

Performance and Resources Report – June 2023

Introduction

1. This report provides an overview of the performance across the Council for the first quarter of 2023/24 (April - June). The information is reported on an outturn forecast basis and describes how the Council is delivering on the Council Plan's four priorities, with an underlying theme of protecting the environment:
 - 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.
2. The [Council Plan and Medium-Term Financial Strategy](#) were considered by Cabinet on 25th July. Insight into external factors including the economic environment, government policy and demographic changes, is available in the [External Context Annex](#) as well as an update on the financial position for the next five years.

Performance Summary - The Council Plan

3. **Appendix 1** provides a table of performance by priority with details of measures reported in the relevant Portfolio Section.
4. A number of changes to measures were agreed at Council in February 2023. Four were removed and 10 added to help focus on health, Education and Health Care Plans and workforce challenges. There are now 59 measures being monitored.

Table 1: KPIs Measures Removed In 2023/24:

5a&b	Uptake of flu vaccine in over 65s and of flu vaccine in 'at risk' groups.
14	Time to complete outstanding 'Deprivation of Liberty' cases.
45	County Councillors learning and development programme.

Table 2: KPIs Measures Added In 2023/24:

53	Mental Health – Self-reported wellbeing, people with a high anxiety score.
54	HIV late diagnosis in people first diagnosed with HIV in the UK.
55	Chlamydia – Proportion of 15-24-year-olds screened.
56	Education, Health and Plans (EHCPs) completed within 20 weeks.
57	Children and young people with Education, Health and Care Plans (EHCPs) accessing mainstream education.
58	Children and young people with Education, Health and Care Plans (EHCPs) accessing Independent and Non-Maintained Special Schools (INMSS).
59	Number of new pupil places.
60	Smoking cessation (4 week quits) of smokers from disadvantaged groups.
61	Smoking prevalence in adults (18+) – current smokers (APS) - to achieve Smokefree 2030 prevalence of 5% or below.
62	Positions which have been vacant for more than 100 days.

5. Due to changes this quarter, measures are not directly comparable to Q4 2022/23.
6. The new measures in **Table 2** do not have a reported RAG rating yet. The majority are reported annually and will not have results until the year end. Previous performance data on these measures is in the relevant portfolio sections where available, but no RAG status is included as no targets were set for previous years.
7. **Table 3** provides an overview of the Q1 RAG status and Year End Forecast with reasons for those rated as amber or red included in the relevant portfolio sections.

Table 3 – Q1 Performance Summary Compared To Year-End Forecast

	Q1 2023/24	Year End Forecast
Red	13	8
Amber	11	16
Green	26	34
No RAG	9	1
Total	59	59

Performance Summary by Priority

Keeping People Safe from Vulnerable Situations

8. The **health and social care system** in West Sussex continues to experience significant pressure. The reasons are complex but include high demand from partners, in particular NHS partners requiring support in the timely and safe discharge of patients from hospitals.
9. **Adults Services** is doing everything it can to reduce delay in accessing services and is working with partners to ensure vulnerable people are kept safe and well. Service priority remains providing support to individuals who need critical and urgent care or where there are urgent safeguarding concerns, ensuring people are supported immediately or within 24-48 hours.
10. Following the publication of the **Ofsted Inspection of Local Authority Children's Services (ILACS) in May 2023** and the overall rating of 'requires improvement' the Council's focus is on getting to good and ultimately an outstanding service. The service has a Continuous Practice Improvement Plan (CPIP) initially overseen by the independent chair of the Continual Improvement Board (CIB) which will continue for six months for assurance the improvement remains on track. The inspection report praised the Council's 'relentless approach to improving practice' and the 'strong, determined and cohesive leadership team.'
11. A review of service priorities has been completed with a focus on evidence of good practice management, consistently good practice and on improving the partnership arrangements across children's services. **The Children First Transformation Programme** continues to provide the framework for service improvement and is on track with the implementation of Phase 2 of the Family Safeguarding Model and Phase 2 of the Fostering Service Redesign. Both are key to showing the level of improvement in practice and performance and improved outcomes.

