



PAPER B

Purpose: For Decision

Committee report

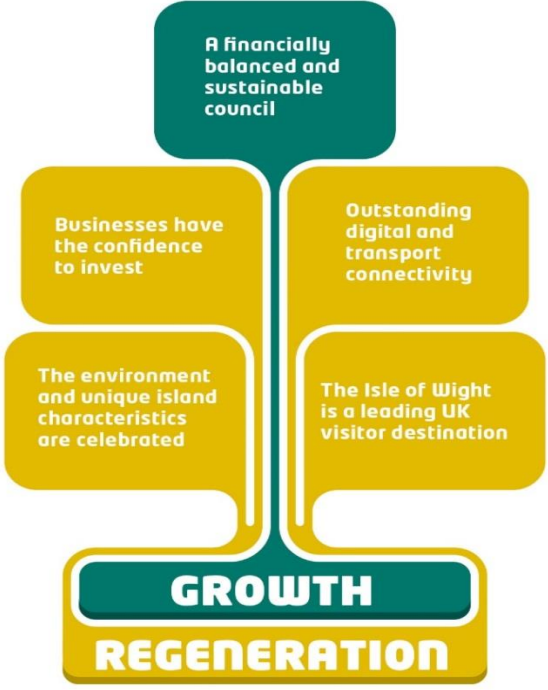

Committee	CABINET
Date	14 JUNE 2018
Title	PERFORMANCE AND FINANCE REPORT – QUARTER ENDED 31 MARCH 2018
Report of/to	DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR RESOURCES

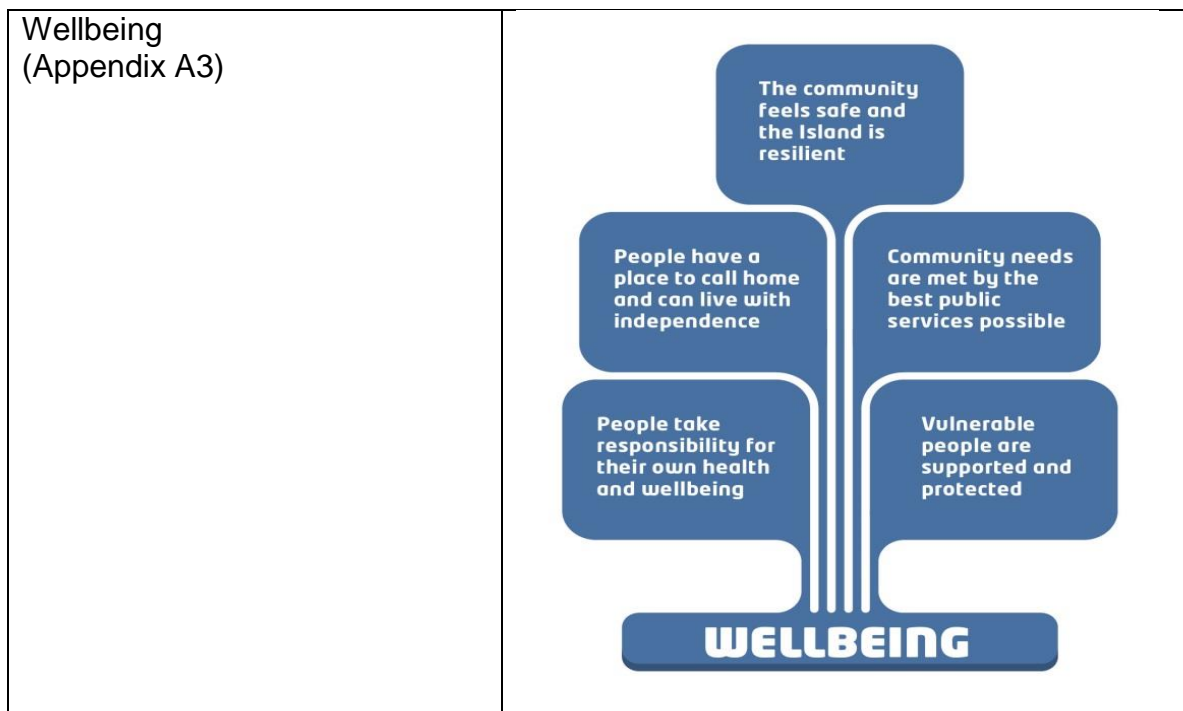
EXECUTIVE SUMMARY

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 period ended 31 March 2018. 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 2020.
4. Eleven key outcomes were identified within the Corporate Plan which were grouped into three 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 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.

