

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

Budget Amendment Proposals from the Liberal Democrat Group

Preface

The Liberal Democrat group broadly supports the Budget proposed by the Cabinet. The targeted investment towards affordable housing is particularly welcomed as an essential contribution to meeting the overarching commitment in the Corporate Plan to address poverty. As part of delivering affordable housing we are keen to see encouragement of community-led schemes.

We welcome the establishment of the Community Capacity and Resilience Fund. Funds with similar objectives have been previously proposed in past Budget Amendments put forward by the Liberal Democrat group. We will particularly press for significant priority to be given to initiatives that:

- address poverty, noting both the overarching commitment in the Corporate Plan, and the resolution of Full Council in March 2023 on child poverty
- allow grant funding of voluntary sector work in support of mental health
- provide peer support for women moving on after trauma

In support of this we would redirect funding under the heading of “Place/Towns Initiative Fund” to the Community Capacity and Resilience Fund, along with a further modest withdrawal of £50,000 from the Transformation Reserve. We welcome the recognition that investment from this reserve in this way can be transformative. In line with this fund, we would encourage working with local councils on place plans that can contribute to building community resilience.

Data shows that the customer contact centre continues to provide a vital service for many Islanders. Therefore, we would not proceed with indicative savings relating to the contact centre until this data has been scrutinised at member level with any decision made by Cabinet (or, if governance arrangements change, by a relevant committee).

We welcome the freezing of parking charges and floating bridge charges this year as part of recognising cost of living pressures. In one area, we believe the council should test the market by significantly lowering the cost of traders' permits to establish if price has been a deterrent to take up.

We have appreciated the engagement by the administration of our group in the development of its Budget. We would continue to encourage publication of proposals for savings and income generation earlier than has been usual, as we believe this provides for much more informed public discussion as part of the wider budget consultation.

A summary of the Amendment is described below

Summary – this is for information only

Ref No	CHANGES IN SPENDING & COUNCIL TAX	2024/25 £	Future Years £
New Revenue Expenditure			
	Increase Community Capacity & Resilience Fund	250,000	
	Sub Total	250,000	0
TOTAL AMOUNT TO BE FUNDED		250,000	0

Ref No	REDUCTION IN SPENDING & RESERVES	2024/25 £	Future Years £
Withdrawal from Transformation Reserve			
	Sub Total	(50,000)	0
Capital Programme Reductions			
124	Delete Place/Towns Initiative Fund	(200,000)	
	Sub Total	(200,000)	0
TOTAL REDUCTIONS - REVENUE, CAPITAL & RESERVES		(250,000)	0

Amendment proposed by the Liberal Democrat Group

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

Recommendation 36(a) be amended to:

36(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 (attached as 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

Appendix 1 includes the following changes listed in the tables below:

i) Additional Savings - Reductions to Budget Estimates

Indicative Portfolio Savings Proposal	Impact on Level of Service & Service Outcomes	2024/25	2025/26 & Future Years
		£	£
Deputy Leader, Housing & Finance			
New	Withdrawal from Transformation Fund	(50,000)	0
New	Transfer From Revenue Reserve for Capital	(200,000)	0
	Total	(250,000)	0

ii) **Additional Costs - Additions to Budget Estimates**

Increases to Portfolio Budgets	2024/25 £	2025/26 & Future Years £
Deputy Leader, Housing & Finance		
Increase Community Capacity & Resilience Fund	250,000	0
Total	250,000	0

Recommendation 36(k) be amended to:

The Capital Programme 2023/24 to 2028/29 set out in Appendix 5 (Amended) which includes all additions, deletions and amendments for slippage and re-phasing

Recommendation 36(l) be amended to:

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, be amended to reflect the following changes:

Scheme Description - Reductions & Additions		Increase / (Decrease) in Corporate Resources	Total Corporate Resources Allocated
		£	£
Reductions / Deletions to Proposed Capital Schemes:			
124	Place/Towns Initiative Fund - Deletion	(200,000)	0
Total Overall Change		(200,000)	

Recommendation 36(r) to be added:

That delegated authority be given to the S.151 Officer to make any necessary changes to either the Investment Strategy or the Capital Strategy in accordance with the proposed changes to the capital programme set out in this Amendment

Recommendation 36(s) to be added:

The Cabinet are requested to examine the case for significantly lowering the cost of traders' parking permits to establish if price has been a deterrent to take up, potentially through a pilot scheme across a specific geographical area

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 does not present any additional financial risk to the Council and the sustainability of Council Services in the medium term.