12. Significant pressures remain in **Children and Young People, Learning and Skills** including the **levels of high demand and complexity** in the type of placement required for some young people. The service maintains consistent and appropriate threshold levels and continues to provide timely referrals, assessments and case allocation. Recruitment remains a high priority and the successful recruitment of over 30 qualified social workers through the South Africa programme is starting to impact on workload demand within the social work teams.

A Sustainable and Prosperous Economy

13. The County Council is investing a further £4.5m into **maintaining the county's highways and roads** following a sharp increase in safety defects and issues reported by residents. Last year West Sussex experienced extreme fluctuations in the weather which led to a higher-than-normal number of potholes forming. In the first five months of 2023 the County Council received 22,000 reports of potholes compared to an average of 15,800 reports per annum in the previous four years.
14. The **A286 North Street in Midhurst** was reopened on 23rd June following work to shore-up fire-damaged buildings. Reopening the road was a multi-agency effort.

Helping People and Communities Fulfil Their Potential

15. The **Adult Community Learning programme** has been reconfigured with a new model to be launched in September 2023 with an additional focus on Family Learning. There is also a greater co-ordination of work for those learning English for speakers of other languages (ESOL) and for those adults with learning difficulties.
16. **The Fire and Rescue Service** launched its new **Biker Down workshops** as part of Motorcycle Awareness Week. Nearly a quarter of those killed or seriously injured on the road are riding a motorcycle. The workshops include first aid, scene management, helmet removal and safety skills and the science of being seen.
17. The Council's **Operation Watershed Active Communities Fund** has awarded Rogate Parish Council £72,000 to tackle regular flooding and silt issues in the village. £54,000 was awarded to West Grinstead Parish Council to manage surface water flooding and West Dean Parish Council will receive £38,000 to improve the B2141 Chilgrove highway drainage system. Since 2013 Operation Watershed has successfully backed almost 400 projects and contributed more than £4m in funding; collaborating with groups in all districts and boroughs across the county.

Making the Best Use of Resources

18. Residents in Adur and Mid Sussex will see an **increase in the number of fire engines immediately available to respond to incidents**. Fire stations in Burgess Hill, East Grinstead, Haywards Heath and Shoreham will provide an immediate response capability from 7am until 7pm, seven days a week. This improves emergency response times by 13 seconds across the county and provides greater flexibility and capacity for completing vital prevention and protection work, such as Safe and Well Visits, delivering community safety events, and working with businesses to support their fire safety responsibilities.

Protecting the Environment

19. The third round of the County Council's **Solar Together Sussex Scheme** attracted a record number of residents wanting to install solar panels and battery systems to reduce carbon emissions and energy costs. By the end of May, more than 5,200 West Sussex residents had registered for the scheme. The County Council runs the scheme on behalf of local authorities across Sussex and more than 10,600 households registered for the latest round. Through two previous rounds in 2020 and 2021, the County Council helped to install 1,700 solar PV systems with a combined generation capacity equivalent to Westhampnett Solar Farm.
20. Another £97,664 of grant funding has been secured to support the creation of more **Heat Decarbonisation Plans** through the newly opened 4th phase of the Low Carbon Skills Fund (LCSF). This grant offers revenue funding to target sites that burn oil for heating at some of the Council's most carbon intensive locations. The surveys will inform future proposals for decarbonisation works.
21. Work has commenced to examine the potential **of County Council land for carbon sequestration and biodiversity initiatives**. The study will be completed in the autumn and will form part of the evidence base for how the Council will offset carbon emissions and inform site specific interventions.
22. As part of the **West Sussex Bus Service Improvement Plan** there is a new 500 service run by Stagecoach South from July 2023. The route will run between Chichester, Shopwhyke, Tangmere, Fontwell, Barnham, Yapton and Littlehampton. All vehicles will be low emission euro 6 buses, locally branded to reflect the areas served and fully compliant with all access requirements.

