



Minutes

Name of meeting	CORPORATE SCRUTINY COMMITTEE
Date and Time	TUESDAY 11 JANUARY 2022 COMMENCING AT 5.00 PM
Venue	COUNCIL CHAMBER, COUNTY HALL, ISLE OF WIGHT
Present	Cllrs S Hastings (Chairman), C Quirk (Vice-Chairman), R Downer, M Lilley, K Lucioni, J Medland and J Robertson
Co-opted (Voting)	C Palin (IWALC)
Cabinet Members	Cllrs D Andre, J Bacon, P Fuller, C Jarman, J Jones-Evans, P Jordan, K Love and I Stephens
Also Present	Cllrs P Brading, G Brodie, S Ellis and M Oliver Natasha Dix, Simon Homes, John Metcalfe, Alex Minns, Brian Pope, Christopher Potter, Colin Rowland, Claire Shand, Paul Thistlewood and Megan Tuckwell
Apologies	Cllrs R Quigley and P Spink

53 Minutes

RESOLVED:

THAT the minutes of the meeting held on 15 December 2021 be confirmed.

54 Declarations of Interest

Cllr John Medland declared an interest in minute item 59(e), Deployment of Electric Vehicle Charge Points in Council Car Parks, as he had been involved with the development of the policy on electric vehicle charging.

Cllr Michael Lilley declared an interest in minute item 59(d), Supporting the UNESCO Biosphere, as a trustee director of Wight Community Energy.

Cameron Palin declared an interest in minute item 59(c), School Funding Formula and Budget Setting 2022/23, as an employee at a local authority-maintained school.

55 Public Question Time - 15 Minutes Maximum

Susan Jones of Newchurch submitted a written question related to the Draft Island Planning Strategy task and finish group. A written response was provided. (PQ 01/22)

56 Progress Update

The chairman presented the report which provided an overview of the progress against outcomes and recommendations from previous meetings. Discussion took place regarding the Isle of Wight Community Safety Partnership's strategic plan aimed at reducing reoffending which was agreed for circulation on 9 November 2021. It was advised that the Community Safety Operations Manager had been followed up for a response. Questions were raised regarding the timeframe of the Commercialisation Strategy and the Cabinet Member for Strategic Finance, Corporate Resources and Transformational Change confirmed that the strategy could be expected shortly.

RESOLVED:

THAT the progress report be noted.

57 Commercial Property Acquisition Strategy/ Investment Strategy 2021/22

It was noted that the Committee had previously identified its wish to review the Investment Strategy 2021/22, to review the evaluations and predictions within the strategy to see if outcomes were realised; to identify changes that should be incorporated within the 2022/23 strategy; to assess the part played by the strategy within the overall medium-term financial strategy; and to demonstrate that the investment in commercial property off-Island brought financial benefits to the Council's overall budget. Consideration was given to the item referred by the Audit Committee at its meeting on 27 September 2021, which recommended that this committee look into the financial impact on the councils' revenue by having vacant units. Questions were raised regarding tenants, expected returns, the current portfolio, and the impact of managing commercial property acquisitions in-house,

RESOLVED:

THAT the updates be noted.

58 Budget Proposals 2022-23

During the debate the following interests were declared :-

Cllr Michael Lilley declared an interest as the chair of the Isle of Wight Voluntary Sector Forum, the Mayor of Ryde, and as a member of Ryde Town Council.

Cllr Chris Jarman declared a pecuniary interest as a fundraiser for two principal Island voluntary sector charities and for two cancer charities on the Island and as a trustee of others.

The Deputy Leader and the Cabinet Member for Strategic Finance, Transformational Change and Corporate Resources were invited to provide an update on the key issues faced by the Council in ensuring the delivery of a legal and balanced budget for 2022-23. A series of written questions had been submitted prior to the meeting and responses were provided (attached). Additional questions were raised regarding the budget consultation, debt repayments, work with the voluntary sector, collaboration with town and parish councils, and community assets. The Cabinet Member for Strategic Finance, Transformation Change and Corporate

Resources agreed to look at the arrangements for meeting with the voluntary sector regarding the budget.

RESOLVED:

THAT the update regarding the budget proposals 2022-23 be noted.

59 Items due to be considered by the Cabinet:

59a Name Change - Fairway Athletics Track

Consideration was given to the report which sought the Cabinet's approval to agree to the request from Isle of Wight Athletics Club to change its name to the Ray Scovell Athletics Centre. Concerns were raised regarding consultation with the local councils, and it was confirmed that Lake Parish Council would be contacted ahead of the consideration by the Cabinet.

