



Committee report

Committee	CABINET
Date	13 JUNE 2019
Title	PERFORMANCE & FINANCE REPORT – QUARTER ENDED 31 MARCH 2019
Report of	DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR RESOURCES

EXECUTIVE SUMMARY

1. This report sets out the results of the council's performance (shown in detail at Appendix A) against the established indicators and targets that underpin the delivery of the current Corporate Plan for the period ended 31 March 2019. The report is accompanied by the financial position at that date (shown in Appendices B and C).

BACKGROUND

2. At its meeting of 18 October 2017, Full Council 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 in three 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 (A1 to A10) as well as an additional appendix for Organisational Health Indicators (A11).

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. While 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 4 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

provisional figure for the end of the 2018/19 financial year is just over 450 per 100,000 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 100,000 meaning that the Isle of Wight was 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. For comparison previous year's performance can be seen below:-

Year	Performance
2018/19	454.2 per 100,000 population*
2017/18	599.5 per 100,000 population
2016/17	951.9 per 100,000 population

*provisional figure

15. Further success of the programmes is reflected in the fact that 33.9 percent of all people in receipt of adult social care are supported to live at home. This is an increase from the baseline taken in 2017 of 27 percent. The Corporate Plan 2017-2020 set a target that 35 percent of people in receipt of ASC would be supported at home by March 2020 and the council is on target to exceed this aim.
16. The number of outstanding Deprivation of Liberty Safeguards (DoLS) assessments has been maintained at a reasonable level over the last two quarters. Currently 274 assessments are outstanding compared to 644 at the same point in 2017/18.
17. During Quarter 4, 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 three months continues this will change.
18. The number of people on the housing register has risen from 2,093 to 2,396 over 2018/19. Of these, the number of people in Band 1 of the housing register (applicants with urgent housing needs some of which require specially adapted homes) has risen from 16 to 30 in the same period.

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 4, 76.9 percent of Isle of Wight primary schools were rated good or better compared to 87 percent nationally. While 42.9 percent of Isle of Wight secondary schools are rated good or better compared to 75 percent nationally.
21. Carisbrooke College and Medina College received Ofsted monitoring reports during Quarter 4 and both are considered to be making adequate progress toward a 'good' rating but remain 'requires improvement' for the time being.
22. Christ the King College also received an Ofsted monitoring visit during Quarter 4 which concluded that the leaders and managers are taking effective action towards the removal of the serious weaknesses designation. The college's improvement plan is fit for purpose and the local authority's statement of action is fit for purpose.

23. 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 100,000 compared with 75 among our statistical neighbours and 64 nationally

A3: Community Safety and Public Protection

24. The Isle of Wight Fire and Rescue Service received a positive report in December following its first inspection under the Home Office. The service is progressing the actions identified under areas of improvement and a report will be brought back to scrutiny committee to track these. Seven on-call firefighters successfully completed the last recruit's course and a further nine are programmed for the next course. Interviews are still taking place across the island and changes to the crewing at Ryde have created an additional 15 on-call firefighters.

25. The work to create a new Combined Fire and Rescue Authority (CFA) for the councils of Hampshire, Isle of Wight, Portsmouth and Southampton has progressed well, aided by the unanimous support of all the affected authorities. The police and crime commissioner has also added his support to the initiative. A single project team has been established and has worked to produce a submission to the Home Secretary for the creation of the new CFA. The submission was due to be passed to the office of the Home Secretary at the end of April 2019. We anticipate that the response will be provided by the autumn. Given the political unanimity in the approach and submission, there is an expectation that the proposal will be accepted.

26. There were 25 out of 36 critical incidents that were attended in the target times of ten minutes for the first and 15 minutes for the second pump. Ten of these were down to the first appliance not arriving within timescales and one due to the second pump. Twenty one of the 24 co-responder calls met the attendance time of eight minutes.

A4: Environment and Heritage

27. In February, consultants delivered a Stage 1 report that included (in addition to a building and structural survey), six options for the relocation of the record office into the Westridge centre. These were reviewed and evaluated by the strategic manager for commercial services, the heritage service manager and principal officer for corporate property maintenance. An agreed option was chosen to be taken through to Stage 2; this was the most cost-effective solution with minimum disruption to existing building users, while meeting the requirements for museum accreditation. This option will also include the creation of a conference room and additional general use office space. The Stage 2 report was due to be submitted on 3 May 2019.

A5: Infrastructure and Transport

28. Parking Strategy - The resident parking officer (RPO) responsible for Newport and funded by Newport Town Council has now met with Newport members and agreed a plan of works. The RPO for the remaining island wide issues is writing to members and liaising with the public to conduct an audit of where to direct their work first.

29. As at the end of March 2019, 83.5 percent of Hierarchy 1 roads have been rehabilitated to meet the PFI contract specification.

