

# Public Document Pack



Monitoring Officer  
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## Agenda

Name of meeting	<b>FULL COUNCIL</b>
Date	<b>WEDNESDAY 23 FEBRUARY 2022</b>
Time	<b>5.00 PM</b>
Venue	<b>COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT</b>
Members of the committee	All Members of the council

Lead Democratic Services Officer: Marie Bartlett  
democratic.services@iow.gov.uk

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### 6. **Budget and Council Tax Setting 2022-2023 and Future Years Forecasts** (Pages 9 - 32)

#### RECOMMENDATION

1. It is recommended that the Council approve the following:
  - (a) The revised Revenue Budget for the financial year 2021/22 and the Revenue Budget for the financial year 2022/23 as set out in the General Fund Summary (Appendix 1) which includes:
    - (i) A Revenue Contribution to Capital of £2.0m, to support the provision of housing affordable to Island residents
    - (ii) The COVID Contingency estimated at £9.1m, to guard against continuing and legacy risks



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- (b) Any variation arising from the Local Government Finance Settlement 2022/23 or any further savings made in 2021/22 arising at the year-end (after allowing for specific carry forward requests) be transferred to the Revenue Reserve for Capital, COVID Contingency, Transformation Reserve, and General Reserves with the level of each transfer to be determined by the S.151 Officer.
- (c) That the level of Council Tax be increased by 1.99% for general purposes in accordance with the referendum threshold<sup>1</sup> for 2022/23 announced by Government (as calculated in Appendix 2)
- (d) That the level of Council Tax be increased by a further 1.0% beyond the referendum threshold (as calculated in Appendix 2) 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 £905,600 is passported direct to Adult Social Care
- (e) That the amounts set out in Appendix 2 be now calculated by the Council for the financial year 2022/23 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992
- (f) 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, Hampshire & Isle of Wight Fire & Rescue Authority and Parish and Town Council precepts, and amend the calculations set out in Appendix 2 accordingly
- (g) The savings proposals for each Portfolio amounting, in total, to £3.0m for 2022/23 and continuing into future years as set out on the next page:

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<sup>1</sup> Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

Portfolio	Controllable Budget	Savings Proposal	
	£	£	%
Adult Social Care & Public Health*	52,585,029	1,730,900	3.3%
Children's Services, Education & Lifelong Skills*	26,518,026	375,900	1.4%
Community Protection, Digital Transformation, Housing Provision & Housing Needs	13,007,237	182,000	1.4%
Environment, Heritage & Waste Management	8,087,817	304,500	3.8%
Highways PFI, Transport & Infrastructure**	12,255,527	50,900	0.4%
Leader & Strategic Partnerships	806,763	0	0.0%
Planning & Community Engagement	2,061,733	11,000	0.5%
Regeneration, Business Development & Tourism	4,787,226	234,300	4.9%
Strategic Finance, Corporate Resources & Transformational Change	12,726,167	110,500	0.9%
<b>Grand Total</b>	<b>132,835,525</b>	<b>3,000,000</b>	<b>2.3%</b>

\*Excludes the additional funding passported through to Adult Social Care of £3.7m (which if included would result in an overall increase of 3.7%) and the additional funding for Children's Services, Education & Skills of £2.3m (which if included would result in an overall increase of 7.3%)

\*\* Excludes £19.4m of PFI grant funding, on a Gross expenditure basis the savings amounts to 0.2%

- (h) Directors be instructed to start planning how the Council will achieve the savings requirements of £6.0m for the 3 year period 2023/24 to 2025/26 and that this be incorporated into Service Business Plans
- (i) The minimum level of Revenue Balances as at 31 March 2023, predicated on the approval of £3.0m savings in 2022/23 and the retention of the COVID Contingency of £9.1m, be set at £7.0m to reflect the known and expected budget and financial risks to the Council
- (j) Members have regard for the "Statement of the Section 151 Officer in accordance with the Local Government Act 2003"
- (k) The Capital Programme 2021/22 to 2026/27 set out in Appendix 5 which includes all additions, deletions and amendments for slippage and re-phasing
- (l) The new Capital Investment Proposals ("New Starts") - 2022/23 set out in Appendix 4 be reflected within the recommended Capital Programme 2021/22 to 2026/27 and be funded from the available Capital Resources
- (m) The allocation of Disabled Facilities Grants be made to the Better Care Fund, and reflected within the recommended Capital Programme 2021/22 to

2026/27

- (n) 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
- (o) 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).
- (p) The Capital Strategy 2022/23, including the Minimum Revenue Provision Statement contained therein (Appendix 6)
- (q) The Investment Strategy 2022/23 (Appendix 7)

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

- (a) The Revenue Budget 2022/23 as set out in Appendix 1 has been prepared on the basis of a 2.99% increase in Council Tax, any reduction from the overall 2.99% Council Tax increase proposed will require additional savings of £905,600 for each 1% reduction in order for the Budget 2022/23 to be approved
- (b) The Revenue Forecasts for 2023/24 onwards as set out in the section entitled "Revenue Forecasts 2023/24 to 2025/26" and Appendix 1
- (c) The estimated Savings Requirement of £6.0m for the three year period 2023/24 to 2025/26, for financial and service planning purposes, be phased as follows:

<b>Financial Year</b>	<b>In Year Savings Requirement £m</b>	<b>Cumulative Saving £m</b>
2023/24	2.0	2.0
2024/25	2.0	4.0
2025/26	2.0	6.0

