



Committee report

Committee	CABINET
Date	14 SEPTEMBER 2017
Title	PERFORMANCE AND FINANCE REPORT – QUARTER ENDED 30 JUNE 2017
Report of/to	DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR RESOURCES

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 first quarter of the annual reporting period ending 30 June 2017. The report is accompanied by the risk and financial position at that point in time, (shown at Appendices B and C).

BACKGROUND

2. The council's current corporate plan was approved by Full Council on 1 April 2015. It set out the council's priorities for the period 2015 to 2017, as follows:
 - Priority 1: Supporting growth in the economy, making the Island a better place and keeping it safe
 - Priority 2: Keeping children safe and improving their education
 - Priority 3: Protecting the most vulnerable with health and social care, investing in support, prevention and continuing care
 - Priority 4: Ensuring that all the resources available to the Island are used in the most effective way in achieving the Island's priorities

STRATEGIC CONTEXT

3. On-going 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 April 2015.

4. 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 2015 to 2017. A new plan is in preparation to reflect the aspirations of the council's new Administration elected in May and will be presented for approval in due course. Following the adoption of a 2017-2020 corporate plan the content of the quarter two performance report will be re-aligned to reflect any new priorities agreed.

CONSULTATION

5. 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

6. 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.
7. 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

8. 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

9. 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 1 PERFORMANCE

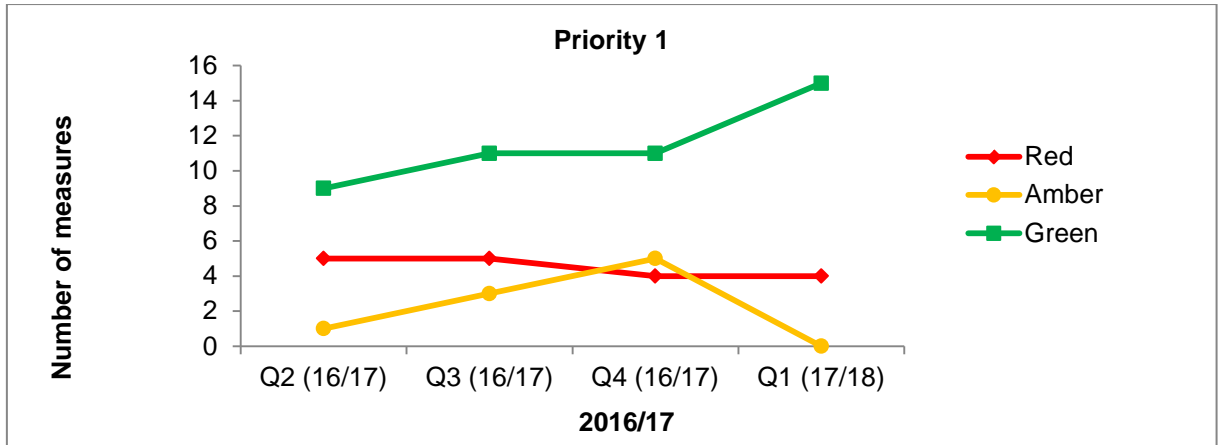
10. The following table provides an assessment of the status of each priority at the end of quarter one.

Corporate Priority	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Q1 17/18	Direction of travel
A1: Supporting growth in the economy, making the Island a better place and keeping it safe	Amber	Amber	Amber	Amber	Amber	↗
A2: Keeping children safe and improving their education	Amber	Amber	Amber	Amber	Amber	↗
A3: Protecting the most vulnerable with health and social care, investing in support, prevention and continuing care	Amber	Amber	Amber	Red	Amber	↗
A4: Ensuring that all the resources available to the Island are used in the most effective way in achieving the Island's priorities	Red	Red	Red	Amber	Amber	↗

Colour Key	Status
Green	Majority of performance is on or above target, projects are meeting planned delivery dates, risk is managed appropriately and financial position stable against profiled spend
Amber	Some performance is off target but within accepted tolerance levels, project milestones are still attainable, risk levels demonstrate some concern with appropriate planned activity, financial overspends being forecast
Red	Significant underperformance or project slippage, high scoring risks without active mitigation in place and/or significant overspend impacting delivery of corporate priority

