



Record of decision

THE FOLLOWING DECISIONS WERE TAKEN ON THURSDAY, 15 FEBRUARY 2018 BY THE CABINET

THE CALL IN PERIOD FOR THESE DECISIONS EXPIRES AT 5.00 PM ON MONDAY, 26 FEBRUARY 2018

Members of the Cabinet who were present

Cllrs Dave Stewart (Chairman), Barry Abraham, Paul Brading, John Hobart, Stuart Hutchinson, Clare Mosdell, Michael Murwill, Ian Ward and Wayne Whittle

Apologies

Cllr Gary Peace

Members also present (non-voting)

Cllrs Debbie Andre, Geoff Brodie, Michael Lilley and Paul Fuller

Confirmed as a true record of decisions taken

Leader of the Council

Agenda item	<u>Minutes of the Last Meeting</u>
Decision reference	62 (17/18)
Decision Taken	The minutes to the previous meeting held on <u>11 January 2018</u> were agreed.
Questions / Amendments	None.

Agenda item	<u>Declarations of Interest</u>
Decision reference	63 (17/18)
	No declarations were made.

Agenda item	<u>Public Question Time</u>
Decision reference	64 (17/18)
Questions	Mr Richard Hards of Whippingham submitted a written question to the Leader of the Council and a written response would be provided. (<u>PQ10/18</u>)

	<p>Mr Mark Chiverton of Ryde asked an oral question around what efforts the council was making either on its own or in conjunction with other local authorities and the local MP to highlight the level of underfunding by central government that was affecting the delivery of public services.</p> <p>The Leader responded by highlighting various activities taking place such as his engagement, along with the MP, with the Chief Secretary of the Treasury to highlight the Islands unique case including the delivery of the Economic Delivery Zone and the access to Camp Hill as well as the £6.4m shortfall that the island was hampered by. The Local Government Minister was also engaged with Portsmouth University to validate the Islands case which was also being extended to other islands in a similar situation. The Island had a good case for assistance, dialogue was ongoing and the administration would continue to press for support.</p> <p>Mr Chiverton asked a supplemental question with regard to the possibility of not being able to repay any high interest loans which would lead to the council not being able to function and deliver its obligations. The Leader responded by stating that there was little possibility of such a situation arising and that the forthcoming budget would be lawful and balanced with sustainable outcomes that would ensure the Island was not put in such a position.</p> <p>Cllr Michael Lilley asked an oral question on behalf of a Mr Sam Jeffries of People First, enquiring about problems that would be experienced by those receiving a top up to their disability benefits being means tested and taken into account for people on personal budget packages as well as having to pay a financial contribution as part of their financial assessment.</p> <p>The Cabinet Member for Adult Social Care and Public Health responded by stating the council's proposal was to take account of the higher rate disability benefit only and that it would not make any changes to the current policy regarding the 'Severe' or 'Enhanced' premiums. This was why the disability premiums that a person may receive were not included in the public consultation that was undertaken.</p>
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Agenda item	<u>To Approve Changes To The Non-Residential Care Charging Policy</u>
Decision reference	65 (17/18)
Summary of Discussion	The Cabinet Member for Adult Social Care and Public Health presented a report which, following the outcome of a consultation exercise, sought approval to changes to the council's non-residential care charging policy by including disability related

	<p>benefits at the higher or enhanced rate as part of a person's means tested financial assessment.</p> <p>The Cabinet Member recognised that the proposed recommendations were very difficult and had also acknowledged the opposition to them in the consultation process. However, in order to make the required savings and deliver a balanced and lawful budget, members sadly had little choice. It was also noted that many other local authorities of differing political persuasions were faced with having to make similar challenging decisions.</p> <p>Members were advised however that for those that would be badly affected by the proposed measures, there would be a hardship fund established. The total provision would be £100,000 and all eligible applications would be considered equally and on their merits. It was also noted that the fund would not be capped and that payments to all those adjudged to be eligible would be honoured.</p> <p>At the meeting of the Scrutiny Committee on 13 February 2018, members of the committee voted to reject the recommendation. All matters being considered by the Cabinet were discussed at the meeting and the outcomes were circulated to members. (LINK HERE)</p>
<p>Issues raised by other members</p>	<p>The issue of having to save nearly £700k was highlighted and concerns were raised around the Highways PFI contract savings target of £700,700 not being met in the 2017 – 2018 financial year. The Leader was asked why such shortcomings in the PFI savings had arisen, but that similar financial efficiencies were being sought to the Non-Residential Care Charging Policy which would create severe cutbacks to those with serious vulnerabilities.</p> <p>The funding of the PFI contract was a complex matter unlike other budgetary issues which could be adjusted by the council alone. The PFI budget was tied to the Island Roads contract, the majority of funds which came from central government, who oversaw its usage.</p> <p>In order to reduce the budget, agreement was required from all sides. The £700,700 savings target was an aspiration from the previous administration and the current administration was reviewing the various corporate interests and what the effects of reducing the budget may have on the refurbishment of the Islands infrastructure. Such savings targets were hoped to be achieved over time.</p>
<p>Decision taken</p>	<p>THAT changes to the council's non-residential care charging policy by including benefits at the higher or enhanced rate as part of a person's means tested financial assessment, be agreed</p>

