



Purpose: For Noting

## Committee report

Committee	<b>CABINET</b>
Date	<b>14 MARCH 2019</b>
Title	<b>PERFORMANCE &amp; FINANCE REPORT – QUARTER ENDED 31 DECEMBER 2018</b>
Report of	<b>DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR RESOURCES</b>

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### EXECUTIVE SUMMARY

1. This report sets out the outturn results of the council's performance (shown in detail at Appendix A) against the established indicators and targets that underpin the delivery of the current Corporate Plan for the period ended 31 December 2018. The report is accompanied by the 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 previously grouped into three outcome groups: -
  - Growth and Regeneration
  - Opportunity
  - Wellbeing
4. Each of these groups of outcomes are monitored with the use of 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.

5. The report contains an appendix for each Cabinet portfolio as well as an additional appendix for Organisational Health Indicators.

## STRATEGIC CONTEXT

6. 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.
7. 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

8. 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

9. 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.
10. 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

11. 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

12. 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 3 PERFORMANCE

13. A detailed analysis of the performance and risk position of each corporate priority is provided in Appendix A and a synopsis provided below.

### **A1: Adult Social Care, Public Health and Housing Needs**

14. The success of the Adult Social Care (ASC) "Care Close to Home" programme has driven down the rate of admissions to permanent residential or nursing care. The forecast for the 2018/19 financial year is that the rate at that point (end of March 2019) will be around 450 per 100k which is considerably better than both the three- and ten-year targets set in the Corporate Plan. The national average for 2017/18 was 585.6 per 100k meaning that the Isle of Wight remains on schedule to be ahead of its original corporate plan ten-year target and the national average by the end of the 2018/19 financial year.
15. Via the leadership of the Safeguarding Adults Board, the council have developed a new 'threshold and decision-making tool' and provided risk training to all agencies who work with adults at risk. As a result, we are beginning to see a continued reduction of the number of concerns, allied to a higher conversion rate to Section 42 Enquiries. We believe this is due to the more consistent triaging at the referral stage and more appropriate referrals. There has been a reduction in falls & medication errors. The service anticipates that these numbers will continue to show the receipt of appropriate referrals as new criteria is followed
16. Performance in Delayed Transfers of Care (DTOC) (where there is a delay on discharging someone from hospital who is medically fit for discharge) have seen both Adult Social Care and the NHS significantly above the required local daily rate per 100k targets. This therefore means the combined rate is also above target. Figures for December are the highest they have been in over 12 months with ASC at 10.2 per 100k population, NHS at 6.6 and a combined rate of 16.8. DTOC figures for December 2018 have been the highest reported since the new verification process had begun. There have been specific challenges in relation to supporting discharge for five or six individuals which have experienced over 150 bed days in the month between them.
17. During Quarter 3, the number of households in temporary accommodation has begun to fall and is now 175. This is still higher than at the same point last year but if the trend of the last 3 months continues this will change.
18. The number of people on the Housing Register has risen from 2,093 to 2,205 over the first nine months of 2018/19. Of these, the number of people on Band 1 of the Housing Register (applicants with urgent housing needs some of which require specially adapted homes) has risen from 16 to 27 in the same period peaking at 29 at the end of October 2018.

### **A2: Children's Services**

19. All maintained schools with disappointing performance in 2018 have a bespoke package of support in place. Work on the primary mathematics programme

continues and early impact on learning is promising. The impact of these interventions will be analysed following the release of 2019 outcomes. A professional development programme for 2019/20 is being constructed in time for April 2019.

