



Committee report

Committee	CABINET
Date	11 JANUARY 2018
Title	PERFORMANCE AND FINANCE REPORT – QUARTER ENDED 30 SEPTEMBER 2017
Report 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 period ended 30 September 2017. The report is accompanied by the risk and financial position at that point in time, (shown at Appendices B and C).
2. The appendices to this report have been redesigned in line with the new Corporate Plan and will be subject to further development over the next two quarters.

BACKGROUND

3. 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 2021.
4. Eleven key outcomes were identified within the Corporate Plan which were grouped into 3 outcome groups for each of which there is an appendix to this report. Within each report there is an update against the following
 - (a) Long Term Success factors over 3 and 10 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

Outcome Group	Key Outcomes
Growth & Regeneration (Appendix A1)	<p>Businesses have confidence to invest</p> <p>The environment and unique island characteristics</p> <p>Outstanding digital and transport connectivity</p> <p>The IW is a leading UK visitor destination</p> <p>A financially balanced and sustainable council</p>
Opportunity (Appendix A2)	<p>A well-educated and skilled community</p> <p>All young people will have the best start in life so that they can</p>
Wellbeing (Appendix A3)	<p>Vulnerable people are supported and protected</p> <p>People have a place to call home and can live with independence</p> <p>People take responsibility for their own health and wellbeing</p> <p>The community feels safe and the Island is resilient</p> <p>Community needs are met by the best public services possible</p>

STRATEGIC CONTEXT

5. 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 October 2017.

6. 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

7. 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

8. 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.
9. 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

10. 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

11. 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

12. A detailed analysis of the performance and risk position of each corporate priority is provided in Appendix A and a synopsis provided below.
13. **A1: Growth and Regeneration**
14. The Island will grow and improve, not only in terms of overall wealth, but also in education standards, skills and availability of jobs; in doing so we will make the best advantage of our own assets to improve business and job opportunities and the provision of appropriate housing for everyone that needs it.

15. The Island will use its unique characteristics to promote and secure inward investment and appropriate development; and build on our relationships with government and business to be the catalyst for the changes we need to see in the Island and in the Council.
16. There have already been significant developments in the start of our improvement journey:
17. Working in partnership with the private sector we have secured a new contact centre for the Isle of Wight with the prospect of up to 600 new jobs being created of which many are already in place, we have launched a regeneration strategy to a wide audience including potential new investors and have established a new dialogue with the community, "The Wight we Want", to inform how we might undertake our social regeneration activities.
18. The first Digital Conference took place on the 8 November 2017 at Cowes Yacht Haven. More than 200 delegates attended helping shape the future digital strategy for the Isle of Wight and the wider Solent region. A digital preparedness road map and strategy is scheduled to be commissioned in January 2018 for completion and launch in April 2018.
19. An island bid to become a test bed for 5G mobile communications has been submitted in Dec 2017 and a bid for the UK government Local Full Fibre programme is being prepared for the end Jan 2018 deadline.
20. Market conditions are still impacting upon economic activity and development activity and this is evidenced by a lower number of major planning applications being received up to the end of quarter 2 in this financial year than in previous one. However the total number of planning applications is not a great deal lower and the Planning department outperforms the majority of its comparators in the speed in which it processes applications. This performance should encourage developers going forward.
21. Recycling targets are by large being met and the upgrades to the infrastructure at both Lynbottom and Afton Household Waste Recycling Centres and the introduction of a Mobile Recycling Centre have contributed to this.
22. **A2: Opportunity**
23. A new plan has been agreed, "Delivering Educational Excellence", to continue the recent and much needed improvements in educational attainment. Working with our Strategic Partners in Hampshire County Council excellent progress is being made although there is still much left to do.
24. The Council has great ambition for schools on the Isle of Wight and is well on the way to a position where all schools whether primary or secondary will have a rating from Ofsted of "Good" or better. The vast majority of recent Ofsted inspections in recent times have been positive and where they have not the Council has taken immediate steps to address any issues raised and to quickly solve them to maintain the upward curve of progress within our schools.
25. Currently 32 out of 39 primary schools with a rating are either "Good" or "Outstanding" with one school (St Francis Catholic and CE Academy) yet to be inspected. 4 out of 7 secondary schools with a rating are "Good". Sandown Bay

Academy is rated as “Inadequate” but the local authority has taken extremely positive steps to address this by expanding. The Bay Primary School (which is rated “Good” by Ofsted) to an all through 4 to 16 school. This plan was put in place to preserve secondary education in the Bay area which was under threat by the plans of the existing academy sponsor (AET) to close the school.

