

Appendix 2 - 2021/22 Q4

STRATEGIC FINANCE, TRANSFORMATIONAL CHANGE AND CORPORATE RESOURCES

Cabinet Member: Councillor Chris Jarman

Portfolio Responsibilities:

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| <ul style="list-style-type: none"> • Housing Benefit • Council Tax/Business Rates • Finance • Internal Audit • Property Management • Strategic Asset Management • Commercial Property Portfolio | <ul style="list-style-type: none"> • Human Resources • Legal • Elections & Land Charges • Democratic Services • Business Centre • Learning and Development • Procurement and Contract Management • Business Intelligence |
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Service Updates - Key Aspirations and Ongoing Business

The Human Resources team continue to work with service areas to understand and promote the different equality needs and requirements of both the community and colleagues in order to improve services. The equality impact assessment guidance and templates have been updated and the service redesign paper amended to ensure that all members of our community are consulted when services or policies are changed. We have worked closely with 'Autism Inclusion Meets' to achieve better partnership working and finalised an LGBTQ+ policy for staff.

A QR code has been positioned at the front door of County Hall which enables our partially sighted or blind visitors to listen to a script describing the layout of the building supporting safe navigation of the reception area.

A workforce plan is being developed across the Council to identify key roles in service areas and the skills needed for the future so services can plan training and enable succession planning. Workshops have commenced and work force training plans are being developed from the information gathered. The attendance and wellbeing strategy has been refreshed with a focus on building service resilience and developing a positive working environment for all staff, recognising, and proactively responding to issues and concerns.

A review of the induction process for new starters and establishing better feedback mechanisms for job applicants has led to a refresh of the recruitment and selection policy. This improved process will lead to a reduction in the time it takes to recruit and an improved experience for those applying for roles.

Staff in commissioning roles have been asked for their thoughts on the current procurement process and strategy. This feedback will help to inform the activities required to successfully implement the new strategy, a draft of which will be completed by the end of May 2022 and will include actions in relation to local market engagement.

Meetings with Procurement and key services have taken place to seek their views on the current SAP Enterprise Resource Planning system and to understand their future service requirements. A number of Local Authorities have been contacted to arrange viewings of their systems and technology they use so we can see what is available and how to best maximise efficiency.

There has been much learning from the pandemic which has informed future thinking and planning for further accommodation rationalisation and better utilisation of existing buildings. The current focus is to secure the vacation of the Thompson House site to allow for redevelopment. This move will see a greater number of staff being co-located through flexible working arrangements into the county hall complex.

Islehelp continue to provide a wide range of information and guidance to our residents and are now offering face to face appointments for support with applications for benefits, the foodbank and help through crisis scheme thereby ensuring that residents are maximising the support available to them.

The quarter 4 financial position is not yet available due to year end processes. These are due to be completed by the end of July and will therefore report the draft outturn with the Quarter 1 22-23 report.

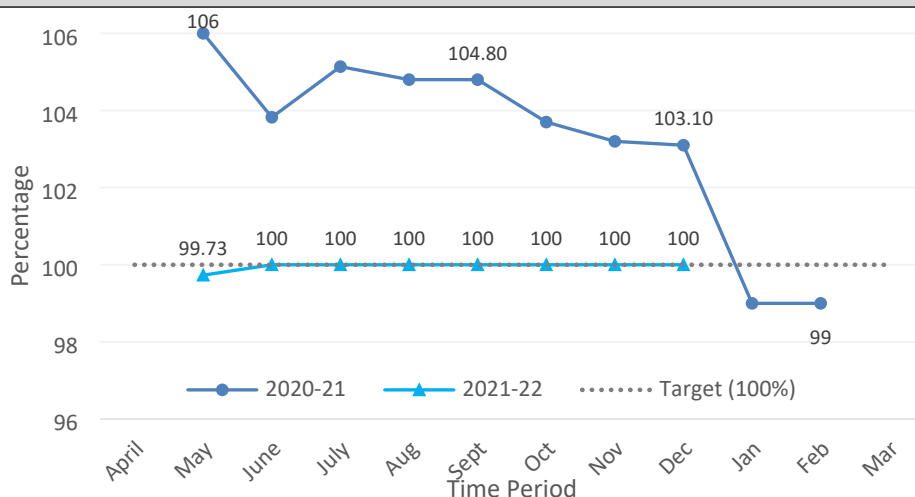
The Budget Report including the capital programme was approved by Full Council in February 2022 - any capital schemes which require borrowing will be subject to subsequent approval by the Director of Finance following an appraisal to demonstrate that the borrowing is affordable, sustainable, and prudent. Any schemes brought forward within the Transformation Budget will also be subject to such approval and will need to demonstrate a return on that investment over a relevant period.

