

Report to Cabinet

14 March 2023

Performance and Resources Report – Q3 2022/23

Report by the Chief Executive and Director of Finance and Support Services

Electoral division(s): All

Summary

The Performance and Resources Report (PRR) provides an overview of performance across the County Council for the third quarter of 2022/23. The report in *Annex B* 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 its four priorities and overarching theme as set out in Our Council Plan.

The PRR is designed to be used by all Scrutiny Committees as the main source of the County Council's performance information. *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 for the different scrutiny committees.

The latest performance targets measured against 'Our Council Plan' is currently reporting 54% 'Green', 25% 'Amber' and 21% 'Red'. Full details are set out in paragraphs 13 - 16 of the Summary Report and the individual Portfolio Sections.

The forecast revenue outturn position for 2022/23, as at the end of December 2022, is £11.386m against services but as a result of an overachievement on investment income of £4.3m, the overall position is a forecast £7.141m overspend. Full details are set out in paragraphs 38 - 40 of the Summary Report and the individual Portfolio Sections.

The Capital Programme is profiled to spend £132.5m in 2022/23, an increase of £19.5m when compared to the 2022/23 revised programme value of £113.0m. Full details are set out in paragraphs 73 – 78 of the Summary Report, individual Portfolio Sections and Appendix 3.

Of the 12 Workforce Key Performance Indicators, nine are rated 'Green', two 'Amber' and the self-declaration employee disclosure rate is rated as 'Red'.

Recommendations

That Cabinet: -

- (1) Notes the information contained in the Q3 Performance and Resources Report in Annex B,
- (2) Agrees the allocation of £4.409m from the Contingency Budget to Service Portfolio Budgets to fund the nationally agreed £1,925 pay award for NJC, HAY, SMG and Public Health staff from April 2022.

Proposal

1 Background and context

- 1.1 The attached Performance and Resources Report (PRR) provides an overview of performance across West Sussex County Council during the third quarter of 2022/23; bringing together information on performance, finance, workforce and risk management, all of which are reported on an outturn forecast basis.
- 1.2 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. These are all underpinned by tackling climate change. For the third quarter, the measures reported:
 - 54% (28 of 52 measures) as 'Green'
 - 25% (13 of 52 measures) as 'Amber'
 - 21% (11 of 52 measures) as 'Red'
- 1.3 During the third quarter of the year, the council has continued to respond to on-going challenges which have impacted the operations and priorities of the council; with the County Council supporting the fallout of the on-going war in Ukraine, the cost-of-living pressures and national recruitment issues all impacting how we deliver services for our residents.
- 1.4 The forecast outturn position for 2022/23 is currently projecting a £7.141m overspend. This overall position assumes that identified in-year costs related to the Covid-19 pandemic will be fully funded from government grants received. A further review of the costs and impact of the Covid-19 pandemic within service areas is underway which may lead to further expenditure being charged to the Non-Ringfenced Covid-19 Grant before the closure of the financial year. This position excludes the use of the general contingency budget which is held separately.
- 1.5 Key financial risks arising across services include:
 - Increasing inflation price rises on energy, goods and services,
 - Uncertainty in the growing demand and complexity of need in adults and children's,
 - Increases in the cost of adult lifelong services provision,

- The high use of 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 in achieving savings.
- Recruitment and retention issues within the workforce.

1.6 Of the 12 Workforce Key Performance Indicators, nine are rated 'Green', two 'Amber' and one 'Red'. The 'Red' measure relates to the self-declaration disclosure rate which has reduced this quarter.

2 Proposal details

2.1 The main purpose of this report is for Cabinet to note the latest forecast outturn position as at the end of December 2022. However, there remains a decision for Cabinet in relation to the allocation of Contingency Budget towards staffing pay awards.

2.2 In November, the National Joint Council (NJC) Local Government Services pay agreement was settled. A flat rate payment of £1,925 for each scale point was agreed, along with an additional day annual leave from 2023/24. HAY, SMG and Public Health employees have also agreed to these same terms. The Fire and Rescue Service and Soulbury 2022/23 pay awards remain unsettled.

2.3 It is proposed that £4.409m of funding is drawn from the Corporate Contingency Budget and allocated to Portfolio service budgets to fund the additional pay award cost over and above the 3.75% which has been held in service budgets during 2022/23.

3 Other options considered (and reasons for not proposing)

3.1 The additional costs associated with the nationally agreed NJC pay award could be charged directly to the service budgets without additional funding allocated from corporate contingency. However, as part of the 2022/23 budget, a pay contingency budget was created for this purpose and therefore it is appropriate to allocate the funding to individual service budgets.

4 Consultation, engagement and advice

4.1 The Executive Leadership Team and Cabinet Members have considered the Performance and Resources Report and the proposed updates to the Key Performance Indicators.

4.2 All scrutiny committees review their specific sections of the Performance and Resources Report quarterly, with the Performance and Finance Scrutiny Committee having an overview of the whole document. Committees can make recommendations to the relevant Cabinet Member and/or refer issues to other scrutiny committees as appropriate.

5 Finance

5.1 The financial implications are as set out in the Performance and Resources Report.

6 Risk implications and mitigations

- 6.1 A summary of the Corporate Risk Register is included within the Performance and Resources Report, reflecting the key risks facing the council and the planned action to mitigate the risks where possible.

7 Policy alignment and compliance

- 7.1 Reporting on the council's performance and activities through the Performance and Resources Report to Cabinet is part of the governance of the council, ensuring transparency in its reporting arrangements and enabling scrutiny by members and the public.

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Taryn Eves

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Appendices

Annex A – How to Read the Performance and Resources Report

Annex B – Performance and Resources Report – Q3 2022/23

Portfolio Sections - 1-10

Appendices - 1-5

Background papers

None