

# **Cabinet**

**10 November 2022**

## **Council Plan 2022-2027 Integrated Performance Report Quarter 2 2022/23**

**Period under review: April to September 2022**

### **Recommendations**

1. That Cabinet considers and comments on the Quarter 2 organisational performance, progress against the Integrated Delivery Plan, management of Human Resources and Risk.
2. That Cabinet agrees the proposed changes to the Performance Management Framework outlined in paragraph 2.7.

### **1. Executive Summary**

- 1.1 The wider national context is a critical frame within which to view the Council's performance. The UK is experiencing the consequences of both significant political, global and macro-economic turbulence, including two recent changes of UK Government, the impact of the Pandemic, and the war in Ukraine. High inflation, rising interest rates and the resulting fiscal challenges are impacting the cost of living, increasing pressure on an already tight labour market, demand for public services and public finances.
- 1.2 Such an unprecedented combination of events at a global and national level leaves the country facing 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 increased uncertainty about a number of key national policy areas including Adult Social Care reform, devolution, levelling up and climate change.
- 1.3 Inevitably these factors, which were not anticipated at the time the Integrated Delivery Plan and the Performance Management Framework were developed, are impacting on our priorities, focus, capacity and project delivery timescales. The reporting of performance will track and highlight these impacts on delivery and performance, and inform the basis of prioritising activity and resource allocation as we undertake the refresh of the Integrated Delivery Plan.
- 1.4 This report summarises the Council's performance at the end of the second quarter (April - September 2022) against the strategic priorities and Areas of

Focus set out in the Council Plan 2022-2027. Performance is assessed against the Key Business Measures (KBM) contained within the agreed Performance Management Framework.

- 1.5 Progress against the Integrated Delivery Plan is summarised in Section 3 and more fully presented within Appendix 2.
- 1.6 Management of Human Resources is summarised in Section 4 and the summary dashboard is presented in Appendix 3.
- 1.7 Management of Risk is summarised in Section 5 and more detailed information is presented in Appendix 4.
- 1.8 The paper sets out a combined picture of the Council's delivery, performance, HR, and risk. Officers are still embedding this new approach and performance framework, and a number of new measures will not be available for reporting until Year End. The format and content of these integrated performance reports will continue to evolve over the course of the current financial year.
- 1.9 Quarter 2 has seen a marginal decline in performance compared with the Quarter 1 position, reflecting the increasingly volatile, uncertain, and high-risk external environment which is impacting on resources and the wider economic environment, capacity, and uncertainty about a number of key policy areas.
- 1.10 Of the 54 KBMs available for reporting this quarter the following table indicates an assessment of performance, compared to Quarter 1:

Quarter	On Track	Not on Track
1	70% (35)	30% (15)
2	63% (34)	37% (20)

- 1.11 Appendix 1 details performance for all measures within the Performance Management Framework. Detailed measure-by-measure performance reporting is accessible through the 2022/23 Performance Portal available at [this link](#).
- 1.12 There are some key emerging themes highlighted by this report, including:
  - Increasing demand being reported in services specifically in the People Directorate and within Business and Customer Services such as the Local Welfare Scheme and the Customer Service Centre; and
  - Capacity issues are impacting delivery across the organisation. Difficulties in recruiting and retaining staff in a highly constrained national and local labour market are reflected within the commentary on the Integrated Delivery Plan and performance and in paragraph 4.6 of the Management of Human Resources section in this report; given significant and growing financial/inflationary pressures, there is no easy solution to these strategic workforce issues, which are being considered by our HR Strategy team.
- 1.13 Notable aspects of positive performance for specific measures include:

- % of applications made to the Warwickshire Local Welfare Scheme which are supported, currently achieving 92%; and
- the percentage of care leavers not in education, employment and training which is maintaining a consistent level of 30%, which compares favourably to national data.

In addition, performance is notable in some broader areas such as:

- a number of measures relating to our people and how we work which are performing strongly, particularly strong performance on measures relating to the recent staff engagement survey; and
- a number of education measures with large proportions of the youngest children accessing their early years entitlement and a high proportion of early years settings and maintained primary schools being judged Good or Outstanding.