- (d) 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 £4.4m and will only be replenished from contributions from the Revenue Budget and an approval to the transfer of any further savings at year end
- (e) Should the Council elect to reduce the level of savings below £2.0m in 2023/24 (and £2.0m p.a. thereafter), the Council's financial risk will increase and therefore the minimum level of General Reserves held will also need to increase in order to maintain the Council's financial resilience

- (f) The Council Tax base for the financial year 2022/23 will be 53,879.9 [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].
- (g) The Council Tax element of the Collection Fund for 2021/22 is estimated to be in surplus by £582,900 which is shared between the Isle of Wight Council (85.7%) and the Police & Crime Commissioner (10.9%) and the Hampshire & Isle of Wight Fire & Rescue Authority (3.4%)
- (h) The Business Rate element of the Collection Fund for 2021/22 is estimated to be in deficit by £6,842,482
- (i) The Retained Business Rate income<sup>2</sup> for 2022/23 based on the estimated Business Rate element of the Collection Fund deficit as at March 2022, the Non Domestic Rates poundage for 2022/23 and estimated rateable values for 2022/23 has been set at £31,140,075.
- (j) The Equality Impact Assessment (attached at Appendix 8).

CHRISTOPHER POTTER  
Monitoring Officer  
Tuesday, 15 February 2022

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<sup>2</sup> Includes Retained Business Rates of £16,196,499, "Top Up" of £11,695,357, S.31 Grants of £10,090,701 a Collection Fund deficit of £6,842,482

## Interests

If there is a matter on this agenda which may relate to an interest you or your partner or spouse has or one you have disclosed in your register of interests, you must declare your interest before the matter is discussed or when your interest becomes apparent. If the matter relates to an interest in your register of pecuniary interests then you must take no part in its consideration and you must leave the room for that item. Should you wish to participate as a member of the public to express your views where public speaking is allowed under the Council's normal procedures, then you will need to seek a dispensation to do so. Dispensations are considered by the Monitoring Officer following the submission of a written request. Dispensations may take up to 2 weeks to be granted.

Members are reminded that it is a requirement of the Code of Conduct that they should also keep their written Register of Interests up to date. Any changes to the interests recorded on that form should be made as soon as reasonably practicable, and within 28 days of the change. A change would be necessary if, for example, your employment changes, you move house or acquire any new property or land.

If you require more guidance on the Code of Conduct or are unsure whether you need to record an interest on the written register you should take advice from the Monitoring Officer – Christopher Potter on (01983) 821000, email [christopher.potter@iow.gov.uk](mailto:christopher.potter@iow.gov.uk), or Deputy Monitoring Officer - Justin Thorne on (01983) 821000, email [justin.thorne@iow.gov.uk](mailto:justin.thorne@iow.gov.uk).

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The front desk “opens” for public wishing to attend the meeting half an hour before the meeting.

In the circumstances that a member of the public wishes to ask an oral question, they should approach the front desk and notify them of their intention. They will be given a form to complete which details their name, town/village of residence, email address and the topic of the question (not the question in full, unless they wish to provide this).

These forms will be numbered in the order they are handed back.

The time for registering questions will be for a 20 minute period (up to 10 minutes prior to the start of the meeting). After that time expires the forms will be collected and given to the Chairman of the meeting.

If time allows after dealing with any written questions, the Chairman will then ask those who have submitted a form to put their question. These will be in the order they were received. As the subject matter is known, the Chairman should be able to indicate which member will reply. If time permits the Chairman may accept further questions.

The option to ask a supplementary question will be at the Chairman’s discretion.

Once the defined period of time allowed for questions has passed (and assuming the Chairman has not extended this) then all remaining oral questions are left unanswered.

No oral question will receive a guaranteed written response, unless the member responding indicates as such.

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## AGENDA ITEM 6 - BUDGET & COUNCIL TAX SETTING 2022/23 AND FUTURE YEARS FORECASTS

A summary of the Cllr Ian Dore Amendment is described in the table below – this is for information only

### Summary

Ref No	CHANGES IN SPENDING & COUNCIL TAX	2022/23 £	Future Years £
<b>New Capital Expenditure</b>			
New	Ring fence funds for the most effective Drainage and Flood Mitigation Works for Binstead that will lead to a significant reduction to the risk of future flooding (any funding remaining after completion to be returned to meet the highest priority maintenance needs of the Council)	170,000	
	<b>Sub Total</b>	<b>170,000</b>	<b>0</b>
<b>TOTAL AMOUNT TO BE FUNDED</b>		<b>170,000</b>	<b>0</b>

Ref No	REDUCTION IN SPENDING & RESERVES	2022/23 £	Future Years £
<b>Capital Programme Reductions</b>			
65	Reduce Shanklin Lift Scheme to defer painting whilst retaining provision for lower canopy replacement	(110,000)	
91	Reduce - Strategic Assets annual programme of capital maintenance works	(60,000)	
	<b>Sub Total</b>	<b>(170,000)</b>	<b>0</b>
<b>TOTAL REDUCTIONS - REVENUE, CAPITAL &amp; RESERVES</b>		<b>(170,000)</b>	<b>0</b>

The full Amendment to Full Council recommendations are attached on the pages that follow

## Amendment proposed by Cllr Ian Dore

### BUDGET & COUNCIL TAX SETTING 2022/23 AND FUTURE YEARS FORECASTS

#### Recommendation 1(k) be amended to:

The Capital Programme 2021/22 to 2026/27 set out in Appendix 5 (Amended) which includes all additions, deletions and amendments for slippage and re-phasing

#### Recommendation 1(l) be amended to:

The new Capital Investment Proposals ("New Starts") - 2022/23 set out in Appendix 4 be reflected within the recommended Capital Programme 2021/22 to 2026/27 and be funded from the available Capital Resources, be amended to reflect the following changes:

Scheme Description - Reductions & Additions		Increase / (Decrease) in Corporate Resources	Total Corporate Resources Allocated
		£	£
<b>Reductions / Deletions to Proposed Capital Schemes:</b>			
65	Reduce Shanklin Cliff Lift Scheme to defer painting whilst retaining provision for lower canopy replacement	(110,000)	60,000
91	Reduce - Strategic Assets annual programme of capital maintenance works	(60,000)	440,000
<b>Additional Capital Scheme Proposals (New):</b>			
New	Ring fence funds for Drainage Works and Flood Mitigation for Binstead (any funding remaining after completion to be returned to meet the highest priority maintenance needs of the Council)	170,000	0
<b>Total Overall Change</b>		<b>0</b>	

#### Recommendation 1(r) to be added:

That delegated authority be given to the S.151 Officer to make any necessary changes to either the Investment Strategy or the Capital Strategy in accordance with the proposed changes to the capital programme set out in this amendment

## **SECTION 151 OFFICER'S COMMENTS**

**Under Recommendation 1(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 2022/23.

## **LEGAL IMPLICATIONS**

It is within the Council's powers to approve the amendment as set out above.

## **EQUALITY AND DIVERSITY**

The amendment does not alter the content or conclusions set out in the Equality Impact Statement at Appendix 8

## APPENDIX 5 (Amended)

### COMPLETE CAPITAL PROGRAMME INCLUDING NEW SCHEMES

	FORECAST 2021/22 £	ESTIMATE 2022/23 £	ESTIMATE 2023/24 £	ESTIMATE 2024/25 £	ESTIMATE 2025/26 £	ESTIMATE 2026/27 £	ESTIMATE TOTAL £
<b>SUMMARY OF PORTFOLIOS</b>							
Adult Social Care and Public Health	664,664	1,433,849	1,850,000	760,457	0	0	4,708,970
Children's Services, Education and Lifelong Skills	12,842,130	5,616,988	2,444,972	0	0	0	20,904,090
Community Safety, Digital Transf., Housing Provision and Housing Needs	6,259,855	14,488,039	10,450,000	10,350,000	0	0	41,547,894
Environment, Heritage and Waste Management	5,931,095	1,598,333	3,252,634	4,233,418	38,380,000	0	53,395,480
Highways PFI, Transport and Infrastructure	18,697,544	6,735,017	3,013,067	1,663,276	2,014,153	2,506,780	34,629,837
Planning & Community Engagement	0	170,000	0	0	0	0	170,000
Regeneration, Business Development and Tourism	14,549,489	15,180,528	12,735,000	0	0	0	42,465,017
Strategic Finance, Corporate Resources and Transformational Change	883,780	1,991,034	400,000	400,000	0	0	3,674,814
<b>Total Capital Programme</b>	<b>59,828,556</b>	<b>47,213,788</b>	<b>34,145,673</b>	<b>17,407,151</b>	<b>40,394,153</b>	<b>2,506,780</b>	<b>201,496,101</b>
<b>Total Financing</b>	<b>59,828,556</b>	<b>47,213,788</b>	<b>34,145,673</b>	<b>17,407,151</b>	<b>40,394,153</b>	<b>2,506,780</b>	<b>201,496,101</b>

## **Agenda Item 6 – Budget and Council Tax Setting 2022/23 and Future Years Forecasts.**

### **Alternative Budget Proposals from the Conservative Group**

#### **Background**

The Alliance administration published its 2022/23 draft budget on 2<sup>nd</sup> February 2022. It will be debated and voted on at the meeting of Full Council on 23<sup>rd</sup> February 2022.

The Conservative Group hereby sets out its alternative budget proposals by way of a set of amendments. These proposed changes strengthen and enhance the draft budget and address some key areas of concern. These will also be debated and voted on at Full Council on 23<sup>rd</sup> February 2022.

#### **Continuity and Prudence**

Last year, the Conservative administration presented a full budget for 2021/22 and an indicative budget for 2022/23. The 2022/23 Alliance draft budget delivers and builds on the Conservative indicative budget for this year. In addition, the 2021/22 financial year-end projection under the Alliance is at, or close to, that of the last Conservative budget. The proposed budget maintains expenditure within the indicative budget framework, makes savings of £3 million and does not use general reserves. It uses the specific Covid-19 recovery reserve which is consistent with the approach of the Conservative indicative budget.

Of the £3 million savings identified in the budget, £887,000 is the full year effect of savings implemented by the previous Conservative administration, and a further £357,000 is from previously agreed changes to the funding formula agreed with a reconfigured Clinical Commissioning Group. It is therefore noted that over 40% of the proposed Alliance budget savings are the result of the previous administration's preparatory work. A further £4.1million has also been allocated in specific new grants from Central Government, plus £1 million additional funding from the Treasury in recognition of the Island's special circumstances.

The Alliance budget therefore offers continuity to the approach that immediately preceded it. We acknowledge the general prudence and restraint reflected in the budget papers and support the overall continuity of direction. It provides general stability for the Island.

There are however a number of areas where the Alliance could, and indeed should, show more ambition, leadership and purpose.

#### **Planning and Housing**

We welcome the proposed £25 million drawdown facility for building new Council-controlled affordable homes for Islanders. However, given the ever-increasing housing crisis on the Island – with a reduction in housing supply, increase in private rents and rising inflation – the Alliance proposals are not ambitious enough.

The Alliance's wider planning policy generally appears to be poorly defined and often conflicting. There is a sense of drift, lack of accountability and deferment of decision making. General commitments to sustainability and protecting greenfield are unsupported and often undermined by subsequent policy announcements or decisions.