Finance Summary

23. The forecast revenue outturn position for 2023/24, at the end of June, is currently projecting an overspend on services of £18.217m, but overall, **a net £11.879m overspend** when non-service budgets are factored into the position. This represents 1.7% of the overall budget. A balanced budget can be achieved by using corporate contingency.
24. **Table 4** reports the projected revenue outturn position by Portfolio. Full details and explanations are set out in the Portfolio Sections at the end of this report.

Table 4 –Projected Outturn Variation by Portfolio

PORTFOLIO	CURRENT NET BUDGET (£'000)	PROJECTED OUTTURN VARIATION (£'000)	VARIATION %
Adults Services	242,653	2,000	0.8%
Children & Young People, Learning & Skills	182,889	15,866	8.7%
Community Support, Fire & Rescue	47,768	285	0.6%
Environment & Climate Change	73,867	1,385	1.9%
Finance & Property	28,058	881	3.1%
Highways & Transport	47,345	-2,200	-4.6%
Leader	3,016	-100	-3.3%
Public Health & Wellbeing	0	0	0.0%
Support Services & Economic Development	41,170	100	0.2%
Portfolio Total	666,766	18,217	2.7%
Non Portfolio (Excluding Contingency)	29,028	-6,338	-21.8%
Contingency	13,009	0	0.0%
Total	708,803	11,879	1.7%

-25,000 -15,000 -5,000 5,000 15,000 25,000 (£'000)

Key:
■ and ■ - Reports the Q1 Projection

Financial Risks and Service Portfolios

25. The individual portfolio sections within the report explain the key movements which have occurred during the year, however the main areas to note across council services include:
- Growing demand and complexity of need in adults and children’s social care,
 - Increases in the cost of adult lifelong services provision,
 - The growing need for and cost of external placements for children,
 - The rising numbers of children requiring high needs education,
 - Continuing inflation pressures on goods and services,
 - The delays in achieving savings,
 - Recruitment and retention issues within the workforce.
26. As part of the budget setting process for 2023/24, the County Council allocated £51.9m of pay and price inflation to assist services with inflation, including an allowance for discretionary inflation which averaged 5.5% and pay inflation of 4%. Many high-value contract inflation values were set prior to April 2023 and inflation increases were built into budgets. In recent weeks, there have been signs that inflation in the UK is starting to fall. The latest forecast spend for the year shows that the price inflationary costs on services can be contained within the budget.
27. The 2023/24 National Joint Council (NJC) pay award continues to be negotiated between employers and unions. Employers have proposed a ‘full and final offer’ of:
- An increase of £1,925 (pro rata for part-time) for all NJC pay points.