1.14 The main performance challenges relate to:

- the numbers of children under Child Protection Plans, number of children in care excluding unaccompanied asylum-seeking children and the number of children with an open Child in Need category including Child Protection Plans and Children in Care; encouragingly, however, the last Quarter has seen a reduction in numbers across these measures indicating an improving position;
- % of Children receiving a 6-8 Week Health Check as figures are significantly below target and levels have been reducing over last few reported periods which is largely due to the challenge of recruitment and retention of qualified health visitors. This is mirrored by the national picture for the profession and these challenges have been exacerbated by the pandemic;
- the number of properties better protected from flooding is significantly under target, with only three properties taking up the scheme year to date, as such the target has been reduced from 81 to 32;
- fire response times within agreed standards, and the number of fire-related deaths and injuries which are exceeding the agreed targets;
- Dedicated Schools Grant High Needs % overspend compared to DSG recovery plan as target is being exceeded; and
- the percentage of schools with a deficit budget remains above the target of zero and is likely to decline as a result of inflationary pressures impacting school budgets, particularly due to pay awards that are not fully funded.

1.15 The report sets out services' projected performance trajectory, which recognises a more volatile than usual environment as a result of external factors.

1.16 Implementation of the Integrated Delivery Plan (IDP) continues with Quarter 2 seeing a further 6 projects completed and work beginning on 3 that had not started in Quarter 1. The overall delivery position remains strong, with 73% of actions On Track and 4% Complete, 17% are At Risk/Compromised and 5%

Not Started, and it is these actions which are reported on in Appendix 2 on an exception basis

- 1.17 5 of the Council's 18 strategic risks have a red status. The red risks arise generally as a result of the impact of current inflation on living standards and levels of inequality; Warwickshire's economy; and Council funding, levels of demand for services and consequentially the Council's capacity to deliver all of its priorities. At a more detailed service level 90 risks are currently being monitored, of which 13 are rated as a high residual risk.

## **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 to these, there are three further areas to support the Council to be known for as 'a Great Council and Partner'. The full performance summary is contained in Appendix 1.
- 2.2 A set of high-level Warwickshire Outcome Measures, where we can influence improvement in performance but do not solely own, are also contained in the Performance Management Framework. Reporting against these is under development and will inform our ongoing State of Warwickshire reporting.
- 2.3 Comprehensive performance reporting is enabled through the Power BI link [2022/23 Performance Portal](#) as part of the revised and adopted Performance Management Framework.
- 2.4 The new approach to performance reporting is evolving, building on the recommendations of the Member Working Group. The number of reportable measures will change each quarter as the framework considers the availability of new data.
- 2.5 There is one other measure being reported but has a status of Not Applicable as no grant funding applications have been supported for Regeneration & Place Shaping initiatives as none have been received to date.
- 2.6 All 54 reporting measures have a forecast projection from the responsible service for the forthcoming period. Of the 34 measures that are forecast to be On Track at Quarter 2, 9 are forecast to improve, 22 to remain static and 3 to decline over the next quarter. Of those 20 that are forecast to be Not on Track, 11 are forecast to improve and 7 to remain static and 2 forecast to decline at the next reporting period.
- 2.7 As an agile approach is being taken to the new Performance Management Framework there are a number of proposed changes where Cabinet agreement is sought:
- the KBM % of people living in fuel poverty (low income, high-cost methodology) is more suitable as a Warwickshire Outcome Measure as the measure is being affected by many social, health, economic and

environmental factors, including those that WCC can influence but does not have sole control over;

- a number of new School Places measures included in the Framework going forward to support the ongoing development of processes and systems in this area; and,
- 2 new KBMs are included in the Framework to support the 'Harnessing Community Power' Area of Focus
  - total number of community groups; and
  - total amount of money going into community groups (via the Councils major Community Investment streams).

