



Committee report

Committee	CABINET
Date	10 SEPTEMBER 2020
Title	PERFORMANCE AND FINANCE REPORT – QUARTER ENDED 31 MARCH 2020 AND QUARTER ENDED 30 JUNE 2020
Report of	DEPUTY LEADER OF THE COUNCIL AND CABINET MEMBER FOR STRATEGIC FINANCE AND COVID 19

EXECUTIVE SUMMARY

1. The purpose of this report is to:
 - a) provide a summary of progress against Corporate Plan activities and measures for the period January to June 2020 (unless otherwise stated and shown in detail at Appendix A);
 - b) inform Cabinet of areas of particular success, issues requiring attention and remedial activity in place to deal with these;
 - c) inform Cabinet of the status of organisational health indicators concerning workforce attendance and wellbeing;
 - d) provide a report on the financial position of the council for the same period (shown in Appendices B and C).

BACKGROUND

2. At its meeting of 24 July 2019, Full Council approved a new Corporate Plan which set out the council's vision and strategic priorities for the period 2019 to 2022.
3. Eleven key outcomes are identified within the Corporate Plan which also sets out corporate activities by portfolio and activity of the council will be monitored using the following:
 - a) Long term success factors over ten years; reported in Quarter 4 of each year.
 - b) Key activities/projects being undertaken to achieve long term success.
 - c) Short term measures (three years).
 - d) Strategic risks that may prevent long term success.

4. The report contains an appendix for each Cabinet portfolio (A1 to A10) as well as a further performance appendix (A11) containing organisational health indicators, and a separate appendix (A12) to show an update on the Corporate Plan long term success indicators for end of 2019-20.

STRATEGIC CONTEXT

5. Ongoing management and monitoring of performance data, the council's strategic risk profile and financial situation is required to support the successful delivery of agreed council priorities. As such, this report provides the Cabinet (and subsequently the council's scrutiny function) with the necessary information to record achievements and challenge areas of underperformance and to account for it to the wider community.

CONSULTATION

6. The council manages its performance through a framework of discussion at all levels across the authority on a routine basis and escalates issues and risks to the corporate management team and members. Cabinet members, Corporate Management Team and directorate staff have been involved in discussions around performance against the measures contained within this report and attached appendices. Otherwise this paper is a factual report on progress and no other consultation is required.

FINANCIAL / BUDGET IMPLICATIONS

7. The Corporate Plan forms a key part of the budgeting and service planning process for the council and takes account of existing finances and resources and sets out the key priorities and outcomes that the council wishes to achieve. This report will include reference to any implications on the council's financial position arising from activity and performance outlined in the report.

LEGAL IMPLICATIONS

8. 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

9. 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.

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

Leadership and strategic partnerships - Key activity, performance and issues (appendix A1)

11. Covid-19. The council is producing a comprehensive recovery plan looking at minimising the economic hit the Island will take as a result of the Covid-19 pandemic and also how the council will deliver its “business as usual” under current restrictions. The Recovery Plan was initially agreed by Cabinet in June and any subsequent updates to it will also be presented to Cabinet.
12. In January 2020 Cabinet agreed to the pursuit of an Integrated Care Partnership (ICP) by approving the transformation of the Local Care Board to an Isle of Wight Care Partnership. This was established in shadow form from 26 February and has set out its objectives and terms of reference to deliver against the health and care strategic agreed priorities for the Island. The ICP continues to develop as a partnership and is actively reviewing its learning from the Covid-19 pandemic to review and redetermine its strategic approach to deliver health and care provisions for the island.
13. The Health and Wellbeing Board (16/1/20) signed off the new governance arrangements for the Local Care Partnership. The board also received an update on the Sustainability and Transformation Partnership (STP) which gave a clear remit for the board in relation to prevention and tackling the wider determinates of health

Adult social care (ASC), public health and housing needs - Key activity performance and issues (Appendix A2)

12. Adult social care assessments completed within timescales is at highest level for two years, despite greater numbers (730 completed in Q1) and pressures during the Covid-19 pandemic
13. Improved Better Care Fund (iBCF) has been extended through 2020/21 and will in part be used to continue the Living Well service for another year.
14. Delayed transfer of care (DTOC) reporting is currently suspended, however performance was well within target at the end of 2019/20 (below one per 100,000, target 2.6)
15. The Homelessness and Rough Sleeping Strategy 2019-24 was signed off by Cabinet on 14 November 2019. Prevention of homelessness continues to follow a positive trajectory and numbers of households accommodated in temporary and or unsuitable accommodation offers continues to decrease; no families or children have been accommodated in bed and breakfast since March 2020.
16. Safeguarding performance figures have returned to previous good levels following a change in recording processes. Meetings held within seven days of referral was at 99 per cent for June 2020.