- An increase of 3.88% on all pay points above the NJC pay spine, but below deputy chief officer.
 - An increase of 3.88% on all allowances.
28. Once agreed, it is expected that any pay agreement will be funded from the 4% pay inflation allocated at budget setting with the remaining balance being drawn from the Inflation Contingency Reserve which has a current balance of £4.8m.
29. The **Adult Services Portfolio** is projecting a £2m overspend. Underlying demand pressures within Older People and Lifelong Services with reprofiled savings from previous years has led to an estimated overspend of £15m. In-year mitigations of £13m have been actioned through the use of one-off balances and staff vacancies. Challenges are compounded by staffing vacancies and the impact of the backlog on financial assessments. Good progress has been made and the latter is expected to be completed by the autumn. New cases are being processed within an average of 15 days against a target of 20. Further information is in **Section 1**.
30. After allowing for a £10m one-off drawdown from the Social Care Sustainability Reserve anticipated in the Budget Report, the **Children and Young People, Learning and Skill's Portfolio** is projecting a £16m overspend. The increasing demand and costs associated with placements for Children We Care For is the main factor for the overspend. Continued growth in pupil numbers and increasing contract prices have also led to an overspend within the Home to School Transport Service of almost £5m. Staffing vacancies and retention continue to affect service delivery. Further details are in **Section 2**.
31. As at the end of March 2023, the **Dedicated Schools Grant (DSG) Reserve** is reporting a £41.9m deficit, with a further £20.3m projected overspend in 2023/24. This would increase the overall DSG overspend to £62.2m by the end of the financial year. Work to clear Education, Health and Care Plan (EHCP) assessment backlogs may increase the overspend. This deficit remains a key concern for the County Council. Work is underway helped by the Government-led Delivering Better Value Initiative to improve SEND services and ensure they are sustainable. A grant bid for £1m has been submitted. This is welcomed but will not resolve the pressure and the County Council continues to lobby government for a longer-term solution.
32. The Government has confirmed that the statutory override for the DSG deficit will remain off the County Council's balance sheet until 2025/26, however the deficit will continue to have an adverse effect on the County Councils cash flow and return on investments. Currently, the deficit is forecast to result in a loss of investment income of £2.3m in 2023/24.
33. The **Community Support, Fire and Rescue Portfolio** is reporting a £0.285m overspend largely due to additional coroner costs. Further details are in **Section 3**.
34. The **Environment and Climate Change Portfolio** is reporting a £1.385m overspend. There has been an increase in waste volumes from kerbside collections and waste disposed of at Household Waste Recycling Sites and a reduction in the saleable value of recyclate as markets stabilise. Delays in the creation of the Halewick Lane solar and battery storage site have added to the overspend projection and the planned £0.5m income generation saving is now not expected to be delivered until 2024/25. Further details are in **Section 4**.

35. The **Finance and Property Portfolio** is reporting a £0.881m overspend due to a reduction in rental income from the City Park site in Hove as the current tenant vacates the building in September 2023. Further details are in **Section 5**.
36. The **Highways and Transport Portfolio** is reporting a £2.2m underspend due to a reduction in projected energy costs for the street lighting PFI and a reduced uptake of concessionary fare journeys. Further details are in **Section 6**. In 2023/24, the Council included an additional £4.5m for improvements to highways.
37. The **Leader, Public Health and Wellbeing and Support Services and Economic Development Portfolios** are all reporting a small variation or balanced budget. Further details are in **Sections 7, 8 and 9**.

Non-Portfolio and Sources of Finance

38. Within the **Non-Portfolio** budget, the County Council is benefiting from the recent rises in the Bank of England's interest rates. At February 2023, the bank rate was 3.5%, but has increased to 5.25%. Currently an extra £6.3m of additional investment income is forecast in 2023/24 and will be used to help mitigate the in-year overspending within service portfolios.
39. The County Council's **Contingency Budget** is reported within the Non-Portfolio budget section of the accounts. For 2023/24, a £13.008m Contingency Budget is available to assist with unplanned in-year pressures.
40. At this early stage it is forecast that the overspend on services of £18.2m can be funded through the additional investment income and the corporate contingency budget. However, the forecast position on services will continue to be closely monitored through the year and in year mitigations are being actioned.
41. The forecasts from the district and borough councils for the 2023/24 **Business Rates and Collection Fund** receipts show additional funds of £6.3m compared to the amount in the budget. The Government published the 2023/24 **Services Grant** allocations in February 2023 meaning an increase in funding of £0.126m. These amounts have been transferred to the Business Rates and Collection Fund Smoothing Reserve but can be drawn down at the year-end if needed.
42. **Budget** of £5m is currently held within Non-Portfolio. Of this funding:
 - £4.5m is allocated for additional revenue and capital **Highways Maintenance** works including road repairs, drainage prevention, sign cleaning and maintenance and tree works.
 - £0.5m is allocated for **Employment and Skills**, of which £0.150m is to be spent in 2023/24 to increase capacity for key projects and programmes. The remaining funding is planned to be used in 2024/25 and 2025/26.
43. Budget from these two areas will be transferred to the relevant portfolios later in the financial year when spending has been incurred.
44. Looking forward into 2024/25 and beyond, the County Council recognises the need for **continued investment in Highways Maintenance** to improve road infrastructure to improve journeys for residents and support business. Further investment options are being considered as part of the Medium-Term Financial

Strategy and development of the 2024/25 budget and capital programme to be published in February 2024.