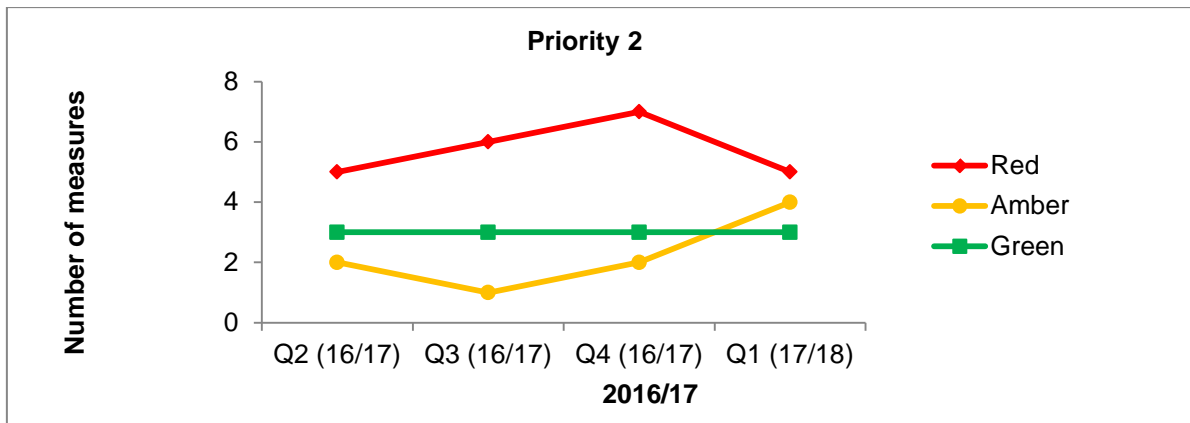
11. A detailed analysis of the performance and risk position of each corporate priority is provided in Appendix A.
12. **A1: Supporting growth in the economy, making the Island a better place and keeping it safe**

As at 30 June 2017, this priority status remains as amber with direction of travel being upwards. The following table shows the overall trend of performance during the reporting twelve month period 1 July 2016 – 30 June 2017.



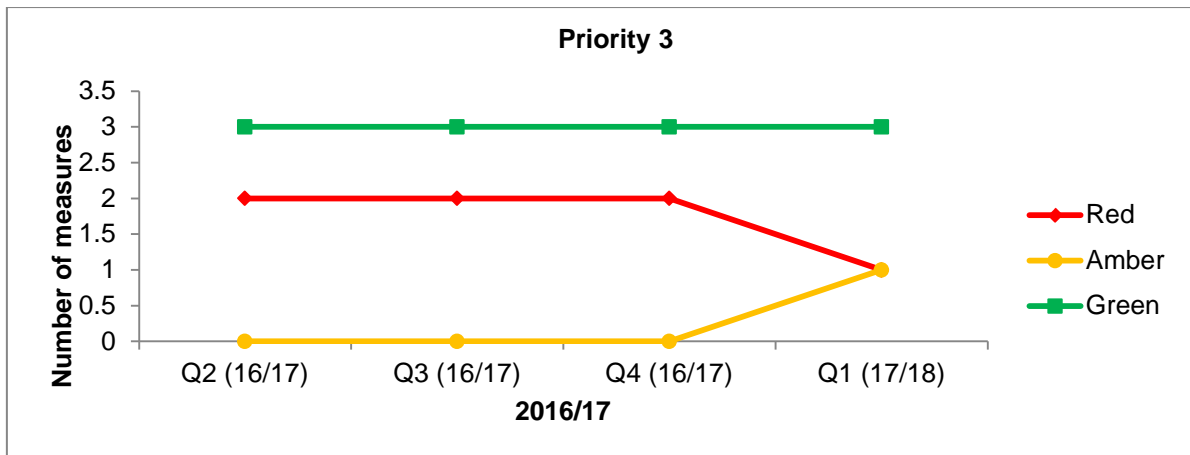
13. A2: Keeping children safe and improving their education

As at 30 June 2017, this priority status remains as amber with direction of travel being upwards. The following table shows the overall trend of performance during the reporting twelve month period 1 July 2016 – 30 June 2017.



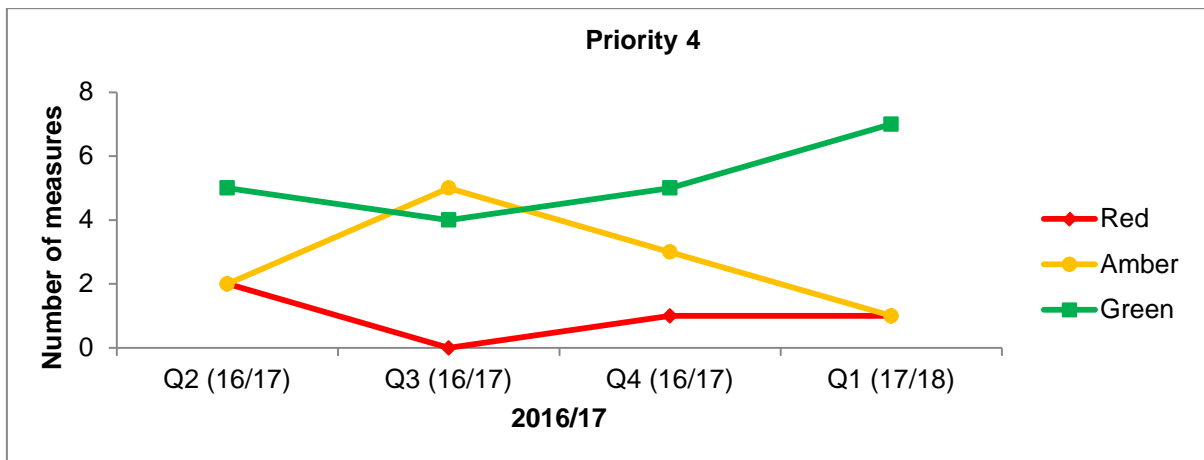
14. A3: Protecting the most vulnerable with health and social care, investing in support, prevention and continuing care.