17. Joint Strategic Needs Assessment (JSNA):
- Interactive deprivation data tool published.
 - Equality and diversity factsheet published February 2020.
 - Throughout the coronavirus pandemic a modelling cell has been running to provide robust intelligence for planning response to the emergency.
 - The population health management procurement has completed with a provider being commissioned.
18. The Hampshire/Isle of Wight Partnership for Public Health was agreed by Cabinet in July 2019. Development of the senior management structure is progressing with two consultants in public health being appointed and strong, integrated work developing between the Isle of Wight and Hampshire.
19. The Substance Misuse Service tender is complete. The 0 to 19 Public Health Nursing Service procurement is complete with the new contract starting on 1 November 2020. Mobilisation is progressing well and several key actions are now rated complete.
20. A review of all overdue housing register renewals took place in February 2020 which had a positive impact on the overall figure (reduction of 600). There has been an increase in Q1 due to Covid-19 causing a hold on allocations; these have now resumed and the number of people on the register has again begun to decline.

Children's Services - Key activity, performance and issues (Appendix A3)

21. Children subject to a repeat child protection plan remains within target (has done since February 2019) with child protection conferences continuing virtually; 91 per cent of initial conferences and 100 per cent of repeat conferences held within timescales respectively.
22. Ofsted inspections are currently suspended. Most recent figures show 75 per cent of Isle of Wight primary schools are rated good or better compared to 88 per cent nationally. Just over half (57.14 per cent) of Isle of Wight secondary schools are rated good or better compared to 76 per cent nationally.
23. Care leavers in Education, Employment or Training is at 68 per cent compared to 63.6 per cent Q1 2019/20. The Local Offer for Care Leavers sets out the support provided to care leavers to access employment, education or training. The team works with Island Futures, JobCentre Plus and the Isle of Wight College. Each care leaver has an individual action plan in place. The pathways into independent adulthood supported accommodation is now in operation. A new homelessness personal advisor continues to support care leavers who are at risk of homelessness.
24. The Island Higher Education Prospectus ('Blue Sky Thinking. Your guide to higher education on the Isle of Wight') has been produced.
25. In Q1 2020/21 there were 274 children in care (an increase from 256 this time last year), 49 per cent of whom are with Isle of Wight foster carers. An active recruitment campaign continues, with six new fostering households approved in

Q1. The new transformation programme is focused on keeping children safely at home and returning them home when it is safe to do so.

26. The investment in the transformation programme continues with the focus on keeping more children safely at home. The steady number children on child protection plans in the last 12 months demonstrates the consistency of the application of threshold within Children's Services.

Regeneration and business development - Key activity, performance and issues (Appendix A4)

27. The final masterplan for Newport Harbour was completed September 2019 and presented to members in December 2019. The cost plan is now complete, supplementary planning guidance went to public consultation and is being summarised.
28. Sandham Middle School - In March 2020 the Regeneration Members' Board considered options for progressing with the tender in the light of current financial and agreed to progress on the basis of no financial input from the Isle of Wight Council.
29. An update on the regeneration programme was provided to the [Policy & Scrutiny Committee for Neighbourhoods and Regeneration](#) in February 2020.
30. There were 79 unique contacts with businesses in Q4 2019/20, compared with 53 in Quarter 3 2019/20. Twenty contacts over the last quarter included discussions around Covid-19 pandemic effects, adaptation and future planning.

Infrastructure and transport - Key activity, performance and issues (Appendix A5)

31. The council has recently been awarded £10 million by the Department for Transport (DfT) as part of a joint award of £56 million for the Portsmouth and South East Hampshire sub-region. This funding will support a number of jointly funded projects over the next two to three years for improvements to Ryde Pier, Ryde station and transport interchanges and will be jointly funded and delivered by South Western Trains, Southern Vectis, Wightlink and Network Rail.
32. St Mary's roundabout works proceeding on schedule, due for completion December 2020. Further junction improvements using the remaining allocated DfT funding will be implemented following the completion of the St Marys scheme.
33. White Young Green (WYG) carried out the initial phases of the agreed occupancy surveys for the parking strategy. It has been agreed to recommence the consultation phase and WYG will provide a revised programme up to and including receipt of the final report. A total of 123 streets were surveyed for resident parking schemes, five have been implemented.
34. Hampshire County Council has been engaged to undertake high level traffic modelling with an options analysis for potential crossing locations for a Medina bridge. A more detailed feasibility study will be procured that will look at the costs and benefits at the preferred crossing location. The local transport plan studies will provide the relevant information to further inform viability.