A6: Planning and Housing Renewal

30. The council continues to perform well in terms of determining planning applications within statutory time limits. Benchmarking shown in the table below reflects this good performance.

	IWC	National Average
Major applications determined within 13 weeks	95%	80%
Minor applications determined within 8 weeks	96%	85%
Other applications determined within 8 weeks	97.5%	89%

31. Consultation on the Island Plan closed on 28 February 2019 by which time 3,400 individual comments were received from 1,633 consultees. These have been checked and inputted into the consultation management system. It is anticipated that there is likely to be around 4,000 comments once completed. Around 66 percent of comments were received via email or letter. At the end of March 2019, the government published updated information to feed into the standard method of calculating the housing number we should plan for. This has resulted in an increase from 641 dwellings per year to 675 dwellings per year.

A7: Procurement, Waste Management, Special Projects and Forward Planning

32. The mechanical waste treatment plant at Forest Road has been run for a 30-day continuous test as part of the commissioning activities to test the ability to extract materials from recycling and residual waste streams. This test has shown that the plant needs some adjustment to maximise efficacy and re-cyclate extraction to accord with the councils' expectations and Amey's obligations under our contract. A further 30-day test will be run once the plant outputs have been rebalanced.

33. In March 2019, 85.7 percent of waste from the household waste recycling centre (HWRC) was recycled, reused or composted, well in excess of the target of 73 percent showing the decreasing reliance on landfill in favour of increased levels of recycling and composting. In March 2019, 56.5 percent of waste was diverted from landfill which is well in excess of the target of 53 percent.

A8: Regeneration and Business Development

34. A full public consultation on the preferred option for Newport Harbour will commence in mid-June 2019.

35. Work is ongoing to support the submission of the planning application in summer 2019. Further budget has been required to complete this piece of work and there are issues in relation to the longer-term viability of the site overall. These are being addressed in a phased approach, however, it is likely that gap funding will be required.

36. The number of out of works benefits claimants has been rising steadily since September 2018 and at the end of March 2019, 2,170 people were claiming. This equates to 2.7 percent of 18 to 64 year olds. The rate has climbed faster than both the regional and national rates and the Isle of Wight rate is now the same as the national level having been below it since March 2018.

37. The Isle of Wight Council has been working with partners on feasibility studies for various projects within the One Public Service (OPS) programme. These studies will be expanded in to full schemes and will include the following proposals:

- (a) Blue light hub – to be led by fire and rescue service
- (b) ICT joint services – to progress a shared data centre
- (c) Joint resourcing – a joint communications director for health and the council has been appointed, joint waste management arrangements between the council and Isle of Wight NHS Trust are in place
- (d) Sandown community hub – a rapid rehousing bid has been submitted to the Ministry of Housing, Communities and Local Government
- (e) Pyle Street hub – discussions have taken place with the Cabinet Office for One Public Estate (OPE) and the local government association director for OPE.

A9: Resources

38. Much of the focus of the delivery of the 2017-2020 digital strategy continues as planned. Internally new technology continues to be rolled out to support more efficient and effective use of council buildings. Close working between the Organisational Intelligence Team and ICT is ensuring this major project remains on track. The proposal for a model to take forward joint ICT services with the Isle of Wight NHS Trust has received support internally and is due to be considered by the OPS executive board in Quarter 1 2019/20.
39. The current position is that the council is forecasting an overall saving against the revenue budget of £0.445 million against a total budget of £149.1 million (0.3 percent). The capital programme indicates an outturn of £62.2 million against a total budget of £89.7 million and slippage in spending of £27.5 million now due to take place in future years. At this stage this is still a draft outturn position as the closedown of the accounts for 2018/19 are still underway. See separate appendices (B and C) for a more detailed revenue and capital budget monitor.
40. The budget strategy for the 2018/19 financial year 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 £3.2 million 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.
41. March 2019 has been an exceptionally busy month within the contact centre with a record number of calls (22,955) being responded to as a result of the annual billing exercise for council tax and business rates, together with the renewal of green waste subscriptions. Despite this increase however, the average speed of answer target of 60 was almost maintained with the actual being 62 seconds. Overall, throughout the year, the team has now secured a consistent month by month average of 60 seconds as well as the longest wait time being reduced to 12 minutes.

A10: Strategic Partnerships

42. The “Wight We Want” public engagement programme to underpin area-based social regeneration activities covering the whole island continues to progress along with proactive liaison on regeneration issues with local town and parish councils including:

- (a) East Medina - East Cowes Esplanade improvements
- (b) West Medina – Cowes Fountain Yard transport improvement
- (c) Bay – Sandown Battery, Pier Street toilets, revetment renovations
- (d) Newport - place plan projects including transport infrastructure improvements
- (e) Ryde - theatre, Western Gardens, Upper High Street
- (f) West Wight – pastoral higher education offer, cycle link, GP appointments

43. The government has specifically referred to the Island's unique circumstances in its technical consultation about the implementation of its fair funding review, which closed on 22 February 2019. The final outcome of the review will not be known until December 2019.

