

## **Report to Cabinet**

**March 2022**

### **Performance and Resources Report – Q3 2021/22**

#### **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 2021/22. 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 the four priorities and overarching theme set out in Our Council Plan.

During the quarter, the County Council has continued to respond to the Covid-19 pandemic and the spread of the new Omicron variant. Working with partners, the Council has provided support to the vaccination programme and to vulnerable people within the community through the Community Hub and other front-line services.

Inflation has continued to rise during the third quarter, impacting the cost of goods and services. Economists believe the increase in inflation is due to various factors including the general economic recovery from the Covid-19 pandemic and the sharp increase in global energy prices.

The latest performance targets measured against Our Council Plan is currently reporting 54% 'Green', 21% 'Amber', 23% 'Red' and 2% with 'No RAG Status' as unable to assess current status.

The forecast outturn position for 2021/22, as at the end of December, is currently projecting a £0.559m overspend, a reduction of £0.827m when compared to September.

#### **Recommendations**

- 1) Cabinet are requested to consider the Q3 Performance and Resources Report including:
  - The continuing impact of the Covid-19 emergency situation on the Council's performance and financial resilience.
  - Consideration of the 2021/22 Our Council Plan- performance indicators, risk register summary and workforce key performance indicators.
  - Review the effectiveness of measures taken to manage the Council's financial position and any non-delivery of identified savings.

2) Consider any specific areas for action following Scrutiny Committee feedback.

---

## 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 2021/22; 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*, all underpinned by *tackling climate change*.
- 1.3 In the third quarter, the measures reported:
- 54% (29 measures) as 'Green'
  - 21% (11 measures) as 'Amber'
  - 23% (12 measures) as 'Red'
  - 2% (1 measure) is reported as having no RAG status.
- 1.4 The **forecast outturn** position for 2021/22 is currently projecting a **£0.559m 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 £1.975m of pay inflation contingency budget which are held separately.
- 1.5 **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.
- 1.7 The pressure on the **Dedicated Schools Grant** continues to be of concern with a projected overspend of £7.2m forecast in 2021/22. The total DSG deficit is predicted to increase to £25.0m by the end of the financial year.
- 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.
- 1.6 In relation to **corporate risks**, there are three risks with a severity above the tolerance threshold:
- Cyber-security,
  - Failure of social care provisions,
  - Unregistered care homes – children and young people will not be cared for in settings that best meet their needs.
- 1.7 Of the 12 **workforce** key performance indicators with a RAG status indicator:

- 9 are rated 'Green' and are on track,
- 2 are rated 'Amber' and are at risk,
- 1 is rated 'Red' and is at significant risk.

## **2 Proposal details**

- 2.1 It is proposed that Cabinet review the Performance and Resources Report and consider the current performance activity.

## **3 Other options considered (and reasons for not proposing)**

- 3.1 Not applicable.

## **4 Consultation, engagement and advice**

- 4.1 The Executive Leadership Team and Cabinet Members have considered the Performance and Resources Report and the 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 impact is set out in the Performance and Resources Report.

## **6 Risk implications and mitigations**

- 6.1 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.

**Becky Shaw**  
**Chief Executive**

**Katharine Eberhart**  
**Director of Finance and Support Service**

**Contact Officer:** Rebecca Taylor, Financial Planning Manager, 0330 222 6878, rebecca.taylor@westsussex.gov.uk

## **Appendices**

Annex A – How to Read the Performance and Resources Report

Annex B – Performance and Resources Report – Q3 2021/22

## **Background papers**

None