



Committee report

Committee	FULL COUNCIL
Date	WEDNESDAY, 22 FEBRUARY 2017
Title	BUDGET AND COUNCIL TAX SETTING 2017/18 AND FUTURE YEARS FORECASTS
Report to	LEADER OF THE COUNCIL

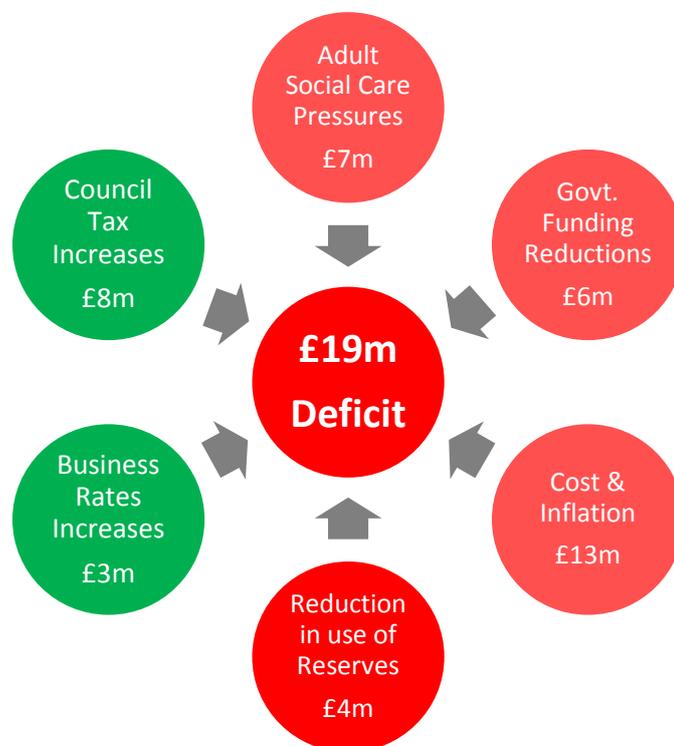
EXECUTIVE SUMMARY

1. As part of the Government's drive to repair the national public finances, Local Government has experienced unprecedented reductions in Government funding. Simultaneously, the Council has also experienced accelerating costs associated with essential care services. In October, the Council estimated that the combined impact of this was a forecast a Budget Deficit of £20m over the 3 year period 2017/18 to 2019/20. In response, the Council developed a Medium Term Financial Strategy (MTFS) to describe the pathway to meeting that financial challenge. This was supported by all parties and groups within the Council.
2. The MTFS described the financial challenge as the single biggest risk to sustainable public services on the Island. Accordingly, the Council needs to resolutely maximise the deployment of the resources that it does have (Revenue, Capital, Property and Staff) towards driving additional income / funding and cost savings to secure Council Services for the future.
3. The overall aim of the MTFS is as follows:

"In year" expenditure matches "in year" income over the medium term whilst regenerating the Island Economy and providing essential Value for Money services for our Businesses and Residents

4. The Medium Term Financial Strategy has been designed to:
 - Effectively manage and "Smooth out" the required savings enabling the Council to maximise its operational capacity to implement initiatives at pace which are aimed at increasing income / funding and reducing costs
 - Improve the overall financial resilience of the Council and seeking to rebuild General Reserves over the medium term in order to guard against "financial shocks" and have the ability to respond to financial opportunities which can bring funding to the Island
 - Ensure that funding is available to enable, or "pump prime" Spend to Save (Revenue) and Invest to Save (Capital) schemes
 - Maximise the Capital Resources available to the Council; recognising that the targeted use of the Capital Programme can stimulate economic regeneration, jobs and housing with consequent positive effects on Council funding as well as reduced costs
5. In terms of Council spending, this is dominated by the essential care services. Children's Services and Adult Social Services account for 58% of the Council's total controllable budget and these Services have historically been protected. Whilst it is crucial to protect the services to the Council's most vulnerable residents, those Councils that have managed the most successfully through the austerity period are those that have also sought to tackle the cost base of these large services through both efficiencies and service changes. Councils that have not managed to achieve this have seen deeper cuts that have fallen disproportionately across all other important Council services.
6. Since the Council's forecasts were prepared in October 2016, the Council has received the provisional Local Government Finance Settlement for 2017/18 (i.e. Government Funding) and has undertaken a thorough review of both Council Tax income and Business Rate income for 2016/17 through to 2019/20. Additionally, the Council has undertaken a comprehensive review of its costs including inflation, interest rates and other cost pressures. The combined effect of this review has led to a larger Budget deficit over that 3 year period to £22m.
7. Despite the size of the Budget Deficit, it is still possible to maintain Savings Requirements for both 2017/18 and 2018/19 at £7.5m per annum, as set out in the MTFs, but only if the additional flexibility offered by Government to increase the Council Tax for Adult Social Care (known as the Adult Social Care precept) to 3% is taken and only if the Council also increases Council Tax by 1.99% for General Purposes (total Council Tax increase of 4.99%). There is general support from the Budget consultation with the public for an increase in Council Tax for Adult Social Care and the majority of those supporting an increase are also in favour of a 3% increase. The alternative to the proposed Council Tax increase is to increase the overall Savings Requirement by a further £727,200 for each 1% reduction in Council Tax.

8. The new Cross Party Administration have had just 2 weeks to consider and amend the proposals that have been developed under the previous Administration relating to the Budget for 2017/18, the Level of Council Tax to be applied and the Capital Investment proposals. Given the timescales, the New Administration have made few amendments and will leave any further potential Budget review of revenue and capital spending to the Administration formed in the new municipal year.
9. The savings proposals are broadly aligned with the response from the Budget Consultation with the residents and stakeholders. The proposals seek to continue to protect both Children's Services and Adults Social Care whilst still aiming to retain good quality sustainable public services across other portfolios. The average savings required across the Council for 2017/18 is 6.7%. The savings proposals for Children's Services are less at 4.7% and also less for Adult Social Care (in real terms after the passporting of £2.4m of additional funding) at 1.5%. As a necessary consequence spending reductions in other valued Portfolios have been required at levels significantly higher.
10. Looking forward beyond the considerations for the 2017/18 Budget and its associated £7.5m savings proposals, the next 3 year period after 2017/18 and commencing from 2018/19 to 2020/21 reveals a forecast deficit of £19m.
11. The £19m deficit for the new 3 year period is described below:



12. Aside from the normal levels of inflation which, as would be expected are largely covered by inflationary increases in Council Tax and Business Rates,

the primary drivers of the future deficit are the further funding reductions from Central Government (£6m) as they continue to bring the national public finances back into balance and Adult Social Care pressures (£7m) which include the likely withdrawal of a further £1m of funding from the Isle of Wight Clinical Commissioning Group on top of the £2.1m withdrawn in 2017/18

13. The future forecast is predicated on increasing the Adult Social Care precept by 3% per annum for 2017/18 and 2018/19 in addition to an increase of 1.99% per annum for General Purposes.
14. Given the overall financial challenge of the Council plus the likely withdrawal of funding by the CCG, the decision over whether to increase the Adult Social Care Precept to 3% in 2017/18 will be critical for Adult Social Care services and the wider health system on the Island.
15. To maintain alignment with the Council's MTFs, it is proposed that the Council's future Savings Requirements for 2018/19 onwards are phased as follows:



16. The proposed Capital Programme has been developed to maximise the contribution to the Council's overall MTFs. Importantly, given the likely scarcity of Capital Resources in the future, the proposals for the Capital Programme generally span a 3 year period providing vital resilience for Council Services. The Capital Programme seeks to:
 - Ensure the medium term resilience of essential core services
 - Transform services including investment into more appropriate and cost effective accommodation for Adult Social Care clients through Supported Living arrangements
 - Provide investment to acquire strategic employment sites for the Island
 - Support key transport infrastructure to improve access to Newport as well as contributing to overall business productivity
 - The continued rationalisation of Council Buildings to reduce costs and improve efficiency
 - Retain funding for likely and potential "match funding" opportunities of a regeneration nature which will lever in additional external funding for the Island

17. The combined suite of proposals set out in this report:
- Achieve the necessary £7.5m of savings, providing protection for essential care services and which are consistent with the response from the public consultation with residents and stakeholders
 - Sets Council Tax at a level which is critical to securing Adult Social Care services on the Island
 - Continues to enable a "smooth" savings profile in future years
 - Provide the opportunity to supplement funding for the Transformation Reserve and future Capital Investment which are two of the key vehicles driving the MTFs and future savings
 - Deliver Capital Investment targeted towards both savings and regeneration whilst continuing to provide investment into essential services
 - Improve the financial resilience of the Council to respond to "financial shocks" or opportunities by gently building reserves over the next 3 years

BACKGROUND

18. The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2017/18 and the associated level of Council Tax necessary to fund that Budget. The report also seeks approval to the Capital Programme for 2016/17 to 2021/22
19. The proposed Budget for 2017/18 has been prepared to align with the Council's recently approved Medium Term Financial Strategy (MTFS) which set a savings requirement of £7.5m for the financial year 2017/18 with an underpinning assumption of a 1.99% increase in Council Tax for General Purposes and a further 2.0% increase in Council Tax specifically for Adult Social Care (i.e. the maximum allowed for Adult Social Care). In total therefore, a 3.99% increase in Council Tax for 2017/18.
20. Since the MTFs was approved in October 2016, the Council has received the provisional Local Government Finance Settlement for 2017/18 which has worsened the Council's overall Budget Deficit for the period but has offered the flexibility to bring forward an additional 1% increase in Council Tax for Adult Social Care.
21. This report also provides a comprehensive revision of the Council's rolling 3 year future financial forecast for the new period 2018/19 to 2020/21 (i.e. compared to the previous forecast covering 2017/18 to 2019/20, this forecast

now replaces the forecast for the previous 3 year period). In particular, this report sets out the following:

- (a) The continued challenging financial climate facing the Council in 2017/18 and beyond and the consequential budget deficits that result
- (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings as approved in the report to Council in October 2016
- (c) The Revised Revenue Budget for the current year
- (d) The Local Government Finance Settlement for 2017/18 to 2019/20
- (e) The Business Rate income for 2017/18 and future years
- (f) The Council Tax Base and recommended Council Tax for 2017/18
- (g) The proposed Revenue Budget for 2017/18
- (h) The financial forecast for the new 3 year period and consequent Savings Requirements for 2018/19, 2019/20 and 2020/21
- (i) Estimated General Reserves over the period 2016/17 to 2020/21
- (j) The forecast Collection Fund balance as at 31 March 2017 for both Council Tax and Business Rates
- (k) The statement of the Section 151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.
- (l) The Capital Programme for 2016/17 to 2021/22

ECONOMIC & FINANCIAL CONTEXT

22. The Medium Term Financial Strategy approved by the Council in October 2016 described the national financial context within which funding to Local Government has reduced since 2011/12. Over the past 5 years (since 2011/12), the Isle of Wight Council has faced Government funding reductions of £35m as well as having to accommodate other inflationary and unavoidable cost pressures which, taken together, has seen the Council make overall savings over the last 5 years of over £60m. This represents circa 32% of the Council's controllable spending.
23. Additionally, it is recognised that Children's Services and Adult Social Care account for 58% of the Council's total controllable budget and these Services have historically received significant protection from savings over the period. Whilst it is crucial to protect the services to the Council's most vulnerable residents, those Councils that have managed the most successfully through the austerity period are those that have also sought to tackle the cost base of these large services through both efficiencies and service reductions. Importantly, significant savings are achievable without compromising care needs and outcomes. Councils that have not managed to achieve this have seen deeper cuts that have fallen disproportionately across all other important Council services.

24. The Medium Term Financial Strategy included an overall forecast Budget Deficit for the period 2017/18 to 2019/20 of £20m and a profile of savings to meet this deficit as follows:



25. This financial challenge is seen as the single biggest risk to sustainable public services on the Island. Accordingly the Council needs to resolutely maximise the deployment of the resources that it does have (Revenue, Capital, Property and Staff) towards driving additional income / funding and cost savings to secure Services for the future.
26. In order to meet the financial challenge, the Council set out its overall Aim of the Medium Term Financial Strategy as:



27. The Strategy placed a much stronger emphasis on improving the economy and growing the income and funding base¹ of the Council and centred of the following:

1 The funding base comprises Business Rates, Council Tax and Government Grant

- Extending the overall planning horizon from a 2 year strategy to a 5 year strategy and "smoothing out" the required savings so that they can be addressed in a more planned and managed way, "buying time" for alternatives to service reductions to take effect
- A much stronger emphasis on creating a prosperous and sustainable Island community built on the pillars of regeneration, growth and productivity, which in turn will have a positive impact on the Council's funding base as well as reducing the need for Council services
- Become a more entrepreneurial and commercial Council as a means to generate income and avoid service reductions
- A stronger drive to Public Service Transformation in order to improve services and outcomes for service users as well as reducing duplication and cost
- Addressing the unique 'Island Factors' of, self-sufficiency, premium pricing and dislocation, which permeate through the whole financial system for the Council and impact on the costs of providing local authority services
- Improving the overall financial resilience of the Council over the medium term including:
 - Repairing the level of General Reserves over the medium term to enable the Council to respond to opportunities that may arise which require funding, or to be sufficiently resilient to "financial shocks" which would otherwise result in sharp and drastic cuts to public services
 - Ensure that funding is available to enable, or "pump prime" Spend to Save (Revenue) and Invest to Save (Capital) schemes and that financial barriers to such opportunities are removed by establishing a Transformation Reserve

28. The 6 Themes of the Medium Term Financial Strategy themes are described below:

SHORT TERM

- Theme 1 Create Financial and Operating Capacity to Transform
- Theme 2 Increasing Efficiency & Effectiveness

SHORT TO MEDIUM TERM

- Theme 3 Entrepreneurial, Commercial and Collaborative Activities (with managed risk)
- Theme 4 Withdraw from or offer Minimal Provision for Low Impact Services
- Theme 5 Improving the Island Economy

MEDIUM TO LONGER TERM

- Theme 6 Public Service Transformation

29. Since the MTFs was approved in October 2016, the Council has moved quickly to appoint a Director and Assistant Director of Regeneration, undertake research into key sites on the Island that are most suitable and deliverable for new housing and employment and use this to develop and approve a Regeneration Strategy.

REVISED BUDGET 2016/17

30. The Council revised its Budget in October 2016 as part of the approval of the MTFs. Savings requirements for the year were reduced to £8.7m and a number of non achievable savings targets removed resulting in a Revised Budget of £145,115,300.
31. The Council is currently forecasting an overall overspend against the Revised Budget of £0.75m. The most critical factor driving this forecast overspend is the withdrawal of funding by the Clinical Commissioning Group (CCG) of £1.4m (but £3.1m in total by 2018/19) from its support to Adult Social Care through the Better Care Fund. The Council is in continual dialogue with the CCG regarding this reduction in funding and the future impact that this could have for Adult Social Care and the wider health services on the Island. In 2018/19 it's therefore likely that the CCG will only be passporting the minimum amount required to the Council under the BCF provisions.
32. Whilst there remains a forecast overspend of £0.75m for 2016/17, the Council continues to press the CCG to reconsider its position given the likely future service implications across the whole health system as well as the potential increase in costs. At this stage it is proposed to leave the Revised Budget intact at £145,115,300.

THE LOCAL GOVERNMENT FINANCE SETTLEMENT FOR 2017/18 TO 2019/20

33. The Council resolved to accept the Government's 4 year Settlement in October 2016 which has now been accepted by Government. Whilst

providing some certainty of future Government Funding, the funding reductions for the Council remain significant and challenging.

34. The Government published the provisional Local Government Finance Settlement 2017/18 in December 2016 and it is in line with the accepted 4 Year Settlement.
35. In overall terms, the Council expects a further reduction in Government Funding over the three year period 2017/18 to 2019/20 of £13.7m representing a funding reduction of 36%. Of most significance are the reductions in Revenue Support Grant and the New Homes Bonus. There is a rise in "Other Grants" totalling £3.3m, the main reason for this is additional funding for Adults Social Care through a "One -Off" Adult Social Care Grant in 2017/18 of £0.8m (this is explained further below) and the "Improved Better Care Fund" allocations which commence slowly at £57,000 for 2017/18 and rise to £4.1m in 2019/20. This is all summarised in the table below:

Funding Stream	2016/17	2017/18	2018/19	2019/20	Total Reduction
	£m	£m	£m	£m	£m
Revenue Support Grant	19.2	12.7	8.6	4.4	(14.8)
New Homes Bonus	3.9	3.0	2.0	1.7	(2.2)
Other Grants ²	15.2	14.9	16.1	18.5	3.3
Total Government Grants	38.3	30.6	26.7	24.6	(13.7)

36. Whilst the Revenue Support Grant forms part of the 4 Year Settlement, the New Homes Bonus and the Other Grants do not and therefore these funding streams will remain a risk for the Council in future years.
37. The overall impact of the provisional Local Government Finance Settlement on the Council's future forecast Budget Deficit over the 3 year period to 2019/20 is a deterioration of £1.1m and this has been factored into the new future financial Forecast and Savings Requirements as described from paragraph 83 in this report.
38. Whilst the overall reduction of funding to 2019/20 amounting to £13.7m is a serious concern to the Council, it had been largely predicted within the Council's financial forecasts and is the primary reason for the future Savings Requirements of the Council. The deterioration against the Council's forecasts has arisen almost entirely as a result of the change in the New Homes Bonus scheme.
39. The new scheme for the New Homes Bonus was intended to "sharpen the incentive" but also to reduce the overall amount available by £593m nationally (almost 40%) and re-direct funding towards Adult Social Care through the "Improved Better Care Fund" and this was to be phased but commencing slowly from 2017/18.

² Excludes Highways PFI Grant, Prison Social Care Grant, Strengthening Families Grant and Staying Put Grant

40. The proposed scheme now announced is summarised below:

- A threshold of a 0.4% increase in new homes (or "deadweight" and equivalent to 258 Band D equivalent homes) before any New Homes Bonus (NHB) will be paid (i.e. 0.4 % growth will need to be achieved before any NHB funding will be paid)
- A reduction in the length of time payments will be made from 6 years to 5 in 2017/18 and then a further reduction to 4 years from 2018/19 and thereafter
- From 2018/19 payments will not be made for residential development that was allowed on appeal

The introduction of the 0.4% threshold ("deadweight") is the main factor which has caused the deterioration in the Council's forecasts and is at a level considerably higher than the level the Government initially consulted upon.

The new scheme has sought to make the reductions in the New Homes Bonus earlier than planned so that funding can be directed to Adult Social Care Authorities. The intent being to reduce funding across all Local Authorities and re-distribute in to Adult Social Care Authorities only with the policy intention that Adult Social Care Authorities will be better off.

The "deadweight" threshold is a concern to the Isle of Wight where there is more limited potential for housing growth and therefore to exceed the 0.4% threshold. It does however, re-inforce the need to stimulate high quality employment on the Island as a mechanism for increasing demand for housing growth.

