

<b>Local Members Interest</b>
N/A

## **Corporate Overview and Scrutiny Committee - Tuesday 16 November 2021**

### **Integrated Performance Report – Quarter 2, 2021/22**

#### **Recommendation(s)**

I recommend that:

- a. Committee Members note and challenge performance and advise of any further information and/or action required.

#### **Report of the Leader of the Council and the Cabinet Member for Finance**

#### **Summary**

##### **What is the Overview and Scrutiny Committee being asked to do and why?**

1. This quarterly Integrated Performance Report provides an overview of Staffordshire County Council's progress, performance and financial position in delivering against our Strategic Plan and Delivery Plan.
2. We recommend that Corporate Overview and Scrutiny Committee notes and challenges performance and advises of any further information and/or action required.

#### **Report**

##### **Background**

3. The Integrated Performance report is considered by Corporate Overview and Scrutiny Committee on a quarterly basis.

## **Cabinet Meeting on Wednesday 20 October 2021**

### **Integrated Performance Report - Quarter 2, 2021/22**



**Cllr Alan White, Leader of the Council said,**

“Dealing with the COVID-19 pandemic remains our focus and we continue to do what is required to control the spread of the virus and keep people safe.

“COVID-19 is still very much with us and over Quarter 2 we have seen a steady increase in the number of cases. The impact that COVID-19 can have on lives and potentially on livelihoods is still very real. The vaccine has been a game changer and in Staffordshire 82% of adults have had both vaccines. Maximising vaccine uptake amongst those eligible, including booster doses and extending vaccine roll out to children aged 12 to 15, will all help to reduce the spread. As we approach autumn and then winter, we need to continue to keep people safe, keep the economy moving and reduce the pressures on our hospitals.

“We still face capacity issues and challenges in adult social care but in September, we had the long-awaited announcement from Government on how this will be funded. While many people will welcome the cap of £86,000 on people’s contribution to their own care when they are elderly, the introduction of a 1.25% health and care levy on working people will be a difficult pill for many to swallow. In the short term the money will go into the NHS to clear the backlog of appointments and operations and will increase the county council’s costs. So, we need to see more detail of how these proposals will work in practice.

“We will continue to support those who need us most, including the care sector and vulnerable families, children and communities. We continue to provide advice and support for businesses, as we work to get our economy back on track. We have plans in place to ensure we bounce back stronger and generate new opportunities for better jobs, improved lives, and a greener county for everyone.”



**Cllr Ian Parry, Cabinet Member for Finance and Resources said,**

“Coping with the COVID-19 pandemic continues to put extra pressures on our finances, but we continue to manage them effectively and are doing what is needed and spending what is required.

“We have used the extra funding and grants from Government to help support the additional pressures of continuing to provide vital services while protecting our residents. All council departments continue to deliver against their recovery priorities, whilst progressing with activities in the organisation’s Delivery Plan.

“The latest revenue forecast outturn shows a forecast saving of £1.992m (0.4%). This is compared to the previous forecast of a saving of £8.119m (1.5%) at Quarter 1.

“Like many local authorities, we still face financial challenges including in adult social care and in children’s social services. We have had the announcement from Government on the long-term funding of adult social care, which was good to see, but we do need to see more details of how this will work in practice.

“We will continue to keep our finances in as strong a position as possible and to ensure that we provide good value for money for local tax-payers. Well managed finances also mean we can invest in our future and grow our economy post pandemic.”

## **Report Summary:**

This quarterly Integrated Performance Report provides an overview of Staffordshire County Council's progress, performance, and financial position in delivering against our Strategic Plan and Delivery Plan.

## **Recommendation**

We recommend that Cabinet:

- b. Notes and challenges performance and advises of any further information and/or action required.
- c. Approve the use of up to £3.2m of the Exit and Transition Fund to support the cost of redundancies associated with the Children's Transformation programme.

<b>Local Members Interest</b>
N/A

## **Cabinet – Wednesday 20 October 2021**

### **Integrated Performance Report - Quarter 2, 2021/22**

#### **Recommendation of the Leader of the Council and Cabinet Member for Finance and Resources**

We recommend that Cabinet:

- a. Notes and challenges performance and advises of any further information and/or action required.
- b. Approve the use of up to £3.2m of the Exit and Transition Fund to support the cost of redundancies associated with the Children's Transformation programme.

#### **Report of the Director for Corporate Services**

##### **Background**

4. All parts of Staffordshire County Council continue to deliver against key service priorities, whilst also progressing with the activities outlined in the organisation's Delivery Plan. This report provides an update on Quarter 2 activities for each service area: Health and Care; Families and Communities; Economy, Infrastructure and Skills; and Corporate Services.

##### **5. Summary**



6. At the end of Quarter 2 the overall assessment on the council's performance and financial position is AMBER. Although significant progress has been made across the organisation during the quarter, challenges remain in relation to capacity and demand across all service areas. There continue to be areas of financial risk in Adult Social Care and Families and Communities, with further details included within this report and its appendices. The latest revenue forecast outturn shows a forecast saving of £1.992m (0.4%). This is compared to the previous forecast of a saving of £8.119m (1.5%) at Quarter 1.

## 7. Health and Care

Delivery Performance Assessment	Finance Performance Assessment
Amber	Green

- 
1. Significant progress has been made across Health and Care in Quarter 2, both in leading the council's response to COVID-19 and exiting lockdown plans, and in the recovery of key adult social care services. The AMBER delivery rating reflects considerable progress made to date, whilst continuing to manage some key challenges. Following the national trend, there continues to be high demand for adult social care assessments, leading to capacity issues, with work underway to understand and respond to this demand. The home care market is also experiencing rising demand, compounded by recruitment and retention challenges. The GREEN finance rating reflects significant in-year underspend, despite longer term cost pressures.
  2. Demand and capacity continue to have been exacerbated by COVID-19, leaving more people needing extra support in their homes and more staff required to provide it. As the local economy has been re-opening, care providers have experienced an increase in staff turnover, which has led to some people having to wait longer for less urgent care packages. To tackle these issues, the council is maximising the effective use of available capacity, incentivising take-up of packages of care and working with care providers to support recruitment. Details of vacancies can be found at [Nexus](#) or through the [national portal](#).
  3. In addition to existing recruitment and retention issues, COVID-19 has also permanently increased costs in social care due to requirements for enhanced infection prevention and control. These pressures have been met short term by non-recurrent funding from Government, but the council will need to continue to lobby for a sustainable longer-term settlement.
  4. The care home market in Staffordshire will be reviewed to ensure the council can continue to offer quality care, value for money and timely access to care in the wake of the COVID-19 pandemic. A paper to the council's Cabinet has outlined the important role care homes have played throughout the pandemic, and the impact it has had on the care home market.
  5. The number of COVID-19 cases in Staffordshire have continued to rise during Quarter 2, following national and regional trends. In the seven days to 7<sup>th</sup> October, 4,524 cases of COVID-19 were confirmed in

Staffordshire, a rate of 512.2 per 100,000 population. This was higher than both the regional rate (414.0) and the national rate (355.3). Residents can keep up to date with the latest case figures in Staffordshire, including a district breakdown by clicking [here](#).

6. During Quarter 2, the council has continued its response to COVID-19 through Local Outbreak Control activity, including:
  - a. Management of COVID-19 incidents and outbreaks.
  - b. Flexible and targeted testing facilities to support the asymptomatic testing model and the NHS vaccination programme. Staffordshire has made good progress with the vaccination programme with 87% of the adult population having received their first dose and nearly 82% having received two doses as at 17th September.
  - c. The distribution of c.£1.5m of Infection Control Fund grant to 324 care services (as at 15<sup>th</sup> September 2021) to support providers to maintain enhanced infection control measures to reduce COVID-19 transmission in care settings.
  - d. The distribution of c.£1m of Rapid Testing Fund grant to 198 care homes (as at 15<sup>th</sup> September 2021) to support providers to maintain ongoing testing arrangement for staff and residents.
7. Work is ongoing to deliver the council's Public Health & Prevention plan, with a focus on mitigating the ongoing public health risks from COVID-19. Recent activity includes a conference around mental health and physical activity by 'TogetherActive' to address mental health/suicide prevention in sports settings; exploring NHS Health Check options in the workplace; developing the latest Stoptober communications campaign that will run during September/October (including targeting businesses using LinkedIn); and engaging with Parish Councils to help tackle loneliness and isolation.
8. In Staffordshire there has been an increase in referrals to the National Diabetes Prevention Programme, despite a decline nationally. As a result, NHS England is promoting the Staffordshire model as good practice.
9. The council with partners has been working collaboratively since March to tackle the impact of the operations at Walleys Quarry. A Strategic Coordinating Group (SCG) of Staffordshire Resilience Forum agencies has been established and they continue to work on a range of tasks including further preparations of forthcoming engagement events, scenario planning, communications work, and monitoring of the wider situation. The SCG partners have committed to holding two further public engagement events in October. Additional mental health support is also being offered to residents aged 16 and over who live or work near the

site and are experiencing emotional distress owing to the odours from the site.

