

# **AMENDMENT 3**

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

Amendment to Full Council recommendations attached.

## Amendment proposed by the Island Independent 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 Savings - Reductions to Budget Estimates

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2020/21 £	2021/22 & Future Years £
<b><u>RESOURCES</u></b>			
New	Reduce Revenue Contribution to Capital (reducing the "New Starts" Capital Investment - see recommendation (i) (m)	(820,000)	0
	<b>Total</b>	<b>(820,000)</b>	<b>0</b>

## Additional Costs - Additions to Budget Estimates

Saving No.	Increases to Portfolio Budgets	2020/21	2021/22 & Future Years
		£	£
<b><u>PLANNING AND HOUSING RENEWAL</u></b>			
New	Fund to cover the external advisor costs associated with undertaking Compulsory Purchase Orders of sites which can deliver viable Social and / or Affordable Housing developments where private treaty arrangements have not been possible to secure. If development viability is confirmed, any acquisition to be funded by Prudential Borrowing (subject to Full Council approval)	500,000	0
New	Provide additional resources to accelerate the mobilisation of the council's Housing Development Company and any necessary subsidiaries in order to deliver Social and/or Affordable Housing delivery. To include the Business Case development, design of overall company structure, taxation advice and arrangements, design of the governance structure and Board composition and preparation of the Company Business Plan and associated Loan Facility Agreements	320,000	0
<b>Total</b>		<b>820,000</b>	<b>0</b>

### **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
		£	£
<b>Reductions / Deletions to Proposed Capital Schemes:</b>			
98	Withdrawal of proposed capital investment in Sandown Civic Centre	(820,000)	0
<b>Total Overall Change</b>		<b>(820,000)</b>	<b>0</b>

**Recommendation (i) (q) be added as follows:**

That the Cabinet be requested to undertake a Strategic Asset Review of its non-operational properties (including land) which are held for sale or financial return, identifying assets that:

- a) Are performing well in terms of financial yield and should be held
- b) Are under-performing in terms of financial yield but where investment with a reasonable payback is likely to provide improved financial returns
- c) Are suited for development that will generate financial returns for the Council
- d) Are suited for development that will generate economic returns for the Island
- e) Are suitable for viable Social / Affordable Housing development
- f) Have no significant value to the Council in terms of financial or economic return and are unlikely to be required for operational services and should therefore be considered for sale

**Recommendation (i) (r) be added as follows:**

That the Cabinet be requested to undertake a comprehensive review of its Parking Strategy including parking availability, competition, charging and synergies with public transport; the strategy to be informed by an externally commissioned economic study by experts in the field of "Place Making" to make recommendations that will improve the vibrancy of the Island's Seafronts and Town Centres whilst protecting the income position of the Council

**Recommendation (i) (s) be added as follows:**

That the Cabinet be requested to undertake "soft market testing" for the operation of the Council's Leisure Centres (retaining its swimming facilities) to ensure that the Council is achieving the best value for money from its commercial operations

**Recommendation (i) (t) be added as follows:**

That the Cabinet be requested to consider the commercial viability of providing a "Pay As You Use" option for Garden Waste Collection

**Recommendation (i) (u) be added as follows:**

That the Cabinet be requested to consider undertaking "soft market testing" for digital and non-digital advertising at prominent sites under the Council's ownership

**Recommendation (i) (v) be added as follows:**

That the Cabinet be requested to review the criteria for the Hardship Fund under the Council Tax Support Scheme with the aim of widening its eligibility, within the budget available, to cater for those residents that are genuinely experiencing hardship but currently do not meet the criteria.

**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 amendment preserves the level of General Reserves held by the Council and therefore maintains 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".

The proposals contained within this amendment do not alter any of the statements made by the Section 151 Officer within the report.

**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	1,481,459	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	64,096,831	50,480,659	57,938,118	61,486,149
Savings to be identified	0	0	(3,500,000)	(7,000,000)	(10,500,001)
<b>Portfolio Expenditure</b>	<b>152,345,878</b>	<b>158,877,202</b>	<b>157,912,149</b>	<b>163,258,506</b>	<b>165,940,521</b>
<b>FUNDED BY:</b>					
Contribution (to)/from Balances & Reserves	(1,065,979)	(632)	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
<b>Total Financing</b>	<b>152,345,878</b>	<b>158,877,202</b>	<b>157,912,149</b>	<b>163,258,506</b>	<b>165,940,521</b>
<b>BALANCES &amp; RESERVES</b>					
Balance brought forward at 1 April	11,163,038	12,229,017	12,229,649	11,651,854	10,164,423
Potential Transfer to Combined Fire Authority (Deficit)/Surplus for year	1,065,979	632	(500,000) (77,795)	(1,487,431)	(12,088)
<b>Balance carried forward at 31 March</b>	<b>12,229,017</b>	<b>12,229,649</b>	<b>11,651,854</b>	<b>10,164,423</b>	<b>10,152,335</b>
<b>Minimum level of balances</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>
<b>Underlying Budget Deficit/(Surplus) - assuming future savings are met</b>	<b>(1,065,979)</b>	<b>(632)</b>	<b>77,795</b>	<b>1,487,431</b>	<b>12,088</b>

## 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	6,967,739	21,039,943	20,015,000	20,000,000	0	71,797,119			
<b>Total Capital Programme</b>	<b>26,909,374</b>	<b>43,376,243</b>	<b>33,708,073</b>	<b>27,795,000</b>	<b>28,892,634</b>	<b>2,808,418</b>	<b>163,489,742</b>			
<b>Total Financing</b>	<b>26,909,374</b>	<b>43,376,243</b>	<b>33,708,073</b>	<b>27,795,000</b>	<b>28,892,634</b>	<b>2,808,418</b>	<b>163,489,742</b>			