

AMENDMENT 1

AGENDA ITEM 6 - BUDGET & COUNCIL TAX SETTING 2020/21 AND FUTURE YEARS FORECASTS

Amendment to Full Council recommendations attached.

Amendment proposed by the 1957 Group

BUDGET & COUNCIL TAX SETTING 2020/21 & FUTURE YEARS FORECASTS

That the recommendations of the Cabinet of 13 February 2020 minute 66 (19/20) on "Budget & Council Tax Setting 2020/21 and Future Years Forecasts be amended as follows:-

Recommendation (i) (a) be amended to:

- (i) (a) The revised Revenue Budget for the financial year 2019/20 and the Revenue Budget for the financial year 2020/21 as set out in the General Fund Summary (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.

Additional Costs - Additions to Budget Estimates

Saving No.	Increases to Portfolio Budgets	2020/21	2021/22 & Future Years
		£	£
RESOURCES			
New	Revenue Contribution to Capital (to fund further Capital Investment - see recommendation (i) (m))	1,000,000	0
Total		1,000,000	0

Recommendation (i) (l) be amended to:-

The Capital Programme 2019/20 to 2024/25 set out in the attached appendix (Appendix E amended) which includes all additions, deletions and amendments for slippage and re-phasing

Recommendation (i) (m) be amended to:-

The new Capital Investment Proposals ("New Starts") - 2020/21 set out in Appendix D be amended to reflect the following changes and the changes also be reflected in the Capital Programme 2019/20 to 2024/25 as set out in the attached appendix (Appendix E amended) and be funded from the available Corporate Capital Resources

Scheme Description - Reductions & Additions		Increase / (Decrease) in Corporate Resources	Total Corporate Resources Allocated
Additional Capital Scheme Proposals (New):		£	£
New	Isle of Wight Parish and Town Council Green Deal Infrastructure and Working Together Investment Fund - 50% Match Funding to lever in further investment	1,000,000	1,000,000
Total Overall Change		1,000,000	1,000,000

SECTION 151 OFFICER'S COMMENTS

Under Recommendation (i) (k), 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 2020/21.

The Administration's proposals hold General Reserves at £12.2m to provide for the planned transfer of £0.5m to the new Combined Fire Authority and to provide reasonable resilience against the future uncertainties presented by the forthcoming Multi Year Spending Round, Fair Funding Review, and Business Rate "reset"

This amendment is funded by reducing General Reserves by £1m and is therefore less prudent than the Administration's proposal.

As described within the "Statement of the Section 151 Officer In Accordance With the Local Government Act 2003":

"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."

"At the proposed levels, the Council reserves are reasonably expected to be sufficient to accommodate the Council's financial risks and maintain the Council's overall financial health."

It is recognised that the intention of this amendment is to replenish the Council's General Reserves once an outstanding loan has been repaid. At this stage an agreement to redeem the loan has not been agreed and until such time as it has, this amendment will reduce the Council's overall level of financial resilience and capacity to be able to respond to financial risk and uncertainty.

Should the loan be repaid, the Council's overall financial resilience will remain intact and therefore maintain a good degree of overall financial resilience against the future uncertainties presented by the forthcoming Multi Year Spending Round, Fair Funding Review, and Business Rate "reset"

LEGAL IMPLICATIONS

Legal Services are 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

Legal Services are satisfied that the amendment does not alter the content or conclusions set out in the Equality Impact Assessment at Appendix H

GENERAL FUND SUMMARY - 2019/20 to 2023/24

APPENDIX A Amended

NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2019/20 £	Original Budget 2020/21 £	Forecast 2021/22 £	Forecast 2022/23 £	Forecast 2023/24 £
Adult Social Care, Public Health & Housing Needs	49,067,065	51,580,543	53,377,369	55,177,369	56,977,369
Children's Services, Education & Skills	24,613,029	26,136,974	26,260,029	26,543,764	26,830,780
Community Safety & Public Protection	7,140,886	7,264,652	7,264,652	7,264,652	7,264,652
Environment & Heritage	2,651,458	2,382,818	2,322,761	2,322,761	2,322,761
Infrastructure & Transport	12,675,523	143,980	14,941,856	14,064,949	14,426,206
Leader & Strategic Partnerships	1,041,515	1,046,164	1,046,335	1,046,335	1,046,335
Planning & Housing Renewal	933,056	661,459	648,308	648,308	648,308
Procurement, Waste Management, Projects & Forward Planning	3,788,909	3,725,253	4,051,596	4,233,666	4,419,377
Regeneration & Business Development	1,579,915	1,018,528	1,018,584	1,018,584	1,018,584
Resources	48,854,522	65,916,831	50,480,659	57,938,118	61,486,149
Savings to be identified	0	0	(3,500,000)	(7,000,000)	(10,500,000)
Portfolio Expenditure	152,345,878	159,877,202	157,912,149	163,258,506	165,940,521
FUNDED BY:					
Contribution (to)/from Balances & Reserves	(1,065,979)	999,368	77,795	1,487,431	12,088
Revenue Support Grant	0	4,519,131	0	0	0
Business Rates Retention	43,517,492	38,235,692	40,440,463	42,476,077	44,576,939
Other General Grants	24,025,928	26,359,909	25,881,835	25,770,692	25,770,692
Collection Fund (Council tax)	85,868,437	89,763,102	91,512,056	93,524,306	95,580,802
Total Financing	152,345,878	159,877,202	157,912,149	163,258,506	165,940,521
BALANCES & RESERVES					
Balance brought forward at 1 April	11,163,038	12,229,017	11,229,649	10,651,854	9,164,423
Potential Transfer to Combined Fire Authority (Deficit)/Surplus for year	1,065,979	(999,368)	(500,000)	(1,487,431)	(12,088)
Balance carried forward at 31 March	12,229,017	11,229,649	10,651,854	9,164,423	9,152,335
Minimum level of balances	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Underlying Budget Deficit/(Surplus) - assuming future savings are met	(1,065,979)	999,368	77,795	1,487,431	12,088

APPENDIX E Amended

COMPLETE CAPITAL PROGRAMME INCLUDING NEW SCHEMES

SUMMARY OF PORTFOLIOS	FORECAST	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL	£	£	£
Adult Social Care, Public Health & Housing Needs	853,621	2,580,660	1,000,000	230,000	0	0	4,664,281			
Children's Services, Education & Skills	9,333,643	5,994,867	1,428,523	0	0	0	16,757,033			
Community Safety & Public Protection	413,010	500,000	0	0	0	0	913,010			
Environment & Heritage	1,314,074	503,183	321,633	0	0	0	2,138,890			
Infrastructure & Transport	3,369,393	11,699,811	75,000	0	0	0	15,144,204			
Planning & Housing Renewal	2,487,911	3,067,285	0	0	0	0	5,555,196			
Procurement, Waste Mgt, Projects & Forward Planning	4,440,255	2,770,106	1,734,974	50,000	1,392,634	2,808,418	13,196,387			
Regeneration & Business Development	923,030	9,292,592	8,108,000	7,500,000	7,500,000	0	33,323,622			
Resources	3,774,437	8,787,739	21,039,943	20,015,000	20,000,000	0	73,617,119			
Total Capital Programme	26,909,374	45,196,243	33,708,073	27,795,000	28,892,634	2,808,418	165,309,742			
Total Financing	26,909,374	45,196,243	33,708,073	27,795,000	28,892,634	2,808,418	165,309,742			