



## Committee report

Committee	<b>CABINET</b>
Date	<b>10 JANUARY 2019</b>
Title	<b>PERFORMANCE &amp; FINANCE REPORT – QUARTER ENDED 30 SEPTEMBER 2018</b>
Report of	<b>DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR RESOURCES</b>

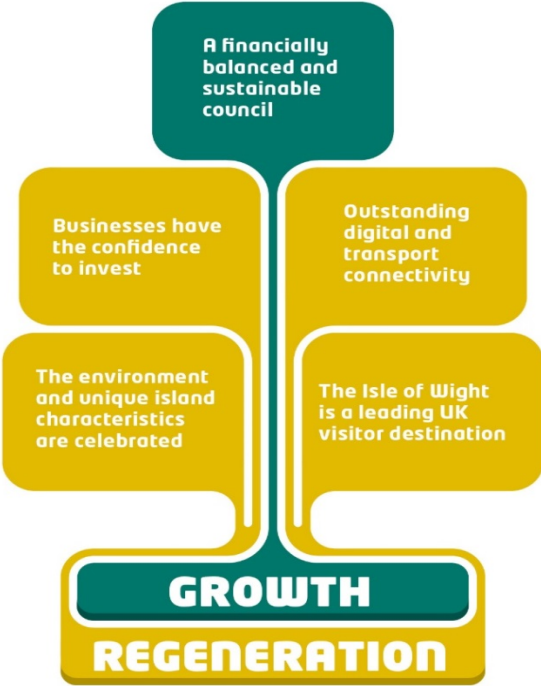


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### EXECUTIVE SUMMARY

1. This report sets out the outturn results of the council's performance (shown in detail at Appendix A) against the established indicators and targets that underpin the delivery of the current Corporate Plan for the period ended 30 September 2018. The report is accompanied by the risk and financial position at that point in time, (shown at Appendices B and C).

### BACKGROUND

2. Full Council at its meeting of 18 October 2017 approved a new Corporate Plan which set out the council's vision and strategic priorities for the life of the council between 2017 and 2020.
3. Eleven key outcomes were identified within the Corporate Plan which were previously grouped into three outcome groups as shown in the table below.

Outcome group	Key outcomes
Growth and regeneration	 <p>A financially balanced and sustainable council</p> <p>Businesses have the confidence to invest</p> <p>Outstanding digital and transport connectivity</p> <p>The environment and unique island characteristics are celebrated</p> <p>The Isle of Wight is a leading UK visitor destination</p> <p><b>GROWTH</b> <b>REGENERATION</b></p>
Opportunity (Appendix A2)	 <p>All young people will have the best start in life so that they can fill their potential</p> <p>A well educated and skilled community</p> <p><b>OPPORTUNITY</b></p>
Wellbeing (Appendix A3)	 <p>The community feels safe and the Island is resilient</p> <p>People have a place to call home and can live with independence</p> <p>Community needs are met by the best public services possible</p> <p>People take responsibility for their own health and wellbeing</p> <p>Vulnerable people are supported and protected</p> <p><b>WELLBEING</b></p>

4. Each of these groups of outcomes are monitored with the use of the following: -
  - (a) Long term success factors over three and ten years.
  - (b) Key activities/projects being undertaken to achieve long term success.
  - (c) Short term measures to assess progress toward long term success.
  - (d) Strategic risks that may prevent long term success.
5. Following the Quarter 1 report that was presented to Cabinet in September 2018 a review of the reports format was undertaken that included consultation with both the Chair of the Scrutiny Committee and the Corporate Management Team.
6. It was agreed that rather than include an appendix for each of the groups shown in the table above, progress could be better monitored if all the items in paragraph 4 were instead distributed across Cabinet Portfolios and an appendix produced for each.