The council's borrowing position is regularly reviewed to ensure that the level of interest payments is kept as low as possible, deferring any borrowing requirements in favour of using short term positive cash flows when investment rates are lower than borrowing rates. An investment strategy was approved February 2022 by Full Council, and a Treasury Management Strategy was approved by the Audit Committee in March 2022.

The latest financial performance report for quarter three has confirmed that the forecast is for the budget to be in balance at year end. Financial Information is available on the Transparency pages on the council's website, including the recently approved Statement of Accounts 20-21.

Performance Measures

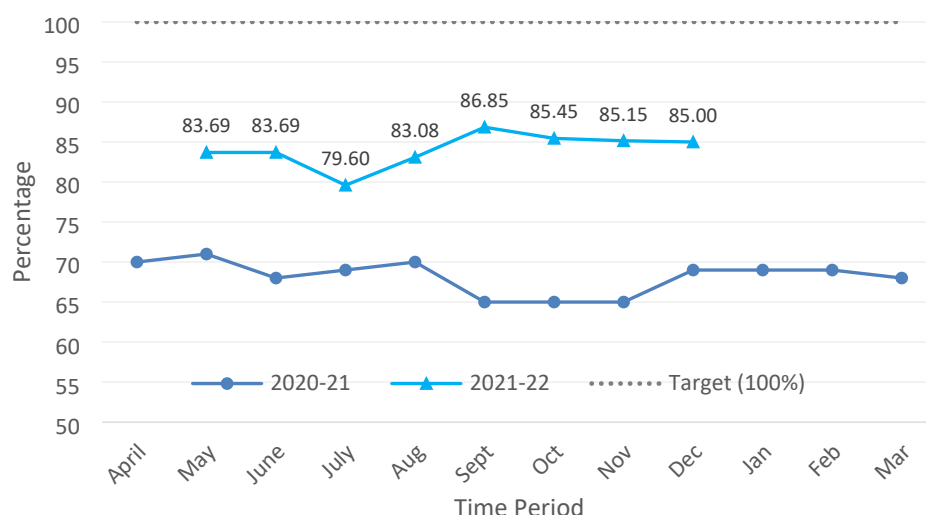
The percentage of predicted revenue outturn (net cost of services) compared to budget



- As at quarter 3 the council is forecasting an underspend of approx. £1.3m.
- This has been based on forecast overspends and under recovery of income in Adults, Leisure, Childrens and parking being offset by corporate savings and the utilisation of the contingency established last year for ongoing Covid related costs.

- Quarter 4 data is not yet available due to end of year processes.

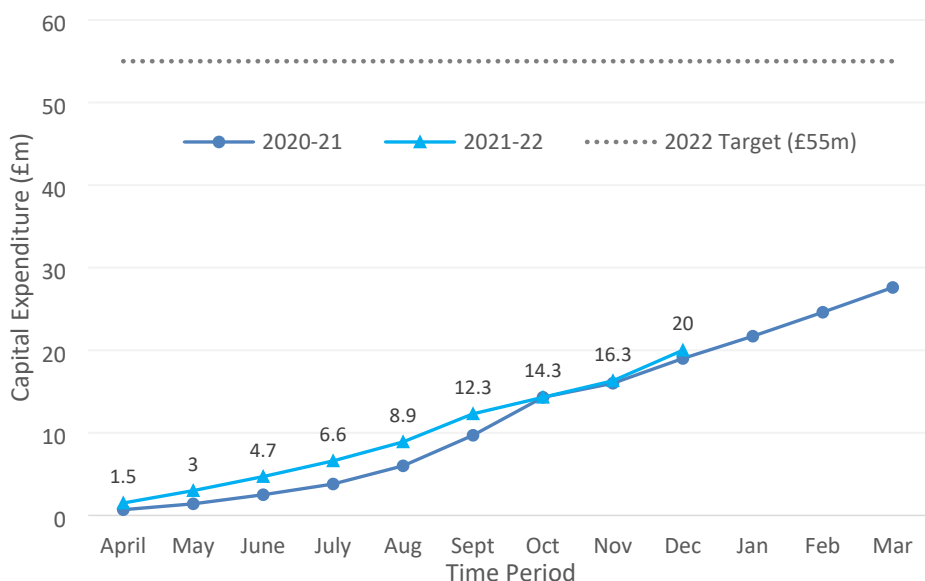
The percentage forecast revenue income (fees and charges) compared to budget



- As at quarter 3 the council is forecasting a shortfall in gross income from fees and charges of around £3.2m for 2021/22 relating to the legacy impact of Covid
- This is mainly related to car parking income of £0.7m and one card and other leisure income of £1.8m.
- Smaller shortfalls are also being forecast in heritage services and the floating bridge.