Savings Update

45. The 2023/24 savings target across all portfolios is £9.6m. In addition, there remains £17.2m of previous years savings which were reprofiled. Therefore, the **overall savings to be achieved in 2023/24 total £26.8m.**
46. To ensure that all savings are monitored with the same robustness and urgency, **Table 5** has amalgamated all the savings which need to be delivered.
47. Of the total £26.8m savings:
 - £12.0m (45%) is judged as on track and has either been delivered as originally envisaged or through a different way,
 - £8.8m (33%) is amber where further work is required to ensure the saving can be achieved. If not the projected overspend will increase, and
 - £6.0m (22%) is red with no expectation of delivery in year. Red savings are reflected within the forecast outturn position.
48. The savings at greatest risk are within Adult Services where £5.2m of savings are no longer expected to be achieved in year and a further £6.4m are judged as 'at risk'. Plans have been put in place to achieve the targets in full in future years, so their status should be seen as delayed rather than non-deliverable.
49. **Table 5** summarises the savings position by Portfolio. Details of each saving is included in the separate portfolio sections.

Table 5 – Savings Summary

	RED	AMBER	GREEN	BLUE	
Total Savings 2023/24	Significant Risk Not Delivered (£000)	At Risk (£000)	On Track Delivery In Year (£000)	Delivered On an On-Going Basis (£000)	Total (£000)
Adults Services	5,158	6,433	1,880	1,000	14,471
Children & Young People, Learning & Skills	0	1,620	1,923	1,080	4,623
Community Support, Fire & Rescue	0	0	670	0	670
Environment & Climate Change	760	0	832	900	2,492
Finance & Property	0	0	586	0	586
Highways & Transport	100	155	2,344	0	2,599
Leader	0	0	18	0	18
Public Health & Wellbeing	0	0	0	0	0
Support Services & Economic Development	0	600	550	158	1,038
TOTAL	6,018	8,808	8,803	3,138	26,767

Savings Key:

R Significant Risk
 A At Risk
 G On Track
 B Delivered

Revenue Grants

50. Since the creation of the 2023/24 Budget, the County Council has been awarded a number of new grants totalling £15.6m, for which there are associated spending plans and therefore have a net nil impact on the overall financial position. Details of these allocations are reported in **Appendix 3**.
51. **Table 6** details the small number of Covid-19 grant balances available in 2023/24. All Covid-19 grant balances remaining are fully committed to be spent in year.

Table 6 – Covid-19 Grant Listing

Covid-19 Grant	Details of Planned Expenditure	Grant Available 2023/24	Known Commitments
Local Authority Non-Ringfenced Grant	One-off funding for Children’s Social Worker Overseas Recruitment, EP pandemic backlog and HR Recruitment	£1.035m	£1.035m
Local Council Tax Support	To fund the local council tax hardship scheme	£0.316m	£0.316m
Contain Outbreak Management Fund	Completion of agreed projects, Public Health pandemic staffing and Health and Intervention actions within Adult Services	£1.874m	£1.874m

Capital Programme Summary

52. The Capital Programme, approved by Council in February 2023, totalled £124.9m for 2023/24. During 2022/23, £2.9m, originally profiled to be spent in 2023/24, was accelerated into 2022/23, which has led to the revision of the capital programme value for 2023/24 down to £122.0m.
53. Profiled spend has since increased overall by £0.9m within the Highways and Transport Portfolio, to give a forecast spend for 2023/24 of £122.9m. Although spend is broadly in line with the capital budget, it is early in the year and the nature of capital spend means variations in year will be expected.
54. The Capital Programme Budget Monitor, as at June 2023, is presented in **Appendix 4** with the details of each scheme reported within the individual portfolio sections.

