



Record of decision

**THE FOLLOWING DECISIONS WERE TAKEN BY THE CABINET ON
THURSDAY, 13 FEBRUARY 2020**

**THE CALL IN PERIOD FOR THESE DECISIONS EXPIRES AT 5.00 PM ON
MONDAY, 24 FEBRUARY 2020**

Members of the Cabinet who were present

Cllrs Dave Stewart (Chairman), Paul Brading, Steve Hastings, John Hobart, Stuart Hutchinson, Clare Mosdell, Gary Peace, Ian Ward, Wayne Whittle

Members also present (non-voting)

Cllrs Debbie Andre, Geoff Brodie, Andrew Garratt, Julie Jones-Evans

Officers Present

Sarah MacDonald (notes), Laura Gaudion, Dominic Hillyard, Kerry Hubbleday, John Metcalfe, Claire Shand, Chris Ward, Simon Wiggins, Geoff Wild

Apologies for Absence

Cllr Barry Abraham

Confirmed as a true record of decisions taken

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Leader of the Council

Agenda item	<u>Minutes</u>
Decision reference	61 (19/20)
Decision Taken	That the minutes of the meeting held on 9 January 2020 be agreed.
Questions / Amendments	None.

Agenda item	<u>Declarations of Interest</u>
Decision reference	62 (19/20)
	None
Agenda item	<u>Public Question Time</u>
Decision reference	63 (19/20)
Summary of Discussion	There were no public questions.

Agenda item	<u>Chairman's Announcements</u>
Decision reference	64 (19/20)
Summary of Discussion	The Chairman had no specific announcements to make.

Agenda item	<u>Corporate Parenting Board – Terms of Reference</u>
Decision reference	65 (19/20)
Summary of Discussion	The Cabinet member for Children's Services, Education and Skills presented the report and summarised the revised Terms of Reference for the Corporate Parenting Board (CPB). The Council had a responsibility for ensuring that the needs of children in care and care leavers were met, and the Terms of Reference set out the vision for doing this, along with the roles and responsibilities of the Board and its membership. A recent Ofsted inspection had praised the CPB, which had representatives from across the Council and its partners. Officers from Hampshire County Council had been to observe the Board as an example of best practice. One achievement had been a 100% reduction in Council Tax for care leavers up to the age of 25 years.
Decision taken	Option A - To adopt the revised Terms of Reference for the Corporate Parenting Board as set out in Appendix A to the report.
Options considered and rejected	Option B – To retain the existing Terms of Reference, which is not explicit with regard to the responsibilities identified in the Children and Social Work Act 2017.

Agenda Item	<u>2020/21 Budget and Council Tax Setting & Future Years' Forecasts</u>
Decision reference	66 (19/20)
Summary of Discussion	<p>The Cabinet Member for Resources thanked Members and officers for helping to achieve a balanced budget for the coming year. It had been one of the most difficult challenges to date. The Scrutiny Committee had raised some questions with regard to the budget proposal, answers to which had been received and would be circulated to all members.</p> <p>The Cabinet Member for Adult Social Care, Public Health and Housing Needs reported that Adult Social Care was the largest area of spending within the Council, but that no savings had been required to be made from the 'supporting people' budget, which would mean that services could continue to be provided. Funding from the government for Adult Social Care would continue to be sought.</p> <p>The Cabinet Member for Children's Services, Education and Skills reported that there had not been any cuts made to any important services within the Children's Services budget. In the last year the council had invested in 14 schools on the island.</p> <p>The Cabinet Member for Business and Regeneration reported that regeneration projects would start to generate income over the following and subsequent years as more projects were delivered, now that the foundations had been established.</p> <p>The Cabinet Member for Environment and Heritage clarified that the capital budget for Rights of Way for the coming year would be £75,000, the same as in 2019/20. This year's budget had been boosted by Section 106 allocations and some slippage from the previous year. The actual projected total spend was therefore £126,725. In addition there was capital allocation of £252,600 towards the Medina Greenway cycle/walking path due to be spent in the current year which would be carried forward. Owing to the limited capital funds available to the whole council in 2021/22 the proposal for capital would be to allocate £60,000 for Rights of Way but would be revisited when it came to finalising the budget later for that year. £700,000 had been allocated for Newport Harbour dredging due to take place in summer 2020.</p> <p>The Cabinet Member for Infrastructure and Transport reported that resources within the Highways PFI team had now increased. The benefits would be considerable savings which had been negotiated with Island Roads into 3 phases. Once the final phase had been delivered it would result in £2 million of savings.</p> <p>The Scrutiny Committee had commented and made several</p>

