

# Agenda

Name of meeting	<b>FULL COUNCIL</b>
Date	<b>WEDNESDAY 28 FEBRUARY 2024</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
	Democratic Services Officer: Marie Bartlett democratic.services@iow.gov.uk

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## 7. **Budget and Council Tax Setting 2024-2025 and Future Years' Forecasts** (Pages 9 - 10)

1. It is recommended that the Council approve the following:
  - (a) The revised Revenue Budget for the financial year 2023/24 and the Revenue Budget for the financial year 2024/25 as set out in the General Fund Summary (Appendix 1) which includes:
    - (i) Additional spending in Adult Social Care of £6.3m and Children's Services of £5.0m
    - (ii) A Covid Contingency of £5m
    - (iii) No Revenue Contribution to Capital in 2023/24 or 2024/25
  - (b) Any variation arising from the Local Government Finance Settlement 2024/25 or any further savings made in 2023/24 arising at the year-end (after allowing for specific carry forward requests) be transferred to the Revenue Reserve for Capital, 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 2.99% for general purposes in accordance with the referendum threshold<sup>[1]</sup> for 2024/25



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announced by Government (as calculated in Appendix 2)

- (d) That the level of Council Tax be increased by a further 2.0% 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 £1,977,705 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 2024/25 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 £2.75m for 2024/25 and continuing into future years as set out on the next page:

Portfolio	Controllable Budget	Savings Proposal	
	£	£	%
Adult Social Care & Public Health*	57,782,000	919,900	1.6%
Children's Services, Education & Corporate Functions*	41,238,000	207,000	0.5%
Climate Change, Biosphere & Waste	6,777,000	68,000	1.0%
Deputy Leader - Housing & Finance	8,292,000	107,100	1.3%
Economy, Regeneration, Culture & Leisure	3,052,000	24,000	0.8%
Leader - Transport Infrastructure, Highways PFI and Transport Strategy, Strategic Oversight and External Partnerships**	13,658,000	1,167,000	8.5%
Planning, Coastal Protection & Flooding	2,361,000	0	0.0%
Regulatory Services, Community Protection & ICT	11,340,000	257,000	2.3%
<b>Grand Total</b>	<b>144,500,000</b>	<b>2,750,000</b>	<b>1.9%</b>

\* Excludes the additional funding passported through to Adult Social Care of £6.3m (which if included would result in an overall increase of 9.4%) and the additional funding for Children's Services, Education & Lifelong Skills of £5.0m (which if included would result in an overall increase of 15.3%)

\*\* Excludes £19.4m of PFI grant funding, on a gross expenditure basis the saving amounts to 3.5%

- (h) Directors be instructed to start planning how the Council will achieve the savings requirements of £3.0m for the 3 year period 2025/26 to 2027/28 and that this be incorporated into Service Business Plans
  - (i) The minimum level of Revenue Balances as at 31 March 2025, predicated on the approval of £2.75m savings in 2024/25 be set at £8.0m 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 2023/24 to 2028/29 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") - 2024/25 set out in Appendix 4 be reflected within the recommended Capital Programme 2023/24 to 2028/29 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 2023/24 to 2028/29
  - (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 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 any other external source).
  - (p) The Capital Strategy 2024/25, including the Minimum Revenue Position Statement contained therein (Appendix 6)
  - (q) The Investment Strategy (Non-Treasury Investments) 2024/25 (Appendix 7)
2. It is recommended that the Council note the following in respect of the Council's Budget:
- (a) The Revenue Budget 2024/25 as set out in Appendix 1 has been prepared on the basis of a 4.99% increase in Council Tax, any reduction from the overall 4.99% Council Tax increase proposed will require additional savings of £988,900 for each 1% reduction in order for the Budget 2024/25 to be approved
  - (b) The Revenue Forecasts for 2025/26 onwards as set out in the section

entitled "Revenue Forecasts 2025/26 to 2027/28" and Appendix 1

- (c) The estimated Savings Requirement of £3.0m for the three year period 2025/26 to 2027/28, 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>
2025/26	1.0	1.0
2026/27	1.0	2.0
2027/28	1.0	3.0

