



Purpose: For Decision

Committee report

Committee	CABINET
Date	TUESDAY 1 JUNE 2010
Title	QUARTERLY PERFORMANCE MANAGEMENT REPORT - QUARTER 4 2009/10
Report of	COUNCILLOR TIM HUNTER-HENDERSON - CABINET MEMBER FOR MAJOR PROJECTS, PERFORMANCE AND COMMUNICATIONS

1. PURPOSE

To report on the Council's performance and strategic risks for the fourth quarter of 2009/10 ending 31 March 2010.

2. BACKGROUND

This report covers the fourth quarter of the financial year 2009/10 and includes the identification of key performance achievements and issues for the Isle of Wight Council against the seven priorities set out in the Corporate Plan 2009-2013.

In addition, the report appendices highlight:

- A summary of progress against the five Corporate Themes. The summaries include key performance achievements and/or areas to watch.
- Strategic Risks

3. STRATEGIC CONTEXT

The ongoing management of key performance indicators and strategic risks supports all the Sustainable Community Strategy themes and seven council priorities as outlined in the Isle of Wight Council's Corporate Plan 2009-2013.

4. CONSULTATION

The Council's management processes involve the examination of performance, risk and project information at monthly service boards. As such, senior management are involved in discussions about performance and risk on a routine basis.

5. KEY COUNCIL PRIORITIES

5.1 Summary of Performance:

<i>School Reorganisation</i>
Work is progressing with Community Schools both to secure accommodation and complete staff interviews, working towards a commencement date of September 2010. Good progress is also reported for the One School Pathfinder, working towards a preferred bidder being determined for mid-June 2010.
<i>Roads / PFI Scheme</i>
The project has seen the successful approval of its outline business case by HM Treasury and the Department of Transport with the subsequent confirmation of a PFI Budget given that it was £40m higher than originally anticipated. Work is now being undertaken to progress the procurement process for the project.
<i>Transforming Social Care</i>
Governance arrangements have been revised with restructures undertaken to both the Project Team (to provide for strategic direction and increased capacity), and the Transformation Board for Social Care (to establish a small Strategic Decision Making Board). Personalised Budgets are now being offered to all service users and the benefits have been highlighted in the four recent One Island magazines and featured in a DVD that features three cases for Island residents. A six month pilot scheme has been launched that engages four key organisations working both collaboratively together and with the council's social care staff, offering information and advice on personal budgets and 'self-directed' support together with a brokerage service to assist vulnerable people and their families and carers to plan the support and services they require.
<i>Regeneration and the Economy</i>
The Council, in conjunction with its partner organisations, is working to develop initiatives intended to enable people at all ages to get into employment. There has also been a commitment of £100,000 given by SEEDA to support the delivery of sub-regional partnerships.
<i>Fire Service Modernisation</i>
Migration to whole-time crewing at Ryde has now been completed and work remains on schedule both for the construction of the station extension at Ryde, and design of Newport and Ventnor stations.
<i>Local Housing</i>
Good progress has been seen across the year in both the delivery of new affordable housing units and the bringing of empty homes back into active use. Numbers applying for and requiring temporary housing have also reduced compared to numbers planned for 2009/10. The Pan Development took a further step forward with the appointment of the developers who will be responsible for the construction of the housing units due to be built on the estate.
<i>Delivering Better Services (Transformation Programme)</i>
Further progress has been made with the consolidation of council owned properties in this quarter. New systems are being progressed to support areas such as flexible working while others have been introduced in areas such as Children and Young People to develop greater flexibility in the working practices applied. The new HR/Payroll SAP system was launched in early April 2010 and supported by a programme of training to prepare management and staff for its introduction.

6 SCHOOL REORGANISATION

6.1 **Key Achievements:**

Accommodation for Year 5

- Planning consent for portable accommodation has been secured for three Community Schools, with applications well advanced for the remaining schools.
- Work has started or is due to start on sites with the work due to be completed in time for children and staff to use the accommodation in September 2010.
- Work is being undertaken with both Diocesan Authorities to help them secure portable accommodation for September 2010.

Staffing

- The initial round of interviews has been completed for Year 5 and Year 6 teaching staff and letters offering them posts/advising of decisions, went out week commencing 11 April.
- Work is currently underway and will be ongoing, to conduct a similar process for non teaching support staff.

