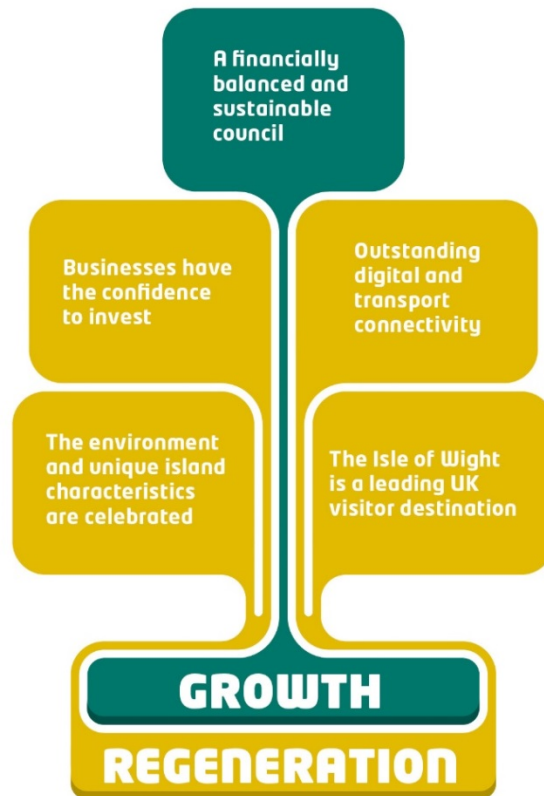


# GROWTH & REGENERATION

## Outcomes



## Executive Summary

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.

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.

There have already been significant developments in the start of our improvement journey. 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.

## Long Term Success factors

We will assess our long term achievements over 3 and 10 years against the following measures

Number of business start-ups (per 1,000 population)	<table border="1" data-bbox="703 409 1321 555"> <tr> <td>Baseline: 2015</td> <td>3.5</td> </tr> <tr> <td>Three year target: March 2020</td> <td>3.8</td> </tr> <tr> <td>Ten year target: March 2027</td> <td>5.0</td> </tr> <tr> <td>Actual: Q2 2017/18</td> <td>3.5</td> </tr> </table> <p>Update not available – Indicator not updated.</p>	Baseline: 2015	3.5	Three year target: March 2020	3.8	Ten year target: March 2027	5.0	Actual: Q2 2017/18	3.5
Baseline: 2015	3.5								
Three year target: March 2020	3.8								
Ten year target: March 2027	5.0								
Actual: Q2 2017/18	3.5								
Availability and take up for business of high speed digital services (percentage)	<table border="1" data-bbox="703 701 1321 846"> <tr> <td>Baseline: 2016</td> <td>20</td> </tr> <tr> <td>Three year target: March 2020</td> <td>30</td> </tr> <tr> <td>Ten year target: March 2027</td> <td>50</td> </tr> <tr> <td>Actual: Q2 2017/18</td> <td>20</td> </tr> </table> <p>Update not available – Indicator not updated.</p>	Baseline: 2016	20	Three year target: March 2020	30	Ten year target: March 2027	50	Actual: Q2 2017/18	20
Baseline: 2016	20								
Three year target: March 2020	30								
Ten year target: March 2027	50								
Actual: Q2 2017/18	20								
Number of visitors to the Isle of Wight (millions)	<table border="1" data-bbox="703 992 1321 1137"> <tr> <td>Baseline: 2015</td> <td>2.35</td> </tr> <tr> <td>Three year target: March 2020</td> <td>2.43</td> </tr> <tr> <td>Ten year target: March 2027</td> <td>2.5</td> </tr> <tr> <td>Actual: Q1 2018/19</td> <td>2.35</td> </tr> </table> <p>Comment: The whole figure for 2017 visitors is not yet available however visitors between January and June 2017 were 4% higher than in 2016. The third quarter (July-Sept) saw a decrease in the number of visitors from that in 2016.</p>	Baseline: 2015	2.35	Three year target: March 2020	2.43	Ten year target: March 2027	2.5	Actual: Q1 2018/19	2.35
Baseline: 2015	2.35								
Three year target: March 2020	2.43								
Ten year target: March 2027	2.5								
Actual: Q1 2018/19	2.35								
Number of jobs on the Isle of Wight	<table border="1" data-bbox="703 1361 1321 1507"> <tr> <td>Baseline: 2015</td> <td>49,000</td> </tr> <tr> <td>Three year target: March 2020</td> <td>50,250</td> </tr> <tr> <td>Ten year target: March 2027</td> <td>54,000</td> </tr> <tr> <td>Actual: Q1 2018/19</td> <td>49,000</td> </tr> </table> <p>Comment: 49,000 is the baseline figure from the last time updated. A further update is likely later this year. The ratio of jobs to working age (16-64) people on the IW is 0.76 whilst across the whole SE region it is 0.88.</p>	Baseline: 2015	49,000	Three year target: March 2020	50,250	Ten year target: March 2027	54,000	Actual: Q1 2018/19	49,000
Baseline: 2015	49,000								
Three year target: March 2020	50,250								
Ten year target: March 2027	54,000								
Actual: Q1 2018/19	49,000								
Average gross weekly wage for an Isle of Wight resident (median income level)	<table border="1" data-bbox="703 1731 1321 1877"> <tr> <td>Baseline: 2016</td> <td>£492.50</td> </tr> <tr> <td>Three year target: March 2020</td> <td>£525</td> </tr> <tr> <td>Ten year target: March 2027</td> <td>£600</td> </tr> <tr> <td>Actual: Q1 2018/19</td> <td>£496.40</td> </tr> </table> <p>Comment: This figure is updated annually by Nomis with the next update likely to be available in October. For comparison the average figure in the South East is £596.8 and across Great Britain it is £552.7 so whilst the IW average increased in 2017 it does so at a slower rate than the rest of the South East.</p>	Baseline: 2016	£492.50	Three year target: March 2020	£525	Ten year target: March 2027	£600	Actual: Q1 2018/19	£496.40
Baseline: 2016	£492.50								
Three year target: March 2020	£525								
Ten year target: March 2027	£600								
Actual: Q1 2018/19	£496.40								