RESOLVED:

THAT the recommendations be noted.

59b Newport Harbour – Supplementary Planning Document

Consideration was given to the report which sought the Cabinet's approval to publish the draft Newport Harbour Masterplan Supplementary Planning Document for public consultation. Questions were raised regarding the proposed housing numbers on the park site, and it was clarified that the increase was in response to the urgent need for additional housing on the island, particularly family homes with gardens.

RESOLVED:

THAT the recommendations be noted.

59c School Funding Formula and Budget Setting 2022/23

Consideration was given to the report which sought the Cabinet's approval to the 2022/23 school funding formula and wider Dedicated Schools Grant budget allocations. No comments or questions were raised, and the report was noted.

RESOLVED:

THAT the recommendations be noted.

59d Supporting the UNESCO Biosphere

Consideration was given to the report which sought the Cabinet's approval to adopt the 'Supporting the IW UNESCO Biosphere' document and to create and support a Biosphere Steering Committee. Questions were raised regarding the membership of the steering group, how the principles in the document could be integrated into future developments, and the involvement of utility companies in relation to marine conservation zones.

RESOLVED:

THAT the recommendations be supported, and the delivery of actions associated with this matter be monitored by the Committee.

59e Deployment of Electric Vehicle Charge Points in Council Car Parks

Consideration was given to the report which sought the Cabinet's approval to install electric vehicle charge points in council car parks. It was noted that the Policy and Scrutiny Committee for Neighbourhoods and Regeneration had supported the recommendations at its meeting on 6 January 2022. It was suggested that town and parish councils should be consulted with in future regarding the placement of any additional charging points and that schools would be a good location for charging points.

RESOLVED:

THAT the recommendations be noted.

59f Floating Bridge 6 - outcomes from Gateway 5 Review

Consideration was given to the report which sought the Cabinet's approval to note the Gateway 5 Review, to implement the recommendations, and continue the mediation process. Discussion took place regarding the estimated timeframes for resolution and the progress with the mediation process.

RESOLVED:

THAT the recommendations be noted.

59g Hackney and Private Hire Licensing Policy

Consideration was given to the report which sought the Cabinet's approval to adopt the revised Hackney Carriage and Private Hire Licensing Policy. No comments or questions were raised, and the report was noted.

RESOLVED:

THAT the recommendations be noted.

59h Street Trading Policy

Consideration was given to the report which sought the Cabinet's approval to adopt the draft Street Trading Policy. No comments or questions were raised, and the report was noted.

RESOLVED:

THAT the recommendations be noted.

59i Development of Relocatable Homes

Consideration was given to the report which sought the Cabinet's approval to build 20 two-bed relocatable modular homes, subject to the related capital bid being approved by Full Council in February 2022 and the required borrowing being approved. The Committee shared its comments in support of the proposals.

RESOLVED:

THAT the recommendations be fully supported, and the Policy and Scrutiny Committee for Neighbourhoods and Regeneration be requested to monitor progress and be asked to establish a task and finish group on affordable and social housing innovation.

59j Amendments to the Covert Surveillance Policy

Consideration was given to the report which sought the Cabinet's approval to note the recent Investigatory Powers Commissioners Office inspection and to agree the proposed amendments to the policy. No comments or questions were raised, and the report was noted.

RESOLVED:

THAT the recommendations be noted.

60 Forward Plan

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 one of the policy and scrutiny committees. Discussion took place regarding the Armed Forces Covenant which was due to be considered by the Cabinet in March 2022.

RESOLVED:

THAT the forward plan be noted.

61 Workplan

Consideration was given to the current workplan for 2021-22. No comments or questions were raised that this stage although it was suggested that there would be a need to consider issues relating to Cowes Floating Bridge once the mediation process had been completed.

RESOLVED:

THAT the workplan be noted.

62 Members' Question Time

Cllr Chris Quirk asked an oral question in relation to access to Covid-19 business grant funding schemes. It was clarified that businesses would need to apply for the

Omicron Hospitality Fund and the Additional Restrictions Grant and details on this would be available shortly.

