Cabinet

13th June 2024

Council Plan 2022-2027
Integrated Performance Report Year End 2023/24

Recommendations

That Cabinet:
1. Considers and comments on the Year End 2023/24 organisational performance.
2. Agrees to refer the report to Overview and Scrutiny Committees to consider, in detail, the information relevant to their individual remits.

1 Executive Summary

1.1   This report provides a retrospective summary of the Council's performance at Year End (April 2023 – March 2024) against the strategic priorities and Areas of Focus set out in the Council Plan 2022-2027. The paper sets out a combined picture of the Council's delivery, performance, HR, and risk:

- performance is assessed against the Key Business Measures (KBMs) contained within the agreed Performance Management Framework (PMF) in Section 2 and Appendix 1;
- progress against the Integrated Delivery Plan is summarised in Section 3 and more fully presented within Appendix 2;
- management of Human Resources is summarised in Section 4 and the summary dashboard is presented in Appendix 3; and
- management of Risk is summarised in Section 5 and more detailed information is presented in Appendix 4.

1.2   This summary report and the detailed performance appendices provide the complete picture of the Council's performance, enabling scrutiny and transparency for the organisation, partners, and the public. It enables Overview and Scrutiny Committees to consider performance within their own remits. All Members also have continual access to the Performance Management Framework using the Performance Portal in Power BI to further monitor performance on an ongoing basis.

1.3   The approach to strategic performance reporting continues to evolve and reflect the Council's key priorities and pressures. Members will be aware of the wealth of information and data available at both strategic and service levels. In addition, Oflog (Office for Local Government) is developing a suite of metrics for the sector. As such, the Council's performance framework will continue to evolve, and be streamlined to ensure that Members have the most useful performance data, including reference to Oflog metrics.

1.4   There are key themes that emerged last year that continue to be highlighted by this report, which impact WCC's current operating environment, including:

- increasing demand and costs being reported in Children & Families, Adult Social Care, Special Educational Needs and Disabilities (SEND), Home to School Transport and in the number of applications made through the Local Welfare Scheme; the challenges in these areas reflect systemic national issues.
- in these areas demand is increasing more quickly than resources, creating capacity, workload and delivery challenges; addressing this is a high priority for the organisation.
- continuing recruitment and retention difficulties in specific areas including Children and Adults Social Care, Highways, Planners, Legal and Finance, which are important drivers of ongoing strategic workforce planning activity; and
- a small number of services continue to experience specific challenges around staff absence levels particularly Business Support, Customer Contact, Children and Families and Social Care and Support, which are reflected in increasing overall sickness rates.

1.5   The 2023/24 PMF contains 105 KBMs, 105 of which are available for reporting at Year End. Table 1 below indicates the current assessment of performance:

Status	On Track	Not on Track
Quarter 1	66% (58)	34% (30)
Quarter 2	65% (59)	35% (32)
Quarter 3	67% (65)	33% (32)
Year End	64% (67)	36% (38)

Table 1

1.6   At Year End the position has seen an overall decline in overall percentage terms as all the measures are due for reporting compared to Quarter 3. This is set against the challenges of the current operating environment, which include a prolonged period of inflation which is now easing, high interest rates, the impact of global instability, market failures, extremely high demand and market pressures in social care and education services, and wider resourcing challenges. Appendix 1 details information for all measures within the PMF. Detailed measure-by-measure performance reporting is accessible through the Performance Portal.

1.7   Implementation of the Integrated Delivery Plan (IDP) continues. In the context of the current operating environment the overall delivery position is stronger than Quarter 2, with 80% (140) of the actions On Track which is up from 68%, 16% (28) are At Risk/Compromised and 1% (1) are Not Started and it is these actions which are reported on an exception basis in Appendix 2.

1.8   The workforce profile in terms of age, ethnicity, and staff turnover, remains steady. Vacancies overall have reduced again since the last quarter, leading

to an increase in our FTE in post which is within the agreed establishment. Sickness absence has increased slightly over the last quarter and remains outside tolerance, attributed mainly to specific service areas as covered in 1.4. This increasing trend is in line with the national picture across both public and private sectors. Targeted action in priority service areas to address increasing absence levels aims to stabilise the absence figure and then reduce this trend. However, there are significant specific workforce challenges affecting certain key services which are being addressed.

