

# Minutes

Name of meeting	<b>CORPORATE SCRUTINY COMMITTEE</b>
Date and Time	<b>TUESDAY 9 JANUARY 2024 COMMENCING AT 5.00 PM</b>
Venue	<b>COUNCIL CHAMBER, COUNTY HALL, ISLE OF WIGHT</b>
Present	Cllrs J Robertson (Chairman), P Spink (Vice-Chairman), M Beston, R Downer, J Lever, K Love, C Mosdell, C Quirk and S Redrup
Co-opted	Simon Cooke (IWALC)
Also Present	Cllrs J Bacon, P Fuller, J Jones-Evans and K Lucioni, G Brodie, C Jarman, I Ward  Rob Gillespie (Island Roads), Keith Herbert and Adam Wilds (Southern Water)  Sharon Betts, James Brewer, Wendy Perera, Colin Rowland, Claire Shand, Megan Tuckwell and Melanie White
Also Present (Virtual)	Cllr P Jordan  Christopher Potter
Apologies	Cllr W Drew

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## **56 Apologies and Changes in Membership (If Any)**

Cllr Michael Beston was in attendance as a substitute for Cllr Warren Drew.

The chairman confirmed that he had been given notice of the Regulation 10 general exception notice regarding the approval of the Fees and Charges – Inflationary Rise Garden Waste Subscriptions.

## **57 Minutes**

RESOLVED:

THAT the minutes of the meeting held on 7 November 2023 be confirmed as a true record.

## **58 Declarations of Interest**

No declarations were received at this stage.

## **59 Public Question Time - 15 Minutes Maximum**

No public questions were received.

## **60 Progress Update**

The chairman presented the report which provided an overview of the progress against actions and outcomes from previous meetings. An update was sought with regards to the request of the committee in January 2023 to receive a copy of the review of leisure centres once it had been completed. Concerns were raised regarding the time taken to reach this stage. The Cabinet Member confirmed that the report was being finalised and would be available to share with the committee in due course.

Reference was made to the request of the committee in February 2023 to receive a copy of the signed heads of agreement in relation to the proposed disposal of Kingston Marine Park. Concerns were raised regarding the time taken to reach this stage. The Cabinet Member confirmed that work was still underway, and this would be circulated to the committee once complete.

An update was sought with regards to the request of the committee in September 2023 to receive a copy of the refreshed Corporate Plan when available. The Chief Executive confirmed that the Leader had liaised with portfolio holders in respect of this and would be available to the committee in due course.

Reference was made to the request of the committee in September 2023 to receive a copy of the report setting out the findings and recommendations following the independent review of the Floating Bridge. It was confirmed that this work was underway and would be aligned with a report on the future options, both of which would be presented to the committee when available.

RESOLVED:

THAT the progress report be noted.

## **61 Committee's Workplan:**

### **61a Forward Plan**

### **61b Committee's Work Programme**

Consideration was given to the committee's work programme and the committee were invited to identify any item contained within the published forward plan that would benefit from early consideration within the committee's own workplan or that of one of the policy and scrutiny committees.

It was suggested that the committee reviews at its next meeting the report on the LEP Integration of Functions into Upper Tier Local Authorities, due for decision by the Cabinet in February 2024.

Comments were made with regards to cross-Solent ferry operators, and it was agreed that the chairman would contact committee members to scope this potential agenda item for a report to be presented to the committee in May 2024.

RESOLVED:

THAT the committee's work programme, and the forward plan, be noted.

## **62 Flood Response**

The committee received a presentation which provided detail on how the council responds to flooding in its role as the Lead Local Flood Authority, and how the council works with partner agencies with a joint approach to flood prevention and risk management. Representatives of Southern Water, Island Roads, and the Environment Agency were in attendance. It was advised that the Isle of Wight Local Flood Risk Management Strategy would be reviewed in light of the flood events in October-November 2023, and the development of this would involve public consultation and evidence gathering. It was anticipated that this would be completed within the next six months.

Questions were raised regarding the criteria for the allocation of the Community Recovery Grant for residents affected by flooding. It was requested that the committee receives further detail on how many applications had been made, how many had been successful, and details on any complaints and how they had been resolved.

Concerns were raised regarding any overlap between recently flooded areas, and those areas identified within the draft Island Planning Strategy for future development. It was assured that part of the Section 19 report work would investigate whether flooding had occurred in areas with new developments, and if so why and where that had happened.

Discussion took place regarding the actions being taken to improve communication with residents, and to strengthen relationships amongst the different agencies (including the fire and rescue service, town and parish councils, the voluntary sector, and landowners).

It was agreed that this matter would be reconsidered by the committee in six months to allow time for the Flood Risk Management Strategy and Section 19 flood reports to be completed.

RESOLVED:

THAT the presentation and update be received and noted.

