# Cabinet

# 14 November 2024

# Council Plan 2022-2027
# Integrated Performance Report Quarter 2 2024/25

## Recommendations

That Cabinet:

1. Considers and comments on the Quarter 2 2024/25 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 summary of the Council's performance at Quarter 2, April 2024 – September 2024, against the strategic priorities and Areas of Focus as set out in the Council Plan 2022-2027. The paper sets out a combined picture of the Council's delivery, performance, HR and risk, enabling scrutiny and transparency for the organisation, partners, and the public:

- progress against the Council Delivery Plan (CDP) is summarised in Section 2 and more fully presented within Appendix 1;
- performance is assessed against the Key Business Measures (KBMs) contained within the agreed Performance Management Framework (PMF) in Section 3 and 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    The CDP and PMF were both recently refreshed and have been simplified to focus on the key priorities ensuring we maintain or improve service provision in those areas that are drivers of cost pressures thus gaining financial resilience. This report is a summary of progress on deliverables and performance measures as detailed in the CDP.

1.3    This summary report also enables Overview and Scrutiny Committees to consider performance within their own remits. All Members have access to the CDP and PMF using the Performance Portal in Power BI to monitor performance.

1.4    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.

1.5     Implementation of the CDP began in April, with Quarter Two seeing a further two projects (3%) completed. The overall delivery position remains strong, 48 (82%) are On Track, 2 (3%) Complete and 9 (15%) are At Risk. and it is these actions which are reported on an exception basis in Appendix 1.

1.6     The 2024/25 PMF contains 67 KBMs, 63 of which are available for reporting at Quarter 2. Table 1 below indicates the current assessment of performance which remains broadly stable:

| Status | On Track | Not on Track |
|---|---|---|
| Quarter 1 | 76% (42) | 24% (13) |
| Quarter 2 | 73% (46) | 27% (17) |

Table 1

The forecast position for the next reporting period is that overall, the position will remain stable however a significant proportion of measures will show improvement in their individual performance.

1.7     At Quarter 2 the overall performance against KBMs in the PMF, measuring delivery of the CDP, is currently positive with a trajectory to further improve at the next reporting period. This is set against the challenges of the current operating environment, which include a prolonged period of uncertainty including the impact of global instability, market failures, high demand and market pressures in social care, children's and education services leading to significant financial pressures. The financial pressures evident at Quarter 1 necessitated a financial mitigation strategy, and wider resourcing challenges which have helped stabilise the in-year position although, in common with the whole sector, significant medium-term financial challenges remain. Appendix 2 details information for all measures within the PMF. Detailed measure-by-measure performance reporting is accessible through the Performance Portal.

1.8     The workforce profile in terms of age, ethnicity, staff turnover and vacancies remains stable. Whilst sickness absence has increased slightly over the last quarter, the rate of increase is slowing. This remains outside tolerance. Stress and Mental Health absence continues to be our main reason for absence and therefore a priority. This overall trend is in line with national trends in 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.  We continue to focus on our priority areas, including rolling out Strategic Workforce Planning across the organisation, we are planning our engagement activity to take place in Quarter 4 and are awaiting confirmation of achieving Silver Thrive at work accreditation.

1.9 In September 2024, responsibility for the risk management framework and associated reporting transferred to the Corporate Policy Unit. The move reflects an opportunity to strengthen the alignment between strategic foresight, risk management and strategy development. Subsequently, a revised approach has been developed which:

- creates a clearer 'aggregate' view of risk at organisational and directorate level;
- places greater emphasis on ownership, analysis and oversight by each DLT and risk owners;
- creates an opportunity to address 'remedial action' ahead of reporting to Members; and
- extends the current infrastructure in place for strategy to work for strategy and risk – standing DLT items, strategy & risk network.

1.10 Four of the nine strategic risks have a red or high-level status after taking account of the current mitigations. High-level strategic risks are summarised in Section 5 below and Appendix 4.

1.11 At a more detailed service level, 67 risks are currently being monitored, eight of which are red risks. 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. Further detail is included in Section 5 below and Appendix 4.

1.12 The Council continues to operate in a challenging and rapidly changing environment which impacts all aspects of our work. A challenging financial outlook in the short- to medium-term is impacting on the Council's resources. Resourcing challenges are both financial and workforce, reflecting levels of demand, and uncertainty about medium-term national policy direction in several key areas of our work which the budget on 30th October may begin to clarify. Performance reporting will continue to track and highlight our delivery and performance and inform prioritisation of activity and resources.