41. Other key announcements as part of the provisional Local Government Settlement are:

- Overall Funding - There is no new money in the settlement compared with that announced in the Comprehensive Spending Review in December 2015
- Revenue Support Grant - There is no change to the distribution methodology for 2017/18
- Council Tax:
 - The basic referendum principle of a 2% increase is confirmed and Government will not introduce referendum principles for parish and town councils in 2017/18

- Adult Social Care Precept - More flexibility has been allowed to fund Adult Social Care pressures by bringing forward the ability to raise Council Tax for the Adult Social Care Precept earlier than set out in the Comprehensive Spending Review. Options now include:
 - i) 2% per annum for the next 3 years (as originally allowed in the Comprehensive Spending Review)
 - ii) 3% for 2017/18, 3% for 2018/19 and Zero for 2019/20
 - iii) 3% for 2017/18, 2% for 2018/19 and 1% for 2019/20
 - iv) Other permutations adding up to 6% over 3 years but "back loaded"
 - The Government will publish a response to the Fair Funding review consultation (i.e. review of the 'needs element' embedded with the Revenue Support Grant and the Business Rates Retention system) in the new year. This is to be implemented in 2019/20 as part of the overall move to the 100% business rates retention system.
42. The Council has made a formal response to the provisional Local Government Finance Settlement making the following key points:
- The urgent need to accelerate the Fair Funding Review which needs to give due regard to the "Island Factors"
 - The inappropriate and continued use of an outdated funding methodology for Adult Social Care which uses deprivation and income as key drivers for funding rather than the over 65 population - Isle of Wight over 65 population significantly exceeds the national average at 27% versus 18%
 - The general approach to Adult Social Care funding is inherently unfair across Local Authorities and benefits those with stronger Council Tax Bases
 - The negative impact that the New Homes Bonus "deadweight" factor will have on the Island, given its unique Island Factors which inhibit its ability to grow the housing base
43. Whilst the Local Government Finance Settlement is a significant factor in determining the Council's overall financial position and therefore any necessary savings, other significant factors that will affect the Council's future Savings Requirements include Business Rates income, Council Tax income, inflation, interest rates and any new unfunded burdens passed down from Government.

44. The final grant settlement figures should be available by early February, it is not expected to vary significantly from the provisional settlement and it is recommended that any variation should be accommodated by a transfer to or from General Reserves.

BUSINESS RATES - 2017/18 & FUTURE FORECASTS

45. The Retained Business Rates system is complex and subject to a significant degree of inherent risk. In broad terms, the system is characterised by a complex formula which includes the following:
- i) Retention of 50% of all business rates received and which is affected by the value of successful appeals, the number of mandatory reliefs (e.g. charitable relief) and the overall collection rate (i.e. how much is uncollectable and written off)
 - ii) Increased by a fixed amount "top up" which increases annually by the rate of inflation
 - iii) Compensation through S.31 Grants for national government initiatives which have the effect of reducing Business Rates to the Local Authority such as business rate capping for small businesses
 - iv) A "safety net" set at 7.5% below a pre-determined baseline³ below which retained Business Rates will not fall (set at £28.3m for 2017/18)
46. In 2017/18 the National Non Domestic Rate system was subject to a re-valuation. This revised both the rateable values and the multiplier. The entire re-valuation is financially neutral at a national level with the increase in rateable values overall offset by a reduction in the multiplier.
47. Retained Business Rates system for Local Authorities is likewise intended to be financially neutral. Inevitably, this however will not be the case and there will be "winners" and "losers" across the country. The key risk is the extent to which successful appeals are greater or less than the assumed allowance for appeals contained within the new multiplier set by Government.
48. For 2017/18, Retained Business Rates are estimated at £19.5m which includes a deficit relating to previous years of £0.9m arising from greater than anticipated losses due to appeals as well as £0.3m reduction due to the "spreading" of previous years' losses. Future estimated Business Rates have been assumed to increase by the rate of inflation only (as estimated by the Office for Budget Responsibility).
49. The estimation of business rate receipts is extremely complex, with the potential to be volatile and with many of the factors outside this Council's control. In particular, the Valuation Office Agency will both determine whether a rating appeal is successful and the level of reduction granted with the Council having no right of challenge. To help mitigate against this risk, the

³ Known as the Business Rates Baseline, set in 2013/14 and increased by inflation each year

Council maintains a modest reserve to provide the Council with a degree of funding stability in the event of fluctuations within and between years.

COUNCIL TAX - 2017/18 & FUTURE FORECASTS

Council Tax Amount 2017/18

50. Council Tax currently represents almost 49% of the Council's total revenue funding and as Government funding has reduced, this has become an increasingly more important and dependent funding source for the Council.
51. Council Tax for the average Council Tax payer on the Isle of Wight (Band C) currently amounts to £1,382.78 (excluding parish precepts), of which £1240.15 (89.7%) is the Isle of Wight Council element. Not all residents are subject to the full amount of Council Tax with many benefitting from exemptions and discounts (such as the single person discount) and a significant number of residents receiving Local Council Tax Support bringing the level of Council Tax payable to an assessed affordable level. After discounts, exemptions and Local Council Tax support is taken into account, just 52% of all properties are subject to the full level of Council Tax.
52. The provisional Local Government Finance Settlement for 2017/18 confirmed a Council Tax increase limit for general purposes (i.e. referendum threshold) of 2%. Any increase beyond the 2% threshold can only be implemented following a "Yes" vote in a local referendum.
53. In addition, the level of Council Tax increase for the Adult Social Care precept for 2017/18 and 2018/19 has been confirmed at 3% (compared with the announcement in the Comprehensive Spending Review in December 2015 of 2% for each year). Whilst the threshold for 2017/18 and 2018/19 has been increased, the overall increase over the 3 year period to 2019/20 remains intact. Therefore, it is for Local Councils to agree how to profile the available 6% increase over the 3 year period 2017/18 to 2019/20 within an overall cap of 6% and an annual cap of 3% (for example 2%, 2% and 2% or alternatively 3%,3% and 0%).
54. The additional flexibility to bring forward the Council Tax increases for the Adult Social Care Precept has been provided in recognition of the extreme cost pressures facing Adult Social Care, both through the increase in the National Living Wage as well as the demographic pressures from general aging and "living longer" population.
55. As will be described later within this report, as a consequence of both increased costs and the deterioration in forecast funding arising from the Local Government Finance Settlement, the Council's overall financial position over the next 3 years has deteriorated by £2m from a forecast deficit of £20m to a forecast deficit of £22m. The key driver for the change in the Council's forecast costs is the potential but very real prospect of the withdrawal of a further £1m (overall total £3.1m) of funding by the CCG for Adult Social Care.
56. To maintain the Savings Requirements at £7.5m each year for the next 2 years, the Council will need to increase the level of Council Tax by 1.99% for

General Purposes as well as taking the additional flexibility to increase the Adult Social Care precept by 3% in 2017/18. The alternative will be to increase the overall Savings Requirement by a further £727,200 for each 1% reduction in Council Tax.

57. Both the option to increase the Adult Social Care Precept to 3% in 2017/18 and the extent of the withdrawal of £3.1m of funding from the CCG will be critical for Adult Social Care services and the wider health system on the Island.
58. Given the extent of the Council's financial challenge to find £7.5m of savings and the very real potential for further significant reductions to Adult Social Care, it is proposed that:
- i) The Council Tax for General Purposes be increased by 1.99%, representing 47p per week for a Band C tax payer
 - ii) Adult Social Care precept be increased by 3% for 2017/18, representing 72p per week for a Band C tax payer.
59. For similar reasons, the Council's future forecasts for the period 2018/19 to 2020/21 have been estimated on the following basis:
- i) General Purposes - 1.99% rise each year
 - ii) Adult Social Care Precept - 3.0% rise in 2018/19, 0% for 2019/20 and thereafter

Council Tax Base 2017/18

60. The Council Tax Base (i.e. the number of Band D equivalent properties paying the full Council Tax) has been determined as **52,137.1** for 2017/18, having taken account of the Council decisions on 18th January 2017 relating to the Local Council Tax Support Scheme and the changes to Council Tax discounts and exemptions for the coming year.
- Collection Fund Balance (Council Tax Element) 2016/17

61. The Collection Fund is the account into which are paid amounts collected in respect of Council Tax and out of which are paid the Council Tax precepts to:
- Isle of Wight Council (90.1% share)
 - Hampshire Police & Crime Commissioner (9.9% share)

In the event that actual Council Tax income receivable is different from the estimated income (informed by the calculation of the Council Tax Base) upon which the precepts are based, then a surplus or deficit will arise.

62. For 2016/17, it is estimated that there will be a surplus on the Collection Fund of £555,124 which will be shared in proportion to the 2016/17 precepts and distributed to the preceptors as follows:

COLLECTION FUND SURPLUS - 2016/17		
Preceptor	Distribution	
	£	%
Isle of Wight Council	500,000	90.1%
Hampshire Police & Crime Commissioner	55,124	9.9%
Total Surplus 2016/17	555,124	100.0%

The Isle of Wight Council Share of the surplus of £500,000 is factored into the overall Council Tax income for 2017/18.

Total Council Tax Income 2017/18 & Future Years

63. Considering the Council Tax increase, Council Tax Base and surplus on the Collection Fund, the total Council Tax income for 2017/18 is estimated at £76,873,414.
64. As Government funding reduces, rises in Council Tax income are fundamental to the Council's future financial position and therefore the future sustainability of Council Services. The Council's Medium Term Financial Forecast assumes that Council Tax Income will rise to £84,677,000 by 2020/21 and is based on the following assumptions:
- Annual increases in the amount of Council Tax of 4.99% for 2018/19 and 1.99% per annum thereafter
 - Modest growth in the Council Tax Base of 0.5% per annum over the period

REVENUE BUDGET 2017/18

65. The overall aim of the Council's Medium Term Financial Strategy is to match "In Year" spending with "In Year" income and funding over the medium term with the use of General Reserves used to "smooth out" any necessary fluctuations between years.
66. The Council's approved MTFS also described the need to repair its General Balances over time. This is vital if the Council is to stabilise its financial position, have the ability to respond to any potential "financial shocks" without resorting to quick and severe service reductions but also have the financial capacity to be able to fund opportunities as they arise. As approved in the Council's MTFS, the proposals within the Budget for 2017/18 will provide for General Reserves to be above the minimum level in order to be available to "smooth out" future years savings to more manageable levels.
67. The Council consulted the residents, businesses and other stakeholders of the Isle of Wight on its overall Budget Strategy through December and

January. The consultation opened on iweight on Thursday 22nd December and ran until Monday 23rd January and received 862 responses.

68. The survey's aim was to establish whether the public agreed with the Council's proposed strategy and sought responses to questions relating to productivity, working with others, investment and regeneration, growth and improvement and increasing the Council Tax.
69. The main conclusions arising from the consultation where the majority of respondents agree or strongly agree are:
- The Council should seek to generate income to pay for services rather than make cuts
 - The Council should seek to secure investment and funding for business growth
 - The Council should work with others to improve services and reduce costs
 - The Council should invest in the island economy to grow business and create jobs
 - The Council should use technology to improve services and save money
 - Residents' leading priority for spending is Regeneration and Development, being over 30% more popular than the next highest priorities of Children's Services, Adult Social Care and Housing
 - The majority of respondents (60%) were in favour of paying extra Council Tax for Adult Social Care. Of those willing to pay extra, the majority (i.e. 43% and 25% of all respondents) supported an increase of 3%.
70. A series of consultative meetings with stakeholders from the voluntary and business sectors, the unions and town and parish councils were held during January. A public meeting on the 16 January at Medina theatre attracted an audience of approximately 50 people.
71. The strong view of the voluntary sector was that the Council needed to do more in respect of health and social care integration (especially in the area of joint commissioning) as a means of improving outcomes for people and making best use of its resources. The sector feels it has a central role to play in this process and is looking to work in partnership with the Council to find innovative ways to contribute to this activity.
72. The business sector welcomed the Council's approach to regeneration and growth and is keen to work closely with its new regeneration team in order to stimulate the economy. It remains concerned about how inward investment can be encouraged by the Council if it acts in contravention to its positive messages.
73. The town and parish councils represented were willing to consider taking more responsibility for local services but were keen to see the Council able to act much more quickly in taking decisions to enable this to happen. The

enforcement of planning conditions remains a particular issue for these local councils.

74. Concern about the future of schools funding and the cost and the strategic partnership with Hampshire County Council were an issue for the unions as well as the need for the Council to think and act much more commercially and entrepreneurially in order to generate income to protect service rather than 'cut' spending (the preferred terminology of at least one representative).
75. The high cost of Adult Social Care and how the Council could address it, the strategic partnership with Hampshire County Council (in terms of costs and what next), the Council's approach to regeneration and debt management and its long term viability were the key issues raised and discussed at the public meeting. The primary concern amongst those attending was that unless the Council (and government) can find alternative ways to manage its social care spending then the likelihood of it being able to maintain the services enjoyed by the majority of residents (and a key attraction for visitors and businesses) would be very limited.
76. The full results of the Budget Consultation can be found at:

<https://www.iwight.com/council/OtherServices/Financial-Management/Budget-Consultation>
77. The proposed Budget for 2017/18 has been prepared with both regard to the Budget Consultation exercise and to include all of the decisions taken as part of the approved MTFS (e.g. savings from the Debt Repayment holiday, reinstatement of the Operating Model savings, additional Regeneration capacity and additions for unachievable savings). The proposed Budget for 2017/18 also includes the following:
 - Funding reductions from Government of £7.7m
 - Funding for Adult Social Care via Passporting of the Adult Social Care Precept (3%) of £2.2m plus a further £0.2m for the costs of implementing the Care Act requirements
 - Inflationary costs and other cost pressures amounting to £4.6m
 - Proposed Savings of £7.5m as set out in Appendix C
 - An increase in Council Tax of 1.99% for General Purposes amounting to £1.4m
 - An increase in the Adult Social Care Precept of 3.0% amounting to £2.2m
 - Increase in Retained Business Rates of £2.5m
 - The use of General Reserves of £3.6m

78. The proposed Budget for 2017/18 accommodating the Council's proposed £7.5m of savings, funding changes and other cost changes as described above is £150,486,700. It represents an increase of £5,371,400 (3.7%) compared to the Revised Budget for the current year of £145,115,300.
79. Noting also the response from the Budget Consultation which generally suggests that services to the vulnerable should receive some measure of protection, the savings proposals provide significant protection from savings for Children & Education at 4.7% of net spending versus the average saving of 6.7% across all areas. Additionally, the savings proposed for Adult Social Care are less than the average but importantly this is measured before the additional funding of £2.4m is passported, the net saving therefore is £698,000 representing a real reduction of just 1.5% of net spending. As a necessary consequence, savings from other Portfolios are proportionally higher and significantly higher in some cases. The savings proposals for 2017/18, by Portfolio / Service, are set out below for approval.

Portfolio / Service	Savings Proposal	
	£	% Budget
Adult Social Care & Public Health (Adult Social Care)*	3,084,100	6.6%
Adult Social Care & Public Health (Public Health)	397,000	5.8%
Contract Management & Car Parking**	889,300	20.8%
Environment, Fire & Local Engagement (Environment)	14,000	0.7%
Environment, Fire & Local Engagement (Fire & Rescue Service)	350,000	5.3%
Planning, Tourism, Recreation & Culture	437,100	7.3%
Regeneration, Housing & Transport	103,000	9.6%
Resources & Children's Services (Children's Services)	1,196,200	4.7%
Resources & Children's Services (Resources)	1,029,300	8.3%
Grand Total	7,500,000	6.7%

* Excludes the additional funding passported through the Adult Social Care Precept of £2.2m and additional funding for the Care Act of £0.2m.

** Excludes £19.4m of PFI Grant funding, on a Gross expenditure basis the saving amounts to 3.8%

80. Inevitably, there are a number of financial risks contained within the proposals for making savings of the scale of £7.5m (or 6.7% reductions in net spending) on the back of making over £60m in savings and efficiencies over the past 6 years. The risks are unavoidable. For those risks with the highest likely impact such as Children's Services and Adult Social Care, mitigation strategies are being developed.
81. It is important to note that the Council's responsibility is to set the overall Budget of the Council and determine the individual Budget for each Portfolio / Service. It is not the responsibility of the Council to approve the detailed savings that need to be made in order for the Portfolio / Service to meet its own Budget. The Council do need to have the confidence that the recommended savings for each Portfolio are deliverable and what the likely

impact of delivering those savings might be. Indicative savings that are likely to be necessary in delivering the overall Portfolio savings are attached at Appendix C and whilst the detailed savings are not a matter for the Council to decide, they are presented to inform the decision of Council relating to the savings to be made by each Portfolio / Service.

82. For savings proposals that require consultation, the actual method of implementation or their distributional effect will not be determined until the results of consultation have been fully considered. Following consultation, the relevant Portfolio Holder may alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix C with alternative proposal(s) amounting to the same value.

REVENUE FORECASTS 2018/19 TO 2020/21

83. A new medium term forecast has now been completed to cover the period 2018/19 to 2020/21 (i.e. after the savings relating to 2017/18 have been made and incorporating the further financial year of 2020/21). All of the financial assumptions have been comprehensively revised and a savings requirement for the new 3 year period has been estimated at £19m and is summarised below:



84. It is important to recognise that this forecast extends beyond the current Comprehensive Spending Review and 4 Year Settlement periods and moves to the year in which the Local Government funding system changes to 100% Business Rate Retention and the simultaneous implementation of the Fair Funding review. Consequently, there remains a significant level of uncertainty surrounding the forecast for 2020/21.
85. The most significant assumptions in the medium term future forecasts for the period 2018/19 to 2020/21 are described below:

- Reductions in overall general Government funding of £5.7m over the whole period, representing 18.5%
- A 4.99% increase in Council Tax for 2018/19 followed by increases of 1.99% per annum thereafter plus a 0.5% increase in the Tax Base per annum for each of the 3 years, in total yielding £7.8m
- An underlying zero growth assumption for changes in Business Rates from 2018/19 onwards, to reflect the uncertainty relating to appeals and mandatory reliefs
- Indexation uplifts on retained Business Rates of 3.2% for 2018/19, a further 3.6% for 2019/20 and a further 3.0% for 2020/21 in line with forecasts from the Office for Budget Responsibility which in total yields £3.3m
- Cost Pressures in Adult Social Care of £7.1m
- Other cost and inflationary pressures to £12.7m covering all pay and prices
- An assumption of a steady state for all budgets

86. As previously described, the fundamental aim of the MTFs is for in-year expenditure to equal in-year income. The proposed Savings Requirements for the new 3 year period are described below have been set to accord with that aim and also with the principle of starting to restore the Council's General Reserves over time.