Number of Band D equivalent properties	<table border="1"> <tr> <td>Baseline: 2016</td> <td>52,000</td> </tr> <tr> <td>Three year target: March 2020</td> <td>52,300</td> </tr> <tr> <td>Ten year target: March 2027</td> <td>55,000</td> </tr> <tr> <td>Actual: Q1 2018/19</td> <td>52,000</td> </tr> </table>	Baseline: 2016	52,000	Three year target: March 2020	52,300	Ten year target: March 2027	55,000	Actual: Q1 2018/19	52,000
Baseline: 2016	52,000								
Three year target: March 2020	52,300								
Ten year target: March 2027	55,000								
Actual: Q1 2018/19	52,000								
Total value of net business rates payable (£millions)	<table border="1"> <tr> <td>Baseline: 2017</td> <td>37</td> </tr> <tr> <td>Three year target: March 2020</td> <td>37.5</td> </tr> <tr> <td>Ten year target: March 2027</td> <td>40</td> </tr> <tr> <td>Actual: Q1 2018/19</td> <td>39.5</td> </tr> </table>	Baseline: 2017	37	Three year target: March 2020	37.5	Ten year target: March 2027	40	Actual: Q1 2018/19	39.5
Baseline: 2017	37								
Three year target: March 2020	37.5								
Ten year target: March 2027	40								
Actual: Q1 2018/19	39.5								

## Key Activities

### **Complete business cases for the development of at least five key development sites and secure support for their implementation where appropriate**

*Ryde Nicholson Road hybrid planning application tender has been let. Planning application due in January 2019*

*Newport Harbour Masterplan tender had a large response of 26 bids, down to eight bidders and contract due to be let September 2018.*

*Kingston Marine Park has been purchased.*

*BAE campus is completed and sheds are on course to be let.*

### **Liaise with key stakeholders in the business and tourism community in the co-ordination, development and relaunch of an Island Investment prospectus, new economic development plan and business facing website**

*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 IOW chamber of commerce.*

### **Roll out the "Wight we Want" public engagement programme to underpin area based social regeneration activities covering the whole Island**

*Each regeneration area has at least one local project working group following the third round of area workshops held in May 2018. Local public realm ideas, tackling empty buildings and addressing access to GP services are some examples of area project activity. The Draft IOW Regeneration Strategy was published for public consultation on 19 July 2018 using the Wight We Want network of contacts along with the widest possible network of consultees. The consultation runs until 12 October 2018. At the next round of area workshops in September 2018 the focus will be on the draft strategy with updates on progress from project groups.*

### **Work with partners and key stakeholders to organise and deliver an annual digital conference to promote the island's connectivity and showcase the opportunities available to business on the island**

*The first version of the Digital Island Strategy was completed in May 2018 and priority project activity around the impact of partnering to implement new technologies in improving health and social care and skills training for the sector have been progressed.*

**Develop and implement externally funded works to open up regeneration sites in and around Newport and ease congestion in the town**

*Further update in Quarter 3.*

**Consider the recommendations of the Infrastructure Task Force to improve infrastructure, public transport and mainland connectivity and work with partners and stakeholders to develop an appropriate delivery plan**

*The committee report is now drafted and being discussed with members to agree the final content and a date for the forward plan.*

**Work with communities and businesses to deliver the agreed parking strategy by taking a phased approach to its implementation**

*The resident parking strategy consultation has now closed. Over 300 responses were received. A committee report has now been drafted and is being discussed with members to agree its final content and when it will be placed on the Council's forward plan. The committee report is scheduled to go to Cabinet on 13 September 2018.*

**Ensure the timely completion of the core investment period works for the highways PFI in 2021; delivery of an annual programme of improvements schemes to support local stakeholder and community need and ongoing monitoring of the performance and affordability of the PFI contract**

*Milestone ten completion of the Core Investment Programme (due end of March 2018) remains conditionally approved pending resolution of how condition surveys are carried out and how these are translated into highway condition indicators. A number of historical issues have been resolved and others are currently in discussion between parties. The savings programme is progressing in parallel with resolution of historical issues and progress is being monitored by a Savings Programme Board. Recommendation to implement a rolling two year strategic review process will soon be made to manage large volumes of requests for improving the highway, including promotion of speed restrictions. Work on Core Investment Programme is continuing.*

**Work with partners and key stakeholders with a view to agreeing and implementing an audit of the local environment to inform delivery and monitoring of the creation of a long term protection and improvement plan**

*We held an Environment Conference. The council will collate the views from the conference workshops and 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.*

**Develop and implement a digital transformation strategy, built from the resident/user perspective, as a central pillar in transforming the way the council does business, to be more effective and efficient.**

At the heart of the council's digital transformation strategy is the ambition to continue to improve the customer experience through business process re-design to increase accessibility and ease of use for self-service facilities; to explore innovative use of modern technology that underpins partner collaboration and service integration as well as to enable mobile working and an agile workforce to increase efficiency and effectiveness in service delivery. A modern and resilient information technology infrastructure is also essential for keeping pace with changing technology whilst ensuring that systems remain safe from cyber-attack and that privacy is protected through effective information management.

Early strategy delivery has focussed on establishing an updated information technology platform upon which emerging technology can be utilised. The use of Microsoft Office 365 services has been a key enabler in further improving cross organisational collaboration and enhances the services available for staff to work from any location. These infrastructure works have been completed, enabling the roll out software and hardware technology improvements across the council and 800 accounts are already accessing services from Office 365. Efficiency savings can be secured within services by for example, cutting lost time and travel costs by using Skype for Business virtual meetings. These infrastructure works also enable staff to access email and diary calendar on their own personal devices without the need for touch down at a work-base, or a log-in to the council's ICT systems. Within six weeks of launch, 85 officers and members are already using this

service. A rollout programme is also underway for laptop deployment and a corporate Wi-Fi upgrade together with a virtual intranet access system for gaining remote access to business systems.

Projects have been established within Adult Social Care to identify the technology needs of front line workers and to review business processes to secure software solutions that enable agile working to become a reality and which ultimately improves the customer experience. Whilst in early stages, learning from the experiences of the Revenues and Benefits visiting officers will provide the basis upon which other front line services can also develop agile working practices. Here it has been possible to demonstrate that there has been a reduction in the administrative time taken to process hard copy visit forms, scanning and indexing information to enable the council tax team to process changes, a saving on average of 30-45 minutes a day for a member of staff. The additional benefits are that the completion of an electronic form means that the back office system is updated quicker, is ready for processing immediately and also has reduced paper and printing costs.

An essential element of a robust information technology infrastructure is its disaster recovery system and arrangements. In line with the council's building release programme, it has been necessary to deliver a solution for the re-location of the existing disaster recovery system. The building works have now been completed and a new solution will be place in readiness for office moves to take place in 2019.

