



Purpose: For Decision

# Cabinet report

Date	<b>11 NOVEMBER 2021</b>
Title	<b>PERFORMANCE AND FINANCE REPORT – QUARTER ENDED 30 SEPTEMBER 2021</b>
Report of	<b>CABINET MEMBER FOR STRATEGIC FINANCE, CORPORATE RESOURCES AND TRANSFORMATIONAL CHANGE</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 July to September 2021 (unless otherwise stated and shown in detail at appendices 1-9)
  - (b) inform Cabinet of areas of particular success, issues requiring attention and remedial activity in place to deal with these
  - (c) provide a report on the financial position of the council for the same period (shown in appendices 10 and 11).

### Performance Exceptions:

The following areas are drawn from the attached appendices for particular attention:

- The average time to answer calls in the contact centre has remained consistently below the target time of 60 seconds. This target has been achieved for 12 consecutive months.
- The percentage of safeguarding meetings being held within the statutory target of 7 days was 98.8 percent in August 2021, and has been above 95 percent for four consecutive months
- The number of households in temporary accommodation has increased during August to 186 which although lower than the peak level of 215 in February 2021, is still higher than pre-pandemic levels. The high level is also indicative of the acute shortage of affordable property in both the sales and rental market.

- The percentage of children with a referral within 12 months of a previous referral is now showing a slight downward trend and is now at 34.8 percent, down from a peak of 39.5 percent in January and February 2021.
- The Isle of Wight Council has determined 93 percent or more of all planning applications within 26 weeks. For 2020-21 the IWC determined 89 percent of major applications within 13 weeks or agreed timescales compared with a national average of 88 percent.
- The percentage of working age adults claiming out of work benefits has fallen from 6.9 percent in March 2021, where the rate was higher than the national average, to 4.5 percent in September 2021 which is below the current national average of 5 percent.
- Diversion of municipal solid waste from landfill remains consistently high and has been 95 percent or more for 18 months.
- The number of visitors to the Isle of Wight Council's leisure facilities has increased dramatically over the summer but, due to safety measures in place, remains well below pre-pandemic levels.

## RECOMMENDATION

2. Option 2: Cabinet approves the Performance and Finance Report – Quarter ended 30 September 2021 and the priority report detail as set out in appendices 1-9, together with the council's financial position as set out at 10 and 11.

## BACKGROUND

3. On 24 July 2019, Full Council in place at that time approved a Corporate Plan which set out the council's vision and strategic priorities for the period 2019 to 2022 and the performance metrics from that plan are the ones included within the appendices to this report.
4. The Alliance Group priorities have now been formed into a new Corporate Plan for the period 2021-2025 which was recommended by Cabinet (on 25 October 2021) for approval by Full Council on 17 November 2021. The quarterly performance metrics within the Corporate Plan will be included in the Quarter 3 report to Cabinet in February 2022 and in each subsequent report. The yearly measures within the Corporate Plan will be first reported in the Quarter 4 report at the end of the financial year.
5. The report contains an appendix for each Cabinet portfolio (1 to 9) and for the financial reports for the period (10 to 11). Appendices 1 to 9 have been renamed in line with the Cabinet Member portfolios in the draft Corporate Plan 2021-25.

## STRATEGIC CONTEXT

6. Ongoing management and monitoring of performance data, the council's strategic risk profile and financial situation is required to support the successful delivery of council priorities. As such, this report provides the Cabinet (and subsequently the

council's scrutiny function) with the necessary information to record achievements, challenge areas of underperformance and to account for it to the wider community.

## CONSULTATION

7. 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.

## SCRUTINY COMMITTEE

8. The report will be reviewed by Corporate Scrutiny Committee on 9 November 2021

## FINANCIAL / BUDGET IMPLICATIONS

9. The Corporate Plan forms a key part of the budgeting and service planning process for the council; it takes account of existing finance 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.