RESERVES - 2016/17 & FUTURE FORECASTS

87. In General, maintaining adequate reserves is a measure of responsible financial management and strong financial health. They are required in order to be able to respond to "financial shocks" without having to revert to the alternative of quick and severe services reductions. Equally, they can be a vehicle to take advantage of any opportunities that may arise which are in the financial interests of the Council (for example, matched funding opportunities which could lever in additional funding for the Island). Importantly, they also enable differences between expenditure and funding levels to be "smoothed out" and managed in a planned way over time.

88. In accordance with Best Practice, a review of the Council's reserves and balances has been undertaken as part of the budget process. The review considers the Council's potential financial risks over the next few years in order to determine the prudent level of balances that should be retained, based on the Council's risk profile. It is considered, given the other reserves that are maintained for specific purposes, that the minimum General Reserves that should be maintained is £5.0m.
89. The statement below gives details of the General Reserves in hand at 1 April 2016, together with the proposed use of reserves in 2016/17 and 2017/18 arising from the 2016/17 and 2017/18 Budget proposals contained within this report. The forecast balances from 2018/19 onwards **assume that the £19m savings requirements set out in the previous section are achieved according to the profile described.**

General Reserves Forecast - 2016/17 to 2020/21					
Financial Year	Current Year £m	Budget 2017/18 £m	Forecast 2018/19 £m	Forecast 2019/20 £m	Forecast 2020/21 £m
Opening Balance	7.3	9.6	6.0	5.5	5.9
In Year Surplus / (Deficit)	2.3	(3.6)	(0.5)	0.4	1.1
Forecast Balance	9.6	6.0	5.5	5.9	7.0

90. The approved MTFs, set out the need to restore General Reserves and the proposals for the Revised Budget 2016/17, Budget 2017/18 and proposed future Savings Requirements (amounting to £19m) for 2018/19 to 2020/21 will achieve this aim in a fashion that is both gradual but also does not give rise to any sizeable spike in savings requirements over the period.
91. In addition to General Reserves, the Council has established a Transformation Reserve of £1m. This reserve was established as one of the Council's primary vehicles to deliver savings. Often, transformation schemes aimed at significant cost reduction will be of a scale and complexity that require up front resources, especially if they are to proceed at pace. The reserve will provide a mechanism to ensure any such financial obstacles to delivery are minimised.
92. It is anticipated that due to the nature and scale of some of the savings proposals within the Adult Social Care Portfolio, that there will be a need to provide up-front funding from this reserve to support their delivery. Once determined, a report will be submitted to the Executive for approval.
93. Maintaining the Transformation Reserve at sufficient levels to support savings delivery through "Spend to Save" and "Invest to Save" schemes is vital to the success of the MTFs and the Council's future Savings Requirements. Accordingly, a strategy for its replenishment is a necessity but the need to minimise the savings requirements is paramount. The Savings Requirements

for the Council in 2017/18 and 2018/19 at £7.5m per annum are such that any planned contributions (which would require these Savings Requirements to increase accordingly) would likely push those Savings Requirements to levels that put essential Council Services in jeopardy and expose them to serious risk. It is therefore proposed that, rather than a planned replenishment from a contribution from the Revenue Budget, a proportion of any underspendings at year end (after approved carry forwards) are transferred into the Reserve.

94. The Council maintains a number of other reserves, many of a modest nature, in order to provide for known liabilities in the future. These include:

- The Highways PFI Reserve
- Insurance & Risk Reserve
- Repairs and Renewals Reserve
- Business Rate Retention Reserve

95. For the Council to meet the overall aim of its MTFs, it is important to strike the optimum balance between its key drivers of:

- Delivering savings (income, efficiencies and service reductions) over a manageable period of time which is consistent with maintaining good quality essential services
- Provide sufficient funding for Spend to Save and Invest to Save initiatives through the Council's Transformation Reserve
- Ensure that the Capital Programme is sufficiently funded over the medium term to stimulate the Island Economy and improve the Council's overall financial position
- Maintaining General Reserves at levels that ensure strong financial resilience and financial health

To support this aim and ensure that maximum resources are available for the delivery of necessary savings, it is proposed that any underspendings for 2016/17 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 determined by the S.151 Officer.

Statement of the Section 151 Officer in Accordance with the Local Government Act 2003

96. Section 25 of the Local Government Act 2003 ("the Act") requires the Chief Financial Officer to report to the Council on the following matters:

- The robustness of the estimates included in the budget made for the purposes of setting the Council Tax; and
- The adequacy of proposed financial reserves

97. Section 25 of the Act concentrates on uncertainties within the budget year rather than the greater uncertainties in future years. In the current economic climate, there continue to be uncertainties in both the current and future years i.e. beyond 2017/18. Particular uncertainties exist regarding the extent of successful appeals and mandatory reliefs which affect Retained Business Rates, the ability of the Council to continue to make the necessary savings at the required scale and pace, the likely demographic cost pressures arising in demand driven services such as Adults and Children's Social Care and the extent to which new policy changes will be funded (most notably those arising from the Care Act). All of these uncertainties increase the need for adequate reserves and balances to be maintained in current and future years.
98. A minimum level of revenue reserves must be specified within the Budget. The Council must take full account of this information when setting the Budget Requirement.
99. Should the level of reserves fall below the minimum approved sum of £5.0m as proposed in this report, either arising from an overspend in the previous year or the current year, the S.151 Officer has a duty to report this to the Council with recommendations as to the actions that should be taken to rectify the shortfall. In the most extreme of circumstances, the S.151 Officer can impose a spending freeze until a balanced budget is approved by the Council.

(a) Robustness of the Budget

100. In setting the Budget, the Council should have regard to the strategic and operational risks facing the Council. Some of these risks reflect the current economic climate and the national issues surrounding local authority funding levels.
101. Estimates and forecasts have been prepared to include all known significant financial factors over the medium term in order to inform spending decisions.
102. Assumptions for the Budget and forecasts for future years are considered to be sound and based on the best available information. These are set out in detail from paragraph 83 and use the following sources as their evidence base:
 - Government funding as set out in the provisional settlement for 2017/18 to 2019/20
 - A "no growth" assumption for Retained Business Rates on the basis that any income arising from growth will be offset by both appeals and reliefs
 - An assumption that the current rateable value will be reduced by 4.9%, based on Government estimates of appeals arising against the 2017 rating list

- Increases in Council Tax based on what is likely to be acceptable and in particular that the Council will continue to take advantage of the flexibility to tax for Adult Social Care at 3% in 2017/18 and 2018/19
 - Inflation on Retained Business Rates and prices in accordance with inflation estimates from the Office for Budget Responsibility
 - Provisions for anticipated national policy changes arising out of the Care Act based on the Isle of Wight Council's share of "relative need"⁴
 - Specific provisions for increases in demand for both Adult's & Children's Social Care based on current trends
 - A general provision for (as yet) unknown budget pressures
 - Prudential borrowing requirements based on approved Capital schemes
 - Revenue contributions to capital based on estimates of future needs
 - Balances and contingencies based on a risk assessment of all known financial risks
103. Savings contained within the Budget are those where Portfolio Holders and Directors assess the confidence level of achievement is medium and above. Savings proposals will also be subject to scrutiny by Members. Responsibility and accountability for delivering the savings rests with the relevant Portfolio Holders and Directors and progress will be monitored throughout the year as part of the Budget Monitoring process.
104. The most volatile budgets are those of Adult's and Children's Social Care. Budget provision has been made available to cover these risks both directly within the Service Budget as well as within the Council's overall contingency provision.
105. The forecasts prepared for the forthcoming and future years are robustly based and illustrate the expected costs the Council will incur in order to deliver current levels of service.
106. Portfolio Holders will be given regular budget updates by Directors to ensure that action to address any potential over or underspend is taken promptly and quarterly budget monitoring reports will continue to be presented to the Executive.
107. Prudential Indicators are accurately calculated based on the Council's audited Balance Sheet, notified income streams and in depth financial appraisals of proposed capital schemes. These are published and reviewed on a regular basis to ensure that the Council complies with the concepts of Affordability, Prudence, and Sustainability. The Council can only consider Prudential

⁴ Relative need is based on the Government's "Relative Needs Formula" that is used in allocating general government funding

Borrowing for “Spend to Save Schemes”, as it is currently unaffordable for any other purpose given the forecast budget deficits in 2018/19 and future years.

108. Future years’ budgets will be particularly challenging due to continued funding reductions and uncertainties. The Council's forecasts plan for a savings target of £7.5m in 2018/19, £7.0m in 2019/20 and £4.5m in 2020/21.

(b) The Adequacy of Proposed Financial Reserves

109. The Council's General Reserves have been proposed at levels that are consistent with the Council's financial risks over the medium term and take account of the level of the Council's Corporate Contingency as well as other earmarked reserves that are set aside for risk events such as the Insurance Reserve, Repair and Renewals Reserve and the Business Rate Retention Reserve.
110. Reserves provide a buffer against unexpected costs such as pay awards, inflation, shortfalls in income and overspends and enable the Council to manage change without undue impact on the Council Tax or immediate reductions to services. They are a key element of strong financial standing and resilience as they mitigate risks such as increased demand and other cost pressures.
111. The level of General Reserves held will be higher than the minimum level required. This approach is in accordance with the approved MTFs in order to "smooth out" the necessary savings to meet the future forecast budget deficits in a planned and managed way. The position will continue to be reviewed and reported to Members on an annual basis.
112. The Transformation Reserve is the Council's primary vehicle for funding Spend to Save and Spend to Avoid Costs Initiatives, Feasibility Studies and redundancy costs and currently stands at just £1m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any underspendings, transfers from other reserves no longer required or alternatively from the Revenue Budget in future years.
113. The Council maintains a number of other Earmarked Reserves for specific purposes, all of which are at the levels required to meet known future commitments.
114. The Council's contingency provision for 2017/18 has been set on a risk basis at £2.9m and reflects anticipated calls on the budget where the timing and value is not yet known. The use and application of the contingency will be exercised tightly.
115. At the proposed levels, the Council reserves are sufficient to accommodate the Council's financial risks and maintain the Council's overall financial health.

CAPITAL PROGRAMME 2016/17 TO 2021/22

116. The Capital Programme is a vital component of the Council's Medium Term Financial Strategy. It is proposed that the Council's overall Capital Strategy has 3 core aims as follows:

(i) A Medium Term Strategy:

- Properly aligned funding and spending (i.e. does not apply future (longer term) funding to current (near term) investment), thus leaving known and unfunded obligations in the future
- Provides funding for future years for critical Capital Investment (ensuring that in years where capital resources are limited, critical investment can continue to be made)
- Revenue Contributions to Capital are considered to "smooth out" any significant gaps between capital investment needs and capital resources available

(ii) Maximise the Capital Resources Available and the flexibility of their application:

- Setting capital funding aside for "match funding" opportunities where these are aligned with the Council's strategic objectives in order to take advantage of "free" funding
- Periodic review of contractually uncommitted schemes against newly emerging capital investment priorities
- Avoidance of ring-fencing of capital resources, except where statutory
- Use of Prudential Borrowing for "Invest to Save" Schemes

(iii) Targeted Capital Investment (prioritised categories):

- **Category 1** - Programmes of a recurring nature that are essential to maintain operational effectiveness
- **Category 2** - Specific schemes that:
 - Have a significant catalytic potential to unlock the regeneration of the Island
 - Are significant in terms of the Council strategies that they serve
 - Are significantly income generating or efficiency generating
 - If not implemented would cause severe disruption to Service delivery

117. As described in the MTFs, the strategy is to maximise the capital resources available and then target the investment of those resources to those areas that will both stimulate the Island Economy and improve the Council's overall financial position.
118. A comprehensive review of the Council's Capital Programme has been undertaken with the aim of maximising the capital resources available. This strategy was approved to enable the opportunity to re-assess previous priorities with current priorities, allowing each to compete with each other for funding, maximise the opportunity to make savings/increase the funding base and ultimately protect public services.
119. The review of the Council's Capital Programme has been completed and the following actions taken in arriving at the available capital resources:
- All contractually uncommitted capital schemes which are relying on non ring-fenced funding have been withdrawn from the Capital Programme but are considered as new bids for the available capital resources now available
 - Any non statutory ring-fencing of capital resources has been removed
 - All schemes that were previously approved to be financed from Prudential Borrowing have been reviewed and considered against the statutory guidance, where the guidance was met the prudential borrowing remained intact but where it was not financing from borrowing has been replaced with funding from capital receipts
 - All underspendings against the approved Capital Programme have been brought into resources available and all overspendings have been funded from the resources available
 - All capital receipts have been "pooled", including the ASDA capital receipt, and future capital receipts have been relied upon to the extent that there has been a decision to make the asset surplus to requirements
120. In determining the overall capital resources available, a small contingency has been retained to mitigate the risk of capital receipts and grants being lower than anticipated and some funding has been held back to meet unavoidable increases in costs to approved schemes and to support match funding bids for additional external funding from both the Solent Local Enterprise Partnership (LEP) and national initiatives such as the £2.3billion Housing Infrastructure Fund which is due to be announced later this year.
121. The Sources of Capital Funding available to the Council are broadly categorised as follows:
- (i) Corporate Capital Resources - including all non-ringfenced capital grants (e.g. Local Transport Plan, Education Basic Need and School Condition Funding) , capital receipts and revenue contributions

- (ii) Ring-Fenced Funding - including School's Devolved Formula Capital, Community Housing Fund and some S.106 funding
- (iii) Funding Passported to the Better Care Fund - this includes Disabled Facilities Grants funding which, whilst non-ringfenced, does have to be allocated to the Better Care Fund and prioritised by the Council and the Isle of Wight Clinical Commissioning Group
- (iv) Prudential Borrowing - borrowing for capital schemes which meet the Prudential Code and its associated "tests" of Affordability, Sustainability and Prudence; essentially Invest to Save Schemes

Corporate Capital Resources

122. The Corporate Capital Resources available amount to £16.7m. The scale of the resources available for allocation in 2017/18 is exaggerated by the remaining value of the ASDA Capital Receipt. In "normal" times, the annual value of Corporate Capital Resources available would amount to circa £5m per annum with an expectation from Central Government that amounts allocated for Education (circa £1.5m p.a) should be allocated for School Condition and School Places. Furthermore, there is an obligation from the Department for Transport to retain a Local Transport Plan.
123. In "normal" times therefore, it might reasonable be estimated that the Corporate Capital Resources available will amount to circa £2m to £3m unless assets of substantial value are sold. It is of the utmost importance therefore that the Council uses the £16.7m of available Capital Resources in a way that both protects the Council's core essential services over the medium term but is also targeted at income generation and regeneration to improve the overall financial position of the Council and Island Economy.
124. The proposals for the use of the Council's Corporate Capital Resources are set out in Appendix D. They comprise a balanced set of proposals which:
- Ensure the medium term resilience of essential core services
 - Transform services, including investment into more appropriate and cost effective accommodation for Adult Social Care clients through Supported Living arrangements
 - Provide investment to acquire strategic employment sites for the Island
 - Support key transport infrastructure to improve access to Newport as well as contributing to overall business productivity
 - The continued rationalisation of Council Buildings to reduce costs and improve efficiency
125. The proposals funded from Corporate Capital Resources in Appendix D will, in accordance with the MTFs, provide the necessary operating capacity that

the Council requires giving time for its other savings initiatives to be implemented.

Ring-fenced Funding

126. Ring-fenced funding which is governed by the terms and conditions of the associated grant or contract have been incorporated within the Capital Programme at Appendix E. Of particular note is the inclusion of £1.56m for a Community Housing Fund which is intended to support affordable housing provision.

Funding Passported to the Better Care Fund

127. The Better Care Fund is a central government initiative which creates a pooled budget arrangement between the Council and the Isle of Wight Clinical Commissioning Group. The grant funding for Disabled Facilities Grants of £1,584,113 is received by the Council but is required to be pooled within the Better Care Fund (BCF). Through the local BCF planning process, the Disabled Facilities Grant can be invested in broader strategic capital projects however, the statutory duty on local housing authorities to provide aids and adaptations under the DFG to those who qualify will remain.

128. It is proposed that the following schemes as described in Appendix D are considered by the Council and the Clinical Commissioning Group through the BCF process as bids against the £1.58m of funding and that they prioritise and determine the funding for those schemes accordingly:

- Disabled Facilities Grants
- Housing repair and well-being grants (crisis works and adaptations outside of the remit of Disable Facilities Grants)
- Critical Lifeline Equipment (to support clients living in their own home)
- Lifting equipment (for clients that suffer a fall)

Prudential Borrowing

129. The Medium Term Financial Strategy approved in October 2016 by Full Council included the establishment of Commercial Property Acquisition Fund of £100m. Accordingly, this is now proposed as part of the Capital Programme. It is aimed at maximising return but recognising that the safeguarding of public funds is of paramount importance and the Council's first priority.

130. The Commercial Property Acquisition Fund is proposed for approval in principle at this stage since, to properly safeguard public funds, such acquisitions must be made within a strategy and framework which manages the risk exposure of the Council. It is proposed therefore that the Director of Finance (S.151 Officer) will bring forward a Commercial Property Acquisition Strategy to the Council in the near future with a recommended approach to the following:

- The overall size of the portfolio

- The typical range of asset sizes
- The asset types
- The covenant strength
- The sectors of the economy within which assets should be acquired and their diversification
- The geographic diversification of the portfolio, including strategic growth locations.

131. The Capital Programme 2016/17 to 2021/22, including all proposed new schemes is set out in Appendix E for approval.

Future Capital Obligations, Priorities and Aspirations

132. Whilst the proposals for Capital Investment contained within this report provide a good foundation to secure the Council's financial viability for the medium term, the Council will face future obligations of a statutory nature as well as wish to commence the development of its future capital investment priorities.

133. Known obligations and aspirations, in line with the MTFs, for future Capital Investment once further capital resources become available include:

Statutory Obligations:

- Additional extensions / additions to school in the primary sector in order to provide for additional school places
- Provision of additional Disabled Facilities Grants
- Requirements to improve road safety, disabled access and air quality

Improving the Island Economy:

- Further development of key employment sites such as Kingston Marina and Island Technology Park
- Regeneration of Newport Harbour
- Coastal protection schemes to protect homes and businesses
- Improvements to road transport infrastructure as a means of supporting new business growth generally as well as the protection of the tourism economy (e.g. repairs to Undercliffe Drive, extension of cycle routes and the coastal amenity)

Public Service Transformation:

- Co-location of Health and Social Care services to provide more integrated service for residents and improve cost effectiveness
- Further Extra Care facilities for Adult Social Care clients

- Use of technology to provide greater personal independence for those with care needs

STRATEGIC CONTEXT

134. The Council's Budget for 2016/17 and 2017/18, the level of Council Tax and Capital Programme 2016/17 to 2021/22 represent the Council's detailed plan for 2017/18 and set the direction for the medium term. They are set within the context of the Council's recently approved Medium Term Financial Strategy.