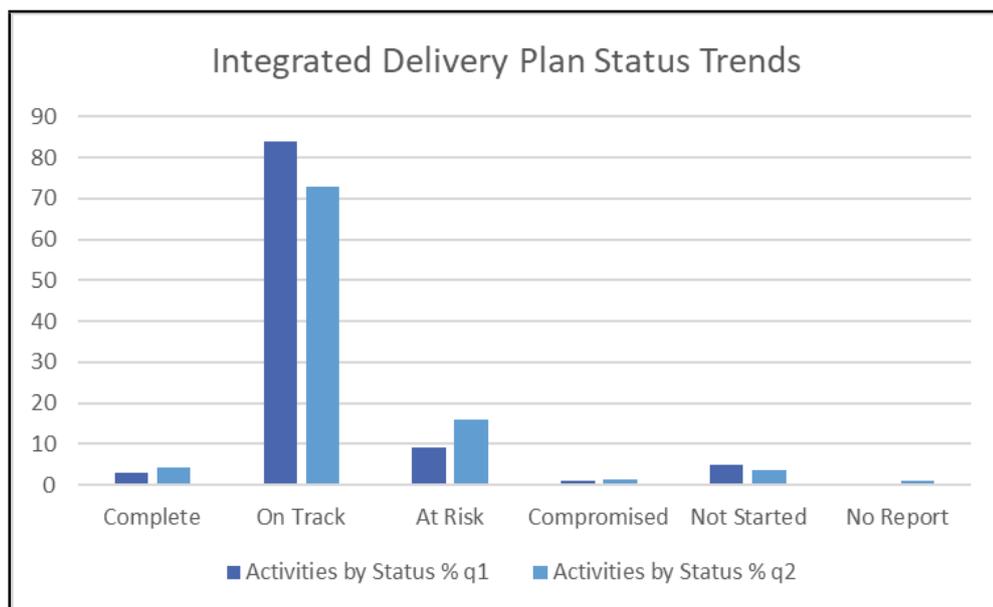
### 3. Performance against the Integrated Delivery Plan

3.1 The Integrated Delivery Plan aligns priority activity from across all Service areas against all Areas of Focus within the Council Plan 2022-27. The Plan shows how activity across services collectively contributes to delivering these priorities.

3.2 Detailed information on the performance summary of the Integrated Delivery Plan is included at Appendix 2. A new [Power BI reporting dashboard](#) is now available and will enable Members to track progress by Service, status, Council Plan Area of Focus, Overview and Scrutiny Committee and Portfolio Holder.

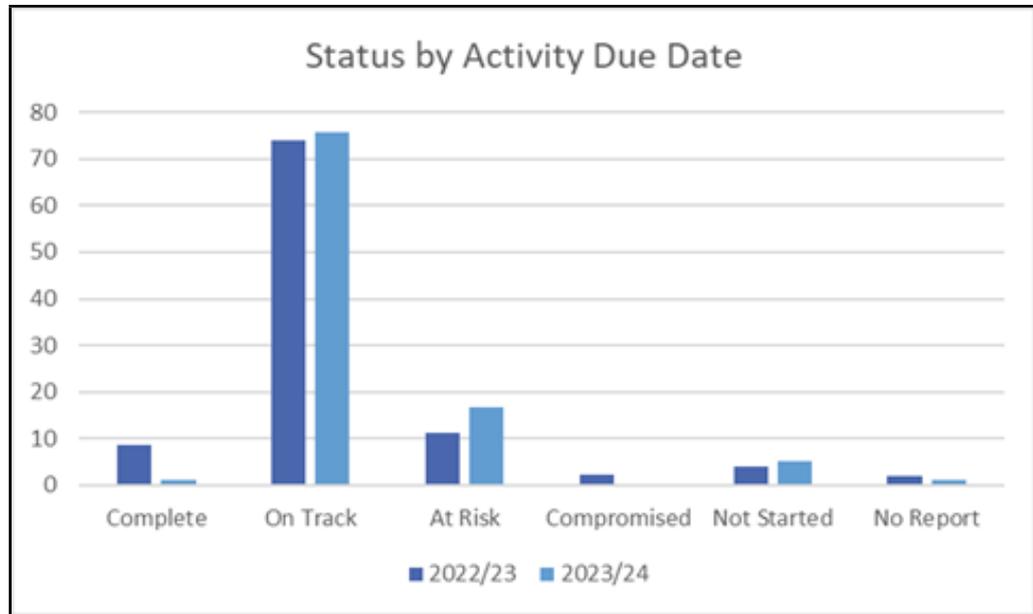
3.3 There are 214 actions within the Integrated Delivery Plan. At Quarter 2 73% are On Track and 4% Complete, 17% are At Risk/Compromised and 5% Not Started, and it is these actions which are reported on in Appendix 2 on an exception basis.

