



PAPER B

Purpose: For Decision

Committee report

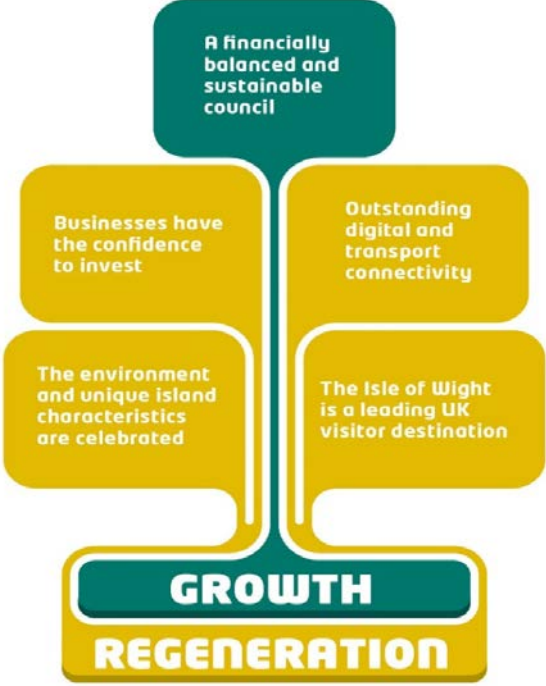

Committee	CABINET
Date	13 SEPTEMBER 2018
Title	PERFORMANCE AND FINANCE REPORT – QUARTER ENDED 30 JUNE 2018
Report of/to	DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR RESOURCES

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 30 June 2018. The report is accompanied by the risk and financial position at that point in time, (shown at Appendices B and C).

BACKGROUND

2. 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.
3. 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 features a central vertical line. At the top is a teal box with the text 'A financially balanced and sustainable council'. Below this are four yellow boxes: 'Businesses have the confidence to invest' (top left), 'Outstanding digital and transport connectivity' (top right), 'The environment and unique island characteristics are celebrated' (bottom left), and 'The Isle of Wight is a leading UK visitor destination' (bottom right). At the bottom is a wide yellow box with a teal top section containing the word 'GROWTH' and a yellow bottom section containing the word 'REGENERATION'.</p>
<p>Opportunity (Appendix A2)</p>	 <p>The infographic features a central vertical line. At the top are two red boxes: '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). At the bottom is a wide red box containing the word 'OPPORTUNITY'.</p>

Wellbeing
(Appendix A3)



STRATEGIC CONTEXT

4. 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.
5. 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

6. 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

7. 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.
8. 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

9. 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

10. 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

11. A detailed analysis of the performance and risk position of each corporate priority is provided in Appendix A and a synopsis provided below.
12. **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. Ryde Nicholson Road hybrid planning application tender has been let and a planning application due in January 2019. The Newport Harbour Masterplan tender had a large response and the contract is due to be let September 2018.
17. A draft updated economic development plan has been completed 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.
18. 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. 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.

19. 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.
20. 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.
21. 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.
22. We are forecasting a £507k underspend in 2018/19 which is due mainly to forecast savings on loan interest payments due to continuing low interest rates, and a change in the VAT treatment on income from leisure centres. These windfalls offset continuing pressures in children's services foster and residential care placements. See separate appendices for a more detailed revenue and capital budget monitor.
23. The Isle of Wight's rate of out-of-work benefit claimants has decreased over the last quarter from 2.1 per cent (1,665 claimants) to 1.7 per cent (1,340 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).
24. **A2: Opportunity**
25. 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.
26. The direction to work with Hampshire County Council (HCC) has been lifted by the Department for Education. The agreement with HCC is being finalised by legal teams; both parties are already working to the agreement.
27. Following the annual visits to all schools in the autumn term 2017, support packages were negotiated with all schools causing concern because of low attainment. A professional development programme was offered to schools with low attainment in phonics which has impacted positively. The primary mathematics project commenced in April 2018 and is designed to impact on the 2019 outcomes. Both initiatives are subject to reports to the Policy and Scrutiny Committee for Children's Services in September 2018. Initial 2018 outcomes will be available by

school during the autumn term 2018 and intervention packages will be reviewed and amended in the light of fresh data.