## 2.    Performance against the Council Delivery Plan

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 CDP aligns priority activity from across all Service areas against the areas of focus within the Council Plan 2022-27. It shows how activity across Services collectively contributes to delivering these priorities.

2.2 Detailed information on the performance summary of the CDP is included at Appendix 1.  A Power BI reporting dashboard enables Members to track progress by Council Plan Area of Focus.

2.3 There are 58 remaining actions within the Council Delivery Plan. Of these, at Quarter 2, 48 (82%) are On Track, 2 (3%) Complete and 9 (15%) are At Risk. It is these actions which are reported on in Appendix 1 on an exception basis.

2.4    Table 2 below shows the breakdown of status by Area of Focus as at Quarter 2 2024/2025.

| Area of Focus | Complete | On Track | At Risk | Compromised | Not Started | TOTAL |
|---|---|---|---|---|---|---|
| Create vibrant places with safe and inclusive communities | 0 | 5 | 0 | 0 | 0 | 5 |
| Deliver major infrastructure, digital connectivity and improved transport options | 0 | 9 | 0 | 0 | 0 | 9 |
| Promote inclusive, sustainable economic growth, successful business, good quality jobs and future | 0 | 4 | 0 | 0 | 0 | 4 |
| Tackle climate change, promote biodiversity and deliver on our commitment to Net Zero | 0 | 6 | 3 | 0 | 0 | 9 |
| Deliver our Child Friendly Warwickshire strategy - Happy, healthy, safe children | 1 | 2 | 2 | 0 | 0 | 5 |
| Through education, improve life opportunities for children, young people and those with special | 1 | 3 | 2 | 0 | 0 | 6 |
| Support people to live healthy, happy, and independent lives and work with partners to | 0 | 10 | 0 | 0 | 0 | 10 |
| Great Council and Partner | 0 | 9 | 2 | 0 | 0 | 11 |

Table 2

2.5    Notable areas of progress this quarter include:
- On 1st September 2024 the new Multi-Agency Safeguarding Arrangements went live, enabling improved outcomes for children locally across all levels of need and all types of harm and contributing to our Area of Focus "Deliver our Child Friendly Warwickshire strategy -heard, safe, healthy, skilled, happy children".
- A five-year plan has been agreed for capital investment to provide additional school places to ensure we have sufficient capacity in the right locations.  This is a significant contribution to our Area of Focus "Through education, improve life opportunities for children, young people and those with special educational needs".

2.6    Challenges being seen this quarter relate to the following:
- Delays to activities within the "Tackle climate change, promote biodiversity and deliver on our commitment to Net Zero" Area of Focus. The activities delayed are;
  - The Hydrotreated Vegetable Oil Pilot;
  - The refresh of the Energy and Environment Plan and associated activities including the solar PV installations at Ryton Pools and Kingsbury Water Park; and
- The provision of the Teleton Academy, which contributes to our Area of Focus "Through education, improve life opportunities for children, young people and those with special educational needs" is delayed by the Department for Education (DfE), who are responsible for the funding, commissioning and delivery of the school.  The Service are in touch with the DfE to glean further information about what that means in terms of delivery timescales.

## 3.    Performance against the Performance Management Framework

3.1    The Council Delivery Plan outlines deliverables relevant to each Area of Focus and KBMs have been assigned to measure impact; a full performance summary against all KBMs is contained in <u>Appendix 2</u> and more comprehensive performance reporting is enabled through the Power BI <u>Performance Portal</u> as part of the PMF. The number of reportable measures will change each quarter as the framework reflects the availability of new data.

3.2    Of the 63 KBMs available for reporting at Quarter 2, 73% (46) are reported as being On Track and 27% (17) being reported as Not on Track.

