



Purpose: For Information

FULL COUNCIL

Date **19 SEPTEMBER 2018**

Title: **LEADER'S UPDATE**

Report of **LEADER OF THE COUNCIL**

Introduction

The break in the council's regular business cycle over the summer has created time for me to think about the various challenges we face over the short and medium term, how best we can respond to them and to ensure we are financially balanced and sustainable.

It will not have escaped members' attention that in recent months the media have reported many local authorities having to react to the current financial position in which they find themselves: Northamptonshire, Torbay, Somerset and East Sussex, were all highlighted at the start of the summer and more recently Oxfordshire, Surrey, Suffolk, Lancashire, Birmingham, West Sussex and Hartlepool have all joined the list.

I was particularly struck by a paragraph in the Best Value Inspection report, commissioned by Government, about the challenges at Northamptonshire County Council (NCC):

"For a number of years, NCC has failed to manage its budget and has not taken effective steps to introduce and maintain budgetary control. Instead it has pursued an organisational structure and operating concept which made it difficult to ensure a line of sight over costs and operational activity. It did not accompany this structure with an articulated set of financial and managerial controls. This made it impossible for the council, as a whole; to have any clarity or understanding as to what was going on. NCC has relied on one-off items, allocation of balances, windfalls and laterally the use of capital receipts to balance the numbers at the year's end. This is not budget management."

I am pleased to report that, over the last two years, the Isle of Wight Council has not been in this position due to the robust financial decisions we have taken. A look at the financial element of the quarterly performance management report considered by Cabinet on the 13 September, underlines this point. Our current year end projection for 2018/19 is for savings / underspends against planned expenditure of £0.5m and this follows a similar positive result at the end of the last financial year.

As we start turn our minds to the 2019/20 budget, I am determined that we continue to maintain our budget discipline and stick to the medium-term financial strategy that has been the foundation of that discipline and our control. I recognise that while our journey will never be easy, we have already made good progress and I would pay testimony to our staff for that progress. Our challenge now is to be clear about what is to be done and speed up the PACE of progress, so we can be ahead of the game.

There is no doubt that this will mean further tough and difficult decisions to come, but we cannot allow ourselves to descend into the Northamptonshire position. It is also worth reminding ourselves that despite its position, Northamptonshire still has to deal with its budget challenges from within its own resources.

I recognise that this might not be a popular message with everyone, but it is important that we, as a council, are clear about the wider context in which proper and responsible financial decisions must be taken on behalf of the Island. That is my role as Leader.

Leader & Strategic Partnerships

a) Collaboration

- In September I met to discuss improving collaboration around community safety, with the leaders of the other upper tier authorities across Hampshire, (Southampton City, Portsmouth City and Hampshire County Councils) as well as with the Police and Crime Commissioner. We plan to meet again on a regular basis to discuss other matters of common interest and collaboration.

b) UK Islands

- The Chief Executive and I are continuing to pursue discussions with other UK Islands with a view to achieving arrangements similar those in Scotland: with a minister for Islands and commitment to consider the impact of all legislation on islands. This aligns with the work of our Island MP Bob Seely who has been championing the Islands initiative at Government level.

c) One Public Service

- We have been planning for the first meeting of a newly formed 'executive board' to steer development of our One Public Service agenda. Health partners are central to this approach and I understand that the proposals being made locally by the Hampshire and Isle of Wight Sustainability and Transformation Partnership (HIOW STP) are consistent with our aspirations. Cabinet will be considering the STP's proposals in November.

Adult Social Care and Public Health

a) Care Excellence

- I am pleased to report that the council is one of 7 national case studies of best practice for the implementation of the Quality Matters National Health and Care Initiative published by the National Institute for Health and Care Excellence (NICE). My thanks to the integrated commissioning unit for leading this piece of work and achieving national recognition for the Isle of Wight Council.

b) Care Home Improvements

- I also welcome the 'good' rating achieved by the council's own care homes at Venner Avenue and Plene Dene. These followed an inspection by the Care Quality Commission and are a reward for a job well done by all of our staff involved with the management of these homes.

c) Digital Technology

- The Isle of Wight Council and its partners in Health have now commissioned a joint piece of work to identify opportunities and costs for digital integration across our services. We are working with an International Digital Organisation to explore and develop a map of data sharing and IT improvement in this key area of public service delivery

Children's Services

a) Academic Improvements

- It was good to see provisional A level results for Island Schools this year indicate that the average grade on the Island has increased to a grade C, but much more detailed analysis is necessary to understand the full picture. It was also pleasing to hear that provisional GCSE results reported by Island Schools this year indicate students have attained higher grades than in previous years. More students have attained a grade 5 or above in English and Maths compared to last year and scores for the preferred Government measure of secondary performance, Attainment 8, have also increased.
- These are positive outcomes and many congratulations go to the students, teachers and parents for their hard work in their achievement. I know the Cabinet member for Children's Services will be following the detailed analysis of the A level and GCSE results with a keen interest.

b) Sandown Bay Academy

- The council's innovative approach to securing secondary education in Sandown has now been realised with the opening of The Bay CE School (a through school for students from 4 to 16 years) at the start of this term. We have made a significant capital investment over the summer to ensure the buildings were fit for purpose and to give the school every chance of success.