One School Pathfinder

- Good progress is currently being made through the dialogue process with both bidders, with final bids due in mid May and the evaluation being completed and appointment of a 'preferred bidder' for mid June. A subsequent planning application will then be submitted during July with work on site commencing at the beginning of November.
- A community information sharing evening is planned to be held in May. The date and venue are currently unconfirmed for the event but it is proposed to invite approximately 1,000 residents and parents to what will be a drop in event that will exhibit site details, highways/transport issues and offer the opportunity to discuss construction timescales. A similar event is also proposed for young people, staff, trustees and governors in June and a planning consultation event for July.

6.2 **Key Issues:**

- Recruitment for key professional building/procurement staff is needed to provide additional resource and specialist knowledge and skills to the project. Interviews for the required posts took place on 23 April, with the successful appointment covering strategic procurement already confirmed.
- A school reorganisation capital programme for discussion with Members has been prepared and subject to agreement and appointment of key staff, implementation will then commence. The funding available may be influenced by future public spending decisions.

7. ROADS / PFI SCHEME

7.1 **Key Achievements:**

- The Outline Business Case was approved on 3 March 2010 by HM Treasury and the Department for Transport.
- The Outline Business Case approval:
 - Confirmed the scope of the project

- Confirmed central government support for PFI grant of £364.6m
- Gave the required ministerial agreement for the Isle of Wight Council to proceed to procurement
- Provides the funding guarantee by HM Treasury, should commercial banking arrangements fail to attract the required funding to proceed to procurement
- The revised approved PFI grant is some £40m higher than the original amount provisionally approved at the expression of interest stage; this reflects the Isle of Wight Council's successful case to include a more comprehensive "fence to fence" approach to defining the PFI project scope.
- The Contract Award Notice included in the Supplement to the Official Journal of the European Union (OJEU) was published on 3 March 2010 and started the procurement process.
- A bidder's day was held on 25 March 2010 to support potential bidders. This helped to provide clarification of the project agreement, output specification and payment mechanism for potential bidders.
- The Isle of Wight Council's Highways PFI team is now fully resourced to manage the competitive dialogue phase of the procurement process

7.2 Key Issues:

There were no performance issues identified.

8. TRANSFORMING SOCIAL CARE

8.1 Key Achievements:

Governance

- Governance for the transformation of adult social care programme has been revised, including a restructure of the project team, enabling focused strategic direction and additional capacity to deliver the programme.
- The programme plan includes key milestone measurements to ensure the effective progression of the project and that key deliverables are met. This is reviewed monthly at the programme delivery board.
- The Transformation Board has been restructured – there is now a small Strategic Decision Making Board, and the current board remains in operation as an information sharing and communication tool for the project. This will enable decisions to be made more quickly while retaining the essential cross communication needed from the working groups.

Personal Budgets

- Personal budgets are offered to all service users instead of traditional services, meaning that all new clients, and those existing clients receiving a review, will be offered a personal budget rather than traditional services. This will increase the take up of personal budgets across all client groups. Continuous evaluation of the personal budget pilot is being used to ensure effective delivery of personal budgets with adjustments being made as improvements are identified.

- Significant amounts of training have been delivered to care managers, health staff and providers to enable them to understand the process for personalisation in order to ensure that the use of personal budgets is promoted by all staff and providers.

Communicating the benefits

- A communications strategy has been created to help enable all stakeholders to remain up to date on current and future developments and actions. This is being updated to include an internal plan to enable effective communication of the programme and its discrete projects and pilots to staff. The 'Your Care' website (www.iwight.com/yourcare) has been created to enable information to be shared effectively – it also includes a secure page where staff can access all relevant documentation.
- Personal stories were included in four recent editions of 'One Island', helping to explain the benefits of personal budgets and the difference they can make to individual lives as told through real life examples. Telephone enquiries asking about personal budgets have since been received as a direct result of this type of communication with the public.
- Filming has finished for the DVD which is being produced that has case studies for three Island residents showing the benefits of personal budgets and the difference they have made to their lives.
- Design and build has commenced on a web based support planning tool ('Plan My Care' project) that will enable all people to find relevant services, acting as an information source to meet their needs and outcomes. The development of this is due to be completed in June 2010, which will be followed by a pilot testing phase for testing the system. Once launched it will provide individuals with a further option for information but will not be the sole mechanism for access to and development of a support plan. Traditional support (those acting as brokers) will continue to be available to individuals and assist both those who elect to use the online facility, as well as those that elect not to, to help develop their support plan and to access the services that will be needed to deliver them.