3.4 This graphic shows emergent trends of activity status by Quarter.



3.5 The Integrated Delivery Plan contains 214 activities, 123 of which are due to be completed in 2022/23. Of these 9% have been completed and 72% On Track with 42% of the 214 activities due to complete in 2023/24 or beyond.

3.6 This graphic shows the breakdown of activity status by predicted end date.



3.7 Several actions remain at risk relating to capital programmes and projects, where current inflation levels and supply chain challenges are creating very significant levels of risk and uncertainty about our capacity to deliver as planned within available resources, a challenge common to all Councils. Scheme-by-scheme due diligence is underway to review inflationary pressures on the existing capital programme to help inform decisions about allocation of the £15m inflation contingency fund agreed at Council on 29 September.

3.8 Important emerging points to flag in terms of delivery, the impacts of which will be followed up during Quarter 3, are:

- Lending under the Business Investment Growth (BIG) pillar of the Warwickshire Recovery and Investment Fund has slowed due in part to the general uncertainty in the economy. The annual review of the BIG pillar is due in Quarter 3;
- The My World of Work careers programme is delayed and is now likely to run into 2023/24;
- Recruitment issues are impacting delivery of the rural tree planting scheme, meaning the 10-hectare target may be missed for March 2023;
- The work to extend the pilot of the Warwickshire Family Safeguarding Service is subject to review due to financial pressures;
- Lack of foster carers has resulted in the work around equalities within the young offenders in care becoming compromised. A further recruitment campaign has been undertaken to address this; and
- The public consultation planned for September 2022 around delivery of SEND services has been postponed until December 2022.

## 4. Management of Human Resources (HR)

4.1 The HR performance reporting dashboard is included at Appendix 3.

4.2 Sickness Absence:

- Through Quarter 2 the annualised sickness absence rate has decreased from 8.81 days at the end of Quarter 1 to 8.6 days per FTE colleague at the end of Quarter 2. It is encouraging that sickness absence has stabilised at the levels at the end of 2021/22, following an upward trend over the previous 12 months and that the Council remains on target to achieve 8 days/FTE with a tolerance of +/- 1 day.
- Levels of absence attributed to Covid-19 continue to increase, with Covid-19 remaining the second highest cause of absence at 16.81% of days lost and an average of 1.66 days per FTE.
- The Our People Strategy, Annual Review on Leading Organisational Wellbeing, which details the achievements against agreed priorities over the last 12 months, performance measures and priorities for 2022/23 was well received at the Staff and Pensions Committee Meeting in October.
- The winter flu vaccination programme for 2022 for our people was launched, with sessions being well attended at a variety of council bases.
- The key focus areas continue to include the development of a wellbeing delivery plan, launching the attendance data dashboard for managers, reviewing the success of the Approach to Wellbeing as well as targeted support to services with high or increasing absence.

4.3 Headcount and FTE:

- The headcount increased by 48 from 4,894 in Quarter 1, to 4,942 in Quarter 2. The FTE also increased by 34 from 4,152 to 4,186 in Quarter 2.
- With the transfer of Education Services, headcount and FTE has increased in the People Directorate and correspondingly reduced in the Communities Directorate.

