

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

Budget Amendment Proposals from the Conservative Group and Empowering Islander's Group

Preface

Public services have to be paid for. They are paid either from taxation or from borrowing but borrowing has to be paid back and borrowing carries interest costs. Any borrowing also has to be paid back through taxation. It is unsustainable for National Governments to undertake borrowing on a prolonged basis at more than they can afford. Government Borrowing at too high a level causes the interest on Government Borrowing to rise and an unmanageable debt spiral.

Over the past 16 years countries across the globe have faced the financial crisis of 2008, a global pandemic, the invasion of Ukraine and instability in the middle east. All of these global economic and geopolitical factors have impacted on economies across the world including the UK.

To manage their national economies, Governments and Central Banks across the globe have sought to act both individually and in concert through both fiscal and monetary policy. This has necessarily seen periods of austerity and public spending constraint more generally.

Despite the dynamics of such an economic environment and periods of financial restraint across all public services, Government has continued to make sustained and substantial additional investment into the most essential services in Local Government and specifically Social Care including mental health.

Strategy & Principles

Our Budget proposal is prudent and responsible. For every proposal that we make, we have ensured that is costed, funded, subject to proper due diligence where necessary and adheres to sound financial governance principles. Our proposals seek service improvement alongside offering better value for money for our resident taxpayers.

Our proposals do not draw on the Council's General Reserves, leaving them intact to provide financial resilience. Furthermore, we make proposals for the future that offer greater prudence and, by definition, provide more certainty for the sustainability of the Council's services in the short and medium term.

It is important that the limited funding that is available to the Council is put to productive use and not left idle. We believe in efficient investments offering good financial returns to Islanders as well as the Council alongside value for money and a financially resilient

Council, all to ensure that the services that we provide to our residents can be delivered on a sustainable basis going forward.

We are clear that the decisions that we take must be intelligence based, evidence led, prudent, undertaken with a high level of transparency and open to scrutiny.

Funding is available through the Transformation Reserve as a vehicle to both transform services and facilitate more efficient working to reduce cost pressures and ultimately save money; providing better services to our residents at a lower cost to the taxpayer. The sooner effective improvements are made the greater their benefit over time.

The Transformation Reserve should be used to evaluate the viability of opportunities that can deliver technological innovation to help deliver services differently and more efficiently and to stabilise cost pressures in our key areas of statutory responsibility.

There is nothing to be gained from delaying use of the Transformation Reserve where such use will result in savings, and whilst the usage should be prudent, spending now to bring forward savings to the earliest possible point is key.

Turning to Housing, there are serious shortages of temporary accommodation, affordable homes to rent for those on the Council Housing List and affordable homes for young Island families to purchase under shared ownership and first homes schemes. Subject to overall viability demonstrating that schemes can either reduce costs, or at worst being cost neutral, the Council can and should access funding from the Public Works Loan Board.

Capital Programme 2024/25 & Beyond

Principles for the Council's Capital Investment:

The Capital Budget for the coming year should be based on the following drivers:

1. To continue with any already contractually committed Capital Schemes.
2. To review any contractually uncommitted Capital Schemes (excluding schemes necessary for the delivery of statutory services) to assess their ongoing level of priority and value for money in the context of the need to make innovations in the delivery of statutory services and the chronic shortage of affordable housing; this to be scrutinised by the Policy and Scrutiny Committee (or any successor body)
3. Invest in new technology to deliver innovation and efficiency in Council Services, particularly in Adult Social Care using remote telemetry and other such systems.
4. Following clarification of responsibilities on sites subject to existing or potential flooding, invest in measures to minimise future flooding of both residential and commercial properties:
 - (a) Directly where the identified issues are clearly the responsibility of the IoW Council and

- (b) With partners where there is a degree of shared responsibility.
5. Support infrastructure projects that protect or enhance the Island economy, particularly with regard to the infrastructure which supports the tourism industry.
 6. Demonstrate a high level of transparency in the overall cost of service delivery, particularly where services such as Leisure Services and the Floating Bridge have had significant Capital Investment. This can be achieved through reporting selectively to the Audit Committee the full cost of services including apportionments of overheads as well as costs relating to capital investment (i.e. depreciation)
 7. In accordance with proper practice and the Prudential Code, that any borrowing for Capital Investment can be met from the direct savings achieved by the investment.
 8. Given the scale of the Capital Investment required to make a meaningful impact on the most difficult challenges for the Council, it should seek to make significant interventions in the following areas and, subject to business case, funded by Prudential Borrowing:
 - i) Accommodation and Care facilities for Children's Social Care placements - "Off Island" placements put a significant financial burden on the Council's finances and so long as the Council can provide those facilities themselves suitably, safely and at lower cost we should do so.

