

Environment, Communities and Fire Select Committee

13th June 2018

2017/18 Outturn Total Performance Monitor

Report by Executive Director Economy, Infrastructure & Environment and Executive Director Communities & Public Protection

Executive Summary

The finance (revenue and capital), savings programme and performance are currently monitored monthly through the Total Performance Monitor (TPM). This monitoring and reporting mechanism brings together all these elements of West Sussex County Council's operation in a way of reporting "one truth" to all stakeholders. The report is intended for the public, senior officers, all Members (including Select Committees) and Cabinet.

The TPM information in this report reflects the 2017/18 outturn performance position in relation to the services which fall under the remit of the Environment, Communities and Fire Select Committee and has been reviewed by Cabinet Members and senior officers within the authority.

The recommendations within the TPM will be approved by the Cabinet Member for Finance and Resources as a decision report.

From 2017/18, local authorities are required to present for audit their formal financial statements by 31 May. The figures quoted in this report are consistent with these statements which will be approved by the Regulation, Audit and Accounts Committee on 23 July. While no material changes are anticipated, they are subject to the external audit which is currently underway.

Recommendations

The Committee is asked to:

1. Examine the data and supporting commentary for the 2017/18 outturn TPM and make any relevant recommendations for action to the Cabinet Member;
2. Identify any issues for further scrutiny by this Committee; and
3. Identify any strategic issues for referral to the Performance and Finance Select Committee.

1. Revenue Budget Outturn Position

1.1 Highways and Infrastructure

1.1.1 The Highways and Infrastructure portfolio has underspent by £0.8m. The main revenue year-end variations for the service areas within the portfolio that come under the remit of this Select Committee are set out below:

- Capitalisation of costs to support Operation Watershed activity £0.4m
- Reduced demand for the National Concessionary Fare Scheme £0.6m
- Higher than expected income from the Streetworks Permit scheme which has been used to offset relevant costs £0.5m

1.1.2 These underspends have been able to absorb some minor pressures incurred during the year which include:

- Additional consultancy support for the procurement of a new Highways Maintenance contract £0.3m
- Additional legal costs to support planning appeals £0.1m
- A small overspend on our street lighting PFI £0.1m
- Additional transport costs £0.1m

1.2 Environment

1.2.1 The Environment portfolio is showing a £1.2m overspend at year-end. A summary of the main revenue variations are set out below:

- Delays in implementing new arrangements to dispose of waste in the form of Refuse Derived Fuel (RDF). These related to issues in respect of the successful contractor obtaining the necessary licences to move the waste abroad and also finalising contract terms with the Mechanical Biological Treatment (MBT) operator to move the RDF to the appropriate part of the site
- Financial pressure of £0.7m has also been generated following the decision not to charge residents for disposing of certain types of waste at Household Waste Recycling Centres (HWRCs)

1.2.2 Significant benefit has been generated in February and March from a drop in tonnages through the HWRCs due to the inclement weather. Given this volatility, a £0.5m reserve has been created to offset the possibility of significant increases in tonnages in early 2018/19 and this is included within the outturn variation for the portfolio. (See paragraph 2.2).

1.3 Safer, Stronger Communities

1.3.1 The Safer, Stronger Communities portfolio has shown an overspend of £0.2m at year-end. A summary of the main revenue variations set out below:

- Additional costs relating to the dual running of the IT system at the Sussex Control Centre
- Increased spending on retained firefighters during February and March due to additional pressure on the service during the inclement weather conditions

1.4 Leader (including Economy)

1.4.1 The Leader portfolio has underspent by £0.5m in 2017/18. The summary of the revenue year-end variations for the service areas within the portfolio that come under the remit of this Select Committee are set out below:

- Reprofitting of revenue feasibility works at the Horsham Business Park
- Delays in the procurement of the lease for the Bognor Digital Hub
- Minor variations in spend within the Economic Development Service.

2. **Carry-forwards/Transfer to Reserves**

2.1 The carry-forward of grants and specific requests were approved as part of the February TPM to enable the closedown of the accounts. These totalled £2.647m. The carry-forward requests that come under the remit of this Select Committee are detailed below:

CARRY-FORWARD OF GRANT REQUEST	£'000
Safer, Stronger Communities <ul style="list-style-type: none">• Late grant allocation for Fire Operations - Grant received from the Home Office on the 15th March 2018 to support the rollout of the Emergency Services Mobile Communication Programme (ESMCP).	97

2.2 There are a number of outstanding issues which have been investigated and are likely to have associated financial implications. New reserves allocating funding to support these pressures will be set up for 2018/19. The reserves which relate to the Environment, Community and Fire Select Committee are listed below:

- **Waste Volatility Account £0.5m** – to fund a potential increase in tonnage volumes which may appear during the early part of 2018/19 financial year as a result of the reduced tonnages at the Household Waste Recycling sites in February and March due to inclement weather conditions
- **Pothole Action Bonus Reserve £0.540m** – funding to support the Council carrying out permanent repairs to at least another 2,000 potholes across the county

3. **Savings Programme**

3.1 The 2017/18 savings target across the portfolio budgets was £16.8m. Of this amount £15.4m (or 92%) was delivered as originally envisaged or the saving has been achieved via a different mechanism. £1.4m was judged as having no expectation of delivery by the end of the financial year. In relation to the services that fall under the remit of this Select Committee there is one saving of £0.7m for waste charges which has been addressed in the 2018/19 budget (see paragraph 1.2.1.).

4. **Capital Programme**

4.1 The overall capital programme showed a revised budget for 2017/18 totalling £114.6m, with £101.0m on Core Services and £13.6m on Income Generating Initiatives. The actual spend for 2017/18 was £98.0m, representing a variance of £16.6m (or 14% of £114m) from the revised budget as reported

in previous TPMs. The main variations relating to this Select Committee are outlined below.

4.2 Highways & Infrastructure

4.2.1 The capital payments for Highways & Infrastructure in 2017/18 were £33.1m, which was a decrease of £4.2m from the revised estimated payments of £37.3m. The main areas of movement across the portfolio were:

- **Broadband (-£2.4m)** – BT planning processes resulted in payment milestones not being achieved. This position is being managed by BT and is not forecasted to impact the overall delivery of the contract other than in delaying completion.
- **Flood Management (-£0.5m)** – The conclusion of complex modelling showed a reduction in properties at risk therefore WSCC agreed with the Environment Agency to reprofile its grant funding into 2018/19.
- **Keymer Junction (-£0.3m)** – The Cabinet Member and local members agreed to withdraw from the scheme. This was wholly funded from s106 agreements which can now be spent on another scheme subject to a viable business case.
- **National Cycle Networks 2 (£-0.3m)** – A revised construction programme showed completion in early 2018/19 compared to the previous estimate of late March 2018. This was as a result of late ground investigation prior to construction, and dealing with challenging site conditions and addressing additional essential maintenance works.
- **Pothole Action Fund (-£0.2m)** – The costs for works programmed in 2017/18 came in lower than anticipated and the budget has been reprogrammed into 2018/19.

4.3 Environment

4.3.1 The capital payments for Environment in 2017/18 were £11.8m, a reduction of £2.0 from the revised estimated payments of £13.8m. The main areas of movement across the portfolio were:

- **Your Energy Sussex - Westhampnett Solar Farm (-£1.1m)** – This scheme was contracted to be delivered by Carillion. Following their insolvency, WSCC negotiated directly with the sub-contractors to finish the project, and this has delayed completion.
- **Carbon Reduction (-£0.5m)** – This project was also delayed by Carillion's insolvency.
- **Brookhurst Wood - Site Ha (-£0.2m)** – The project was reviewed while different options were considered. A full business case for the remainder of the budget will be presented once a preferred option is finalised.

4.4 Safer, Stronger Communities

4.4.1 The capital payments for Safer Stronger Communities for 2017/18 were £1.8m, which was a reduction of £3.5m from the revised estimated payments of £5.3m. The main areas of movement across the portfolio were:

- **Fleet (-£2.4m)** – This was reprofiled into future years due to as user requirements were not finalised until late in the financial year.

- **Fire Equipment (-£0.6m)** - Slippage occurred due to WSFRS awaiting new national guidance to help develop the specification for fire ground radios. The new guidance is expected in the 2018/19 financial year.

4.5 Economy (including Leader)

- 4.5.1 The capital payments for Economy including Leader for 2017/18 were £0.5m, which was a reduction of £0.7m from the revised estimated payments of £1.2m. The main areas of movement across the portfolio were:
- **Bognor Creative Hub (-£0.6m)** - The lease negotiation process with Govia Thameslink Railway and Network Rail took longer than expected which impacted on the date of the procurement.

5. **Performance Framework**

- 5.1 This report provides an update to the year-end position against the Future West Sussex Plan (2015-19) reported in the February TPM report. This is the final report on the 2015-2019 plan, which will be replaced with the West Sussex Plan 2017-2022.
- 5.2 The West Sussex Performance Dashboard enables services to provide details of the aims for each goal and the activities and actions being undertaken to meet the targets set.