1.9   In January 2024, Cabinet approved the refreshed Strategic Risk Management Framework. The risk management information presented in this performance report, including that related to the nine strategic risks, takes account of the refreshed risk calculation and appetite levels within the Framework. A highlight is provided relating to the high-level strategic risks in Section 5 below.

1.10   At a more detailed service level, 83 risks are currently being monitored. Risks continue to be reviewed and updated across the Council to ensure that they are reflective of the current environment, priorities and plans and to ensure that appropriate mitigations are in place.

1.11   There is a wider context that continues to impact all aspects of the Council's work, including industrial action across many sectors such as NHS, the legacy impact of the pandemic, global conflict, high inflation and interest rates and the resulting fiscal challenges are impacting the communities of Warwickshire. Such a combination of events at a global and national level creates a period of significant uncertainty and a very challenging financial outlook in the short- to medium-term. This volatility is impacting on the Council's resources, both financial and in terms of recruitment and retention, levels of demand, and uncertainty about medium-term national policy direction in several key areas of our work. Performance reporting will continue to track and highlight our delivery and performance and inform prioritisation of activity and resources.

1.12   In April Cabinet agreed the new Council Delivery Plan and PMF which have been simplified to focus on the key priorities ensuring we grip and improve the drivers of cost pressures to maintain service and financial resilience. Reporting against these will commence from Quarter 1 2024/25. Service Business Plans and performance measures will evolve to reflect the more strategic approach at Council level.

2.   Performance against the Performance Management Framework

2.1   The three strategic priorities set out in the Council Plan 2022 - 2027 are delivered through seven Areas of Focus. In addition, there are three further themes that will help the Council to be known as 'a Great Council and Partner.' The full performance summary is contained in Appendix 1.

2.2   Comprehensive performance reporting is enabled through the Power BI Performance Portal as part of the Performance Management Framework. Where applicable, some performance figures may now have been updated on the Power BI reporting system. The number of reportable measures will change each quarter as the framework considers the availability of new data.

2.3   Of the 105 KBMs available for reporting at Year End, 64% (67) are reported as being On Track and 36% (38) being reported as Not on Track.

2.4   Notable aspects of positive performance for specific measures include:
- The percentage of children and young people with an Education Health and Care Plan (EHCP) attending a mainstream school have reached 36%; the highest figure reported for 5 years. As more EHCPs are issued, the proportion in mainstream settings is likely to increase further. This is in line with the Council's aim to increase utilisation of mainstream settings ensuring better outcomes for children and their families, so they can attend schools in their own communities which are able to meet their needs.
- The percentage of Adult Social Care users with long term support who have received an assessment or review in the last 12 months has reached 84% and is continuing to exceed the target of 80%. This is a new measure introduced at the start of the financial year and has been steadily increasing each month. This is positive as regular reviews benefit customers and carers by ensuring needs are continuously met and crises are pre-empted.
- The number of people awaiting a domiciliary care package to be commissioned at the end of the month has consistently remained below the target of 25 since September 2023. This is despite increased referral numbers. Success within this metric is due to continuous dialogue between commissioners and providers, and new systems that provide live updates on providers' capacity; and
- The YourSay survey results have seen an increase in both our engagement scores and our completion rate. Where it is possible to benchmark our scores against other public sector bodies, our scores are significantly higher. Whilst these results are pleasing, it is important that we continue to ensure that action is taken as a result of the feedback, with demand, workload and capacity being key themes to be addressed.

A broader area of positive performance relates to the "Promote inclusive, sustainable economic growth, successful business, good quality jobs and future skills" Area of Focus with all 9 reportable KBMs On Track at Year End, continuing strong performance throughout the year; full details can be found within Appendix 1 and the Performance Portal. 7 of the 9 KBMs are also forecasting an improved position for the next quarter.

2.5   There are several performance challenges this Quarter:
- The percentage of maintained schools with a deficit budget has risen to 20.51%, from 18.85% at Quarter 3. This is equivalent to 24 out of 117 schools forecasting deficit balances for 2023/24. The figure has been on an increasing trajectory since September 2022, and projections for

2024/25 forecast some improvements, but there are further potential cost pressures that schools will face that will need to be factored into financial plans (including the increase to employer contributions to teacher pensions).