10. The next phase of the #TalkSuicide campaign was launched to coincide with World Suicide Prevention Day on Friday 10th September. It aims to raise awareness of the issue and to make it easier for people to talk about it. Sadly 10 lives are lost to suicide each month across Staffordshire and Stoke-on-Trent, with the highest suicide rate in the area being men in their 40's and 50's. People can find out more about the campaign at [www.staffordshire.gov.uk/talksuicide](http://www.staffordshire.gov.uk/talksuicide).
11. The extension of the Emergency Assistance Grant for Food and Essential supplies scheme, in conjunction with the Energy Saving Trust, has enabled a further 500 households to access emergency support with their energy bills. The learning taken from the Winter 2020 scheme will enable improved planning for the coming winter to further support families who may continue to struggle with the end of the furlough scheme.
12. The council was recognised by the National MJ Achievement Awards 2021 in September; with two finalists in the categories of Corporate Director of the Year and Public Health Improvement, for the Supportive Communities Programme. Dr Richard Harling, Director for Health and Care, was a finalist for Corporate Director of the Year for being a supportive and innovative leader and bringing people together to work in partnership to strengthen the council's pandemic response. The Supportive Communities team was a finalist for the programme's community-based approach to health and wellbeing, as well as its important role in supporting the response to the pandemic.
13. From a Finance perspective, the Health and Care forecasted outturn at Quarter 2 is a saving of £1.012m, compared to a £5m saving in Quarter 1. There remains a range of high risk Medium-Term Financial Strategy (MTFS) savings within this area, with the directorate seeking alternative savings where necessary. In addition, the level of client debt is above target and work is ongoing to recover this. The forecast financial impact of COVID-19 for the directorate is £4.367m.

#### 14. Families and Communities

Delivery Performance Assessment	Finance Performance Assessment
Amber	Amber

15. Significant progress has been made across the Families and Communities service area in Quarter 2. The overall AMBER performance ratings reflect much work that has taken place during the quarter, balanced with managing some key issues. Staffordshire has been experiencing a rise in children in care demand, as well as capacity challenges associated with the implementation of a large-scale children's system workforce structure to help tackle demand. In addition, increasing cost pressures within Children in Care and the SEND High Needs Block (Dedicated Schools Grant deficit) has potential to impact on the delivery of the Medium-Term Financial Strategy. 
16. The Children's Transformation programme is key to tackling the challenges of demand and capacity, particularly in relation to Children in our Care. Work to progress the transformation continues across the service, including the new district operating model set to go live in October 2021, supported by a new workforce structure and some streamlined pathways and processes. Work also continues on the SEND transformation with its first workstream, aimed at ensuring a more consistent approach to data, process and improvement, now underway. Phasing of further transformation is currently being planned in line with the recruitment of key vacant leadership roles.
17. At the 24th September 2021, there were 1,252 children in care in Staffordshire; which represents a reduction in September but an overall increase compared to the Quarter 1 position (1,245) and slightly higher than the revised business case number. The rate is 73.1 per 10,000 which is higher than the most recent national benchmark (67 per 10,000 – Nov 2020) but lower than regional (85.6 per 10,000 at end of June 2020).
18. At the 24<sup>th</sup> September 2021, the number of children subject of a child protection plan was 569 (33.4 per 10,000); which is a reduction compared to the Quarter 1 position (576) and remains below the most recent national and regional benchmarks. (National - 43 per 10,000 at the end of December 2020, Regional – 43.5 at the end of June 2020).
19. More detailed work is also being undertaken to better understand the children exiting care population in Staffordshire as part of the Newton project, which is a wider study that the council has been approached to be involved in as part of the county council network. Six local authorities are taking part, with findings helping the council to understand local context as well as national challenges and learning.
20. In Quarter 2, the council achieved successful outcomes for a further 309 families through the Building Resilient Families and Communities (BRFC)

programme, which combined with the 316 successful outcomes achieved in Quarter 1 is already 76% of the annual target for 2021/22 (817) set by the Ministry of Housing, Communities and Local Government (MHCLG). If current performance is maintained the council is on track to exceed this target.

21. Families needing help will benefit from a county wide support network under new proposals. Cabinet agreed in September to build on its existing 'early years' delivery to support families with children aged up to 18 years old – or to 25 in the case of Special Educational Needs and Disabilities (SEND). The 'Family Hub' network will build upon existing children's centres and be based in the community to provide practical support. The proposals for the hub will go out to consultation later this year and will include joint working across different agencies and voluntary sector groups so that people only tell their story once.
22. All Staffordshire schools reopened following the summer break, with COVID-19 testing completed on site. The council will be supporting schools, young people, and parents, working with the local NHS to roll out the vaccinations for 12-15-year olds and minimise disruption for pupils. The vaccinations themselves will be delivered by the same nursing teams who carry out flu vaccinations in schools during the Autumn term.
23. Funding to create new school places and improve existing provision for children with SEND is being made available to Staffordshire schools. An additional £2.4 million has been made available by the Department for Education to support the council's five-year SEND strategy. Staffordshire currently has more than 6,300 children and young people with Education, Health and Care Plans (EHCP). From January 2021 to September (17th) 2021, 84% of EHC plans have been issued in time in Staffordshire; this is above the most recent national average of 61%.
24. Many Afghan families who helped British Forces have been placed in short-term accommodation in Newcastle-under-Lyme by the Home Office, until they are offered permanent homes around the country. The council alongside other local public services and the NHS are supporting these families with health, education, and other needs, and have also been inundated with offers of support from the community. A JustGiving page has been set up in partnership with local charity the Community Foundation for Staffordshire, to take donations that will be used to buy clothes, children's toys, and other essential items.
25. The Trading Standards team continues to support businesses and the council through safeguarding and compliance advice. Between April and August 2021, the team has dealt with over 6,400 engagements and

interventions with businesses; with over £320,000 prevented from being lost to scams and fraud through the council’s intervention.

26. Work is ongoing to deliver the council’s 2021/22 Communities Delivery Plan which aims to promote social action in local communities and to build capacity in the voluntary and community sector. The final quarter of Year 5 of the Voluntary, Community and Social Enterprise (VCSE) Strategic Capacity Building Partnership Contract (April – June 2021) saw 225 organisations provided with one to one development support, c.£3.7m external funding secured by VCSE organisations (c.£2.8m of this was for COVID-19 related projects and support) and 60 individuals supported to access local volunteering opportunities. A delivery plan for Year 6 (the final year) of the contract has also been developed and agreed with commissioners and providers.

27. In terms of the financial position at Quarter 2 for Families & Communities, there is a forecast overspend of £1.657m, an increase of £2.6m since Quarter 1, reflecting the rise in the number of Children in our Care and the need for placements. The forecast financial impact of COVID-19 for the directorate is £8.410m.

**28. Economy, Infrastructure and Skills**

Delivery Performance Assessment	Finance Performance Assessment
<b>Green</b>	<b>Green</b>

29. Economy, Infrastructure and Skills is currently on track in terms of both Delivery and Finance in Quarter 2. The overall GREEN performance ratings reflect considerable progress made across the service against its key plans, whilst continuing to respond to a number of ongoing challenges.



30. Work continues to bring day-to-day management and running of Staffordshire’s Household Waste Recycling Centres back in-house. Governance arrangements are in place and a range of project plans are in development for key elements of the service. A Dynamic Purchasing System (procurement system for material off takers) and haulage tender (solution for haulage from operational take over) are both live. Residents will see no difference when the changeover happens in 2022, although there are plans to improve facilities and encourage more advanced recycling methods.