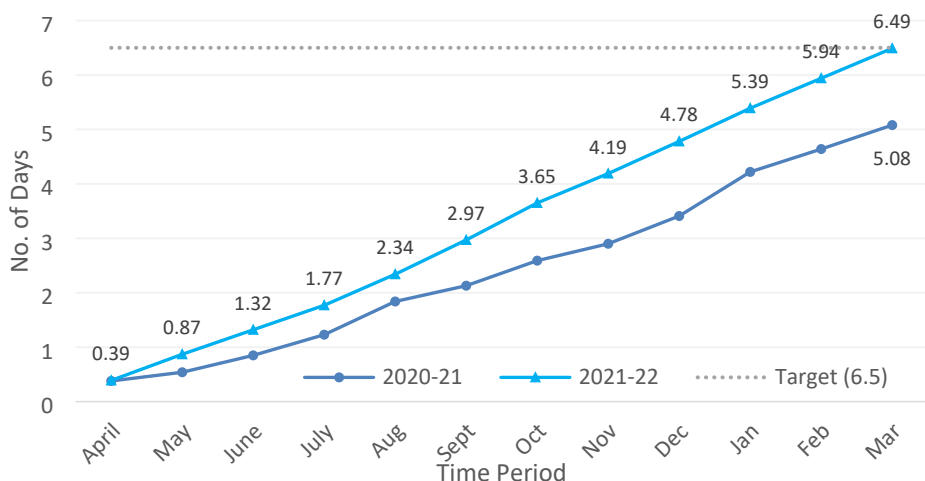
- Quarter 4 data is not yet available due to end of year processes.

The value of cumulative capital expenditure compared to profiled budget



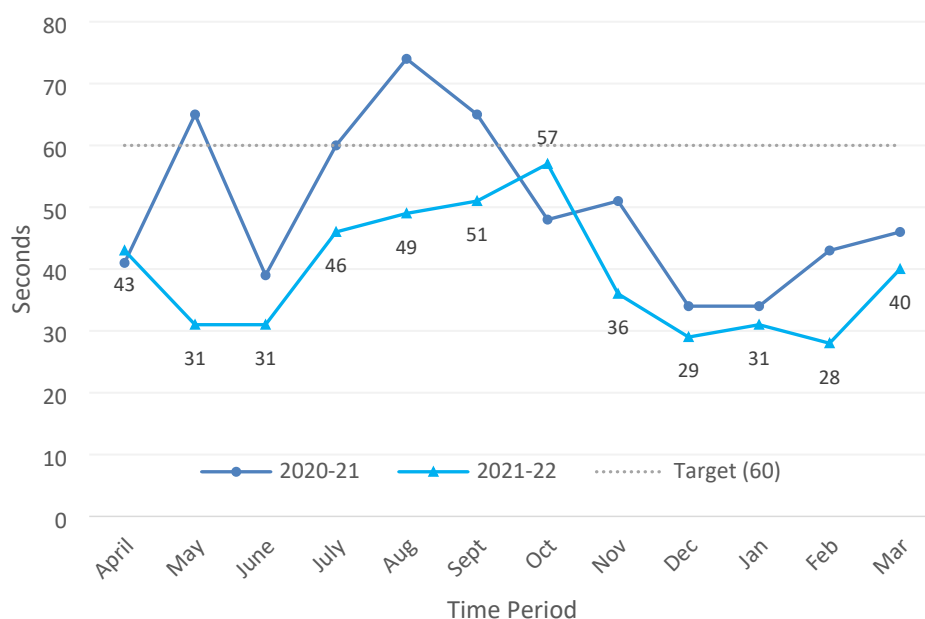
- Whilst some major projects have already been procured and are forecast to deliver according to plan, other projects remain on hold pending a review of the programme by the new administration.
- This, and delays associated with supply of materials and contractors, is likely to result in significant slippage at year end.
- Quarter 4 data is not yet available due to end of year processes.