The Cabinet Member for Housing Provision and Cabinet Member for Planning voted against each other on a key motion put before Full Council on 17<sup>th</sup> November 2021. The draft Island Planning Strategy published in July 2021 designated some larger brownfield sites like the former Camp Hill prison as a "key priority site". In November the Cabinet Member for Housing Provision said that site was no longer a priority. The explanation given was that the land is not owned by the Council and could be expensive to redevelop. These factors were not new and existed when the draft plan designated it as a key priority site. Furthermore, the designation of a key priority site should not rely on it being owned by the Council or being inexpensive to develop. That would put greenfield areas with no decontamination costs at risk of increased development pressure and would likely lead to missed opportunities for developing viable brownfield land which the Council does not own.

In addition, the Alliance have reversed a previous Council decision not to develop any greenfield part of Seaclose Park in Newport, by putting this back as an option within the proposed Newport Harbour Masterplan. These options are due to be consulted on.

We propose to:

1. increase the drawdown facility for building new affordable Council-controlled homes to £40 million over the next three years to allow an accelerated programme of affordable housebuilding. This is an appropriate response to the very urgent situation the Island finds itself in;
2. allocate £60,000 for an independent review of significant brownfield sites across the Island to expedite them for development to help meet the Island's housing need and alleviate pressure on inappropriate greenfield development. Independent expertise will provide the best chance of realising this as swiftly as possible, ideally with a view to incorporating such opportunities within the next iteration of the draft Island Planning Strategy; and
3. ringfence £200,000 for increased staffing numbers in the Planning Department to (a) tackle the growing backlog of planning applications, (b) more effectively resource planning enforcement, and (c) support ambitious affordable housebuilding plans. This further reverses the cuts to planning staff made by the previous independent-led administration prior to 2017.

### **Access to public space and commitment to Carbon Zero**

Access to areas for public enjoyment and recreation require physical infrastructure to be maintained and – where possible – enhanced and extended. Encouraging outdoor activity is good for health and wellbeing, including for young people and families. Promotion of alternative modes of transport such as walking and cycling is also good for the environment and contributes to the Council's and Government's wider aims of reducing carbon emissions. Full Council unanimously supported working towards a carbon zero Island. The plans for this include planting trees to offset 15% of current carbon emissions, yet there is no funding in the budget to support this.

The funding shown in the Alliance budget for restoring rights of way and access paths is from government grants applied for by the previous Conservative administration. There is little ambition shown to commit to investment beyond this. Grants should enhance and support Council funding to help ensure real improvements are delivered, rather than defaulting to a "make do and mend" approach.

We propose to:

1. allocate £500,000 to restore and improve access paths to Island beaches, and to restore and improve footpaths, bridleways and rights of way; and
2. provide £500,000 for planting trees and restoring hedgerows on Council-owned land not suitable for housing. This will also help protect valuable greenfield from speculative development longer-term. Hedgerows will help mitigate the effects of flooding.

### **Health and Social Care**

We are cautious about the increase in charges to the Wightcare push button service. It is a service which helps people live independently at home for longer. We recognise that this proposed increase was raised at the Corporate Scrutiny Committee and during an informal briefing of the Policy and Scrutiny Committee for Health and Social Care. The explanation behind this decision was detailed and gave a degree of assurance that the impact on service users would be minimal and some financial pressure would be relieved on core statutory services. However, Policy and Scrutiny Committee should be invited to examine the impact of the increased charges before further significant increases are implemented in future years.

### **Staffing and Services**

The Alliance propose to reduce staffing in the Council's call centre. This amounts to a £25,000 cut. The previous independent administration cut staff to the call centre and call waiting times spiralled, leaving callers on hold for long periods. The previous Conservative administration restored staffing to the call centre and brought waiting times under control. At a time when the new website is still not fully operational and many older residents rely on the telephone, we believe there can be no reasonable justification to revert back to a regime of call centre cuts. We oppose them.

We would also allocate £200,000 for additional planning staff for the reasons set out above.

## Full budget amendments in detail

### Revenue Budget

- Line 48 - Delete £25,000 cut for Business Centre.
- Add new line "Independent review of brownfield sites to deliver significant numbers of homes for Islanders at affordable prices". Add £60,000 to budget line.
- Ring fence £200,000 for additional planning staff to allow for strengthening of enforcement where needed, this is an additional £100,000 on top of that provided for in the Administration's proposals

### Capital Budget

- Increase line 29 Housing. To increase the draw down facility to £40,000,000, increased from £25,000,000 (notionally phased 22-23 £5M, 23-24 £15M, 24-25 20M).
- Reduce expenditure in line 28 by £1,185,000. A more realistic estimate of year one costs of properly constituting the housing company would be £500,000, which would leave £815,000 as seed funding for that company. The company can use the draw down facility if those figures are low.
- Line 38. Increase budget by £500,000 to restore access paths to Island beaches, and to restore footpaths, bridleways and rights of way.
- Insert new line – Carbon Zero support. £500,000 for planting trees and restoring hedgerows on Council land not suitable for housing.

## Conclusion

The Alliance budget chooses to complete and deliver on the savings set by the previous Conservative administration. It is generally prudent, protects reserves and is a budget that provides continuity from the 2021/22 budget. Where there are specific concerns and a lack of ambition, we have proposed detailed and specific amendments. If those amendments are adopted so as to vary the Alliance budget at Full Council, we are very unlikely to oppose a final vote for the Alliance budget as amended.