**Work with the Island's MP to continue to press the unique 'Island Case' with government and ensure its recognition in the outcomes of the 'fair funding review' of local authority services**

*Representations about the 'Island Case' were made to the Minister for Local Government (late March) and the Exchequer Secretary to the Treasury (June). The meetings were led by the Island's MP and the Council Leader and also included the Chief Executive. The former meeting also included the Director of Finance and representatives from the University of Portsmouth (UoP). The Treasury has followed up with a further meeting with the UoP.*

**Work with government and local partners to secure, where possible, the local control of central powers to the benefit of the Island and its community.**

*The government continues to work on a new framework for the devolution of powers to English regions but there is no timescale for its launch. Its most recent associated initiative has been a review of Local Enterprise Partnerships (LEPs), which will impact on the Solent LEP. It has also called for bids for further pilot schemes for business rates retention. Although the council is already in a pilot scheme, this was for one year and it will need to bid again to continue with the pilot.*

**Work with local partners and key stakeholders to develop a case for government for integrated working across all of the public services on the Isle of Wight enabling the delivery of , 'One Island: One Public Service', sustainable services based on the needs of the community.**

*A significant focus of this work has been in developing a model for integrated health and social care services in the context of the work of the Hampshire and Isle of Wight (HIOW) Sustainability and Transformation Plan/Programme (STP). Productive conversations have also been held to secure the support of regional NHS managers. This has allowed the appointment of a new project manager (internal secondment) at the beginning of August and the establishment of a multi-agency project board which will commence work in the next quarter.*

**Work with and challenge schools in financial deficit to secure a more sustainable position for the schools and the council**

*Children's Services Departmental Management Team has reviewed all the submitted budget plans with advice from the finance team. Action has been agreed in relation to all schools where the budget setting has raised concern. The Director of Children's Services has written to any schools causing concern and those schools are receiving visits from officers in line with the affordable schools strategy.*

**Deliver the savings plan necessary to achieve an annual balanced budget**

*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.*

*The current position is that the council is forecasting an overall revenue budget saving against budget of £0.507m against a budget of £148.645m (0.3%). The capital programme indicates a forecast underspend of £0.432m and a current forecast of slippage in spending of £45.458m 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.*

**Create a three year savings plan ensuring the council's planned expenditure is no greater than its expected income**

*The budget strategy was approved at full council in February 2018. This included a detailed savings plan for 2018/19 and indicative savings targets for the subsequent three years. The council's medium term financial forecasts were also comprehensively revised, which included making a contribution to reserves of £3.2m which has improved the council's financial resilience and enabled the opportunity to further smooth out the council's necessary savings over a longer period.*

**Continually review further options for expenditure reductions and income growth as part of the budget management process**

*As part of the ongoing budget management process, finance business partners will advise services on further options to reduce expenditure and grow income in order to deliver best value for the council and deliver financial sustainability.*

*The treasury management function aims to maximise income from temporary cash balances to the council whilst reducing exposure to risk and minimise debt financing costs.*

**Complete and implement the 'Believe in Great' (BIG) action plan over the three years from December 2017 as a collaboration with staff to allow them to be bold, ambitious, innovative, creative and action oriented in the planning and delivery of activities for and on behalf of the community.**

*The overarching aim of the BIG agenda is to secure recognition that the council is a good employer and one that staff can be proud to work for. The BIG action plan therefore sets out the actions that staff articulated were fundamental to achieving cultural change and in achieving two key outcomes of staff feeling empowered to achieve their full potential in delivering the corporate priorities of the council and for the council to work as one team, Team IWC, to deliver the corporate plan on behalf of the Isle of Wight's communities. The action plan was developed through a series of BIG conversations, led by the Chief Executive and a staff survey in 2017.*

*A number of activities have since been put in place to encourage team spirit; effective communicating, empowerment, personal development as well as identifying business process improvements and securing the right tools for the job. There has been a rolling programme of BIG campaigns, including BIG coffee and chat sessions and BIG visits with the Chief Executive and the establishment of a BIG thank you scheme for recognising staff achievements. A Team IWC Facebook page has been established to enable the sharing of ideas, information and good news stories and goes from strength to strength. A BIG party was held for staff in January 2018, designed by staff as a replacement to the annual awards ceremony in which the achievements of staff could be formally recognised. BIG manager conferences are now in place, scheduled for three times a year and in which managers come together to explore, share and develop new ways of working that will assist in the successful delivery of the corporate plan. A leadership forum has also been put in place, led by senior manager within the council as a means to share and develop leadership competencies. This is underpinned by well-established leadership development training pathway to support aspiring leaders through to skilled leaders.*

*A key focus of attention in recent months has been on the development of initiatives that build upon these foundations. The organisational intelligence team have undergone LEAN training in order to work alongside teams in reviewing business processes and working practices that support the introduction of agile working and new ways of working; a refresh of the council's behaviour framework has been undertaken and which will underpin the instigated review of the council's personal development review process and a move towards values based recruitment and overhaul of the council's approach to recruitment and retention.*

**Ensure the completion of the new waste to energy plant, to time and budget, as part of the requirements of the waste management contract and continue to explore all opportunities to reduce the volumes of household waste sent to landfill.**

*Considerable progress has been made on-site at Forest Road. The civil contractor has substantially completed works to the large building which will house the new mechanical treatment (MT) plant and the MT facility is substantially completed. Works to complete fire suppression are programmed prior to imminent commencement of cold commissioning. Staff have been recruited to run the MT plant.*

*Civil works on the area containing the energy recovery facility (ERF) have also progressed and the main steel structures of the building are complete. A programme is starting to fully clad the building making it water tight. A number of large loads have been successfully delivered to the site. The emissions stack, furnace, boiler and turbine generator are now all on site.*

*Regular monthly construction progress meetings are being held and in addition, a workshop with Amey to review the content of the relevant commissioning tests has taken place. The monthly meetings are being enhanced by additional detailed workshops as necessary and a risk register is updated at each monthly meeting. A review has taken place of the integrated programme to ensure that the remaining works on the ERF part of the site can continue in a safe manner without causing any interruption to the hot commissioning of the MT plant during the autumn when waste will be treated by the plant.*

The works remain within budget.