Capital Programme Inflation Risk

55. Inflationary pressures continue to affect the Capital Programme. The Department for Business and Trade has reported that the average cost of materials used in all types of work across the construction sector rose by 1.5% in May 2023 compared to the same month last year. The Office for National Statistics reported that construction output increased by 0.3% during the quarter to June.
56. Some of the Council’s in-flight projects have contingency or inflation provision built in. If high inflation continues to affect the capital programme, block maintenance and annual works programmes could be managed within the financial envelope by delivering fewer schemes in the short-term. This would compound the problem in future years and require more funding at a later date to get back on track.

57. Projects which require additional funding to cover inflation will continue to go through the governance set out in the Capital Strategy to ensure all are assessed case-by-case. The Capital Programme contains a £10m corporate contingency to cover overall uncertainty and volatility with specific regard to economic conditions, availability of labour and increasing costs and broader inflation.

Corporate Risk

58. The County Council’s corporate risks are reviewed regularly to ensure risks are understood and appropriate mitigation takes place with the Corporate Risk Register reported to the Regulation, Audit and Accounts Committee.
59. Risks which have a direct impact on a specific portfolio are reported in the Portfolio Sections of this report, however **Table 7** summarises changes to the Corporate Risk Register since the last quarter.

Table 7 – Corporate Risk Updates

Risk No	Risk	Action	Reason	Previous Score	Current Score
CR68	Covid-19 – Services will fail to deliver existing work plans	Close risk	No impact felt for a considerable time. Business as usual response expected going forward	10	10
CR72	Unregistered care homes - children and young people will not be cared for in settings that best meet their needs	De-escalate risk to Children and Young People and Learning Risk Register	Due to completion of mitigating actions and low likelihood of risk event	8	8
CR74	Overdue re-procurement of care and support at home services	De-escalate risk to Adults and Health Risk Register	Risk reduced significantly and new arrangements to commence in April 2024	6	6
CR76	Delivery of school places	New risk	Requirement for certain projects to demonstrate water neutrality before planning approval is obtained, and how this might affect the provision of sufficient school places	-	12

60. Further details on all corporate risks can be found in **Appendix 5 – Corporate Risk Register Summary**. Full details of the latest Corporate Risk Register, including actions and mitigations can be found under the County Council’s [Regulation, Audit and Accounts Committee Agenda](#) website.

Workforce

61. **Appendix 6** reports that of the 12 workforce KPIs with a RAG status indicator, nine are rated Green – On Track and three are Amber – At Risk.
62. The Amber – At Risk measures relate to:
- **The number of new apprentice starters since the start of the financial year (excluding schools)**. There were eight new apprentice

starters in Q1 when 14 would be expected. This will improve with the start of the academic year and a return to capacity for the Apprenticeship Team.

- **Staff induction completion rates.** Due to the unforeseen need to move to a new Learning and Development IT system, it is likely some module data for Q1 is missing. It is expected this issue will be resolved in Q2.
- **Rolling 12-month average number of calendar days lost due to sickness absence per FTE.** The first quarter reports 15.9 calendar days per FTE lost due to sickness; the same as 2022/23 Q4.

Sections and Appendices

Section 1: Adults Services Portfolio
Section 2: Children and Young People, Learning and Skills Portfolio
Section 3: Community Support, Fire and Rescue Portfolio
Section 4: Environment and Climate Change Portfolio
Section 5: Finance and Property Portfolio
Section 6: Highways and Transport Portfolio
Section 7: Leader (including Economy) Portfolio
Section 8: Public Health and Wellbeing Portfolio
Section 9: Support Services and Economic Development Portfolio

Appendix 1: Performance by Priority - KPI Summary Table
Appendix 2: Revenue Budget Monitor and Reserves
Appendix 3: Revenue Portfolio Grant Listing
Appendix 4: Capital Monitor
Appendix 5: Corporate Risk Register Summary
Appendix 6: Workforce Information