4.4 Age profile:

- The age profile of the organisation remains static, with over half of the workforce, 54.8%, being aged between 25 and 50, decreasing from 55.1% during the previous quarter.

4.5 Ethnicity:

- The ethnicity profile of the organisation remains relatively static with 72.7% of the workforce being white British which is again a slight reduction from 73% at the end of Quarter 1.

4.6 Staff turnover:

- Turnover, at 13.7% for the rolling 12 months, has shown a slight reduction from 14% in the last quarter and starts to stabilise an increasing trend. Whilst this is encouraging, there are still difficulties in recruitment and

retention, in terms of the labour market position, the cost of living increases and the associated challenges for public sector pay.

- 67% of leavers are due to voluntary resignations, which is an increase from 61% in the previous quarter.
- As previously reported, priority has been given to reviewing the approach to reward and recognition and ensuring that the overall employment offer is competitive, and WCC is seen as an employer of choice, capitalising on the very positive results of the recent staff survey.
- Aligned to this, the organisational approach to strategic workforce planning has commenced through discussions with Assistant Directors, using HR metrics as a tool to explore workforce issues relating to service areas. This work will deliver the following outcomes in the longer term:
  - Identification of key themes, in terms of delivering the Our People Strategy and to enable strategic priorities to be identified for next year's Our People Strategy delivery plan.
  - Proactive more bespoke Human Resource and Organisational Development interventions into service areas, to tackle service level issues, such as recruitment, career pathways, grading, organisational development, and organisational change.
  - Enabling services to achieve the Medium-Term Financial Strategy, by supporting different ways of working.

## **5. Management of Risk**

5.1 The strategic risk register reflects an increase in the assessed risk of adverse issues arising due to the effects of a deteriorating economic position and increases in inflation and the cost of living. Risks relating to social care reform and levelling up have been identified. The following 5 of our 18 strategic risks have a red status after allowing for mitigating actions:

- economic growth slows or stalls;
- widening inequalities post pandemic;
- SEND resources are insufficient to meet demand;
- inflation and the rising cost of living; and,
- 2050 County net zero targets not met.

5.2 Risk registers are also maintained at service (Assistant Director) level, with 90 risks being monitored across 13 Services at Quarter 2. Key service risk issues are highlighted in two ways:

- by a red/amber/green rating signifying low through to high risk: at Quarter 2, 13 risks out of 90 are classified as net red risks after mitigating actions; and
- by comparing the actual assessed risk with a target level of risk: at Quarter 2, 13 risks have been exceeding their target for 3 quarters or more and are currently exceeding the target by a score of more than 3.

5.3 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 in order 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.

5.4 A summary performance reporting dashboard for risk is included at Appendix 4 showing:

- Appendix 4a – a summary of the strategic risk register analysed by risk likelihood and risk impact; and,
- Appendix 4b – a summary of service risks highlighting red risks and risks consistently above target for 3 quarters or more (and still scoring more than 3 points higher than the target risk).

5.5 Identified risks have an assessment of mitigating actions that is 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, which is reported to Cabinet at this same meeting.

## 7. Environmental Implications

7.1 There are none specific to 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, Delivery Lead Business Intelligence	<a href="mailto:vanessabelton@warwickshire.gov.uk">vanessabelton@warwickshire.gov.uk</a>
Assistant Director	Steve Smith, Commissioning Support Unit	<a href="mailto:stevesmith@warwickshire.gov.uk">stevesmith@warwickshire.gov.uk</a>
Strategic Director	Rob Powell, Strategic Director for Resources	<a href="mailto:robpowell@warwickshire.gov.uk">robpowell@warwickshire.gov.uk</a>
Portfolio Holder	Councillor Andy Jenns, Portfolio Holder Customer and Transformation	<a href="mailto:andyjenns@warwickshire.gov.uk">andyjenns@warwickshire.gov.uk</a>

The report was circulated to the following Members prior to publication:

Local Member(s): N/A

Other Members: N/A