Average working days lost to sickness per employee



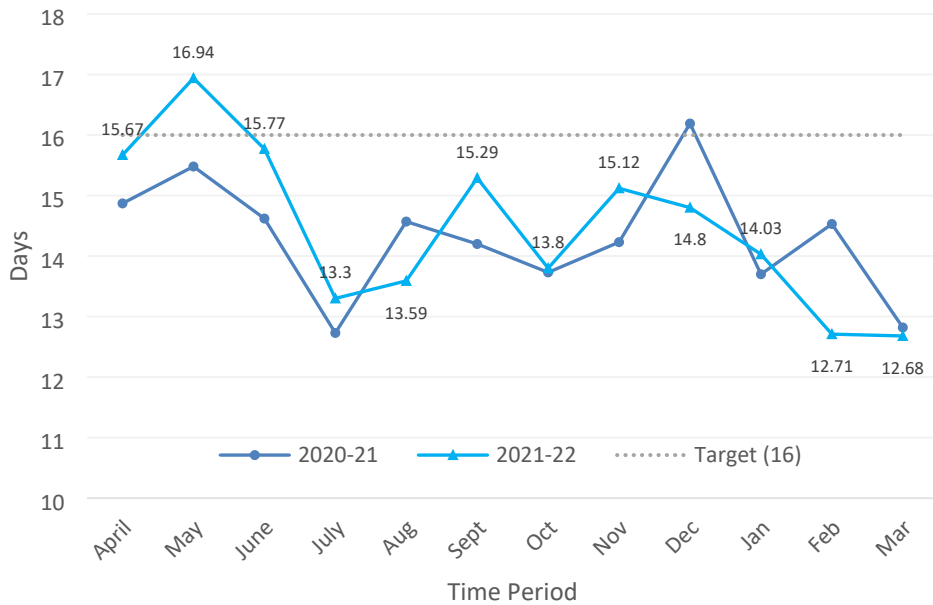
- The cumulative average working days lost to sickness reached 6.49 at the end of Quarter 4; this is 0.01 days below our target of 6.5 days.
- The average rose by 1.41 compared to Quarter 4 of last year, however we are well below the 7.68 days from the 2019-20 Quarter 4, meaning we remain below pre-pandemic levels.

Average time to answer calls to the contact centre



- The average time to answer calls to the contact centre dropped to an all-time low of 28 seconds in February, showing impressive recovery from a 57 second peak in October (caused in part due to sickness absence).
- While this has risen back to 40 seconds for the end of Quarter 4, we remain below the 46 seconds of the same period last year, and well within the target of 60 seconds, as we have throughout the 2021-22 year.

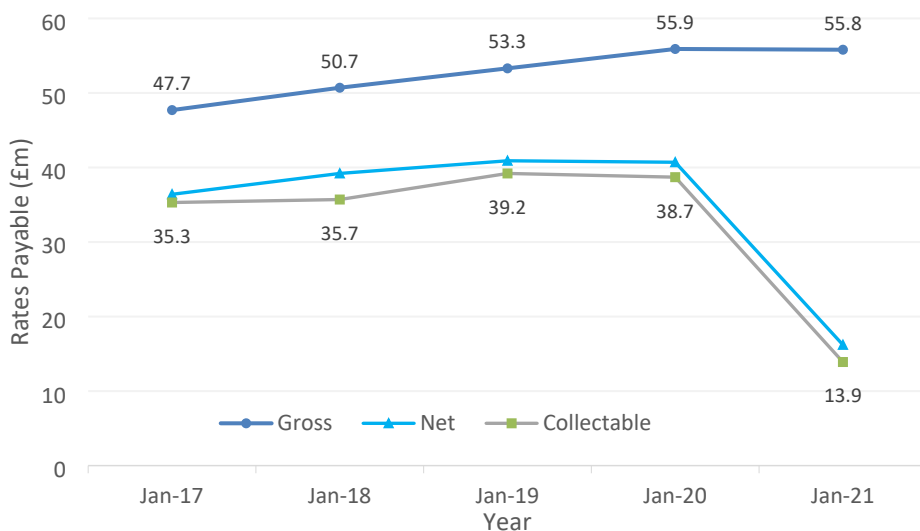
Average speed of processing new benefit claims



- The end of year performance stands at 14.48 days against the annual target of 16, meaning we are well within both our own target, and the national average of 20 days.
- In the previous year we achieved an average of 14.31 days for 2020-21 against target of 17 days.
- Given the fact that the benefits team have also been called on to assist the Test and Trace Support Payments team (due to sickness) and have encountered