We should evaluate providing a new "On Island" facility for Children and Young People with extensive special needs, returning those receiving high cost "Off Island" care to the Island, and in future years to expand the capacity of such care facilities potentially providing such services to other authorities with a high rate of return.

Provisional discussions have taken place regarding at least one potential site which would be accompanied with support from a charitable organisation. The holistic evaluation of the financial case to include not only the direct placement costs but also the costs of IoW Officers travelling to mainland placements for reviews, the costs involved supporting families on contacts, legal costs and to take account of the moral and mental health impact of separation as a barrier to reintegration of the children involved.

- ii) Adult Social Care facilities, including supported living accommodation

To enhance capacity, improve service quality and make efficiencies, the Council should invest in digital technological aids to improve both the quality of life of our clients and address the Council's cost pressures

- iii) Address the issues of homelessness and the widespread and long-term use of B&B and Caravan Park accommodation by a major programme of installing low-cost relocatable, pre-fabricated homes.

These to be along the price / performance of those recently submitted by us and to include the use of temporary sites with localised utilities including waste where no onsite services are readily available. The priority being to provide homes of sufficient quality with rental/benefit income and to remove both the financial burden, management costs and unsatisfactory nature of existing accommodation, particularly for families.

Additionally, to work with third party organisations to deliver predominantly Island affordable homes on IoW Council owed land.

In combination, investment into these three areas that consume the largest part of Council spending has the potential to address the seemingly inexorable increases in cost and demand on some of the Council's most important services.

9. For environmental investment we advocate the use of Solar PV and Battery Storage wherever practical. The Council should investigate the financial feasibility and possible returns of installing solar panels on frames over major car parks and on all IoW Council buildings, taking into account grants and subsidies available and the benefits of direct use of that energy in the same IoW Council buildings and for recharging EVs. The same case to review the placement and use of electrical storage units given the falling costs for the same, proximity to supply and usage, and the opportunity to incorporate part-used EV batteries in said units.
10. The concerns regarding the future of Military Road are well documented, the road is vital to both Island residents and the visitor economy. The Council must have a strategy to address both this stretch of road as well as the whole route of the A3055 between Luccombe and Freshwater to ensure there is a viable plan for its continued availability.
11. Turning to Funding. We recognise that Capital Funding is scarce and consequently Capital Investment must be rationed. One of our major challenges and our priorities is the provision of affordable housing. We believe that there needs to be an enhanced and more sophisticated process when considering the disposal of IoW Council Assets to raise Capital Funding. Decision making relating to asset disposals should be transparent and have clear criteria. We understand the statutory duty on the Council to achieve "Best Consideration" but we also understand that account can be taken of social benefits such as the delivery of affordable housing. Given the priority of affordable housing, we believe that with immediate effect, all disposals of IoW Council owned land significant weight should be assigned to bids from organisations that can deliver affordable housing and from bids from Town & Parish Councils for local

infrastructure development. Where alternative bids are preferred, full justification should be provided.

Specific Budget Proposals in Our Amendment (including those relating to Organisational and Support Services)

Provide a New On-Island Facility for Children & Young People with Extensive Special Needs

The Council currently provides residential care for a large number of children and young adults in "Off Island" facilities at a cost per head from £60,000 to £500,000 but in previous years has risen to over £1m in a small number of exceptional cases. It is widely accepted as a less than ideal situation, and we should create an appropriate facility on the Island.

The existing closed Council owned facilities at the Studio School or Weston Primary appear to offer suitable space and existing buildings that could be incorporated into new facilities. Other alternatives are available including on the Dodner estate.