Planning and housing renewal - Key activity, performance and issues (Appendix A6)

35. Construction work on Extra Care schemes in Ryde (Ryde Village) and Totland (Green Meadows) ceased in March 2020 due to Covid-19. Occupation of units is now scheduled for October 2020 at Ryde Village and January 2021 for Totland.
36. The council has set up a company (iWight Homes Ltd) as a vehicle for the longer-term delivery of new homes on the Island and a housing campaign has commenced.
37. Island Planning Strategy work continues; following the first public consultation officers have commissioned further evidence to address some of the key issues identified by the consultation responses. This will feed into a revised Island Planning Strategy with a greater focus on delivery and a lower housing number compared to the government's standard method.
38. A draft strategy has been through public consultation and the outcomes arising from that consultation were reviewed by the Policy and Scrutiny Committee for Neighbourhoods and Regeneration in July 2020. This new housing strategy will go to Cabinet for approval in September 2020.

Environment and heritage - Key activity, performance and issues (Appendix A7)

39. Following designation of Unesco Biosphere status in June 2019, the council has supported the Area of Outstanding Natural Beauty Partnership through submitting planning applications for Branstone Farm for proposals that overtly support the biosphere principles. It has agreed to provide accountancy support for a one million euros bid to highlight the profile of Unesco sites on both sides of the Channel. Support has been provided through involvement in the Island's Visitor Charter.
40. Delivery of new record office - Officers have now obtained fee bids for the two distinct elements; firstly for the drafting of grant applications - £13,100, and secondly for design services (architectural, mechanical, electrical, structural and quantity surveyors) to develop the preferred option to Royal Institute of British Architects (RIBA) stage 3 - £56,600.
41. [Rights of Way improvement plan](#) has been produced and published on the council's website after consultation with key stakeholders.

Community safety and public protection - Key activity, performance and issues (Appendix A8)

42. The Isle of Wight Fire and Rescue Service's (IWFRS) new structure was launched in March 2020. The IWFRS was focused on preparation towards the second round of inspections in March and April 2020. Although completing the action plan from the previous inspection, the inspection dates were cancelled notice due to the escalation of the coronavirus pandemic.

43. The fire and rescue service attended 18 out of 28 (64.3 per cent - target 80 per cent) critical incidents in the target times of ten minutes for the first and 15 minutes for the second pump during June. Attendance times largely due to distance required to travel to the incidents. Attendance to primary fires remains low, with 24 in 2019/20 Q4 and 39 2020/21 Q1 (40 and 45 for same periods in previous year).

Resources - Key activity, performance and issues (Appendix A9)

44. The council's external vacancy web pages have been refreshed including outlining our employment offer. Online training resources have been developed via the learning hub along with a refresh of internal web page recruitment guidance to support recruiting managers. Work on the learning hub has been completed and staff have been using this during lock down. A toolkit for managers was launched as part of this. The 'Offer on a Page' work was also completed and has been uploaded to the council's website.
45. Average answer time for calls to the contact centre has dropped to 39 seconds for June (target 60 seconds) with almost 90 per cent of calls being resolved at the first point of contact.
46. At the end of the first quarter we are forecasting approximately £8 million overspent by the end of the 2020/21 financial year. This is as a result of the budget pressures and income loss from Covid-19 and takes account of the additional government funding provided to deal with the pandemic. The capital programme indicates a forecast outturn of £29 million against a total budget of £54.6 million.
47. During June 2020, payment of housing benefit and local council tax support new applications were made in 9.9 days and 15.5 days respectively with 100 per cent of these paid on time.

Procurement, waste management, special projects and forward planning - Key activity, performance and issues (Appendix A10)

48. Recycling rates for 2020 have largely been comparably better than the previous year with March being the only month where last year's performance wasn't exceeded. Significantly, since the beginning of 2020 all but the bulkiest waste has been processed at the new Mechanical Treatment Plant which means that the percentage of municipal solid waste diverted from landfill is generally close to 100 per cent (99.97 per cent in May 2020). This is a key milestone in the waste project.
49. The percentage of household waste recycled or composted is currently 56.3 per cent, above the target of 55 per cent.
50. The development of a corporate environmental strategy in 2020 will include policies internally on single use plastics and their use across directorates in service delivery. The new procurement strategy was approved by Cabinet in November 2019 and includes reference to the reduction of single use plastics as a consideration when purchasing. Regular updates on procurement activity

are provided twice a year to the council's Audit Committee. The most recent update was reviewed in July 2020.