- The latest data available for the smoking prevalence in adults is 13.9% for Warwickshire (data from 2022). This is in comparison to 12.7% for England and 13.4% for the West Midlands. There is a renewed focus within this area in the Council Delivery Plan and it is expected that the figure will reduce with the new Integrated Physical Health service launched in July 2023, and the announcement of the Government's Smokefree Generation funding and developments from April 2024.
- Demand for social care for those over 65 remains a challenge. The number of people currently in residential or nursing placement over 65 is 1,926 in March 2024 against a target of 1,600, and a figure of 1,609 in March 2023. Alongside this the percentage of people open to Adult Social Care with eligible needs living in the community with support over the age of 65 has been slowly declining and has been consistently below the target for over a year, at 56% this month compared to a target of 60%. This is in part due to increased frailty and carer fatigue. Further information can be found within the Financial Monitoring Report; and
- Absence days for Quarter 4 2023/24 have increased slightly again to 9.86 days per FTE. Several service areas across the organisation have a significant impact on the overall absence figure, and resources and actions are being targeted to provide support to them. This increasing trend appears to be in line with national trends.

2.6 Within the current PMF there are 97 measures of the 105 available for reporting where there is enough trend data available to ascertain a direction of travel. 64% (62) of measures have a direction of travel that is On Track, the majority of which are either improving or static. Conversely, 36% (35) are not on track, the majority of which are static.

2.7 Within the current PMF a total of 104 KBMs have a forecast projection from the responsible service for the forthcoming period. Of the measures that are forecast to be On Track at Year End, the majority are forecast to improve or remain static in that position.

Of those that are forecast to be not on track, the majority are forecast to remain static, however, the following are forecast to decline further at the next reporting period, full details can be found within Appendix 1 and the Performance Portal:
- % of Year 6 children (aged 10-11 years) who are overweight including obese (annual data last reported at Quarter 3);
- No. of children with an open Child in Need category including Child Protection Plans and Children in Care;
- Dedicated Schools Grant (DSG) High Needs Block (HNB) in year forecast % overspend compared to the DSG Recovery Plan; and
- % of Maintained Schools with a Deficit Budget.

Previous experience illustrates that projections provided by services between quarters are broadly accurate, so it is anticipated that this level of accurate projection continues.

2.8   A set of high-level, cross-cutting, long-term Warwickshire Outcome Measures, which the Council can influence but is not solely responsible for, are reported in a State of Warwickshire reporting dashboard which includes Levelling Up /Creating Opportunities and Cost-of-Living metrics. Current performance at Year End is being reported as a summary within Appendix 1b.

3. Performance against the Integrated Delivery Plan

3.1   The Integrated Delivery Plan (IDP) aligns priority activity from across all Service areas against the areas of focus within the Council Plan 2022-27. The IDP shows how activity across Services collectively contributes to delivering these priorities.

3.2   Detailed information on the performance summary of the IDP is included at Appendix 2. A Power BI reporting dashboard is now available and enables Members to track progress by service, status, Council Plan Area of Focus, Overview and Scrutiny Committee and Portfolio Holder.

3.3   There are 175 actions remaining within the IDP. At Year End, 79% (140) are On Track 17% (28) are At Risk/Compromised and 1% (1) Not Started. There are seven (4%) actions that are being reviewed and potentially replanned this Quarter, therefore a new status has been introduced so that it is clear which are affected, and it is these actions which are reported on in Appendix 2 on an exception basis.

3.4   Table 4 below shows the breakdown of status by Area of Focus as at Year End 2023/2024:

Area of Focus	On Target	At Risk	Compromised	Subject to Replanning	Not Started	TOTAL
Create vibrant places with safe and inclusive communities	13	0	1	1	0	15
Deliver major infrastructure, digital connectivity and improved transport options	17	5	3	0	0	25
Promote inclusive, sustainable economic growth, successful business, good quality jobs and future	24	0	2	0	0	26
Tackle climate change, promote biodiversity and deliver on our commitment to Net Zero	12	2	0	2	0	16
Deliver our Child Friendly Warwickshire strategy - Happy, healthy, safe children	10	3	3	0	0	16
Through education, improve life opportunities for children, young people and those with special	15	0	3	0	1	19
Support people to live healthy, happy, and independent lives and work with partners to	20	0	0	0	0	20
Great Council and Partner - Harnessing Community Power	10	1	0	0	0	11
Great Council and Partner - Using our data and digital solutions to improve service delivery	9	3	2	1	0	15
Great Council and Partner - Our people and the way we work	10	0	0	0	0	10

