

Minutes

Name of meeting	CORPORATE SCRUTINY COMMITTEE
Date and Time	MONDAY 12 FEBRUARY 2024 COMMENCING AT 5.00 PM
Venue	COUNCIL CHAMBER, COUNTY HALL, ISLE OF WIGHT
Present	Cllrs J Robertson (Chairman), P Spink (Vice-Chairman), R Downer, K Love, C Quirk and S Redrup
Co-opted	Simon Cooke (IWALC)
Also Present	Cllrs P Jordan, I Stephens, D Andre, J Bacon, P Fuller, J Jones- Evans and K Lucioni Laura Gaudion, Wendy Perera, Megan Tuckwell, Melanie White and Ashley Whittaker
Also Present (Virtual)	Cllr L Peacey-Wilcox Sharon Betts, Francis Fernandes, Kerry Hubbleday, Colin Rowland, Claire Shand and Chris Ward
Apologies	Cllrs W Drew and C Mosdell

79 Apologies and Changes in Membership (If Any)

Apologies had been received from Cllr Warren Drew and Cllr Clare Mosdell.

80 Declarations of Interest

No declarations were received at this stage. It was advised that general dispensation was applied which enabled councillors to discuss matters of the budget.

81 Public Question Time - 15 Minutes Maximum

No public questions were received.

82 Pre-Decision Scrutiny - Budget and Council Tax Setting 2024-2025 and Future Years' Forecasts

The committee considered the draft budget proposals for 2024-25, prior to its presentation to the Cabinet (on 15 February 2024) and the Full Council (on 28 February 2024).

Concerns were raised regarding the fact that the council would enter into the 2024-25 financial year with a structural deficit (and would need to draw on general reserves of £1.2m) despite additional government funding, an increase in council tax, and savings proposals amounting to £2.75m.

Comments were made with regards to the Island's population and demographic cost pressures, cross-party working, the scrutiny of alternative budget proposals, and the projected income generation for the 2025-26 budget as a result of a proposed increase in council tax premiums on second homes.

Questions were raised regarding the key additional investments proposed in the capital programme, which included £0.8m for vehicle fleet replacement to electric vehicles. It was advised that this was part of the council's rolling programme of vehicle replacements.

The committee sought additional detail on the £0.5m provision for structure and drainage works associated with Osborne Steps. It was confirmed that this was a one-off capital expenditure for the sole remaining route from the upper cliffs of Shanklin to the sea front.

Questions were raised regarding the £86,000 allocated for a refurbishment of a building to provide Coroners Court facilities. It was clarified that this was a one-off capital investment relating to the upper floor of the Seaclose building, which was being remodelled to create a flexible space which could be used by the coroners court and would avoid future expenditures associated with renting alternative facilities.

Concerns were raised regarding the impact on service delivery as a result of the proposed deletion of the contingency for feasibility studies and match funding opportunities of £431,000. It was advised that alternative one-off funds were available and therefore this was an area where a saving could be made in order to reach an overall balanced budget.

Discussion took place regarding the budget predictions and assumptions, particularly the long-term future forecast of funding in light of the recent announcement that the council would receive an additional £3m in funding for 2024/25, on top of an additional £1m ring-fenced for Adult Social Care.

Questions were raised in relation to the budget allocated to address homelessness and to deliver housing affordable to Island residents. The Leader confirmed that the proposals were intended to aid the delivery of affordable homes to rent, to buy and for sale.

Questions were raised regarding the minimum level of reserves required by the council and the committee received detail outlining the contingencies in place should it be likely that the general reserves would fall below £8.0m (where a Section 114 notice was likely to be served).

RESOLVED:

THAT the report to Cabinet be noted.

83 Members' Question Time

Cllr Michael Lilley submitted a written question in relation to the Adult Social Care budget (MQ 08-24). A written response was provided.

The chairman confirmed that he had been given notice of the Regulation 10 general exception notice regarding the Holiday Activity and Food (HAF) Programme Grant Recommendations – Easter 2024.

