authority on behalf of the Government, with £28.2m carried forward into 2021/22 to fund the continuing pandemic costs.
- 1.3 As the pandemic continues into 2021/22, the County Council remains at the heart of the local response to ensure that the most vulnerable and those in need can access services they require. As lockdown restrictions ease, the future remains uncertain as the longer-term impact of the pandemic becomes clearer on the services the County Council provides to residents as well as the impact on businesses and individual's livelihood in the County.
- 1.4 The 2020/21 revenue spending on portfolio budgets was £588.375m, an underspending of £3.144m. In addition, non-portfolio budgets have underspent by £5.779m; of which £5.676m relates to the unused Contingency Budget. Therefore, an overall corporate underspend of £8.923m is reported for the 2020/21 financial year.
- 1.5 Performance indicators measured in relation to the West Sussex Plan priorities, reflect that 83% are at Green (64%) or Amber (19%) levels. There are several measures with no data to report this year due to the Covid-19 pandemic. Central Government bodies such as the NHS and the Department for Education made the decision in early 2020 to suspend monitoring during these unprecedented times.

2 Proposal details

- 2.1 It is proposed that the total corporate underspend of £8.923m, which is made up of £3.144m from portfolio underspending, £5.676m of unused Contingency budget and £0.103m of other non-portfolio underspending, is transferred to the following reserves:
 - £4.700m Adults and Health Pressures and Recovery Reserve – to fund anticipated pandemic rebound pressures in 2021/22.
 - £1.200m Ash Dieback Reserve – to accelerate critical tree felling works in 2021/22.

- £3.023m Service Transformation Reserve – in-year homeworking/ change in service delivery savings to be used to fund future innovative projects.

3 Other options considered (and reasons for not proposing)

- 3.1 The corporate underspend could have been allocated to a number of different areas, however in consultation with the Executive Leadership Team and Cabinet members, the allocation of the £8.923m as described above most suits the pressures that we see for the organisation. The 2021/22 financial year is likely to be challenging with expected pent-up demand on Adults Social Care as the pandemic subsides, the need to accelerate the felling of diseased ash trees and funding to enable the County Council to continue innovation project works.

4 Consultation, engagement and advice

- 4.1 The Executive Leadership Team and Cabinet members have considered the outturn position.

5 Finance

- 5.1 The financial impact is set out in the Quarterly Performance Monitor report.

6 Risk implications and mitigations

- 6.1 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.

7 Policy alignment and compliance

- 7.1 N/A.

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Appendices

Appendix A – Outturn 2020/21 Quarterly Performance Monitor

Background papers