

Isle of Wight Council Record of Decisions made at a meeting of the Cabinet on Thursday, 15 February 2024

Published:

The following decisions were made by the Cabinet at its meeting on **Thursday, 15 February 2024**. These decisions will come into force on **Tuesday 26 February 2024**. A decision by the Cabinet may be called-in (in accordance with Part 3 Section 9 of the Council's Constitution) by **Monday 25 February 2024**. Enquiries about any decision that has been made should be made in the first instance to Democratic Services at democratic.services@iow.gov.uk.

	Item	Reason for Decision:	Alternative options:	Lead officer:
5a	<p>Budget and Council Tax Setting 2024-2025 and Future Years' Forecasts</p> <p>196. It is recommended that the Cabinet endorse the following:</p> <p>(a) The recommendations to the Council set out below.</p> <p>197. It is recommended that the Council approve the following:</p> <p>(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:</p>	<p>The Council's Budget for 2023/24 and 2024/25, the level of Council Tax and the Capital Programme 2023/24 to 2028/29 represent the Council's detailed plan for 2024/25 and set the direction for the medium term. They are set within the context of the Council's approved Corporate Plan and Medium Term Financial Strategy (MTFS).</p>	<p>In respect of the Revenue Budget 2024/25:</p> <p>ii) Reduce the proposed increase in Council Tax and increase the level of savings noting that every 1% reduction in Council Tax will require an increase in savings of £988,900</p> <p>iii) Increase the use of General Reserves used in 2024/25 and reduce the level of savings accordingly, acknowledging that:</p> <p>(a) In doing so, the level of savings in 2025/26 and future years will increase providing an uneven profile of</p>	<p>Director of Finance and Section 151 Officer</p>

	Item	Reason for Decision:	Alternative options:	Lead officer:
	<p>(i) Additional spending in Adult Social Care of £6.3m and Children's Services of £5.0m</p> <p>(ii) A Covid Contingency of £5m</p> <p>(iii) No Revenue Contribution to Capital in 2023/24 or 2024/25</p> <p>(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.</p> <p>(c) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold or 2024/25 announced by Government (as calculated in Appendix 2)</p> <p>(d) That the level of Council Tax be increased by a further 2.0%</p>		<p>savings, which is contrary to the approved MTFs, and the Council's financial resilience will reduce at a time of unprecedented inflationary volatility, service demands arising from the rising cost of living and uncertainty for the future of Local Government funding</p> <p>(b) The minimum level of Reserves to be maintained will need to be increased in response to the increase in financial risk</p> <p>iv) Amend the allocation of Savings Requirements between Portfolios by reducing savings in one or more Portfolios and providing replacement savings of equivalent value in one or more other Portfolios</p> <p>v) A combination of options (ii) to (iv) above</p> <p>vi) Set a Council Tax for General Purposes at a level above 4.99% and undertake a local</p>	

	Item	Reason for Decision:	Alternative options:	Lead officer:
	<p>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.</p> <p>(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.</p> <p>(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.</p> <p>(g) The savings proposals for each</p>		<p>referendum. In respect of the Capital programme 2023/24 to 2028/29 as set out in Appendix 5:</p> <p>ii) Amend the proposed "New Start" Capital Schemes by reducing / deleting proposed Capital Schemes and replacing with alternative Capital Schemes of equivalent value</p> <p>iii) Amend the proposed "New Start" Capital Schemes by reducing / deleting Capital Schemes and retaining the amount of Corporate Capital resources available for future Capital Programmes</p> <p>iv) Amend the proposed "New Start" Capital Schemes by reducing / deleting Capital Schemes and reducing the funding provided from Corporate Reserves and retaining those funds in General Reserves to provide additional financial resilience to the Council.</p>	