## SUMMARY POSITION OF Q2 2021/22 FINANCE

### Revenue – 2021/22

10. The net revenue budget for 2021/22 is £151.8 million. The original budget was approved at Full Council on 24 February 2021 with on-going savings totalling £3.5 million.
11. At the end of the second quarter the council is forecasting that the budget will remain in balance for the year. However, this includes a forecast income loss relating to the impact of Covid-19 of c£2.4m. At this stage in the financial year there is still a considerable amount of uncertainty surrounding the financial impact of Covid-19, but it is currently forecast that c£0.4m will be recovered from the Government Sales, Fees and Charges Scheme, and the remaining c£2m will be a call against the Covid-19 contingency that was created in 2020-21 to offset the legacy impact of Covid over the next three financial years.
12. Excluding the income loss from Covid-19, it is forecast that there is a net balanced budget.

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

Key Items	Forecast Variance £m
<b>Main Pressure Areas:</b>	
Lost Income associated with Covid-19	2.424
Children’s Services - mainly care package volume and costs	1.087
<b>Main Savings Against Budget:</b>	
Resources - Treasury Management savings	-1.340
Miscellaneous items	-0.482
<b>Total Net Pressure</b>	<b>1.689</b>
Less Government Funding (Sales, Fees and Charges Scheme)	-0.400
Less Estimated Use of Covid Contingency to cover net income loss	-2.024
<b>Net Total Forecast Variance Against Budget (saving)</b>	<b>-0.735</b>

See appendix 10 for a more detailed revenue budget monitor.

#### Capital 2021/22

14. The total capital budget for 2021/22 is £53.3m. As at quarter two the council is forecasting actual expenditure of £35.3m. There is slippage in spending forecast at £18.0m from 2021/22 into future years (i.e., simply representing budgeted spending that is forecast not to take place in 2021/22 but will now fall into 2022/23).

See appendix 11 for a more detailed capital budget monitor.

#### General reserves 2021/22

15. General Reserves at the end of quarter one indicates a balance of £11.6 million. This is consistent with the revised medium-term financial strategy, including the planned use of £2.1 million to enable the council to smooth out the necessary savings over a longer period.

#### CARBON EMISSIONS

16. No impact identified.

#### LEGAL IMPLICATIONS

17. 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

18. 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.

## OPTIONS

19. Option 1: Cabinet does not approve the Performance and Finance Report – Quarter ended 30 September 2021 and the priority report detail as set out in appendices 1-9, together with the council's financial position as set out at 10-11.
20. Option 2: Cabinet approves the Performance and Finance Report – Quarter ended 30 September 2021 and the priority report detail as set out in appendices 1-9, together with the council's financial position as set out at 10-11.

## RISK MANAGEMENT

21. A detailed analysis of the performance and the summary risk position of each corporate portfolio is provided in appendices 1-9.

## EVALUATION

22. Option 2 is recommended in that from the information provided in the report and appendices, Cabinet approves the Performance and Finance Report – Quarter ended 30 September 2021 and the priority report detail as set out in appendices 1-9, together with the council's financial position as set out in appendices 10 and 11.

## APPENDICES ATTACHED

Corporate Plan priority reports for:

Appendix 1 Strategic Partnerships and Covid Recovery.

Appendix 2 Strategic Finance, Transformational Change and Corporate Resources.

Appendix 3 Adult Social Care and Public Health.

Appendix 4 Community Protection, Digital Transformation, Housing Provision and Housing Needs.

Appendix 5 Children's Services, Education and Lifelong Skills.

Appendix 6 Planning and Community Engagement.

Appendix 7 Regeneration, Business Development and Tourism.

Appendix 8 Environment, Heritage and Waste Management.

Appendix 9 Highways PFI, Infrastructure and Transport.

Appendix 10 Revenue budget monitor – Quarter 2 2021/22.

Appendix 11 Capital budget monitor – Quarter 2 2021/22.

## BACKGROUND PAPERS

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

[Corporate Plan 2019-2022](#)

[Draft Corporate Plan 2021-25](#)

[Strategic Risk Report to Audit Committee 27-9-2021](#)

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