**Councillor Joe Robertson**  
Conservative Group Leader

**Councillor Christopher Quirk**  
Conservative Group Finance Spokesman

## AGENDA ITEM 6 - BUDGET & COUNCIL TAX SETTING 2022/23 AND FUTURE YEARS FORECASTS

A summary of the Conservative Group Amendment is described in the table below – this is for information only

### Summary

Ref No	CHANGES IN SPENDING & COUNCIL TAX	2022/23 £	Future Years £
<b>Reinstatement of Budget Savings</b>			
48	Re-instate proposed staffing reductions - Contact Centre	25,000	
	<b>Sub Total</b>	<b>25,000</b>	<b>0</b>
<b>New Revenue Expenditure</b>			
New	Increase additional Planning staff (beyond the £100,000 investment already provided for)	100,000	
New	Independent review of Brownfield Sites to deliver significant numbers of homes for Islanders at affordable prices	60,000	
	<b>Sub Total</b>	<b>160,000</b>	<b>0</b>
<b>New Capital Expenditure</b>			
29	Housing - Increase the borrowing facility for the provision of affordable homes subject to individual programme and project business cases	15,000,000	
38	Rights of Way - Increase provision to restore and improve access paths to Island beaches, to restore and improve footpaths, bridleways and rights of way	500,000	
New	Provision for planting trees and restoring hedgerows on Council-owned land that is not suitable for housing.	500,000	
	<b>Sub Total</b>	<b>16,000,000</b>	<b>0</b>
<b>TOTAL AMOUNT TO BE FUNDED</b>		<b>16,185,000</b>	<b>0</b>

Ref No	REDUCTION IN SPENDING & RESERVES & INCREASE IN BORROWING	2022/23 £	Future Years £
<b>Capital Programme Reductions</b>			
28	Reduce Equity Capital for new Housing Company	(1,185,000)	
	<b>Sub Total</b>	<b>(1,185,000)</b>	<b>0</b>
<b>Increase Prudential Borrowing</b>			
29	Increase Prudential Borrowing facility for affordable housing from £25m to £40m	(15,000,000)	
	<b>Sub Total</b>	<b>(15,000,000)</b>	<b>0</b>
<b>TOTAL CHANGES - REVENUE, CAPITAL &amp; RESERVES &amp; BORROWING</b>		<b>(16,185,000)</b>	<b>0</b>

The full Amendment to Full Council recommendations are attached on the pages that follow



## Amendment proposed by the Conservative Group

### BUDGET & COUNCIL TAX SETTING 2022/23 AND FUTURE YEARS FORECASTS

#### Recommendation 1(a) be amended to:

1(a) The revised Revenue Budget for the financial year 2021/22 and the Revenue Budget for the financial year 2022/23 as set out in the General Fund Summary (attached as Appendix 1 amended) which includes:

- (i) A Revenue Contribution to Capital of £2.0m, to support the provision of housing affordable to Island residents
- (ii) The COVID Contingency estimated at £9.1m, to guard against continuing and legacy risks

Appendix 1 (Amended) includes the following changes listed in the tables below:

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

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2022/23	2023/24 & Future Years
		£	£
<b>Strategic Finance, Corporate Resources &amp; Transformational Change</b>			
New	Reduced Revenue Contribution to Capital	(185,000)	
	<b>Total</b>	<b>(185,000)</b>	<b>0</b>

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

<b>Saving No.</b>	<b>Increases to Portfolio Budgets</b>	<b>2022/23 £</b>	<b>2023/24 &amp; Future Years £</b>
<b>Strategic Finance, Corporate Resources &amp; Transformational Change</b>			
48	Re-instate proposed staffing reductions - Contact Centre	25,000	
<b>Planning &amp; Community Engagement</b>			
New	Increase additional Planning staff (beyond the £100,000 investment already provided for)	100,000	
New	Independent review of Brownfield Sites to deliver significant numbers of homes for Islanders at affordable prices	60,000	
<b>Total</b>		<b>185,000</b>	<b>0</b>

Note:

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 table(s) above are therefore indicative only.

## Recommendation 1(g) be amended to:

The savings proposals for each Portfolio amounting, in total, to £2,975,000 for 2022/23 as set out below:

Portfolio	Controllable Budget	Savings Proposal	
	£	£	% Budget
Adult Social Care, Public Health*	52,585,029	1,730,900	3.3%
Children's Services, Education & Lifelong Skills*	26,518,026	375,900	1.4%
Community Protection, Digital Transf., Housing Provision & Housing Needs	13,007,237	182,000	1.4%
Environment, Heritage & Waste Management	8,087,817	304,500	3.8%
Highways PFI, Transport & Infrastructure**	12,255,527	50,900	0.4%
Leader & Strategic Partnerships	806,763	0	0.0%
Planning & Community Engagement	2,061,733	11,000	0.5%
Regeneration, Business Development & Tourism	4,787,226	234,300	4.9%
Strategic Finance, Corporate Resources & Transformational Change	12,726,167	85,500	0.7%
<b>Grand Total</b>	<b>132,835,525</b>	<b>2,975,000</b>	<b>2.2%</b>

\* Excludes the additional funding passported through to Adult Social Care of £3.7m (which if included would result in an overall increase of 3.7%) and the additional funding for Children's Services, Education & Lifelong Skills of £2.3m (which if included would result in an overall increase of 7.3%)

\*\* Excludes £19.4m of PFI grant funding, on a gross expenditure basis the saving amounts to 0.2%

## Recommendation 1(k) be amended to:

The Capital Programme 2021/22 to 2026/27 set out in Appendix 5 (Amended) which includes all additions, deletions and amendments for slippage and re-phasing

