
Report to Performance and Finance Scrutiny Committee

2 December 2021

End of September 2021 (Quarter 2) 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 September 2021 and is the second document in the new reporting style.

Of the 53 performance measures, 42% of measures are reporting as 'green', 30% as 'amber' and 24% as 'red'. 4% have no rating currently attached to them as no data is available or a target has not been set.

The projected outturn forecast for 2021/22 is a £1.386m overspend, a reduction of £2.389m when compared to the June position.

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 up-dates on the key projects currently being managed and the workforce statistics, (Appendix 6) provides quarterly information on 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 3rd December will approve the Quarter 2 Performance and Resources Report. Cabinet will be asked to agree a recommendation for a £0.225m draw down from the £2.2m pay inflation contingency budget to fund the Fire and Rescue Service 1.5% pay award which has been agreed nationally and took effect from the 1st July 2021. The final pay award offer for 2021/22 to NJC employees has yet to be agreed.

Focus for scrutiny

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

- Consider if the report addresses the concerns raised at the September meeting of the Committee, including changes to information content and format;
- The continuing impact of the Covid-19 emergency situation on the Council's performance and financial resilience;
- Consideration of the 2021/22 performance indicators and Risk Register;
- 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;
- Identification of:
 - a) Any specific areas for action or response by the relevant Cabinet Member;
 - b) Any issues for further scrutiny by this Committee (or 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 A number of **presentational updates** have been made to the Q2 Performance and Resources report (Annex B) following feedback from Scrutiny Committees on the Q1 report. These changes include:
 - **Improvements to the Performance KPI Summary Table.**
 - A Summary Table has replaced the Summary Graph previously included. The new table shows the measures by portfolio, priority and the KPI RAG status.
 - **Improved Overarching Climate Change Priorities Inclusion.**
 - The KPI Summary Table now highlights the three Climate Change measures.
 - Performance highlights of the Responding to the Challenges Posed by Climate Change priority is included in the summary highlights section.
 - The three Climate Change KPIs have a  symbol and are highlighted in 'blue' to indicate they are a Climate Change measure.

- **Capital Section Review.**

- Capital performance within the Portfolio Sections has been moved to the start of each capital section to enable the reader to focus on the performance of projects; this is complimented by the financial aspect of the capital programme and links the areas together. In addition, explanations of the capital finance movements (including additions to the programme) have been included for completeness and governance reasons.

- **Performance KPI Arrows.**

- The arrows on the KPI measures have been updated. A green upward arrow indicates that performance is improving, a downward red arrow indicates performance is worsening, and a horizontal amber arrow indicates no change to performance.

1.4 The County Council is focused on delivering the four priorities as set out in Our Council Plan: keeping people safe from vulnerable situations, a sustainable and prosperous economy, helping people and communities fulfil their potential and making the best use of resources, all underpinned by tackling climate change. In the second quarter, the measures reported:

- 42% (22 measures) as 'Green'
- 30% (16 measures) as 'Amber'
- 24% (13 measures) as 'Red'
- 4% (2 measures) are reported as having no RAG status, due to no target set or no data being available at this time.

1.5 During the summer, the council has continued to respond to the Covid-19 pandemic. There is uncertainty on the on-going impact of demand and costs for council services.

1.6 The **forecast outturn position for 2021/22 is currently projecting a £1.386m overspend.** This overall position assumes that costs related to the Covid-19 pandemic will be fully funded from grants and partner contributions. This position also excludes the use of the £6.4m general contingency and £2.2m of pay inflation contingency budget which are held separately.

1.7 **Key financial risks** arising across services include:

- Uncertainty in demand for services in adults and children,
- 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 non-delivery and delays of savings.

- 1.8 The impact of increasing costs within the **capital programme** continues to be monitored on a project-by project basis. The availability of materials and labour remains a significant risk for our capital programme and our project teams are working closely with contractors to anticipate problems before they arise. Any increase in budgets will need to be met from additional borrowing or through reprioritising existing approved pipeline projects.
- 1.9 In relation to **corporate risks**, there are four risks with a severity above the tolerance threshold:
- Cyber-security,
 - Failure of social care provisions,
 - Children’s Services will fail to deliver an acceptable provision to the community.
 - Unregistered care homes – children and young people will not be cared for in settings that best meet their needs.
- 1.10 All of the **Workforce Key Performance Indicators** are rated ‘Green’ except for one measure relating to employee disclosure rate for equality. The target for this measure is 30%, however the current level is 18%. Work is underway to improve the data collection in this area.
- 1.11 The main indicator for sickness absence is the rolling 12-month average number of calendar days sickness per FTE. The indicator is set at 15 calendar days with the quarter two data, reporting sickness of 14.9 calendar days. This is an increase of 1.3 calendar days since quarter one and is due to the impact of the pandemic and the rolling nature of the sickness KPI over a 12-month period.
- 1.12 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

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Appendices

Annex A – How to Read the Performance and Resources Report

Annex B – Performance and Resources Report – Q2 2021/22

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

Appendix 4: Capital Monitor

Appendix 5: Corporate Risk Register

Appendix 6: Workforce

Background Papers

None