We are proposing that a feasibility study is undertaken to evaluate the business case and financial viability for a new "On Island" facility. Full due diligence to be undertaken and to include a full evaluation of the operating model of the facility, the registration requirements, the availability of suitably qualified staff and any other professional services plus the suitability, condition and revenue costs of the building over its lifetime.

Our Proposal is:

- i) This feasibility study is estimated to cost £30,000 and is proposed to be funded from the Transformation Reserve with a commencement date being within 3 months of the start of the 2024-25 Financial Year
- ii) Upon a satisfactory outcome of the feasibility study, that up to £5,000,000 is provided from Prudential Borrowing for site conversion and subject to a sign off on the business case and financial viability by the S.151 Officer.

Pre-fabricated Relocatable Homes to Shift Homeless Provision from B&Bs And Caravans

We need a fundamental review and re-think of our approach towards the provision of Homelessness and Temporary Accommodation. We are proposing to undertake a feasibility study into the acquisition of low cost, prefabricated, relocatable homes including those not yet in the potential supplier list.

Once potential homes are judged fit for purpose and sites selected, the supplier should be determined on the total price of installed homes with services as 'move-in' ready.

We have already started our own investigations, have submitted example brochures and costs provided by a supplier, and have seen pre-fabricated housing units being installed in Europe having shared the related positive reviews from various sites including BBC.

One-Bedroom Pre-fabricated Housing Proposals

It is possible to acquire up to 90 one-bedroom pre-fabricated housing units at an estimated cost of £30,000 per unit broken down as follows:

Capital Costs	Cost per Unit (£)
Pre-fabricated Unit	19,000
Shipping Estimate	4,000
Installation Estimate	5,000
Contingency	2,000
Total Cost per unit	30,000
Total Costs for 90 Units - Delivered and Installed (subject to feasibility)	2,700,000

In terms of the implications for the Council's Revenue Budget and caveated by a full due diligence process that would be undertaken through the feasibility study, the Council would expect the following impact on the Revenue Budget:

Revenue Impact	£
Gross Rents (at April 2024 Local Housing Allowance Rate)	556,200
Less:	
Allowance for Management, Maintenance, Voids & Bad Debt - 33% of Gross Rent	(183,546)
Debt Servicing Costs (Principal & Interest)	(221,320)
Overall Revenue Impact (subject to feasibility)	151,334

[Note: Where the use of a pre-fabricated unit genuinely relieves the Council of the cost of Temporary Accommodation and a cashable saving is realised (as opposed to the vacated accommodation being taken by pent up demand), then further savings of circa. £2,700 per unit would be achieved which in this example would equate to £243,000.

Two-Bedroom Pre-fabricated Housing Proposals

Similarly, the Council could seek to acquire 30 two-bedroom pre-fabricated housing units at an estimated cost of £40,000 per unit broken down as follows:

Capital Costs	Cost per Unit (£)
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Pre-fabricated Unit	26,000
Shipping Estimate	5,000
Installation Estimate	6,000
Contingency	3,000
Total Cost per unit	40,000
Total Costs for 30 Units - Delivered and Installed (subject to feasibility)	1,200,000

In terms of the implications for the Council's Revenue Budget and caveated by a full due diligence process that would be undertaken through the feasibility study, the Council would expect the following impact on the Revenue Budget:

Revenue Impact	£
Gross Rents (at April 2024 Local Housing Allowance Rate)	234,000
Less:	
Allowance for Management, Maintenance, Voids & Bad Debt - 33% of Gross Rent	(77,220)
Debt Servicing Costs (Principal & Interest)	(98,364)
Overall Revenue Impact (subject to feasibility)	58,416

[Note: Where the use of a pre-fabricated unit genuinely relieves the Council of the cost of Temporary Accommodation and a cashable saving is realised (as opposed to the vacated accommodation being taken by pent up demand), then further savings of circa. £3,400 per unit would be achieved which in this example would equate to £102,000.

