



Purpose: For Decision

Cabinet report

Date **11 FEBRUARY 2022**

Title **PERFORMANCE AND FINANCE REPORT –
QUARTER ENDED 21 DECEMBER 2021**

Report of **CABINET MEMBER FOR STRATEGIC FINANCE, CORPORATE
RESOURCES AND TRANSFORMATIONAL CHANGE**

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 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:

- Work is ongoing to ensure that the council is doing all it can to maintain and improve the Island's resilience and wellbeing in relation to COVID-19. During Q3 the government introduced a number of changes in the management of covid in direct response to the emergence of the Omicron variant.
- 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 over 12 consecutive months and was as low as 29 seconds in December 2021.
- The contract for specialist sexual and reproductive health services is in place until March 2023. A sexual health needs assessment is underway to inform further service redesign where required to meet local needs.
- We remain above the target level of 75 percent of older people still at home 91 days after discharge – the trend has remained stable through quarter 2 and into quarter 3 so far.
- The number of households in temporary accommodation has increased during quarter 3 to 216 in November, just above the peak of 215 in February 2021, thus

remaining higher than pre-pandemic levels. The high level is also indicative of the acute shortage of affordable property to residents of the Isle of Wight in both the sales and rental market.

- In 2021-22 to date there have been 120 Disabled Facilities Grants approved, amounting to £784,302. This compares to 145 Grants at £1,022,108 for the whole of 2020-21.
- The percentage of primary schools rated good or outstanding rose to 76.32 percent when Broadlea Primary was rated good in October. This subsequently increased to 79 percent when St Francis Primary was raised to good in December.
- The Isle of Wight Council has determined an average 92.6 percent or more of all planning applications within 26 weeks in quarter 3 – this is above the national average.
- The volume of all planning and building control regulatory and enforcement activity remains high, with the number of applications now exceeding pre-pandemic levels.
- The percentage of working age adults claiming out of work benefits has steadied at 4.3 per cent and changed little in the quarter following previous significant reductions (it was at 6.7 percent in April 2021). This is below the national rate of 4.4 percent but higher than in the rest of the South East (3.5%).
- Diversion of domestic waste from landfill remains consistently high and has been 95 percent or more throughout the last 2 financial years.
- The reduction in residual household waste per person remains consistent, with a year to date monthly average of 16.77kg per person.
- Car Parking utilisation hit a peak of 311,674 transactions in August 2021 (equal to £702,181 parking revenue), a direct result of the tourist heavy summer season.

RECOMMENDATION

2. Option 2: The Cabinet approves the Performance and Finance Report for the Quarter ended 31 December 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 17 November 2021, Full Council approved a Corporate Plan which set out the council's vision and strategic priorities for the period 2021 to 2025 and the performance metrics from that plan are the ones included within the appendices to this report.
4. This is the first quarterly report based on the new Corporate Plan. Because of this some of the new measures that are required to evidence its delivery are still in construction at this time and will be introduced to the report when data becomes available. These measures are clearly indicated within the relevant appendices
5. The report contains an appendix for each Cabinet portfolio (1 to 9) and for the financial reports for the period (10 to 11).

CORPORATE PRIORITIES AND 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.

Provision of affordable housing for Island Residents

7. Whilst this report has no direct impact on the provision of housing for Island Residents it will play an important part on reporting on the progress towards the delivery of key activities concerned with that outcome. Details of progress on Housing activities can be seen in Appendix 7 (Regeneration, Business Development and Tourism) of this report.

Responding to climate change and enhancing the biosphere

8. Details on the progress toward the delivery of the [Council's Climate and Environment Strategy](#) as well as the impact of the decision on the Island's designation as a [UNESCO Biosphere](#) and the biodiversity, environment, and sustainable growth of the area designated can be found in Appendix 8 (Environment, Heritage and Waste Management) of this report.

Economic Recovery and Reducing Poverty

9. Progress towards Economic Recovery and the reduction of poverty is a key outcome for the Isle of Wight Council and this is reflected in the Corporate Plan 2021-25. As such, each appendix to this report contains relevant details around activities contributing toward this priority.

Impact on Young People and Future Generations

10. The decisions the Council makes now not only affect current residents, but may have long term impacts, both positive and negative, on young people and future generations. These impacts may not immediately be apparent or may not emerge for a number of years or decades. Impacts will be interrelated across the various domains of young people's lives from housing, to education, employment or training, health and the environment.
11. The United Nations Conventions on the Rights of the Child (UNCRC) in 1989, in particular article 12, places a duty for children and young people to have an active voice in decision making on matters that affect them. We value the views of our young people. Incorporating coproduction and consultation with young people into our decision-making process is a robust way of ensuring young people's views are taken into consideration. Participation workers experienced in coproduction can support engagement with the Youth Council, our Island children, and wider groups of young people to ensure the voice of young people is sought, heard and acted upon on important matters that will affect them.
12. Appendix 5 – Childrens Services, Education and Lifelong Skills contains detailed information regarding this priority

CONSULTATION

13. 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

14. The report will be reviewed by Corporate Scrutiny Committee on 8 February 2022

FINANCIAL / BUDGET IMPLICATIONS

15. 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.

16. Revenue – 2021/22

The net revenue budget for 2021/22 is £151.8m. The original budget was approved at Full Council on 24 February 2021 with on-going savings totalling £3.5m.

At the end of the third quarter the council is forecasting that the budget will remain in balance for the year with a small underspend of £1.295m (0.85% of budget). However, this includes a forecast income loss relating to the impact of Covid-19 of c£2.7m. At this stage in the financial year there is still 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£2.3m 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.

Excluding the income loss from Covid-19, it is forecast that there is a small underspend of £1.295m (0.85% of budget). An updated forecast of the year end position, including a full review of all risks and contingent items, is provided as part of the budget setting report to Cabinet and Full Council.

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

Key Items	Forecast Variance £m
Main Pressure Areas:	
Lost Income associated with Covid-19	2.724
Children's Services - mainly care package volume and costs	1.263
Main Savings Against Budget:	
Resources - Treasury Management savings	-2.011
Miscellaneous items	-0.547
Total Net Pressure	1.429
Less Government Funding (Sales, Fees and Charges Scheme)	-0.400
Less Estimated Use of Covid Contingency to cover net income loss	-2.324
Net Total Forecast Variance Against Budget (saving)	-1.295

See Appendix 10 for a more detailed Revenue Budget Monitor.

Capital 2021/22

The total capital budget for 2021/22 is £59.1m. As at quarter three the council is forecasting actual expenditure of £34.2m. There is slippage in spending forecast at £24.9m 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

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

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 as a public body is required to meet its 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 people who do not share it. 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 31 December 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 32 December 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.
22. Without the production of the QPMR there would be no overall view available on delivery against the Corporate Plan 2021-25

EVALUATION

23. Option 2 is recommended in that from the information provided in the report and appendices, Cabinet approves the Performance and Finance Report – Quarter ended 31 December 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 2021-25](#)
[Strategic Risk Report to Audit Committee 6-12-2021](#)

Contact Point: David Martin, Transformation Manager
☎ 821000 e-mail david.martin@iow.gov.uk

WENDY PERERA
*Assistant Chief Executive and Director of
Strategy*

(CLLR) CHRIS JARMAN
*Cabinet Member for Strategic Finance,
Corporate Resources and
Transformational Change*