Table 4

3.5   Chart 1 below shows a comparison of the delivery status of activities (%) at Year End against previous Quarters.
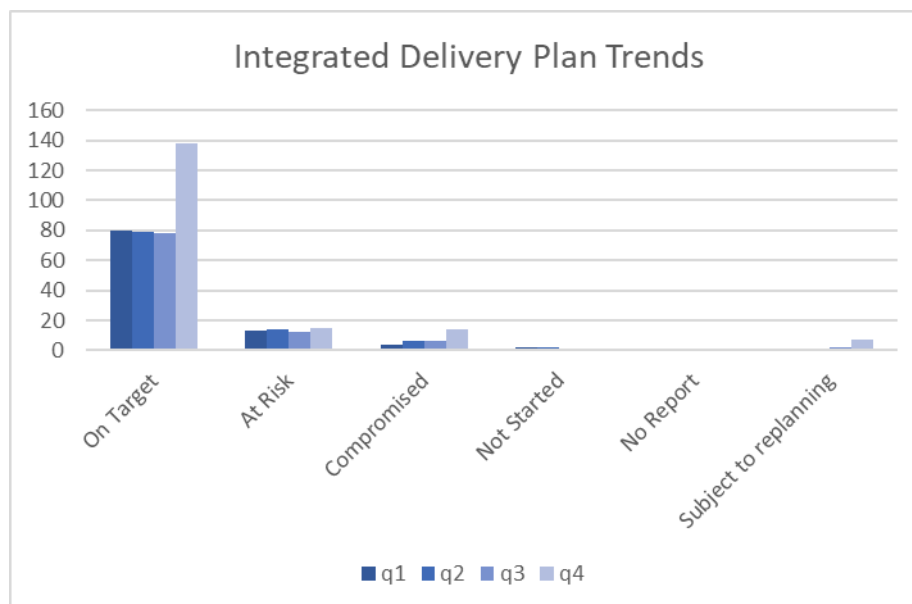

Chart 1

3.6   Across the capital programmes and projects current inflation levels and supply chain challenges are creating significant levels of risk and uncertainty about capacity to deliver as planned within available resources. Scheme-by-scheme due diligence is underway to review cost pressures on the existing capital

programme to help inform decisions about how any increased costs can be funded.

4.   Management of Human Resources (HR)

4.1   The HR performance reporting dashboard is included at <u>Appendix 3.</u>

4.2   Sickness Absence:
- Overall, there has been another slight increase in absence across the fourth quarter.
- The outturn of 9.86 days per FTE means that the tolerance level of the target of 8 days per FTE (+/- 1 day) continues to be exceeded.
- The highest reason for sickness absence remains stress and mental health, which has increased again ending Quarter 4 with 3.45 days per FTE (3.2 at the end of last quarter) which is above the target of 2.5 days per FTE. This increase is in line with the national picture, and we are finding that there is increased complexity to our stress and mental health cases. The key focus areas continue to include targeting activity to reduce high areas of absence and ensure long term sickness absentees are supported with individual action plans and resolved in a timely way. Targeted activity will also be focused on teams with particularly high levels of stress and mental health absence to ensure individuals are receiving early support including early referral to Occupational Health. To support all employees, we are running Employee Assistance Programme (EAP) awareness sessions during Learning at Work week and Employee and Manager focused mental health intranet pages are being launched soon. Stress and mental health support is also a key focus for the new Occupational Health and Employee Assistance contract.

4.3   Establishment:
- Successful recruitment and retention activity has led to a reduced number of vacancies. With the continued focus on recruitment and retention, and reduction in turnover, it is anticipated that FTE in post may continue to rise over the coming year, but this will remain within the overall establishment.

4.4   Age profile:
- The age profile of the organisation remains static, with over half of the workforce (54.4%) aged between 25 and 50 which is a positive position we are looking to build upon as we develop our strategic workforce planning approach to developing our workforce.

4.5   Ethnicity:
- The ethnicity profile of the organisation remains relatively static.

4.6   Staff turnover:
- Turnover, at 10.34% for the rolling 12 months, is lower than for the same period in 2022/23 (12.9%). This is encouraging and compares well against a median average turnover rate of 13.4 % for the sector. Although there are continuing recruitment challenges in several areas as detailed in 1.4

but most notably in Children and Young People and Social Care and Health.

