
Report to Performance and Finance Scrutiny Committee

9 September 2022

End of June 2022 (Quarter 1) 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, risk and workforce. It has been designed to reflect the priorities, outcomes and measures included in Our Council Plan. The report is available to each scrutiny committee on a quarterly basis and each committee will consider how it wishes to monitor and scrutinise performance relevant to their area of business.

The report (Annex B) reflects the position at the end of June 2022 and reports the Quarter 1 2022/23 position.

Of the 53 performance measures, 51% of measures are reporting as 'green', 34% as 'amber' and 15% as 'red'.

The projected outturn forecast for 2022/23 is a £7.554m overspend.

The PRR also includes information which is specifically relevant to the portfolio responsibilities of the scrutiny committee including service transformation and workforce. The service transformation section (Appendix 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 13 September will approve the Quarter 1 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 previous meetings of the Committee, including the inflationary impact on the Capital Programme, the amber rating of the Horsham Enterprise Park and Broadbridge Heath Retail Scheme, HR information in relation to recruitment and expanding the information content for the service transformation projects (benefit realisation and efficiencies to be achieved)

- The continuing impact of the Covid-19 emergency situation on the Council's performance and financial resilience
- Identify any areas of concern within the Committee's portfolio responsibilities relating to the 2022/23 performance indicators and any measures required to address these
- 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. In the first quarter, the measures reported:
 - 51% (27 measures) as 'Green'
 - 34% (18 measures) as 'Amber'
 - 15% (8 measures) as 'Red'
- 1.4 The **forecast outturn position** for 2022/23 is a £7.554m overspend. This projection assumes all Covid related costs will be funded by Government grants and excludes the use of the general contingency budget which is held separately. The contingency budget held for 2022/23 is £9.156m to assist with unplanned pressures. This includes £2.9m earmarked for inflation.

- 1.5 The report highlights the non-delivery and delay in achieving the **savings target**. There are £23.4m savings to be achieved in 2022/23 which includes £12.4m undelivered savings from 2020/21 and 2021/22. 34% (£7.4m) of the target is judged to be red rated with no expectation of delivery. This has been reflected in the outturn position forecast.
- 1.6 The main **financial risks** from across the portfolios include:
- Increasing inflation price rises on energy, goods and services,
 - Continued increases in the cost of older people care packages,
 - The mix between internal and external placements for children,
 - The cost of children in need of secure or specialist placements,
 - The rising numbers of children requiring high needs education,
 - The non-delivery and delays of savings.
- 1.7 The impact of increasing costs within the **capital programme** continues to be monitored on a project-by project basis. The Capital Programme for 2022/23 is currently £113m with an expected spend of £115.5m.
- 1.8 The committee previously raised questions and asked for further detail in relation to the Horsham Enterprise Park and Broadbridge Heath Retail developments. The extra detail to highlight the current status of the schemes is included in section 6 of the report.
- 1.9 In relation to **corporate risks**, there are four corporate risks with severity above the tolerance threshold, more detail can be found in Appendix 5:
- CR11 Recruitment and retention
 - CR39a Cyber-security
 - CR58 Failure of Social Care Provisions
 - CR22 Financial Sustainability
- 1.10 Nine of the eleven **Workforce Key Performance Indicators** are rated 'Green' and two are amber rated; high level of sickness reported and lower than targeted employee declaration rates (Appendix 6).
- 1.11 The background and context to this item for scrutiny are set out in the attached appendices (listed below). As it is a report dealing with internal or procedural matters only the Equality, Human Rights, Social Value, Sustainability, and Crime and Disorder Reduction Assessments are not required.

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Appendices

Annex A – How to Read the Performance and Resources Report

Annex B – Performance and Resources Report – June 2022

Section 1: Adults Services Portfolio – Summary

Section 2: Children and Young People Portfolio – Summary

Section 3: Learning and Skills Portfolio - Summary

Section 4: Community Support, Fire and Rescue Portfolio – Summary

Section 5: Environment and Climate Change Portfolio – Summary

Section 6: Finance and Property Portfolio - Summary

Section 7: Highways and Transport Portfolio - Summary

Section 8: Leader Portfolio (including Economy) - Summary

Section 9: Public Health and Wellbeing Portfolio - Summary

Section 10: Support Services and Economic Development Portfolio -
Summary

Appendix 1: Revenue Budget Monitor to the end of June 2022

Appendix 2: Service Transformation and Flexible Use of Capital
Receipts Update – Q1 2022/23

Appendix 3: 2022/23 Capital Monitor as at the end of June 2022

Appendix 4: Corporate Risk Register Summary - Q1 2022/23

Appendix 5: Workforce Information – Q1 2022/23

Background Papers

None