<https://performance.westsussex.gov.uk/>

- 5.3 The year-end position for the measures for 'Championing the Economy' that come under the remit of the Environment, Community and Fire Select Committee are listed below.
- 5.4 Gross Value Added (GVA) per head of population (10) – Year-end outturn **Green**:
- GVA indicates the level of economic activity within an area by measuring its production of goods and services. It is a measure that allows comparison of areas, and highlights variations in performance with a region, and trends over time. The GVA figure is used to indicate the economic well-being of an area.
 - For 2017, GVA in West Sussex was estimated at £25,978, and meets the target to achieve £21,180 per annum. Although we have exceeded our target, we remain lower than the England average (£27,060), and the South East average (£28,506).
- 5.5 Average earnings in West Sussex (11) – Year-end outturn **Green**:
- This measures the earnings levels for residents in West Sussex wherever they might be working.
 - For 2017, average earnings in West Sussex were £554.1 per week, exceeding the target of £552.70. However, this is a 0.5% drop from the previous year when regionally earnings levels increased by 2.5% and increased by 2% across England.
- 5.6 Business support and grants (13) - Year-end outturn **Green**.
- We aim to support at least 300 businesses during the year. Activity and support remains strong and this year we have supported over 320

businesses. We also have many businesses that are kept in touch with newsletters. Examples of support include:-

- The current LEADER programme has supported 44 businesses providing grants to the value of £4.16m (with match funding) and created over 51 fte new jobs in our rural areas.
- The Experience West Sussex tourism website now features around 245 businesses. A follow-up survey, publicised on the website and social media, was undertaken in early 2018 and showed that the economic impact of the 2017 campaign was around £2million to the local economy.
- Bognor Regis Creative Digital Hub has a contact database of around 200 businesses receiving regular information about the Hub community and events.
- WSCC's commitment to science, technology, engineering & mathematic (STEM) has continued through sponsorship and officer time. Preparation is in full swing for 2018's STEM events.

5.7 Unemployment rate for people aged 50-64 (16) – Year-end outturn **Green**.

- We aim to keep the percentage rate below 0.9%. From April to January 2018 we maintained 0.8% or better and for February and March the figure stands at 0.9%. This compares to the South East average of 0.8% and the England average of 1.2%.
- This measure shows the number of 50-64 year olds claiming Jobseeker Allowance and in future will not provide an accurate reflection of unemployment because of the introduction of Universal Credit.

5.8 Broadband roll out (17) – Year-end outturn **Green**.

- Last year, an additional £2.5 million was invested by WSCC and central government to ensure that an extra 3,000 homes and businesses in West Sussex will have access to 'superfast' fibre broadband by December 2017. A new phase has since been added for a further 4,000 premises by December 2018, giving a new total of 7,000 additional premises.
- The project is progressing well with detailed network design, planning and engineering surveys continuing and so far has delivered access to 'superfast' fibre broadband to an extra 3,307 premises in West Sussex (exceeding the original target of 3,000 by December 2017). The service will be meeting BT shortly for an 'end of financial year' review to discuss progress this year.

5.9 Payment to small and micro businesses (12) - Year-end outturn **Amber**.

- We aim to pay all invoices within 20 days, and although we have improved performance since the start of the year to 93%, we have not met our year-end target.

5.10 16-17 year olds in education, employment or training (14) – Year-end outturn **Amber**.

- The annual outturn result for this measure is based on the average figure for December, January and February, as determined by the DfE. The 3-month average for West Sussex is 88.9% of young people in Education, Employment or Training, against the target of 95%. The results are lower than last year (90.1%) and remain lower than the national and regional figures (91.9% and 90.6% respectively).
- Our unknown figures remain high at 8.1% compared to national at 3.3% and regionally at 4.6%. Attempts to contact our remaining 'unknown'

young people continue to the end of the year using WSCC Contact Centre staff, IPEH Hub staff, ongoing communication with schools and post-16 providers, liaison with neighbouring authorities, and using an on-line survey for young people and parents to access directly. The majority of our remaining 'unknown' young people are of academic age 17 (year 13) so work is currently underway to specifically target contacting this cohort.

5.11 Apprenticeships in West Sussex (15) – Year-end outturn unknown

- Last year apprenticeship starts were 5,790 and we aim to increase by 5% each year to 6,080 by March 2018. The longer term intention is to continue increasing the number of apprentices in the county and within the County Council. This year's numbers have not yet been published due to delays by the DfE. However, we have increased the number of apprentices with WSCC by 25% and currently have 58 across the council including schools.

6. Consultation

Analysis has been developed in liaison with service managers.

7. Equality Impact Review

An Equality Impact Review is not required as there are no decisions to be taken.

8. Resource Implications and Value for Money

See above.

9. Risk Management Implications

The duty to monitor the effective development and operation of risk management falls within the terms of reference of Regulation, Audit and Accounts Committee (RAAC) and is no longer reported as part of the TPM.

10. Crime and Disorder Act Implications

No implications.

11. Human Rights Act Implications

Inappropriate budget decisions could impact on human rights of service users.

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Background papers

None