- (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 £3.2m 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 £2.75m in 2024/25 (and £1.0m 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 2024/25 will be 54,407.3 [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 2023/24 is estimated to be in surplus by £1,483,500 which is shared between the Isle of Wight Council (85.3%) and the Police & Crime Commissioner (11.1%) and the Hampshire & Isle of Wight Fire & Rescue Authority (3.6%)
- (h) The Business Rate element of the Collection Fund for 2023/24 is estimated to be in deficit by £3,354,365 of which is shared between the Isle of Wight Council (49%), the Hampshire & Isle of Wight Fire & Rescue Authority (1%) and the Government (50%)
- (i) The Retained Business Rate income<sup>[2]</sup> for 2024/25 based on the estimated Business Rate element of the Collection Fund deficit as at March 2024, the Non Domestic Rates poundage for 2024/25 and estimated rateable values for 2024/25 has been set at £43,763,020.
- (j) The Equality Impact Assessment (attached at Appendix 8)

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

<sup>[2]</sup> Includes Retained Business Rates of £17,546,907, "Top Up" of £12,834,713, S.31 Grants of £15,025,039 a Collection Fund deficit of £1,643,639

CHRISTOPHER POTTER  
Monitoring Officer  
Tuesday, 20 February 2024

## 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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Please note that all meetings that are open to the public and press may be filmed or recorded and/or commented on online by the council or any member of the public or press. However, this activity must not disrupt the meeting, and if it does you will be asked to stop and possibly to leave the meeting. This meeting may also be filmed for live and subsequent broadcast (except any part of the meeting from which the press and public are excluded).

If you wish to record, film or photograph the council meeting or if you believe that being filmed or recorded would pose a risk to the safety of you or others then please speak with the democratic services officer prior to that start of the meeting. Their contact details are on the agenda papers.

If the press and public are excluded for part of a meeting because confidential or exempt information is likely to be disclosed, there is no right to record that part of the meeting. All recording and filming equipment must be removed from the meeting room when the public and press are excluded.

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## Arrangements for Submitting Oral Questions at Meetings of Council and Cabinet:

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 7 - BUDGET & COUNCIL TAX SETTING 2024/25 & FUTURE YEARS FORECASTS**

### **Budget Amendment Proposals from Cllr. Quigley and Cllr. Brodie**

#### **Preface**

The aim of providing homes on the Island is shared by all members of the chamber, but the issue of money is always the sticking point. The council is constantly under pressure to provide services with less cash year on year, leaving nothing available to get house building moving. Our amendment seeks to free up assets and work with RSLs to provide the opportunity to build homes for Island residents.

## **Amendment proposed by Cllrs. Quigley & Brodie**

### **BUDGET & COUNCIL TAX SETTING 2024/25 & FUTURE YEARS FORECASTS**

#### **Recommendation 36(r) to be added:**

To request Cabinet to undertake a wholesale review of Council assets during 2024/25 with a view to raising at least £1 million from disposals for further housing investment;

That the £1 million raised from asset sales is used to maximise the increase in the supply of affordable housing to be available to residents on the housing waiting list through the most efficient combination of:

- i) Making grants available to Registered Social Landlords for additional housing supply and for which the Council will receive nomination rights
- ii) Leveraging an estimated £0.68m of borrowing, making a total of £1.68m available to purchase houses from the secondary market\* to be owned and let by the Council (either within or outside of a Housing Revenue Account)

**\* Note: Based on the acquisition of 2 Bed properties it is estimated that £1.68m will be sufficient funding to acquire a total of 7.6 properties**

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

**Under Recommendation 36(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 2024/25.

The Amendment presents no additional financial risk to the Council and the sustainability of Council Services in the medium term.

### **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