3.3    Notable aspects of positive performance for specific measures include:
- The Coventry & Warwickshire area attracted 54 Foreign Direct Investment (FDI) projects in the year 2023-24, maintaining the trend of recent years. Key sectors for Coventry & Warwickshire included 22 projects for automotive and future mobility (up from 17 projects) and 8 digital creative and software, 4 e-commerce and logistics (5 projects last year) and 4 medtech projects. The latest data confirms the Coventry & Warwickshire sub region as a leading UK destination for FDI and high-tech investment over the last decade;
- The uptake of early education/childcare entitlements by Warwickshire children is a consistently strong area. From September 2024 a new entitlement was introduced for working parents of children from the age of 9 months to access 15 hours of funded childcare per week. Early uptake figures for Warwickshire are strong, with 87% (or 2,948 out of 3,377) of eligible children using this entitlement. This is in line with early national average data for this metric that has been shared by the Department for Education; and
- All required additional class places for pupils at both reception and Year 7 above Pupil Allocation Number (PAN) were created this academic year. Successful delivery was supported by early conversations with schools and all Warwickshire reception and Year 7 applicants were provided with an offer on National Offer Day. For primary school transfer 98.8% of families were awarded one of their first three choice school preferences, above the national average of 98%.

3.4    There are several performance challenges this Quarter:
- The % of Education Health Care plans (EHCP) completed within 20 weeks was highlighted at Quarter 1 and remains an area for improvement activity at Quarter 2. Current performance is at 22% of EHCPs being completed within 20 weeks; this is equivalent to 81 out of 375 plans. This compares to 16% (32 out of 198) at Quarter 1. There were 1,971 requests for EHC assessments in the calendar year 2023 compared with 1,418 the year before - a 39% increase. The highest ever number of requests was received in July 2024, at 231. Current performance is due to the very significantly increasing demand and a backlog of EHCPs to process. A

process review has taken place to optimise ways of working whose recommendations are being implemented, but these can only mitigate the fundamental challenge of the rapidly increasing levels of demand;

- The annual cost of SEND Home to School Transport per child shows a very slight increase, from £11,498 in Quarter 1 to £11,593 in Quarter 2. The trend is still showing an increasing number of children requiring transport due to the numbers of EHCPs being issued, this is reflected in the associated costs which are significantly above budget.
- Sickness Absence days for Quarter 2 2024/25 have increased slightly again to 10.38 days per FTE which remains above the tolerance of +/- 1 day against the target of 8 days per FTE. During the quarter the absence figures increased in July and, encouragingly, started to stabilise in August and gradually reduce in September. More details regarding sickness absence are covered comprehensively in paragraph 4.2; and
- % Net Variation of Outturn Forecast to Revenue Budget (Whole Council) and % variation of revenue savings achieved against agreed Medium Term Financial Strategy (Whole Council) both remain as Not on Track, however the spending controls which were introduced at the end of Quarter 1 are starting to have the desired effect, resulting in an improved position at Quarter 2 compared to Quarter 1:
  - o % Net Variation of Outturn Forecast to Revenue Budget (Whole Council) is at 2.36% this Quarter, down from 6.73% at Quarter 1; and
  - o % variation of revenue savings achieved against agreed Medium Term Financial Strategy (Whole Council) is at 59% this Quarter, a slight improvement from 57% at Quarter 1.

  The full position and mitigating actions are outlined in the Quarter 2 Finance Monitoring Report.

3.5   Within the current PMF there are 50 measures of the 63 available for reporting where there is enough trend data available to ascertain a direction of travel. For 70% (35) of currently reported On Track measures performance for all is either improving or static. Conversely, for the Not on Track measures, for the majority performance is static with no improving or declining trend.

3.6   Within the current PMF all 63 reportable KBMs have a forecast projection from the responsible service for the forthcoming period. Of the measures that have a status of On Track, over half are forecast to improve over the next reporting period with the others forecast to remain static in the current position. Of those that have a status of Not on Track, just under half of the measures are forecast to improve over the next reporting period, while the others are forecast to remain static.

3.7   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 Creating Opportunities and Cost-of-Living metrics.

## 4.    Management of Human Resources (HR)

4.1    The HR performance reporting dashboard is included at <u>Appendix 3.</u> This provides an overview of our key HR metrics. Whilst our workforce profile remains stable there are a couple of key points to highlight.

