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## **Performance and Finance Scrutiny Committee**

**16 June 2023**

### **End of March 2023 (Quarter 4/End of Year) Performance and Resources Report – Focus for Scrutiny**

**Report by Director of Law and Assurance**

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#### **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 the 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 its area of business.

The report (Annex B) reflects the position at the end of March 2023 and reports the Quarter 4/end of year 2022/23 position.

Of the 52 performance measures 46 are reporting an end of year position. Of these 46 measures 63% of measures are reporting as 'green', 15% as 'amber' and 22% as 'red'. 6 measures are awaiting up-dates.

The provisional outturn position for 2022/23 is a balanced budget. There is a reported £10.541m over-spend in the portfolio budgets which is planned to be balanced by additional business rates, investment income and use of the General Contingency and Inflation Contingency Reserve.

The PRR includes information which is specifically relevant to the portfolio responsibilities of the scrutiny committee including workforce and the transformation programme.

The current Risk Register (Appendix 4) is included to give a holistic understanding of the Council's current performance reflecting the need to manage risk proactively.

The Cabinet meeting on 20 June will approve the Quarter 4 Performance and Resources Report.

#### **Focus for scrutiny**

The Committee is asked to consider the PRR (the Annex report attached). The committee's role is to monitor performance, finance and risk to identify any priorities for action by the Cabinet Member or senior officers or for including on the committee's work programme for more in-depth scrutiny. Questions should be kept within the remit of the committee at a strategic level. Key lines of enquiry for scrutiny include:

- Whether the report provides all the information necessary to enable effective and efficient scrutiny and addresses the concerns raised at previous meetings of the Committee; including the economy, cyber security, workforce and the capital programme
- Assess the performance indicators and measures identified as most critical to the focus of the committee and whether the narrative provides assurance about the position presented and likely outcomes. Issues recognised previously by the committee as priorities to monitor include the economy and workforce indicators
- Identify any areas of concern in relation to the Risk Register and assess plans in place to mitigate key corporate risks, particularly in relation to the financial resilience of the Council and recruitment and retention
- The effectiveness of measures taken to manage the Council's financial position and any non-delivery of identified savings
- 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.

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## **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 the 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.
- 1.4 In the fourth quarter/end of year, 46 out of 52 measures reported are:
  - 63% (29 measures) as 'Green'
  - 15% (7 measures) as 'Amber'
  - 22% (10 measures) as 'Red'

- 1.5 There are currently 6 measures awaiting up-dates, of these 2 are forecast to be 'green' and 4 as 'amber'.
- 1.6 There are 12 workforce indicators one of which is reporting as 'red' rated. This is in relation to the number of new apprentice starters. The target was for 113 new starters with 85 actually starting. There is also one measure reporting as 'amber' in relation to levels of sickness absence.
- 1.7 A review of indicators has taken place to ensure they remain fit for purpose. Three measures are being recommended to Cabinet for revision, Annex C. This includes the square metres of operational property which has new targets to reflect the current position.
- 1.8 The overall revenue outturn position is a balanced budget. The net spend for 2022/23 is £654.643m. The capital programme spend for 2022/23 is £124.7m, this is higher than the agreed programme (£120.3m). There remains a number of key financial issues including; increasing inflation affecting prices of energy, goods and services, uncertainty of demand in adults and children's, non-delivery and delays in achieving savings and recruitment and retention issues within the workforce.
- 1.9 2022/23 had a savings target of £23.4m; £11m planned for 2022/23 plus £12.4m outstanding savings from 2020/21 and 2021/22. Of this £13.3m has been achieved with £10.1m (43%) undelivered. It is expected that these savings will be achieved in 2023/24.
- 1.10 Appendix 4 is the Corporate Risk Register. This has been up-dated since quarter 3 with some changes including the reduction in the severity of some risks in relation to Children's Services due to the recently received Ofsted report. There are two new risks included in relation to climate change monitoring and mitigation.
- 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 – End of March 2023

- 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 and Reserves
- Appendix 2: Service Transformation and Flexible Use of Capital Receipts Summary
- Appendix 3: 2022-23 Outturn Capital Monitor
- Appendix 4: Corporate Risk Register Summary
- Appendix 5: Workforce Information
- Annex C – Proposed Amendments to KPIs on the Council Plan 2023-24

**Background Papers**

None