The feasibility study will necessarily need to investigate the following to finalise the Capital and Revenue costs:

- Review the overall suitability of the accommodation in accordance with regulatory requirements
- Assess and identify potential suitable sites with the availability of services (including any necessary site works)
- Undertake the usual financial evaluation to validate rental income offset by an allowance for voids and bad debts and the costs associated with management and maintenance and any debt servicing costs

Our Proposal is:

- This feasibility study is estimated to cost £50,000 and is proposed to be funded from the Transformation Reserve with a commencement date being within 3 months of the start of the 2024-25 Financial Year

- Upon a satisfactory outcome of the feasibility study that up to £4,000,000 is provided from Prudential Borrowing for site conversion and subject to a sign off on the business case and financial viability by the S.151 Officer.

Feasibility of Environmental and Financial Returns of Installing Solar Panels on Frames Over Major Car Parks and on IoW Council Buildings

Some local authorities have installed solar panels on frames above their car parks. The Island has some of the highest sunshine levels in the UK and based on the number of solar farms on the Island suggests that they are financially viable.

It is proposed to carry out a feasibility study to establish whether it would be viable to invest in this Solar initiative with the Capital Investment being funded from Prudential Borrowing with the income generated or energy cost savings made being sufficient to cover the costs of borrowing. Additionally, this feasibility to address the scale at which any investment would need to be to provide surety that the Council could proceed with confidence that both an environmental and financial return for the Council will be achieved.

We also foresee that, if viable, the scheme could be expanded to other car park operators and commercial premises to achieve greater economies of scale.

Our Proposal is:

- This feasibility study is estimated to cost £20,000 and is proposed to be funded from the Transformation Reserve
- Upon a satisfactory outcome of the feasibility study that up to £3,000,000 is provided from Prudential Borrowing for the scheme and subject to a sign off on the business case and financial viability by the S.151 Officer.

To Work with Third Party Organisations to Deliver Predominantly Island Affordable Housing on Sites Built on Council Land.

The lack of Affordable Housing on the Island is one of the biggest challenges that we face as a Council and we need to use the cash backed funding that we have to leverage borrowing wherever possible to deliver additional affordable housing where we are experiencing our acutest need.

The current level of home acquisitions funded directly by the Council is inadequate. We recognise that direct delivery of Affordable Housing, even where borrowing can be leveraged, may not always provide the "biggest bang for your buck" and deliver the maximum number of new homes for the money available. The £1.9 million allocated within the Capital Programme to purchase properties should be used to leverage much

higher delivery numbers by working proactively with local developers and housing associations. We envisage that the funding could be used to facilitate the compulsory purchase of appropriate sites.

This policy works alongside our proposal to adopt a more sophisticated process when considering the disposal of IoW Council Assets to raise Capital Funding which has as a clear criterion "the extent to which the asset disposal will be used to deliver Affordable Housing".

The united goal being to accelerate delivery and the movement of residents, particularly families, out of B&B and such accommodation.

Our Proposal is:

- To utilise the £1.9 million allocated to Housing Equity (Affordable Housing) for this purpose

Military Road & A3055 between Luccombe and Freshwater

Military Road and the whole A3055 is a vital route for residents, visitors and our own organisations. The Council needs a strategy and a plan and that can only be developed through an expert comprehensive transport study of the feasible options. It is recognised that any solution is likely to be extremely costly and we will inevitably need the support of the Department for Transport but this can only be obtained with an evidence base.

Our Proposal is:

To use £250,000 from the allocation of DfT Local Transport Capital Funding provided for within the Capital Programme to fund a comprehensive investigation into the options for maintaining the availability of the A3055 including Military Road

Supporting Tourism Infrastructure Fund

Tourism is critical to the Island Economy, creating both jobs and prosperity both directly and through the wider supply chain.

The Island has a unique offering which it must harness and maintain. The coastline is a significant element of its tourism offering, and in recent years pedestrian access to many beaches across the Island have been compromised.

In addition to Osbourne Steps, access to beaches in many parts of the Island have been compromised. Funding therefore needs to extend beyond just Osbourne steps, if the Island Tourism industry is to thrive.

The capital allocation to support implementation of Area Regeneration Plans should be more specifically targeted on maintaining this crucial tourism infrastructure.

Our Proposal is to create a Tourism Infrastructure Fund of £200,000 and funded by:

- Deletion of the £200,000 Place/Towns Initiative Fund to support delivery of Place Plans.