CHAIRMAN

Public Question time

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

32. [Public Question Time](#) PDF 87 KB

Questions must be delivered in writing
later than 5pm on Friday, 15 January 20

Additional documents:

- [PQ 11-21](#)  PDF 85 KB
- [PQ 12-21](#)  PDF 90 KB

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Corporate Scrutiny Committee – 11 January 2022

Written question from Susan Jones of Newchurch to the Corporate Scrutiny Committee

Question

Can the Draft Island Planning Strategy Task and Finish Group confirm that they have fully understood the Council's own published evidence base including the "Assessment of housing supply, September 2020" *Three Dragons*^[1] which provides actions that the IWC will need to take in order to provide evidence to the government that the housing target is not achievable and a lower target set. Can all members confirm that they have fully understood the *Draft Island Planning Strategy: Evidence paper D*^[2] confirming the need to increase the range of larger sites to overcome the 7 barriers to delivery of affordable housing. If the Council has progressed in overcoming the 7 barriers please can you advise on where this is reported annually. If it has not, how does the Council consider a letter received by the Government asking for the provisions of paragraph 11d of the NPPF to be removed will be received?

Response

All of the documents referred to in the above question were taken into consideration in the course of producing the Task and Finish Group Report. The remainder of the question is a matter for Cabinet to answer.

*Peter Spink,
Chair, Task and Finish Group.*

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QUESTIONS FROM THE CORPORATE SCRUTINY COMMITTEE RE: BUDGET PROPOSALS 2022-23

1. What is our year end prediction against budget and how is our immediate financial health affecting our performance?

Committee will be aware of the Quarter 2 Performance Management Report considered by the Cabinet on 11th November forecasting a £735,000 underspend.

Contained within that forecast is the on-going financial impact of the COVID pandemic at £2m which has been provided for by the sums set aside within the COVID Contingency.

The Council's performance is also set out in that report.

The Quarter 3 Quarterly Performance Management Report will be considered at the Cabinet Meeting of the 10th February alongside the Budget and Council Tax Setting 2022-23 Report.

2. Is there a variance between our expectation of the settlement and the final figure agreed?

The Provisional Settlement announcement is now out for consultation and the Final Settlement will be announced in early February 2022.

The figures in the Provisional Settlement leave the Council's financial position as per forecast and the need to identify budget reductions of £3m remains intact.

The Provisional Settlement included additional funding of £4.1m plus the opportunity to again set an Adult Social Care Precept, although the Government has reduced this from the previous 3% to 1% (amounting to a reduction from £2.7m to £0.9m).

This additional £5m however will be required in full to assist toward additional budget pressures including National Living Wage (6.6%), NI increase (1.25%), General Inflation (CPI 4.2% and RPI 7.1%) and Demographic Pressures in ASC and CSC.

Discussions remain on-going with Central Government regarding an award of funding for the Island Deal and there remain the opportunity for an award to be made as part of the Final Settlement. Should the Government ultimately fail to provide an award for our Island Deal then the overall deficit will increase and need to be planned for accordingly.

3. What does the level of the settlement mean for our expectations around the setting of council tax?

The council tax referendum thresholds are as expected with a 2% maximum "core" increase. The consultation is in progress regarding the various options available and the impact of each. Early indications are that the response rate will be higher than previous years.

A 1% increase to the Adult Social Care precept has been allowed
There is a 2% maximum increase for Fire Authorities

There is a maximum increase of £10 maximum for Police and Crime Commissioners.

There are no limits set for Town and Parish Councils.

4. How does the notification of the settlement impact on the level of risk, and our expectations of being able to deliver a balanced budget?

As previously mentioned, in Qu.2, the overall financial position of the Council is expected to be unchanged as a consequence of the Provisional Settlement. This however is predicated on an award of funding being made for the Island Deal in the Final Settlement.

Key uncertainties remain and formed part of the recent budget consultation with Town and Parish Councillors, these include:

- The Covid legacy (particularly in Care Services)
- Rising inflation and the ability of funding from Council Tax, Business Rates and Government Funding to keep pace
- Demographic pressures
- Adequate funding to meet the costs of Adult Social care reform
- Local Government Funding changes due to the forthcoming reviews of the Business Rate Retention Scheme and the Fair Funding Review

Despite these uncertainties some of which extend beyond next financial year, the Administration is confident that it will be able to present a balanced budget for 2022/23.

5. What is the authority's level of confidence that the MTFs can be delivered – in totality, and in the respective years covered in the strategy?

The Alliance recognises that all of the above including the continuing financial pressure on local authorities by central government in general and their failure to fully recognise our Island challenges in particular, represent a substantial, ongoing and growing challenge.