It draws down a further £50,000 from the Transformation Reserve, seeking to use it for its intended purpose and in accordance with the Medium Term Financial Strategy. It does however reduce the Transformation Reserve to a sum less than that advised by the S.151 Officer, leaving less available for other transformational initiatives that may deliver a greater payback and therefore improve the financial sustainability of the Council in the medium to long term. In that regard, the Amendment is less prudent than the Cabinet's Budget proposals.

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

GENERAL FUND SUMMARY - 2023/24 to 2027/28

APPENDIX 1

NET REQUIREMENTS OF PORTFOLIOS	REVISED BUDGET 2023/24 £	ORIGINAL BUDGET 2024/25 £	FORECAST 2025/26 £	FORECAST 2026/27 £	FORECAST 2027/28 £
Adult Social Care & Public Health	59,539,651	59,692,847	61,696,732	63,821,449	66,479,214
Children's Services, Education & Corporate Functions	43,693,223	48,488,527	49,873,133	51,671,516	53,573,866
Climate Change, Biosphere & Waste	5,489,205	5,968,511	6,513,971	7,050,015	7,582,254
Deputy Leader, Housing & Finance	38,628,198	51,880,957	57,731,965	59,164,912	60,434,179
Economy, Regeneration, Culture & Leisure	2,207,499	2,221,147	2,125,026	2,271,256	2,421,896
Leader, Transport & Infrastructure, Highways PFI & Transport Strategy, Strategic Oversight & External Partnerships	19,677,044	17,776,500	18,627,154	19,483,482	20,365,421
Planning, Coastal Protection & Flooding	1,478,227	968,588	1,029,497	1,093,552	1,161,823
Regulatory Services, Community Protection & ICT	8,275,203	8,104,100	8,180,740	8,275,949	8,501,854
Savings to be identified	0	0	(1,000,000)	(2,000,000)	(3,000,000)
Portfolio Expenditure	178,988,250	195,101,178	204,778,218	210,832,131	217,520,506
FUNDED BY:					
Contribution (to)/from Balances & Reserves	928,356	1,179,639	(128,632)	217,190	10,068
Revenue Support Grant	5,356,976	8,645,564	8,738,475	8,814,262	8,883,205
Business Rates Retention	41,242,166	43,763,020	46,312,641	46,053,361	46,727,191
Other General Grants	33,876,632	36,417,100	36,569,597	36,802,832	37,014,518
Collection Fund (Council tax)	97,584,120	105,095,855	113,286,137	118,944,486	124,885,524
Total Financing	178,988,250	195,101,178	204,778,218	210,832,131	217,520,506
BALANCES & RESERVES					
Balance brought forward at 1 April	13,029,062	12,100,706	10,921,067	11,049,699	10,832,509
(Deficit)/Surplus for year	(928,356)	(1,179,639)	128,632	(217,190)	(10,068)
Balance carried forward at 31 March	12,100,706	10,921,067	11,049,699	10,832,509	10,822,441
Minimum level of balances	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Underlying Budget Deficit/(Surplus) - assuming future savings are met	928,356	1,179,639	(128,632)	217,190	10,068

APPENDIX 5 (Amended)

COMPLETE CAPITAL PROGRAMME INCLUDING NEW SCHEMES

	FORECAST 2023/24	ESTIMATE 2024/25	ESTIMATE 2025/26	ESTIMATE 2026/27	ESTIMATE 2027/28	ESTIMATE 2028/29	ESTIMATE TOTAL
	£	£	£	£	£	£	£
SUMMARY OF PORTFOLIOS							
Leader, Transport & Infrastructure, Highways, PFI & Transport Strategy, Strategic Oversight & External Partnerships	10,209,211	9,765,003	2,522,210	1,632,840	2,194,000	3,049,047	29,372,312
Deputy Leader, Housing and Finance	8,174,916	19,654,261	12,750,000	13,000,000	0	0	53,579,176
Adult Social Care and Public Health	2,007,432	3,099,964	120,000	50,000	0	0	5,277,396
Children's Services, Education & Corporate Functions	6,210,433	4,510,965	2,452,759	0	0	0	13,174,157
Regulatory Services, Community Protection, & ICT	1,778,364	1,299,050	228,450	815,000	738,400	0	4,859,264
Planning, Coastal Protection and Flooding	3,568,006	1,252,401	220,000	36,700,000	0	0	41,740,407
Economy, Regeneration, Culture & Leisure	4,627,315	20,221,928	6,550,000	0	0	0	31,399,243
Climate Change, Biosphere & Waste	2,151,738	4,108,418	100,000	0	0	0	6,360,156
Total Capital Programme	38,727,415	63,911,991	24,943,419	52,197,840	2,932,400	3,049,047	185,762,112
Total Financing	38,727,415	63,911,991	24,943,419	52,197,840	2,932,400	3,049,047	185,762,112