



Purpose: For Decision

# Committee report

Committee	<b>CABINET</b>
Date	<b>11 FEBRUARY 2021</b>
Title	<b>PERFORMANCE AND FINANCE REPORT – QUARTER ENDED DECEMBER 2020</b>
Report of	<b>CABINET MEMBER FOR CORPORATE RESOURCES</b>

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## 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 October to December 2020 (unless otherwise stated and shown in detail within appendices 1-11);
  - 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 12 and 13).

## 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 (1 to 10) as well as a further performance appendix (11) containing organisational health indicators.

### 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 appendices 1-11 and a synopsis provided below.

## **Leadership and strategic partnership - Key activity, performance and issues (Appendix 1)**

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 ICP continues to develop as a partnership and is actively reviewing its learning from the coronavirus pandemic to review and redetermine its strategic approach to deliver health and care provisions for the island.
12. Commercial Skills for Councillors course is available now and the link has been circulated to members via member support. The Isle of Wight council was chosen as one of two national pilots for Local Government Association 'expert' panel held in September 2020 with Adult Social Care colleagues looking at income potential in Wightcare services.
13. 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 2)**

14. Brexit risk management and response post transition will be absorbed into the Covid-19 recovery planning going forward. The group liaise with the Isle of Wight Chamber of Commerce and other business organisations on the island to ensure that local businesses can be as prepared as possible to respond to impacts and opportunities.
15. As the government did not seek any extension, the transition period ended on 31 December 2020. Planning assumption is that we are likely to experience a 2 week period of response phase and then the Local Resilience Forum would move to the Recovery Phase. The likelihood is that the UK will leave the EU on a World Trade Organisation basis
16. An updated financial position at end of Quarter 3 to include key financial impacts is included separately below (items 60 to 68)

## **Adult social care (ASC), public health and housing needs - Key activity performance and issues (Appendix 3)**

17. NHS England and NHS Improvement continue to regularly update the Discharge to Assess requirements initially published in August 2020. This continues to shape integration with health partners. Our focus on integration largely remains in this area as a result of the increasing pressure and need for response to the coronavirus pandemic.
18. The successful restructure of the Care Management Teams in ASC in order to maximise the potential for integration with Health has embedded well and is supporting closer partnership working in the three locality teams and, in alignment with the Health and Care Plan. Work is ongoing to align ASC, Mental Health and Learning Disability services with the NHS Trust.

19. Development of best practice during Covid-19 through our Ethical Task and Finish Group has continued to be of benefit to our local system and has now delivered practice guidelines for supporting informal and family carers.
20. The households in B&B and temporary accommodation has seen a large increase due to the way Local Authorities have been asked to register and report households accommodated due to Covid-19 and there is therefore a significant increase in single homeless accommodated in B&B accommodation (191 in December compared to 163 in December 2019).
21. 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.
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). December saw a slight rise due to an increase in applications towards the end of 2020. The total numbers on Island HomeFinder have reduced slightly as the numbers that were mass renewed last November begin to show for their annual renewal.

#### **Children's services, education and skills - Key activity, performance and issues (Appendix 4)**

23. Children subject to a repeat child protection plan remains within target although continues to rise, with child protection conferences continuing virtually; 79 per cent of initial conferences and 100 per cent of repeat conferences held within timescales respectively. The Initial Child Protection Conference (ICPC) timeliness dipped below the target of 85 per cent, although a number of these conferences were delayed by one or two days for appropriate reasons (such as the need for additional information, or due to family illness) and these were agreed by the Lead Independent Reviewing Officer and Service Manager for Operations. No children were at risk as a consequence.
24. Ofsted has currently suspended all inspection activity until Easter 2021. At this stage it is unknown when they will commence re-inspection. They continue to visit schools to examine the response to Covid-19, but this does not contain a judgement. All examinations were suspended in 2020 and therefore there will be no new Island wide data relating to early years, end of primary education, GCSE or A levels until examinations are recommenced in 2021
25. The number of children looked after at month end (rate per 10,000) continues to rise locally as it does nationally. It is anticipated that Covid-19 and lockdown may impact disproportionately vulnerable families and could lead to a further long-term increase in this rate.
26. In Q3 2020/21 there were 276 children in care (an increase from 260 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 150 registered foster carers on the Isle of Wight constituting 93 fostering households with four more undergoing assessment.