**Complete a phased review of the council's procurement activities to ensure they provide best value and encourage local businesses and the voluntary and community sector to work with the council**

*The council's tender documentation has been reviewed and streamlined to make them more user friendly for council staff and prospective tenderers.*

*A pipeline of forthcoming contract opportunities has been published on iwight.com informing the market of the council's procurement intentions where known. The pipeline will be reviewed and updated monthly.*

*Progress against the council's procurement strategy can be viewed here:*

*<https://www.iwight.com/Business/Contract-Opportunities/Procurement/Procurement-Rules>*

**Continuously gather and review information, particularly from government sources, to identify potential risks, and opportunities to the council's aspirations and ensure the council is well placed to respond in a timely and appropriate manner.**

*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.*

**Work with partners and key stakeholders to review the Island Plan such that it is consistent with the aspirations of the council through area based regeneration plans**

*Work is ongoing to achieve consultation in October 2018. Consultants have been appointed to undertake some key evidence base work (including an Infrastructure Delivery Plan and Viability Assessment), which is informing the planning policy approach to be taken by officers in the draft plan for consultation.*

*A briefing for senior members was held on 14 June to look at the emerging spatial strategy and housing land allocations and to allow early input into this element of the plan.*

*The Strategic Housing Land Availability Assessment (SHLAA) Panel has completed reviewing on commenting on potential development sites submitted to the Council. This has been well received as a good example of collaborative work between the council and the development sector.*

**Work in partnership to deliver the 'Community Hub' One Public Estate (OPE) feasibility studies and then actively pursue viable schemes**

*Partners in the OPE programme have committed to moving Pyle St locality hub into Outline Business Case development. Work on the Blue Light hub project has been put on hold pending the results of the fire service review. The Sandown Barrack Block locality hub feasibility study has been commissioned.*

**Undertake an annual seminar with town and parish councils to identify, review and revise plans for closer collaboration, and to specifically consider local needs in respect of, transport, infrastructure and housing**

*Work to commence in Quarter 2 of 2018/19 although work is underway with regard to the grounds maintenance contract.*

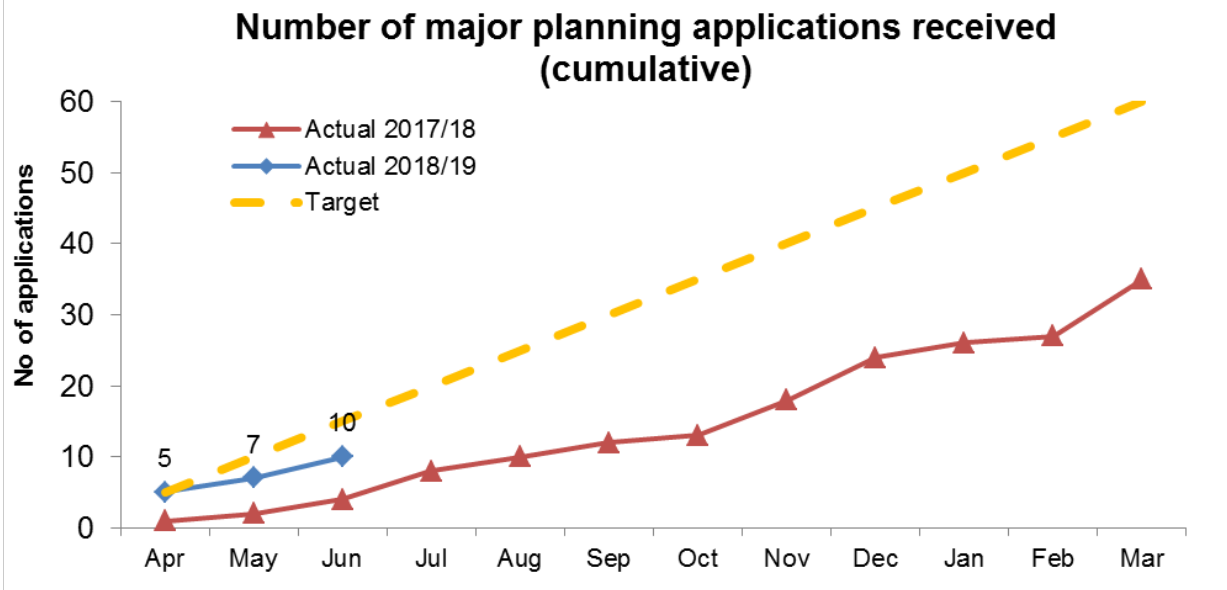
**Consider the opportunities for securing the long term sustainable access to the Island's historic collections**

*The funding has been agreed for the feasibility study and the documents are being prepared to go out to tender for this work.*



### Short term measures

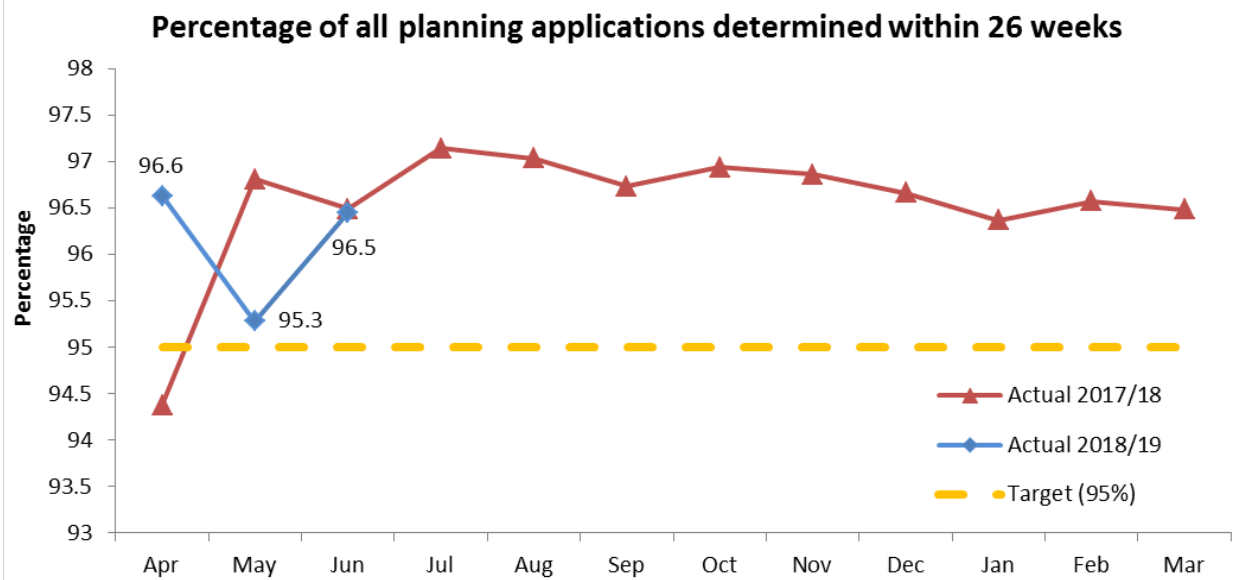
**Number of major planning applications Received (Cumulative)**



Market conditions are still impacting upon economic activity and development activity. There has been some improvement, with more major applications being received.