Outcome group	Key outcomes
<p>Growth and regeneration (Appendix A1)</p>	 <p>The infographic for 'GROWTH REGENERATION' features a central vertical teal line. At the top is a teal rounded rectangle containing the text 'A financially balanced and sustainable council'. Below this, two yellow rounded rectangles branch out: the left one says 'Businesses have the confidence to invest' and the right one says 'Outstanding digital and transport connectivity'. Further down, two more yellow rounded rectangles branch out: the left one says 'The environment and unique island characteristics are celebrated' and the right one says 'The Isle of Wight is a leading UK visitor destination'. At the bottom, a wide yellow rounded rectangle with a teal border contains the words 'GROWTH REGENERATION' in bold white text.</p>
<p>Opportunity (Appendix A2)</p>	 <p>The infographic for 'OPPORTUNITY' features a central vertical red line. At the top, two red rounded rectangles branch out: the left one says 'All young people will have the best start in life so that they can fill their potential' and the right one says 'A well educated and skilled community'. At the bottom, a wide red rounded rectangle with a white border contains the word 'OPPORTUNITY' in bold white text.</p>



STRATEGIC CONTEXT

5. 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.
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 4 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.

A1: Growth and regeneration

13. 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.
14. 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.
15. There have already been significant developments in the start of our improvement journey:
16. During 2017-18, outline business cases (OBC) were completed for three key development sites - Newport Harbour, Ryde Nicholson Road, Ryde Esplanade. Of these, Newport Harbour and Ryde Nicholson Road are progressing to full business case (FBC).
17. A third round of 'The Wight we want' area workshops due in May 2018 to develop projects plans to deliver local priorities. Area statements setting out area regeneration objectives are being developed from engagement and data

analysis for inclusion in the draft regeneration strategy. The Newport Place Plan work has been completed and indicates a focused set of proposed regeneration priorities in addition to the key Newport Harbour programme.

18. A draft updated economic development plan completed and in consultation with stakeholders as a specific document and as part of the wider regeneration strategy. Work is progressing on the investment prospectus and business facing website following production of an economic and social vision statement in conjunction with the Isle of Wight Chamber of Commerce.
19. The council has supported the MP who has raised the state of the council's finances and the economy of the Island in a Westminster Hall debate and in questions to the Treasury, raised on the floor of the House of Commons. This was followed up with a meeting involving the MP, leader and chief executive with the chief secretary to the Treasury and a further meeting is being arranged with the minister for local government to discuss the Island's unique argument. The technical consultation on the government's Fair Funding Review ran from 19 December 2017 to 14 March 2018 and the results should be known later this year.
20. Service boards take place on a monthly basis within 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.
21. The accounts for 2017/18 are still in the process of being finalised. The current forecast is that the overall revenue budget will underspend by £2.9 million (1.9 per cent) against a budget of £150.5 million. The capital programme indicates a small forecast underspend of £0.017 million and slippage in spending of £2.6 million now due to take place in future years. See separate appendices for a more detailed revenue and capital budget monitor.
22. More than 100 managers attended the first Manager's BIG Conversation Conference; a learning and innovation session, with focus on key challenges facing the organisation, as well as support for best management practice. Further sessions are planned for summer and autumn 2018.
23. The Isle of Wight's rate of out of work benefit claimants has increased over the last quarter from two per cent (1,565 claimants) to 2.1 per cent (1,665 claimants). 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 in line with the national figure (2.1 per cent).

A2: Opportunity

24. 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.

25. 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.
26. 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.
27. At the end of March 2018, 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. Four out of seven 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 four 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.
28. Schools with significant drops in performance have been visited by local authority officers to understand the reasons and challenge schools to improve. Annual visits to schools started during the autumn term and finished during February. As a result of these visits, schools have been prioritised for support and support packages agreed. The Key Stage 2 (KS2) maths project, funded through the successful bid to the Strategic School Improvement Fund, has been rolled out across 20 primary schools on the Isle of Wight and will run for the next financial year, with the intention to improve performance in mathematics in 2019 at KS2. A bid to improve KS4 performance has now been submitted to the Strategic School Improvement Fund.
29. 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 per cent of pupils achieving age related expectations.
30. More positively the percentage of pupils achieving a Good Level of Development at the Early Years is 71 per cent which is above the national average.
31. In Children's Social Care the rate per 10,000 of children in care has remained above that of statistical neighbours in quarter four. Currently there are 229 children in care, case audit assure managers that the right children are in care. This remains a significant pressure on the service. An increasing proportion of children are being placed with Isle of Wight foster carers - 5.9% of looked after children were reported missing during the quarter. A robust process is in place in terms of high risk strategy meetings and return interviews for children who go missing. A sexual exploitation risk assessment (SERAF) is in place and

medium/high risk cases are taken to the multi-agency risk assessment conference to ensure that information is shared and effective collaborative plans are in place. A new recruitment strategy for adoption and fostering has been developed in quarter four and presented to the Corporate Parenting Board. A new marketing officer has been recruited to the Fostering and Adoption Service and will support the implementation of the strategy. The target is to recruit an additional 12 foster carer households in 2018-19.

32. More than 120 students attended The Isle of Wight Council's Regeneration Youth Conference and provided an insight into the hopes and aspirations of young Islanders. The young people were asked to redesign, redevelop or regenerate a key Island site, including Sandown seafront, Newport Harbour, Newport town centre and Ryde Esplanade. Architectural models and plans from the conference will be used to inspire conversations and new ideas as the regeneration team work on the key sites.
33. The Isle of Wight Council Traineeship was launched in March 2018, with seven young people on programme, with trainees are studying at the Isle of Wight College and starting placements with departments such as Wightcare, companies such as Carisbrooke Shipping and working with placements from the Access Fund such as Ventnor Winter Gardens. The Traineeship Programme alongside apprenticeships forms part of the Island Youth Investment Programme (IYIP) which is the council's commitment to 200 employment opportunities by 2020.