31. The council continues to support local businesses to survive, adapt and continue to operate as part of delivering its 5-year Staffordshire Means Back to Business Strategy. A key part is ensuring the right conditions for

growth in Staffordshire's town centres, particularly as they recover from the COVID-19 pandemic. Working in partnership with Stafford Borough Council, Cabinet has agreed to invest in the Stafford Future High Street Fund proposals which will regenerate parts of Stafford town centre as well as delivering improvements to the Market Square and other surrounding streets. This builds on the investment to create new enterprise space at the Shire Hall. The Eastgate Regeneration scheme is also moving forward. The demolition of the former Magistrate Court and Probation Services building will make way for longer term development and improve links between the Riverside retail development and the town centre.

32. Businesses across Staffordshire have continued to be supported by the council and its partners through a range of targeted initiatives, to help mitigate the impact of COVID-19. Some specific examples are included below.
33. The Countywide Redundancy Task Group, in partnership with the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) and partners, continues to meet fortnightly providing support to businesses and residents impacted in relation to redundancies, as well as implementing the wider Plan for Jobs programmes such as Kickstart, Restart, and promoting Sector-based Work Academy Programmes (SWAPs). To date the group has supported 1,926 individuals, with 35% moving into a positive outcome at the point of intervention.
34. Staffordshire Start-Up Loan scheme is assisting those made redundant or unemployed to start up new businesses with loans of between £3,000 and £5,000, with no interest or fees. As at 2<sup>nd</sup> September 2021, 10 start-up businesses supported through the scheme. Furthermore, the new Staffordshire Start-Up course (delivered through Staffordshire Chamber) is ongoing with 263 businesses signed up to the course by the 20<sup>th</sup> August.
35. As part of the £5m [Staffordshire Means Back to Business Support Scheme](#), the council's Ignite Programme was launched earlier in the year; it is a programme of free advice, workshops, mentoring and support for post-16 further education students looking to set up their own business in Staffordshire. During Quarter 2 the Ignite business start-up session was delivered to 7,000 further education students.
36. Work continues to deliver the council's apprenticeship programme. The Staffordshire Apprenticeship 500 initiative began on 1<sup>st</sup> April 2021 and at the end of August had received 87 applications, resulting in a possible 147 apprenticeship starts.

37. The latest out-of-work claimant figures have decreased to 3.8% of the working age population in August 2021, continuing the downward trend seen since February 2021. Whilst Staffordshire has previously been experiencing a rise in claimant numbers due to COVID-19, the county's position remains well below regional (6.3%) and national (5.3%) averages. The proportion of young claimants, aged 18-24, has increased from 3.7% in March 2020 to 5.7% in August 2021, with 'A Plan for Jobs 2020' initiatives such as the Kickstart Scheme being put in place to support Staffordshire's young people's employment prospects, to help prevent them becoming long-term unemployed.
38. Staffordshire's Economic Growth Programme, which began in 2014, has continued to create and safeguard jobs and enable house builds. As at end of July 2021, 10,421 jobs have been created/safeguarded and 4,076 new houses enabled.
39. In August, the 60-acre first phase of the i54 Western Extension was completed within the programmed period despite the challenges of the COVID-19 pandemic and poor weather. Progress has also been made with the Lichfield Southern Bypass (LSB) and Stafford Western Access Route (SWAR), with the former scheduled to open in October 2021 and the latter in November 2021.
40. Following recent changes to Government guidance, the council is currently reviewing its discretionary Temporary Vacant Seat Scheme, with a six-week public engagement exercise underway. This is set to run until midday on the 12<sup>th</sup> October 2021, with proposals being considered and a final decision to be taken after this date.
41. In September the council released its Climate Change Annual Report 2020/21 that described the steps it has taken to reduce its carbon emissions. The report highlights a significant 25% reduction in the council's carbon emissions in the first year since a climate change emergency had been declared. This has been achieved mainly by transferring all corporate council buildings, maintained schools, streetlights, and traffic signals to run on renewable energy.
42. Furthermore, the council also published its draft (2021-2025) Climate Change Action Plan which was reviewed by the Corporate Overview & Scrutiny Committee and will be presented to Cabinet in October 2021. The document outlines how the council aims to continue to make progress towards the nationally set net zero target of 2050. The plan includes proposed actions such as increasing electric vehicle charging points across the county, improving the energy efficiency of all council owned buildings, looking into carbon offsetting options for areas such as disposal household waste, which are going to be impossible to eliminate.

43. Working with the council’s Active Travel Team, Heath Hayes Primary Academy in Cannock and St Edwards CofE Academy in Leek have both won the Regional School Travel Awards for their work promoting greener travel and combatting air pollution outside their schools. The awards are given to schools who have demonstrated excellence in supporting sustainable travel. Both schools are involved with the Staffordshire County Council’s Air Aware Project to raise awareness of air pollution and to encourage less polluting and more sustainable journeys.
44. A successful 12-month trial to bring sustainable transport to Stafford and Newcastle-Under-Lyme through electric scooter hire came to an end in September. Since the trial started in September 2020, the council has been working with its transport partner Amey and electric scooter providers Ginger and Zwings to trial 200 micro mobility e-scooters in the towns, with over 40,000 rides taken across the county. The council and partners are now working together to bring an electric bike rental scheme to Staffordshire in the coming months.
45. The financial position at Quarter 2 for Economy, Infrastructure and Skills is a forecast saving of £0.367m, compared to a saving of £0.137m in Quarter 1, with small forecast savings across the service. The forecast financial impact of COVID-19 for the directorate is £2.033m.

**46. Corporate Services**

Delivery Performance Assessment	Finance Performance Assessment
<b>Green</b>	<b>Green</b>

47. Corporate Services is currently on track in terms of both Delivery and Finance in Quarter 2 and continues to provide vital support to the organisation in delivering on its priorities, as well as significant activity in support of Local Outbreak Control. Whilst the overall GREEN performance ratings reflect a great deal of activity that has taken place to progress its plans, like other service areas it continues to manage challenges regarding capacity to deliver some of its day to day work.



48. Over the next two years the council aims to raise £17m through the sale of unused land and buildings to fund transformation of services and activity, in line with new Government regulation. To date the council has delivered c.£7m in year through the sale of eight assets, including farms. In addition, all work on the council’s priority property projects is progressing well and on track to deliver, including an additional c.£5million to support the school’s maintenance programme. There does

however remain procurement issues associated with many construction materials; an issue that is also being experienced nationally.

49. The Member's Fund for this year was launched at a Members event on June 24th. The fund is still linked to COVID-19; however, it now has a broader 'recovery' remit. The fund will focus on supporting community groups that are thinking about their future offer, who they work with, and how they fundraise / stay sustainable following COVID-19. As at 8th October, 84 applications for funding had been received for funding across Staffordshire.
50. Digital inclusion remains a key priority and work is continuing to address barriers to this in Staffordshire. More than 100 devices have been donated as part of 'Donate IT' Digital Device Recycling Scheme and these are now being distributed to people who are at risk of digital exclusion in the county.
51. Over the last quarter, work has continued on the roll out of the new Staffordshire story and place brand. This has included the launch of a dedicated ambassador portal within the "We Are Staffordshire" website, with almost 80 ambassadors now registered, and a partnership project with Staffordshire University Business School to engage young people in "We Are Staffordshire" key projects.
52. Work to deliver the council's internal People Strategy is ongoing. The council's new Employer Brand, aimed at attracting and retaining talented people in the council's workforce, is now live. Wellbeing of the workforce also remains a key priority, with the development of a new Wellbeing strategy agreed during Quarter 2 in preparation for implementation from October 2021.
53. An outcome of the COVID-19 response has been a significant reduction in sickness absence levels; currently 9.85 days (2.59 days short term, 7.26 days long term) lost per employee (August 2021), representing a reduction of 7.7% from the same period last year (2.74 days short term, 7.93 days long term). However, with the easing of lockdown, the council has seen a slight increase in absence levels. Absences relating to diagnosed/suspected cases of COVID-19 account for 1.19 days lost per employee over this period (12% of total), but this has been outweighed by improvements against most other absence reasons. Of note is the reduction in musculoskeletal absences, currently 1.57 days lost per employee, a reduction of 15% from last year.
54. In Corporate Services the financial position at Quarter 2 is a forecast saving of £0.9m, compared to a saving of £0.325m in Quarter 1. This is largely due to staffing vacancies and increased incomes. The forecast financial impact of COVID-19 for the directorate is £0.486m.