27. 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). In Q3 a virtual peer inspection was undertaken as part of Children's Services Quality Improvement Framework, this evidenced that appropriate thresholds were in place across the service with a focus on child protection planning demonstrating that plans were being progressed effectively by social workers.

#### **Regeneration and business development - Key activity, performance and issues (Appendix 5)**

28. Newport Harbour: Cabinet agreed to endorse the masterplan in November 2020 with the Seaclose Gate site being removed and agree to consider its future adoption as a supplementary planning document.
29. 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.
30. An update on the regeneration programme was provided to the Policy and Scrutiny Committee for Neighbourhoods and Regeneration in October 2020.
31. There have been 108 unique contacts with businesses in 2020/21 so far, compared with 160 in the same period in 2019/20. Representation on the Visit IOW Board has continued. Festive Newport Pop Up Shops were set up at 30 and 36 High Street as a project to utilise vacant premises and increase footfall into Newport.

#### **Infrastructure and transport - Key activity, performance and issues (Appendix 6)**

32. St Mary's scheme is nearing completion with the main body of works completed, with final snagging and completion of the works currently underway. The next phase of the Newport Junction Improvements works for St. George's Way (Coppins Bridge to Matalan Roundabout) are now being finalised prior to the commencement within the next few weeks.
33. 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.
34. 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. The draft Parking delivery plan has now been received from White Young Green (WYG) consultants and they presented this to the parking board in November 2020. The board requested a number of amendments and some additional information to be included before it could be considered by Cabinet. Subsequently it has been agreed to defer the cabinet report from January until February 2021 to allow time for this work to be undertaken and reviewed.

36. A revised draft delivery plan was received late December 2020 and will be reviewed by Policy and Scrutiny Committee for Neighbourhoods and Regeneration on 7 January 2021 followed by Cabinet on 11 February.

### **Planning and housing renewal - Key activity, performance and issues (Appendix 7)**

37. Construction work on the Extra Care scheme in Ryde (Ryde Village) was completed in October 2020 with tenants moving in from November 2020. The scheme at Totland (Green Meadows) ceased in March 2020 due to Covid-19 but recommenced and it is planned for residents to move in April/May 2021.
38. 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.
39. The Council responded to the Government's Planning White Paper and the accompanying document, Changes to the current planning system. Work is ongoing on the preparation of an evidence to justify a housing number lower than that calculated using the Government's Standard Method, and this is currently being scrutinised by a QC. Officers have also secured support from the Planning Advisory Service and are participating in their Local Plan Gateway Review scheme.

### **Environment, heritage and waste management - Key activity, performance and issues (Appendix 8)**

40. The bid for €1.1 million to highlight the profile of UNESCO Sites Across the Channel (USAC) was successful, and the council will provide admin support for the three year activity programme worth approx. £235,000. The council and Island Roads have given help and advice on the future management of road verges with successful pilots in Shorwell and Chillerton & Gatcombe parishes.
41. Isle of Wight Area of Outstanding Natural Beauty and Planning Department are raising awareness about a joint Local Nature Recovery Strategy, which will become a statutory duty for the Isle of Wight council once the Environment Bill is passed. This Strategy, complementing the emerging Climate and Environment Strategy, will be an important strategic document for the future management of the Biosphere. The council also continues to support the Local Environmental Record Centre which provides vital data on the important habitats and species which are key features of the IW Biosphere and assist in the monitoring of their condition.
42. 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 still unable to take on any new financial obligations.
43. Newport And Carisbrooke Community Council (N&CCC) discussed the scheme on 29 September and Council officers have since confirmed that offices and meeting room space for N&CCC could be accommodated within the building and this could form part of any overall funding package. This has since been followed up by a further briefing from Cllr Hastings to the N&CCC General Purposes Working Party, which consists of the Chair, Vice Chair and Chairs of Committees;

it will now be added as an agenda item to either their January or February Full Council meeting once they have had an opportunity to reflect on the options available to them.