28. The consultation process on the length of school terms progressed to the decision making process. The report went to scrutiny committee before being approved by the council's cabinet. The main change was to create a two week October half term holiday and reduce the summer holiday to five weeks. This was supported by the consultation responses.
29. Following on from the Island's Regeneration Conference for Young People which was attended by over 120 people, work has continued to highlight the activity being undertaken across the island's regeneration. This includes the Annual Regeneration Conference in July where the Council launched its new 'Regeneration Strategy 2018-30', which included a Regeneration Summer Exhibition displaying the ideas and visions for the island which have been put together by young people, including students from Portsmouth School of Architecture and proposals created by young people who attended the Youth Conference. Due to the success of the event and follow up work, a task and finish group is planning further activities to gather the views of young people relating to the future growth of the island, with early plans for another conference event in 2019.
30. At the end of June 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 eight 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, aged four to 16 school which will open in September. 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.
31. In Children's Services, during Quarter 1, 3,325 contacts were received by CRT/MASH (Children's Reception Team/Multi Agency Safeguarding Hub). Of these, 33.8 per cent progressed to a Child in Need referral (Child and Family Assessment or Section 47 investigation). This is in line with previous quarters and demonstrates consistent thresholds being maintained at CRT/MASH.
32. The number of children subject to child protection planning at the end of Quarter 1 was 191. This is in line with the trajectory of gradually reducing child protection cases, demonstrating that cases are being effectively managed within early help and child in need planning.
33. The Child Assessment and Safeguarding Team (CAST) approach has been further embedded during this quarter. Improvements are being made in timeliness of assessments, ensuring that cases are managed at the appropriate level. Feedback from partner agencies is positive in respect of improved communication due to a reduction in transition of cases.
34. At the end of Quarter 1 there were 232 children in care. This remains a significant pressure on the service, although it is important to note that this number has remained relatively stable over the past 12 months. The majority of children continue to be placed with Isle of Wight foster carers. Three per cent of looked after children (seven children) were reported missing in the month of June.

35. 124 care leavers are currently supported through the service. Quarter 1 saw a reduction in those in education employment or training (56.6 per cent). Action plans are being scrutinised for each NEET case to see what other support can be provided. The two care leavers who have been appointed to apprenticeship positions within the council have commenced employment and are thriving.
36. A Graduate Entry Trainee (GETs) scheme for Social Workers is being launched in Quarter 2. The trajectory is for vacancies to remain low.
37. The Traineeship Programme is part of the Island Youth Investment Programme (IYIP) which is the council's commitment to 200 employment opportunities by 2020. Since the launch of the Island Youth Investment Programme in April 2017, the Island Futures team has supported 25 NEET young people into traineeships, making use of the European Social Fund Solent Traineeship Engagement and Participation (ESF STEP) funding secured in partnership with HCC. In this reporting period a cohort of seven trainees, all placed at IW Council teams or via IW Council Contracts e.g. Access Fund with Visit Isle of Wight (VIOW), are now coming to the end of their programme and planning their next steps into a job or an apprenticeship.
38. The ESF contract has been awarded additional funding to extend the project through to March 2019, focussing on NEET (Not in Employment, Education or Training) or RONI (Risk of NEET) young people aged 15-24. Focus is now on recruitment for our next Traineeship Programme which will start in September 2018, continuing to source new and interesting placement opportunities for young people both internally and externally. With the apprenticeship levy high on the council's agenda we have highlighted how traineeships are a great stepping stone and give the opportunity for departments to 'try before they buy'.
39. **A3: Wellbeing**
40. 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.
41. The implementation since April 2017 of "Care Close to Home" across Adult Social Care (ASC) is already having a big influence in the way in which we deliver these key services. We are increasing both the amount and the effectiveness of our collaboration with colleagues in the Clinical Commissioning Group (CCG) and the IOW NHS Trust agreeing plans for the allocation of the Better Care and Improved Better Care funds this year and rolling out new models of care. The Local Care Board drives the integration agenda.
42. The numbers of elderly people funded by the local authority entering permanent residential care reduced significantly in the 2017/18 financial year – from 951.9 per 100,000 people during 2016/17 to an actual outturn of 610.7 per 100,000 people as at the end of March 2018. This downward trend has continued in 2018/19 with the forecast figure at the end of Quarter 1 reducing again to 545 per 100,000 people. These figures point to an increase in the number of people who are able to be cared for in their own home, a key ambition of Care Close to Home. In January 2017, ten per cent of all referrals to Adult Social Care resulted in permanent admission to residential care. At the end of June 2018 this had reduced to 0.8 per cent.