## **63 Budget Proposals 2024-25**

The committee received a statement from the Director of Finance and Section 151 Officer on the updated budget position since last reported to the committee in November 2023 (Appendix 1), following the announcement of the provisional local government financial settlement. The committee expressed disappointment that the relevant Cabinet Member was not in attendance, and no comments or questions were raised at this stage.

Cllr Chris Jarman submitted a written question to the committee regarding the development of alternative budget proposals (MQ 01-24). Discussion took place regarding the council's constitution, and the ability for 'opposition groups' to develop and submit full alternative budget proposals, which require access to confidential information, data, and officer resources. Following discussion, it was:

RESOLVED:

THAT the three statutory officers be requested to provide a written response to the written question (MQ-01/24), to be reported back to the questioner and the Corporate Scrutiny Committee within seven days.

#### **64 Pre-Decision Scrutiny - Future Governance**

The committee received the report from the Future Governance Working Group regarding the potential for the Isle of Wight Council to move to a Committee system of governance from May 2024. The chairman advised that the report was not on the agenda for Full Council in 17 January 2024 as originally anticipated. As a result of this, it was agreed that scrutinisation of the report would be deferred to the next meeting of the committee in February 2024. It was requested that the Chairman of the Council be asked to provide a full written explanation as to why the report was removed from the Full Council agenda. Following discussion, it was:

RESOLVED:

THAT the Chairman of the Council be asked to provide a full written explanation as to why the decision was taken to remove the Future Governance Working Group report from the agenda for the Full Council on 16 January 2024, no later than midday on Friday 12 January 2024.

#### **65 Confidentiality**

The committee received the report on councillor's access to information as it related to confidentiality in terms of the council's decision-making processes, in order to understand in greater detail what information can and cannot be disclosed. Discussion took place regarding confidential information and the exclusion of the public and press. It was suggested that future decision reports with a private element should be supplemented with a note from the Monitoring Officer, outlining the category of exemption, the application of a 'public interest' balance, and the duration of that exemption status.

RESOLVED:

THAT the report be received and noted.

#### **66 Members' Question Time**

Cllr Chris Jarman submitted a written question (MQ 01-24) which was dealt with under minute item 63.

Cllr Julie Jones-Evans asked an oral question with regards to Cabinet Member attendance at meetings of the Corporate Scrutiny Committee. The chairman emphasised the expectation of Cabinet Members to attend meetings, particularly where there is an agenda item with relevance to their portfolio.

CHAIRMAN

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Purpose: For Information

# Scrutiny Statement

## ISLE OF WIGHT COUNCIL

MEETING	<b>CORPORATE SCRUTINY COMMITTEE</b>
DATE	<b>9 JANUARY 2024</b>
TITLE	<b>BUDGET PROPOSALS 2024-25</b>
REPORT OF	<b>DIRECTOR OF FINANCE AND SECTION 151 OFFICER</b>

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### 1. Statement by Section 151 Officer

- 1.1 On 7<sup>th</sup> November 2023, the Corporate Scrutiny Committee received a report setting out the following:
- The key spending and funding assumptions underpinning the Council's forecast budget deficit of £6m (+/-£5m due to uncertainty) made in February 2023 which in turn requires the Council to make savings of at least £2m p.a. for the next 3 years
  - The key spending and funding assumptions underpinning the Council's forecast Budget for 2024/25
  - The current expectation of both spending and funding assumptions and the likely impact of any changes to those assumptions affecting the Budget for 2024/25
- 1.2 For ease of reference, the Key Cost Assumptions and Key Funding Assumptions described in that report are attached at Appendix 1 and 2.
- 1.3 Since that time, the Provisional Local Government Finance Settlement has been announced (18 December 2023). In summary, the Provisional Settlement across all funding areas was £0.4m worse than we had estimated when our Forecast for 2024/25 was prepared this time last year.
- 1.4 The headlines of the provisional Local Government Finance Settlement are:
- ❖ Increase in Core Spending Power of £9.8m (6.0%) - This is a Government measure and includes expected increases in Government Grants, Council Tax and Business Rates. This is the lowest increase of all Unitary Authorities
  - ❖ The Increase in Core Spending Power comprises:

- Council Tax £5.2m - An increase of 5.3%
  - Business Rates £2.4m - An increase of 6.5%
  - Government Funding £2.2m (being £3.1m for Social Care offset by a reduction of £0.9m in all other Grants) - An Increase of 7.8%
- ❖ Council Tax is below inflation and 2% of the 3% relates to the ASC Precept and is passported.
  - ❖ The Business Rate Uplift is at inflation.
  - ❖ Government Funding - Social Care Funding was known and previously announced and significantly below the Social Care Pressures that the Council faces. The other Government funding is a real reduction.
  - ❖ Compared to funding forecast for the coming year and built into the approved £2m savings requirement, the Council's position is £0.4m worse (as previously mentioned)
  - ❖ The continuation of the £1m of funding that the Council secured in 2023/24 for the additional costs of providing public services on the Island, known as the "Island Deal"
- 1.5 Particularly disappointing is the lack of any uplift in the Island Deal element of the Settlement given the comprehensive evidence submission that the Isle of Wight Council made to Government. In that context it is very concerning that the Isle of Wight (alongside Thurrock Council who have been given permission to raise their Council Tax by 8%) received the lowest percentage uplift of all unitary authorities.
- 1.6 It is also deeply concerning that the increased funding for Social Care is significantly lower than the cost pressures that the Council will face next year in those Services.
- 1.7 Due to the significant increase in costs of Social Care as well as inflation more generally experienced across the current year and continuing into future years, it is inevitable that the savings requirements for 2024/25 will need to amount to at least £3m.
- 1.8 Preparation of the Budget for 2024/25 will continue until publication on 31 January 2024.

CHRIS WARD  
*Director of Finance and Section 151 Officer*

APPENDIX 1

FORECAST 2024/25 – Key Cost Assumptions (February 2023)

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Description	Assumption	Current Expectation	Expected Impact	
<b>Inflation</b>				
Pay 2023/24 (shortfall)	4.0% (£2.5m)	6.6% (£4.1m)	£1.6m	↑
Pay 2024/25	3.0% (£2.0m)	??%	Each 1% ▲ = £0.7m	↑
Key Contracts	Specific Indexation (e.g. RPI) - £1.0m	?? Next OBR Forecast in Autumn Statement	Each 1% ▲ = £0.2m	↑
ASC Fee Review (Providers)	Assumes NLW of 6.3% (£2.2m)	Assumes NLW of 7.1% (£4.0m)	£1.8m	↑
<b>Demand (Growth in cost)</b>				
Children's Placements 2023/24 (shortfall)	£1.2m	£3.9m	£2.7m	↑
Children's Placements 2024/25	£0m	£0.0m	£0m	▬
CSC to ASC Transitions	£0.9m	£0.7	£0.2m	↓
ASC COVID Legacy	£2.1m	£2.1m	£0m	▬
Home to School Transport 2023/24 (Shortfall)	£0m	£0.3m	£0.3m	↑
Home to School Transport 2024/25	£0m	£0.5m	£0.5m	↑

## APPENDIX 2

### FORECAST 2024/25 – Key Funding Assumptions (February 2023)

Description		Assumption	Current Expectation	Expected Impact	
<b>Council Tax</b>					
	General Purposes	3.0% (£3.0m)	3.0% (£3.0m)	Each 1%  = £1.0m	
	ASC Precept	2.0% (£2.0m)	2.0% (£2.0m)	Each 1%  = £1.0m	
	Taxbase (Properties, Discounts, Exemptions, LCTS, Collection Rate)	0.2%	0.2%	Each 1%  = £1.0m	
<b>Business Rates</b>					
	Multiplier	5.5% (£1.6m)	6.7% (£2.0m)	£0.4m	
	Taxbase (Appeals, Growth, Mandatory Reliefs, Collection Rate)	0%	0%	£0	
<b>Government Grants</b>					
	All General Grants	£6.6m	£6.4m (Awaiting Local Government Finance Settlement)	£0.2	
	Island Deal	£1m	£?? (Awaiting Local Government Finance Settlement)	£??	
	Social Care Grant	£13.3m	£?? (Awaiting Autumn Statement)	£??	

## Member Question time of the Leader

To view any Member questions that were put to the Leader, they will be listed as an additional PDF document below the Member question time of the Leader section within the online minutes, an example is displayed below:

### **29. Member Question Time of the Leader**

- [View the background to item 29.](#)

A question must be submitted in writing on 17 November 2020.

#### **Additional documents:**

- [MQ - 15/20](#)  PDF 96 KB

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## Corporate Scrutiny Committee – 9 January 2024

### Written points from Cllr Chris Jarman to the Corporate Scrutiny Committee

1. 'Groups' is to be taken as meaning Group, Groups or ungrouped Members.

*Yes, agreed.*

2. All Groups are entitled to submit alternative full budget proposals and/or budget amendments. This entitlement is not limited to the current Cabinet but is a right available to all Groups.