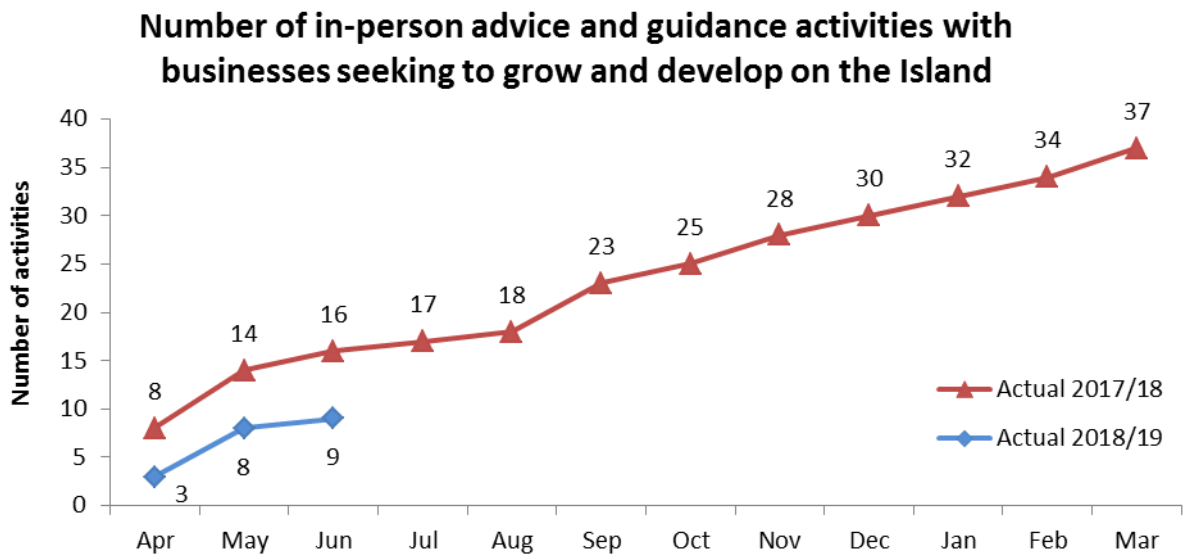
The total number of planning applications received to date in 2018/19 is 380 compared to 398 in the same period last year.

**Percentage of all planning applications determined within 26 weeks**



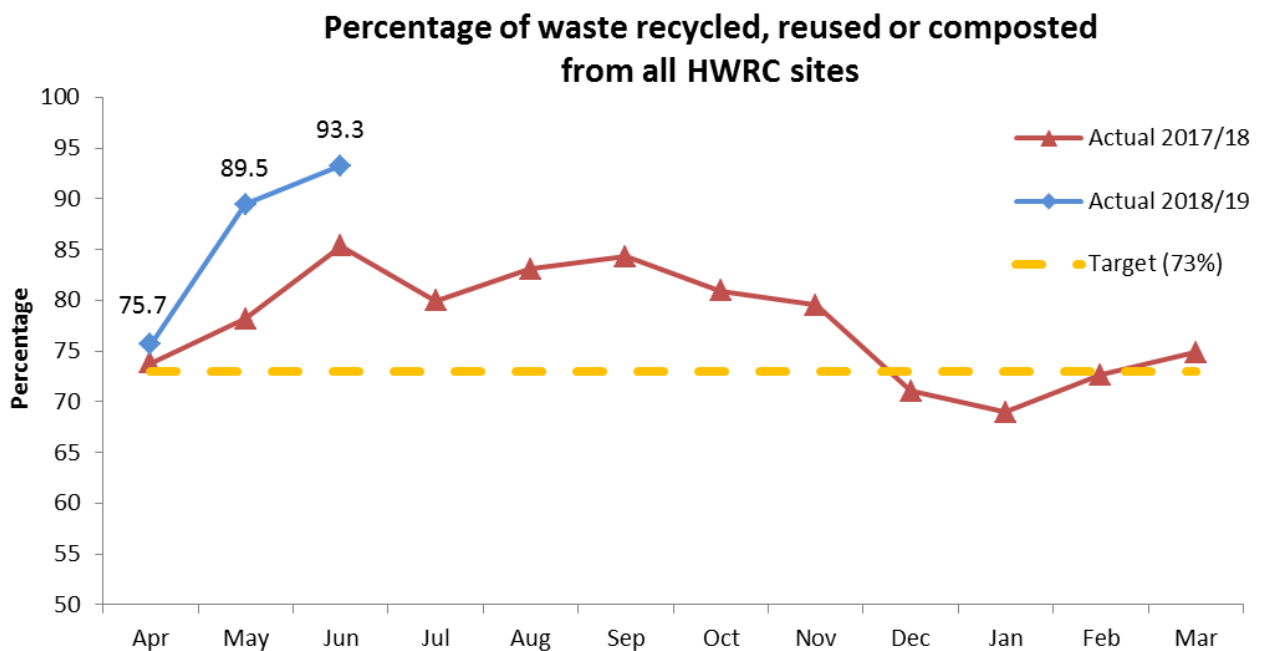
The planning authority’s statistics for 2017/18 show that the Isle of Wight Council continues to determine planning applications at a rate that compares well with national requirements and averages. In Quarter 4 of 2017/18 the authority determined 100 per cent of major applications within 13 weeks compared to a target of 60 per cent and national average of 85 per cent. The authority determined 95 per cent of minor applications within eight weeks, compared to a target of 65 per cent and national average of 85 per cent. The Authority determined 99% of other developments within the required eight weeks, compared to a target of 80 per cent and national average of 90 per cent.

