



Purpose: For Decision

Cabinet report

Date	10 NOVEMBER 2022
Title	PERFORMANCE AND FINANCE REPORT – QUARTER ENDED 30 SEPTEMBER 2022
Report of	CABINET MEMBER FOR STRATEGIC FINANCE, TRANSFORMATIONAL CHANGE AND 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 2022 (unless otherwise stated and shown in detail at appendices 1-10)
 - 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 11 and 12)

RECOMMENDATION

2. That Cabinet approves the Performance and Finance Report for the Quarter ended 30 September 2022, and the priority report detail as set out in appendices 1-10, together with the council's financial position as set out at 11-12.

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 second 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 10) an increase since the previous report following a Cabinet reorganisation and for each financial report (11 to 12)

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 (Levelling Up, 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 (Climate Change, Environment, Heritage, Human Resources and Legal & Democratic Services) 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

13. UN Sustainability Objectives - The United Nations (Department of Economic and Social Affairs) have outlined 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries in a global partnership. They recognize that ending poverty and other deprivations must go together with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. In support of this, we have mapped each Performance Measure and Aspiration, or Activity as outlined in the 2021-25 Corporate plan against the most appropriate / relevant SDG.

The 17 Goals are:

- (1) End poverty in all its forms, everywhere
- (2) End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- (3) Ensure healthy lives and promote well-being for all at all ages
- (4) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- (5) Achieve gender equality and empower all women and girls
- (6) Ensure availability and sustainable management of water and sanitation for all
- (7) Ensure access to affordable, reliable, sustainable and modern energy for all
- (8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- (9) Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- (10) Reduce inequality within and among countries
- (11) Make cities and human settlements inclusive, safe, resilient and sustainable
- (12) Ensure sustainable consumption and production patterns
- (13) Take urgent action to combat climate change and its impacts
- (14) Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- (15) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- (16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- (17) Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Corporate Aims

14. This report links to the key objectives, activities and performance measures as laid out in the latest [Corporate Plan 2021 - 2025](#).

CONSULTATION

15. 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

16. The report will be reviewed by Corporate Scrutiny Committee on 8 November 2022

FINANCIAL / BUDGET IMPLICATIONS

17. 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 2022/23

Revenue – 2022/23

The net revenue budget for 2022/23 is £161.2m. The original budget was approved at Full Council on 23 February 2022 with on-going savings totalling £3m.

At the end of the second quarter the council is forecasting a balanced budget. However, this includes a number of significant pressure areas being forecast in both Adults and Children's Social Care; Leisure Centre income; energy costs across all service areas; and an estimated pressure for the pay award. This pressure is being offset by savings in treasury management costs, concessionary fares and the use of the Corporate and Covid contingencies which are in place to manage in-year financial shocks and the legacy impact of the Covid-19 pandemic.

It should also be noted that there is a considerable risk to this forecast position as the financial year progresses and the impact of further inflationary and demand pressures due to the current economic climate.

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

Key Items	Forecast Variance £m
Main Pressure Areas:	
Adult Social Care - Care Packages	3.106
Children's Services - Care Packages	2.812
Leisure - Mainly income	0.899
Energy Costs - all service areas	1.022
Pay Award - based on current employer offer	2.700
Miscellaneous Items	-0.451
Main Savings Against Budget:	
Corporate Finance - Treasury Management savings	-1.902
Concessionary Fares	-0.657
Total Net Pressure	7.529
Contribution from Corporate Contingency	-4.862
Contribution from Covid Contingency	-2.883
Net Total Forecast Variance Against Budget (saving) -0.1%	-0.216

See Appendix 11 for a more detailed Revenue Budget Monitor
Capital 2022/23

The total capital budget for 2022/23 is £47.3m. As at quarter two the council is forecasting actual expenditure of £38.2m. There is forecast net slippage in spending in the current financial year of £9.1m from 2022/23 into future years (i.e., simply representing budgeted spending that is forecast not to take place in 2022/23 but will now fall into 2023/24). There is also a forecast overspend of £0.9m against the total programme, however, given the current economic conditions and delays caused to projects during the pandemic there is a significant risk that further cost pressures will become apparent and will be reported in future reports as the impact becomes clearer.

To bring the capital programme back into balance, additional funding allocated for the Rights of Way Scheme (£300k) and the budget for Tree Planting (£500k) have been put on hold pending a full review of the capital programme as part of the budget process to revise the current year's capital programme and set the future years capital programme
See Appendix 12 for a more detailed Capital Budget Monitor

General Reserves 2022/23

General Reserves at the end of quarter two indicates a balance of £12.0m. This is consistent with the revised medium term financial strategy and includes the £1m transferred from last financial year (which is will be confirmed upon completion of the audit process for 2021/22). This takes no account at this stage of the further impact of new emerging inflationary pressures described above.

LEGAL IMPLICATIONS

18. 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

19. 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 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

20. Option 1: Cabinet does not approve the Performance and Finance Report – Quarter ended 30 September 2022 and the priority report detail as set out in appendices 1-10 and the financial information set out in appendices 11 to 12

21. Option 2: Cabinet approves the Performance and Finance Report – Quarter ended 30 September 2022 and the priority report detail as set out in appendices 1-10 and the financial information set out in appendices 11 to 12

RISK MANAGEMENT

22. A detailed analysis of the performance and the summary risk position of each corporate portfolio is provided in appendices 1-10

23. Without the production of the QPMR there would be no overall view available on delivery against the Corporate Plan 2021-25

EVALUATION

24. 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 2022 and the priority report detail as set out in appendices 1-10, and the financial information set out in appendices 11 to 12.

APPENDICES ATTACHED

Corporate Plan priority reports for:

- Appendix 1: Leader and Strategic Oversight
- Appendix 2: Strategic Finance, Transformational Change & Corporate Resources
- Appendix 3: Adult Social Care and Public Health
- Appendix 4: Deputy Leader, Digital Transformation Housing Provision & Housing Needs
- Appendix 5: Children's Services Education and Lifelong Skills
- Appendix 6: Planning and Enforcement
- Appendix 7: Levelling Up, Regeneration, Business Development and Tourism
- Appendix 8: Climate Change, Environment, Heritage, Human Resources & Legal & Democratic Services
- Appendix 9: Highways PFI, Infrastructure and Transport
- Appendix 10: Community Protection, Regulatory Services and Waste

Financial Reports

- Appendix 11: Revenue budget monitor – Quarter 2 2022/23.
- Appendix 12: Capital budget monitor – Quarter 2 2022/23.

Other Reports

- Appendix 13: Corporate Complaints Review

BACKGROUND PAPERS

[Corporate Plan 2021-25](#)

[United Nations Sustainable Development Goals](#)

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