20. At the end of Quarter 3, 79.5% of Isle of Wight primary schools were rated good or better compared to 87% nationally. 42.9% of Isle of Wight secondary schools are rated good or better compared to 75% nationally.
21. The number of looked after children continues to rise locally as it does nationally. The new transformation programme is intended to provide a resilience-based social work approach with families to keep children at home. The reunification programme that is underway is designed to return children in care back to their families where and when it is safe and appropriate to do so. Currently the rate for the Isle of Wight is 92 per 100k compared with 51 in the South East region and 64 nationally

### **A3: Community Safety and Public Protection**

22. The Isle of Wight Fire & Rescue Service (IWFRS) received a positive report in December following its first inspection under the Home Office. Action plans for improvement are being created based on the feedback received. After an Island-wide recruitment campaign for 'on call' personnel we have a number of successful candidates attending a recruit's course in February 2019
23. Consultation for a new combined fire authority was completed in October 2018 and details were included in the full business case presented to fire authority members in Hampshire and the Isle of Wight in two separate meetings on 24 January 2019. Both fire authorities voted in favour of a combination, so the next stage is the submission of a business case for the Home Secretary to ultimately decide on. The outcome is expected in the autumn which would enable the new combined fire authority to start in April 2020.
24. There were 21 out of 29 critical incidents that were attended in the target times of ten minutes for the first and 15 minutes for the second pump. 23 out of 29 first appliance success and eight out of 11 for second appliances (One incident was a failure for both first and second appliances). Analysis shows that the predominant reason for slow attendance for the first appliance was that the nearest appliance was unavailable at the time of call.

### **A4: Environment & Heritage**

25. An Environment Conference was held at the end of June 2018. In reviewing the suggestions from the conference, a number of themes emerged relating to (i) council procurement, (ii) public information and marketing, (iii) regeneration and (iv) council policy. An action plan has been prepared to present to the Feb 2019 Policy & Scrutiny Committee for Regeneration, Housing, Planning and the Environment of agreed priorities that could be progressed in 2019 with existing resources.
26. The Council is considering the opportunities for securing the long-term sustainable access to the Island's historic collections through a feasibility study. The feasibility study was subject to a tendering process which ran through the autumn of 2018. A contract was awarded to the successful bidder who commenced their work in January and are due to report back early in the Q1 of 2019-20. A contract start up meeting was held on site on 10 January where six high level concepts were

presented and discussed; since then the contractor's building and structural engineers have visited the site to undertake inspections that will inform the building condition and structure reports.

## **A5: Infrastructure & Transport**

27. The appointment of a Strategic Manager for Planning and Infrastructure, a new Director of Neighbourhoods and a Transport Manager has provided the capacity to consider the wider infrastructure needs of the island responding to the Infrastructure priorities identified in the new Island Plan. Progress on discounted travel for those with medical appointments and potential funding for improvements at Ryde interchange inform initial plan priorities.
28. The council is continuing discussions with Island Roads to agree an extension to the conditional approval of Milestone 10, which was due in March 2018, and will be linking it to the resolution of a number of historical contractual issues. The first phase of the savings programme will be implemented in April 2019. The core investment period has now entered the quieter winter period where no carriageway upgrades are planned. Works on footways and structures are continuing over the winter along with operations and maintenance works, winter service and street cleansing. All town and parish councils have now had an opportunity to comment on the large volumes of requests for improving the highway in their areas and they have short-listed their preferred schemes. A rolling capital programme of improvement schemes will be put in place to deliver the short-listed schemes commencing April 2019. A number of historic improvement schemes which are already in progress will also be delivered over the coming months.
29. As at the end of December 2018, 83.5% of Hierarchy 1 roads have been rehabilitated to meet the PFI contract specification.

## **A6: Planning & Housing Renewal**

30. A report on the council's approach to housing delivery was presented to Cabinet in November. Work is on-going to research the setup of a development company and into the tools/powers the council have to work with developers and regeneration providers in a partnership approach. Working on a revised empty property strategy and a revised housing strategy to be relaunched in April 2019
31. Consultation on the Island Plan began in December 2018. The end date was extended to 26 February 2019. All responses will be reviewed, and changes will be made to the Island Planning Strategy. This Strategy will then be submitted to government, where it will be examined independently by a planning inspector. If successful, the Island Plan will be adopted as a major planning document that all future Island development will be guided by.