### **Link to Strategic Plan**

55. Cross-cutting as the performance of the Corporate Delivery Plan represents the most significant activity that directly delivers against all areas of the strategic plan.

### **Link to Other Overview and Scrutiny Activity**

56. Detailed scrutiny of the council's activity in relation to the various areas discussed in this report takes place at the Health and Care Overview and Scrutiny Committee, Prosperous Overview and Scrutiny Committee, Safeguarding Overview and Scrutiny Committee or Corporate Overview and Scrutiny Committee, as appropriate.

### **Community Impact**

57. This report represents a strategic summary of the county council's performance against key indicators, finances and delivery of priorities. The individual projects and programmes are reported separately where specific decisions are required, and community impact assessments are completed where appropriate. As such there is no community impact presented with this report.

### **List of Appendices:**

Appendix 1 - Finance Quarter 2 Summary  
Appendix 2 - Finance Quarter 2 Detailed Report  
Appendix 3 - Corporate Checklist  
Appendix 4 - Revenue Forecast Outturn 2021/22  
Appendix 5 - Capital Forecast Outturn 2021/22  
Appendix 6 - Financial Health Indicators 2021/22

### **Contact Details**

**Report Author:** Kerry Dove  
**Job Title:** Head of Strategy and Digital  
**Telephone No.:** 07855 679112  
**E-Mail Address:** [kerry.dove@staffordshire.gov.uk](mailto:kerry.dove@staffordshire.gov.uk)

**Report Author:** Rob Salmon  
**Job Title:** County Treasurer  
**Telephone No.:** 01785 276350  
**E-Mail Address:** [rob.salmon@staffordshire.gov.uk](mailto:rob.salmon@staffordshire.gov.uk)

# Latest Financial Summary

The following graphs summarise the financial performance of the council. Full details are contained in this report.

The graphs and charts are compiled using quarter 2 forecast information.

The latest revenue forecast outturn shows a saving of £2.0m (0.4%). Due to Covid 19 Central Government have issued additional grant payments to support the additional pressures of continuing to provide vital services while protecting the workforce and local residents.

There has been request for the use of £0.310m of the Exit and Transition Fund which was established in 2018/19.

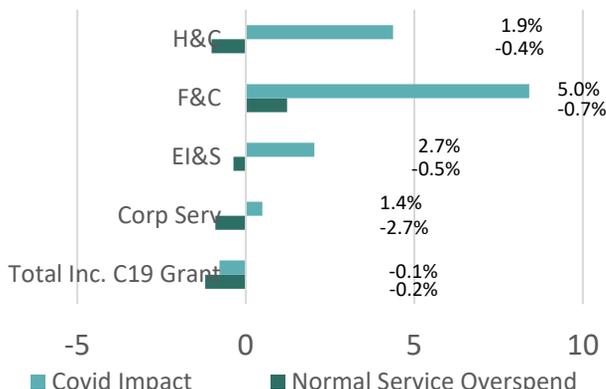
There is a forecast non-Covid saving of £14m on Care Commissioning Older People Placements budgets. The reduced number of placements has lead to this forecast – it does also mean that it is possible the forecast income may not be achieved and this will be monitored throughout the financial year.

Savings are categorised into confidence of delivery. There are £1.625m savings that are delivered as at quarter 2. There are £1.284m savings classes as Low confidence and some of those savings are £1.204m of Adult Social Care Client Income savings and £50,000 for Care Commissioning Single Management Team.

The latest capital outturn projection is £129.5m, compared to the quarter 1 position of £126.7m, an increase of 2.3%. This projection is a fully funded position. This increase is due to additional developer contributions and basic needs funding for two new build schools, offset by reductions across the capital programme. More details can be found in the report.

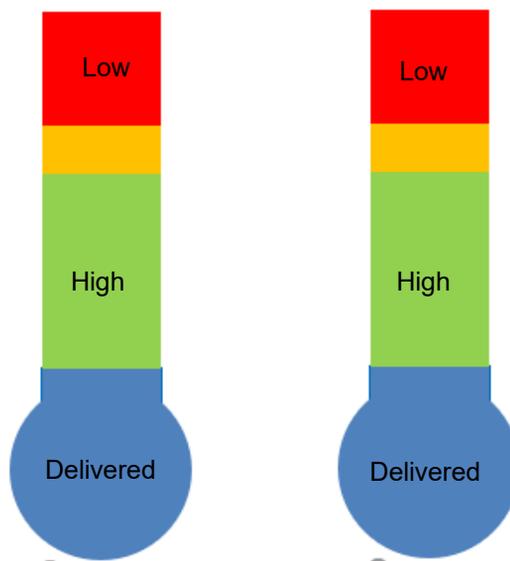
Within the national context, the retail price index is currently 4.8%, and the latest consumer price index is 3.2%. GDP is estimated to have decreased by 1.1% in the three months to June 2021, but has increased by 0.1% in July 2021. Current unemployment figures show Staffordshire benefit claimant rate remains below that of the West Midlands and Great Britain.

## Revenue Budget Variance

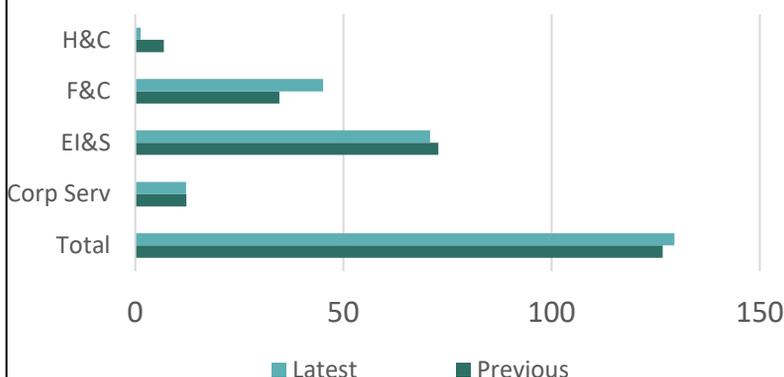


## Savings Tracker – Target £5.682m

Quarter 1 - £5.682m      Quarter 2 - £5.682m



## Capital Programme



## Appendix 2 – Quarter 2 Finance Report

### Introduction

### Revenue Forecast

1. The latest revenue forecast outturn (as provided in appendix 4) shows a forecast saving of £1.992m (0.4%). This is compared to the previous forecast of a saving of £8.119m (1.5%) at quarter 1.
2. Since 2020/21, Covid 19 has been a global pandemic requiring a combined response from public sector services, which is also having a severe impact on the economy. In 2021/22 Central Government has issued general grant to local authorities, totalling £16.2m, in order to support the additional pressures of continuing to provide vital services during the pandemic while protecting both workforce and local residents.
3. The table below sets out the current forecast of additional costs relating to the pandemic, plus lost income and delayed savings caused by the crisis.

	£m
Additional Costs	4.237
Lost income	1.936
Delayed savings	9.046
Grant funding	(16.204)
Remaining Grant / (Shortfall)	0.985

All grants received by Staffordshire County Council in 2021/22 for Covid 19 related activities are listed below. The General Covid Grant can fund activity in all service areas, the remaining grants are specific and go directly to services. All grants allocated for Covid-related activities will be utilised in full, over the medium term, in order to fund the additional expenditure caused by the pandemic.

	£m
General Covid Grant Funding	16.204
Adult Social Care Lateral Flow Testing	3.713
Adult Social Care Infection Control	5.346
Clinically Extremely Vulnerable	1.477
Local Support Grant	0.523
Practical Support Framework	0.681

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Covid Winter Grant	0.678
Contain Outbreak Management	4.182
<b>Total</b>	<b>32.804</b>

4. The following paragraphs consider the key financial issues in each of the council's portfolios.
  
5. **Health and Care** **Covid impact - £4.367m**  
**Normal service forecast – £1.012m saving**
  
6. *Adults Social Care & Safeguarding* *Covid impact - £0.240m*  
*Normal service forecast – £0.102m saving*
  
7. Overall, the service is forecast to save £0.102m. Covid related costs are forecast to be £0.240m.
  
8. There are currently a number of vacancies in the Adult Learning Disability Team (ALDT) which have proven difficult to fill. This has led to a forecast saving of £0.521m. A review of the ratio of qualified to unqualified staff is planned which could lead to higher costs in the future. Agency staff may also be required to maintain service delivery during the year.
  