CONSULTATION

135. The proposals set out in this Strategy have been prepared in consultation with the current and previous Executive and the wider members of the Independent Group, Conservative Group, UKIP and Independents.
136. The Portfolio savings amounts proposed within this report will inevitably impact on service provision. Appendix C describes the indicative savings that might (or are likely) to be made in order to achieve the proposed savings amounts. Whilst some are likely to be implemented, there will be others that require consultation and appropriate Equality Impact Assessments to be considered before any implementation can take place. For this reason, any savings proposal set out in Appendix C can be altered, amended or substituted with an alternative proposal following appropriate consultation.
137. An Island-wide budget consultation took place during December and January to help inform how to make £20m of savings over the next 3 years and levels of acceptable Council Tax. The consultation took the form of a questionnaire which was also supplemented by a series of public meetings with residents and stakeholders. The Scrutiny Committee will also review the proposals contained within this report and have the opportunity to make their representations to the Council.

FINANCIAL / BUDGET IMPLICATIONS

138. All of the financial implications arising from the recommendations are contained within the body of the report and its appendices.

LEGAL IMPLICATIONS

139. The council will need to set a lawful and balanced budget and Council Tax level for 2016/17 by the statutory deadline. In developing any proposals for budget changes the necessary equality impact assessments and any consultation processes will need to be followed.
140. Section 106 of the Local Government Finance Act 1992 makes it an offence for a councillor in council tax arrears (with at least two months unpaid bills) to vote at a meeting of the council where financial matters relating to council tax are being considered. It is also an offence if any such councillor present, who is aware of the arrears, fails to disclose that they are in arrears of council tax. Members must

therefore ensure that if they have such arrears, that they disclose this to the meeting.

EQUALITY AND DIVERSITY

141. The council has to comply with Section 149 of the Equality Act 2010. This provides that decision makers must have due regard to the elimination of discrimination, victimisation and harassment, advancing equalities, and fostering good relations between different groups (race, disability, gender, age, sexual orientation, gender reassignment, religion/belief and marriage/civil partnership). An equality impact assessment is attached at Appendix G.

PROPERTY IMPLICATIONS

142. The property implications contained within this report seek to improve the sufficiency, condition and efficiency of the Council's existing property estate. Proposals for land acquisitions are intended to provide sites for regeneration and employment and will only be purchased after full and proper due diligence. Potential new build proposals will also be the subject of a full financial appraisal and proper due diligence.

OPTIONS

143. The proposed Budget for 2016/17 and 2017/18, associated Savings Requirements, use of General Reserves and the Capital Programme have been prepared in accordance with the Council's recently approved Medium Term Financial Strategy. These proposals are presented as a cohesive and interrelated package of measures aimed at providing the maximum opportunity to meet the financial challenge faced by the Council. The options available within a cohesive Financial Strategy are:

- A. In respect of the Revenue Budget 2017/18:
- (i) Approve the recommendations set out in this report
 - (ii) Reduce the proposed increase in Council Tax and increase the level of savings noting that every 1% reduction in Council Tax will require an increase in savings of £727,200
 - (iii) Increase the use of General Reserves used in 2017/18 and reduce the level of savings accordingly, acknowledging that in doing so the level of savings in 2018/19 and future years will increase providing an uneven profile of savings which is contrary to the recently approved Medium Term Financial Strategy
 - (iv) Amend the allocation of Savings Requirements between Portfolios by reducing savings in one or more Portfolios and providing replacement savings of equivalent value in one or more other Portfolios
 - (v) A combination of options (ii) to (iv) above

- (vi) Set a Council Tax at a level above 1.99% for General Purposes and undertake a local referendum
- B. In respect of the Capital Programme 2016/17 to 2021/22 as set out in Appendix E:
- (i) Approve the recommendations set out in this report
 - (ii) Amend the proposed "New Start" Capital Schemes by reducing / deleting proposed Capital Schemes and replacing with alternative Capital Schemes of equivalent value
 - (iii) Amend the proposed "New Start" Capital Schemes by reducing / deleting capital schemes and retaining the amount of Corporate Capital resources available for future Capital Programmes

RISK MANAGEMENT

144. The financial challenge is the single biggest risk to sustainable public services on the Island. Accordingly the Council needs to resolutely maximise the deployment of the resources that it does have (Revenue, Capital, Property and Staff) towards driving additional income / funding and cost savings to secure Council Services for the future. The Budget and Council Tax proposals set out in this report are part of a cohesive plan which conforms to the Council's recently approved Medium Term Financial Strategy. The strategy provides both structure and direction to achieve the financial challenge in a way that is aligned with the Council's corporate objectives and minimises cuts to essential services.
145. The key risk is that the Council does not approve a Revenue Budget for 2017/18 and a Capital Programme that conforms to its Medium Term Financial Strategy and as a consequence the approach to cost savings / additional income/funding is disorderly with sub optimal decisions taken which lead to greater than necessary cuts to essential services. Furthermore, that proposed amendments relating to reductions in the level of Council Tax or increases in the use of General Reserves are "unbalanced" which ultimately compromise the financial health and resilience of the Council and as a consequence jeopardise the future of Council Services.
146. The robustness of the Budget and adequacy of reserves is described in the section entitled "Statement of the Section 151 Officer in Accordance with the Local Government Act 2003".
147. Key risks relating to the Capital Programme are that any amendments to the proposed programme delete or reduce operationally essential schemes which have the potential to close buildings from which Council Services operate. Alternatively, that amendments that remove schemes of a cost avoidance, income generating or regeneration nature are removed or reduced which could compromise the future financial viability of the Council and delivery of essential services.

EVALUATION

148. Option 1 is recommended. The Budget and Council Tax proposals set out in this report are part of a cohesive plan which conforms to the Council's recently approved Medium Term Financial Strategy and is consistent with the Council's Corporate Plan. In particular:
- It provides for a "smoothing" of savings over a planned period enabling the Council to maximise its operational capacity to implement initiatives at pace aimed at increasing income / funding and reducing costs and providing time for "alternative to cuts" initiatives to take effect pending the Government's "Fairer Funding" review in 2019/20
 - With an Adult Social Care Precept at 3%, it provides a degree of stability for Adult Social Care Services on the Island which otherwise would be put at risk
 - An increase in Council Tax of 1.99% for General Purposes avoids further cuts to essential services to residents and improves the funding base for the future
 - Improves the overall financial resilience of the Council
 - Ensures that funding is available to enable, or "pump prime" Spend to Save (Revenue) and Invest to Save (Capital) schemes
 - Maximises the Capital Resources available to the Council for investment over the medium term balanced across essential services, regeneration and invest to save purposes

RECOMMENDATION

149. It is recommended that the Council approve the following:
- (a) The revised Revenue Budget for the financial year 2016/17 and the Revenue Budget for the financial year 2017/18 as set out in the General Fund Summary (Appendix A)
 - (b) Any underspendings for 2016/17 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
 - (c) Any variation between the provisional and final Local Government Finance Settlement for 2017/18 be accommodated by a transfer to or from General Reserves

- (d) That the level of Council Tax be increased by 1.99% for general purposes in accordance with the referendum threshold⁵ for 2017/18 announced by Government (as calculated in Appendix B)
- (e) 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 £2,182,200 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 2017/18 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 £7.5m for 2017/18 and continuing into future years as set out below:

Portfolio / Service	Savings Proposal	
	£	% Budget
Adult Social Care & Public Health (Adult Social Care)*	3,084,100	6.6%
Adult Social Care & Public Health (Public Health)	397,000	5.8%
Contract Management & Car Parking**	889,300	20.8%
Environment, Fire & Local Engagement (Environment)	14,000	0.7%
Environment, Fire & Local Engagement (Fire & Rescue Service)	350,000	5.3%
Planning, Tourism, Recreation & Culture	437,100	7.3%
Regeneration, Housing & Transport	103,000	9.6%
Resources & Children's Services (Children's Services)	1,196,200	4.7%
Resources & Children's Services (Resources)	1,029,300	8.3%
Grand Total	7,500,000	6.7%

* Excludes the additional funding passported through the Adult Social Care Precept of £2.2m and additional funding for the Care Act of £0.2m.

** Excludes £19.4m of PFI Grant funding, on a Gross expenditure basis the saving amounts to 3.8%

- (i) Directors be instructed to start planning how the Council will achieve the savings requirements of £19m for the 3 year period 2018/19 to 2020/21 and that this be incorporated into Service Business Plans

⁵ Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

- (j) The minimum level of Revenue Balances as at 31 March 2018 be set at £5.0m 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 as set out in paragraphs 96 to 115
- (l) The Capital Programme 2016/17 to 2021/22 set out in Appendix E which includes all additions, deletions and amendments for slippage and re-phasing
- (m) The "Funded Schemes" as described in Appendix D be reflected within the recommended Capital Programme 2016/17 to 2021/22 and be funded from the available Corporate Capital Resources
- (n) The "Financed Schemes" as described in Appendix D are approved in principal, reflected within the recommended Capital Programme 2016/17 to 2021/22 and financed from Prudential Borrowing but subject to the approval of a Commercial Property Investment Strategy setting out the risk based parameters within which such acquisitions should take place
- (o) The allocation of £1,584,113 of Disabled Facilities Grants be made to the Better Care Fund, and reflected within the recommended Capital Programme 2016/17 to 2021/22
- (p) The Prudential Indicators relating to the Capital Programme as described in Appendix F
- (q) 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
- (r) 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)

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

- (a) The Revenue Budget 2017/18 as set out in Appendix A has been prepared on the basis that the 3% tax increase for the "Social Care Precept" (amounting to £2,182,200) 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 £2,182,200) is not taken, then further savings will need to be identified
- (c) In general, any reduction from the overall 4.99% Council Tax increase proposed will require additional savings of £727,200 for each 1% reduction in order for the Budget 2017/18 to be approved
- (d) The Revenue Forecasts for 2018/19 onwards as set out in paragraphs 83 to 86 and Appendix A
- (e) The estimated Savings Requirement of £19m for the three year period 2018/19 to 2020/21, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Savings Requirement £m	Cumulative Saving £m
2018/19	7.5	7.5
2019/20	7.0	14.5
2020/21	4.5	19.0

- (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 £1.0m and will only be replenished from an approval to the transfer of any underspends at year end
- (g) The Council Tax base for the financial year 2017/18 will be **52,137.1** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].
- (h) The Council Tax element of the Collection Fund for 2016/17 is estimated to be a surplus of £555,124 which is shared between the Isle of Wight Council (90.1%) and the Police & Crime Commissioner (9.9%)
- (i) The Business Rate element of the Collection Fund for 2016/17 is estimated to be a deficit of £1,800,000 which is shared between the Isle of Wight Council (50%) and the Government (50%)
- (j) The Retained Business Rate income⁶ for 2017/18 (excluding "Top Up") based on the estimated Business Rate element of the Collection Fund deficit as at March 2017, the Non Domestic Rates poundage for 2017/18 and estimated rateable values for 2017/18 has been set at £19,502,700

⁶ Including the Collection Fund deficit of £900,000, S.31 Grants of £2,114,100 but excluding the "Top Up" grant from Government of £12,365,400.

APPENDICES ATTACHED

151. The following appendices are attached:

- Appendix A - General Fund Summary
- Appendix B - Council Tax 2017/18 (calculated by the Council for the financial year 2017/18 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992)
- Appendix C - Indicative Savings 2017/18
- Appendix D - New Schemes starting in 2017/18
- Appendix E - Capital Programme 2016/17 to 2021/22
- Appendix F - Prudential Indicators 2017/18 (Capital Programme)
- Appendix G – Equality Impact Assessment

BACKGROUND PAPERS

152. The following background papers have been relied upon in preparing this report.

- a. The Council's approved Medium Term Financial Strategy can be found at:

<https://www.iwight.com/Meetings/committees/mod-council/24-2-16/Paper%20B.pdf>

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CHRIS WARD
Director of Finance (S.151 Officer)

COUNCILLOR DAVID STEWART
Leader of the Council

COUNCILLOR STUART HUTCHINSON
*Deputy Leader and Executive Member for
Corporate Resources*

APPENDIX A

GENERAL FUND SUMMARY - 2016/17 to 2020/21

NET REQUIREMENTS OF PORTFOLIOS	Revised budget 2016-17 £	Original budget 2017-18 £	Forecast 2018-19 £	Forecast 2019-20 £	Forecast 2020-21 £
Adult Social Care & Public Health	49,081,236	47,791,347	51,599,336	54,458,668	54,808,668
Environment, Fire & Local Engagement	8,811,962	8,638,370	8,688,370	8,739,370	8,739,370
Planning, Tourism, Recreation & Culture	2,383,635	1,657,232	1,659,271	1,661,314	1,661,314
Regeneration, Housing & Transport	6,042,766	6,563,654	6,063,654	6,063,654	6,063,654
Resources & Children's Services	55,457,922	65,179,326	78,499,967	95,078,117	78,723,855
Major Contract Management & Car Parking	23,337,754	20,656,782	10,102,011	-2,525,614	20,278,549
Savings to be identified	0	0	-7,500,000	-14,500,000	-19,000,000
Portfolio Expenditure	145,115,275	150,486,711	149,112,609	148,975,509	151,275,410
FINANCED BY:					
Contribution (to)/from Balances & Reserves	-2,256,077	3,571,944	481,340	-391,398	-1,079,857
Revenue Support Grant	19,169,993	12,718,346	8,552,023	4,446,679	4,446,679
Business Rates Retention	29,596,188	31,868,114	34,145,365	35,359,919	37,024,202
Other General Grants	26,538,121	25,454,893	25,344,750	26,952,522	26,207,377
Collection Fund (Council tax)	72,067,050	76,873,414	80,589,131	82,607,787	84,677,009
Total Financing	145,115,275	150,486,711	149,112,609	148,975,509	151,275,410
BALANCES & RESERVES					
Balance brought forward at 1 April	7,297,687	9,553,764	5,981,820	5,500,480	5,891,878
(Deficit)/Surplus for year	2,256,077	-3,571,944	-481,340	391,398	1,079,857
Balance carried forward at 31 March	9,553,764	5,981,820	5,500,480	5,891,878	6,971,735
Minimum level of balances	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Underlying Budget Deficit/(Surplus) - assuming future savings are met	-2,256,077	3,571,944	481,340	-391,398	-1,079,857

ANALYSIS OF NET REQUIREMENTS OF PORTFOLIOS

NET REQUIREMENTS OF PORTFOLIOS	Revised budget 2016-17 £	Original budget 2017-18 £	Forecast 2018-19 £	Forecast 2019-20 £	Forecast 2020-21 £
Adult Social Care & Public Health					
Adult Social Care	49,081,236	48,188,347	51,996,336	54,855,668	55,205,668
Public Health	0	-397,000	-397,000	-397,000	-397,000
Sub-total Adult Social Care & Public Health	49,081,236	47,791,347	51,599,336	54,458,668	54,808,668
Environment, Fire & Local Engagement					
Bereavement Services & Registrars	65,581	76,282	76,282	76,282	76,282
Community Safety	986,248	1,003,756	1,003,756	1,003,756	1,003,756
Fire & Rescue & Emergency Management	6,643,434	6,357,625	6,407,625	6,458,625	6,458,625
Environment	1,116,699	1,200,707	1,200,707	1,200,707	1,200,707
Sub-total Environment, Fire & Local Engagement	8,811,962	8,638,370	8,688,370	8,739,370	8,739,370
Planning, Tourism, Recreation & Culture					
Planning	938,154	453,352	455,391	457,434	457,434
Tourism, Recreation & Culture	1,445,481	1,203,880	1,203,880	1,203,880	1,203,880
Sub-total Planning, Tourism, Recreation & Culture	2,383,635	1,657,232	1,659,271	1,661,314	1,661,314
Regeneration, Housing & Transport					
Asset Management	976,312	1,018,675	1,018,675	1,018,675	1,018,675
Economic Development	542,405	316,305	316,305	316,305	316,305
Harbours	-67,339	-65,392	-65,392	-65,392	-65,392
Housing	4,091,388	3,784,751	3,784,751	3,784,751	3,784,751
Regeneration	500,000	1,509,315	1,009,315	1,009,315	1,009,315
Sub-total Regeneration, Housing & Transport	6,042,766	6,563,654	6,063,654	6,063,654	6,063,654
Resources & Children's Services					
Children's Services	27,780,072	25,754,292	26,036,032	26,421,032	26,421,032
Corporate Items	10,074,646	21,645,495	34,634,396	50,777,546	34,423,284
Resources	17,603,204	17,779,539	17,829,539	17,879,539	17,879,539
Sub-total Resources & Children's Services	55,457,922	65,179,326	78,499,967	95,078,117	78,723,855
Major Contract Management & Car Parking					
Major Contract Management	26,713,178	24,023,195	13,468,424	840,799	23,644,962
Car Parking	-3,375,424	-3,366,413	-3,366,413	-3,366,413	-3,366,413
Sub-total Major Contract Management & Car Parking	23,337,754	20,656,782	10,102,011	-2,525,614	20,278,549
Savings to be identified	0	0	-7,500,000	-14,500,000	-19,000,000
Total Portfolio Expenditure	145,115,275	150,486,711	149,112,609	148,975,509	151,275,410

APPENDIX B

Calculation of the Council Tax for the Financial Year 2017/18

(In accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992)

1. The S.151 Officer has determined that the Council Tax base for the financial year 2017/18 will be **52,137.1** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].
2. The Council calculates that the Council Tax requirement for the Council's own purposes for 2017 18 (excluding Parish and Town Council precepts) is **£76,373,552**
3. That the following amounts be now calculated by the Council for the financial year 2017/18 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	To be determined by the S.151 Officer following notification of the final Town and Parish precepts	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish and Town Councils.
(b)	To be determined by the S.151 Officer following notification of the final Town and Parish precepts	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	To be determined by the S.151 Officer following notification of the final Town and Parish precepts	Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
(d)	To be determined by the S.151 Officer following notification of the final Town and Parish precepts	Being the amount at 3(c) above (Item R), all divided by Item 1 above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish and Town Council precepts).
(e)	To be determined by the S.151 Officer following notification of the final Town and Parish precepts	Being the aggregate amount of all special items (Parish and Town Council precepts) referred to in Section 34(1) of the Act
(f)	£1,464.86	Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by 1 above (Item T) calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year (excluding Town and Parish Council precepts)

(g) Valuation Bands (Isle of Wight Council)

A	B	C	D	E	F	G	H
£							
976.57	1,139.34	1,302.10	1,464.86	1,790.38	2,115.91	2,441.43	2,929.72

Being the amounts given by multiplying the amount at 3(f) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings in different valuation bands.