	<p>recommendations regarding the PFI contract which were read out by the Chairman.</p> <p>The Chairman thanked officers and members for the work done on the budget and noted that there were still some uncertainties around matters that affected the budget, for example the Fair Funding Review.</p> <p>Cllr Jones Evans queried the line in the proposed budget regarding Building Control and whether any work had been done to strengthen the service to increase resources. The Chairman would consult with the Cabinet Member for Planning and Housing outside of the meeting and provide a response.</p> <p>Cllr Brodie stated that he would seek to propose amendments to the budget at the Full Council meeting on 26 February. Concern was expressed at the short amount of time opposition members had to prepare any alternative budget. He was still awaiting a response from the Chief Executive in order to work on his proposals.</p> <p>The Cabinet Member for Resources explained that the lateness of the budget paper was due to a number of reasons, which included;</p> <ul style="list-style-type: none"> • The Fair Funding Review had been deferred, • The green paper on Adult Social Care had also been deferred, • Promises of improvement through the Island Deal which was still in negotiation with government, • The Business Rate pilot scheme was due to be scrapped and the shortfall had to be found. <p>During the year there had been a predicted overspend of £1.2 million but which had been reduced to a balance.</p> <p>There was a new Chancellor with no idea whether Council tax could raise 2% or 4%</p> <p>Brexit had overshadowed commercial investments.</p> <p>The general election had taken place which had prevented information from being received until after Christmas.</p> <p>The CX confirmed that the information Cllr Brodie had requested had now been received and checked by the finance director. It would be sent to Cllr Brodie immediately after the meeting.</p>
Decision taken	<p>That the Cabinet endorses the recommendations to the Council as set out below:</p> <p>(i) It is recommended that the Council approve the following:</p> <p>(a) The revised Revenue Budget for the financial year 2019/20 and the Revenue Budget for the financial year 2020/21 as set out in the General Fund Summary (Appendix A)</p> <p>(b) Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves</p>

- (c) Any further savings made in 2019/20 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
- (d) That the level of Council Tax be increased by 1.99% for general purposes in accordance with the referendum threshold¹ for 2020/21 announced by Government (as calculated in Appendix B)
- (e) That the level of Council Tax be increased by a further 2.0% 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 £1,721,900 is passported direct to Adult Social Care
- (f) That the amounts set out in Appendix B be now calculated by the Council for the financial year 2020/21 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992
- (g) 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.
- (h) The savings proposals for each Portfolio amounting, in total, to £4.5m for 2020/21 and continuing into future years as set out on the next page:

Portfolio	Controllable Budget	Savings Proposal	
	£	£	%
Adult Social Care, Public Health & Housing Needs*	49,403,911	1,542,700	3.1%
Children's Services, Education & Skills	24,259,004	341,000	1.4%
Community Safety & Public Protection	10,046,454	170,300	1.7%
Environment & Heritage	8,629,007	270,600	3.1%

¹ Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

Infrastructure & Transport**	10,961,276	797,300	7.3%
Leader & Strategic Partnerships	791,816	0	0.0%
Planning & Housing Renewal	1,606,122	128,500	8.0%
Procurement, Waste Management, Projects & Forward Planning	4,109,329	250,100	6.1%
Regeneration & Business Development	1,296,345	93,500	7.2%
Resources	16,015,608	906,000	5.7%
Grand Total	127,118,872	4,500,000	3.5%

*** Excludes the additional funding passported through to Adult Social Care of £4.5m (which if included would result in an overall increase of 6%) and the additional funding for Children's Services, Education & Skills of £1.7m (which if included would result in an overall increase of 5.8%)**

****Excludes £19.4m of PFI grant funding, on a Gross expenditure basis the savings amounts to 2.6%**

- (i) Directors be instructed to start planning how the Council will achieve the savings requirements of £10.5m for the 3 year period 2021/22 to 2023/24 and that this be incorporated into Service Business Plans
- (j) The minimum level of Revenue Balances as at 31 March 2021, predicated on the approval of £4.5m savings in 2020/21, be set at £7.0m to reflect the known and expected budget and financial risks to the Council
- (k) Members have regard for the "Statement of the Section 151 Officer in accordance with the Local Government Act 2003"
- (l) The Capital Programme 2019/20 to 2024/25 set out in Appendix E which includes all additions, deletions and amendments for slippage and re-phasing
- (m) The new Capital Investment Proposals ("New Starts") - 2020/21 set out in Appendix D be reflected within the recommended Capital Programme 2019/20 to 2024/25 and be funded from the available Capital Resources
- (n) The allocation of Disabled Facilities Grants be made to the Better Care Fund, and reflected within the recommended Capital Programme 2019/20 to 2024/25
- (o) 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
- (p) 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).