Organisational health indicators (Appendix A11)

51. The average number of days lost due to sickness per permanent employee has improved during the first quarter; The outturn at the end of June 2020 of 8.1 days shows a drop in overall levels of sickness absence since peaking at 8.62 in April 2020 - the highest level since recording in 2017. This is still in excess of the target of 6.5
52. The number of staff with four or more periods of sickness within preceding 12 months has fallen to 39 in June compared to 54 in June 2019. This is the lowest level since recording began in January 2017.
53. Number of absences citing stress as a reason for absence has fallen during the last two quarters; currently 120 as at the end of June 2020 compared to a high of 135 in February 2020.

SUMMARY POSITION OF Q4 2019/20 FINANCE

Revenue – 2019/20

65. The net revenue budget for 2019/20 is £152.5 million. The original budget was approved at Full Council on 27 February 2019 with ongoing savings totalling £5.5 million.
66. At this stage the accounts are still in draft until approved in late September 2020. At the end of financial year the council is reporting an overall saving against the budget of £1.3 million (0.9 per cent). Once the 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 next year and future years where there is a substantial "capital gap" between funding and need.

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

Portfolio	Key items	Draft variance £m
Main savings against budget:		
Resources	Treasury management savings, contingency and Housing Benefit overpayment recovery	-3.626
Resources	Other savings - mainly staff vacancies in various areas of Resources	-0.92
Main pressure areas:		
Adult Social Care, Public Health and Housing needs	Main pressure relates to the volume of care packages, and the delay in achieving savings targets	0.938
Children's Services, Education and Skills	Main pressure relates to the volume of residential care and foster care placements	1.108
Infrastructure and Transport	Main pressures relating to the timing of the delivery of the PFI savings programme and Car Parking income	0.961
Miscellaneous Items		0.198
Net total draft saving against budget (0.9%)		-1.341
Revenue contribution to capital reserve		1.341
Total		0

See Appendix B for a more detailed revenue budget monitor.

Capital 2019/20

68. The total capital budget for 2019/20 is £27.2 million with a draft outturn position of actual expenditure of £21.0 million. There is slippage in spending of £6.1m

from 2019/20 into future years (ie simply representing budgeted spending that is forecast not to take place in 2019/20 but will now fall into 2020/21)..

See Appendix C for a more detailed capital budget monitor.

General reserves 2019/20

69. General reserves at the end of quarter four indicates a balance of £12.2 million. This is after taking account of the approved transfer to general reserves of £1.1 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.

SUMMARY POSITION OF Q1 2020/21 FINANCE

Revenue – 2020/21

70. The net revenue budget for 2020/21 is £158.9 million. The original budget was approved at Full Council on 26 February 2020 with ongoing savings totalling £4.5 million.
71. At the end of the first quarter the council is forecasting a potential budget pressure of £8.4 million. As previously reported to Scrutiny Committee, Full Council and the Audit Committee, the Covid-19 pandemic is estimated to have a serious impact on the financial position of the council.
72. As at the end of the first quarter the forecast financial gap between the council's additional spending and losses of income (£19 million) compared to the emergency grant funding provided by government (£9 million) was estimated to be some £10 million. The government have also announced a scheme to provide some compensation for income losses (sales, fees and charges). This is still under development by government and has not yet been factored into the forecasts.
73. The £8.4 million forecast overspend reported at this stage represents the pressures caused by Covid-19 above (£10 million), excluding the approximately £2 million pressure in the collection of council tax and business rates which fall to the collection fund and impact on council tax income levels in future years rather than the in-year revenue budget.