## **A7: Procurement, Waste Management, Special Projects & Forward Planning**

32. The procurement and contract monitoring team is now at full capacity following a successful recruitment programme. There has been rapid progress in the introduction of new contract management processes and software. Public Health have been trialling the systems and their feedback has been positive. The rollout to

the rest of the council will commence in Quarter 4. The contracts database is being reviewed.

33. In November 2018 86.9% of waste from Household Waste Recycling Centre (HWRC) was recycled, reused or composted, well in excess of the target of 73% showing the decreasing reliance on landfill in favour of increased levels of recycling and composting. In November 57% of waste was diverted from landfill which is well in excess of the target of 53%.

## **A8: Regeneration & Business Development**

34. Good progress continues to be made across the scope of our Regeneration and Business Development activities with encouraging rates of enquiries from the off island and on island business and development communities. Up to the end of quarter 3 there have been 54 enquiries from businesses seeking to grow and develop on the Island. This compares with 36 at the same point in 2017-18
35. The consultations on the draft regeneration and Island plans have generated significant interest and commentary from the wider population towards helping make these key documents reflective of the needs and aspirations of our population. The need to act to address deficits in our local housing market has focused effort around identifying the necessary structures to directly influence the availability of affordable housing, using our own land and buildings and working with the wider housing development community to enable more completions.
36. Progress in realising our “Digital Island” ambitions has taken a major step forward with the preparation of clear strategy and priority actions supported by investment from UK Government in rolling out the full fibre programme across the island to public sector and community buildings in the rural areas
37. A research study into the current scope of Higher Education (HE) provision on the Island and a consolidation summary of what is currently available got underway in November 2017 working with local HE institutions to identify opportunities for growing availability of provision where needed and its impact in supporting our regeneration objectives.
38. We continue to work with our partners across the region, in particular supporting Solent Local Enterprise Partnership (SLEP) in their work to develop a Local Industrial strategy ensuring the Islands priorities are adequately reflected in any regional interaction with UK government. Following the continuing implementation of a place plan for Newport, to complement progress on the Harbour masterplan, a vision for the Eastern Bay area was published in December 2019 attracting positive feedback from local town councils, land owners, business stakeholders and the wider Bay population its sets out short, medium and longer term regeneration proposals to deliver an ambitious step change in the prospects for this key visitor economy area. This vision seeks to de-risk potential investment in projects such as Dinosaur Isle by placing them in a sustainable delivery framework which complements the new Island Plan and provides space and permission for bottom up, community proposals to tackle local priorities such as High Street regeneration.

## **A9: Resources**

39. Much of the focus of the Digital Transformation Strategy has been inward looking over the last quarter with particular focus on supporting the delivery of new tools for

agile working and supporting the accommodation reconfiguration in County Hall. All staff impacted by this move so far have received new devices suitable for working in an agile way and there has been very good feedback from the users making the most of these tools to be more efficient in the way they work, making greater use of time and reducing the need to travel. This good feedback was collected mainly through the Staff Survey that was completed late in 2018. Alongside this work is on-going to support progress on under the One Public Service agenda with proposals for joint service development created.

40. The current position is that the council is forecasting an overall revenue budget saving against budget of £3.02m against a budget of £148.7m (2%) at the end of quarter 3. Underspends in corporate budgets are mainly due to reduced loan interest and income from leisure services whilst pressures on budgets are coming from looked after children and the floating bridge. The capital programme is forecasting slippage in spending of £25m that is now due to take place in future years predominantly due to delays in the waste facility project and commercial property investments, this will be kept under review as the financial year progresses. Currently 21 out of the 84 2018-19 Capital schemes will carry some budget into the following financial year. A summary of this slippage can be seen in Appendix C.

#### **A10: Strategic Partnerships**

41. One Public Service (OPS) programme approach has begun to be developed, with the key chiefs across public services on the IW endorsing the initial approach and focuses on 4 key areas:
1. Health and Care Sustainability plan for the IW
  2. One Public Estate (Blue Light Hub; Pyle Street locality; and Sandown Bay locality)
  3. ICT and Digitalisation approach
  4. Joint resourcing opportunities

Work is ongoing to shape the feasibility, specific programme content and the deliverables over a period of time to enable the OPS programme to further evolve and inform the needs to be able to move towards implementation in the key areas referred to.