Number of in person advice and guidance activities per month with businesses seeking to grow and develop on the IW



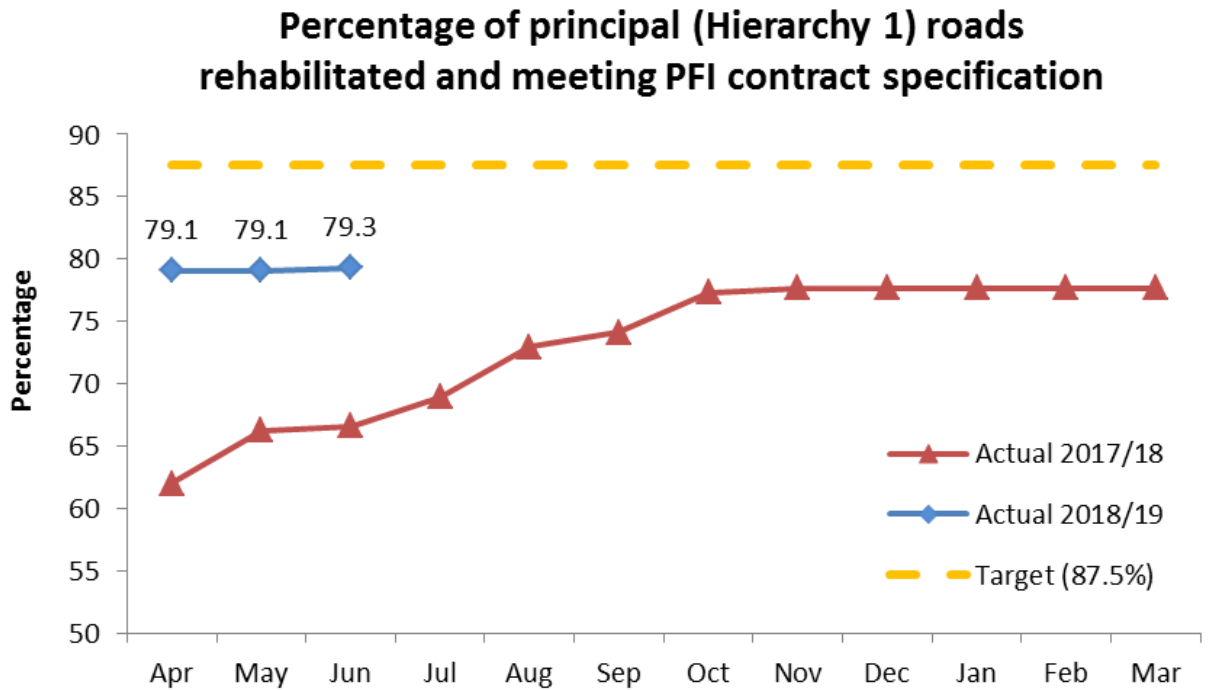
In person advice has been offered to a wide variety of companies including those in the marine, aerospace, advanced manufacturing and green technologies sectors. Two projects are with Tier 1, strategically important companies and these projects will be managed over the medium term.

Percentage of waste recycled, reused or composted from all Household Waste Recycling Centre sites (Lynbottom, Afton and Mobile)



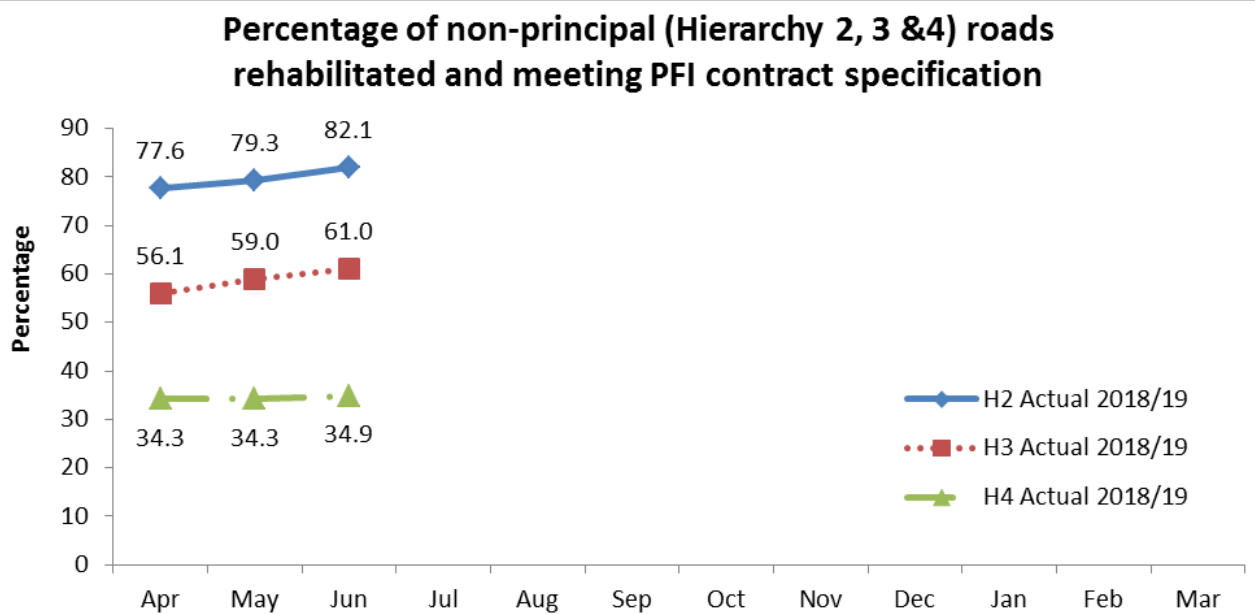
April to June sees a larger increase in green waste generally and this coupled with the success of the Green Waste service sees a considerable increase in performance. The performance also shows a considerable increase on the levels being achieved during the same period of the previous year.

Percentage of principal (Hierarchy 1) roads rehabilitated and meeting PFI contract specification