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

Portfolio	Key Items	Draft variance £m
Main Savings Against Budget:		
Resources	Treasury Management savings and Housing Benefit overpayment recovery	-0.755
Main Pressure Areas:		
Adult Social Care, Public Health & Housing needs	Main pressure relates to the delay in reviewing activity required to achieve savings targets due to the impact of the pandemic. Also pressure from the volume of care packages, offset in part by some savings in housing needs contracts	0.320
Community Safety & Public Protection	Main pressure relates to retained fire fighter budget, and income budgets for bereavement services and registrar's income for marriage ceremonies	0.650
Environment & Heritage	Main pressure relates to the pressure on Leisure Centre and museum income as a result of the pandemic	3.152
Infrastructure & Transport	Main pressures relate to income from Car Parking, Floating Bridge, Harbours and costs relating to the Highways budget	4.103
Planning & Housing Renewal	Main pressure relates to planning and building control income as a result of the pandemic	0.432
Miscellaneous Items		0.500
Net Total Forecast Pressure Against Budget (5.3%)		8.402

70. It should be noted that there is still a considerable amount of uncertainty regarding the forecasts of the impact of the pandemic, however the council has an obligation to plan its financial management responsibly and therefore since the end of quarter one the Cabinet has developed a deficit recovery strategy (as reported to Full Council in July) to enable the council to continue to operate without the need to consider emergency spending controls and service

reductions under a section 114 notice. The deficit recovery strategy totals some £11.5 million which provides some headroom if the net pressures were to continue to rise above £10 million.

See Appendix B for a more detailed revenue budget monitor.

Capital 2020/21

71. The total capital budget for 2020/21 is £50.2 million. As at quarter one the council is forecasting actual expenditure of £29.0 million. There is slippage in spending forecast at £21.2 million from 2020/21 into future years (ie simply representing budgeted spending that is forecast not to take place in 2020/21 but will now fall into 2021/22).

See Appendix C for a more detailed capital budget monitor.

General reserves 2020/21

72. General reserves at the end of quarter one indicates a balance of £12.2 million. This is consistent with the revised medium-term financial strategy. The planned level of reserves enables the council to improve its financial resilience and enable the opportunity to further smooth out the council's necessary savings over a longer period.

Complaints

73. Earlier in the year the Local Government and Social Care Ombudsmen (LGSCO) provided the council with the annual summary of statistics on the complaints made to them about the council in the 2019/20 financial year. This letter can be seen in Appendix D.
74. In total there were 50 complaints and enquiries about the council in 2019/20 (up from 43 in 2018/19). In that period 43 decisions were made by the LGSCO (which will have included complaints/enquiries from the previous year) of which 15 were investigated in detail. Of those 15, five were upheld by the LGSCO (the same number as in the previous year).

Cases where complaint was upheld:

Category	Decided	Remedy
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Environmental Services & Public Protection & Regulation	13 Nov 2019	Financial redress: Avoidable distress/time and trouble (£15,000)
Housing	16 Aug 2019	Apology Financial redress: Avoidable distress/time and trouble (£500) New appeal/review or reconsidered decision Procedure or policy change/review
Education & Children's Services	24 Jun 2019	Apology Financial redress: Avoidable distress/time and trouble (£500)
Planning & Development	17 Jul 2019	Apology
Adult Care Services	31 Jan 2020	Apology Financial redress: Loss of service (£500)

Recommendations

That Cabinet approves the Performance and Finance Report – Quarter ended March 31 2020 and Quarter ended 30 June 2020 and the priority report detail as set out in Appendix A, together with the council's financial position as set out at Appendices B, B1, C and C1.

Appendices Attached

Appendix A: Corporate Plan priority reports for:

[A1: Leader and Strategic Partnerships;](#)

[A2: Adult Social Care and Public Health;](#)

[A3: Children's Services;](#)

[A4: Regeneration and Business Development;](#)

[A5: Infrastructure and Transport;](#)

[A6: Planning and Housing Renewal;](#)

[A7: Environment and Heritage;](#)

[A8: Community Safety and Public Protection;](#)

[A9: Resources;](#)

[A10: Procurement, Waste Management, Special Projects and Forward Planning;](#)

[A11: Organisational Health Indicators;](#)

[A12: Corporate Plan long term success indicators.](#)

[Appendix B:](#) Capital budget monitor – Quarter 1 2020/21.

[Appendix B1:](#) Draft Capital Outturn – 2019/20.

[Appendix C:](#) Revenue budget monitor – Quarter 1 2020/21.

[Appendix C1:](#) Draft Revenue Outturn – 2019/20.

[Appendix D:](#) Complaints – Annual Review Letter

BACKGROUND PAPERS

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

[Corporate Plan 2019-2022](#)

[Strategic Risk Report to Audit Committee 27-7-20](#)

Contact Point: Darren Cole, Business Intelligence Officer
☎: 821000. e-mail: darren.cole@iow.gov.uk

WENDY PERERA
*Assistant Chief Executive and
Chief Strategy Officer*

CLLR STUART HUTCHINSON
*Deputy Leader and
Cabinet Member for Strategic Finance and
COVID-19*