

Report to Cabinet

12 September 2023

Performance and Resources Report – Q1 2023/24

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

Electoral divisions: All

Summary

The Q1 Performance and Resources Report (PRR) (**Annex B**) gives an overview of Council performance for the first quarter of 2023/24. A summary is followed by portfolio sections covering performance, finance, workforce and risk to show how the Council is delivering its four priorities and on protecting the environment.

Annex A – explains the structure of the PRR and provides a table to show which sections of the report are presented to the different scrutiny committees.

Recommendations

Cabinet is invited to: -

- (1) Consider and comment on the Q1 Performance and Resources Report and in particular the financial challenges set out in paragraphs 1.6 - 1.9.
- (2) Propose any specific areas for action following such consideration and any scrutiny feedback or comment.
- (3) Agree the proposed change to the KPI measure for Fire and Rescue Service safe and well visits detailed in paragraph 1.3.

Proposal

1 Background and context

- 1.1 The PRR provides an overview of performance across the County Council during the first quarter of 2023/24.
- 1.2 There are 59 Performance measures in 2023/24 and the Q1 summary is:
 - 44% (26 of 59) – on target (Green),
 - 19% (11 of 59) – close to target (Amber),
 - 22% (13 of 59) – not on target (Red).
 - 15% (9 of 59) – new with no RAG status.

- 1.3 Key performance indicators are regularly reviewed and it is proposed that the target for Safe and Well Visits to households with at least one vulnerability or risk factor (Fire and Rescue Service KPI), is increased to reflect the 2022/23 outturn. In 2022/23 there were 4,680 visits and the target measure is regarded as insufficiently stretching. Cabinet is requested to agree the increase in the target from 4,000 visits to 5,000 from 1st April 2023.
- 1.4 The forecast revenue outturn position for 2023/24, at the end of June, is an overspend on services of £18.217m but **a net £11.879m overspend** is reported after increased investment income from recent interest rises is factored in. This represents 1.7% of the overall budget and a balanced budget can be achieved by using the corporate contingency allocation.
- 1.5 All services where there is an overspend projected are identifying management action in year. Any overspend at the year-end after such action will be funded through the Corporate Contingency budget which currently stands at £13m.
- 1.6 **Financial issues from service challenges** include:
- Growing demand and complexity of need in adults and children's,
 - Increases in the cost of adult lifelong services provision,
 - The level of demand for and reliance on external placements for children
 - The rising numbers of children requiring high needs education,
 - Continuing inflation on goods and services
 - The delays in achieving savings and the need to re-profile some,
 - Recruitment and retention issues within the workforce.
- 1.7 **Adults Services is projecting a £2m overspend.** Demand pressures in Older People and Lifelong Services and difficulties in delivering all planned savings on time mean an estimated overspend of around £15m. In-year mitigations of £13m have already been identified to reduce this and other action is planned.
- 1.8 After a £10m one-off drawdown from the Social Care Sustainability Reserve anticipated in the 2023/24 Budget, the **Children and Young People, Learning and Skill's Portfolio projects a £16m overspend.** Increasing demand and cost of placements for children we care for is the main factor. Growth in pupil numbers and contract prices are driving an overspend in Home to School Transport.
- 1.9 The **Dedicated Schools Grant (DSG)** Reserve is reporting a £41.9m deficit, with a further £20.3m projected overspend in 2023/24 forecast. This will increase the **reserve deficit to £62.2m** by the end of the financial year. This does have direct financial implications for the Council due to the lost investment opportunity. The in-year overspend is likely to increase further with work to clear Education, Health and Care Plan assessment backlogs. Work is underway helped by the government led Delivering Better Value Initiative to improve SEND services.
- 1.10 As part of the 2023/24 Budget, the County Council allocated additional revenue investment in **Highways Maintenance of £4.5m** and **Skills and Economic Development of £0.5m**. This is held as non-portfolio but budget to cover the additional spend incurred will be transferred to the relevant portfolios later in the financial year. Details of how the investment in highways maintenance is to be used will be reported in the next quarter's report.

1.11 The 2023/24 savings target across all portfolios is £9.6m. In addition, there remains £17.2m of previous years savings which needed to be re-profiled. The overall **savings to be achieved in 2023/24 is £26.8m.**

1.12 Of the total £26.8m savings:

- £12.0m (45%) is on track and been delivered as originally envisaged or in a different way,
- £8.8m (33%) is amber where further work is required and, if not achieved, the projected overspend will increase, and
- £6.0m (22%) is red with no expectation of delivery in year and reflected in the forecast outturn.

1.13 The **Capital Programme** as approved is £124.9m for 2023/24. During 2022/23, £2.9m originally profiled to be spent in 2023/24 was accelerated into 2022/23, which led to the revision for 2023/24 down to £122.0m.

1.14 Updates to the **Corporate Risk Register** since the last quarter:

Risk No	Risk	Action	Previous Score	Current Score
CR68	Covid-19 – Services will fail to deliver existing work plans	Risk closed	10	10
CR72	Unregistered care homes - Children and young people will not be cared for in settings that best meet their needs	Risk de-escalated to Children and Young Person's Risk Register	8	8
CR74	Overdue re-procurement of care and support at home services	Risk de-escalated to Adult Social Care Risk Register	6	6
CR76	School places demand and deliverability	New risk	-	12

1.15 These risk updates are found in **Appendix 5** with full details of the latest Risk Register (at 14th July), including actions and mitigations available under the County Council's [Regulation, Audit and Accounts Committee Agenda](#) website.

1.16 Of the **12 Workforce Key Performance Indicators**, nine are on track 'Green' and three are at risk 'Amber'.

1.17 The 'Amber' measures are set out below and more detail is in **Appendix 6**:

- The number of new apprentice starters since the start of the financial year (excluding schools).
- Staff induction completion rates.
- Rolling 12-month average number of calendar days lost due to sickness absence per FTE.

2 Proposal details

2.1 Cabinet is invited to note the overall financial outturn forecast and to review the summary Quarter 1 report and the detailed performance data in the individual portfolio sections of the report. The recommendations are set out above.

3 Other options considered (and reasons for not proposing)

3.1 The rationale for the proposed change to the KPI is set out above.

4 Consultation, engagement and advice

4.1 The Executive Leadership Team and Cabinet Members have been consulted.

4.2 Scrutiny committees review their sections of the PRR quarterly, Performance and Finance Scrutiny Committee considering the whole document.

4.3 The Performance and Finance Scrutiny Committee meeting has taken place, with other committees considering the report in the coming weeks. Committees can make recommendations to the relevant Cabinet Member and/or refer issues to other scrutiny committees as appropriate.

5 Finance and Risk implications and mitigations

5.1 Financial implications and a summary of corporate risk are set out in the PRR.

6 Policy alignment and compliance

6.1 The PRR helps 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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Annexes to the Cabinet Report

Annex A – How to Read the Performance and Resources Report

Annex B – Performance and Resources Report – Q1 2023/24

Background papers None