As at 30 June 2017, this priority status has improved to amber with an upwards direction of travel reflecting the positive steps taken over the last nine months. The rating was lowered from amber to red the previous quarter following a review of service delivery issues and performance that was undertaken by the Director of Adult Social Services upon her appointment. The following table shows the overall trend of performance during the reporting twelve month period 1 July 2016 – 30 June 2017.



15. A4: Ensuring that all the resources available to the Island are used in the most effective way in achieving the Island’s priorities

As at 31 March 2017, this priority status remains amber with direction of travel being upwards. This is as a result of the delivery of a revised medium term financial strategy approved by full Council in October 2016 which amended the council's savings requirements downwards to more achievable levels in the short to medium term. The following table shows the overall trend of performance during the reporting twelve month period 1 July 2016 – 30 June 2017.



SUMMARY POSITION OF QUARTER 1 FINANCE

Revenue – 2017/18

16. The net revenue budget for 2017/18 is £150.4m. The budget was approved at full Council on 22 February 2017 with on-going savings totalling £7.5m. The budget also included a contribution of £3.6m from reserves in 2017/18 to help bridge the in-year budget gap.
17. At the end of the first quarter, the council is forecasting a very small overall underspend of £141,000. Whilst forecasting an underspend overall, the main pressure area is children’s services which is forecast to overspend by £717,000. Adult Social Care is also forecast to overspend by £114,000.

There is also a forecast pressure relating to the floating bridge of £515,000 caused by the operational problems incurred.

At this early stage the forecast remains susceptible to considerable risk, the most significant of which relates to the delivery of budgeted savings in Adult Social Care. Other areas of risk to the delivery of the budget are continued demand pressures in Children's Social Care.

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

Portfolio:	Key Items:	Forecast Variation £m
Main Overspendings:		
Children's Services	Mainly Social Care - purchased residential and foster care placements	0.717
Infrastructure & Transport	Floating Bridge - loss of income & additional expenditure	0.515
Adult Social Care	Care Packages - mainly residential care and home care offset by nursing & direct payments	0.114
		1.346
Main Underspending:		
Resources	Corporate finance - loan interest payable and housing benefit over payment recovery	-0.787
Planning & Housing	Homelessness & Housing related support	-0.170
Community Safety & Public Protection	Bereavement services income	-0.121
Infrastructure & Transport	Car Parking Income	-0.106
Environment & Heritage	Leisure Income	-0.130
Miscellaneous Items		-0.173
		-1.487
		-0.141
Net Total Forecast Underspend		

19. The main pressure is within children's services, which has a total forecast overspend of £0.717m of which the key items are pressures within purchased residential care placements and foster care. The budget for adult social care

packages is also under pressure of £0.114m, mainly relating to residential care and home care.

20. The main item of underspend is the corporate budget relating to interest payment costs and housing benefit overpayment recovery. See Appendix B Revenue Budget Monitor for more detail.

Capital

21. The total capital budget for 2017/18 is £114.7m, including projects slipped from 2016/17. Actual spend against budget at the end of quarter 1 is £17.6m. Slippage of £60.7m is currently forecast; however £50m of this is in relation to the Property acquisition fund which is subject to an investment strategy being approved. This strategy will be brought forward to Cabinet and full Council shortly therefore it is possible that some spending will be incurred during the second half of the financial year. Although slippage has occurred, at this stage, the overall capital programme is anticipated to be fully funded.

General Reserves

22. General reserves at the end of quarter 1, indicates a forecast balance of £8m (after taking account of the approved transfer from general reserves of £3.6m used to support the 2017/18 revenue budget). The minimum level of reserves is judged to be £5.0m for an authority of this size and risk profile, leaving just £3.0m to act as a buffer against any unforeseen circumstances or financial shocks.

RISK

23. 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 will be reviewed again on [26 September 2017](#).

25. RECOMMENDATIONS

That the 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

26. [Appendix A](#): Corporate Plan priority reports for:
 - A1: Supporting growth in the economy, making the Island a better place and keeping it safe
 - A2: Keeping children safe and improving their education

A3: Protecting the most vulnerable with health and social care, investing in support, prevention and continuing care

A4: Ensuring that all the resources available to the Island are used in the most effective way in achieving the Island's priorities

27. [Appendix B](#): Revenue Budget Monitor – June 2017

28. [Appendix C](#): Capital Monitor – June 2017

BACKGROUND PAPERS

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

[Corporate Plan 2015-2017 Full Council 1 April 2015](#)

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