



# Committee report

Committee	<b>CABINET</b>
Date	<b>8 MARCH 2018</b>
Title	<b>PERFORMANCE AND FINANCE REPORT – QUARTER ENDED 31 DECEMBER 2018</b>
Report to	<b>DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR RESOURCES</b>

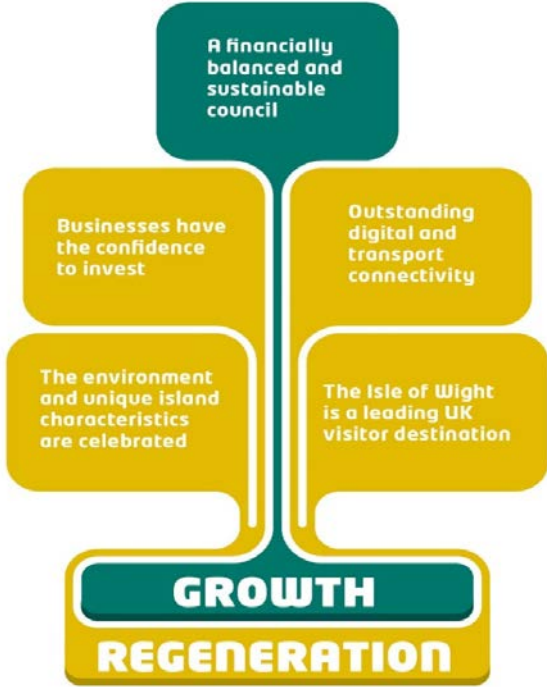


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## EXECUTIVE SUMMARY

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 31 December 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
<p>Growth &amp; Regeneration (Appendix A1)</p>	 <p>The infographic for Growth &amp; Regeneration features a central vertical line with a teal and yellow base labeled 'GROWTH REGENERATION'. Five yellow boxes branch out from the line, each containing a key outcome: 'A financially balanced and sustainable council' (top), 'Businesses have the confidence to invest', 'Outstanding digital and transport connectivity', 'The environment and unique island characteristics are celebrated', and 'The Isle of Wight is a leading UK visitor destination' (bottom right).</p>
<p>Opportunity (Appendix A2)</p>	 <p>The infographic for Opportunity features a central vertical line with a dark red base labeled 'OPPORTUNITY'. Two dark red boxes branch out from the line, each containing a key outcome: 'All young people will have the best start in life so that they can fill their potential' (left) and 'A well educated and skilled community' (right).</p>
<p>Wellbeing (Appendix A3)</p>	 <p>The infographic for Wellbeing features a central vertical line with a blue base labeled 'WELLBEING'. Five blue boxes branch out from the line, each containing a key outcome: 'The community feels safe and the Island is resilient' (top), 'People have a place to call home and can live with independence', 'Community needs are met by the best public services possible', 'People take responsibility for their own health and wellbeing', and 'Vulnerable people are supported and protected' (bottom right).</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. The second round of area workshops for ‘The Wight we Want’ working on three local priorities have begun. Work on the Newport Place Plan continues with over 1500 people completing a local priorities survey. A youth conference will take place on 6th March focusing on the views of young people on regeneration and the future of the island.
18. The first Digital Conference took place on the 8 November 2017 at Cowes Yacht Haven. Following this, 3 bids for funding have been developed to enhance premises for digital businesses and digital infrastructure and submitted to LEP/UK govt and a road map to set out 5 year Digital strategy is under development
19. The consultation on resident parking surveys identified in the parking strategy has been approved and will go live for an 8 week period in February 2018. The fees and charges have been reviewed and will be included in the medium term financial strategy reported to Full Council in February 2018.
20. The council maintains a dialogue with the leaders of neighbouring authorities to identify and exploit any opportunities to secure, where possible, the local control of central powers to the benefit of the Island and its community. The successful application to be a pilot area for 100 per cent retention of business rates being the most current example and which will generate an additional £1.9m income in 2018/19
21. Service Boards take place on a monthly basis with all directorates to review the latest forecast financial position. Finance Business Partners advise services on any significant forecast variances to budgets including progress on savings plans and assist in developing remedial actions if required.
22. The current position is that the council is forecasting an overall revenue budget underspend of £1.367m against a budget of £150.6m. The capital programme indicates a forecast underspend of £0.9m and slippage in spending of £52.5m now due to take place in future years.
23. Benchmarking information that is available from the Local Government Association shows that for the 2017/18 quarter two period, the Isle of Wight Council outperforms the majority of its Chartered Institute of Public Finance and Accountancy (CIPFA) nearest neighbours in the speed at which it processes planning applications with 67% of major applications processed within 13 weeks compared to an average of 80%, 93% of minor applications processed within 8 weeks compared to an average of 82% and 97% of other applications processed within 8 weeks compared to an average of 90%.