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	<p>Portfolio amounting, in total, to £2.75m for 2024/25 and continuing into future years as set out on the next page:</p> <table border="1" data-bbox="232 406 786 1399"> <thead> <tr> <th data-bbox="232 406 349 491" rowspan="2">Portf olio</th> <th data-bbox="349 406 539 491">Controllabl e Budget</th> <th colspan="2" data-bbox="539 406 786 491">Savings Proposal</th> </tr> <tr> <th data-bbox="349 491 539 544">£</th> <th data-bbox="539 491 689 544">£</th> <th data-bbox="689 491 786 544">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="232 544 349 783">Adult Social Care & Public Health *</td> <td data-bbox="349 544 539 783">57,782,000</td> <td data-bbox="539 544 689 783">919,900</td> <td data-bbox="689 544 786 783">1.6 %</td> </tr> <tr> <td data-bbox="232 783 349 1126">Childr en's Servic es, Educa tion & Corpo rate Functi ons*</td> <td data-bbox="349 783 539 1126">41,238,000</td> <td data-bbox="539 783 689 1126">207,000</td> <td data-bbox="689 783 786 1126">0.5 %</td> </tr> <tr> <td data-bbox="232 1126 349 1399">Climat e Chan ge, Biosp here & Waste</td> <td data-bbox="349 1126 539 1399">6,777,000</td> <td data-bbox="539 1126 689 1399">68,000</td> <td data-bbox="689 1126 786 1399">1.0 %</td> </tr> </tbody> </table>	Portf olio	Controllabl e Budget	Savings Proposal		£	£	%	Adult Social Care & Public Health *	57,782,000	919,900	1.6 %	Childr en's Servic es, Educa tion & Corpo rate Functi ons*	41,238,000	207,000	0.5 %	Climat e Chan ge, Biosp here & Waste	6,777,000	68,000	1.0 %			
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	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	13,658,000	1,167,000	8.5 %			

Item				Reason for Decision:	Alternative options:	Lead officer:
ght and External Partnerships**						
Planning, Coastal Protection & Flooding	2,361,000	0	0.0%			
Regulatory Services, Community Protection & ICT	11,340,000	257,000	2.3%			
Grand Total	144,500,000	2,750,000	1.9%			
<p>* 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%)</p>						

	Item	Reason for Decision:	Alternative options:	Lead officer:
	<p>** Excludes £19.4m of PFI grant funding, on a gross expenditure basis the saving amounts to 3.5%</p> <p>(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.</p> <p>(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</p> <p>(j) Members have regard for the "Statement of the Section 151 Officer in accordance with the Local Government Act 2003"</p> <p>(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</p> <p>(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</p>			

	Item	Reason for Decision:	Alternative options:	Lead officer:
	<p>2028/29 and be funded from the available Capital Resources.</p> <p>5 Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum.</p> <p>(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</p> <p>(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.</p> <p>(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>			

	Item	Reason for Decision:	Alternative options:	Lead officer:
	<p>198. It is recommended that the Council note the following in respect of the Council's Budget:</p> <p>(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.</p> <p>(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</p> <p>(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:</p>			

Item	Reason for Decision:	Alternative options:	Lead officer:												
<table border="1" data-bbox="235 225 770 533"> <thead> <tr> <th data-bbox="235 225 427 411">Financial Year</th> <th data-bbox="427 225 600 411">In Year Savings Requirement £m</th> <th data-bbox="600 225 770 411">Cumulative Saving £m</th> </tr> </thead> <tbody> <tr> <td data-bbox="235 411 427 451">2025/26</td> <td data-bbox="427 411 600 451">1.0</td> <td data-bbox="600 411 770 451">1.0</td> </tr> <tr> <td data-bbox="235 451 427 491">2026/27</td> <td data-bbox="427 451 600 491">1.0</td> <td data-bbox="600 451 770 491">2.0</td> </tr> <tr> <td data-bbox="235 491 427 533">2027/28</td> <td data-bbox="427 491 600 533">1.0</td> <td data-bbox="600 491 770 533">3.0</td> </tr> </tbody> </table> <p data-bbox="235 571 770 943">(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.</p> <p data-bbox="235 981 770 1278">(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.</p> <p data-bbox="235 1316 770 1417">(f) The Council Tax base for the financial year 2024/25 will be 54,407.3 [item T in the formula in</p>	Financial Year	In Year Savings Requirement £m	Cumulative Saving £m	2025/26	1.0	1.0	2026/27	1.0	2.0	2027/28	1.0	3.0			
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	<p>Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act").</p> <p>(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%)</p> <p>(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%)</p> <p>(i) The Retained Business Rate income⁶ 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.</p> <p><small>6 Includes Retained Business Rates of £17,546,907, "Top Up" of £12,834,713, S.31 Grants of £15,025,039 a</small></p>			

	Item	Reason for Decision:	Alternative options:	Lead officer:
	Collection Fund deficit of £1,643,639			