



Purpose: For Decision

Committee report

Committee	CABINET
Date	12 NOVEMBER 2020
Title	PERFORMANCE AND FINANCE REPORT – QUARTER ENDED SEPTEMBER 2020
Report of	CABINET MEMBER FOR CORPORATE RESOURCES

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 July to September 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 sets 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). There have been some amendments to the format of these to reflect the recent change in cabinet responsibilities

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 partnership - Key activity, performance and issues (Appendix A1)

11. 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 Integrated Care Partnership has continued to meet monthly. The work of the ICP in Quarter 2 has focused on producing a Recovery Plan and review of the Island's Health and Care Plan deliverables and strategic priorities as a system. In addition, work to prepare a winter plan is underway to reflect not only usual winter pressures but those potentially associated with Covid-19.
12. The outcome of the fair funding review has been delayed until the 2021/22 financial year. Any allowances for additional funding to address our "Island status" will not be made until then.

Deputy leader, strategic finance and Covid-19 recovery (Appendix A2)

13. The council is producing a comprehensive recovery plan looking at minimising the economic hit the Island will take as a result of the coronavirus 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 subsequent updates to it were presented to Cabinet in September 2020
14. An updated financial position at end of Quarter 2 to include key financial impacts is included separately below (items 49 to 56)
15. The Brexit Impact Group's responsibilities are now a sub-set of the overall Covid-19 recovery cell to assess the broader economic impacts to the Isle of Wight. A developed action plan is in place concentrating on key areas that could impact the Isle of Wight both immediately after Brexit and in later months and years. The group liaises with the Isle of Wight Chamber of Commerce to ensure that local businesses can be as prepared as possible.

Adult social care (ASC), public health and housing needs - Key activity performance and issues (Appendix A3)

15. In August 2020 NHS England and NHS Improvement published updated Discharge to Assess requirements confirming that clinical commissioning groups (CCGs) remain financially responsible for care and support costs of people leaving hospital, or to avoid hospital admission for up to six weeks. These arrangements started on 1 September and will expire on 31 March 2021.
16. We have successfully restructured the Care Management Teams in ASC in order to maximise the potential for integration with health. Specifically, we have added care management resource to the three locality teams and, in alignment with the Health and Care Plan, are working to align ASC, Mental Health and Learning Disability services with the NHS trust.

17. Principal social worker has led our Ethical Task and Finish Group (that has included representatives from care providers) and developed best practice guidelines for supporting someone lacking mental capacity as well as a mental health wellbeing and resilience toolkit for frontline carers. This work has been shared with the Local Government Association (LGA) as best national practice and was presented at a national conference hosted by Research in Practice for Adults.
18. 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.
19. The number of people being admitted to permanent residential or nursing care is at a lower level than at the same point last year reflecting the continuing success of the Care Close to Home programme with more people able to receive care within their own homes and more people getting access to preventative services
20. Joint Strategic Needs Assessment (JSNA);

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.

Early warning and daily monitoring of Covid-19 has been embedded in planning and is increasingly sophisticated. Population health management outputs will commence following the procurement with leader engagement sessions taking place.
21. 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.
22. 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 been a largely downward trend since May 2020.

Children's services, education and skills - Key activity, performance and issues (Appendix A4)

23. Children subject to a repeat child protection plan remains within target (has done since February 2019) with child protection conferences continuing virtually; 92 per cent of initial conferences and 100 per cent of repeat conferences held within timescales respectively.

24. 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.
25. Care leavers in Education, Employment or Training is at 66 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.
26. The Island Higher Education Prospectus ('Blue Sky Thinking. Your guide to higher education on the Isle of Wight') has been produced.
27. In Q1 2020/21 there were 277 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 for more Isle of Wight based foster carers continues. There are now 132 registered foster carers on the Isle of Wight constituting 91 fostering households.
28. The rate of children subject to child protection planning is 66.3 per 10,000, the second highest in the Isle of Wight statistical neighbours' group and above the England national average of 43.7 (based on latest available data 2019)

Regeneration and business development - Key activity, performance and issues (Appendix A5)

29. Newport Harbour supplementary planning guidance has been consulted on and summarised and a paper will be presented to Cabinet on 12 November 2020.
30. Nicholson Road, Ryde - Revised planning submission taking account of community and Island Roads comments was approved by the Planning Committee in September 2020. Work is now underway to develop and agree the financial model for delivery
31. An update on the regeneration programme was provided to the [Policy and Scrutiny Committee for Neighbourhoods and Regeneration](#) in October 2020.
32. There have been 70 unique contacts with businesses in 2020/21 so far (April-August), compared with 107 in the same period in 2019/20. Contact continues to be made with a larger variety of organisations from both the private and public sector, including discussions around rural development, Covid response and recovery, Brexit, SLEP amongst others.