44. The National Archives concerns relating to the environmental conditions in the upper strong room at Hillside have been addressed through the reconfiguration of storage shelving and the addition of an additional air conditioning unit.
45. Recycling and composting 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 (during the period in which the Recycling Centres were closed). Significantly, since the beginning of 2020 to ensure compliance with Contract Targets all recycling and waste has been processed at the new mechanical treatment plant. Further, all non-recyclable general waste has been converted to fuel and has been sent to mainland Energy from Waste Plants, 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.
46. The percentage of household waste recycled or composted year to date in November 2020 was 56.9 per cent, sitting above the target of 55 per cent. The National Target for Local Authorities in 2020 is 50 per cent.
47. The development of the Climate and Environment Strategy has advanced to include an outcome-based action plan. The draft was well received by the policy and scrutiny committee for Regeneration and Neighbourhoods and will be internally consulted on through the officers' group and externally through the Environment and Sustainability forum prior to being updated and present to Cabinet in the summer.

### **Community safety and digital transformation - Key activity, performance and issues (Appendix 9)**

48. The work towards the Combined Fire and Rescue Authority (CFA) continues at a pace. All Isle of Wight Fire personnel are now aware of and integrating with their future teams (having shared line management until cutover). Joint promotion boards for three different levels of management have been undertaken with IW personnel gaining promotional opportunities both on the Island and in Hampshire. A joint recruitment for operational Firefighters over the last three months will culminate in the New Year with trainee courses.
49. Overall performance for response to critical incidents (fire only) has improved in the third quarter with October's performance (92.3 per cent within target time) being the best recorded for this measure. December's figure of 72.7 per cent is below the target of 80 per cent where seven incidents failed to meet the standard. Distance to travel, difficulty in locating the incident and lack of appliance availability due to simultaneous incidents stretching resources remain to be the main factors affecting response time. Currently for the year to date there have been fewer reported incidents (48) of people killed or seriously injured (KSI) in road traffic collisions than at the same point last year (49) however there has been a noticeable increase in recent months.

50. Focus continues to be the delivery of the updated council website although this has been impacted on by Covid-19. The resources within the communications team who were involved in the workshops and re-allocated to Covid-19 response were backfilled in December so January to March should show good progress in taking the Demo site to a Beta site with active transactions for three full services. The Demo site is ready for the planned extensive customer consultation in January and February 2021. The Beta site readiness date is now planned as of end of March 2021 due to the Covid-19 delays and will include the registrars, fostering and planning services sections.

### **Corporate resources - Key activity, performance and issues (Appendix 10)**

51. During the coronavirus pandemic a revised template was designed and circulated for use by managers and staff which contained links to relevant well-being support services and information for staff and managers particularly around remote working.
52. The Manager's Essentials course is now in every line manager's learning pathway. It is also sent as a link in a welcome to management email which is sent to all new managers in the organisation. To date, 37 managers have completed the whole course.
53. A new catalogue of courses has also been added to the Leadership and Management pathway entitled the Future of Work which looks at remote working and management of remote workers.
54. The council took part in an LGA pilot programme for councils in rebuilding sustainable income coming out of Covid-19. Our 'Commercial Conversation' centred on the challenges and opportunities in Adult Social Care which will underpin future planning for potential commercial opportunities.
55. The average time taken to answer calls in the contact centre has improved during quarter three, down to 34 seconds in December with 90 per cent of calls being resolved at the first point of contact. Average answer time was highest in November where it peaked at 51 seconds - still within the target of 60 seconds.
56. During November 2020, payment of housing benefit and local council tax support (LCTS) new applications were made in 14.2 days and 14.5 days respectively. Changes in circumstances to ongoing claims were processed on average in 2.4 days ensuring that claimants received the correct entitlement and monies due. Housing benefit and Local Council Tax Support claims are remaining constant, however for November we saw a large number of changes required by the Department for Work and Pensions on personal independence payments (PIP) totalling 3,700 cases to amend.

### **Organisational health indicators - Key activity, performance and issues (Appx 11)**

57. Whilst the number of reported accidents has been higher than in the previous reporting year, this is directly related to the promotion undertaken to raise awareness of the importance of reporting accidents and incidents amongst staff and managers this year. It is considered that there has been under-reporting prior to these interventions. December's figure drops below that of 2019 for the first time in 2020, the lowest number since September 2019.