<p>Reason for the decision and corporate objective it aligns with</p>	<p>To meet the council's short term outcome as set out in the Corporate Plan 2017-2020 approved by Full Council on 18 October 2017 in the following way:</p> <ul style="list-style-type: none"> • A financially balanced and sustainable council. The proposal is seen to support a key focus of making sure that the council has sufficient resources to be financially sustainable. <p>To achieve the following key activities as set out in the Corporate Plan 2017 to 2020:</p> <ul style="list-style-type: none"> • Deliver the savings plan necessary to achieve an annual balanced budget. • Create a three year savings plan ensuring the council's planned expenditure is, ultimately, no greater than its expected income. • Continually review further options for expenditure reductions and income growth as part of the budget management process.
<p>Options considered and rejected</p>	<p>Option 2 – To maintain the council's current non-residential care charging policy by having the difference between the lower and higher rates effectively ignored for purposes of means testing for non-residential care.</p>
<p>Declarations of Interests</p>	<p>None declared</p>

<p>Agenda item</p>	<p><u>2018 - 2019 Budget & Council Tax Setting & Future Years Forecasts</u></p>
<p>Decision reference</p>	<p>66 (17/18)</p>
<p>Summary of Discussion</p>	<p>The Leader of the Council and Deputy Leader / Cabinet Member for Resources presented the council's annual financial report which set out proposals to achieve a lawfully balanced budget for the 2018 / 2019 financial year.</p> <p>The proposals within the report recommended a budget that provided for £7.5m of savings, a Council Tax increase of 5.99% (3.0% of which was specifically to be allocated to Adult Social Care) and forecasted that the three year period 2019/2020 to 2021/2022 would require a further £16.5m in savings including a considerable "smoothing out " of the previously anticipated savings profile.</p> <p>Most notably, for 2019/2020, there would be a reduction from a forecast of £7m of savings to a proposed savings requirement of</p>

	<p>£5.5m.</p> <p>The Cabinet Member for Resources thanked officers for preparing a budget that was legal and balanced.</p> <p>On the issue of the use of reserves, it was noted that these were needed to guard against "financial shocks" or unavoidable "spikes" in savings requirement in any one year. They would also provide the ability to respond to financial opportunities which could bring funding to the Island. Such ill use of these could increase the risk of the council entering into financial hardship and being issued a Section 114 notice.</p> <p>With regard to the raising of the Council Tax, members were advised that a 5.99% rise would result in a Band C property being charged approximately an additional £1.50 per week. However, it should be noted that this could be lower for some residents as about half were eligible for various payment relief schemes.</p> <p>Members were also reminded that the recommendations set out in the report were still proposals that were subject to further scrutiny and possible amendments. Provided that the end results delivered a balanced budget with savings targets achieved, all suggestions from opposition members would be welcomed.</p>
<p>Issues raised by other members</p>	<p>With regard to the Commercial Property Investment Strategy which was approved at Full Council on 20 September 2017, it was noted that there had been some government consultations which had impacted on the original investment plans.</p> <p>These included changes to the type of investments that could be made as well as having more than one objective to the investment.</p> <p>Whilst the scheme was not considered to be a total failure, expected returns were not anticipated to be as great as originally planned.</p>
<p>Decision taken</p>	<ol style="list-style-type: none"> 1. THAT the recommendations to the Council set out below (excluding paragraph 2(r) which is subject to the endorsement of the Audit Committee), be endorsed. 2. THAT the following be recommended to all members at Full Council on 28 February 2018: <ol style="list-style-type: none"> (a) The revised Revenue Budget for the financial year 2017/18 and the Revenue Budget for the financial year 2018/19 as set out in the General Fund Summary (Appendix A)