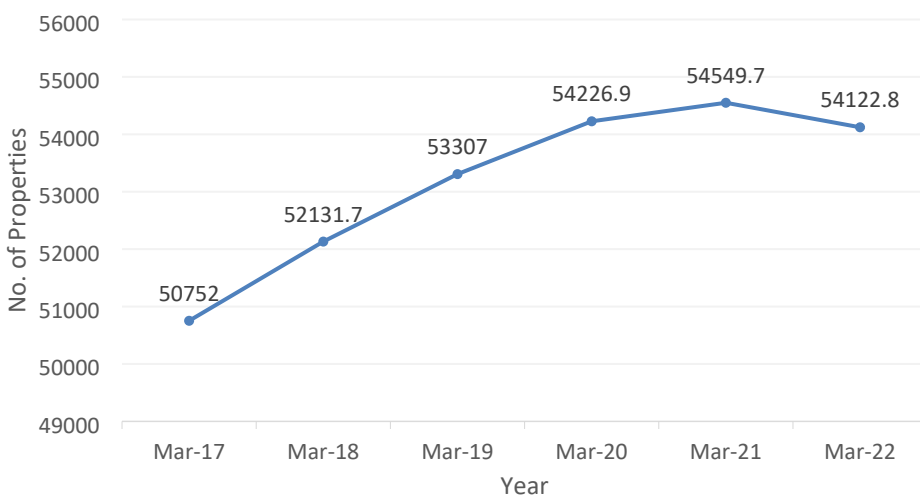
an increase in work received from DWP in preparation for annual uprating's, annual billing and rent increase changes for the new financial year, this achievement is particularly impressive.

Total value of gross business rates payable



- Business rates payable remained relatively stable between 2017-20.
- The substantial dive in 2020-21 on net business rates is due to the one off exceptional Business Rates Reliefs given out for the Covid pandemic.

Number of Band D equivalent properties



- The fall in 2021-22 data was primarily due to changes in the LCTS scheme, accounting for £409k of the total £427k fall.
- The remainder is due primarily to changes in banding/discount/exemption classification.

Reducing debt and interest payments
<ul style="list-style-type: none"> As of 1st April 2021 the Capital Financing Requirement for all planned activities was £409m. After taking into account the PFI Contract and leases the gross debt was £342.7m and net borrowing of £274.4m The mid-year performance as at 30 Sept 2021: Gross debt had been reduced by £15.6m to £327.1m. Net Borrowing had been reduced by £26.2m to £248.2m. Data for year end 31 March 2022 is not yet available due to end of year processes
Level of income generation through the delivery of identified commercial and investment initiatives
<ul style="list-style-type: none"> This is a new annual measure introduced in the 2021 Corporate plan and relates to “new” revenue streams that will be tracked through service finance reporting. We expect to be able to update on this during the 2022-23 reporting year.
Number of local supplier tender awards
<ul style="list-style-type: none"> This is a new annual measure introduced in the 2021 Corporate plan and falls into two separate categories <ol style="list-style-type: none"> local suppliers whose registered office is on the Isle of Wight. suppliers who don't fall into category 1 classification but who have a local base and are employing local people. We expect to be able to update on this during the 2022-23 reporting year.

Strategic Risks (As reported to Audit Committee March 2022)

Lack of financial resource and the ability to deliver the council's in-year budget strategy		
Assigned to: Director of Finance and Section 151 Officer		
Inherent Score	Target Score	Current Score
16 RED	5 GREEN	5 GREEN
Previous scores		
Nov 21	Sep 21	Jul 21
9 AMBER	12 RED	12 RED
Risk score is consistent		

Lack of financial resource and the ability to deliver the council's medium-term financial strategy		
Assigned to: Director of Finance and Section 151 Officer		
Inherent Score	Target Score	Current Score
16 RED	9 AMBER	9 AMBER
Previous scores		
Nov 21	Sep 21	Jul 21
16 RED	16 RED	16 RED
No change to risk score		

Insufficient staffing capacity and skills		
Assigned to: Director of Corporate Services		
Inherent Score	Target Score	Current Score
16 RED	9 AMBER	9 AMBER
Previous scores		
Nov 21	Sep 21	Jul 21

9 AMBER	9 AMBER	9 AMBER
No change to risk score		

A change in organisational culture fails to keep a pace with the speed of organisational change, negatively impacting on the delivery of the required transformation to deliver the corporate plan

Assigned to: Director of Corporate Services

Inherent Score	Target Score	Current Score
16 RED	6 GREEN	6 GREEN
Previous scores		
Nov 21	Sep 21	Jul 21
6 GREEN	6 GREEN	6 GREEN
No change to risk score		