### STRATEGIC CONTEXT

7. Ongoing management and monitoring of performance data, the council's strategic risk profile and financial situation is required to support the successful delivery of agreed council priorities. As such, this report provides the Cabinet (and subsequently the council's scrutiny function) with the necessary information to record achievements and challenge areas of underperformance and to account for it to the wider community. The report references the Corporate Plan and its priorities approved by Full Council in October 2017.
8. The Corporate Plan sets out the vision for the island and the council's priorities and planned activities in delivering it. The existing plan was agreed for the period 2017 to 2020.

### CONSULTATION

9. The council's performance management framework sets out the processes required to be undertaken to manage performance effectively. This framework requires discussion at all levels across the authority on a routine basis and also the escalation of issues to senior management and members as part of monthly performance review meetings. This report therefore is a culmination of that regular and routine review.

### FINANCIAL / BUDGET IMPLICATIONS

10. Failure to appropriately manage performance, risk, and finance in an integrated way has the potential to lead to increased cost or exposure to unacceptable financial risk.
11. Whilst there are no direct financial implications arising from this report, any remedial recommendations made, based on the information provided, may result in activity that has an impact on capital and/or revenue budgets or on resources generally.

### LEGAL IMPLICATIONS

12. The council has a statutory requirement under the Local Government Act 1999 to achieve 'best value' in its delivery of its services. The authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The quarterly performance report forms part of such arrangements, thereby assisting the council to comply with legal and statutory requirements.

## EQUALITY AND DIVERSITY

13. The council has statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and those who do not. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. It is not considered that there are any direct equality and diversity implications arising from this report.

## SUMMARY POSITION OF QUARTER 2 PERFORMANCE

14. A detailed analysis of the performance and risk position of each corporate priority is provided in Appendix A and a synopsis provided below.

### **A1: Adult Social Care and Public Health**

15. The success of the Adult Social Care (ASC) "Care Close to Home" programme has driven down the rate of admissions to permanent residential or nursing care. The forecast for the 2018/19 financial year is that the rate at that point (end of March 2019) will be around 461 per 100,000 which is considerably better than both the three- and ten-year targets set in the Corporate Plan. The national average for 2017/18 was 585.6 per 100,000 meaning that the Isle of Wight is on schedule to be ahead of its original corporate plan ten-year target and the national average by the end of the 2018/19 financial year.
16. The number of safeguarding meetings being held within the seven-day timescale continues to be high with only one meeting out of 91 exceeding the target in September and only 13 out of 280 over the whole of Quarter 2. The delays are caused by a lack of information in the original referral to enable a timely decision, Making Safeguarding Personal (MSP) contact and other agencies or information being unavailable.
17. Via the leadership of the Safeguarding Adults Board, a new 'threshold and decision-making tool' has been developed and risk training has been provided to all agencies who work with adults at risk. As a result, we are beginning to see a continued reduction of the number of concerns, allied to a higher conversion rate to section 42 enquiries. We believe this is due to the more consistent triaging at the referral stage and more appropriate referrals. There has been a reduction in falls & medication errors. The service hopes that these numbers will continue to show the receipt of appropriate referrals as new criteria is followed.

### **A2: Children's Services**

18. School performance data has been analysed and a number of follow up actions are now being planned around the schools with disappointing performance. These include formal visits to the governing body by the LA, adjustment to support packages, consideration of serving a formal warning notice to the school, an early visit from the leadership and learning partner. Work on the primary mathematics project continues and the mid-term project data is currently being analysed. The annual visit programme of the schools' Local Learning Partners is about to start to provide support and challenge for all Isle of Wight maintained schools.