Pilot Scheme

- Four organisations are working with the Council on a six month pilot scheme; Age Concern Isle of Wight, Isle of Wight Advocacy Trust, Isle of Wight Citizens Advice Bureau and Help and Care. Each of these organisations are working together and with the council's social care staff to offer information and advice on personal budgets and 'self-directed' support as well as offering a brokerage service that is intended to assist vulnerable people, their families and carers to plan the support and services they require. The purpose of the pilots is to provide better support to service users to understand and utilise personal budgets more effectively and to provide additional support planning capacity to help reduce the timescales involved in the personal budget process. The outcomes from these pilot schemes will be used to shape the future delivery of personal budgets.

8.2 Key Issues:

Attainment of target

- There have been significant difficulties in reaching the national target for NI 130 - *percentage of social care clients receiving self directed support*. In terms of achievement against target the Isle of Wight is neither best nor worst performer, but sits midway when compared against all local authorities. The problems with

reaching the target are echoed across all local authorities, concerns regarding the definition used by the Department of Health to establish this are being addressed regionally and nationally. Plans are in place to deliver managed services by personal budget and this will go some way to improving the indicator. In addition each team has specific monthly team targets assigned which are now monitored in monthly finance and performance meetings with the head of service and team managers.

9. REGENERATION AND THE ECONOMY

9.1 **Key Achievements:**

- The 'Future Jobs Fund' intended to help create employment for long term unemployed young people has seen, in addition to the 25 posts already established, the roll-out of a further 10 posts for the Island due to the successful implementation here. With support from partner organisations, extension of the project for a further 30 posts is being sought.
- The Council and private partners were represented at a major 'Off Shore Wind Energy' conference attended by E-on and Eneco, the licence holders for the new sites off the Island.
- South East England Development Agency (SEEDA) has agreed to release funding (£100,000) to support the delivery of sub regional partnership objectives.
- The Council has been working with Job Centre Plus and Business Link on a project to support people to move in to self employment. This included a self employment fair in February attended by 80 people.
- The Economic Development Delivery Action Plan has been adopted by the Council. The plan sets out specific actions that will support local business, stimulate inward investment, increase the skills of islanders and develop a 21st Century tourism offer.
- The second quarterly business survey was completed in January, which measures the confidence of Island businesses in the local and national economic picture and provides an ongoing analysis around recruitment, barriers to growth (including availability of skilled labour) and investment plans; the main points from the business survey are detailed under key performance issues below.

9.2 **Key Issues:**

- The number of people out of work and claiming Job Seekers Allowance at the end of quarter 4 (March 2010) was 4.6% (3,619 people), an increase of 0.1 percentage points (54 people) on the end of quarter 3 and compares with 4.2 % for GB and 3.1% for SE. This is due to the seasonality of the Island's unemployment rate with the impact of local recruitment for seasonal business for the early Easter and summer season starting to make an impact.
- Average house prices rose slightly across the quarter (Land Registry figures) from £156,069 in December to £158,917 in February (1.35%). Prices have nearly reached the levels of 12 months ago (£158,994) following a dip during the summer months to £148,183 (June 09). Given the low volume of house sales across the year these averages are subject to volatility

- 5% of Island companies were reporting decreased levels of employment in the quarter with 19% giving seasonal reasons, although 18% of companies were looking to increase employment levels over the next quarter.
- 8% of Island companies were reporting that shortage of skilled labour is a constraint to business with particular issues in the transport, construction and finance sectors being highlighted.
- 15% increase in companies reporting increased confidence in their own business prospects over the next 12 months, although there has been a 6% reduction in confidence in the overall island business environment.

10. FIRE SERVICE MODERNISATION

10.1 **Key Achievements:**

- The migration to whole-time crewing at Ryde was completed as from the beginning of February.
- The procurement for the construction of the station extension at Ryde has been agreed and remains on schedule.
- The OJEU procurement for the design of Newport and Ventnor has commenced and remains on schedule.
- Detailed design briefs for stations have been prepared internally.

10.2 **Key Issues:**

- Project success dependant upon efficient partnership working with other departments under pressure for resource from all strategic projects, eg Property Services, Planning, Highways.