43. Also of particular note, performance around the delayed transfer of care has remained strong and has exceeded the nationally set targets. Our target is 4.58 per 100,000 people and in June our performance was 2.0 per 100,000.
44. We are, however, concerned about the deteriorating performance in the numbers of people receiving reablement who are still living at home 91 days past their hospital discharge so we will be commissioning an independent review of our reablement offer.
45. 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.
46. 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.
47. 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.
48. The average speed of answer of calls received in the contact centre at the end of June was 117 seconds. Unfortunately a number of advisors have recently left the team and so the contact centre has been functioning on an average of nine FTE. As such the contact centre manager has been running a recruitment campaign which will see new starters join the team in August. There are still a significant number of council tax and benefit enquiries being received with regard to the increase in council tax charge and change in the local council tax support scheme and also from the reminders and summonses being issued to enforce payment. Some 7,000 reminders have been issued so far this year compared to 6,500 over the same period last year as residents are seeking advice on financial support and payment options. Additional funding of £75k has also been assigned to the contact centre budget which has secured fixed term roles for two years thereby providing additional stability to the team which should see the speed of answer on calls improve even further, whilst further online and self-serve transactions are promoted and embedded.
49. **A4: Organisational Health Indicators**
50. Amongst the indicators shown are those concerned with staff sickness. All of these indicators show reductions in sickness both month-on-month and in comparison with the same period in 2017/18.

SUMMARY POSITION OF QUARTER 1 FINANCE

Revenue - 2018/19

51. The net revenue budget for 2018/19 is £148.7m. The budget was approved at Full Council on 28 February 2018 with on-going savings totalling £7.5m.

52. At the end of the first quarter the council is forecasting an overall saving against the budget target of £0.507m which is some 0.3 per cent of the net revenue budget. This position is subject to change as the financial year progresses.

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

Portfolio	Key Items	Forecast Variation £m
Main Savings against Budget:		
Resources	Corporate finance - loan interest payable and housing benefit over-payment recovery.	-0.740
Environment & Heritage	Leisure income and expenditure	-0.554
Community Safety & Public Protection	Bereavement Services net income	-0.144
Main Pressure Areas:		
Children's Social Care	External foster care and residential care placements	0.413
Infrastructure & Transport	Floating bridge - operational issues	0.277
Planning & Housing	Potential pressure on planning fee income	0.114
Miscellaneous Items		0.127
		-0.507
Net Total Forecast Saving against Budget Target		-0.507

See Appendix B for a more detailed Revenue Budget Monitor

Capital

54. The total capital budget for 2018/19 is £97.2m. As at the end of June the actual expenditure is £25.7m. There is forecast slippage in spending of £46.6m from 2018/19 into future years and a small potential underspend of £0.432m.

See Appendix C for a more detailed Capital Budget Monitor.

General Reserves

55. General Reserves at the end of Quarter 1 indicates a forecast balance of £11.2m. This is after taking account of the approved transfer to General Reserves of £3.2m as part of the revised Medium Term Financial Strategy in order to improve the council's financial resilience and enable the opportunity to further smooth out the council's necessary savings over a longer period.

COMPLAINTS

56. Earlier in the year the Local Government and Social Care Ombudsmen (LGSCO) provided the council with its annual summary of statistics on the complaints made to them about the IW Council in the 2017/18 financial year. This letter can be seen in Appendix D.
57. In total there were 49 complaints and enquiries about the IW Council in 2017/18. In that period 48 decisions were made by the LGSCO (which will have included complaints/enquiries from the previous year) of which 14 were investigated in detail. Of those 14, nine were upheld by the LGSCO.
58. This represents an increase in the number of complaints received by the LGSCO in relation to IW Council during in 2017/18 and reflects a national increase in the number of complaints received. However, the number of complaints that resulted in detailed investigations reduced from 19 to 14 and those upheld as a result of the investigation also reduced, from 13 to nine.
59. Cases where complaint was upheld:

Category	Decided	Remedy
Adult Care Services	26/09/2017	Financial redress: Avoidable distress/time and trouble
Adult Care Services	20/04/2017	Other Remedy
Education & Children's Services	24/04/2017	Financial Redress
Education & Children's Services	01/11/2017	Apology, add or correct records, procedure or policy change/review
Planning & Development	21/08/2017	Financial Redress
Planning & Development	07/09/2017	Apology
Education & Childrens Services	22/09/2017	Null
Benefits & Tax	08/09/2017	Satisfactory remedy
Environmental Services & Public Protection & Regulation	26/03/2018	Apology, financial redress: Avoidable distress/time and trouble

RISK

60. 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 30 July 2018. An overview of strategic risks can also been seen in Appendix A.

61. RECOMMENDATIONS

That 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

62. Appendix A: Corporate Plan priority reports for:

[A1: Growth and Regeneration;](#)

[A2: Opportunity;](#)

[A3: Wellbeing;](#)

[A4: Organisational Health Indicators.](#)

[Appendix B:](#) Revenue budget monitor – Quarter 1.

[Appendix C:](#) Capital budget monitor – Quarter 1.

[Appendix D:](#) Annual summary of complaints made to Local Government and Social Care Ombudsman

BACKGROUND PAPERS

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

[Corporate Plan 2017-2020](#)

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