

# **REPORT FROM THE LEADER AND EXECUTIVE MEMBER FOR RESOURCES AND CHILDREN'S SERVICES TO THE MEETING OF FULL COUNCIL ON WEDNESDAY, 20 JANUARY 2016**

## **Leader and Resources**

Since Full Council last met my time has been largely spent dealing with the budget and budget related issues. I am conscious that by the time this report is formally presented at the Full Council meeting, we will already have discussed the Budget Strategy but I think a few things should be stated here for the formal record.

We received the draft financial settlement from central government on 21 December following which a members' information session was held on 22 December to communicate the news. The position is atrocious. The savings we have to make this year are nearly £7 million in excess of what had previously been indicated and the settlement also creates a position where the Isle of Wight Council may cease to be able to fund its statutory functions by 2018. The settlement is still in draft at this stage and is subject to a consultation which closed on 15 January 2016, the results of which will be known in early February.

A formal response to the consultation has been submitted and a delegation from the council met with the Local Government Minister on 6 January. In the meeting the effect of the draft settlement figures was put before the minister together with the consequences these seem to show (as set out above). Interestingly the minister did not dispute our officer's financial analysis. In discussion, the minister also accepted that the Isle of Wight has 'unique' features and 'unique' pressures. We must await news of whether the settlement will be changed to reflect these un-argued and accepted points.

As I reported at the last Full Council meeting, discussions about the proposed combined authority are ongoing. As I said last time, the root of the bid is a proposal to remove the combined authority from the current system of local government finance and give it an independent income based on retention of business rates which would be free from the current system of annual spending reviews by central government and create a base line for all the authorities, so that by equitable distribution of those funds none are worse off and all stand to benefit from the remainder of the pot - which will be distributed according to a series of principles including need-related provision. The concern currently must be where the base line is set, as if it is set down the line against the sort of figures that the draft financial settlement contains it would not help us. This point was strongly made to the minister on 6 December and has been reiterated in subsequent discussions.

There have been two combined authority partnership meetings since the last Full Council. Both have concerned the issues of governance and housing which were the areas queried in our ministerial challenge session in November. It is hoped that a final response can be pulled together shortly that can then go back to Greg Clarke for further consideration. As noted above, our primary concern however must be the

fundamental financial basis of any proposal which I would suggest will now be the key determinant to this authority's position.

### **Children's Services**

Members will have noted that prior to Christmas national announcements were made about poorly performing authorities being taken over by leading authorities in the field of children's services. Of course recent history means we are already in a not dissimilar arrangement. However the proposal is of note as one of those leading authorities is Hampshire and, whilst details are still being negotiated, it is likely to receive new freedoms and flexibilities in regard to existing regulations as well as potential additional funding for further innovation and we are therefore in a position to benefit from that. The progress being made by the partnership is still good. A report on educational attainment in 2015 is before next week's Executive meeting which has many positive features. Steps are being put in place, as agreed when the partnership was set up, to formally review its progress in the near future and to start the process of considering whether and, if so, how the arrangement should be taken forward in the future.

**Councillor Jonathan Bacon**

**Leader and Executive Member for Resources and Children's Services**