4. That it be noted that for the financial year 2017/18 the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Police & Crime Commissioner)

A	B	C	D	E	F	G	H
£							
110.31	128.69	147.08	165.46	202.23	239.00	275.77	330.92

5. That having calculated the aggregate in each case of the amounts at 3(g), and 4 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2017/18 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A	B	C	D	E	F	G	H
£							
1,086.88	1,268.03	1,449.18	1,630.32	1,992.61	2,354.91	2,717.20	3,260.64

6. The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2017/18, which represents a 4.99% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act.

The 4.99% increase includes a 3% increase to support the delivery of Adult Social Care.

As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire) that its relevant basic amount of Council Tax for 2017/18 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

INDICATIVE BUDGET SAVINGS 2017/18

Ref No.	Savings Proposal	Impact	Saving 2017/18 £	Saving 2018/19 £	Saving 2019/20 £
	Adult Social Care & Public Health Portfolio				
	Adult Social Care & Public Health (Adult Social Care)				
1	A re-alignment of funding for care packages between those receiving their care organised by the Council and those organising their own care but funded directly with a Direct Payment.	All clients with a physical disability (aged 18-64) will receive funding equity irrespective of their source of funding and therefore removing unfair differential levels of client support in the system. This is likely to result in circa 110 clients receiving a reduction in their Direct Payment, however care needs judged against outcomes and not inputs will still be fully met. In parallel a new online system "ADAM" will be introduced to enable people to look for and buy the care they need, to meet their outcomes, assisting people to find more individually developed services and provide more choice and control over how they spend their direct payment.	400,000	400,000	400,000
2	As above	As above. This change will affect those people with a primary support reason of mental health - aged 18-64 (circa 50 people) who receive their support through a direct payment personal budget;	40,000	40,000	40,000
3	Stage the introduction of individual pricing for residential care for people with a learning disability (modelled on at least 5% gains in efficiency).	Individual pricing - residential providers will use the Council's Dynamic Purchasing System (DPS) to offer residential care through a competitive pricing process with minimum and maximum pricing levels.	200,000	200,000	200,000
4	A review of personal budgets for people with Learning Disability and the introduction of a Dynamic Purchasing System together with the development of the supply of Personal Assistants.	Introduction of Adam Life as new route to market for people with a direct payment and extension of Personal Assistants brokerage functions offered by the independent and voluntary and community sector.. Reducing personal budget average allocation for existing clients (c 320 service users) while maintaining and improving outcomes, rather than a focus on inputs.	1,400,000	1,400,000	1,400,000
5	Implement remodelled 7 day Adult Social Care offer including arrangements for out of hours support.	No impact. Proposed new service will be designed to provide comprehensive out of hours support.	125,000	125,000	125,000
6	Changes in social care practice generated by the introduction of new ways of working, integration with health and technological advancement will have the effect of reducing care management time.	Non LA staff will have delegated functions for Care Act, such as the role of Trusted Assessors which will still provide clients with the support they need but by alternatively qualified staff	100,000	100,000	100,000
7	Community Occupational Therapy Services -a new contract specification which focuses on alternative methods of delivery	ASC is working closely with the CCG in this area as it is also evaluating the Trust's delivery of occupational therapy services. The Trust has been notified of the recommissioning process. The new contract will be specified to continue to provide the required outcomes from Occupational Therapy Services	160,000	160,000	160,000
8	Implementation of more rigorous reviewing activity for complex, joint funding and S.117 packages as well as ensuring that those people eligible for Continuing Health Care (CHC) are allocated to be funded by the Clinical Commissioning Group.	Clients will continue to receive the care they need.	500,000	500,000	500,000
9	Historic underspend in staffing budget - It is expected that the existing level of saving that occurs due to the time to replace staff that leave, will continue in future years.	No impact if recent levels of natural turnover occur	159,100	159,100	159,100
	Adult Social Care sub-total		3,084,100	3,084,100	3,084,100

Ref No.	Savings Proposal	Impact	Saving 2017/18 £	Saving 2018/19 £	Saving 2019/20 £
	Adult Social Care & Public Health (Public Health)				
10	Restructuring of major contracts for Public Health 0-19 nursing service, Sexual Health Service and Drugs and Alcohol Service.	It is expected that the re-tendered and re-specified contract will provide a more integrated approach to service provision between the Council and the NHS with improved outcomes, lower risk and lower cost.	397,000	397,000	397,000
	Public Health sub-total		397,000	397,000	397,000
	Adult Social Care & Public Health Total		3,481,100	3,481,100	3,481,100
	Contract Management & Car Parking Portfolio				
11	Introduction of an administration fee for replacement waste containers	A new £10 fee for residents requesting replacement waste containers to encourage better stewardship of public property.	12,800	12,800	12,800
12	Review opening hours and times at both Lynnbottom and Afton	Reduced opening hours at Lynnbottom Recycling Centre to 9am to 6pm during British Summer Time six days per week (days to be agreed) and to 10am to 4pm six days per week during British Winter Time. Reduction in opening hours at Afton Marsh Recycling Centre to 9am to 6pm during British Summer Time two days per week (days to be agreed) and 10am to 4pm two days per week during British Winter Time	84,500	84,500	84,500
13	Introduction of a Green Waste subscription service	Provide a scheduled green waste subscription service (wheeled bin) at a cost of £55 per annum utilising the existing green waste vehicle and allow the continued use of the pre-purchased bags from libraries (collected on the scheduled round - pre-booked)	89,100	89,100	89,100
14	Review Street Cleansing operations.	Reduction in frequency for some areas to the minimum required by the National Code of Practice.	19,500	19,500	19,500
15	Review the cutting regime on highways verges and grassed areas	A reduction in number/extent of cuts	11,000	11,000	11,000
16	Review of contractual arrangements for management of soft landscaping.	Removal of soft landscaping from the Highways PFI Contract and transferred to the Grounds Maintenance Contract but with a reduced level of maintenance.	40,000	40,000	40,000
17	Review the illumination and installation of traffic signs, bollards and beacons.	No impact. The change is based on Government legislation	2,200	2,200	2,200
18	Removal of Project Network assets maintained by Island Roads.	No significant impact and already partly implemented.	11,000	11,000	11,000
19	Review contingency funding for additional drainage schemes not currently programmed into the Highways PFI Contract	Reduced contingency would result in the need for a risk based approach to the identification of potential schemes. Unexpected items may have to be funded from corporate contingencies.	179,000	179,000	179,000
20	Contract Management Electric Vehicle - non renewal of lease	No impact, more cost-effective efficient arrangements for transport can be made	2,200	2,200	2,200
21	Speed Camera Housing maintenance, removal from the PFI Contract	No impact	8,000	8,000	8,000
22	Use of Mobile traffic counters for traffic surveys instead of fixed point traffic counters.	Provides improved flexibility to measure traffic flows	6,000	6,000	6,000
23	A range of savings in the Highways PFI Contract including street lighting (dimming and trimming), relaxation of seven year handback requirement, change in surface treatments	Expected to reduce / remove lighting from areas such as cul-de-sacs and areas of Outstanding Natural Beauty. Road condition at the end of the contract will not have to meet the 7 year life requirement and some roads will be maintained with alternative but suitable surfaces.	424,000	424,000	424,000
	Contract Management & Car Parking Total		889,300	889,300	889,300

Ref No.	Savings Proposal	Impact	Saving 2017/18 £	Saving 2018/19 £	Saving 2019/20 £
	Environment, Fire & Local Engagement Portfolio				
	Environment, Fire & Local Engagement (Environment & Local Engagement)				
24	Additional income from new beach huts and review of lease fees.	Lease rentals will be reviewed in accordance with the market and more beach huts will be made available due to new huts being constructed in areas such as Colwell (approved by planning committee in October 2016) and St Helens. Avoids the alternative of greater cuts to Services	10,000	10,000	10,000
25	Additional Income from a review of leases and licenses at Fort Victoria	Increase in licenses and lease rentals to market levels. Avoids the alternative of greater cuts to Services	4,000	4,000	4,000
	Environment, Fire & Local Engagement (Environment & Local Engagement) sub-total		14,000	14,000	14,000
	Environment, Fire & Local Engagement (Fire)				
26	Delivery of Fire Control Transfer from Surrey Fire & Rescue Service to Hampshire Fire & Rescue Service	Same service level will be provided but instead from Hampshire Fire & Rescue Service. Facilitates improved operational and strategic working across the entire Fire Service.	100,000	100,000	100,000
27	Reduction in fleet operational budget to reflect efficiencies in fleet maintenance along with fuel costs reductions	No impact	50,000	50,000	50,000
28	Savings against predicted in year vacancies from across the Service	Minimal impact.	150,000	0	0
29	Using the Fire Service as a health asset to attract grant funding for joint working with Public Health in the prevention of ill health in the community	No impact, Fire Officers will provide the service from within their existing capacity for example using fire officers to assist in the prevention of falls	50,000	0	0
30	Full objective review of Fire Service provision on the Island with the aim of increasing efficiency without compromising the risk to members of the public.	Proposals for the future delivery model to be considered by the Fire Authority in Autumn 2017	0	200,000	200,000
	Environment, Fire & Local Engagement (Fire) Sub-total		350,000	350,000	350,000
	Environment, Fire & Local Engagement Total		364,000	364,000	364,000
	Planning, Tourism, Recreation & Culture Portfolio				
31	Delete the vacant post of Planning Policy Transport Officer	No impact. The post is vacant and the workload distributed into other roles.	51,700	51,700	51,700
32	Review of Ecology advice for planning services	No direct impact, the review has already been completed and implemented and will not impact upon the current level of service or service provision	23,900	23,900	23,900
33	Additional income from review of pre application charges and introduction of charging for activities which are currently provided free of charge but for which charges can be introduced.	Additional charges to users such as developers however it protects the Planning Service from cuts which could jeopardise the timeliness and quality of the development and re-generation on the Island	11,600	11,600	11,600
34	Increased volume of planning applications	No impact - Current levels of planning activity are achieving a greater level of income than is currently in the budget	100,000	100,000	100,000
35	Reduced spend on consultants to support development of the Area Action Plans	No impact.	5,000	5,000	5,000
36	Review of Floating Bridge charges	Increased charges from the opening of the new floating bridge, increasing charges to £1.00 and £1.50	80,000	80,000	80,000
37	Completion of the review of the library service	No impact. Review concluded and implemented.	44,900	44,900	44,900

Ref No.	Savings Proposal	Impact	Saving 2017/18 £	Saving 2018/19 £	Saving 2019/20 £
38	Review of Leisure Centre funding and income	No impact. Initiatives already implemented to increase income are already delivering higher income levels than are currently budgeted for	80,000	80,000	80,000
39	Review of archaeology service	No impact - service efficiencies identified	15,000	15,000	15,000
40	Review of Leases and licenses charges	Impact: Will impact upon lease and licence holders as individual licences and leases are reviewed.	25,000	25,000	25,000
	Planning, Tourism, Recreation & Culture Total		437,100	437,100	437,100
	Regeneration, Housing & Transport Portfolio				
41	Reduction in the budget for membership subscriptions of transport partner groups	No impact. Solent Transport subscription contributions amounts to £20k with an available budget of £30k	10,000	10,000	10,000
42	Removal of Solent Local Enterprise Partnership (SLEP) annual membership fee.	There is no longer any subscription fee for the membership of the SLEP	29,000	29,000	29,000
43	Removal of Partnership for Urban South Hampshire (PUSH) annual membership fee.	No impact. PUSH has agreed a subscriptions holiday in 2017/18; future arrangements are subject to further discussion during the year.	26,000	26,000	26,000
44	Revenue savings from the disposal of Atkinson Drive	The building has been sold to a housing association for a capital receipt and the revenue savings that flow from the disposal would have no service impact	32,000	32,000	32,000
45	Revenue savings from the disposal of St Thomas's Church, Ryde	No impact. The council has resolved to dispose of the building and the sale is due to complete shortly.	6,000	6,000	6,000
	Regeneration, Housing & Transport Total		103,000	103,000	103,000
	Resources & Children's Services Portfolio				
	Resources & Children's Services (Children's Services)				
46	Early Help 0-19 Contract. 15% reduction in contract value (Family Centres).	Universal service provision would be reduced in favour of more targeted interventions where it is most needed. Universal services will continue through partner agencies and volunteering. There will be a reduction in the opening times of centres but alternative support structures will be enabled e.g. helpline/website. Evidence based parenting programmes to groups would continue in place of Drop-in parenting sessions. Opportunity to maximise use of family centres and early help offer through partner agencies e.g. health visitors, voluntary organisations will be further explored. Targeting delivery and moving away from universal provision minimises the risk of escalation of cases into statutory social care services.	204,000	204,000	204,000
47	Consolidation of Early Help Co-ordination functions	Early Help processes are well embedded across partner agencies and there is the opportunity to reconfigure posts to achieve efficiency with remaining posts continuing to deliver management of early help processes, smooth transition of cases , support and training to partner agencies covering all IOW localities.	48,000	48,000	48,000
48	National Youth Advocacy Service Contract amended to maintain the advocacy function for looked after children, removing requirement to undertake return from missing interviews-which are proposed to be delivered through volunteer programme.	Return from missing interviews to be delivered through a volunteer programme which has been successfully piloted in Hampshire as part of the Department of Education innovation programme.	20,000	20,000	20,000
49	Development of an "Edge of Care" Team, through bringing together Targeted Youth Support and Intensive Support Service. Refocus on targeted bespoke interventions to prevent children coming into care and supporting reunification with their family.	Integrating Targeted Youth Support and the Intensive Support Service offers the opportunity to form an 'Edge of Care' Team. This will focus on delivery of bespoke interventions with children and families to increase resilience, deliver mediation-focus on adolescents, building community capacity/networks around families and support reunification (children coming out of care).	116,000	116,000	116,000
50	Short Breaks efficiency savings	The Short Breaks duty will continue to be met, the majority of savings will be achieved through associated non-provider costs such as advertising and the annual fun day.	18,000	18,000	18,000

Ref No.	Savings Proposal	Impact	Saving 2017/18 £	Saving 2018/19 £	Saving 2019/20 £
51	Re-provision of Youth Offer from April 2017. Increased emphasis on targeted support for vulnerable groups.	A new youth offer grant is to be provided from April 2017 and will deliver funding for youth activities/provision/targeted support across the Isle of Wight, albeit with a reduction in spend of 50%. In line with other areas there will need to be an increased emphasis on targeted support, with providers demonstrating how they will work with the most vulnerable groups. In consultation with youth providers the support role within Community Action is proposed to be maintained-at a reduced level -supporting sustainability, access to other funding sources, quality and networking across all youth organisations (not just those funded through grants).	192,000	192,000	192,000
52	Improving efficiency and implementation of resource allocation processes for the disabled - estimated 15% saving.	Development of more effective and efficient process regarding care packages-including earlier intervention and personalisation to more appropriately meet the needs of children	37,000	37,000	37,000
53	Reduction in Senior Management	This proposal maintains front line service delivery, and reorganises strategic management function to 3 Full Time Equivalents.	71,000	71,000	71,000
54	Review of Young Carers contract which is due for renewal to establish 15% efficiency - with core functions to be maintained.	Review of current specification required, reduction in non essential elements, exploration with provider of other funding sources.	11,000	11,000	11,000
55	Reduction in school improvement budget.	This can be achieved because less intervention will be required as the school system becomes healthier.	25,000	25,000	25,000
56	Rationalise Home to School Transport contract and renegotiate with providers.	Exploring the various options for effective home to school transport and providing opportunities where possible for non-entitled pupils to pay for seats.	116,700	116,700	116,700
57	Adult & Community Learning and Schools Training Transition to Self Financing, through new grant and school contributions	Remove the Council subsidy for Adult & Community Learning and rely on government funding and income raised from public. Costs for most school training to be met by schools. Some School Improvement provision will still be funded by the Council.	100,000	100,000	100,000
58	Reduction in Children Looked After numbers	A planned reduction of the full year equivalent of 5 children in care. The saving is predicated on the development of a new "Edge of Care" Team (see above) and supporting reunification of families. This would bring the Council's children in care numbers closer to the national rate, however children's assessed needs will remain of paramount importance.	237,500	237,500	237,500
Resources & Children's Services (Children's Services) sub-total			1,196,200	1,196,200	1,196,200
Resources & Children's Services (Resources)					
59	Corporate Governance and Organisational Change Service staffing reduction	With a planned programme of knowledge transfer together with succession planning arrangements being put in place, the reduction of one post can be secured from the current staffing complement in this service area. Any potential impact on the ability to deliver election duties, democratic support services and other staffing resource requirements to assist with organisational transformation initiatives can be minimised by a phased timescale for this reduction to be secured.	46,800	46,800	46,800
60	Human Resource Service staffing reductions	Following a review of the human resources professional advice and guidance needs of client departments over the next twelve months, it has been possible to identify a reduction in staffing levels as a result of vacancies that have occurred within the service over the last six months. This has been undertaken to enable succession planning to take place of more junior qualified human resource professionals who will take on routine case work and without the need for any redundancies to be made, thus minimising any impact on service provision.	11,800	11,800	11,800

Ref No.	Savings Proposal	Impact	Saving 2017/18 £	Saving 2018/19 £	Saving 2019/20 £
61	Reduction in the health and safety training budget	The two in-house health and safety advisors have recently been accredited to enable them to deliver a number of health and safety training courses required for council employees. This means that a reduction can be made in the expenditure on external training providers. Whilst there is some risk that workload may hinder the ability to fulfil this aspiration without affecting service delivery (given the unpredictable nature of incidents that may occur at any one time), with appropriate planning and work scheduling this is considered to be a minimal risk overall.	5,000	5,000	5,000
62	Market the sale of data protection training	It is considered that there is potential for the council's corporate information unit, responsible for data protection matters to make data protection training available to external organisations, in particular to schools. As a small team, there is a risk that workload may hinder the ability to fulfil this aspiration without affecting service delivery but with appropriate planning and work scheduling this is considered to be a minimal risk overall and a very cautious income target set to allow for this to be marketed and reviewed for feasibility.	500	500	500
63	Deletion of the Lead Officer for People Resourcing Post	This post has recently become vacant. There is a risk that the reduction of this post will reduce the pace at which key projects can be delivered. With the re-prioritisation of activities that are most important to the delivery of the council's key objectives over the next twelve months, it is anticipated that this can be minimised.	50,200	50,200	50,200
64	Property Acquisition Fund	No impact. Investment income avoids cuts to services that would otherwise be required.	200,000	200,000	200,000
65	Council Tax Discounts - Empty Property Discount reduced to 0%	This decision has already been taken by the Council on 18 January 2017 and the associated impact described in that report.	587,000	587,000	587,000
66	Council Tax Discounts - structural repairs discount reduced to 0%	This decision has already been taken by the Council on 18 January 2017 and the associated impact described in that report.	128,000	128,000	128,000
	Resources & Children's Services (Resources) sub-total		1,029,300	1,029,300	1,029,300
	Resources & Children's Services Total		2,225,500	2,225,500	2,225,500
	TOTAL SAVINGS		7,500,000	7,500,000	7,500,000