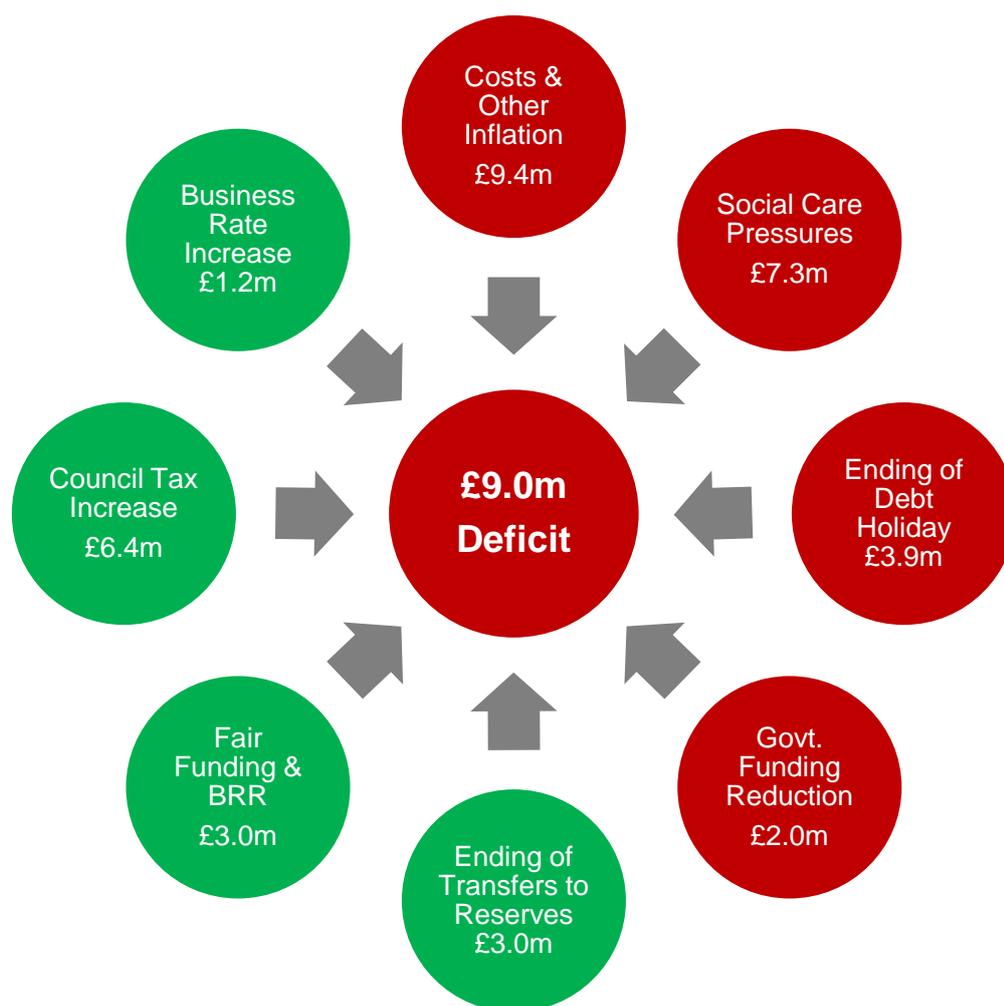
The Alliance remains committed to achieving financial sustainability, environmental sustainability, increasing the supply of affordable housing and preserving core services. No stone will be left unturned in our desire to become a more efficient, financially self-sustaining Council whilst also pursuing Central Government for a proper Island Deal.

Key to moving from the previous position of managing decline to rebuilding our local economy for the benefit of all will be our determined focus on Islandwide regeneration activities.

6. What evaluations and predictions about future demand have been made?

As is usual, future forecasts are made in demand led services such as Adults Social Care and Children's Services. The forecasts are then represented in financial terms within the Budget and Budget Forecasts that are presented to Full Council for approval a comprehensive and full revision of the Council's Financial Forecast will be presented to Full Council as part of the Annual Budget report on the 23rd February 2022.

The Council's current financial forecast, as presented to full Council in February 2021 and in our recent budget consultation briefings is, in summary:



The forecast is a rolling 3 Year Forecast which will be comprehensively reviewed and "rolled on" a year as part of the Budget Report.