42. With Cabinet having been taken on the road, the opportunity for discussions with the Town and Parish Councils in the host areas continues.

#### **A11: Organisational Health Indicators**

43. Having shown a decreasing trend for the first six months of the financial year the number of staff with 14 or more calendar days sickness in the past 12 months has increased significantly over from 236 to 267 in the third quarter and is now in line with the previous years higher levels. The same is true of the number of staff with a long term sickness episode of 28 days or more which has risen from 108 to 132 over Quarter 3.
44. The number of absences due to stress has significantly decreased with 106 absences being for this reason over the 12 months up to the end of December 2018 compared with 162 which was the rate at the end of September 2018. This is seen as a result in the increased awareness and understanding of mental health issues.

45. This is happening in the context of a gradual but continual reduction in the average number of days sickness per permanent employee which is now 7.4 days in comparison to 8.3 at the same point last year.

### **SUMMARY POSITION OF QUARTER 3 FINANCE**

#### **Revenue – 2018/19**

46. The net revenue budget for 2018/19 is £149.5m. The budget was approved at Full Council on 28 February 2018 with on-going savings totalling £7.5m.
47. At the end of the third quarter the council is forecasting an overall saving against the budget of £3.02m which is some 2% of the net revenue budget. This position is subject to change as the financial year progresses.
48. The main forecast changes against the budget are set out in the following table:

Portfolio	Key Items	Forecast Variation £m
<b>Main Savings against Budget:</b>		
Resources	Corporate finance - loan interest payable, VAT and housing benefit over-payment recovery.	-4.255
Environment & Heritage	Leisure income and expenditure	-0.447
Community Safety & Public Protection	Bereavement Services net income	-0.120
Children's Social Care	Education & Inclusion	-0.125
<b>Main Pressure Areas:</b>		
Children's Social Care	Additional costs of looked after children	1.347
Infrastructure & Transport	Floating bridge	0.706
Adult Services	Learning disability services	0.159
Miscellaneous Items		-0.285
		-3.020
<b>Net Total Forecast Saving against Budget Target</b>		<b>-3.020</b>

See Appendix B for a more detailed Revenue Budget Monitor

#### **Capital**

49. The total capital budget for 2018/19 is £88.7m. As at the end of December the actual expenditure is £56.5m. There is forecast slippage in spending of £25.5m from 2018/19 into future years (i.e. simply representing budgeted spending that will not now take place in 2018/19 but will fall into 2019/20) and a small potential overspend of £0.119m.



See Appendix C for a more detailed Capital Budget Monitor

### General Reserves

50. General Reserves at the end of quarter three 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 to improve the council's financial resilience and enable the opportunity to further smooth out the council's necessary savings over a longer period.

### RISK

51. 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 18 February 2019. Strategic risks are included in Appendix A attached to the relevant portfolio report with a summary included in Appendix D

### 52. 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

53. Appendix A: Corporate Plan priority reports for:

[A1: Adult Social Care and Public Health](#)

[A2: Children's Services](#)

[A3: Community Safety and Public Protection](#)

[A4: Environment & Heritage](#)

[A5: Infrastructure & Transport](#)

[A6: Planning & Housing](#)

[A7: Procurement, Waste Management, Special Projects & Forward Planning](#)

[A8: Regeneration & Business Development](#)

[A9: Resources](#)

[A10: Strategic Partnerships](#)

[A11: Organisational Health Indicators](#)

[Appendix B](#): Revenue budget monitor – Quarter 3.

[Appendix C](#): Capital budget monitor – Quarter 3.

[Appendix D](#): Strategic Risk Register Summary

## **BACKGROUND PAPERS**

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

[Corporate Plan 2017-2020](#)

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