58. Incidents of violence and aggression overall have been rising steadily since October 2019, with a slight drop in September 2020. The majority of incidents reported fall within maintained schools, children's services, adult social care, civil enforcement and reception areas where incidents are more likely to occur due to the nature of the work. Continued monitoring takes place of all incidents and remedial action taken where appropriate to provide additional protection and support to staff who are subject to incidents.
59. Overall staff sickness performance has improved steadily since the beginning of the year, with some of the lowest numbers of absences, instances of long term sickness and multiple periods of sickness seen since recording these measures. The average number of days lost due to sickness dropped below the target of 6.5 for the first time in November 2020, with December's average dropping further to 6.0 days.

### **SUMMARY POSITION OF Q3 2020/21 FINANCE**

#### **Revenue – 2020/21**

60. The net revenue budget for 2020/21 is £158.9 million. The original budget was approved at Full Council on 26 February 2020 with on-going savings totalling £4.5 million.
61. As at the end of quarter three there is a forecast saving against the budget target of £0.2 million, of which an estimated £1.2 million pressure is directly related to the coronavirus pandemic but offset by non Covid-19 related variances of -£1.4 million.
62. 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 S114 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 (e.g. the pending court case regarding Christ the King sixth form buildings which has now been successfully defended by the council) £3 million
63. A further two tranches of emergency funding of £1.2 million and £1.1 million were announced in July and October 2020. The government also announced its intention to provide a scheme whereby a proportion of Sales Fees and Charges income losses could also be recovered. Furthermore, the government announced a Local Income Tax Guarantee Scheme to provide for a proportion of losses in Council Tax and Business Rates.
64. As at the end of the third quarter and taking all of the above funding into account the forecast financial gap between the council's additional spending and losses of income (£18.7 million), compared to the grant funding provided by government (£17.5 million) was £1.2 million. Any Covid-19 related pressure that exists at year end will be funded from the Deficit Recovery Strategy.
65. A current estimated deficit of £1.2 million would result in headroom in the Deficit Recovery Strategy of some £10.3 million. This will be carried forward to provide a contribution to any legacy impact of Covid-19 that might continue into 2021/22 and beyond.
66. The main variances against the budget are set out in the following table

Key Items	Draft variance £m
Additional Costs associated with Covid-19	9.839
Lost income associated with Covid-19	7.000
Collection Fund Losses (Council Tax and Business rates)	1.900
Savings against budget - Treasury Management	-1.710
Other Budget Variations	0.290
<b>Less Government Funding:</b>	
Covid-19 Emergency Grant	-11.388
Less Estimated Sales, Fees and Charges Compensation Scheme	-4.700
Less Local Tax Income Guarantee Scheme	-1.400
<b>Net Total Forecast Saving Against Budget Target (0.1%)</b>	<b>-0.169</b>

See appendix 12 for a more detailed revenue budget monitor.

#### Capital 2020/21

67. The total capital budget for 2020/21 is £38.8 million. As at quarter three the council is forecasting actual expenditure of £27.4 million. There is slippage in spending forecast at £11.4 million from 2020/21 into future years (i.e. simply representing budgeted spending that is forecast not to take place in 2020/21 but will now fall into 2021/22).

See appendix 13 for a more detailed capital budget monitor.

#### General reserves 2020/21

68. General reserves at the end of quarter three 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 31 December 2020 and the priority report detail, together with the council's financial position as set out in the Appendices**

#### Appendices Attached

Corporate Plan priority reports for:

- Appendix 1 Leader and Strategic Partnerships;
- Appendix 2 Deputy Leader, Strategic Finance and Covid-19 Recovery
- Appendix 3 Adult Social Care, Public Health and Housing Needs;
- Appendix 4 Children's Services, Education and Skills;
- Appendix 5 Regeneration and Business Development;
- Appendix 6 Infrastructure and Transport;
- Appendix 7 Planning and Housing Renewal;
- Appendix 8 Environment, Heritage and Waste Management;
- Appendix 9 Community Safety and Digital Transformation;
- Appendix 10 Corporate Resources;
- Appendix 11 Organisational Health Indicators;
- Appendix 12 Revenue budget monitor – Quarter 3 2020/21.
- Appendix 13 Capital budget monitor – Quarter 3 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 23-11-2020](#)

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