**Recommendation 1(l) be amended to:**

The new Capital Investment Proposals ("New Starts") - 2022/23 set out in Appendix 4 be reflected within the recommended Capital Programme 2021/22 to 2026/27 and be funded from the available Capital Resources, be amended to reflect the following changes:

Scheme Description - Reductions & Additions		Increase / (Decrease) in Corporate Resources	Total Corporate Resources Allocated
		£	£
<b>Reductions / Deletions to Proposed Capital Schemes:</b>			
28	Reduce Equity Capital for new Housing Company	(1,185,000)	1,315,000
<b>Additional Capital Scheme Proposals (New):</b>			
29	Housing - Increase the borrowing facility for the provision of affordable homes subject to individual programme and project business cases	15,000,000	40,000,000
38	Rights of Way - Increase provision to restore and improve access paths to Island beaches, to restore and improve footpaths, bridleways and rights of way	500,000	575,000
New	Provision for planting trees and restoring hedgerows on Council-owned land that is not suitable for housing	500,000	500,000
<b>Total Overall Change</b>		<b>14,815,000</b>	

**Recommendation 1(r) to be added:**

That delegated authority be given to the S.151 Officer to make any necessary changes to either the Investment Strategy or the Capital Strategy in accordance with the proposed changes to the capital programme set out in this amendment

## **SECTION 151 OFFICER'S COMMENTS**

**Under Recommendation 1(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 2022/23.

## **LEGAL IMPLICATIONS**

It is within the Council's powers to approve the amendment as set out above.

## **EQUALITY AND DIVERSITY**

The amendment does not alter the content or conclusions set out in the Equality Impact Statement at Appendix 8

**GENERAL FUND SUMMARY - 2021/22 to 2025/26**

**APPENDIX 1 (Amended)**

<b>NET REQUIREMENTS OF PORTFOLIOS</b>	<b>REVISED BUDGET 2021/22 £</b>	<b>ORIGINAL BUDGET 2022/23 £</b>	<b>FORECAST 2023/24 £</b>	<b>FORECAST 2024/25 £</b>	<b>FORECAST 2025/26 £</b>
Adult Social Care & Public Health	54,535,869	52,290,006	54,403,474	55,671,260	56,951,698
Children's Services, Education & Lifelong Skills	27,685,475	28,889,575	29,138,231	29,439,491	29,765,704
Community Protection, Digital Transf., Housing Provision & Housing Needs	10,050,805	10,260,200	10,148,169	10,175,745	10,200,275
Environment, Heritage & Waste Management	6,363,921	6,502,463	6,821,181	7,111,895	7,402,609
Highways PFI, Transport & Infrastructure	16,273,286	15,014,903	15,625,604	15,995,882	16,358,525
Leader & Strategic Partnerships	1,109,601	1,202,176	1,202,184	1,202,184	1,202,184
Planning & Community Engagement	722,515	1,041,090	512,090	512,090	512,090
Regeneration, Business Development & Tourism	913,933	511,724	511,724	511,724	511,724
Strategic Finance, Corporate Resources & Transformational Change	40,231,504	45,375,638	54,598,983	58,166,886	60,969,246
Savings to be identified	0	0	(2,000,000)	(4,000,000)	(6,000,000)
<b>Portfolio Expenditure</b>	<b>157,886,908</b>	<b>161,087,775</b>	<b>170,961,640</b>	<b>174,787,157</b>	<b>177,874,055</b>
<b>FUNDED BY:</b>					
Contribution (to)/from Balances & Reserves	2,065,082	28,575	1,998,233	709,268	(7,826)
Revenue Support Grant	3,642,344	4,757,433	4,757,433	5,757,433	6,757,433
Business Rates Retention	30,610,224	31,140,075	37,762,049	38,399,761	38,234,970
Other General Grants	33,118,315	31,390,503	30,778,762	30,778,762	30,778,762
Collection Fund (Council tax)	88,450,943	93,771,189	95,665,163	99,141,933	102,110,716
<b>Total Financing</b>	<b>157,886,908</b>	<b>161,087,775</b>	<b>170,961,640</b>	<b>174,787,157</b>	<b>177,874,055</b>
<b>BALANCES &amp; RESERVES</b>					
Balance brought forward at 1 April	13,646,139	10,981,057	10,952,482	8,954,249	8,244,981
Potential Transfer to Combined Fire Authority	(600,000)	0	0	0	0
(Deficit)/Surplus for year	(2,065,082)	(28,575)	(1,998,233)	(709,268)	7,826
<b>Balance carried forward at 31 March</b>	<b>10,981,057</b>	<b>10,952,482</b>	<b>8,954,249</b>	<b>8,244,981</b>	<b>8,252,807</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>2,065,082</b>	<b>28,575</b>	<b>1,998,233</b>	<b>709,268</b>	<b>(7,826)</b>