NEW CAPITAL SCHEMES COMMENCING IN 2017/18

APPENDIX D

SCHEME DESCRIPTION FUNDED SCHEMES FROM CORPORATE CAPITAL RESOURCES	SCHEME DETAIL	IWC CONTRIBUTION TO SCHEME COSTS					Total	TOTAL SCHEME COST £	ON GOING REVENUE SAVINGS £
		2017/18	2018/19	2019/20	2020/21	2021/22			
		£	£	£	£	£			
ADULTS AND PUBLIC HEALTH									
1	Care and Learning Disabilities homes equipmen	Enables the replacement of prioritised specialist equipment at the council's care homes and learning disability homes including sterilisation equipment, baths and lifting/hoist equipment necessary for Care Quality Commission registration and to meet our duty of care for the residents and staff.	50,000	0	0	0	0	50,000	50,000
REGENERATION, HOUSING AND TRANSPORT									
18	Newport junctions improvements	Match funding to support bids for external funding to improve Newport junctions. IWC contribution includes grant funding already achieved from National Productivity Investment Fund.	284,000	650,000	100,000	0	0	1,034,000	13,050,000
19	Highways programme (including spend on community identified schemes)	Programme of schemes to be developed from prioritisation of the Network Integrity Report and Community Highways Fund	500,000	0	0	0	0	500,000	500,000
17	Signage for implementation of 20mph speed limit Initiative	Phased implementation of the 20mph speed limit initiative considered by Council in October 2016 to improve both public safety and public health and to be developed in consultation with town and parish councils	100,000	0	0	0	0	100,000	100,000
24	Extra care /Affordable housing	Potential investment in extra care facilities intended to allow clients to live more independent lives as well as reducing revenue spend on residential care, and the provision of affordable housing in partnership with housing developers	1,000,000	0	0	0	0	1,000,000	1,000,000
26	Acquisition and development of Kingston Marina and Island Technology Park	Purchase of land and any necessary redevelopment works as part of the council's agreed regeneration programme	1,000,000	0	0	0	0	1,000,000	1,000,000
PLANNING, TOURISM, RECREATION AND CULTURE									
77	Medina Leisure pool room plant replacement (phase 2)	Enables replacement of pool plant which is 30+ years old and is now difficult to maintain. Failure to replace will result in closure of facility and loss of income. Places centre in a good position for any future plans around operating models.	135,000	0	0	0	0	135,000	135,000
84	Dinosaur Isle doors, fire alarm and steel works	Essential works, linked to a full condition survey, enables the building to be kept open to the public thus maintaining income from the museum. It will also ensure the building is in good condition for any future plans around operating models.	60,000	60,000	0	0	0	120,000	120,000
85	Heights/Medina/Westridge replacement of cardio vascular equipment	Enables the replacement of the cardio vascular and resistance equipment at the council's tone zone gyms and protects the £1.6m income generated from one card users. This will also place the leisure centres in a good position for any future plans around operating models.	125,000	175,000	0	0	0	300,000	300,000
86	Medina Leisure replacement combined heat and power (CHP)	Enables the replacement of the existing CHP system which was installed in 2001 and avoids additional costs circa. £50k pa. Places the centre in a good position for any future plans around operating models.	0	141,000	0	0	0	141,000	141,000

SCHEME DESCRIPTION FUNDED SCHEMES FROM CORPORATE CAPITAL RESOURCES	SCHEME DETAIL	IWC CONTRIBUTION TO SCHEME COSTS					Total	TOTAL SCHEME COST £	ON GOING REVENUE SAVINGS £	
		2017/18	2018/19	2019/20	2020/21	2021/22				
		£	£	£	£	£				
RESOURCES AND CHILDRENS										
27	GCSx Government security requirements	Enables compliance with the code of connection to the Public Sector Network which allows the council to take on line payments and transact electronically with central government for housing benefits and other payments. This is a statutory requirement requiring replacement of hardware and software and security works.	125,000	125,000	125,000	0	0	375,000	375,000	
28	Childrens SWIFT ICT care management system	Enables replacement of the current software to provide an integrated system - top up to existing budget (£200k in 17/18)	120,000	0	0	0	0	120,000	120,000	
35	Council property portfolio works	Enables a programme of investment in the council's corporate properties retained following the last 5 years rationalisation. This addresses priority works at council owned care homes, day centres, children's centres, libraries, leisure centres, fire stations, administrative buildings etc and includes essential health and safety works including fire alarms, boilers and heating systems, electrical installations, and water hygiene as well as capital maintenance.	650,000	650,000	0	0	0	1,300,000	1,300,000	
49	Island learning centre	Full re-provision of the relocated Island Learning Centre.	541,650	1,318,100	0	0	0	1,859,750	1,859,750	
48	Schools Programme - places and condition works	Enables completion of schools places extensions and priority works to the schools property portfolio in line with condition surveys	1,310,000	441,835	0	0	0	1,751,835	3,146,748	
50	Enabling more flexible use of County Hall and re	Re-desking with smaller desks to increase by 50 across the building, provision of flexible technology to increase staff:desk ratios e.g. thin clients/laptops/docking facilities	550,390	0	0	0	0	550,390	550,390	-273,000
51	Enabling more flexible use of Sandown Offices	Re-desking with smaller desks to increase by 20 across the building, provision of flexible technology to increase staff:desk ratios e.g. thin clients/laptops/docking facilities	282,647	0	0	0	0	282,647	282,647	
52	ICT infrastructure costs associated with more flexible working	Improvement of the councils wireless infrastructure to support use of more flexible desktop technology	365,338	340,965	0	0	0	706,303	706,303	
53	Sandown offices lift replacement	Ensure full disabled access and more flexible use of accommodation with potential for other public sector organisations to be accommodated.	80,000	0	0	0	0	80,000	80,000	
54	County hall new building windows, toilets and lifts	County hall (new building) windows, toilets and lift refurbs/replacements	200,000	580,000	0	0	0	780,000	780,000	
55	County hall old building windows, toilets and lift	County hall (Old building and Sea Street) windows, toilets and lift refurbs/replacements	0	0	250,000	0	0	250,000	250,000	
56	Guildhall essential capital maintenance works	Essential works to the Guildhall	50,000	0	0	0	0	50,000	50,000	
57	Core Network Infrastructure	Enables replacement of the council's core network infrastructure which was installed during the county hall refurbishments and is now end of life. This supports all council systems and effective working.	113,000	119,000	98,000	0	0	330,000	330,000	

SCHEME DESCRIPTION FUNDED SCHEMES FROM CORPORATE CAPITAL RESOURCES	SCHEME DETAIL	IWC CONTRIBUTION TO SCHEME COSTS					Total	TOTAL SCHEME COST	ON GOING REVENUE SAVINGS	
		2017/18	2018/19	2019/20	2020/21	2021/22				
		£	£	£	£	£				
58	Core finance and HR system - cloud hosting	The council's current SAP systems will no longer be supported by suppliers who are encouraging a move to a cloud based system. It is anticipated that such a move could reduce support costs savings by around £130k pa. Funding will support data migration of implementation of cloud based version	540,400	0	0	0	0	540,400	540,400	-130,000
59	Fleet vehicle replacement programme	Enables replacement of priority vehicles in the councils aging fleet such as Wightcare and homecare vehicles as well as specially adapted vehicles for learning disability home residents, to avoid increasing maintenance costs and poor reliability which compromises services.	200,000	200,000	0	0	0	400,000	400,000	
60	Revenues and Benefits ICT platforms integration	Enables the replacement of current Northgate and Civica software, which is used to collect council tax and administer both the local council tax support scheme and housing benefit, with a single integrated system with associated revenue savings.	179,500	0	0	0	0	179,500	179,500	-53,250
61	Server replacement	Enables replacement of server hardware, storage and backup systems, and the corporate firewalls that ensure that the council can continue to keep all council data secure and avoid data breaches.	304,000	304,000	500,000	0	0	1,108,000	1,108,000	
ENVIRONMENT, FIRE AND LOCAL ENGAGEMENT										
64	Rights of Way	Enables the improvement of the islands 530 miles of public footpaths, bridleways and byways in line with the ROW improvement plan. The council will seek to utilise S106 funding and attract match funding from other organisations in addition to this basic allocation.	50,000	0	0	0	0	50,000	50,000	
94	Monktonmead Outfall - IOW contribution to Environment Agency scheme	Council match funding to EA project attracting EA/RFCC funding of £4.765m + £300k confirmed. Will remove risk of flooding from around 327 properties and lessen the need for proactive monitoring and management of the current arrangements including the pumping station.	703,820	0	0	0	0	703,820	703,820	
95	IOW Coastal Path - improvements	Council match funding to draw in £500k from Natural England related to the Coastal Access Scheme pursuant to the Marine and Coastal Access Act 2009. Natural England will be auditing the Island's Coastal path in 2017-18. The project will create new coastal routes (currently not accessible by the general public) together with associated coastal margin and look to provide significant improvements to existing parts of the coastal path.	0	50,000	50,000	50,000	0	150,000	600,000	
96	Medina Greenway cyclepath	Council match funding to lever in grant of £300k for an extension of the Newport to East Cowes cycle route. Match funding requirement for the successful £1.25 million Access fund revenue bid. Provides the remainder of the cycle link to East Cowes	0	0	58,000	150,000	100,000	308,000	650,000	
98	Coastal and Erosion Risks	Council match funding to draw in £786k EA grant for priority works to coastal defences per the strategy agreed in Jan 2017. Scheme includes coastal defences for East Cowes, Cowes and Yarmouth.	0	0	0	0	251,633	251,633	1,041,000	

SCHEME DESCRIPTION FUNDED SCHEMES FROM CORPORATE CAPITAL RESOURCES	SCHEME DETAIL	IWC CONTRIBUTION TO SCHEME COSTS					Total	TOTAL SCHEME COST	ON GOING REVENUE SAVINGS
		2017/18	2018/19	2019/20	2020/21	2021/22			
		£	£	£	£	£	£	£	
CONTRACT MANAGEMENT AND CAR PARKING									
101 Public realm priority projects - net of any funding from other organisations	Council match funding for priority projects across public realm issues including car park boundaries, closed cemeteries, parks boundaries, playground equipment replacement, and seafront railings etc. The council will seek to utilise S106 funding and attract match funding from other organisations in addition to this basic allocation.	220,000	0	0	0	0	220,000	220,000	
102 Lone workers body worn cameras	Enables introduction of body worn cameras for lone workers to discourage incidents of violence or aggression	17,000	0	0	0	0	17,000	17,000	
TOTAL SCHEMES FUNDED FROM CORPORATE RESOURCES		9,856,745	5,154,900	1,181,000	200,000	351,633	16,744,278	31,736,558	-456,250

SCHEME DESCRIPTION FINANCED SCHEMES FUNDED BY PRUDENTIAL BORROWING	SCHEME DETAIL	IWC CONTRIBUTION TO SCHEME COSTS					Total	TOTAL SCHEME COST	ON GOING REVENUE SAVINGS
		2017/18	2018/19	2019/20	2020/21	2021/22			
		£	£	£	£	£	£	£	
103 Property investment	Establish a corporate property acquisition fund, approved as part of MTFs in October 2016, in order to provide the best financial return for a low risk portfolio	50,000,000	50,000,000	0	0	0	100,000,000	100,000,000	

SCHEME DESCRIPTION SCHEMES FUNDED FROM BETTER CARE FUND	SCHEME DETAIL	IWC CONTRIBUTION TO SCHEME COSTS					Total	TOTAL SCHEME COST	ON GOING REVENUE SAVINGS
		2017/18	2018/19	2019/20	2020/21	2021/22			
		£	£	£	£	£	£	£	
9 Disabled Facilities Grant funding via Better Care Fund	Funding to be utilised to support keeping more people in their own homes, grant to be prioritised across the following schemes: Lifeline equipment replacement Lifting equipment for falls Housing renewal and repair grants Disabled Facilities Grants	0	0	0	0	0	0	1,584,113	
TOTAL NEW SCHEMES		59,856,745	55,154,900	1,181,000	200,000	351,633	116,744,278	133,320,671	-456,250

CAPITAL PROGRAMME 2016/17 - 2021/22 - INCLUDING NEW SCHEMES

APPENDIX E

Summary of Portfolios	FORECAST						
	SPEND	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£	£	£	£	£	£	£
Adults and public health	635,775	1,278,776	0	0	0	0	1,914,551
Regeneration, housing and transport	10,067,565	7,088,088	650,000	100,000	0	0	17,905,653
Resources and childrens	6,266,358	9,132,669	4,078,900	973,000	0	0	20,450,927
Planning, tourism, recreation and culture	3,910,344	1,231,135	376,000	0	0	0	5,517,479
Environment, fire and local engagement	2,003,566	1,067,786	50,000	108,000	200,000	351,633	3,780,985
Contract management and car parking	3,287,156	45,592,271	0	0	0	0	48,879,427
Property investment	0	50,000,000	50,000,000	0	0	0	100,000,000
Total capital programme	26,170,764	115,390,725	55,154,900	1,181,000	200,000	351,633	198,449,022
Total financing	26,170,764	115,390,725	55,154,900	1,181,000	200,000	351,633	198,449,022

SCHEME DESCRIPTION	FORECAST							ESTIMATE TOTAL £
	SPEND	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE		
	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £		
ADULTS AND PUBLIC HEALTH								
1 Care and Learning Disabilities homes equipment replacement	30,000	50,000	0	0	0	0	80,000	
2 Gouldings refurbishment	15,820	434,180	0	0	0	0	450,000	
3 Adults care billing	18,645	31,616	0	0	0	0	50,261	
4 Westminster House	0	672,500	0	0	0	0	672,500	
5 Care Act software development	41,821	90,480	0	0	0	0	132,301	
6 Learning Disabilities Sheltered Accommodation	450,000	0	0	0	0	0	450,000	
7 St Lawrence water supply	79,489	0	0	0	0	0	79,489	
ADULTS AND PUBLIC HEALTH TOTAL	635,775	1,278,776	0	0	0	0	1,914,551	
REGENERATION, HOUSING AND TRANSPORT								
8 Rural Whitwell housing development S106 funding	13,222	0	0	0	0	0	13,222	
9 Supporting people to stay in their own homes		1,584,113	0	0	0	0	1,584,113	
10 Disabled Facilities Grants	1,138,386	445,727	0	0	0	0	1,584,113	
11 Housing Renewal Grants	120,500	63,500	0	0	0	0	184,000	
12 Empty Property Grants	35,000	63,000	0	0	0	0	98,000	
13 Affordable Housing grants	216,663	0	0	0	0	0	216,663	
14 Housing allocations ICT	820	0	0	0	0	0	820	
15 Repair and Renewal flood resilience grant	2,856	0	0	0	0	0	2,856	
16 Integrated transport schemes	308,191	94,000	0	0	0	0	402,191	
17 Signage for implementation of 20mph speed limit Initiative	0	100,000	0	0	0	0	100,000	
18 Newport junctions improvements	0	550,000	650,000	100,000	0	0	1,300,000	
19 Highways programme (including spend on community identified schemes)	0	500,000	0	0	0	0	500,000	
20 Cowes ferry	3,581,894	127,748	0	0	0	0	3,709,642	
21 Ventnor ind estate	15,000	0	0	0	0	0	15,000	
22 Pan Asda roadworks	4,535,033	0	0	0	0	0	4,535,033	
23 Sustainable Transport Schemes	100,000	0	0	0	0	0	100,000	
24 Extra care /Affordable housing	0	1,000,000	0	0	0	0	1,000,000	
25 Community housing fund	0	1,560,000	0	0	0	0	1,560,000	
26 Acquisition and development of Kingston Marina and Island Technology Park	0	1,000,000	0	0	0	0	1,000,000	
REGENERATION, HOUSING AND TRANSPORT TOTAL	10,067,565	7,088,088	650,000	100,000	0	0	17,905,653	

SCHEME DESCRIPTION	FORECAST							ESTIMATE TOTAL £
	SPEND	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE		
	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £		
RESOURCES AND CHILDRENS								
27 GCSx Government security requirements	155,000	125,000	125,000	125,000	0	0	530,000	
28 Childrens SWIFT ICT care management system	72,057	320,000	0	0	0	0	392,057	
29 SWIFT Adults (PARIS) care management system	217,342	0	0	0	0	0	217,342	
30 Document management system for revenues and benefits	16,625	0	0	0	0	0	16,625	
31 Car Parking Back Office	41,939	0	0	0	0	0	41,939	
32 Digital, on line and cloud services	203,620	0	0	0	0	0	203,620	
33 Integrated access	21,416	0	0	0	0	0	21,416	
34 Westridge refurbishment	140,355	0	0	0	0	0	140,355	
35 Council property portfolio works	419,904	650,000	650,000	0	0	0	1,719,904	
36 Gurnard School Covenant Works	8,376	0	0	0	0	0	8,376	
37 Schools condition capital - Queensgate	11,794	0	0	0	0	0	11,794	
38 Schools capital maintenance	500,430	0	0	0	0	0	500,430	
39 Downside/Barton	1,630,426	0	0	0	0	0	1,630,426	
40 St Georges Roofing	311,416	67,892	0	0	0	0	379,308	
41 Medina House Roof Phase 1	0	24,196	0	0	0	0	24,196	
42 One school pathfinder	522	411,799	0	0	0	0	412,321	
43 2yr old early education programme	0	210,745	0	0	0	0	210,745	
44 Universal Infant free school meals	62,362	40,580	0	0	0	0	102,942	
45 Oakfield Priority Schools Building Programme	231,276	0	0	0	0	0	231,276	
46 Barton Priority Schools Building Programme	94,905	30,095	0	0	0	0	125,000	
47 Devolved formula capital	176,711	689,530	0	0	0	0	866,241	
48 Schools Programme - places and condition works	1,681,744	3,155,907	441,835	0	0	0	5,279,486	
49 Island learning centre	268,138	541,650	1,318,100	0	0	0	2,127,888	
50 Enabling more flexible use of County Hall and release of 2 leased buildings	0	550,390	0	0	0	0	550,390	
51 Enabling more flexible use of Sandown Offices	0	282,647	0	0	0	0	282,647	
52 ICT infrastructure costs associated with more flexible working	0	365,338	340,965	0	0	0	706,303	
53 Sandown offices lift replacement	0	80,000	0	0	0	0	80,000	
54 County hall new building windows, toilets and lifts	0	200,000	580,000	0	0	0	780,000	
55 County hall old building windows, toilets and lift	0	0	0	250,000	0	0	250,000	
56 Guildhall essential capital maintenance works	0	50,000	0	0	0	0	50,000	
57 Core Network Infrastructure	0	113,000	119,000	98,000	0	0	330,000	
58 Core finance and HR system - cloud hosting	0	540,400	0	0	0	0	540,400	
59 Fleet vehicle replacement programme	0	200,000	200,000	0	0	0	400,000	
60 Revenues and Benefits ICT platforms integration	0	179,500	0	0	0	0	179,500	
61 Server replacement	0	304,000	304,000	500,000	0	0	1,108,000	
RESOURCES AND CHILDRENS TOTAL	6,266,358	9,132,669	4,078,900	973,000	0	0	20,450,927	