7. Are there accurate and robust predictions about future funding? What are any such predictions based upon?

These assumptions are set out within the Budget Report itself. As an example, the Budget Report in February 2021 stated the following:

"The most significant assumptions in the medium term future forecasts for the period 2022/23 to 2024/25 are described below:

Spending:

- *Cost and inflationary pressures of £9.4m covering all pay and prices (assuming pay awards of 2.0% per annum, specific contract inflation and CPI / RPI increases in line with the forecasts from the Treasury)*
- *Cost pressures in both Adult Social Care and Children's Services of £7.3m*

- *The ending of the "Debt Repayment Holiday" in 2022/23 which is currently benefitting the Council by £3.9m per annum (previously £7m per annum)*
- *The ending of Revenue Contributions to Capital and the Transformation Reserve after 2021/22*
- *An assumption of a steady state for all budgets.*

Funding:

- *Government Funding reductions of £2.0m but mainly related to "one off" sums received in 2021/22 relating to COVID-19 not recurring in later years*
- *A net benefit arising from the Fair Funding Review and Business Rate Retention scheme review of £3.0m, phased in from 2022/23 onwards*
- *A 1.99% increase in Council Tax per annum from 2022/23 onwards and accompanied by an improving Tax Base, in total yielding £6.4m*
- *Non-recurrence of the current deficit on the Collection Fund*
- *Indexation uplifts on retained Business Rates of 2.0% p.a from 2022/23 onwards*
- *An underlying zero growth assumption for changes in Business Rates from 2022/23 onwards, to reflect the uncertainty relating to appeals and mandatory reliefs*
- *That any loss of business rates income arising from National Business Rate reduction / capping initiatives will continue to be recompensed by Government via S.31 grant funding."*

8. What are our principal challenges and risks over the next 3 years?

In financial terms, these are set out in Qu. 4 and repeated below:

- The Covid legacy (particularly in Care Services)
- Rising inflation and the ability of funding from Council Tax, Business Rates and Government Funding to keep pace
- Demographic pressures
- Adequate funding to meet the costs of Adult Social care reform
- Local Government Funding changes due to the forthcoming reviews of the Business Rate Retention Scheme and the Fair Funding Review

9. What processes do we have in place to escalate and manage these risks?

Processes and management of risks include:

- Corporate Scrutiny
- Identification of Corporate Risks via the Corporate Risk Register
- Internal monthly monitoring of financial and service performance
- Performance Reporting and Management through the Quarterly Performance Monitoring process
- Financial Estimates and forecasts based on sound evidence bases where they exist with appropriate scenario planning where forecasts are sensitive to change e.g. the Medium Term Financial Forecast Deficit of £9m has been presented as £9m +/- £3m due to risk and uncertainties.
- Provision of a Corporate Contingency to provide cover "in year" for:
 - All known risks of uncertain value or uncertain timing
 - As yet unknown risks

- Specific Covid Contingency to accommodate the on-going financial risk of the pandemic to the delivery of essential services.
- Insurable risks covered by insurance policies
- Uninsurable risks are provided for through an Earmarked Reserve
- Earmarked Reserves for known future liabilities
- General Reserves, based on the Council's risk profile, to be available to respond to a "financial shock" once all other options have been exhausted

10. What consideration has been given to maximising income (where appropriate and equitable – eg income from sales, fees and charges etc)?

New proposals for increases in sales, fees and charges will be presented as part of the Budget to Full Council on February 23rd 2022. All proposals will be consistent with Alliance policy objectives which will, as is required, properly consider the equalities impact as well as any environmental impact. Any such proposals will also have due regard for the outcome of the current Budget Consultation which is underway.

There will always remain a balance to be made between how the costs of Council Services are met i.e. from Sales, Fees and Charges to the users of such services or by a wider Council Tax subsidy from all Council Tax payers.

The Alliance is ever mindful of the financial pressure on Island businesses and residents and at all times seeks to minimise those impacts whilst maintaining its responsibilities. Ultimately the route to turning the Island ship away from the previous course of managing decline will need to come from ourselves by working with local businesses, partners, Town and Parish Councils and prudent fiscal investment management in local regeneration.

11. Why is there a suggestion that only a one-year budget will be presented?

The legislation only allows for the approval of the Budget and Council Tax for the forthcoming year to be considered and approved.

12. How significant will the Capital Budget allocations be in addressing the chronic shortage of affordable housing on the Island.

The Alliance are working on a substantial package of measures to support housing that is truly affordable to Island residents. This will include usage of available contingency reserves earmarked in that and associated categories. These will be presented as part of the Alliance Budget Proposal to be considered by the Cabinet on 10th February and Full Council on 23rd February

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