11. LOCAL HOUSING

11.1 **Key Achievements:**

Affordable Housing

- Grant funding has been provided for a new model of affordable rural housing with a proposed scheme of six properties contained within the Heath Cottage development in Brighstone.
- Following a delegated decision made in early March for the Pan Development, BDW Trading Ltd and Barratt Developments Plc (as Guarantor) were subsequently appointed.
- In total, during 2009/10 Housing Services has ensured that 234 affordable homes have been delivered exceeding the target of 144 homes.
- New owners have been found for 3 learning disability homes
- 256 empty homes have been brought back into active use on the Island in 2009/10, against a target of 180 homes.

Temporary Accommodation

- Due to the ongoing success of the preventative measures introduced by Housing Services the number in temporary accommodation continues to fall, with a total of 131 households in temporary accommodation at the end of March. This compares with 181 households in temporary accommodation at the end of March 2009.

Homelessness

- Likewise homeless acceptances remain low at 56 (against a Quarter 4 target of 84) compared with 79 for 2008/09. No homeless reviews have been overturned so far this year which is indicative of the robust nature of current procedures. Schemes and incentives such as the council assisting tenants with deposits and guaranteeing private landlords receive rent have helped bring about the improvements described above.

10.2 Key Issues:

- A reduction in available grant from the Homes and Communities Agencies (HCA) for development schemes.
- A withdrawal for the next six months from minor developments by one of our registered providers.
- The removal of 'Mychoice Homebuy' and own home products by the HCA to concentrate on new developments.

12. DELIVERING BETTER SERVICES (TRANSFORMATION PROGRAMME)

12.1 Key Achievements:

- As a part of the consolidation of council owned properties, two leased properties were vacated at Riverway, with the move of parking services staff to Enterprise House and at Quay Street with transfer of staff to Thompson House.
- Strategic Projects have commissioned two project management training courses, leading to a nationally recognised qualification (APMP - Association for Project Management Professional). The purpose of this training is to improve internal capacity for project management across staff and support ongoing delivery of the capital programme on time and to budget. Delegates taking the exam achieved a pass rate above the national average, which is encouraging.
- A range of flexible working technology was piloted by the transformation team to test the technologies available and provide valuable evidence to influence decisions regarding future deployment across the Council. The experience of the pilot has directly influenced the relevant business cases for implementation.
- Strategic Asset Management has taken delivery of the first draft of the accommodation space plan for consultation. This is being developed by specialist space planning consultants and will ultimately deliver significant cost savings and a higher quality accommodation portfolio.
- ICT have upgraded network links between County Hall and Westridge and West Wight to provide improved performance for staff and public. The upgrade to Westridge was originally planned as a part of the planned disaster recovery site at Westridge, but the use of the site as one of the 'Shared Service Centre' locations

has resulted in an increase in the capacity of the link. The link to Westridge also highlights the need for better connectivity to West Wight for the services based in the area and also for future increased 'touchdown usage' in conjunction with flexible working arrangements for staff from across the council.

- Children and Young People have launched phase 1 of their electronic case file project, enabling improved security and audit facilities, and supporting more flexible working practices.
- The Chief Executive's Strategy and Performance Unit has launched its electronic post management system to streamline post handling and introduce greater efficiencies.
- A saving of £118k was achieved in 2009/10, which exceeded the target for this period by £95k.

Organisational Development

- Training for revised Personal Development Reviews (PDRs) was rolled out to the majority of business areas to support implementation of new processes for staff appraisal.
- 20 managers have been trained as coaches, of who 19 are actively coaching staff. This highly effective alternative to training provision supports the savings agenda while developing core skills for both coaches and 'learners'.
- First-time management and leadership skills programmes were completed.
- Performance 'Masterclasses' held for direct reports to heads of service commenced, intended to enhance leadership skills and improve individual knowledge of finance, risk, projects and performance management.

12.2 Key Issues:

- A need to make sure that the communications given to both staff and residents are effective and responsive, both at a programme and individual project level.