19. The Isle of Wight has marginally improved its performance in the Attainment 8 measure at GCSE (Y 11) this year from 40.1 to 40.5. This has closed the gap between the Isle of Wight and the average for English state schools which has fallen from 46.3 to 43. Performance at GCSE still remains well below average with the number percentage of pupils achieving Grade 5 in Maths and English at 33.3% (provisional figure) against an average for all state schools in England of 43%.
20. At the end of Quarter 2, 79.5% of Isle of Wight primary schools were rated good or better compared to 87% nationally. 42.9% of Isle of Wight secondary schools are rated good or better compared to 73% nationally. At the same point last year 78% of Isle of Wight Schools were rated good or better.
21. The number of children looked after continues to rise locally as it does nationally. The new transformation programme is intended to provide a resilience-based social work approach with families to keep children at home. The reunification programme that is underway is designed to return children in care back to their families where and when it is safe and appropriate to do so.
22. The percentage of cases of children subject to child protection planning for a second or subsequent time within two years was zero per cent in Quarter 2. Neglect continues to be the main category for child protection planning at 57.4% at the end of Quarter 2. 100 per cent of review child protection conferences were held within timescales.

### **A3: Community Safety and Public Protection**

23. A report outlining the impact of changing the rostering of whole time fire service staff was agreed by Cabinet in October 2018. The service will now start to introduce these changes aimed at improving emergency response and efficiency. Significant changes will be planned over the next 12 months with an implementation date of January 2020. Small changes will be implemented immediately with a view to reducing the Service overspend.
24. The consultation for the creation of a new Combined Fire Authority is ongoing and meetings have been held with Town and Parish councils, and Representative Bodies. The project remains on track to bring recommendations to Cabinet in January 2019.
25. 27 of the 40 critical incidents attended in September 2018 achieved the standard response time (ten minutes) making a 67.5% success compared to a target of 80%. Of the first appliance failures, four out of 12 were due to the nearest appliance being unavailable and thus a longer travel time for the next nearest resource.
26. The overall rate for first six months of the financial year (2018/19) is 69% with 164 out of 238 critical incidents being responded to on time. In the same period of the previous financial year (2017/18) 68% (118 out of 173) of critical incidents were responded to on time. This represents an improvement in response despite an increase in the number of incidents.

### **A4: Environment & Heritage**

27. An Environment Conference was held at the end of June 2018 and the council is collating all the views from the many conference workshops to produce an environment action plan that takes account of existing/proposed activities being undertaken to protect and improve the quality of the Island's environment and more fully utilises the economic development opportunities it might provide.

## **A5: Infrastructure & Transport**

28. A Highways PFI savings programme has been established which reports to a dedicated Savings Board. The programme aims to deliver savings in two phases – phase one will target Operations and Maintenance works commencing April 2019 and Capital savings from April 2020. The savings programme will result in significant re-write of the contract.
29. As at the end of August 2018, 82.3% of Hierarchy 1 roads have been rehabilitated to meet the PFI contract specification.

## **A6: Planning & Housing**

30. During Quarter 2, the number of households in temporary accommodation is at its highest level since 2009 with the figure peaking at 186 families at the end of August.
31. The number of people on the Housing Register has risen from 2,093 to 2,161 over the first six months of 2018/19. Of these, the number of people on Band 1 of the Housing Register (applicants with urgent housing needs some of which require specially adapted homes) has risen from 16 to 24 in the same period.
32. Work is progressing with Southern Housing and the Joint Commissioning Unit on the mobilisation plan for Ryde Village Extra Care Scheme.
33. A full time Housing Delivery Officer has been appointed and a report to cabinet on the council's approach to Housing Delivery is in preparation. There has been interest from several local groups in delivery small scale schemes through the Community Led Housing Programme.

## **A7: Procurement, Waste Management, Special Projects & Forward Planning**

34. The procurement and contract monitoring team has commenced the recruitment process for a contract monitoring officer. This role will provide guidance and support across all directorates of the council to ensure that suppliers are fulfilling their contractual obligations, as well as rolling out of the council's new contract management ICT system. This system will be used to record contract management data and will allow contract performance to be viewed by the procurement and contract monitoring team. The system can also be accessed by suppliers and documents and data can be shared seamlessly, with all records being kept in one place.
35. As part of the service planning process all areas of the council have set objectives to enable forward planning to take place on the most informed basis possible. The use of information will be key to ensuring that the decisions the council takes regarding its aspirations are of the quality required.
36. The percentage of waste recycled, reused or composted from all Household Waste Recycling Centre (HWRC) sites continues to be well in excess of target showing the decreasing reliance on landfill in favour of increased levels of recycling and composting. In September, 60.7% of waste was diverted from landfill which is also well in excess of targets.