A3: Wellbeing

34. 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.
35. 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 clinical commissioning group (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.
36. 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 a forecast of 610.8 per 100,000 people as at the end of March 2018. Although this is a minor improvement 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 ten per cent of all referrals to Adult Social Care resulted in residential care. In March 2018 this had reduced to 1.2 per cent and has only been above five per cent once in the past six months (5.2 per cent in September 2017.)

37. 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 March our performance was 3.0 per 100,000. That the performance remains strong despite winter pressures reflects the excellent work of Adult Social Care staff.
38. 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.
39. A full evidence based review is underway into the Isle of Wight Fire and Rescue Service. This will enable the council to fully understand the risks faced on the Island, and the options available for matching the appropriate resources to those risks.
40. A paper went to cabinet in April 2018 outlining the proposed improvements to the fire service. The recommendations in the report outline how changes could improve the overall levels of public safety offered by the service by realigning coverage of the whole-time workforce to identify times of peak service need. The Cabinet have asked for an impact report before they can support the proposed changes. This impact report will be brought to Cabinet in October 2018.
41. The average speed of answer of calls received through the contact centre in March was 104 seconds. March was one of the busiest months with more than 51,000 calls being received. More than 20 per cent of these calls (some 11,435) were received in response to the annual billing exercise for the collection of council tax. The six per cent increase in charge and change in the Local Council Tax Support Scheme meant that the team saw an increase in the number of calls and talk time as residents sought clarification on their benefit entitlement and discussed options for payment. As at the end of March 587,083 telephone enquiries were received in 2017/18 by the contact centre team, so the plan to refresh the website and develop more online services to encourage residents to self-serve continues.

SUMMARY POSITION OF QUARTER 4 FINANCE

Revenue – 2017/18

42. The net revenue budget for 2017/18 is £150.5 million. The budget was approved at Full Council on 22 February 2017 with on-going savings totalling £7.5 million. This level of savings still left a budget gap of £3.6 million which therefore required a contribution from reserves of that sum.
43. At the end of the fourth quarter the council is forecasting an overall underspend of £2.934 million which is some 1.9 per cent of the net revenue budget. This position is subject to change as the closedown of the accounts for 2017-18 proceeds.

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

Portfolio	Key items	Forecast variation £m
Main underspending:		
Resources	Corporate finance - loan interest payable and housing benefit over-payment recovery, strategic land and property assets, financial management & shared services	-1.954
Environment & Heritage	Leisure income and expenditure	-0.392
Planning & Housing	Homelessness and housing related support	-0.278
Community Safety & Public Protection	Bereavement Services net income	-0.148
Miscellaneous Items (net)		-0.162
Net total forecast underspend		-2.934

Of particular note is that the largest spending and most demand led service areas of Adult Services and Children's Services are forecast to be in financial balance at the year-end which is a significant achievement

See Appendix B for a more detailed revenue budget monitor.

Capital

45. The total capital budget for 2017/18 is £54.5 million with a draft outturn position of actual expenditure of £51.8 million. There is forecast slippage in spending of £2.6 million from 2017/18 into future years and a small underspend of £17,000.

See Appendix C for a more detailed capital budget monitor.

General reserves

46. General reserves at the end of quarter four indicates a forecast balance of £7.9 million (after taking account of the approved transfer from general reserves of £3.6 million used to support the 2017/18 revenue budget). The minimum level of reserves is judged to be £5.0 million for an authority of this size and risk profile, leaving just £2.9 million to act as a buffer against further unforeseen circumstances or financial shocks.

In accordance with the resolution of Full Council in February 2018 any year end underspend will be transferred to either general reserves, the revenue reserve for capital or the transformation reserve to improve the financial resilience of the council.

As described in the budget report (February 2018), it is important to take every opportunity to supplement the capital resources available to ensure that investment essential for continued operational effectiveness can be made as well as continued investment to support regeneration and the Island economy. Additionally, the council need to ensure that it has sufficient transformation funding in place to fund spend to save schemes.

RISK

47. 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 21 May 2018. An overview of strategic risks can also be seen in Appendix A.
48. The Leader of the Council (Cllr Dave Stewart) has produced an end of year report to Cabinet. This report can be seen in Appendix D

49. 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

50. [Appendix A1: Corporate Plan priority report - Growth and regeneration;](#)
[Appendix A2: Corporate Plan priority report - Opportunity;](#)
[Appendix A3: Corporate Plan priority report - Wellbeing.](#)
[Appendix B: Revenue budget monitor – March 2018.](#)
[Appendix C: Capital budget monitor – March 2018.](#)
[Appendix D: An annual report summarising the activity of the council from 2017/18.](#)

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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