

## **AMENDMENT 3**

### **AGENDA ITEM 6 - BUDGET & COUNCIL TAX SETTING 2019/20 AND FUTURE YEARS FORECASTS**

Amendment to Full Council recommendations attached.

## Amendment proposed by Cllr Geoff Brodie

### **BUDGET & COUNCIL TAX SETTING 2019/20 AND FUTURE YEARS FORECASTS**

This Budget Council recognises that its Reserves have been bolstered significantly in recent years thanks to the windfall Asda receipt of more than £17m. This allowed the then Tory/Ukip coalition administration to plan for additions to their 2017/18 capital programme that included such claimed "essentials" as:

- Replacement of County Hall windows
- Network and server replacements
- Improvements to the Westridge Centre car park, etc.

These "essentials" have been funded without using any of the Council's reserves.

However, circa £7.7m (nearly half) of the Asda-funded capital projects, as agreed in February 2017, have not been delivered two years later, with circa £5m of the planned spend having been 're-profiled', 'slipped', 'expected' and/or 'considered' for delivery now in 2019/20. (Source, Finance Directorate, Feb. 2019)

Therefore, in recognition that this windfall should have been working for Islanders (in particular the vulnerable) rather than being held for undelivered capital plans, this Budget Council calls on the administration to use £1.27m of the unspent Asda receipt to reinstate a range of Indicative Savings in the proposed 2019-20 Budget (Appendix C).

I am advised by the Section 151 Officer that much of the ASDA receipt is now contractually committed. Based on that advice, I have reluctantly put forward a modified amendment although my preference is to see the ASDA receipt working for the Island both in next year and future years.

Accordingly, I propose that the recommendations on "Budget & Council Tax Setting 2019/20 and Future Years Forecasts be amended as follows:-

#### **Recommendation 169 (a) be amended to:**

The revised Revenue Budget for the financial year 2018/19 and the Revenue Budget for the financial year 2019/20 as set out in the General Fund Summary (attached as Appendix A amended) which includes the changes listed in the tables below, but Members note that:

**the responsibility of the Council is to approve the overall Budget and the associated cash limits of its Portfolios; it is not the responsibility of the Council to approve any individual savings or additions within those Portfolios, that responsibility is reserved for Cabinet Members. The budget savings and additions in the tables below are therefore indicative only.**

i) **Additional Savings - Reductions to Budget Estimates**

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2019/20 £	2020/21 & Future Years £
<b><u>RESOURCES</u></b>			
New	Reduced revenue contribution to Capital Programme (Use of ASDA receipt)	(250,000)	0
New	Reduced contribution to the Transformation Reserve	(750,000)	0
	<b>Total</b>	<b>(1,000,000)</b>	<b>0</b>

ii) **Additional Costs - Additions to Budget Estimates**

Saving No.	Increases to Portfolio Budgets	2019/20	2020/21 & Future Years
		£	£
<b><u>ADULT SOCIAL CARE, PUBLIC HEALTH &amp; HOUSING NEEDS</u></b>			
4	Re-instate - Review of all people receiving a home support package of 1 visit per day of 1 hour or less	253,300	253,300
7	Re-instate - Review and modernisation of internal Mobile Nights service	102,000	102,000
8	Partial Re-instatement - Ongoing review of all care packages	500,000	500,000
	<b>Sub-Total</b>	<b>855,300</b>	<b>855,300</b>
<b><u>CHILDREN'S SERVICES</u></b>			
20	Re-instate - Family Centre - Contract review	116,000	116,000
21	Re-instate - Review of Early Intervention Teams	150,000	150,000
	<b>Sub-Total</b>	<b>266,000</b>	<b>266,000</b>
<b><u>INFRASTRUCTURE &amp; TRANSPORT</u></b>			
32	Withdraw proposal for Parking Services evening charges	147,500	147,500
	<b>Sub-Total</b>	<b>147,500</b>	<b>147,500</b>
	<b>Total</b>	<b>1,268,800</b>	<b>1,268,800</b>

### Recommendation 169 (g) be amended to:-

The savings proposals for each Portfolio amounting, in total, to £5.23m for 2019/20 as set out below:

Portfolio	Savings Proposal	
	£	% Budget
Adult Social Care, Public Health & Housing Needs*	1,215,200	1.8%
Children's Services*	249,500	1.0%
Community Safety & Public Protection	275,000	2.5%
Environment & Heritage	274,400	2.4%
Infrastructure & Transport**	1,058,100	5.8%
Leader & Strategic Partnerships	0	0.0%
Planning & Housing	79,700	3.1%
Procurement, Projects, Forward Planning & Waste	130,000	2.2%
Regeneration & Business Development	33,000	2.4%
Resources	1,916,300	11.1%
<b>Grand Total</b>	<b>5,231,200</b>	<b>3.3%</b>

Excludes the additional funding passported through to Adult Social Care of £1.4m (which if included would result in an overall increase of 0.3%) and the additional funding for Children's Services of £0.7m (which if included would result in an overall increase of 1.8%)

\*\* Excludes £19.4m of PFI Grant funding, on a Gross expenditure basis the saving amounts to 3.2%

### Recommendation 160 (h) be amended to :-

Directors be instructed to start planning how the Council will achieve the savings requirements of £14.7m (increased from £13.5m in the absence of a reasonably certain alternative source of funding for the additional £1.2m of on-going costs) for the 3 year period 2020/21 to 2022/23 and that this be incorporated into Service Business Plans

### Recommendation 169(k) be amended to:-

The Capital Programme 2018/19 to 2023/24 set out in the attached appendix (Appendix E amended) which includes all additions, deletions and amendments for slippage and re-phasing and makes the following additional change:-

Scheme Description - Reductions & Additions		Increase / (Decrease) in Corporate Resources	Total Corporate Resources Allocated
		£	£
<b>Reductions to the Capital Programme:</b>			
Resources	17-18 scheme - County Hall old building windows, toilets and lift	(250,000)	(250,000)
<b>Sub-total</b>		<b>(250,000)</b>	<b>(250,000)</b>
<b>Total Overall Change</b>		<b>(250,000)</b>	<b>(250,000)</b>

### Recommendation 169 (n) (ii) be amended to:-

- (ii) A reduction of £250,000 to the originally planned £1m contribution from the Revenue Budget 2019/20, which was built into the previous budget forecast

### SECTION 151 OFFICER'S COMMENTS

**Under Recommendation 169 (j), Members must have regard to the Statement of the Section 151 Officer in accordance with the Local Government Act 2003. The Section 151 Officer advises as follows:-**

The proposals contained within this amendment are legal and present a balanced budget for 2019/20.

In financial terms, the amendment is less prudent compared with the Administration's Budget proposal for the following reasons:

- It reduces the opportunity for the Council to pursue "Spend to Save" schemes in the medium term by reducing the Transformation Reserve by £0.75m
- It reduces General Reserves by £0.27m resulting in a lower level of financial resilience which represents a 6% reduction in the current £4.2m "headroom" over the minimum level of General Reserves
- Whilst acknowledging the desire to delay the additional ongoing cost of £1.27m beyond 2020/21, as yet a source of funding that can be relied upon with reasonable

certainty has not been identified. Unless an alternative can be identified, the options to address the on-going costs are either to:

- (i) continue to draw on General Reserves each and every year until they reach the minimum level at which time the additional savings of £1.27m will have to be made in full; or
- (ii) increase the Council's future savings requirements by £0.4m per annum from £4.5m per annum to £4.9m per annum over the 3 year period 2020/21 to 2022/23

### **LEGAL IMPLICATIONS**

The Assistant Director of Corporate Services is satisfied that it is within the Council's powers to approve the amendment as set out, and supports the advice of the Section 151 Officer given above.

### **EQUALITY AND DIVERSITY**

The Assistant Director of Corporate Services is satisfied that the amendment does not alter the content or conclusions set out in the Equality Impact Statement at Appendix H