9. Section 75 agreements for both Mental Health North and South are now in place and it is forecast that the costs will be in line with the budget. It is also forecast that the £0.154m MTFS saving for Mental Health North will be delivered in full.
  
10. There is a forecast saving of £0.560m in the Learning Disability In-house Residential services due to staff vacancies in the first half of the year. There is also a forecast saving of £0.125m for the Specialised Day Opportunity Service due to some transport savings and some additional cross boundary income. Reviews of these services are taking place which may lead to changes to the way they operate and will have a financial impact in the future.
  
11. Cabinet have previously agreed capital investment in Douglas Road and Hawthorn House sites, with the financial analysis demonstrating a positive benefit for the council. Unfortunately, building costs are increasing as a result of a global shortage of materials due to the Coronavirus pandemic. It is therefore

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proposed to allocate £2m to the capital cost of these schemes. This will also minimise future borrowing costs for the council.

12. There is a forecast overspend of £1.130m for care systems. This is because the service has repaid in full all future years' borrowing repayments for the care system, which will save £0.539m in future years.
13. There are other small variances totalling a forecast saving of £26,000.
14. *Care Commissioning* *Covid impact - £4.127m*  
*Normal service forecast – £0.910m saving*
15. Overall the service has a forecast saving of £0.910m, and Covid related costs are forecast to be £4.127m. There is an assumption that any additional costs related to the pandemic will be met from the Covid-19 funding allocations received by the Council.
16. The Older Peoples placement budget is now forecast to save £14.951m compared to the £5m reported at quarter 1.
17. The number of people in residential and nursing placement is significantly lower than had been budgeted for in the MTFS as a direct result of the Coronavirus pandemic. This is despite increases during the first quarter as the final reviews have been completed for those clients discharged from hospital under pathway 3. However, the overall number of service packages resulting from pathway 3 haven't materialised, thereby compounding the reduction in overall placement numbers. This has resulted in a total of 290 fewer placements than in the budget as at the end of July 2021 and a forecast saving of £11.042m. The Older Peoples placement budget includes £7m additional budget that was provided in the MTFS to mitigate risks in the care market. Given current numbers and future forecasts on the number of starters and leavers, it appears as though this will not be required in 2021/22.
18. The reduced number of placements has resulted in a forecast £2.829m income shortfall from residential and nursing client contributions compared to the budget. This means that it is most unlikely that the service will achieve the additional growth in income that we had budgeted in year.

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19. There is a forecast saving of £0.923m on Older Peoples Home Care budget. Analysis of the dynamic home care data shows that the number of hours provided has remained relatively stable recently, however there is a forecast of increased demand, so it is possible that this saving may reduce as we move through the financial year.
20. There is a forecast saving of £0.186m on the Older Peoples Direct Payments budget, which was adjusted to reflect the ongoing reduction of people in receipt of a direct payment since April 2019.
21. The Older People's Day Care budget is forecast to save £0.413m because of lower activity due to the pandemic.
22. The Older People's In-House Residential budget is forecast to save £0.216m, but future demand is still uncertain so this position may change later in the year.
23. There is a forecast saving of £0.469m on the Older People's Short Stay Respite budget, again due to lower activity due to the pandemic.
24. The Mental Health budget was increased this year in recognition of the growth in placement costs during 2020/21. The service is forecast to overspend by £0.263m largely due to a forecast overspend on the placement budget of £0.339m because of an increased costs of direct payments and homecare. This has been partially offset by a small forecast saving on Mental Health contracts of £76,000. It is forecast that the £0.2m Mental Health contract MTFS saving will be delivered in full. There remains a risk of further increases in Mental Health referrals due to the impact of the pandemic.
25. The Learning Disability placement budget is forecast to save £2.882m. This saving is due to reductions in the number of people with learning disabilities being cared for in nursing homes as well as savings on homecare, direct payments and replacement residential care (respite care). Residential and supported living costs are slightly above budget. We are seeing the full benefit of increases in health income negotiated in recent years. There is a continued risk that the Community Offer and Reviews Programme MTFS savings will not be delivered in full. This forecast is based on the assumption that other smaller MTFS savings will be achieved in full. It is also assumed that any additional unplanned care costs resulting from the pandemic will be met from additional

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grant funding. There remains a risk that demographic growth and care price increases could exceed the budget forecasts, but these will be monitored as we move through the year.

26. The council will continue to work with the local Clinical Commissioning Groups (CCGs) to support the discharge of people with learning disabilities or autism from specialist hospitals to community-based setting under the Transforming Care Partnership (TCP). Because the National Health Service England (NHSE) reduced the amount of funding that accompanied each individual, there has been a substantial cost pressure for the Staffordshire Health and Care economy. It is expected that there will be a further grant allocation from the government to support future discharges, but this has not yet been confirmed. There remains a risk of further cost pressures in 2021/22 as a result of this programme. The latest forecast is that the county council could incur an overspend of over £4m this year. The council is working with its health partners to try and agree a new cost allocation model. However, there still remains a risk of further costs pressures for the remainder of the MTFs period.
27. The new Carers service went live in April 2021 following a delay caused by the pandemic. It is forecast that there will be a small saving of £15,000 in year. There is also a saving forecast on the Advocacy contract of £77,000 and it is expected that the £0.150m contract saving will be delivered in full.
28. Following the resolution of a contract dispute on the Section 75 Contract with the Midlands Partnership NHS Foundation Trust (MPFT) there is now a small forecast saving on the Reablement contract of £80,000. However, the final inflation uplifts on the MPFT Section 75 have not yet been agreed. There is therefore a risk that these uplifts could exceed the assumptions built into the budget.
29. There is a forecast saving of £0.116m for the Learning Disability and Mental Health Commissioning Team due to staff vacancies held in the first half of the year.
30. Prisoners related care activities are forecast to save £0.263m due to staffing savings and lower care costs.

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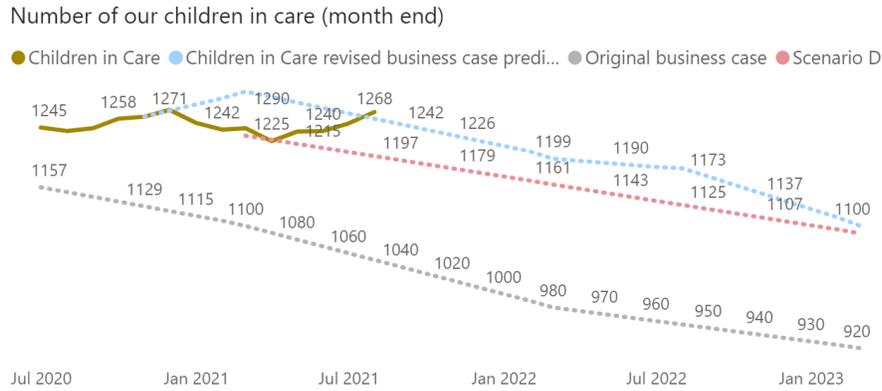
31. The Physical Disabilities Placement budget is forecast to save £0.649m, mainly as a result of fewer people in residential and nursing placements. There are also savings on homecare, direct payments and supported housing. These savings have been offset by some small overspends and a forecast shortfall in income.
32. Other variances total a forecast saving of £0.140m.
33. Forecasting future numbers and price pressures under current circumstances is extremely difficult, so we will continue to monitor the position closely throughout the remainder of the financial year. In addition, we are currently seeing unprecedented demand for assessments. There is a significant risk that this will translate into higher numbers of people in care through 2021/22 and it is therefore possible that the current forecast saving will reduce. Furthermore, there are significant recruitment and retention issues in the care market as the sector competes with other areas of the economy that have now reopened, such as retail and hospitality, to fill vacancies. This can ultimately have a knock-on effect to the council as providers are not able to take on new packages due to staff shortages. This scarcity will most likely result in prices being driven up. To mitigate this risk, it is proposed that a £7m contribution is made to the care risk reserve.
34. Staffordshire County Council wants to improve its internal systems and the wider digital offer to its residents and partners. This can enhance the working environment for colleagues, improve internal processes, reduce costs, and provide new data insights. In addition, technology and new data insights can be used to develop relationships with our communities, enabling and encouraging more residents to help themselves and each other. It is therefore proposed that a £7m contribution is made to the IT reserve to enable this digital transformation.
35. There is a risk that the council will not be able to recover outstanding debt through courts due to the backlog arising from the pandemic. In addition, the Legal Team are working through some historic, complex cases and it is possible that the council will not recover all outstanding sums. It is therefore proposed that the Health & Care bad debt provision is increased by £2m.
36. The council has been allocated a further £3.903m in 2021/22 for Adult Social Care Infection Control and Testing Fund ring fenced grant. The guidance

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identified a proportion of the funding be passported directly to care homes, drug and alcohol settings and community providers with the remainder to be allocated at the council's discretion. A report was submitted to SLT setting out proposals to allocate and spend the funding in line with the grant conditions. Funding needs to be passported to providers or spent by 30 September 2021, with any unspent allocation to be returned to the Department of Health and Social Care.