SCHEME DESCRIPTION	FORECAST							ESTIMATE TOTAL £
	SPEND	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE		
	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £		
PLANNING, TOURISM, RECREATION AND CULTURE								
62 Superfast broadband	1,046,600	0	0	0	0	0	1,046,600	
63 Totland Seawall	16,463	0	0	0	0	0	16,463	
64 Rights of Way	214,024	50,000	0	0	0	0	264,024	
65 Play equipment	13,424	0	0	0	0	0	13,424	
66 Seafront facilities	3,654	0	0	0	0	0	3,654	
67 Partnership Libraries	22,000	28,000	0	0	0	0	50,000	
68 Totland recreation ground	15,000	0	0	0	0	0	15,000	
69 Thorley Drainge	16,140	0	0	0	0	0	16,140	
70 Hammerhead Crane	36,762	122,799	0	0	0	0	159,561	
71 West wight coastal strategy	42,843	0	0	0	0	0	42,843	
72 East Wight Landscape Project - Down to the coast	47,347	0	0	0	0	0	47,347	
73 Canoe Lake	1,618	0	0	0	0	0	1,618	
74 Newport Harbour	19,367	0	0	0	0	0	19,367	
75 Shanklin Cliff Lift	931,623	0	0	0	0	0	931,623	
76 Medina Leisure Extension	844,123	12,716	0	0	0	0	856,839	
77 Medina Leisure pool room plant replacement (phase 2)	24,280	435,720	0	0	0	0	460,000	
78 Heights Leisure Centre	19,450	0	0	0	0	0	19,450	
79 Beach Huts	4,230	196,900	0	0	0	0	201,130	
80 Smugglers Haven	13,396	0	0	0	0	0	13,396	
81 East Cowes Multi Use Games Area	0	100,000	0	0	0	0	100,000	
82 Ventnor Youth Club/library redevelopment	0	100,000	0	0	0	0	100,000	
83 Folly Moorings	578,000	0	0	0	0	0	578,000	
84 Dinosaur Isle doors, fire alarm and steel works	0	60,000	60,000	0	0	0	120,000	
85 Heights/Medina/Westridge replacement of cardio vascular equipment	0	125,000	175,000	0	0	0	300,000	
86 Medina Leisure replacement combined heat and power (CHP)	0	0	141,000	0	0	0	141,000	
PLANNING, TOURISM, RECREATION AND CULTURE TOTAL	3,910,344	1,231,135	376,000	0	0	0	5,517,479	

SCHEME DESCRIPTION	FORECAST							ESTIMATE TOTAL £
	SPEND	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE		
	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £		
ENVIRONMENT, FIRE AND LOCAL ENGAGEMENT								
87 Energy Co loan	1,700,000	0	0	0	0	0	1,700,000	
88 Contaminated land	2,675	5,102	0	0	0	0	7,777	
89 Cremator and crematorium	14,969	165,031	0	0	0	0	180,000	
90 Cemeteries emergency works	20,000	0	0	0	0	0	20,000	
91 Pump appliance	171,570	97,430	0	0	0	0	269,000	
92 Fire service control	842	96,403	0	0	0	0	97,245	
93 Fire behaviour training container	13,510	0	0	0	0	0	13,510	
94 Monktonmead Outfall - IOW contribution to Environment Agency scheme	0	703,820	0	0	0	0	703,820	
95 IOW Coastal Path - improvements	0	0	50,000	50,000	50,000	0	150,000	
96 Medina Greenway cyclepath	0	0	0	58,000	150,000	100,000	308,000	
97 Coastal Studies	80,000	0	0	0	0	0	80,000	
98 Coastal and Erosion Risks	0	0	0	0	0	251,633	251,633	
ENVIRONMENT, FIRE AND LOCAL ENGAGEMENT TOTAL	2,003,566	1,067,786	50,000	108,000	200,000	351,633	3,780,985	
CONTRACT MANAGEMENT AND CAR PARKING								
99 Waste contract capital payments	3,252,401	45,355,271	0	0	0	0	48,607,672	
100 Car Park boundary walls	34,755	0	0	0	0	0	34,755	
101 Public realm priority projects - net of any funding from other organisations	0	220,000	0	0	0	0	220,000	
102 Lone workers body worn cameras	0	17,000	0	0	0	0	17,000	
CONTRACT MANAGEMENT AND CAR PARKING TOTAL	3,287,156	45,592,271	0	0	0	0	48,879,427	
103 Property investment	0	50,000,000	50,000,000	0	0	0	100,000,000	
TOTAL CAPITAL PROGRAMME	26,170,764	115,390,725	55,154,900	1,181,000	200,000	351,633	198,449,022	

SUMMARY OF CAPITAL PROGRAMME RESOURCES AVAILABLE	ESTIMATE 2016/17 £	ESTIMATE 2017/18 £	ESTIMATE 2018/19 £	ESTIMATE 2019/20 £	ESTIMATE 2020/21 £	ESTIMATE 2021/22 £	ESTIMATE TOTAL £
SPECIFIC RESOURCES							
Borrowing	0	50,000,000	50,000,000	0	0	0	100,000,000
Devolved Formula Capital Grant	393,602	555,532	0	0	0	0	949,134
Contaminated land grant	7,777	0	0	0	0	0	7,777
Heritage lottery fund	100,558	0	0	0	0	0	100,558
Broadband BDUK grant	223,415	0	0	0	0	0	223,415
LEP funding	3,137,392	0	0	0	0	0	3,137,392
Learning Disabilities Sheltered Accommodation	450,000	0	0	0	0	0	450,000
National Productivity investment fund	0	266,000	0	0	0	0	266,000
Community Housing Fund	0	1,560,000	0	0	0	0	1,560,000
2 year old early years grant	118,745	0	0	0	0	0	118,745
Priority schools building programme	320,859	35,417	0	0	0	0	356,276
Gurnard schools covenant reserve	8,376	0	0	0	0	0	8,376
One school pathfinder grant	452,097	0	0	0	0	0	452,097
Universal infant free school meals grant	182,122	0	0	0	0	0	182,122
English Heritage	159,561	0	0	0	0	0	159,561
Arts Council	3,339	0	0	0	0	0	3,339
Flood defence grant	3,900	0	0	0	0	0	3,900
Bravo Inspire	8,100	0	0	0	0	0	8,100
Fire	456,245	0	0	0	0	0	456,245
Environmental Agency	122,843	0	0	0	0	0	122,843
External contributions	2,205,535	100,000	0	0	0	0	2,305,535
Better care fund - Disabled Facilities Grant	1,584,113	1,584,113	0	0	0	0	3,168,226
Better care fund - Social care grant	186,993	0	0	0	0	0	186,993
SPECIFIC RESOURCES TOTAL	10,125,570	54,101,062	50,000,000	0	0	0	114,226,632
SPECIFIC RESOURCES USED	8,536,213	55,690,419	50,000,000	0	0	0	114,226,632
SPECIFIC RESOURCES AVAILABLE	1,589,357	-1,589,357	0	0	0	0	0

SUMMARY OF CAPITAL PROGRAMME RESOURCES AVAILABLE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£	£	£	£	£	£	£
CORPORATE RESOURCES							
Borrowing	22,424,164	28,646,155	0	0	0	0	51,070,319
Capital receipts	19,105,421	582,300	0	0	0	0	19,687,721
Corporate reserves	1,724,509	200,000	0	0	0	0	1,924,509
Revenue Contributions	900	0	0	0	0	0	900
Integrated transport block grant	2,471,358	1,968,000	0	0	0	0	4,439,358
Disabled Facilities Grant slippage from previous years	314,833	0	0	0	0	0	314,833
Social Care grant	249,830	0	0	0	0	0	249,830
Schools capital maintenance grant	2,166,357	2,941,006	0	0	0	0	5,107,363
LA Basic Need Grant	773,758	211,964	441,835	0	0	0	1,427,557
CORPORATE RESOURCES TOTAL	49,231,130	34,549,425	441,835	0	0	0	84,222,390
CORPORATE RESOURCES USED	17,634,551	59,700,306	5,154,900	1,181,000	200,000	351,633	84,222,390
CORPORATE RESOURCES AVAILABLE	31,596,579	-25,150,881	-4,713,065	-1,181,000	-200,000	-351,633	0
TOTAL RESOURCES AVAILABLE	59,356,700	88,650,487	50,441,835	0	0	0	198,449,022
TOTAL RESOURCES USED	26,170,764	115,390,725	55,154,900	1,181,000	200,000	351,633	198,449,022
TOTAL REMAINING RESOURCES AVAILABLE	33,185,936	-26,740,238	-4,713,065	-1,181,000	-200,000	-351,633	0

APPENDIX F

APPENDIX F

PRUDENTIAL INDICATORS

Authorised Limit for External Debt					
	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Borrowing	206,873	304,054	361,985	365,169	365,192
Other Long Term Liabilities	93,967	111,966	117,577	110,595	116,453
Total	300,840	416,019	479,562	475,764	481,645

Operational Boundary for External Debt					
	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Borrowing	188,066	276,412	329,077	331,972	331,993
Other Long Term Liabilities	85,425	101,787	106,888	100,541	105,866
Total	273,491	378,199	435,965	432,513	437,859

Incremental Impact of Capital Investment Decisions on the Council Tax					
	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Revenue effect of existing capital programme	7,935	9,140	17,897	31,673	9,898
Revenue effect of proposed capital programme	7,935	9,140	17,714	31,295	9,520
Changes in revenue effect	0	0	-183	-378	-378
Changes in Council Tax Band D	£0.00	£0.00	-£3.49	-£7.18	-£7.14

Details of Capital Expenditure are contained in Appendix E

Ratio of Financing costs to Net Revenue Stream					
	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
	6.4%	7.5%	15.0%	26.1%	7.2%

Capital Financing Requirement					
	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
	300,840	416,019	479,562	475,764	481,645

Stage 1 Equality Impact Assessment – Initial Screening

Assessor(s) Name(s):	Chris Ward, Helen Miles
Directorate:	Finance
Date of Completion:	10 February 2017

Name of Policy/Strategy/Service/Function Proposal

Budget and Council Tax setting 2017/2018 and Future Years Forecasts

The Aims, Objectives and Expected Outcomes:

The revenue and capital budget and council tax for 2017/18 will be set at the Council meeting on 22 February 2017.

Local government has experienced unprecedented reductions in Government funding, together with accelerating costs associated with essential care services. In October the Council estimated that the combined impact of this was a forecast Budget Deficit of £20m over the three year period 2017/18 to 2019/20. In response the Council developed a Medium Term Financial Strategy (MTFS) to describe the pathway to meeting that financial challenge.

Since the forecasts were prepared in October 2016, the Council has received the provisional Local Government Finance Settlement for 2017/18 and has undertaken a thorough review of both Council Tax income and Business Rate income for 2016/17 through to 2019/20. Additionally the Council has undertaken a comprehensive review of its costs including inflation, interest rates and other cost pressures. The combined effect of this review has led to a larger budget deficit over that 3 year period to £22m. However the Savings Requirements previously set out in the MFTS can be maintained if the Council increases Council Tax by 1.99% for General Purposes and 3% for Adult Social Care.

Looking forward beyond the considerations for the 2017/18 Budget and its associated £7.5m savings proposals, the next 3 year period after 2017/18 and commencing from 2018/19 to 2020/21 reveals a forecast deficit of £19m.

The required savings for 2017/18 are £7.5m, for 2018/19 £7.5m, for 2019/2010 £7m and for 2020/2021 £4.5m.

The savings proposals are broadly aligned with the response to the Budget Consultation with the residents and stakeholders. The proposals seek to continue to protect both the Children's Services and Adults Social Care whilst still aiming to retain good quality sustainable public services across other portfolios. The average savings required across the Council for 2017/18 is 6.7%. The savings proposals for Children's Services are less than 4.7% and also less for Adult Social Care (in real terms) at 1.5%. As a necessary consequence spending reductions in other valued portfolios have been required at levels significantly higher.

The main purpose of the report this EIA relates to is to set the Council's overall Budget for the forthcoming year 2017/18 and the associated level of Council Tax necessary to fund that Budget. The report also seeks approval to the Capital Programme for 2016/17 to 2021/22.

The report sets out the details of the continuing challenging financial climate facing the Council in 2017/18 and beyond and the consequential budget deficits that result.

This EIA provides an assessment of the impact of the indicative savings set out in Appendix C to the Budget and Council Tax setting report. That report asks Council to determine the individual Budget for each Portfolio/Service – but does not approve the detailed savings and it is a matter for the Portfolio Holder and the Service to determine these and in doing so to have due regard to the equality duties set out in the Equalities Act 2010.

Please delete as appropriate:

- This is a proposal for the budget and council tax setting for 2017/18.

Key Questions to Consider in Assessing Potential Impact	
Will the policy, strategy, service or council function proposal have a negative impact on any of the protected characteristics or other reasons that are relevant issues for the local community and/or staff?	There are a number of indicative savings that will directly impact on service users but it is not considered that these will be negative, rather there will either be no impact or will be a positive impact with targeted interventions rather than "universal" service provision due to realigned services, revised contracts.
Has previous consultation identified this issue as important or highlighted negative impact and/or we have created a "legitimate expectation" for consultation to take place? A legitimate expectation may be created when we have consulted on similar issues in the past or if we have ever given an indication that we would consult in such situations	Budget consultation through an on line survey and stakeholder consultative meetings with those from the voluntary and business sectors, the unions and town and parish council's were held during January. A public meeting was also held on the 16 January which attracted an audience of approximately 50 people.
Do different groups of people within the local community have different needs or experiences in the area this issue relates to?	Yes
Could the aims of these proposals be in conflict with the council's general duty to pay due regard to the need to eliminate discrimination, advance equality of opportunity and to foster good relations between people who share a protected characteristic and people who do not?	No

Will the proposal have a significant effect on how services or a council function/s is/are delivered?	Yes. The scale of savings required means that the way services are delivered will be realigned/reviewed.
Will the proposal have a significant effect on how other organisations operate?	Potentially as the council may look to other organisations to assist.
Does the proposal involve a significant commitment of resources?	Yes
Does the proposal relate to an area where there are known inequalities?	Yes – in that the Budget covers all areas of the Council's activities.
<p>If you answer Yes to any of these questions, it will be necessary for you to proceed to a full Equality Impact Assessment after you have completed the rest of this initial screening form.</p> <p>If you answer No to all of these questions, please provide appropriate evidence using the table below and complete the evidence considerations box and obtain sign off from your Head of Service.</p>	

Protected Characteristics	Positive	Negative	No impact	Reasons
Age	x		x	The indicative savings either have no impact or where they do impact it is considered, that through appropriate reviews/ realignment of services and efficiencies will achieve a positive impact. For essential care services, it is anticipated that care needs will continue to be met.
Disability	x		x	The indicative savings either have no impact or where they do impact it is considered, that through appropriate reviews/ realignment of services and efficiencies will achieve a positive impact. . For essential care services, it is anticipated that care needs will continue to be met.
Gender Reassignment			x	It is not anticipated that the indicative savings will have any impact on this protected characteristic.
Marriage & Civil Partnership			x	It is not anticipated that the indicative savings will have any impact on this protected characteristic.
Pregnancy & Maternity			x	It is not anticipated that the indicative savings will have any impact on this protected characteristic.
Race			x	It is not anticipated that the indicative savings will have any impact on this protected

				characteristic.
Religion / Belief			x	It is not anticipated that the indicative savings will have any impact on this protected characteristic.
Sex (male / female)			x	It is not anticipated that the indicative savings will have any impact on this protected characteristic.
Sexual Orientation			x	It is not anticipated that the indicative savings will have any impact on this protected characteristic.

Are there aspects of the proposal that contribute to or improve the opportunity for equality?	Yes
The review of services will ensure that there will be a positive impact as outcomes can be maintained and improved.	

Evidence Considered During Screening	
The Budget consultation survey, stakeholder meetings and public meeting, information provided by services and the budget information.	
Head of Service Sign off:	Chris Ward
Advice sought from Legal Services (Name)	Helen Miles
Date	10 February 2017

Stage 2 Full Equality Impact Assessment

Assessor(s)Name(s):	Chris Ward, Helen Miles
Directorate:	Finance
Date of Completion:	10 February 2017

Name of Policy/Strategy/Service/Function Proposal

Budget and Council Tax setting 2017/2018 and Future Years Forecasts

The Aims, Objectives and Expected Outcomes:

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The report sets out the details of the continuing challenging financial climate facing the Council in 2017/18 and beyond and the consequential budget deficits that result.

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In considering the budget setting, the council has had regard to its corporate objectives and in particular:-

Priority 1 – Supporting Growth in the Economy, making the Island a better place and keeping it safe in particular we want to achieve:-

- To build and support strong safe and resilient communities
- Business recognises the Isle of Wight as an outstanding place to invest, grow or start up.
- The Isle of Wight is one of the UK's leading visitor destinations
- People work in the jobs they want and paid a fair wage for the work they do
- There are opportunities for people to improve their employability and work in their chosen

career

- The Island's environment and facilities are relevant and of an appropriate standard to support the vision and priority outcomes
- As part of the Health and Wellbeing Strategy, sustainable economic growth for the Island that supports improved employment opportunities

Priority 2 – Keeping children safe and improving education – and in particular we want to achieve:-

- Services for children at risk and in care are of a quality that ensures the best levels of protection and care for the Island's most vulnerable children
- Vulnerable families and children are able to access a range of early help services that make best use of community capacity, are targeted to need and avoid unnecessary statutory intervention
- The Island's standards of education are radically improving through the effective leadership of the council and the family of schools
- Education services are of a quality that supports the Island becoming a preferred place to live and work

Priority 3 – Protecting the most vulnerable with health and social care, investing in support, prevention and continuing care – and in particular we want to achieve:-

- There is a whole system approach to health and social care on the Island that is affordable and delivers improved health and social care outcomes to people through a person centred approach
- People are safe and feel safe and well within a network of personal and professional support
- People have information and advice made available in a timely manner which is coherent, sufficient, available and accessible
- People are sign posted to preventative services which reduce/delay the need for social care services and enable them to live independently in their local communities
- People are in control of their health and wellbeing, their needs take precedence and support is managed effectively for them to live the life they want
- We promote the health and wellbeing of all Island residents through the Health and Wellbeing Strategy, including: Improving mental wellbeing, People are empowered to promote their own health and wellbeing and supported to prepare for old age, people are helped and supported to manage long-term physical and mental health conditions and disabilities, People make healthy choices for healthy lifestyles, People live in strong and inclusive communities.