Regeneration and Business Development

a) Clean Air Zone

- The council has responded robustly to Southampton City Council's proposals and consultation exercise on the potential for introducing a Clean Air Zone in the City, through the use of congestion charging. Whilst we support the underlying principal of protecting our environment, this specific proposal in its current form could be disastrous for the Island's economy if our interests are not addressed. It warrants much more discussion with the Isle of Wight before it is implemented. Again, our Island MP and I hold a similar view on this matter and in the coming days we will be writing to Southampton City Council and the Government to ensure our views and concerns are fully taken into account.

b) Community Engagement Conferences

- Our second regeneration conference was held in July and was very well attended by a good mix of Island businesses with some important contributions being made to the draft regeneration strategy. Work has started on planning a second digital conference to take place in November. We are anticipating presentations from Barclays Bank on their 'Artificial Intelligence (AI) frenzy' initiative in support of the potential introduction of an 'eagle lab' on the Island. IBM will also be showcasing their 'Watson Health' initiative – further supporting our overall digitalisation agenda.

c) Newport Harbour

- Final selection for the 'master planning' phase in relation to the Newport Harbour regeneration scheme is in progress with a planned announcement of the successful bidders at the end of the month.
- Meanwhile the necessary training has now been completed for members of the Newport Harbour Board and its meeting is scheduled to take place on 24 September 2018.

Infrastructure and Transport

a) Ferry Ownership

- I am disappointed to read that it appears Wightlink is once again being put up for sale by its owners, but I am clear that the Isle of Wight Council does not have the financial resilience or desire to risk buying the company or taking a significant stake in it. I am, however, supporting the position of Island MP Bob Seely, in making a case to Government about the need for the introduction of a 'public service obligation' to secure reasonable access to the mainland.

b) Ferry Fares

- I am pleased to report that following some intricate discussions with the ferry companies we have been able to facilitate an arrangement which will make it easier for Islanders in receipt of housing benefit and/or local council tax support to travel to the mainland for work and health reasons. I would like to place on record my thanks to all the ferry companies, Wightlink, Red Funnel and Hovertravel, for making this possible and to the Transport Infrastructure Board which has led the work to achieve such a positive result.

Planning and Housing

a) Island Plan Review

- I can confirm that the consultation phase on the draft of our new Island Planning Strategy will be launched in October. There are key strands in the strategy linked to enabling economic growth; providing housing for our local community and protecting our environment and we want to ensure there is a real focus on planning permissions being delivered.

Environment and Heritage

a) England Coast Path

- Councillor John Hobart has led a very successful negotiation with Natural England to include the Medina Estuary in the England Coast Path. This now provides a continuous route around the Island and extends the potential economic benefits to Newport. He is now working hard with landowners on the north of the Island to secure their voluntary agreement for the route being

closer to the coast than is currently planned. These discussions are only able to take place as a result of his initiative which has the support of Natural England which is delivering the ECP on behalf of the Department of the Environment, Fisheries and Agriculture (DEFRA).

Community Safety and Public Protection

a) Fire Service Review

- I am pleased to report that Councillor Tig Outlaw has been very active in learning his new portfolio. In particular, he has had a number of meetings with many of our fire crews across the Island to further understand his areas of responsibility. He is actively progressing the Service Review and recent events have certainly drawn attention to the importance of our Fire Service.

b) Combined Fire Authority

- The consultation exercise on the potential for a new Combined Fire Authority for Hampshire and the Isle of Wight has commenced and will close on 26 October. This is an important piece of work on the future of the Fire Service and I shall ask officers to ensure members are kept fully informed of developments.

Corporate Resources

The strategic and professional management of corporate resources and finance remain at the core of this council. I acknowledge, at this stage, the excellent work being undertaken by our staff to deliver on our future needs.

a) Budget Management

- Our most significant corporate challenge remains to secure a financially balanced and sustainable council. Initial budget preparations are now underway for the 2019 / 20 budget and as soon as these are complete members and the community will have the opportunity to share their views before final proposals are made.

b) Management Restructure

- The Council has now appointed Trevor Pugh as Interim Director of Neighbourhoods and Paul Barton as interim Strategic Manager for Planning and Infrastructure; they will provide an immediate increase in capacity for the Corporate Management Team and help to shape the council's improvement journey

- A recruitment campaign for permanent appointments to these positions as well as that of a Strategic Manger for Highways and Transport commenced at the beginning of September. A recruitment campaign has also been initiated for two local graduates to join the council as graduate trainees.

Procurement, Waste Management, Special Projects and Forward Planning

a) Green Waste

- Uptake of the green waste collection service continues to be very good and has certainly exceeded initial expectations. We are now looking at ways of further developing the scheme in the future.

b) Waste Plant Construction

- Progress with construction of the new waste to energy plant continues and is being monitored closely by the Cabinet Member, Councillor Murwill, who will update members further as we near the target date for opening of the plant.

Concluding Remarks

Once again, I am able to report a full and active level of progress being overseen by the conservative led administration. As leader, I am reassured that the council remains on track to deliver against its Corporate Plan objectives

In addition, I wish to formally welcome the appointment of our new Assistant Chief Executive, Wendy Perera, whose key areas of focus include:

- Commercialisation
- Digitalisation
- Housing

The senior management team is now well placed to deliver the goals and targets set and with the support of Scrutiny I look forward to providing further positive news through my leader's report to full council in the coming months.

DAVE STEWART

Leader of the Council and Cabinet Member for Strategic Partnerships

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