4.2    Sickness Absence:
- Overall, there has been another slight increase in absence across the second quarter.
- Absence days for Quarter 2 are at 10.38 days per FTE meaning 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, this has increased slightly again ending Quarter 2 at 3.47 days per FTE (3.44 at the end of quarter 1) but remains above the target of 2.5 days per FTE.
- Targeted activity continues to be focused on teams with particularly high levels of stress and mental health absence.
- Specific work undertaken in Quarter 2 includes the launch of the refreshed Attendance at Work policy and web pages. Linked to this launch was a communication plan which included:
  - o reinforcing the importance of return-to-work meetings to discuss an employee's attendance level;
  - o promoting the day 1 referral service through our Employee Assistance Programme (EAP) for staff presenting stress as a contributing factor to their absence;
  - o highlighting the work of our Health & Safety team to develop support for individuals with musculoskeletal injuries and guidance to help avoid slips, trips and falls;
  - o submission of our evidence for our Thrive at work silver award accreditation, for which the visit took place this quarter; and
  - o offering staff flu vaccinations to reduce the seasonal impact of flu.
- Following recent reports and discussions, Corporate Board and the Resources and Fire Overview & Scrutiny Committee will be updated on progress and the impact of the attendance at work action plan.

Recruitment:
- We have seen improvements in our recruitment challenges, particularly in children and families.  There continues to be challenges in social care and health. Strategic workforce planning activity is being rolled out across the organisation, looking at creative solutions to address issues where there are recruitment challenges. Whilst we have a continued focus on recruitment and retention this is within the context of recruitment controls for non-business critical posts to help mitigate the Council's financial pressures.

## 5.    Management of Risk

5.1    Ahead of the start of 2024/25 financial year the WCC Risk framework underwent a period of refinement which included:
- a refresh of the Strategic Risk Management Framework (approved by Cabinet in January 2024);
- a refresh of the Strategic risks in 2023-24 (now reporting for the 5th quarter);
- reassessment of risk appetites and associated risk themes (conducted in Quarter 3 and agreed in Quarter 4 2023/24);
- completion of an assurance exercise with peer authorities;
- completion of the moved to the simplified risk score calculation; and
- a gap analysis and deep dive work for the strategic risks.

5.2    In September 2024, responsibility for the risk management framework and associated reporting transferred to the Corporate Policy Unit. The move reflects an opportunity to strengthen the alignment between strategic foresight, risk management and strategy development.  Subsequently, a revised approach has been developed which:
- creates a clearer 'aggregate' view of risk at organisational and directorate level;
- places greater emphasis on ownership, analysis and oversight by each Directorate Leadership Team (DLT) and risk owners;
- creates an opportunity to address 'remedial action' ahead of reporting to Members; and
- extends the current infrastructure in place for strategy, to cover for strategy and risk – standing DLT items, strategy & risk network.

5.3    Reading across all risks (strategic and directorate) the key messages this quarter are that:
    a) areas of service risk appear well known to risk owners and are in the large part managed through effective controls; and
    b) the ability to accept and hold a high level of residual risk may need to be reconsidered in future quarters in realistic target setting and an appropriate risk appetite.

5.4    Strategic risks:
    a) the Strategic Risks are highlighted in Appendix 4   Four out of nine risks are currently on target.  Vulnerable children and adults (#3), Sustainable futures (#4), Workforce (#6), Cyber-attacks (#7) are trending above target; and
    b) Corporate Board has recently reviewed the Strategic Risks, paying particular attention to those which are high risk. During Quarter 1 a series of deep dives commenced with Cyber and Sustainable Futures. This process was paused in Quarter 2, but will recommence during Quarter 3 to provide a detailed review of WCC's strategic risks.

5.5    There are now 67 live directorate level risks at Quarter 2, which is a slight reduction when compared to Quarter 1.  The detailed risk profiles versions

have been shared with each Directorate Leadership Team in October 2024 to ensure controls, ratings and target are reviewed and updated. Where risks are trending above target for 3 consecutive quarters and/or this is 3 or more points above target, these risks have been highlighted with risk owners and controls and targets will be reviewed as part of the review in the lead up to Quarter 3 reporting.

## 6.    Financial Implications

6.1    There are none specific to this report, but Cabinet is referred to the associated 2024/25 Financial Monitoring – Forecast position at Quarter 2 report.

## 7.    Environmental Implications

7.1    There are none rising directly from this report.

## Appendices

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

## Background Papers

None

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The report was circulated to the following Members prior to publication:
Local Member(s):not applicable county wide report
Other Members: Chairs and Vice Chairs of the Council's Overview and Scrutiny Committees