To Invest in Digital Technological Aids To Improve the Quality and Efficiency of Adult Social Care in the Community

Looking to the both the present and the future Capital Strategy, the Council needs to exploit the potential of technology.

Skills For Care have recently stated that “Digital Technology has the power to transform services and provides Adult Social Care with a huge opportunity.” Technology offers the opportunity to support people to maintain their independence and to extend our limited social care workforce by freeing up the time care workers have to deliver face-to-face care.

Technology is proven to help support wellbeing and provides people with greater independence and control over their care as well as extending the more traditional service offer. Investment in technology to compliment face-to-face care enables a more targeted use of scarce resource to meet the needs of local people.

Digital Technology also has the potential to alleviate pressures on the system which can progressively and significantly reduce cost pressures and the risk of serious overspend on the Community element of the Adult Social Care budget.

Investing in technology is the way forward for social care and there will undoubtedly be benefits. We appreciate that the quantification and timing of those benefits is uncertain and therefore the Council should seek to use its Transformation Reserve to undertake a feasibility study to give confidence to the value of the benefits that can be delivered. Subject to the successful outcome of the feasibility study in both social and financial returns, we believe that an investment in the order of at least £500,000 or more could be made and make sufficient financial returns.

Our proposal is:

- Undertake a feasibility study, estimated to cost £30,000 and to be funded from the Transformation Reserve
- That £500,000 is made available from the Transformation Reserve to invest in the implementation of Digital Aids and Technology for Adult Social Care and subject to a sign off on the business case and financial viability by the S.151 Officer

Revenue Budget 2024/25

Resident Support Services

The removal of the Saturday help desk facility provides a marginal saving but will likely increase the pressure on other services both during regular and out of hours support. It should be retained and an evaluation undertaken to reduce the opening hours of the Contact Centre across weekday opening where there is the least demand instead.

Council Tax Support

We support the replacement of the exceptional hardship support for Council Tax payers. We believe however that the Council should adopt a simplified scheme with a much less onerous application process to cover the liability between the 75% relief level and 100%. The Cabinet should bring forward options on how this can be provisioned.

Organisational Assumptions

To facilitate and to avoid frustration of the potential move to a Committee System of IoW Council Local Government, there must be a commitment that regardless of the form of governance it is cost neutral to the Council.

There are potential costs associated with the initial set-up but these costs are not certain, of unknown amount and uncertain timing. The Council should ensure that adequate provision is made within the Corporate Contingency provision for this "one-off" and "in year" risk.

Future Forecasts and Budget Savings

Prudence

We recognise that the Council's S.151 Officer has made future forecasts based on the continuation of the £3m of additional funding provided by the Government for 2024-25 in recognition of the additional costs facing the Island. We also recognise that the S.151 Officer has assumed that 80% of the potential income from the adoption of a 2nd Homes Council Tax Premium will be achieved. In making those assumptions, alongside others, we appreciate that the S.151 Officer has identified that the £3m Forecast Deficit by 2027-28 could vary by +/-£5m and that the Council should plan accordingly for any such variance.

We believe that no assumption should be made regarding future years' additional funding of £3m per annum for the additional costs of providing services on the Island and that they should be considered for 2024-25 as expressly a one off; we are advised not to assume recurrence of the same. The risks involved in assuming recurrence have been amplified by a pending general election, the scope of Local Authority support available for the resulting Government and their unknown inclination to award such funding generally and to the Isle of Wight specifically.

We also believe that it would be prudent to assume only a modest increase resulting from the introduction of a 2nd Homes Council Tax Premium in 2025-26 and the additional taxation on empty and unfurnished homes. The evidence base for the efficacy of such measures is limited and IoW Council forecasting should assume no more than a 20% of potential net gain until additional national and local data is available.

The financial resilience of IoW Council is limited with only marginal headroom (£2.9m) on General Reserves. The evidence of volatility over the past few years, worldwide instability of markets, continuance of the war on Ukraine and other conflicts, pending general elections in UK, EU and USA, all have the potential to generate unpredicted short term stress on IoW Council without notice. It is essential that any Budget brought forward does not further exacerbate risks to IoW Council by a reduction of the General Reserves of the Council to meet ongoing structural deficits. Indeed, an increase in General Reverses would be prudent given the above.