## **A8: Regeneration & Business Development**

37. Based on updated information from NOMIS, the average gross weekly wage for full time workers for the South East has risen from £595.90 to £614.50 (3.1% rise) and the average across Great Britain has increased from £552.30 to £571.10 (3.4% rise) the Isle of Wight average has fallen over the last year from £496.50 to £480.90 (3.2% decrease). This is based on earnings by residence so includes people who commute from the Isle of Wight to the mainland but not those who commute the other way.
38. Ryde Nicholson Road planning application still on target to be submitted January 2019. Ongoing work to identify end users and a developer interest in leasing/buying 20000 sq. ft. of the site to take forward for development. A meeting scheduled with a potential Joint Venture Partner to deliver the scheme. A full business case will follow the planning application submission.
39. Cabinet has approved work to St Mary's junction and work on the next phases of the key junction improvements in and around Newport to ease congestion in the town.
40. Unavoidable external delays in some of the evidence base work has led to the portfolio holder and project board agreeing to push back the consultation on the new Island Plan to 3 December.
41. Revised National Planning Policy Framework (NPPF) has been published, which included a standardised methodology for calculating housing need. National household projections, which are used in the standard methodology, are published, which reduces housing need in most places. This is against Government's ambitions for the delivery of housing within this parliament, so they are now reviewing the standard methodology. A revised approach will be published for consultation, and this is expected in December 2018/January 2019. The portfolio holder and project board are being kept up-to-date with these issues, and the likely implications and risks for the plan-making process.
42. The Isle of Wight's rate of out of work benefit claimants fell over quarter 2 from 2.1 per cent (1,665 claimants) to 1.7 per cent (1,340 claimants) mainly through the increased availability of seasonal employment. It should be noted that the percentage of people claiming benefits on the Isle of Wight is higher than the South East percentage (1.3 per cent) but lower than the national figure (2.2 per cent).

## **A9: Resources**

43. The Digital Strategy 2017-2020 is now in its second year of delivery. Recent review and presentation at the scrutiny committee has demonstrated that significant progress has been made in the areas of Flexible and Resilient Infrastructure, Digital Empowerment and Digital by Default have over 90% of the planned activities completed and/or now business as usual activities. Remaining tasks are either in progress or have been rescheduled based on available resources.
44. The current position is that the council is forecasting an overall revenue budget saving against budget of £1.55m against a budget of £148.7m (1.04%). The capital programme indicates a small forecast overspend of £0.141m and a current forecast of slippage in spending of £36.2m now due to take place in future years, this will be kept under review as the financial year progresses. See separate appendices for a more detailed revenue and capital budget monitor.

45. In September 2018, of the 123 Freedom of Information Act 2000 requests for information received, Corporate Services received 41, Neighbourhoods received 40, Children's Services received 16, Adult Social Care and Well-being and Regeneration both received six, Financial Management and Fire and Rescue both received four, Public Health received three, Outside Bodies received two and Strategy received one.
46. The number of transactions being completed online is showing a decline over the beginning of this financial year. This has not, though, led to a corresponding increase in the number of telephone calls being made to the contact centre. The number of transactions saw a gradual increase in 2017/18 as a result of the launch of new on-line facilities such as the green waste collection service and privilege seat application process as well as the redevelopment of other on-line forms to improve ease of use. There are also other events in the annual cycle of business activity that have the potential to increase transaction use such as annual billing and reminder schedules but equally the quieter months of July-December should account for the downward trend that is apparent in the second quarter of 2018.