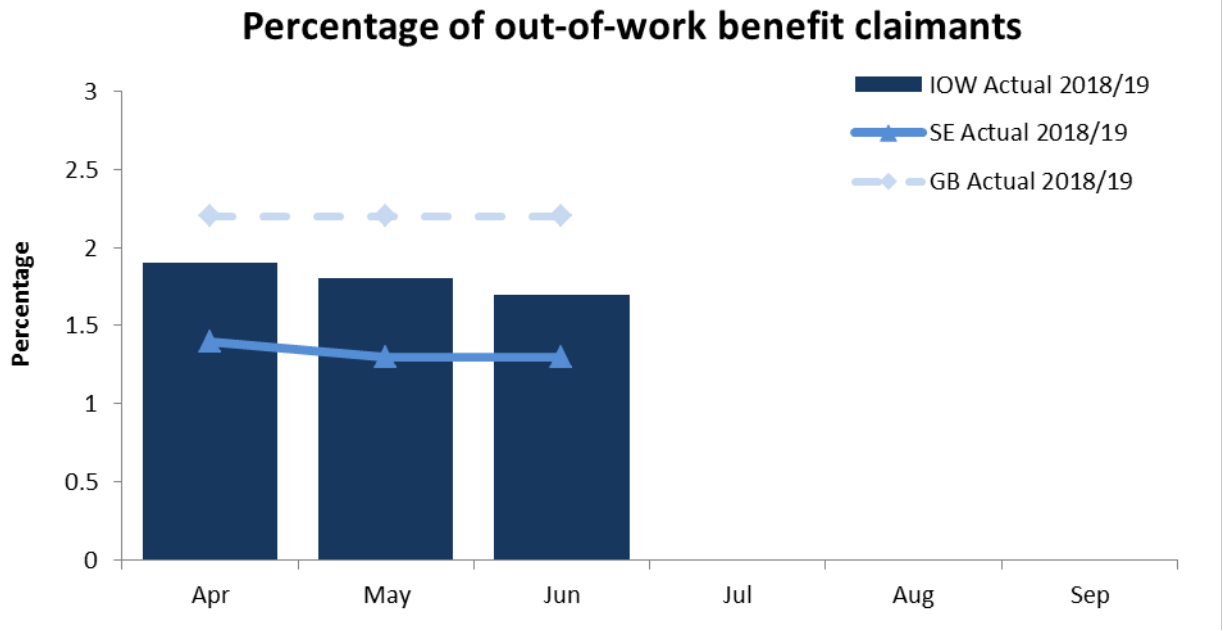
Surfacing for 2018 began in April although less H1 roads are being completed during the summer months as the roads are being kept clear for the increased summer traffic.

Percentage of non-principal (Hierarchy 2, 3 and 4) roads rehabilitated and meeting PFI contract specification



Whilst the H1 roads are kept mainly clear of road works during summer months good progress can be made on other routes because of the fine weather.

Percentage of out of work benefit claimants per month



This data source is NOMIS which is a service provided by the Office for National Statistics that allows for the viewing of labour market statistics for each local authority.

The Isle of Wight’s rate of out of work benefit claimants has fallen over the last quarter 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).

## Strategic Risks

<p><b>Lack of financial resource and the ability to deliver the council's in-year and medium term budget strategy</b></p> <p>The council continues to face a significant financial challenge in particular through major reductions in government grant, increased costs and the constraints on other resources such as council tax increases and business rates. The ability to increase or extend local fees and charges is also constrained by current economic conditions. Although the council continues to meet these challenges enthusiastically and innovatively the risk rating remains the same to reflect the huge impact on services were we not able to deliver against our financial plan.</p> <p>In October 2016, the council approved a revised medium term financial strategy (MTFS) which also amended the council's savings requirements downwards to more achievable levels in the short to medium term. In approving the strategy, the council also resolved to take a "debt repayment holiday" for five years which has:</p> <ul style="list-style-type: none"> <li>• reduced and "smoothed out" the council's savings requirements over the next three years;</li> <li>• increased the capacity of the organisation to be able to effect change by funding a regeneration team;</li> <li>• created a £2 million transformation reserve to provide up front funding for spend to save schemes;</li> <li>• stabilised the budget by removing unachievable savings;</li> <li>• improved the overall financial resilience of the council by increasing general reserves with a plan to gently increase reserves over time;</li> <li>• maximised the available capital resources and the flexibility of their use to enable them to be directed towards improving the Island economy and the financial position of the council.</li> </ul> <p>The 2017/18 and the 2018/19 budget and capital programme has been prepared in accordance with the approved MTFS</p> <p>In particular, the budget for 2018/19 approved by the council in February 2018 included a planned increase in general reserves of £3.2 million taking general reserves to £11.2 million by the end of March 2019 and consequently improving the council's overall financial resilience. Also in February 2018, the council's medium term financial forecasts were comprehensively revised and the opportunity taken to further "smooth out" the council's necessary savings over a longer period which was enabled by the council's improved financial resilience.</p> <p>Since approving the revised budget for 2017/18 (previous financial year) in February 2018, the council's accounts have now been closed and a further saving of £5 million has been achieved. This equates to 3.3 per cent of the total net budget. Of particular note is that the largest spending and most demand led service areas of Adult Services and Children's Services have achieved financial balance at the year-end which is a significant achievement.</p> <p>As approved by Full Council in February 2018, any underspending for 2017/18 arising at the year-end (after allowing for specific carry forward requests) will be transferred to the transformation reserve, revenue reserve for capital (to increase the capital resources available) and general reserves (to improve overall financial</p>	Inherent Score	16 RED
	2017 Assessed Score	13 RED
	Target Score	10 AMBER
	<b>Current Score</b>	<b>13 RED</b>

<p>resilience and support additional capital investment) with the level of each transfer to be determined by the section 151 officer. The section 151 officer has consulted the leader and deputy leader, considered both the scale of the gap between the council's capital investment needs and aspirations and the capital resources available as well as the necessity to be able to fund spend to save schemes of significant magnitude and has determined that £2 million is transferred to the transformation reserve and £3 million to the revenue reserve for capital.</p>		
<p><b>Insufficient staffing capacity and skills</b></p> <p>The score for staffing capacity and skills remains at amber in this reporting period. This judgement is made on the basis that the council has an agreed corporate plan with many of its key strategies to secure agreed outcomes continuing to be well underway. However, in light of the outcomes from the council's participation in the Local Government Association's corporate peer challenge programme which highlighted that the review team considered there to be insufficient capacity within the corporate centre to secure the required pace and delivery of key initiatives and programmes, it is considered necessary to assert caution until such time as it is possible to report the delivery of additional capacity. Following Cabinet approval of the action plan in response to the corporate peer challenge at their meeting in May 2018, the chief executive has initiated a senior management structure review which seeks to address the highlighted capacity gaps. The delivery of a revised structure is now underway as is a recruitment campaign for a number of key posts as a key element of securing the necessary capacity</p> <p>Wider workforce capacity and the skills required to deliver against the council's priorities also continues to be monitored closely. A key element of this is through the collation and regular review of workforce data collected as indicators used to inform considerations of workforce capacity. This includes the monitoring of the total number of full time equivalent staff, sickness absence levels and voluntary turnover.</p> <p>Sickness absence continues to remain within tolerance of targets set and is showing further signs of a slight downward trend in the levels of sickness absence. A specific focus on promoting positive wellbeing and reducing the number of mental ill health related absences as a common problem apparent for all employers continues and the council has committed to signing the time to change employer pledge as part of its commitment to improving the wellbeing of employees.</p> <p>Recruitment in some adult social care roles continues to be problematic, especially for mental health specialist posts where four recruitment rounds have not yielded a successful result and for the out of hours duty rota for adult mental health professionals (a statutory requirement for 24/7 cover). Additionally social work roles are presently being filled agency staff whilst recruitment difficulties continue. This situation is being prioritised by HR within a wider piece of work on recruitment and retention of staff.</p>	<p>Inherent Score</p>	<p>16 RED</p>
	<p>2017 Assessed Score</p>	<p>9 AMBER</p>
	<p>Target Score</p>	<p>8 AMBER</p>
	<p><b>Current Score</b></p>	<p><b>9 AMBER</b></p>
<p><b>The council fails to achieve the required outcomes from its significant contractual relationships and fails to successfully resolve some anomalies in the contract's interpretation (in relation to the 25 year Highways PFI contract)</b></p> <p>This risk has retained the same level as it had at the end of the previous quarter.</p>	<p>Inherent Score</p>	<p>16 RED</p>
	<p>2017 Assessed Score</p>	<p>9 AMBER</p>
	<p>Target Score</p>	<p>5 GREEN</p>