37. The additional Covid related costs of £4.367m consists of; £2.646m unachievable savings that have been reprofiled to future years, £0.530m additional staffing costs that have been incurred to support the ongoing response to the pandemic and ensure continuity of services, £0.6m additional expenditure to support the provider market such as providing a care home loan scheme, and £0.591m of other exception costs.
38. **Families & Communities** **Covid impact - £8.410m**  
**Normal service forecast - £1.225m overspend**
39. *Children's Services* *Covid impact - £7.766m*  
*Normal service forecast - £1.657m overspend*
40. The forecast overspend of £1.657m is £2.6m higher than the forecast saving reported at quarter 1 and reflects the rises in the number of Children in our Care and the need for placements.
41. The forecast overspend includes £1.4m within Children in our Care, including £2.4m in the placement budget partially offset by additional grant for Unaccompanied Asylum Seeking Children and staff vacancies, as well and a forecast overspend in the Independent Conference Chair service of £0.3m due to additional staffing levels.
42. This surge in demand is reflected across the region – and similarly across the country – and has put inevitable pressure on supply. This has been exacerbated by carers and workers needing to self-isolate. Alongside the increased numbers, there has also been an increase in the unit costs, partly due to some complex children being placed and partly due to limited capacity.
43. The recent rise in demand is a concern and, with numbers now exceeding the revised business case assumptions, could put at risk the delivery of planned MTFS savings.

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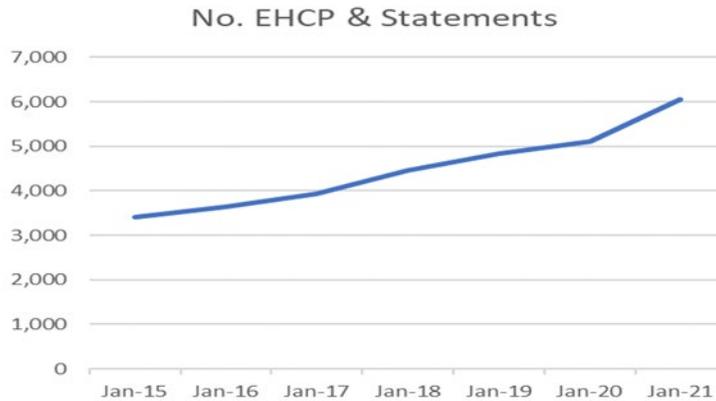


44. Short term, we are monitoring closely children entering care and those which are leaving and due to leave. This should aid more accurate predictions. A medium term action plan has been developed to unblock hurdles in the leaving care process by speaking directly with front line practitioners, national benchmarking as well as understanding the uptake of Family Group Conferencing.
45. Due to Covid 19, planned transformation works and savings of £6.4m impacting across Children's Services have seen delays, and have been reprofiled within the MTFs accordingly.
46. Transformation
47. The Families and Communities Directorate is currently working through the final stages of its transformation programme in readiness for a targeted implementation date of 25 October 2021.
48. The redesign, which is informed by best practice, seeks to change both the practice and culture across the children's system and it has impacted upon just over 2,000 staff. It will enable a whole system approach, bringing together children's social care, SEND and Inclusion, the Place Based Approach and commissioning. It is essential for the delivery of revised practices / cultures that underpin the necessary MTFs savings and stabilisation of SEND.
49. Significantly, and whilst some redundancies were anticipated, the number and cost was difficult to assess when the business case was initially approved.

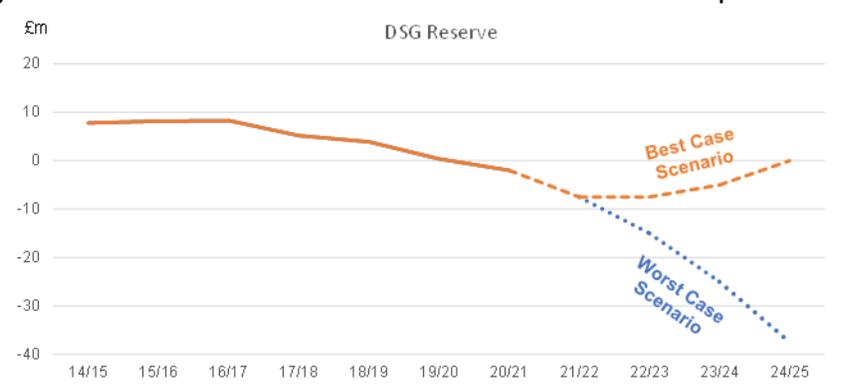
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50. As a result of these processes, the latest expectation is that 31 staff will be made redundant at a cost of c £2.8m. To reduce and mitigate the impact of redundancy, the restructuring of roles and people to align to the new operating model the process has been managed in accordance with the Council's 'Staffing Protocol' policies.
51. This reflects the latest position only and remains fluid while the recruitment process continues throughout September/October. Based on the latest position, a further 14 staff are currently 'going through the process' and remain at risk over and above those staff identified above and – in a worst case scenario – this could see the total number of staff redundancies increase to 45 and a cost of c £3.2m. The proposal is that this additional cost of redundancy is recognised and funded from the Exit and Transition Fund.
52. *Education Services* *Covid impact - £0.417m*  
*Normal service forecast - £0.264m saving*
53. The forecast saving is a result of budget savings in historical pension liabilities an additional income in areas such as schools' admissions.
54. SEND transport is currently forecast to be breakeven due to additional resource that was allocated to the service this year. However there remains a risk that contract retendering due later in the year that could lead to further pressures in this area.
55. There are Covid costs relating to SEN transport cleaning.
56. *SEND High Needs Block*
57. The High Needs Block is currently forecast to overspend by £7.5m and reflects continuing growing demand for SEND support. This overspend will be charged against the DSG reserve which, at the end of 2020/21 was already £2m in deficit. Staffordshire County Council is not alone in this difficult financial predicament, in fact it is a position shared by the majority of councils across the sector.

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58. It is forecast that the SEND transformation programme, with the full roll out of the district hub model, will provide a more inclusive system that enables the necessary early support and intervention to manage demand within overall resources. However, this will take time and will not generate the immediate savings required to address the current shortfall.
59. Given the latest forecast overspend, the deficit is likely to increase this year and in future years until such time that the SEND transformation plan can impact:



60. Schools Forum, at its meeting in October 2020, approved a deficit management plan utilising surplus Growth Fund money that will be transferred to the DSG reserve. It is estimated that, for 2021/22, this will be around £1m - £1.5m, but given the worsening financial position outline above further action will be required.
61. The council has currently outline in consultation with all maintained and academy schools' proposals for a 0.5% funding switch in 2022/23 – equivalent to £3m – from the school's block to support high needs as permitted within DfE guidance. This will be considered by Schools Forum at its meeting in October 2021.

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62. *Culture & Communities* *Covid impact - £0.135m*  
*Normal service forecast - £21,000 saving*

63. This forecast saving is largely due to reduced transports costs. Covid 19 has led to reduced income for the service from reduced trading activity.