Infrastructure and transport - Key activity, performance and issues (Appendix A6)

33. St Mary's roundabout works at Newport are proceeding on schedule, and due for completion December 2020. Further junction improvements using the remaining allocated Department for Transport funding will be implemented following the completion of the St Mary's scheme.

34. Discussions are ongoing between the service provider and the council to facilitate the completion of the Core Investment Period (CIP) of the Highways PFI contract (Milestone 14) and the continuing programme of investment in the road network for the rest of the contract period.

Regular performance reports are now being provided to the Corporate Scrutiny Committee which demonstrate the significant investment that has been made to the Island's roads, and progress being made to satisfy contract requirements during CIP and the post CIP period.

35. White Young Green (WYG) carried out the initial phases of the agreed occupancy surveys for the parking strategy. The draft final report is due week commencing 5 October and will be circulated to the Parking Project Board members. A board meeting is scheduled for 13 October and WYG will present the key elements of the report and take board members' questions which will further inform the final report.

The Cabinet member has agreed that the report and action plan will be taken to Cabinet as this gives all members and the public a chance to review it and ask questions; this is currently scheduled for January 2021. To date a total of 124 streets were surveyed for resident parking schemes, ten are currently being reviewed and five have been implemented.

Planning and housing renewal - Key activity, performance and issues (Appendix A7)

36. Currently 62 people have been identified and offered provisional placements in Ryde Village once the buildings are ready for people to move in, with regular visits for other potential residents continuing all the time. It is expected that residents will be able to commence moving in from 23 November 2020 with all residents expected to be moved in within a four week period from that date.
37. 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.
38. The government has proposed to overhaul the planning system in England. A planning White Paper and an accompanying document, 'Changes to the current planning system', have been published with responses invited by 29 October and 1 October respectively.

The council, through the portfolio holder for planning and housing, will respond to these consultations. This gives the council the opportunity to present the further evidence collected following the public consultation on the draft Island Planning Strategy, which supports a housing number lower than that calculated using the government's standard method.

Environment, heritage and waste management - Key activity, performance and issues (Appendix A8)

39. Following designation of Biosphere status in June 2019, the council has brought forward proposals for Branstone Farm that overtly support the Biosphere principles. It has agreed to provide accountancy support for a €1 million bid to highlight the profile of Unesco sites on both sides of the Channel which, if successful, will provide financial resources to the Biosphere initiative.

Furthermore, the council and its partner, Island Roads, have given help and advice in the objective to create a 'dark skies community' in the Island's Area of Outstanding Natural Beauty and enhancing the Isle of Wight Biosphere. Support has been provided through involvement in the Island's Visitor Charter, the post Covid-19 advice for visitors coming to the Island used Biosphere as part of the campaign.

40. The briefing paper setting out options for way forward was discussed at the Record Office Project Board on 4 September; however, given the uncertainty of the position around the Covid-19 costs and impact on income the council is unable to take on any new financial obligations. Accordingly, when the council is in a better position to fully understand its financial position we will look again at providing the revenue funding to take forward the funding application and design works.
41. Recycling rates for 2020-21 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 (99.28 per cent in August 2020). This is a key milestone in the waste project.
42. The percentage of household waste recycled or composted was 56.6 per cent in August 2020, above the target of 55 per cent.
43. 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.

Community safety and digital transformation - Key activity, performance and issues (Appendix A9)

44. 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. An extension agreement was created to support an additional year of the Delivering Differently in Partnership (DDiP) agreement which will take us to the combined fire authority (scheduled for April 2021). The 'shadow authority' has been formed and has met bi-monthly since Q1 2020 with the

council leader (joining the existing Hampshire Fire and Rescue Authority members), representing the Isle of Wight.

45. There has been a steady increase in performance for response times to critical incident calls over the last quarter; pumping appliances arrived within set target times on 74.2 per cent of occasions in September 2020, compared to 64.3 per cent in June 2020 (Target 80 per cent). Distance to travel, difficulty in locating incidents and simultaneous incidents stretching resources remain as predominant challenges.

Corporate resources - Key activity, performance and issues (Appendix A10)

46. Some essential face to face training has resumed following Covid-19 safe risk assessment at Westridge, Ryde and Thompson House, Newport. The 'virtual' training offer continues to be enhanced all the time in the current climate.

The LGA Commercial Skills four day course planned for the spring 2020 was postponed; the LGA has since adapted the content as an online course which it will be offering as virtual modules from October 2020. In the meantime, we have been invited to take part in an LGA pilot around support for councils to rebuilding sustainable income coming out of Covid-19.