A11: Organisational Health Indicators

44. The outturn at the end of March 2019 of 7.33 average days lost due to sickness per employee shows that there continues to be a downward trend in overall levels of sickness absence since 2017. The most common cause of absence is infections accounting for 32% of all absences. The most common cause for working days lost however are those relating to mental ill health, which accounts for 33 percent of all working days lost. Twenty two percent of working days lost due to mental ill-health has been identified as work related. The outturn figure shows that 3.2 percent of possible working time is lost to sickness absence, which has decreased since 2017/18 (3.3%) and 2016/17 (3.4%).

45. The number of staff with four or more periods of absence within the preceding 12 months has decreased over the 2018/19 year from 75 to 55. The number of staff with 14 or more days sickness within the preceding 12 months is at almost the same level as at the same point last year (271 in Apr 2018 and 271 in March 2019). This is despite it falling significantly during the year to a low of 236 in September 2018.

46. The number of staff with 28 or more continuous calendar days absence due to sickness has increased from 120 in April 2018 to 147 in March 2019 which, whilst it is not unusual for there to be an increase in the length of absence during the winter months, the level of spike over the winter months was higher than expected. More positively the number of absences where stress was given as a reason has reduced from 154 in April 2018 (and a peak of 165 in August 2018) to 128 in March 2019.

SUMMARY POSITION OF QUARTER 4 FINANCE

Revenue – 2018/19

47. The net revenue budget for 2018/19 was £149.1 million. The original budget was approved at Full Council on 28 February 2018 and revised at Full Council on 27 February 2019 with on-going savings totalling £7.5 million.

48. At the end of the fourth quarter the council is forecasting an overall saving against the budget of £0.445 million which is 0.3 percent of the net revenue budget. This position is still draft as the closedown of the accounts for 2018/19 is still underway.

49. The main draft variances against the budget are set out in the following table:

Portfolio	Key items	Draft variance £m
Main savings against budget:		
Resources	Loan interest payable and staffing vacancies across various areas of Resources	-0.701
Environment and Heritage	Parks and open spaces savings on grounds maintenance and staffing	-0.200
Community Safety and Public Protection	Bereavement Services additional income	-0.105
Main pressure areas:		
Children's Social Care	Additional costs of looked after children	0.632
IW Fire and Rescue Service	Underachievement of savings targets	0.229
Miscellaneous items		-0.300
		-0.445
Net total forecast saving against budget target (0.3%)		-0.445

See Appendix B for a more detailed revenue budget monitor

50. Once the outturn position is finalised, the section 151 officer plans, under delegated authority to transfer the saving to supplement the revenue reserve for capital in order to support further capital investment in future years.

Capital

51. The total capital budget for 2018/19 is £89.7 million with a draft outturn position of actual expenditure of £62.2 million. There is draft forecast slippage in spending of £27.5 million from 2018/19 into future years (i.e. simply representing budgeted spending that has not taken place in 2018/19 but will now fall into 2019/20).

See Appendix C for a more detailed capital budget monitor

General reserves

52. General reserves at the end of Quarter 4 indicates a forecast balance of £11.2 million. This is after taking account of the approved transfer to general reserves of £3.2 million 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.

53. In accordance with the resolution of Full Council in February 2019 any year end underspend will be transferred to either general reserves, the revenue reserve for capital or the transformation reserve to improve the financial resilience of the council.
54. As described in the budget report (February 2019), it is important to take every opportunity to supplement the capital resources available to ensure that investment essential for continued operational effectiveness can be made as well as continued investment to support regeneration and the Island economy. Additionally, the council need to ensure that it has sufficient transformation funding in place to fund spend to save schemes.

RISK

55. 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 20 May 2019. Strategic risks are included in Appendix A attached to the relevant portfolio report.

56. RECOMMENDATIONS

That Cabinet approves the Quarter 4 (2018/19) Performance and Finance Report including 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

57. Appendix A: Corporate Plan priority reports for:

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

[A2: Children's Services](#)

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

[A4: Environment and Heritage](#)

[A5: Infrastructure and Transport](#)

[A6: Planning and Housing Renewal](#)

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

[A8: Regeneration and Business Development](#)

[A9: Resources](#)

[A10: Strategic Partnerships](#)

[A11: Organisational Health Indicators](#)

[Appendix B: Revenue budget monitor – Quarter 4.](#)

[Appendix C: Capital budget monitor – Quarter 4.](#)

BACKGROUND PAPERS

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

[Corporate Plan 2017-2020](#)

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