64. *Rural County* *Covid impact - £92,000*  
*Normal service forecast - £92,000 saving*

65. The forecast saving largely due to one off staffing vacancies of £0.3m held pending the re-organisation of the service, to be carried out in the final quarter of the financial year, partially offset by increased costs of £0.2m for Rights of Way and Carpark repairs due to increased usage.

66. The pandemic has led to loss of income for the service from reduced trading activity, parking and penalty fines.

67. *Community Safety* *Covid impact – nil*  
*Normal service forecast - £55,000 saving*

68. The forecast saving is due to service contract savings which have resulted from the impact of Covid 19 are likely to return to normal levels for the remainder of the financial year.

69. **Economy, Infrastructure & Skills** **Covid impact - £2.033m**  
**Normal service forecast - £0.367m saving**

70. *Business & Enterprise* *Covid impact - nil*  
*Normal service forecast – breakeven*

71. The service is forecast to breakeven, however there are forecast overspends against the Magistrates Court holding costs and planning application fee income. These overspends are off set by additional grant income from Growth Hub activities, forecast surpluses on Enterprise Centres, and a vacancy within the Economic Growth team.

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72. *Infrastructure & Highways* *Covid impact - £0.310m*  
*Normal service forecast – breakeven*
73. The forecast for the service is breakeven, which is no change from quarter 1.
74. There are various forecast overspends in a number of areas including Sustainable Development and Highways Maintenance, but these are being managed by forecast savings within the Community Infrastructure and then Network Management areas. These variances will be continually reviewed as we move through the financial year. The forecast position also includes transferring £0.590m of additional permit income to reserves as the estimated over recovery for this year.
75. The expected impact of the pandemic is forecast to be £0.310m, which is largely a continued loss of income for street parking and bus enforcement in the Regulation and Governance area, and a small number of increased costs for Safe Operating Procedures such as PPE.
76. *Transport, Connectivity & Waste* *Covid impact - £1.723m*  
*Normal service forecast - £0.277m saving*
77. The Transport and Connectivity area is forecast overspend by £0.154m, this includes savings within the operational Transport budgets which are offset by making a provision of £0.6m for the remaining three years of the Local Transport Assessment Works.
78. Extra Covid 19 costs include providing additional cleaning on home to school transport until the end of July and additional transport capacity to avoid full and standing buses at peak times.
79. The Sustainability and Waste area is forecast to save £0.430m, which assumes the MTFs Green Waste recycling credits saving of £0.5m will be achieved. This forecast saving also includes a provision for likely additional costs relating to the Household Waste Recycling Centre mobilisation project of £0.2m and consultants working on the Hanford incinerator project of £0.2m. It should be noted that waste budgets are demand led and will need continued close monitoring throughout the year to track tonnages and cost as social restrictions are eased and any 'new normal' is established. The outturn position for the HWRC budget is also being closely monitored as there is an emerging risk of

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higher than anticipated costs in this area. If required this will be reflected in the next quarterly reporting.

80. There is a forecast of £1.160m for the impact of Covid 19 on Waste. This is an increase of £0.630m from quarter 1, and is due to the cost of additional tonnages which have been seen since March 2020 as a result of the change in working habits but also the loss of third party income to the Energy from Waste sites as a result of this increased tonnage. This forecast is going to be reviewed in depth ahead of quarter 3 as there is still uncertainty around the impact of Covid 19 within these budget areas, and there is a risk that this may be a longer-term issue which would put the wider Waste budget and current MTFS under more pressure.

81. *Skills* *Covid impact – nil*  
*Normal service forecast - £90,000 saving*

82. The service is forecast to save £90,000 which is due to vacancies within the team, there is also a small forecast saving on Community Learning Groups.

83. **Corporate Services** **Covid impact - £0.486m**  
**Normal service forecast - £0.9m saving**

84. The service is forecast to save £0.9m, this includes a forecast savings within Assets, Business Support and Strategy due to staff vacancies, and additional income within Registrars due to the higher number of weddings now being booked as social restrictions are lifted. These savings are partially offset by a forecast overspend within HR which is the non-delivery of MTFS savings.

85. There are forecast to be £0.486m Covid 19 related costs, which includes costs of temporary mortuary facilities extension and the closures of the first annual leave purchase scheme window.

86. **Centrally Controlled**

87. The business as usual saving of £0.150m is within Pooled Buildings and relates to savings on energy and electricity costs.

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88. The Covid 19 related costs include forecast loss of rental income and potential additional costs to modify the office space in SP1 post Covid 19.
89. The Insurance budget is £3.633m and this covers all types of insurance required such as Property and Liability. The type of insurance with the largest cost is the liability insurance which covers both public and employer liability, officials and professional indemnity insurance. This policy is going out to tender shortly, in order to obtain an insurer for a policy start date of 1<sup>st</sup> May 2022. Therefore there is a risk that the cost of insurance increases.
90. The pay award for 2021/22 is currently under negotiation but has not yet been agreed. The MTFS for the current year assumed 0% increase for pay, following the Spending Review in November 2020 which announced a pay freeze for the public sector. Any pay award for the current year would therefore need to be funded from the Contingency budget.
91. When the MTFS was produced, it assumed 1% for non-pay inflation would be incurred during 2021/22. Current rates of inflation are higher than this and in addition, further monies are required to replenish the Exit and Transition Fund which is being used this year to fund the Children’s Transformation programme. In light of this, it would be prudent to use any underspend in this current year to increase the Exit and Transition Fund.
92. **Capital Forecast**
93. Appendix 5 compares the latest capital forecast outturn of £129.5m, an increase from the quarter 1 position of £126.7m. The key reasons for this increase of £2.7m are set out in the following paragraphs.
94. **Health and Care** **Forecast spend £1.343m**
95. There has been a decrease of £5.780m since the quarter 1 report. This is due to the ongoing impact of the Coronavirus pandemic which has resulted in uncertainty over demand and capacity requirements moving forward, therefore current plans are on hold for new build nursing homes at Histon Hill and Rowley Hall with complete budgets rephased to 2022/23 and 2023/24.
96. **Families and Communities** **Forecast spend £45.122m**

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97. *Maintained Schools* *Forecast Spend £44.307m*

98. There has been an increase of £4.155m since quarter 1 due to two new schools builds being introduced into the programme – Parks Farm of £2.7m and Fradley Park Primary of £2.2m. These schemes are primary funded from developer contributions and additional basic needs. These increases are offset by various budget refinements across the rest of the programme of £0.725m.

99. There has been a £6.410m increase due to a number of new smaller schemes being added to the programme, funded from a mix of school contributions, Third Party contributions and additional government School Condition Allocation grant that will be used to further address condition priorities in schools.

100. **Economy, Infrastructure and Skills** **Forecast spend £70.825m**

101. *Economic Planning & Future Prosperity* *Forecast spend £11.198m*

102. There has been a decrease of £0.571m since quarter one, this is due to reduction in i54 Western Extension as we approach the end of the project and risk and contingency budgets are reduced by £0.668m, this is partially offset by minor budget refinements including Redhill, Eastgate Regeneration and others totalling £97,000.

103. It is forecast that £0.3m will be spent from the Farms Investment Fund. This includes a pilot County Farm Small Grant Scheme of up to £0.1m and an investment of £0.120m to make improvements at one of the holdings on the Woodhouse Estate, providing a modernised Starter Dairy Farm.

104. *Highways Schemes* *Forecast spend £57.818m*

105. There has been a reduction of £1.199m since the quarter 1 report, this is due to changes across a number of projects within the programme, most notable being the refinement of Stafford Western Access Route as the project nears completion and risk allowances have been reduced by £0.257m.

106. **Finance and Resources & ICT** **Forecast spend £0.689m**

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107. There has been a reduction of £65,000 since quarter 1 due to the refining of the Data Centre refresh budgets.
108. **Financial Health**
109. Appendix 6 provides a forecast outturn performance against the key Financial Health Indicators approved as part of the 2021/22 budget setting process.
110. There have been 98.0% of invoices paid within 30 days of receiving them at the end of August, exceeding the financial health indicator target. This position also reflects early payments to suppliers to help them with cashflow during the pandemic.
111. The estimated level of outstanding sundry debt over 6 months old is £19.827m, this is over the target of £14.7m by £5.127m. This is a decrease of £86,000 since the quarter 1 report. The debt recovery process involves chasing by a range of methods with the eventual escalation to the external collection agent or to Legal for the possibility of a court decision to recover the debt. It should be noted that a return to full debt recovery services, including legal action was only possible from September 2020 due to Covid 19.
112. The level of CCG health debt over 6 months old is £1.2m below the target figure. This is a decrease of £0.220m since the quarter 1 report.
113. Client debt now stands at £9.496m and could potentially increase as a consequence of the on-going pandemic. A working group has been established to look at why clients are not paying debts and to implement ways to avoid clients getting into debt in the first instance, this includes an initiative to encourage and assist clients with setting up direct debit instructions.