	<p>(b) Any underspendings for 2017/18 arising at the year-end (after allowing for specific carry forward requests) be transferred to the Transformation Reserve, Revenue Reserve for Capital (to increase the Capital Resources available) and General Reserves (to improve overall financial resilience) with the level of each transfer to be determined by the S.151 Officer</p> <p>(c) The S.151 be given delegated authority to enter into the Solent¹ 100% Business Rates Retention Pilot agreement with the Department for Communities and Local Government</p> <p>(d) Any variation between the provisional and final Local Government Finance Settlement for 2018/19 be accommodated by a transfer to or from General Reserves</p> <p>(e) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold² for 2018/19 announced by Government (as calculated in Appendix B)</p> <p>(f) That the level of Council Tax be increased by a further 3.0% beyond the referendum threshold (as calculated in Appendix B) to take advantage of the flexibility offered by Government to implement a "Social Care Precept"; and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £2,329,000 is passported direct to Adult Social Care</p> <p>(g) That the amounts set out in Appendix B be now calculated by the Council for the financial year 2018/19 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992</p> <p>(h) The S.151 Officer be given delegated authority to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Police & Crime Commissioner and Parish and Town Council precepts and amend the calculations set out in Appendix B accordingly.</p> <p>(i) The savings proposals for each Portfolio amounting, in total, to £7.5m for 2018/19 and continuing into future years as set out below:</p>
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¹ Includes Isle of Wight Council, Portsmouth City Council and Southampton City Council

² Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

Portfolio / Service	Savings Proposal	
	£	% Budget
Adult Social Care & Public Health*	4,063,100	7.4%
Children's Services	709,300	2.9%
Community Safety & Public Protection	409,300	5.6%
Environment & Heritage	437,100	13.6%
Infrastructure & Transport**	494,300	3.1%
Planning & Housing	207,500	5.1%
Procurement, Projects & Forward Planning	324,000	4.1%
Regeneration & Business Development	106,000	5.5%
Resources	749,400	5.7%
Grand Total	7,500,000	5.6%

* Excludes the additional funding passported through the Adult Social Care Precept of £2.3m and additional funding for the Improved Better Care Fund of £2.2m.

** Excludes £19.4m of PFI Grant funding, on a Gross expenditure basis the saving amounts to 1.7%

- (j) Directors be instructed to start planning how the Council will achieve the savings requirements of £16.5m for the 3 year period 2019/20 to 2021/22 and that this be incorporated into Service Business Plans
- (k) The minimum level of Revenue Balances as at 31 March 2019 be set at £5.0m to reflect the known and expected budget and financial risks to the Council
- (l) Members have regard for the Statement of the Section 151 Officer in accordance with the Local Government Act 2003 as set out in paragraphs 134 to 153
- (m) The Capital Programme 2017/18 to 2022/23 set out in [Appendix E](#) which includes all additions, deletions and amendments for slippage and re-phasing
- (n) The "Funded Schemes" as described in Appendix D be reflected within the recommended Capital Programme 2017/18 to 2022/23 and be funded from the available Corporate Capital Resources
- (o) The allocation of £1,719,905 of Disabled Facilities Grants be made to the Better Care Fund, and reflected within the recommended Capital Programme 2017/18 to 2022/23
- (p) The S.151 Officer be given delegated authority to determine how each source of finance is used to fund

the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council

(q) That the S.151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the Council in order to secure additional external capital funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)

(r) That the Treasury Management Strategy for 2018/19 as endorsed by the Audit Committee attached at [Appendix E](#)

3. It is recommended that the Council note the following in respect of the Council's Budget:

(a) The Revenue Budget 2018/19 as set out in [Appendix A](#) has been prepared on the basis that the 3% tax increase for the "Social Care Precept" (amounting to £2,329,000) is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the full costs of the new National Living Wage and demographic pressures

(b) In the event that the additional flexibility of the "Social Care Precept" and associated 3% tax increase (amounting to £2,329,000) is not taken, then further savings will need to be identified within Adult Social Care

(c) In general, any reduction from the overall 5.99% Council Tax increase proposed will require additional savings of £776,300 for each 1% reduction in order for the Budget 2018/19 to be approved

(d) The Revenue Forecasts for 2019/20 onwards as set out in paragraphs 115 to 118 and [Appendix A](#)

(e) The estimated Savings Requirement of £16.5m for the three year period 2019/20 to 2021/22, for financial and service planning purposes, be phased as follows:

	Financial Year	In Year Savings Requirement £m	Cumulative Saving £m
	2019/20	5.5	5.5
	2020/21	5.5	11.0
	2021/22	5.5	16.5
	<p>(f) The Transformation Reserve held to fund the upfront costs associated with Spend to Save Schemes and Invest to Save Schemes holds a very modest uncommitted balance of £1.7m and will only be replenished from an approval to the transfer of any underspends at year end</p> <p>(g) The Council Tax base for the financial year 2018/19 will be 52,998.0 [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].</p> <p>(h) The Council Tax element of the Collection Fund for 2017/18 is estimated to be a surplus of £443,000 which is shared between the Isle of Wight Council (90.2%) and the Police & Crime Commissioner (9.8%)</p> <p>(i) The Business Rate element of the Collection Fund for 2017/18 is estimated to be a deficit of £530,000 which is shared between the Isle of Wight Council (50%) and the Government (50%)</p> <p>(j) The Retained Business Rate income³ for 2018/19 based on the estimated Business Rate element of the Collection Fund deficit as at March 2018, the Non Domestic Rates poundage for 2018/19 and estimated rateable values for 2018/19 has been set at £45,699,573</p> <p>(k) The Equality Impact Assessment at Appendix G</p> <p style="margin-left: 40px;">¹ Including the Collection Fund deficit of £265,000, S.31 Grants of £6,244,536, transfer to the "Growth Pool" of £3,314,541m and transfer from the "Growth Pool" of £1,648,935m and "Top Up" grant from Government of £2,333,900.</p>		
Reason for the decision and corporate objective it aligns with	To enable the council to deliver a lawful and balanced budget and Council Tax level for 2018/2019 by the statutory deadline and comply with Section 149 of the Equality Act 2010.		

	<p>To align with the following Corporate Plan Commitments:</p> <ul style="list-style-type: none"> • Creating opportunities for all • Delivering economic growth and prosperity • Preserving our environment • Planning for our future needs • Protecting our community • Providing sound financial management
Options considered and rejected	There were no other options for Cabinet to consider other than reject or amend the proposed recommendations.
Declarations of Interests	None received

Agenda item	<u>Financial Arrangements for the Development of Marine Manufacturing Facilities in the Medina Valley</u>
Decision reference	67 (17/18)
Summary of Discussion	<p>The Deputy Leader / Cabinet Member for Resources and The Cabinet Member for Regeneration and Business Development presented a report which sought the agreement to the principle of the council acting as the developer of new marine manufacturing facilities in the Medina Valley and to instruct the director of finance and director of regeneration to investigate the financial package necessary to enable such development.</p> <p>Members agreed that the proposals were a good example of how the Regeneration Programme would provide local economic growth as well as deliver place-making benefits.</p>
Issues raised by other members	No issues were raised.
Decision taken	<ol style="list-style-type: none"> I. THAT the principle of the council acting as the developer of new manufacturing facilities in the Medina Valley to safeguard local jobs be agreed. II. THAT the Director of Regeneration and Director of Finance be instructed to investigate the assembly of the necessary funding package to enable the development.
Reason for the decision and corporate objective it aligns with	<p>To initiate the coordinating and managing of a range of priority projects and work-streams aimed at driving regeneration, economic growth and delivering place-making benefits.</p> <p>The development forms part of the Regeneration Programme, which is intended to be delivered in line with the council's current related strategies and plans in particular the medium term financial strategy (MTFS), Island Plan Core Strategy and Economic Development Action Plan.</p>

	<p>To align with the following Corporate Plan Commitments:</p> <ul style="list-style-type: none"> • Creating opportunities for all • Delivering economic growth and prosperity • Planning for our future needs • Providing sound financial management
Options considered and rejected	Option 2 is to not act as developer.
Declarations of Interests	None declared.

Agenda item	<u>Consideration of the Forward Plan</u>
Decision reference	68 (17/18)
Amendments / Additions / Removals	<p>The Forward Plan of Key Decisions was reviewed and it was noted that all future key decisions were on schedule at the time of the meeting.</p> <p>Cabinet Members took the opportunity to provide an update on their various areas of remit and the following was noted:</p> <ul style="list-style-type: none"> • Children’s Services – Schools OFSTED Inspections with ratings of “Good” or exceeding “Good” continues to increase with an 83% level. • Adult Social Care – ‘Care Closer to Home’ rates had improved with a 20.6% reduction in permanent admissions into care homes for the over 65’s. There were also improved completion of reviews from 24% to 74% and those supported to live at home had increased by 24%. <p>The targets for ‘Delayed Transfers of Care’ had been exceeded week on week and had been classed as an exemplar of best national practice. There had also been an increase registered in Adult Social Care staff morale from 26% to 52%</p> <ul style="list-style-type: none"> • Procurement, Waste Management, Special Projects and Forward Planning – Following the Island Plastic Free initiative which was the subject of a supported motion to Full Council on 18 January, there had been a lot of backing from many Island business CEO’s and charity organisations as well as local support for the ‘Great Spring Clean’ initiative.

Agenda item	<u>Members' Question Time</u>
Decision reference	69 (17/18)
Questions	No written questions were received