CHAIRMAN

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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 – 12 February 2024

Written question from Cllr Michael Lilley to the Corporate Scrutiny Committee:

As Chair of Policy and Scrutiny Committee for Health and Social Care I have real concerns about the sustainability of the budget in regard to Adult Social Care. I wrote last week in detail to the Director and Cabinet Member for Adult Social Care and have yet to receive a response and reassurance that the department is sustainable especially as it is running the biggest deficit of any of the departments.

Has a full risk assessment been undertaken especially in relation to the risk to residents whose lives depend on the sustainability of the department in regard the presented budget 2024/25 and can this risk assessment be available as an appendix to the proposed budget?

Response

I can confirm that a response has now been provided to Councillor Lilley in relation to the email he references.

The concerns raised in relation to the financial position for Adult Social care are noted and all Councillors will be aware of the widely publicised challenges being experienced nationally in relation to the funding for social care and increases in demand for support.

For the Isle of Wight Council for 2024/25, additional spending of £11.3m in Children's Services (£5.0m) and Adult Social Care (£6.3m) alone is required next year simply to maintain services at existing levels. This increase is represented by the inflation and demand "hangover" of the current year of £4.9m carrying through into next year plus further inflation and demand pressures for next year itself, the most significant of which relates to the 9.8% increase in the National Living Wage (a further £4m) which is passed over to providers of care supporting those residents whose care is paid for by the Council.

Until the recent announcement of £600m of additional funding to Local Authorities by the Secretary of State on 24th January 2024, the Government had adhered to the Comprehensive Spending Review 2021, and not provided any relief for the extraordinary inflation and demand pressures being experienced by Councils over this 3 year period up to and including 2024/25.

Prior to the announcement of the £600m, the Provisional Local Government Finance Settlement, provided an increase in funding for Social Care generally of £3.1m, this was pre-announced and part of the Comprehensive Spending Review and intended to cover the new burdens associated with "Market Sustainability and Fair Cost of Care" set out in the white paper "People at the Heart of Care". In addition, the funding was provided to enable the Council to support Hospital Discharge, which itself therefore added costs to the Council. The funding was not provided for general increases in cost and demand.

Of the announced increase in funding, £500m is ringfenced for Adult and Children's Social Care. The written statement of the Secretary of State set out that:

"It will enable councils to continue to provide crucial social care services for their local communities, particularly for children"

"Where possible, councils should invest in areas that help place children's social care services on a sustainable financial footing, whilst being mindful of the level of adult social care provision. This includes investment in expanding family help and targeted early intervention, expanding kinship care, and boosting the number of foster carers. This increase in funding will be reflected in the local authority allocations published at the final Local Government Finance Settlement."

"This funding, in turn, will reduce pressures on other areas of children's services such as home to school transport, where we recognise there has been a significant increase in pressures for special educational needs and disability services."

For the Isle of Wight, the Increase in Social Care funding is expected to be £1.6m, resulting in total Social Care funding from Government of an additional £4.7m in 2024/25.

Whilst funding from Government for Social Care generally has increased by £4.7m, the Cabinet are proposing in their budget proposals to increase spending in Adult and Children's Social Care by £11.3m, resulting in a Social Care Funding Gap of £6.6m. The increase of £11.3m will just maintain current service levels and ensure that the financial position of these services remains robust in the short and medium term.

The Provisional Settlement also confirmed the flexibility to increase Council Tax by an additional 2% (over the 3.0% limit for general purposes) for Adult Social Care and amounting to £2.0m, providing some limited relief to the £6.6m Social Care Funding Gap.

The proposed Council budget enables Adult Social Care support to be provided to those in our community who need it. The service is not at risk of failing to provide care where it is required.

Meetings continue to be in place to progress the partnership working with independent sector care and support providers with the next meeting scheduled for 13 February 2024 with the Chairman of the Policy and Scrutiny Committee for Health and Social Care, the Cabinet Member for Adult Social Care and the Deputy Leader invited to attend.

There is no risk to the delivery of the statutory services for social care since the council has a duty to deliver those adult social care services.

The council continues to closely monitor the wider risk for the council budget due to increasing costs and an overall budget deficit position which could put at risk the delivery of discretionary services.