<p>The significant risk that major contracts can present, if not managed well post award, has been acknowledged by the council. Following extensive discussions, a position has been reached whereby there is now a common understanding on a number of the more significant contract interpretation matters and we are working through dealing with these. The agreed systems to audit performance through a monthly service meeting and payments meeting continue to be reviewed and undertaken.</p> <p><u>PFI</u> A savings programme has commenced and additional capacity commissioned to lead this programme. A number of detailed work programmes are now in place with Island Roads which include a review of some historical contractual issues that as yet remain unresolved and a clear savings programme, which has a board which consists of senior representatives from the council, operational company (Op Co) and special purpose vehicle (SPV) and a series of savings working groups with responsibility for delivering savings linked to the council’s budget strategy. In addition the senior management restructure proposals provide for additional capacity within the contract management team.</p> <p>There are always risks associated with delivery of milestones in the contract and these are managed by the contract management team working with the SPV and Op Co.</p> <p><u>Waste</u> To mirror the process in place for the waste contract a PFI member review board has been set up and meet as required. Officers hold weekly operational meetings with Amey and separate monthly project and payments meetings.</p> <p>The Officer Waste Project Board and Member Review Board continue to meet to monitor the project and day to day performance continues to be reviewed robustly via the monthly payments meeting. The Community Waste Forum continues to meet on a regular basis and provides the opportunity for the council and Amey to keep interested community representatives apprised on how the contract is performing and to consider potential innovations.</p> <p>Operationally take up of the new green waste subscription service has been very good with subscriptions now exceeding 5,500.</p> <p>Amey won the commercial contract for waste management at this year’s Isle of Wight Festival.</p> <p>Progress on the new waste facilities at Forest park continue at pace. The mechanical recovery facility that will operate at the front of the Forest Road site is at an advanced stage of construction with all significant machinery and parts on site. It will move towards readiness testing and acceptance testing over the next couple of months. All significant elements of the back end energy recovery facility are also now on site and a detailed coordinated work programme has been agreed. This plant will move into a similar readiness/ acceptance testing phase during the spring of 2019. Amey has held recruitment fair for a number of positions relating to these facilities.</p>	<p><b>Current Score</b></p>	<p><b>9 AMBER</b></p>
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<p><u>Pan</u> The Pan development continues to have a fully operating Pan manco (management company) which includes directors from Barratt, David Wilson (BDW), the council and Sovereign Living and uses ERMC consulting as a support service/management agent.</p> <p>A significant event in recent months has seen the completion of the internal spine road as a through route from Staplers to the St George's roundabout although the newly opened phase is un-adopted and will require further works such as installation of the wearing course.</p> <p>The district heating system presents a significant risk to the project and the manco continues to work with ERMC to develop options to manage this risk addressing both the affordability and the long term sustainability issues associated with such a scheme.</p>		
<p><b>The risk that the Island's economy falls further behind its mainland comparators and is unable to generate sufficient wealth to sustain the Island and its community</b></p> <p>This risk remains as for the previous quarter. Work on the next stage of the Newport Harbour Regeneration has commenced with shortlisting of 26 bids received from contractors to deliver a masterplan which has reduced down to eight bidders. This level of interest indicates the profile and interest in the island being provided by the profile of the councils regeneration programme. As other sites such as Nicholson Road and the One Public Estate projects at Pyle Street and Sandown Bay are bought forward it is hoped confidence will grow further and impact positively on the current risk score. In addition Sovereign Housing Group confirmed their purchase of the former Island Learning Centre, Lake to deliver around 40 units of affordable housing. This demonstrates confidence in the development market and the ability to deliver by bodies based off Island.</p> <p>Following the completion of land at the Island Technology Park in East Cowes in last quarter the council has now competed on the acquisition of Kingston Marine Park and is clear evidence of the council confidence to invest in development opportunities which it is hoped will encourage private sectors investors to commit to the regeneration and economic development of the Island.</p>	Inherent Score	12 RED
	2017 Assessed Score	12 RED
	Target Score	9 AMBER
	<b>Current Score</b>	<b>10 RED</b>
<p><b>Achieving the vision for the Island</b></p> <p>The impact of this risk materialising will always be high, therefore the council through its actions, is really only able to affect the likelihood of the risk occurring. The current red score of 12 reflects a view that the risk is still likely to materialise and is unchanged from the previous quarter. The council's new Corporate Plan (October 2017), medium term financial strategy and setting a legal and balanced budget for the new financial year, place the council in strong position to mitigate this risk, its likelihood is therefore continuing to reduce but is not yet unlikely (amber score of nine).</p> <p>The recently agreed additions to senior management structure will add the additional capacity, "to land the opportunities within One Public Service, regeneration, and to build a sustainable business model for the council", as highlighted by the corporate peer challenge. The new posts will be filled on an interim basis, to enable the council to address these challenges at pace, before any permanent appointments are made. This will allow a sustained and determined</p>	Inherent Score	14 RED
	2017 Assessed Score	12 RED
	Target Score	6 GREEN
	<b>Current Score</b>	<b>12 RED</b>



<p>focus on key activities such as the One Public Service agenda, digitalisation, commercialism, and housing which will be of benefit to the Island and the council.</p> <p>The council's improving performance in Children's Services, Adult Social Care and regeneration activities as reported in the quarterly performance reports, all contribute to achieving the vision of making the Isle of Wight, "an inspiring place in which to grow up, work, live and visit".</p>		
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