13. PERFORMANCE SUMMARIES BY CORPORATE PLAN THEME

- For a **Thriving Island** – refer to [Appendix A](#)
- For a **Healthy & Supportive Island** – refer to [Appendix B](#)
- For a **Safe & Well-kept Island** – refer to [Appendix C](#)
- For an **Inspiring Island** – refer to [Appendix D](#)
- For **Delivering Better Services** – refer to [Appendix E](#)

14. ACTIONS CARRIED FORWARD FROM CABINET MEETING HELD ON 30/03/10

- 14.1** An update via email on the council's performance on invoice processing is provided to Cabinet Members on a monthly basis with a full report to a future Cabinet meeting if performance has not improved. ***Director of Resources to report to 12 October 2010 Cabinet meeting, if performance not improved.***

- 14.2 Officers to prepare an action plan on the progress of the cohort of young people who are not in education, employment or training and report back to a future Cabinet meeting. **Director of Children and Young People's Services to report to 20 July 2010 Cabinet.**
- 14.3 A detailed update on the interim waste plan (2008-11) is brought to a future Cabinet meeting. **Director of Economy and Environment to report to 20 July 2010 Cabinet.**
- 14.4 A report is brought to a future Cabinet meeting on opportunities to develop sustainable housing particularly in rural areas. **Director of Community Services to report to 20 July 2010 Cabinet.**
- 14.5 A progress report is provided to Cabinet by the Director of Community Services which outlines the actions being taken to deliver the personalisation agenda and to ensure that key targets are met. **Director of Community Services report to 20 July 2010 Cabinet.**

15. FINANCIAL / BUDGET IMPLICATIONS

Failure to effectively manage risk and performance is likely to impact on the Council's financial position in terms of either increased cost or missed opportunity.

16. LEGAL IMPLICATIONS

The Council has a statutory requirement under the terms of the Local Government Act 1999 to achieve Best Value in its delivery of its services. The performance of a service against expectations forms a key component of the test of Best Value. Risk management is a significant component of the Council's governance arrangements and has a direct and positive impact on our ability to comply with legal and statutory requirements.

17. RISK MANAGEMENT

The Council's key business risks are identified and managed at the strategic, operational and project levels. The strategic risk register is aligned to the strategic themes and Council priorities within the Eco Island vision, however not all of these will have a specific strategic risk as the service area will hold individual service risks or project risks registers. Strategic risks are those which present the most significant potential impact on the Council's operations and achievement of its objectives and are owned at Director level. These are underpinned by a hierarchy of less significant but still material service and project risks managed and owned at the Head of Service and Project Director/Manager level, as appropriate.

Of the seven strategic priorities, five (School Re-organisation; Highways PFI; Transforming Social Care; Economic Development and Delivering Better Services) are represented by specific risks within the strategic risk register. Fire Service Modernisation and Housing do not have specific risks at a strategic level. The Fire Service Modernisation is a well managed project within the Fire Service, and operational risks have been identified and managed at a local level. Housing risks are also managed at a local level.

The Audit Committee reviews all the Council's strategic risks on a quarterly basis in order to assure themselves of the adequacy of the Council's risk management arrangements and the appropriateness of the planned Internal Audit coverage of the controls in place to manage those key risk exposures.

An analysis of the strategic risks by the Council's priorities is contained within the [Appendix F](#).

18. EQUALITY AND DIVERSITY

Although there is no direct impact of equality and diversity on this report, the council requires that all their services are delivered fairly to all residents. The council is prioritising the requirement for service equality and diversity 'Impact Assessments' as a structured three year approach to ensuring that services are delivered against the new Equality Framework for Local Government.

19. OPTIONS

Option A – to agree the recommendations set out under item 21.

Option B – to adjust and agree the recommendations set out under item 21.

20. EVALUATION

The purpose of this report is to ensure that performance is actively managed across the council so improved services are delivered to residents.

21. RECOMMENDATIONS

The following actions are recommended:

- A. A written briefing to be provided to the Cabinet Member by 20 July Cabinet meeting, on approved schemes for housing development that have yet to be implemented.
- B. Additional areas to be included in the 20 July Cabinet meeting report on rural affordable housing issues on housing development and the Warm Homes initiative.
- C. A written report to the 20 July Cabinet meeting on children's social care, addressing in particular performance issues around core assessments and personal education plans.

22. APPENDICES ATTACHED

- [Appendix A](#) - Thriving Island summary report
- [Appendix B](#) – Healthy & Supportive Island summary report
- [Appendix C](#) – Safe & Well-kept Island summary report
- [Appendix D](#) – Inspiring Island summary report
- [Appendix E](#) – Delivering Better Services summary report
- [Appendix F](#) – Strategic Risks Register by corporate priority

23. BACKGROUND PAPERS

- Quarterly and Monthly Performance Reports by Cabinet Member
- [Quarter 4 2009/10 Performance Report](#)

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