26. Although school attainment continues to show improvement at both Key Stage 2 and Key Stage 4 the Isle of Wight has not yet closed the gap to the national average. The exception to this is Key Stage 2 Reading results were in line with the national average with 71% of pupils achieving age related expectations.
27. More positively the percentage of pupils achieving a Good Level of Development at the Early Years is 71% which is above the national average.
28. It is critically important that all island children are given the best start in life; that they are not only educated well, but that they are safe, protected and supported to achieve the very best for themselves in adulthood. An Ofsted inspection of Children’s Safeguarding in August 2017 identified significant improvements in this service. There are still areas for improvement and there continues to be highly focused action to address this.
29. **A3: Wellbeing.**
30. The quality of life experienced by the residents of the Isle of Wight is in part dictated by the success of its communities and by the way everybody’s needs are met. A great number of these needs are met by the Isle of Wight Council and its partners in both the public and private sector.
31. Our new emerging strategy for the delivery of Adult Social Care Services “Care Close to Home” is already having a big influence in the way in which we deliver these key services and we are increasing both the amount and the effectiveness of our collaboration with colleagues in the CCG and NHS agreeing plans for the allocation of the Better Care and Improved Better Care funds this year. A new Local Care Board has been set up to drive the integration agenda.
32. The numbers of elderly people funded by the local authority entering permanent residential care has reduced significantly so far this year - from 951.9 per 100,000 people during 2016/17 to 764.15 per 100,000 people as at the end of September 2017. These figures point to an increase in the number of people who are able to be cared for in their own home, a fundamental intention of Care Close to Home.
33. Also of particular note, performance around the delayed transfer of care, has remained strong and have exceeded the nationally set September targets. Our target is 4.58 per 100,000 people and at the end of September our performance was 2.4 per 100,000.
34. One of the most important needs for the people of the Isle of Wight is the need to feel safe and all of the emergency services contribute to this immensely both in a preventative and in a corrective manner.
35. A full evidence based review is underway into the Isle of Wight Fire and Rescue service. This will enable the IWC to fully understand the risks faced on the Island, and the options available for matching the appropriate resources to those risks.

36. Of course the Council must be informed about the services it provides and consulting with the public as it has recently done with the “Wight you want” survey is vital in order to deliver or commission the correct services at the correct location to the correct people. Consultation is also scheduled regarding the renewal of the Island Plan which will include area based policies for key regeneration areas.

SUMMARY POSITION OF QUARTER 2 FINANCE

Revenue – 2017/18

37. The net revenue budget for 2017/18 is £150.5m. 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.

38. At the end of the second quarter the council is forecasting an overall underspend of £540,000. Whilst forecasting an underspend overall, the main pressure area is Children’s Services which is forecast to overspend by £717,000. There is also a forecast pressure relating to the floating bridge of £708,000 caused by the operational problems incurred.

39. At this stage in the financial year the forecast remains susceptible to considerable risk, the most significant of which relates to demand pressures in Children’s Social Care and the delivery of savings targets in Adult Social Care, however, at this stage in the year Adult Social Care is forecast to be on budget which is a significant achievement.

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

Portfolio	Key Items	Forecast Variation £m
Main Overspending:		
Children's Services	Mainly Social Care - purchased residential & inter agency adoption costs	0.717
Infrastructure & Transport	Floating Bridge - loss of income & additional expenditure	0.708
		1.425
Main Underspending:		
Resources	Corporate finance - loan interest payable and housing benefit over payment recovery	-0.753
Environment & Heritage	Leisure Income and expenditure	-0.348
Planning & Housing	Homelessness & Housing related support	-0.212
Community Safety & Public Protection	Bereavement Services income	-0.192

Miscellaneous Items	-0.46
	-1.965
Net Total Forecast Underspend	-0.540

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 inter-agency adoption costs. 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

41. The total capital budget for 2017/18 is £113.4m, including projects slipped from 2016/17. Actual spend against budget at the end of quarter 2 is £33.2m. Slippage of £59.3m is currently forecast, however £50m of this is in relation to the Property acquisition fund for which the investment strategy has recently been approved by Cabinet and Full Council in September. Until this fund becomes operational slippage on the approved budget of £50m is forecast, this will be kept under review as the financial year progresses.
42. Although slippage has occurred, at this stage, the overall capital programme is anticipated to be fully funded.

General Reserves

43. General Reserves at the end of quarter 2 indicates a forecast balance of £8.5m (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 £3.5m to act as a buffer against further unforeseen circumstances or financial shocks.

RISK

44. 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 4 December 2017

COMPLAINTS

45. Earlier in the year the Local Government and Social Care Ombudsmen provided the council with its annual summary of statistics on the complaints made to them about the IW Council in the 2016/17 financial year. This letter can be seen in Appendix D.
46. In total 43 complaints and enquiries about the IW Council in 2016/17. In that period 52 decisions were made by the LGO (which will have included complaints/enquiries from the previous year) of which 19 were investigated in detail. Of those 19, 13 were upheld by the LGO.

47. This represents a reduction from the previous year where 60 complaints/enquiries were received with 50 detailed investigations being undertaken of which 14 were upheld by the LGO.

48. RECOMMENDATIONS

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

49. Appendix A1-3 - Corporate Plan priority reports for:

- [A1: Growth and Regeneration](#)
- [A2: Opportunity](#)
- [A3: Wellbeing](#)

50. [Appendix B](#) - Revenue Budget Monitor – September 2017

51. [Appendix C](#) - Capital Monitor – September 2017

52. [Appendix D](#) - Annual Summary of Complaints made to the Local Government & Social Care Ombudsman.

BACKGROUND PAPERS

- [Medium Term Financial Strategy 2016/17 to 2020/21 and Efficiency Plan](#)
- [Corporate Plan 2017-2019 Full Council October 2017](#)

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