## APPENDIX 5 (Amended)

### COMPLETE CAPITAL PROGRAMME INCLUDING NEW SCHEMES

	FORECAST 2021/22 £	ESTIMATE 2022/23 £	ESTIMATE 2023/24 £	ESTIMATE 2024/25 £	ESTIMATE 2025/26 £	ESTIMATE 2026/27 £	ESTIMATE TOTAL £
<b>SUMMARY OF PORTFOLIOS</b>							
Adult Social Care and Public Health	664,664	1,433,849	1,850,000	760,457	0	0	4,708,970
Children's Services, Education and Lifelong Skills	12,842,130	5,616,988	2,444,972	0	0	0	20,904,090
Community Safety, Digital Transf., Housing Provision and Housing Needs	6,259,855	13,303,039	15,450,000	20,350,000	0	0	55,362,894
Environment, Heritage and Waste Management	5,931,095	2,598,333	3,252,634	4,233,418	38,380,000	0	54,395,480
Highways PFI, Transport and Infrastructure	18,697,544	6,845,017	3,013,067	1,663,276	2,014,153	2,506,780	34,739,837
Regeneration, Business Development and Tourism	14,549,489	15,180,528	12,735,000	0	0	0	42,465,017
Strategic Finance, Corporate Resources and Transformational Change	883,780	2,051,034	400,000	400,000	0	0	3,734,814
<b>Total Capital Programme</b>	<b>59,828,556</b>	<b>47,028,788</b>	<b>39,145,673</b>	<b>27,407,151</b>	<b>40,394,153</b>	<b>2,506,780</b>	<b>216,311,101</b>
<b>Total Financing</b>	<b>59,828,556</b>	<b>47,028,788</b>	<b>39,145,673</b>	<b>27,407,151</b>	<b>40,394,153</b>	<b>2,506,780</b>	<b>216,311,101</b>

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## **Agenda Item 6 – Budget and Council Tax Setting 2022/23 and Future Years Forecasts.**

Cllr Andrew Garrett Amendment

### Preface

The corporate plan, proposed by the Alliance group, and adopted after amendment by Full Council, provides for decisions to:

- Be fair and transparent with decisions based on data and evidence and in an open and accountable way
- Address poverty as an overarching consideration

This budget amendment is informed by those commitments.

With regard to the first bullet point, the amendment sets out that three indicative savings not be proceeded with as proposed.

The increase in WightCare fees and charges is 13 per cent, well in excess of measures of inflation experienced by residents. The amendment provides for a reasonable increase of 3 per cent. The proposal to charge for video streaming funerals has been met with public dissatisfaction, for obvious reasons given the impact of the pandemic. The proposal to reduce staffing in the contact centre is recognised as limiting the capacity of back office processing support to the council tax and housing benefits teams. The effects of cost of living increases could well lead to an increased need for support to these functions. If the administration wishes to pursue implementation of these three indicative savings, then it should do so in keeping with the first bullet point through a full process of consultation, scrutiny, and cabinet decision.

With regards to the second bullet point, the amendment provides for the development of an anti-poverty strategy, to ensure that consideration of poverty is embedded throughout council decision-making. The amendment also provides for a fund to implement initiatives arising from this strategy that cannot be funded from existing resources.

These commitments are to be funded through a reduction in the transformation reserve to £4 million, not dissimilar to figures for previous years. It would be welcome for the use of the transformation reserve to be scrutinised in the coming year, both for its effectiveness and for the reasonable level at which it should be maintained year on year rather than rely on ad hoc replenishments.

## AGENDA ITEM 6 - BUDGET & COUNCIL TAX SETTING 2022/23 AND FUTURE YEARS FORECASTS

A summary of the Cllr Andrew Garratt Amendment is described in the table below – this is for information only

### Summary

Ref No	CHANGES IN SPENDING & COUNCIL TAX	2022/23 £	Future Years £
<b>Reinstatement of Budget Savings</b>			
2	Limit uplift of fees and charges for Wightcare to 3% increase	78,000	
22	Withdraw - charge for Video streaming of funeral services	30,000	
48	Re-instate - staffing reductions - Contact Centre	25,000	
	<b>Sub Total</b>	<b>133,000</b>	<b>0</b>
<b>New Revenue Expenditure</b>			
New	Commission an Anti-Poverty Strategy	25,000	
New	Establish an Anti-Poverty Strategy Implementation Fund (3 year fund)	300,000	
	<b>Sub Total</b>	<b>325,000</b>	<b>0</b>
<b>TOTAL AMOUNT TO BE FUNDED</b>		<b>458,000</b>	<b>0</b>

Ref No	REDUCTION IN SPENDING & RESERVES	2022/23 £	Future Years £
<b>Revenue Budget Savings</b>			
New	Reduce Transformation Reserve	(458,000)	
	<b>Sub Total</b>	<b>(458,000)</b>	<b>0</b>
<b>TOTAL REDUCTIONS - REVENUE, CAPITAL &amp; RESERVES</b>		<b>(458,000)</b>	<b>0</b>

The full Amendment to Full Council recommendations are attached on the pages that follow

## Amendment proposed by Cllr Andrew Garratt

### BUDGET & COUNCIL TAX SETTING 2022/23 AND FUTURE YEARS FORECASTS

#### Recommendation 1(a) be amended to:

1(a) The revised Revenue Budget for the financial year 2021/22 and the Revenue Budget for the financial year 2022/23 as set out in the General Fund Summary (attached as Appendix 1 amended) which includes:

- (i) A Revenue Contribution to Capital of £2.0m, to support the provision of housing affordable to Island residents
- (ii) The COVID Contingency estimated at £9.1m, to guard against continuing and legacy risks

Appendix 1 (Amended) includes the following changes listed in the tables below:

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

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2022/23	2023/24 & Future Years
		£	£
<b>Strategic Finance, Corporate Resources and Transformational Change</b>			
New	Reduce Transformation Reserve	(458,000)	
	<b>Total</b>	<b>(458,000)</b>	<b>0</b>

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

<b>Saving No.</b>	<b>Increases to Portfolio Budgets</b>	<b>2022/23 £</b>	<b>2023/24 &amp; Future Years £</b>
<b>Adult Social Care &amp; Public Health</b>			
2	Limit uplift of fees and charges for Wightcare to 3% increase	78,000	
<b>Community Protection, Digital Transformation, Housing Provision &amp; Housing Needs</b>			
22	Withdraw - Charges for Video streaming of funeral services	30,000	
<b>Strategic Finance, Corporate Resources &amp; Transformational Change</b>			
48	Re-instate - Staffing reductions - Contact Centre	25,000	
New	Commission an Anti-Poverty Strategy	25,000	
New	Establish an Anti-Poverty Strategy Implementation Fund (3 year fund)	300,000	
<b>Total</b>		<b>458,000</b>	<b>0</b>

**Note:**

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 above are therefore indicative only.