47. Average answer time for calls to the contact centre is currently 65 seconds for September 2020 (target 60 seconds) with almost 88 per cent of calls being resolved at the first point of contact.
48. During September 2020, payment of housing benefit and local council tax support new applications were made in 14.2 days and 13.6 days respectively, both within target despite higher numbers of new claimants and change of circumstances compared to last year.

SUMMARY POSITION OF Q2 2020/21 FINANCE

Revenue – 2020/21

49. The net revenue budget for 2020/21 is £158.8 million. The original budget was approved at Full Council on 26 February 2020 with ongoing savings totalling £4.5 million.
50. As at the end of quarter two there is a forecast net pressure of £6.5 million, of which £7 million is directly related to the coronavirus pandemic but offset by non Covid-19 related variances of £0.5 million
51. A key impact for the council of the pandemic has been the financial impact on the council's budget. Having set a budget for 2020/21 immediately before the onset of the Covid-19 emergency. A detailed report was presented to the Corporate Scrutiny Committee on 9 June 2020 outlining the council's response to the pandemic to date and the estimated financial impact. At that point in time and after two tranches of emergency funding from the government an estimated financial gap of £9.8 million was reported.

At that time, it remained uncertain whether there would be further funding allocated from central government to help meet the £9.8 million shortfall. It was therefore reported that given the council's obligation to plan its financial management responsibly and given the forecast deficit of £9.8 million, compared with the available headroom of £3.2 million in general reserves, the Cabinet had begun the process of developing a deficit recovery strategy to enable the council to continue to operate without the need to consider emergency spending controls and service reductions under a Section 114 Notice.

Further to this, the Leader presented to Full Council on 15 July a Deficit Recovery Strategy totalling some £11.5 million to combat the forecast deficit of £9.8 million but also providing some headroom in the event of further financial pressures. This is replicated below:

- Placing on hold schemes from the capital programme totalling some £4.5 million.
 - Use of the corporate contingency up to £2 million (representing 60 per cent of the total).
 - Use of the transformation reserve of up to £2 million (representing 50 per cent of the uncommitted balance).
 - Use of reserves earmarked for short term risks where that risk has now been mitigated (eg the pending court case regarding Christ the King sixth form buildings which has now been successfully defended by the council) £3 million.
51. A further tranche of emergency funding of £1.2 million was announced on 2 July 2020. The government also announced its intention to provide a scheme whereby a proportion of income losses could also be recovered.
 52. As at the end of the second quarter the forecast financial gap between the council's additional spending and losses of income (£20 million) compared to the emergency grant funding provided by government (£10 million) has remained at £10 million. However, details of the Ministry for Housing, Communities and Local

Government's Sales Fees and Charges Compensation Scheme are now available, and it is currently estimated that circa £3 million could be recovered from this scheme bringing the total estimated deficit down to £7 million.

53. A current estimated deficit of £7 million would result in headroom in the Deficit Recovery Strategy of some £4.5 million to fund any further costs in 2020/21 (either relating to the recovery strategy or costs of a second wave) or to provide a contribution to any legacy impact of Covid-19 that may continue into 2021/22.
54. The main variances against the budget are set out in the following table:

Key Items	Draft variance £m
Additional costs associated with Covid-19	9.243
Lost income associated with Covid-19	7.241
Collection fund losses (Council tax and business rates)	3.799
Other budget variations	-0.500
Less government funding:	
Covid-19 emergency grant	-10.278
Less estimated sales, fees and charges compensation scheme	-3.000
Net total forecast pressure against budget (4.1%)	6.505

See Appendix B for a more detailed revenue budget monitor.

Capital 2020/21

55. The total capital budget for 2020/21 is £35 million. As at quarter two the council is forecasting actual expenditure of £23.1 million. There is slippage in spending forecast at £11.9 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

56. General reserves at the end of quarter two 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.

Recommendations

That Cabinet approves the Performance and Finance Report – Quarter ended 30 September 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 and C

Appendices Attached

Appendix A: Corporate Plan priority reports for:

- A1: Leader and Strategic Partnerships;
- A2: Deputy Leader, Strategic Finance and Covid-19 Recovery
- A3: Adult Social Care, Public Health and Housing Needs;
- A4: Children’s Services, Education and Skills;
- A5: Regeneration and Business Development;
- A6: Infrastructure and Transport;
- A7: Planning and Housing Renewal;
- A8: Environment, Heritage and Waste Management;
- A9: Community Safety and Digital Transformation;
- A10: Corporate Resources;

Appendix B: Capital budget monitor – Quarter 2 2020/21.

Appendix C: Revenue budget monitor – Quarter 2 2020/21.

BACKGROUND PAPERS

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

[Corporate Plan 2019-2022](#)

[Strategic Risk Report to Audit Committee 28-9-20](#)

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