## 24. **A2: Opportunity**

25. Cabinet at its meeting of 9 November 2017 agreed to extend the strategic partnership with Hampshire County Council into the longer term, with break clauses in the partnership agreement to be reviewed after each substantive Ofsted inspection/every five years.
26. 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.
27. 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.
28. At the end of December 2017, 31 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.
29. Schools with significant drops in performance have been visited by LA Officers to understand the reasons and challenge schools to improve. Annual visits to schools have started during the autumn term and due to finish by the end of February. These visits focus on working with schools to identify the risks to them staying good or the actions they need to take to improve from requiring improvement to be good. Bespoke support packages will be provided for schools in which there is a medium or high risk of them no longer remaining 'good'.
30. 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.
31. More positively the percentage of pupils achieving a Good Level of Development at the Early Years is 71% which is above the national average.
32. In Children's Social Care the partnership between IOW Council and Hampshire County Council continues to deliver an ambitious improvement plan. Full details of this can be seen in Appendix A2 but of particular note is the significant reduction of children subject to child protection planning from 273 in mid-2015 to 188 currently. The reduction has been incremental and is indicative of improved planning, interventions and support for families-across all partners. The rate is still higher than statistical neighbours however this is understandable in the context of the failure of the front door in Children's Services in 2013 and the consequential nervousness concerning risk management across other agencies on the Isle of Wight. The percentage of children on the Isle of Wight who become subject to a second or subsequent child protection plan is lower than statistical neighbours; it is

believed that the effective step down support ensures that families are supported to sustain change.

33. A regeneration conference for young people is being co-ordinated for delivery in March 2018. This is to afford young people a direct voice into the pending regeneration strategy for the IOW. It is to be held at Cowes Yacht Haven and will involve employer and members. The Youth Council are helping co-ordinate and design the programme.
34. **A3: Wellbeing.**
35. 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.
36. 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.
37. 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 766.8 per 100,000 people as at the end of December 2017. Although this is a minor increase from the figure at the end of September (764) 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. In January 2017 10% of all referrals to ASC resulted in residential care. In December 2017 this had reduced to 2.3% and was as low as 1% in November 2017.
38. Also of particular note, performance around the delayed transfer of care, has remained strong and have exceeded the nationally set targets. Our target is 4.58 per 100,000 people and at the end of December our performance was 2.4 per 100,000. That the performance remains strong despite winter pressures reflects the excellent work of Adult Social Care staff.
39. 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.
40. 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.
41. The Isle of Wight Council's call centre handled 31.1k telephone calls in December. Typically this was much lower than in other months due to the holiday period but in this time the average time taken to answer a call has reduce again to just 64 seconds. AS recently as July 2017 the average time was 200 second so this represents a significant improvement due to a combination of reviewed call handling processes, additional resources and further promotion of online self service.

42. 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 3 FINANCE**

#### **Revenue – 2017/18**

43. The net revenue budget for 2017/18 is £150.6m. 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.
44. At the end of the third quarter the council is forecasting an overall underspend of £1,367,000. Whilst forecasting an underspend overall, the main pressure area is the Floating Bridge which is forecast to overspend by £868,000 caused by the operational problems incurred.
45. 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.
46. 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 Overspending:</b>		
Infrastructure & Transport	Floating Bridge - loss of income and additional expenditure	0.868
		<b>0.868</b>
<b>Main Underspending:</b>		
Resources	Corporate finance - loan interest payable and housing benefit over-payment recovery	-0.786
Environment & Heritage	Leisure income and expenditure	-0.409
Planning & Housing	Homelessness and housing related support	-0.247
Community Safety & Public Protection	Bereavement Services income	-0.143
Miscellaneous Items		-0.65
		-2.235
<b>Net Total Forecast Underspend</b>		<b>-1.367</b>

At this stage in the financial year the forecast still remains susceptible to 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.

### Capital

47. The total capital budget for 2017/18 is £107.4m with actual spend to date at the end of quarter 3 of £41.8m. The capital budget is currently forecast to be underspent across the whole period to 2021/22 by £0.9m (see Appendix C) and therefore remains fully funded. There is however forecast to be slippage in spending of £52.5m from 2017/18 into future years. Slippage primarily relates to the Property acquisition fund for which the investment strategy has recently been approved by Cabinet and Full Council in September.

### General Reserves

48. General Reserves at the end of quarter 3 indicates a forecast balance of £9.4m (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 £4.4m to act as a buffer against further unforeseen circumstances or financial shocks

### RISK

49. 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 19 February 2018. An overview of strategic risks can also be seen in Appendix A.

### 50. 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

51. [Appendix A](#): Corporate Plan priority reports for:
- A1: Growth and Regeneration
  - A2: Opportunity
  - A3: Wellbeing
- [Appendix B](#): Revenue Budget Monitor – December 2017  
[Appendix C](#): Capital Monitor – December 2017



## BACKGROUND PAPERS

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

Contact Point - David Martin, Senior Project Officer (Programme Management)

☎: 01983 821000. E-mail: [david.martin@iow.gov.uk](mailto:david.martin@iow.gov.uk)

Claire Shand  
*Head of Resources*

COUNCILLOR STUART HUTCHINSON  
*Deputy Leader and Executive Member for  
Resources*