*In light of the significance in law of the council's responsibility to set a Budget and follow proper process and ensuring that the Council understands the respective roles and responsibilities of forming a budget, the council has sought external legal advice from a former monitoring officer who now works within a private practice. The advice is attached in full but a summary is set out below that addresses particular aspects of the questions raised.*

*The cabinet, who are the council's executive, is responsible for all "executive functions", which comprise the majority of a Council's business. Non-executive functions remain the preserve of the full council, exercisable by the full council itself, or by a committee, subcommittee or officer as a delegatee. Those non-executive functions include approving the budget at the February full council budget meeting.*

*The Executive are a legally defined entity with specific statutory duties defined by legislation. The use of the term "administration" whilst a common shorthand can result in this crucial point being missed and the assumption arising that the group in power have rights because of their numbers / status rather than the legal position of the Executive.*

*However, whilst approving the budget is by law a matter for Full Council, under regulation 4(9)–(11) of Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the cabinet must prepare and submit to the full council estimates of the amounts to be aggregated for the purposes of those calculations. The specific wording in the 2000 Regulations which states this is an executive functions is as below:*

*(a) the preparation, for submission to the authority for their consideration, of—*

*(i) estimates of the amounts to be aggregated in making the calculation or of other amounts to be used for the purposes of the calculation and estimates of the calculation; or*

*(ii) the amounts required to be stated in the precept;..*

*Therefore, the preparation of the estimates forming the submission to full council for their consideration to become the budget is the sole responsibility of the cabinet. It is for this reason that it is the Cabinet's proposed budget that forms the agenda item and against which amendments may be tabled.*

*Any councillor may submit alternative budget proposals/amendments to the cabinet budget, provided they are seconded, lawful and otherwise in accordance with the council procedural rules, such as being approved by the s151 officer. Those amendments may be called alternative budgets but they are nevertheless amendments to the proposal that the cabinet are by law obliged to table. Those amendments may be minor or significant and this is matter for the councillor(s).*

*There is no other lawful entity that has the duty or power to prepare and submit a Budget to full council, although alternative budgets may be submitted as an amendment to the degree that they have been approved as lawful.*

*The Council's Constitution is clear in terms of rules of procedure. The Constitution also cannot overrule a duty placed by Parliament on the Executive. Almost all councils describe opposition amendments as alternative budgets or something similar. And in moving their amendments opposition members will describe them as their alternative budget (or similar). But such alternative budgets are amendments to the budget proposals submitted by the Executive. This is made very clear in the Council's Constitution Procedure Rules. And it is a legal duty on the Executive.*

3. Officers are required to provide necessary data and support to enable such preparations and submissions.

*Opposition members have a right to propose alternative budget proposals/amendments to that budget and are entitled to data and access to support as set out above.*

*As set out above, in an executive form of governance the formation of the budget proposal is an executive function and therefore a matter for Cabinet, the practicalities of this mean that the resources available are not unlimited as capacity is not unlimited and is also timing driven.*

*Officers work for and serve the local authority as a whole. Nevertheless, as the majority of functions will be the responsibility of the Executive, it is likely that in practice many Officers will be working to the Executive for most of their time.*

*The Executive have a statutory duty to prepare in essence a budget for Full Council to approve. Opposition members have a right to propose amendments to that. Both are entitled to support but to suggest that they should be equal ignores the different status.*

4. The Constitution provides equal clauses of entitlement to Cabinet and to other Groups. There is no provision for limiting access only to Cabinet or to making data available to Cabinet first or to making the release of data conditional upon Cabinet permission as has been wrongly claimed by Statutory Officers. All Groups are entitled to receive factual data, officer mitigation options and all other budget preparation material concurrently and at the same time as such material is available to Officers and/or to Cabinet.

*Any councillor(s) wishing to submit alternative budget proposals/amendments to the cabinets budget are entitled to have access to finance staff, access to Directors, information as to the Council's financial position, published data on in year financial positions, and service budget details.*

*But what information the Executive seek, their discussions and their proposals remain confidential until they choose to disclose them or they are formally made public during the budget process prior to the meeting of the Executive on 8 February 2024.*

*If opposition councillors seek detailed information from officers as to what the cabinet are thinking, officers cannot supply that. But if the Opposition members happen to pursue a similar line to Cabinet' proposals, and seek information on that, that is acceptable. However, the Cabinets budgetary proposals and discussions behind that remain confidential until determined by the Cabinet or until published in advance of Cabinet/Committee/Council meetings, whichever is the earlier.*

*This is one reason why work on any opposition amendments is undertaken after the executive's budget proposal have been completed. As time is then tight, it is also the case that sometimes amendments have to be at least in part qualified as being subject to due diligence / financial appraisal*

5. Budget preparations, proposed new policies, option selections and submissions by Groups will be held in confidence by Officers until published by or otherwise made public by the respective Groups.

*Agreed.*

6. Resources necessary to discussions and budget preparation will be fully available to Groups including officers' articulation of their current and future respective departmental financial pressures, discussion of mitigation options and analysis of Groups policy contributions.

*This is being facilitated through meetings with Directors and Service Directors within the parameters set out in the responses to the questions above.*

7. This clarity confirms the explicit entitlement defined in our current Constitution.

*Noted*

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