**Recommendation 1(g) be amended to:-**

The savings proposals for each Portfolio amounting, in total, to £2,867,000 for 2022/23 as set out below:

Portfolio	Controllable Budget	Savings Proposal	
	£	£	% Budget
Adult Social Care, Public Health*	52,585,029	1,652,900	3.1%
Children's Services, Education & Lifelong Skills*	26,518,026	375,900	1.4%
Community Protection, Digital Trans., Housing Provision & Housing Needs	13,007,237	152,000	1.2%
Environment, Heritage & Waste Management	8,087,817	304,500	3.8%
Highways PFI, Transport & Infrastructure**	12,255,527	50,900	0.4%
Leader & Strategic Partnerships	806,763	0	0.0%
Planning & Community Engagement	2,061,733	11,000	0.5%
Regeneration, Business Development & Tourism	4,787,226	234,300	4.9%
Strategic Finance, Corporate Resources & Transformational Change	12,726,167	85,500	0.7%
<b>Grand Total</b>	<b>132,835,525</b>	<b>2,867,000</b>	<b>2.2%</b>

\* Excludes the additional funding passported through to Adult Social Care of £3.7m (which if included would result in an overall increase of 3.9%) and the additional funding for Children's Services, Education & Lifelong Skills of £2.3m (which if included would result in an overall increase of 7.3%)

\*\* Excludes £19.4m of PFI grant funding, on a gross expenditure basis the saving amounts to 0.2%

## **SECTION 151 OFFICER'S COMMENTS**

**Under Recommendation 1(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 2022/23.

The amendment is less prudent than the Administration's Budget proposal and presents some additional financial risk to the Council's ability to deliver future savings by reducing the transfer to the Transformation Reserve by the sum of £458,000.

The use of the Transformation Reserve for this purpose is contrary to the Council's approved Medium Term Financial Strategy. The Transformation Reserve is designed to be the Council's primary vehicle for funding "Spend to Save" schemes as well as any necessary additional financial support required for the delivery of Budget Savings by Services. The Transformation Reserve currently has an uncommitted balance remaining of just £4.4m, the proposals within this amendment would reduce the available Reserve to £4.0m.

The Council's future Budget Forecasts do not provide for any further contributions to the Transformation Reserve and historically between £1m and £2m per year has been required from it. At a balance of £4.0m this would imply that it may remain available for its intended purpose for the next 2 to 3 years.

## **LEGAL IMPLICATIONS**

It is within the Council's powers to approve the amendment as set out above.

## **EQUALITY AND DIVERSITY**

The amendment does not alter the content or conclusions set out in the Equality Impact Statement at Appendix 8

## GENERAL FUND SUMMARY - 2021/22 to 2025/26

## APPENDIX 1 (Amended)

NET REQUIREMENTS OF PORTFOLIOS	REVISED BUDGET 2021/22 £	ORIGINAL BUDGET 2022/23 £	FORECAST 2023/24 £	FORECAST 2024/25 £	FORECAST 2025/26 £
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Highways PFI, Transport & Infrastructure	16,273,286	15,014,903	15,625,604	15,995,882	16,358,525
Leader & Strategic Partnerships	1,109,601	1,202,176	1,202,184	1,202,184	1,202,184
Planning & Community Engagement	722,515	881,090	512,090	512,090	512,090
Regeneration, Business Development & Tourism	913,933	511,724	511,724	511,724	511,724
Strategic Finance, Corporate Resources & Transformational Change	40,231,504	45,427,638	54,598,983	58,166,886	60,969,246
Savings to be identified	0	0	(2,000,000)	(4,000,000)	(6,000,000)
<b>Portfolio Expenditure</b>	<b>157,886,908</b>	<b>161,087,775</b>	<b>170,961,640</b>	<b>174,787,157</b>	<b>177,874,055</b>
<b>FUNDED BY:</b>					
Contribution (to)/from Balances & Reserves	2,065,082	28,575	1,998,233	709,268	(7,826)
Revenue Support Grant	3,642,344	4,757,433	4,757,433	5,757,433	6,757,433
Business Rates Retention	30,610,224	31,140,075	37,762,049	38,399,761	38,234,970
Other General Grants	33,118,315	31,390,503	30,778,762	30,778,762	30,778,762
Collection Fund (Council tax)	88,450,943	93,771,189	95,665,163	99,141,933	102,110,716
<b>Total Financing</b>	<b>157,886,908</b>	<b>161,087,775</b>	<b>170,961,640</b>	<b>174,787,157</b>	<b>177,874,055</b>
<b>BALANCES &amp; RESERVES</b>					
Balance brought forward at 1 April	13,646,139	10,981,057	10,952,482	8,954,249	8,244,981
Potential Transfer to Combined Fire Authority	(600,000)	0	0	0	0
(Deficit)/Surplus for year	(2,065,082)	(28,575)	(1,998,233)	(709,268)	7,826
<b>Balance carried forward at 31 March</b>	<b>10,981,057</b>	<b>10,952,482</b>	<b>8,954,249</b>	<b>8,244,981</b>	<b>8,252,807</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>2,065,082</b>	<b>28,575</b>	<b>1,998,233</b>	<b>709,268</b>	<b>(7,826)</b>

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