**GENERAL FUND SUMMARY - 2018/19 to 2022/23**

**APPENDIX A Amended**

NET REQUIREMENTS OF PORTFOLIOS	Revised budget 2018/19 £	Original budget 2019/20 £	Forecast 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £
Adult Social Care & Public Health	51,010,949	48,314,173	49,726,642	51,527,916	53,327,916
Children's Services	24,563,482	25,158,250	24,505,617	24,806,373	25,110,597
Community Safety & Public Protection	7,340,665	7,295,201	7,779,201	7,992,201	8,216,201
Environment & Heritage	2,732,459	2,951,878	2,951,878	2,951,878	2,951,878
Infrastructure & Transport	7,825,854	(5,886,571)	18,526,274	16,157,312	15,380,352
Leader & Strategic Partnerships	961,166	1,037,172	1,037,172	1,037,172	1,037,172
Planning & Housing	1,257,408	859,774	739,274	739,174	739,174
Procurement, Projects & Forward Planning	5,372,357	3,794,616	3,970,089	4,270,303	4,433,303
Regeneration & Business Development	1,399,499	1,192,537	1,192,537	1,192,537	1,192,537
Resources	46,632,315	65,883,979	47,723,516	54,327,494	59,805,887
Savings to be identified	0	0	(4,900,000)	(9,800,000)	(14,700,000)
<b>Portfolio Expenditure</b>	<b>149,096,154</b>	<b>150,601,007</b>	<b>153,252,198</b>	<b>155,202,358</b>	<b>157,495,015</b>
<b>FUNDED BY:</b>					
Contribution (to)/from Balances & Reserves	(3,231,536)	(797,676)	898,558	371,475	14,246
Revenue Support Grant	0	0	0	0	0
Business Rates Retention	45,546,838	41,480,492	42,823,804	43,340,432	43,909,551
Other General Grants	24,092,447	24,049,754	21,948,930	21,849,745	21,822,268
Collection Fund (Council tax)	82,688,405	85,868,437	87,580,906	89,640,706	91,748,950
<b>Total Financing</b>	<b>149,096,154</b>	<b>150,601,007</b>	<b>153,252,198</b>	<b>155,202,358</b>	<b>157,495,015</b>
<b>BALANCES &amp; RESERVES</b>					
Balance brought forward at 1 April	7,931,502	11,163,038	11,960,714	10,562,156	10,190,681
<b>Potential Transfer to Combined Fire Authority</b> (Deficit)/Surplus for year	0	0	(500,000)	0	0
<b>Balance carried forward at 31 March</b>	<b>11,163,038</b>	<b>11,960,714</b>	<b>10,562,156</b>	<b>10,190,681</b>	<b>10,176,435</b>
<b>Minimum level of balances</b>	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
<b>Underlying Budget Deficit/(Surplus) - assuming future savings are met</b>	<b>(3,231,536)</b>	<b>(797,676)</b>	<b>898,558</b>	<b>371,475</b>	<b>14,246</b>

## APPENDIX E Amended

### COMPLETE CAPITAL PROGRAMME INCLUDING NEW SCHEMES

	FORECAST		ESTIMATE		ESTIMATE		ESTIMATE		ESTIMATE		ESTIMATE			
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>SUMMARY OF PORTFOLIOS</b>														
Adult Social Care, Public Health & Housing Needs	1,304,772	2,200,446	850,000	1,000,000	230,000	0	5,585,218	8,811,730	4,928,119	1,535,236	1,322,008	0	0	16,597,093
Children's Services	59,054	680,000	300,000	0	0	0	1,039,054	1,954,943	1,734,085	480,000	426,633	135,000	0	4,730,661
Community Safety & Public Protection	1,363,796	6,742,000	4,120,562	15,000	0	0	12,241,358	2,424,973	2,500,489	540,000	0	0	0	5,465,462
Environment & Heritage	17,262,094	1,772,492	0	0	0	0	19,034,586	1,507,737	32,192,592	300,000	0	0	0	34,000,329
Infrastructure & Transport	54,240,057	53,084,581	200,000	0	0	0	107,524,638	<b>88,929,155</b>	<b>105,834,804</b>	<b>8,325,798</b>	<b>2,763,641</b>	<b>365,000</b>	<b>0</b>	<b>206,218,398</b>
Planning & Housing Renewal														
Procurement, Projects, Forward Planning & Waste														
Regeneration & Business Development														
Resources														
<b>Total Capital Programme</b>														
	<b>88,929,155</b>	<b>105,834,804</b>	<b>8,325,798</b>	<b>2,763,641</b>	<b>365,000</b>	<b>0</b>	<b>206,218,398</b>	<b>88,929,155</b>	<b>105,834,804</b>	<b>8,325,798</b>	<b>2,763,641</b>	<b>365,000</b>	<b>0</b>	<b>206,218,398</b>
<b>Total Financing</b>														