Debtor Type	2021/22 Target	30/06/2021	30/09/2021 Est	Increase / (Decrease)
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	£m	£m	£m	£m
Health Bodies & CCGs	3.900	2.969	2.749	<b>(0.220)</b>
Other Govt. and Public Bodies	2.000	3.247	3.233	<b>(0.014)</b>
Other General Debtors (Individuals & Commercial)	4.700	4.015	4.349	<b>0.334</b>
Health & Care Client Debt	4.100	9.682	9.496	<b>(0.186)</b>
<b>TOTAL</b>	<b>14.700</b>	<b>19.913</b>	<b>19.827</b>	<b>(0.086)</b>

## Appendix 3 – Corporate Checklist

### **Equalities implications:**

Through the delivery of county council business plans, service delivery is increasingly reflecting the diverse needs of our various communities.

### **Legal implications:**

There are no legal implications arising from this report.

### **Resource and Value for money implications:**

The resource and Value for money implications are set out in the report.

### **Risk implications:**

The risk implications concern the robustness of the forecast outturn which may change owing to pressures on services with a consequent effect on county council functions being able to keep within budgets and a potential call on balances.

### **Climate Change implications:**

Staffordshire's communities are places where people and organisations proactively tackle climate change, gaining financial benefit and reducing carbon emissions' is one of the county council's priority outcomes. Through the monitoring and management of this outcome; climate change and carbon emissions are being addressed in an active manner.

### **Health Impact Assessment and Community Impact Assessment screening:**

Not required for this report.

### **Report authors:**

Author's Names: Rachel Spain, Nicola Lycett  
Telephone No: (01785) 85 4454  
Location: Staffordshire Place No.1

## Revenue Forecast Outturn 2021/22

	Revised Budget Qtr 2 £m	Forecast Outturn £m	Covid Impact	Normal Service Overspend / (Savings)	Total Variation £m
<b>Health and Care</b>					
Public Health & Prevention	0.263	0.263	0.000	0.000	0.000
Adult Social Care & Safeguarding	40.800	40.698	0.240	(0.102)	0.138
Care Commissioning	185.606	184.696	4.127	(0.910)	3.217
Specific Grant Allocation (Public Health)	(0.263)	(0.263)	0.000	0.000	0.000
Exit and Transition Fund	0.000	0.000	0.000	0.000	0.000
<b>Health and Care Total</b>	<b>226.406</b>	<b>225.394</b>	<b>4.367</b>	<b>(1.012)</b>	<b>3.355</b>
<b>Families and Communities</b>					
Children's Services	118.197	119.854	7.766	1.657	9.423
Children's Public Health	0.000	0.000	0.000	0.000	0.000
Education Services	33.018	32.754	0.417	(0.264)	0.153
Culture and Communities	5.438	5.417	0.135	(0.021)	0.114
Rural	2.356	2.264	0.092	(0.092)	0.000
Community Safety	8.323	8.268	0.000	(0.055)	(0.055)
Specific Grant Allocation (Public Health)	0.000	0.000	0.000	0.000	0.000
Exit and Transition Fund	0.000	0.000	0.000	0.000	0.000
<b>Families and Communities Total</b>	<b>167.332</b>	<b>168.557</b>	<b>8.410</b>	<b>1.225</b>	<b>9.635</b>
<b>Economy, Infrastructure and Skills</b>					
Business & Enterprise	2.194	2.194	0.000	0.000	0.000
Infrastructure & Highways	29.687	29.687	0.310	0.000	0.310
Transport, Connectivity & Waste	39.880	39.603	1.723	(0.277)	1.446
Skills	2.435	2.345	0.000	(0.090)	(0.090)
EI&S Business Support	1.097	1.097	0.000	0.000	0.000
Specific Grant Allocation (Public Health)	0.000	0.000	0.000	0.000	0.000
Covid related capital project costs	0.000	0.000	0.000	0.000	0.000
Exit and Transition Fund	0.000	0.000	0.000	0.000	0.000
<b>Economy, Infrastructure and Skills Total</b>	<b>75.293</b>	<b>74.926</b>	<b>2.033</b>	<b>(0.367)</b>	<b>1.666</b>
Corporate Services	33.528	32.938	0.486	(0.590)	(0.104)
Specific Grant Allocation (Public Health)	0.000	0.000	0.000	0.000	0.000
Exit and Transition Fund	0.000	(0.310)	0.000	(0.310)	(0.310)
<b>Corporate Services Total</b>	<b>33.528</b>	<b>32.628</b>	<b>0.486</b>	<b>(0.900)</b>	<b>(0.414)</b>
<b>Traded Services</b>	<b>(0.622)</b>	<b>(0.622)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL PORTFOLIO BUDGETS</b>	<b>501.937</b>	<b>500.883</b>	<b>15.296</b>	<b>(1.054)</b>	<b>14.242</b>
<b>Centrally Controlled Items</b>					
Interest on Balances & Debt Charges	34.669	34.669	0.000	0.000	0.000
Pooled Buildings and Insurances	27.647	27.493	0.124	(0.154)	(0.030)
Investment Fund	0.798	0.798	0.000	0.000	0.000
Covid 19 Grant	0.000	0.000	(16.204)	0.000	(16.204)
<b>TOTAL FORECAST OVERSPEND</b>	<b>565.051</b>	<b>563.843</b>	<b>(0.784)</b>	<b>(1.208)</b>	<b>(1.992)</b>

**CAPITAL PROGRAMME 2021/22**

	<b>1st Quarter Budget</b>	<b>Enhancements to Programme</b>	<b>2nd Quarter Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Health and Care</b>			
Care and Independence	6.926	(5.583)	1.343
<b>Health and Care Total</b>	<b>6.926</b>	<b>(5.583)</b>	<b>1.343</b>
<b>Families and Communities</b>			
Maintained Schools	33.742	10.565	44.307
Rural County (Countryside)	0.790	(0.072)	0.718
Vulnerable Children's Projects	0.084	0.000	0.084
Tourism and Culture	0.013	0.000	0.013
<b>Families and Communities Total</b>	<b>34.629</b>	<b>10.493</b>	<b>45.122</b>
<b>Economy, Infrastructure and Skills</b>			
Economic Planning & Future Prosperity	11.968	(0.770)	11.198
Highways Schemes	59.017	(1.199)	57.818
Connectivity	1.430	0.000	1.430
Waste & Sustainability Projects	0.379	0.000	0.379
<b>Economy, Infrastructure and Skills Total</b>	<b>72.794</b>	<b>(1.969)</b>	<b>70.825</b>
Trading Services - County Fleet Care	0.507	0.000	0.507
Finance, Resources & ICT	0.754	(0.065)	0.689
Property	11.050	0.000	11.050
Corporate Leased Equipment	0.000	0.000	0.000
<b>Total</b>	<b>126.660</b>	<b>2.876</b>	<b>129.536</b>

Financial Health Indicators 2021/22

Appendix 6

Indicator		Current Performance
<u>Debtors</u> Level of outstanding general debtors more than 6 months old does not exceed £14.7m (Current Performance – £19.8m)		
<u>Payments to suppliers</u> <ul style="list-style-type: none"> <li>At least 90% of invoices have been paid within 30 days of us receiving them during the last quarter (Current Performance – 98.0%) This reflects early payments to suppliers to help them with cashflow during the pandemic.</li> </ul>		
<u>Monitoring</u> Quarterly financial monitoring reports have been issued to Cabinet during the last 12 months  The council's most recent revenue outturn forecast did not vary by more than +/-2% when compared to the overall revenue budget  Quarterly monitoring reports of progress against MTFS savings have been produced for the Senior Leadership Team during the last 12 months		    
 Indicator not met	 Indicator not met by small margin	 Indicator met