(ii) It is recommended that the Council note the following in respect of the Council's Budget:

- (a) The Revenue Budget 2020/21 as set out in Appendix A has been prepared on the basis of a 3.99% increase in Council Tax, any reduction from the overall 3.99% Council Tax increase proposed will require additional savings of £861,000 for each 1% reduction in order for the Budget 2020/21 to be approved
- (b) The Revenue Forecasts for 2021/22 onwards as set out in the section entitled "Revenue Forecasts 2021/22 to 2023/24" and Appendix A
- (c) The estimated Savings Requirement of £10.5m for the three year period 2021/22 to 2023/24, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Savings Requirement £m	Cumulative Saving £m
2021/22	3.5	3.5
2022/23	3.5	7.0
2023/24	3.5	10.5

- (d) 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 £2.5m and will only be replenished from contributions from the Revenue Budget and an approval to the transfer of any further savings at year end
- (e) Should the Council elect to reduce the level of savings below £3.5m in 2021/22 (and £3.5m p.a thereafter), the Council's financial risk will increase and therefore the minimum level of General Reserves held will also need to increase in order to maintain the Council's financial resilience
- (f) The Council Tax base for the financial year 2020/21 will be **53,842.7** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].
- (g) The Council Tax element of the Collection Fund for 2019/20 is estimated to be a surplus of £246,269 which is shared between the Isle of Wight Council (89.3%) and the Police & Crime Commissioner (10.7%)

	<p>(h) The Business Rate element of the Collection Fund for 2019/20 is estimated to be a surplus of £375,000</p> <p>(i) The Retained Business Rate income² for 2020/21 based on the estimated Business Rate element of the Collection Fund deficit as at March 2020, the Non Domestic Rates poundage for 2020/21 and estimated rateable values for 2020/21 has been set at £38,235,692.</p> <p>² Includes Retained Business Rates of £19.5m, "Top Up" of £13.1m, S.31 Grants of £5.2m and a Collection Fund surplus of £0.4m</p>
Options considered and rejected	None

Agenda Item	<u>Cabinet Member Announcements</u>
Decision reference	67 (19/20)
Summary of Discussion	<p>The Cabinet member for Children’s Services, Education and Skills reported that Ofsted had carried out a review of the SEND service. A letter of praise had been received from a government minister suggesting the council should share its good practices with other authorities. The Council was one of the top 25% who did not receive a statement of action.</p> <p>The Cabinet Member for Business and Regeneration reported that a place plan had been agreed for Ryde, and that the Newport Harbour plan was expected to be published by the end of March 2020.</p> <p>The Cabinet Member for Infrastructure and Transport confirmed that the investment from the Department for Transport in Islandline was safe. A further bid for £15 million had been submitted as part of the South East Hampshire Rapid Transport Scheme for Ryde Interchange.</p> <p>The Cabinet Member for Procurement, Waste, Special Projects and Forward Planning reported that the waste and recycling survey was to end on 14 February 2020. The council was currently in 36th place in the DEFRA national league table for recycling. Since the council had declared a climate emergency a draft strategy and action plan had been produced. It was hoped that a Direct Debit facility would soon be in place for this year’s green waste subscriptions.</p> <p>The second year of the Green Impact Programme was to be</p>

² Includes Retained Business Rates of £19.5m, "Top Up" of £13.1m, S.31 Grants of £5.2m and a Collection Fund surplus of £0.4m

	<p>launched on 14 February 2020.</p> <p>It was suggested that the Cabinet members reports should be shared more widely with other councillors to promote their achievements.</p>
Agenda Item	<u>Forward Plan</u>
Decision reference	68 (19/20)
Summary of Discussion	<p>Consideration was given to the Forward Plan.</p> <p>Items due for decision were:</p> <p><u>Full Council 26 February</u></p> <ul style="list-style-type: none"> • Constitutional Matters – Committee Allocation • 2020/21 Budget & Council Tax Setting & Future Years' Forecasts • Fire & Rescue Service Integrated Risk Management Plan • Appointment of Monitoring Officer • Corporate Parenting Board – Terms of Reference • Pay Policy <p>The Chairman thanked the Monitoring Officer for the work he had undertaken on the issue of Committee Allocation and indicated that he would be supporting the extension of his contract when the report was considered at Full Council.</p>
Agenda Item	<u>Members' Questions</u>
Decision Reference	69 (19/20)
Summary of discussion	There were no Members' Questions.