Priority 4 – Ensuring that all the resources available to the Island are used in the most effective way in achieving the Island’s priorities – in particular we want to achieve:-

- To work together so that all activities are appropriately interlinked and not silo-based in order to direct all efforts effectively to deliver the vision and all priority outcomes
- Services are commissioned on the basis of our statutory duties first, then areas of greatest need and what can deliver the best possible outcomes for the Island
- Non priority areas are not pursued and unfortunately, ‘no’ means ‘no’ for allocating resources outside of agreed Council policies
- Value for money can be demonstrated by the outcomes enabled by every Island pound spent on public services being maximised
- External funding is attracted to the Island and income generation is optimised.
- We will seek to maximise the capital resources at our disposal by rationalising our property portfolio and using it for the optimum purpose, including capital receipts in support of the capital programme or asset transfer where appropriate.

- This is a proposal for the budget and council tax setting for 2017/18.

Scope of the Equality Impact Assessment

The Budget and Council Tax setting for 2017/2018 covers all the activities and services that the Council is responsible for.

The outcome from the Budget Consultation, Stakeholder meetings and Public meeting have been taken into account. The report contains a link to the details of the consultation, which are summarised in the report to Full Council on 22 February 2017.

The report to Full Council follows the Medium Term Financial Strategy approved by Full Council in October 2016.

The local Council Tax Support Scheme, Council Tax - Empty Property Discounts, and Council Tax – Structural repairs Discounts were considered and determined by Full Council on 18 January 2017 and this EIA does not therefore consider those decisions.

Analysis and assessment

The indicative savings do not have the potential to cause unlawful discrimination.

The Council resolved to accept the Government's 4 year Settlement in October 2016 which has now been accepted by Government. Whilst providing some certainty of future Government Funding, the funding reductions for the Council remain significant and challenging.

The Government published the provisional Local Government Finance Settlement 2017/2018 in December 2016 and it is in line with the accepted 4 Year Settlement.

In overall terms, the Council expects a further reduction in Government Funding over three year period 2017/18 to 2019/20 of £13.7m representing a funding reduction of 36%. Of most significance are the reductions in Revenue Support Grant and the New Homes Bonus. There is a rise in "Other grants" totalling £3.3m, the main reason for this is additional funding for Adults Social Care through a "One-off" Adult Social Care grant in 2017/18 of £0.8m and the "Improved Better Car Fund" allocations which commence slowly at £57,000 for 2017/18 and rise to £4.1m in 2019/20.

The indicative savings impact will in some cases be neutral and in some cases positive. No negative impacts have been identified.

The reason for this, despite the significant savings required, is due to many of the savings being arrived at in a number of ways. Some of the savings have already been achieved, or the decision taken e.g Local council tax support scheme. Some savings will be achieved through improved integrated contracting, reviews or realignments of services to improve equity and consistency, efficiency savings, changes to fees and charges or increased income.

The option recommended to Members which is consistent with the Council's Corporate Plan provides amongst other things for the following:-

- A "smoothing" of savings over a planned period enabling the Council to maximise its operational capacity to implement initiatives at pace aimed at increasing income/funding and reducing costs and providing time for "alternative to cuts" initiatives to take effect pending the Government's "Fairer Funding" review in 2019/20.
- With an Adult Social Care precept at 3% it provides spending protection for those clients

receiving those services and therefore provides a degree of stability for Adult Social Care Services on the Island which otherwise would be put at risk

- An increase of Council Tax of 1.99% for General Purposes avoids further cuts to essential services to residents and improves the funding base for the future.

1. The main conclusions arising from the consultation where the majority of respondents agree or strongly agree are:

- The Council should seek to generate income to pay for services rather than make cuts
- The Council should seek to secure investment and funding for business growth
- The Council should work with others to improve services and reduce costs
- The Council should invest in the island economy to grow business and create jobs
- The Council should use technology to improve services and save money
- Residents' leading priority for spending is Regeneration and Development, being over 30% more popular than the next highest priorities of Children's Services, Adult Social Care and Housing

The majority of respondents (60%) were in favour of paying extra Council Tax for Adult Social Care. Of those willing to pay extra, the majority (i.e. 43% and 25% of all respondents) supported an increase of 3%.

The strong view of the voluntary sector was that the Council needed to do more in respect of health and social care integration. The business sector welcomed the Council's approach to regeneration and growth.

Recommendations

The indicative savings do not impact negatively on any of the protected characteristics, there is either no impact or a positive impact.

It is important to note that the Council's responsibility is to set the overall Budget of the Council and determine the individual Budget for each Portfolio/Service. It is not the responsibility of the Council to approve the detailed savings that need to be made in order for the Portfolio/Service to meet its own Budget. The Council does need to have the confidence that the recommended savings for each Portfolio are deliverable and what the likely impact of the delivering those savings might be. Indicative savings that are likely to be necessary are attached in Appendix C to the Committee report. Whilst the detailed savings are not a matter for the Council to decide, they are presented, along with this EIA to inform the decision of Council relating to the savings to be made by each Portfolio/Service.

Where a Portfolio Holder alters, amends or substitutes any of the indicative saving proposals set out in Appendix C to the Committee Report with alternative proposals amounting to the same value and prior to any decisions due regard will be had to any impacts.

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
	<p>No Impact/ Potential Impact/ Positive Impact</p> <p>No Impact</p> <p>No Impact</p>			<p>Contract Management and Car Parking No impact is anticipated in relation to the majority of the indicative savings in this category. The dimming and trimming of street lighting could have a potential negative impact. This will be mitigated by undertaking detailed risk assessments of the changes that are proposed to be implemented to identify those impacts and consider the proposal. The introduction of a charge for replacement waste containers may result in indirect discrimination through low income, and the council is considering the application of a concessionary rate by way of mitigation. The review of opening hours and times at Lynbottom and Afton include additional help on site to assist householders where necessary. The provision of a subscription for scheduled green waste will have a positive impact on those who cannot get to venues to purchase green waste sacks or access the sites.</p> <p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income, efficiencies in service delivery. In relation to the review of the floating bridge charges, those under 16 will continue to travel for free.</p> <p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service</p>

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
	<p>No Impact</p> <p>No Impact</p> <p>No Impact/ Potential Negative impact</p>			<p>users. The reduction in fleet operational budget and savings against vacancies do not reduce the service to users – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses for consideration prior to decision. No saving is indicated for 2017/18.</p> <p>Planning, Tourism, Recreation and Culture There is no impact identified. The indicative savings arise either from efficiencies or changes to service delivery, changes to fees and charges, or increased income from increased activity (ie planning income). In relation to the review of the Library service this has already been carried out and was subject to an impact assessment prior to implementation. In relation to the review of the floating bridge charges, those under 16 will continue to travel for free.</p> <p>Regeneration, Housing and Transport The reduction and removal of membership fees to other bodies will have no impact on any of the protected characteristics. The revenue savings arising from the disposal of buildings will have no impact.</p> <p>Children’s Services There is no impact from the majority of the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to need rather than services. There is the potential for a negative impact on age through the reduction in council grant funded youth activities. This will be mitigated through focusing the grant</p>

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	No impact			<p>funding on vulnerable groups targeted to reduce impact to the most disadvantaged. There is no impact arising from the reduction in the school improvement budget as the school system continues to improve and therefore less funding is required to support intervention. No impact will arise as a result of the rationalisation of Home to School Transport contract as the Transport Policy and entitlement will not change.</p> <p>Resources The indicative savings in this area arise from staffing reductions from natural vacancies with a programme of succession planning, increased income, reducing external spend on training and the property acquisition fund. In relation to the Empty Property Discount and Structural repairs discount as part of the Council Tax Discounts – Council has already considered this and determined to make the reductions on 18 January 2017 and the associated impacts were described in the report to members for that meeting for them to consider as part of their decision making.</p>
Disability	No Impact or Positive Impact	No	N/A	<p>Adult Social Care The indicative savings area are achieved through a range of methods, the realignment of funding ensuring that all care needs, judged against outcomes, will still be fully met; moving to individual pricing which will enable a more person centred approach, to bespoke care packages; through remodelling of the provision of Adult Social Care; changes in social care practice with new ways of working and integration with health, improved contract specifications, more rigorous reviews for</p>

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	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p>			<p>landscaping may impact on those with impaired vision. The council will give careful consideration to the specification requirements to mitigate this. The introduction of a charge for replacement waste containers may result in indirect discrimination through low income, and the council is considering the application of a concessionary rate by way of mitigation. The review of opening hours and times at Lynbottom and Afton include additional help on site to assist householders where necessary. The provision of a subscription for scheduled green waste will have a positive impact on those who cannot get to venues to purchase green waste sacks or access the sites.</p> <p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income</p> <p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service users. The reduction in fleet operational budget and savings against vacancies do not reduce the service to users – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses for consideration prior to decision. No saving is indicated for 2017/18</p> <p>Planning, Tourism, Recreation and Culture There is no impact identified. The indicative savings arise either from</p>

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	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p>			<p>efficiencies or changes to service delivery, changes to fees and charges, or increased income from increased activity (ie planning income). In relation to the review of the Library service this has already been carried out and was subject to an impact assessment prior to implementation. In relation to the review of the floating bridge charges, those who are disabled will continue to be able to travel for free.</p> <p>Regeneration, Housing and Transport The reduction and removal of membership fees to other bodies will have no impact on any of the protected characteristics. The revenue savings arising from the disposal of buildings will have no impact.</p> <p>Children's Services There is no impact from the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to need rather than services.</p> <p>Resources The indicative savings in this area arise from staffing reductions from natural vacancies with a programme of succession planning, increased income, reducing external spend on training and the property acquisition fund. In relation to the Empty Property Discount and Structural repairs discount as part of the Council Tax Discounts – Council has already considered this and determined to make the reductions on 18 January 2017 and the associated impacts were described in the report to members for that meeting for them to consider as part of their decision making.</p>

Area of impact	Is there evidence of negative positive or no impact?	Could this lead to adverse impact and if so why?	Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	Please detail what measures or changes you will put in place to remedy any identified impact (NB: please make sure that you include actions to improve all areas of impact whether negative, neutral or positive)
Gender Reassignment	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p>	No	N/A	<p>Adult Social Care No impact is identified against this protected characteristic. Whilst there will be changes in the way the service is delivered, there will be no impact as service users will continue to receive the care they need.</p> <p>Public Health Representatives of LGBT interests on the Isle of Wight were consulted during the development of the proposal and views and findings taking into account. Where necessary the service will have established pathways with local services better able to assist this group.</p> <p>Contract Management and Car Parking No impact is anticipated in relation to the indicative savings in this category</p> <p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income</p> <p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service users. The reduction in fleet operational budget and savings against vacancies do not reduce the service to users – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses</p>

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	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p>			<p>for consideration prior to decision. No saving is indicated for 2017/18.</p> <p>Planning, Tourism, Recreation and Culture There is no impact identified for the reasons described above.</p> <p>Regeneration, Housing and Transport There is no impact for the reasons described above.</p> <p>Children's Services There is no impact from the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to need rather than services and where assessments are required, based on the child's needs.</p> <p>Resources The indicative savings will have no impact for the reasons described above</p>
Marriage & Civil Partnership	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p>	No	N/A	<p>Adult Social Care No impact is identified against this protected characteristic.</p> <p>Public Health No impact is identified against this protected characteristic.</p> <p>Contract Management and Car Parking No impact is anticipated in relation to the indicative savings in this category.</p>

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Pregnancy & Maternity	<p>No Impact</p> <p>Positive impact</p> <p>No Impact/ potential negative impact</p> <p>No Impact</p> <p>No Impact</p>	No	N/A	<p>Adult Social Care No impact is identified against this protected characteristic.</p> <p>Public Health This group will benefit from the integrated services working across the Health and Social Support sectors and the quality of interventions will be improved.</p> <p>Contract Management and Car Parking No impact is anticipated in relation to the majority of the indicative savings in this category. The dimming and trimming of street lighting could have a potential negative impact. This will be mitigated by undertaking detailed risk assessments of the changes that are proposed to be implemented to identify those impacts and consider the proposal. The introduction of a charge for replacement waste containers may result in indirect discrimination through low income, and the council is considering the application of a concessionary rate by way of mitigation. The review of opening hours and times at Lynbottom and Afton include additional help on site to assist householders where necessary. The provision of a subscription for scheduled green waste will have a positive impact on those who cannot get to venues to purchase green waste sacks or access the sites.</p> <p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income.</p> <p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service</p>

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	<p>No Impact</p> <p>No Impact</p> <p>No Impact/potential negative impact</p> <p>No Impact</p>			<p>users. The reduction in fleet operational budget and savings against vacancies do not reduce the service to users – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses for consideration prior to decision. No saving is indicated for 2017/18.</p> <p>Planning, Tourism, Recreation and Culture There is no impact identified for the reasons described above.</p> <p>Regeneration, Housing and Transport There is no impact for the reasons described above.</p> <p>Children’s Services There is no impact from the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to need rather than services. A reduction in universal provision has the potential to impact on pregnant women/those with young children who attend sessions within centres. Family centres work closely with midwifery and health visiting services who will continue to deliver services through the centres. In addition volunteers will be supported to deliver sessions within the centres.</p> <p>Resources The indicative savings will have no impact for the reasons described above.</p>
Race	No Impact	No	N/a	<p>Adult Social Care No impact is identified against this protected characteristic.</p>

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	No Impact			<p>Public Health No impact is identified against this protected characteristic.</p>
	No Impact			<p>Contract Management and Car Parking No impact is anticipated in relation to the indicative savings in this category.</p>
	No Impact			<p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income.</p>
	No Impact			<p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service users. The reduction in fleet operational budget and savings against vacancies do not reduce the service to users – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses for consideration prior to decision. No saving is indicated for 2017/18.</p>
	No Impact			<p>Planning, Tourism, Recreation and Culture There is no impact identified for the reasons described above.</p>
	No Impact			<p>Regeneration, Housing and Transport There is no impact for the reasons described above.</p>
	No Impact			<p>Children’s Services There is no impact from the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to</p>

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	No Impact			<p>need rather than services.</p> <p>Resources The indicative savings will have no impact for the reasons described above.</p>
Religion / Belief	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p>	No	N/A	<p>Adult Social Care No impact is identified against this protected characteristic.</p> <p>Public Health No impact is identified against this protected characteristic.</p> <p>Contract Management and Car Parking No impact is anticipated in relation to the indicative savings in this category.</p> <p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income.</p> <p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service users. The reduction in fleet operational budget and savings against vacancies do not reduce the service to users – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses for consideration prior to decision. No saving is indicated for 2017/18.</p>

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	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p>			<p>Planning, Tourism, Recreation and Culture There is no impact identified for the reasons described above.</p> <p>Regeneration, Housing and Transport There is no impact for the reasons described above.</p> <p>Children's Services There is no impact from the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to need rather than services.</p> <p>Resources The indicative savings will have no impact for the reasons described above.</p>
Sex (male or female)	<p>No Impact</p> <p>Positive Impact</p> <p>No Impact</p>	No	N/A	<p>Adult Social Care No impact is identified against this protected characteristic.</p> <p>Public Health There will be a positive impact as a result of the new model and move to enable access away from just a central service. It is known that the access rate of women in relation to substance misuse is usually much lower than that of males, and the service will work to address this. There is also an identified gap in the provision of information and advice for male teenage parents, and the service will work holistically to address this where appropriate.</p> <p>Contract Management and Car Parking No impact is anticipated in relation to the indicative savings in this category.</p>

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	<p>No impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p>			<p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income.</p> <p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service users. The reduction in fleet operational budget and savings against vacancies do not reduce the service to users – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses for consideration prior to decision. No saving is indicated for 2017/18.</p> <p>Planning, Tourism, Recreation and Culture There is no impact identified for the reasons described above.</p> <p>Regeneration, Housing and Transport There is no impact for the reasons described above.</p> <p>Children’s Services There is no impact from the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to need rather than services.</p> <p>Resources The indicative savings will have no impact for the reasons described above.</p>

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Sexual Orientation	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p>	No	N/A	<p>Adult Social Care No impact is identified against this protected characteristic.</p> <p>Public Health Representatives of LGBT interests on the Isle of Wight were consulted during the development of the proposal and views and findings taking into account. Where necessary the service will have established pathways with local services better able to assist.</p> <p>Contract Management and Car Parking No impact is anticipated in relation to the indicative savings in this category.</p> <p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income.</p> <p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service users. The reduction in fleet operational budget and savings against vacancies do not reduce the service to users – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses for consideration prior to decision. No saving is indicated for 2017/18.</p> <p>Planning, Tourism, Recreation and Culture There is no impact identified for the reasons described above.</p>

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	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p>			<p>Regeneration, Housing and Transport There is no impact for the reasons described above.</p> <p>Children’s Services There is no impact from the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to need rather than services.</p> <p>Resources The indicative savings will have no impact for the reasons described above.</p>
HR & workforce issues	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p>	No	N/A	<p>Adult Social Care No specific impact has been identified but should there be any proposals that impact on the workforce – appropriate Equality impact Assessments will be undertaken at that time.</p> <p>Public Health No impact is identified against this protected characteristic.</p> <p>Contract Management and Car Parking No impact is anticipated in relation to the indicative savings in this category.</p> <p>Environment and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The savings are achieved from increased income.</p> <p>Fire and Local Engagement No impact is anticipated in relation to the Indicative savings in this area. The transfer of the Delivery of Fire Control to Hampshire Fire and Rescue Service is a contractual change and will not impact on service users. The reduction in fleet operational budget and savings against</p>

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	<p>No Impact</p> <p>No Impact</p> <p>No Impact</p> <p>No Impact</p>			<p>vacancies do not reduce the service to users or staff – rather rely on efficiencies. Using the Fire Service as a health asset is a positive impact as it uses capacity in the service when available. The Fire Service review is ongoing, will be subject to a full EIA as it progresses for consideration prior to decision. No saving is indicated for 2017/18.</p> <p>Planning, Tourism, Recreation and Culture There is no impact identified for the reasons described above.</p> <p>Regeneration, Housing and Transport There is no impact for the reasons described above.</p> <p>Children’s Services There is no impact from the indicative savings as the savings will be identified through reconfiguring teams, efficiencies, tailoring support to need rather than services. Any changes in staffing will be subject to council policy and procedures in respect of any changes and where appropriate, consultation during which any further consideration of equality impact can be assessed.</p> <p>Resources The indicative savings will have no impact for the reasons described above. Implementation will be subject to council policy and procedures in respect of any redundancy situation which will include a period of consultation, during which any further consideration of equality impact can be assessed.</p>

Summary**Date of Assessment:**

10 February 2017

**Signed off by Head of
Service/Director**

Chris Ward