- 59% of leavers are due to resignations, which is the same as Quarter 3.
- The Our People Strategy has been agreed and the priority actions for 2024/2025 identifies the following emerging themes:
  - Strategic Workforce Planning
  - Recruitment and retention
  - Reward and Recognition
  - Equality, Diversity, Inclusion and Wellbeing; and
  - Leadership.

5.   Management of Risk

5.1   The strategic risks are highlighted in Appendix 4 and these are now scored using the revised approach, which was presented to Cabinet in January 2024. The following three risks, out of nine, have a red/high status after allowing for mitigating controls:

- mismatch between demand and resources
- lack of movement towards sustainable futures; and
- cyber-attack.

5.2   The above three risks are significantly influenced by events outside of the Council's control including wider tensions around supply, demand, the availability of resources as well as escalating costs. International tensions and the increasing use of cyber-attacks by third parties adds to the complexity of the operating environment and risk landscape.

5.3   Mitigations are in place for the above risks and includes an agreed rolling five-year Medium Term Financial Strategy and associated process which includes prudent assumptions using reserves to help manage risk. For key risk areas e.g., SEND and the High Needs Block the Council is taking part in the DfE's Delivering Better Value programme, which is aimed at ensuring services are sustainable. However, demand is expected to continue to increase over the next five years with uncertainty about increases in our resources/funding. This is a national issue, and we continue to keep the situation under close review.

5.4   Corporate Board has recently considered the risk monitoring report for quarter four and particularly those risks that are high level and those considered out of alignment with the Council's risk appetite. From quarter one, Corporate Board has asked for a more detailed look at the controls and actions to determine the effectiveness of the respective arrangements.

5.5   Two new risks have been added this quarter that relate to:

- a safe environment may not be sustained, which is currently rated as medium, as Council teams work in emergency situations e.g., floods; and
- detriment to governance arrangements, which is rated as low, and was highlighted as part of our previous analysis of risk.

5.6   Risk registers are also maintained at Service (Director) level, with 83 risks currently being monitored across 13 Services at the end of Quarter 4. Key service risks are highlighted in two ways:
- by a red/amber/green rating signifying high through to low risk: at Quarter 4, eight risks out of 83 are classified as net red risks after mitigating controls; and
- by comparing the current assessed risk with the respective target level of risk: at Quarter 4, eleven risks (nine at Quarter 3; 13 at Quarter 2; and 18 at Quarter 1) have been exceeding their target for 3 quarters or more and are currently exceeding the target by a score of more than 3.

Risk targets were introduced to help the Council operate in a more risk-aware way for example, it may be necessary to accept certain risks to access certain opportunities to deliver service outcomes (such as supporting economic recovery), or it may be prohibitively expensive to resource a service or process to operate at zero risk.

5.7   A summary performance reporting dashboard for risk is included at Appendix 4 showing:
- Appendix 4a is a summary of the strategic risk register analysed by risk likelihood and risk impact shown in a heatmap; and
- Appendix 4b is a summary of service risks highlighting red risks and risks consistently above target for 3 quarters or more and scoring more than 3 points higher than the target risk.

5.8   Risks that are identified have mitigation activity highlighted, including controls and actions, which are reviewed and updated periodically by relevant managers.

6.   Financial Implications

6.1   There are none specific to this report, but Cabinet is referred to the associated finance performance report.

7.   Environmental Implications

7.1   There are none rising directly from this report.

Appendices

Appendix 1 – Quarterly Performance Report
Appendix 2 – Progress on Integrated Delivery Plan
Appendix 3 – Management of Human Resources dashboard
Appendix 4 – Management of Strategic Risk

Background Papers

Role	Name	Contact Information
Report Author	Vanessa Belton, Business Intelligence Service Manager (Performance and Quality)	vanessabelton@warwickshire.gov.uk
Director	Craig Cusack, Director of Enabling Services	craigcusack@warwickshire.gov.uk
Executive Director	Rob Powell, Executive Director for Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Yousef Dahmash, Portfolio Holder Customer and Transformation	yousefdahmash@warwickshire.gov.uk

The report was circulated to the following Members prior to publication:
Local Member(s): not applicable as county wide report
Other Members: OSC chairs