### **A10: Strategic Partnerships**

47. A rural business engagement event was held on 1 October 2018 to secure comments on the draft Island regeneration strategy. The meeting was attended by 25 businesses and included presentations from the National Farmers' Union and Country Landowners Association. A range of potential initiatives were discussed addressing rural business development and the group agreed to meet regularly to develop these in conjunction with the council.
48. With Cabinet having been taken on the road, the opportunity for discussions with the Town and Parish Councils in the host areas has arisen. The staging of cabinet meetings away from County Hall has been received well.

### **SUMMARY POSITION OF QUARTER 2 FINANCE**

#### Revenue - 2018/19

49. The net revenue budget for 2018/19 is £148.7m. The budget was approved at Full Council on 28 February 2018 with on-going savings totalling £7.5m.
50. At the end of the second quarter the council is forecasting an overall saving against the budget target of £1.55m which is some 1.04% of the net revenue budget. This position is subject to change as the financial year progresses.



51. The main overspends and underspends are set out in the following table:

<b>Portfolio</b>	<b>Key Items</b>	<b>Forecast Variation £m</b>
<b>Main Savings against Budget:</b>		
Resources	Corporate finance - loan interest payable, VAT and housing benefit over-payment recovery.	-2.702
Environment & Heritage	Leisure income and expenditure	-0.503
Community Safety & Public Protection	Bereavement Services net income	-0.179
Children's Social Care	Staffing related savings	-0.188
Children's Social Care	In-house fostering placements	-0.137
<b>Main Pressure Areas:</b>		
Children's Social Care	External foster care and residential care placements, adoption & leaving care costs	1.280
Infrastructure & Transport	Floating bridge - operational issues	0.478
Adult Services	Learning disability services	0.189
Planning & Housing	Potential pressure on planning fee income	0.126
Miscellaneous Items		0.086
		-1.550
<b>Net Total Forecast Saving against Budget Target</b>		<b>-1.550</b>

See Appendix B for a more detailed Revenue Budget Monitor

## CAPITAL

52. The total capital budget for 2018/19 is £94.02m. As at the end of September the actual expenditure is £32.90m. There is forecast slippage in spending of £36.2m from 2018/19 into future years and a small potential overspend of £0.141m.

See Appendix C for a more detailed Capital Budget Monitor

## GENERAL RESERVES

53. General Reserves at the end of quarter two indicates a forecast balance of £11.2m. This is after taking account of the approved transfer to General Reserves of £3.2m as part of the revised medium term financial strategy in order to improve the council's financial resilience and enable the opportunity to further smooth out the council's necessary savings over a longer period.

## RISK

54. The council has a strategic risk register that sets out those risks which are considered to have the potential to prevent the council from achieving its agreed strategic priorities and outcomes. There are action plans in place to mitigate and/or counter those risks occurring. Strategic risks are monitored by the Audit Committee and were last reviewed on 3 December 2018. Strategic risks are included in Appendix A attached to the relevant portfolio report with a summary included in Appendix D.

55. RECOMMENDATION

That Cabinet notes the performance in relation to the council's priorities as set out in this report and the priority report detail as set out in Appendix A, together with the council's financial position as set out at Appendices B and C.

APPENDICES ATTACHED

56. Appendix A: Corporate Plan priority reports for:

[A1: Adult Social Care and Public Health](#)

[A2: Children's Services](#)

[A3: Community Safety and Public Protection](#)

[A4: Environment & Heritage](#)

[A5: Infrastructure & Transport](#)

[A6: Planning & Housing](#)

[A7: Procurement, Waste Management, Special Projects & Forward Planning](#)

[A8: Regeneration & Business Development](#)

[A9: Resources](#)

[A10: Strategic Partnerships](#)

57. [Appendix B: Revenue Budget Monitor – Quarter 2](#)

58. [Appendix C: Capital Budget Monitor – Quarter 2](#)

59. [Appendix D: Strategic Risk Register Summary](#)

BACKGROUND PAPERS

60. [Medium Term Financial Strategy 2016/17 to 2020/21 and Efficiency Plan](#)

61. [Corporate Plan 2017-2020](#)

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