The effect of this would be to plan for a Deficit in the region of £9m as opposed to £3m +/- £5m. This would mean planning for savings of £3m per annum for each of the next 3 years, rather than a £1m base assumption but with the potential to vary by £1.67m p.a. From a responsible financial planning perspective and a prudent policy position we advocate planning on the basis of future savings of £3m per annum.

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 £
Reinstatement of Budget Savings			
12	Re-instate Contact Centre Saturday Service 9am -1 pm	8,400	8,400
	Sub Total	8,400	8,400
New Revenue Expenditure			
New	Feasibility Study - On-Island Residential Facility for Children's Social Care Placements	30,000	
New	Feasibility Study - Prefabricated Relocatable Homes for temporary accommodation and general affordable housing	50,000	
New	Feasibility Study - Installation of Solar Panels over major car parks and on IW Council buildings	20,000	
New	Feasibility Study - Digital Technological Aids for Adult Social Care	30,000	
	Sub Total	130,000	0
New Capital Expenditure			
New	Provision for On-Island Residential Facility for Children's Social Care Placements - subject to business case and financial viability being established and agreed by S151 Officer	5,000,000	
New	Installation of Solar Panels over major car parks and on IW Council buildings - subject to business case and financial viability being established and agreed by S151 Officer	3,000,000	
New	Options appraisal for maintaining the A3055 as a viable route for the whole length between Luccombe and Freshwater	250,000	
New	Supporting Tourism Infrastructure Fund	200,000	
New	Digital Technological Aids for Adult Social Care - subject to business case and financial viability being established and agreed by S151 Officer	500,000	
	Sub Total	8,950,000	0
Note	Provision for Pre-fabricated Relocatable Homes - funded from existing borrowing approval		
TOTAL AMOUNT TO BE FUNDED		9,088,400	8,400

Ref No	REDUCTION IN SPENDING & RESERVES	2024/25 £	Future Years £
Additional Savings			
New	Contact Centre - Reduction of 4 hours per week from Monday - Friday opening times of 9am - 5pm determined by time of least demand	(8,400)	(8,400)
	Sub Total	(8,400)	(8,400)
Withdrawal from Transformation Reserve			
New	To fund Feasibility Studies (as above)	(130,000)	
New	To fund Digital Technological Aids for Adult Social Care	(500,000)	
	Sub Total	(630,000)	0
Capital Programme Reductions			
124	Delete and Re-allocate funding from Place/Towns Initiative Fund	(200,000)	
21	Re-allocate funding from DfT Local Transport Capital Funding	(250,000)	
	Sub Total	(450,000)	0
Increase Prudential Borrowing			
New	Increase prudential borrowing facility for On-Island Children's Residential facility (see above) subject to approval by S151 Officer	(5,000,000)	(8,400)
New	Increase prudential borrowing facility for installation of solar panels (see above) subject to approval by S151 Officer	(3,000,000)	
	Sub Total	(8,000,000)	
TOTAL REDUCTIONS - REVENUE, CAPITAL, RESERVES & PRUDENTIAL BORROWING		(9,088,400)	(8,400)

Amendment proposed by the Conservative Group and Empowering Islander's 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 amended) 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 (Amended) includes the following changes listed in the tables below:

i) Additional Savings - Reductions to Budget Estimates

Ref No.	Impact on Level of Service & Service Outcomes	2024/25	2025/26 & Future Years
		£	£
Children's Services & Corporate Functions			
New	Contact Centre - Reduction of 4 hours per week from Monday - Friday opening times of 9am - 5pm determined by time of least demand	(8,400)	(8,400)
	Sub-Total	(8,400)	(8,400)
Deputy Leader, Housing & Finance			
New	Withdrawal from Transformation Reserve	(630,000)	0
	Sub-Total	(630,000)	0
	Total	(638,400)	(8,400)

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

Ref No.	Increases to Portfolio Budgets	2024/25 £	2025/26 & Future Years £
Children's Services & Corporate Functions			
12	Re-instate Contact Centre Saturday Service 9am -1 pm	8,400	8,400
New	Feasibility Study for an On-Island residential facility for Children & Young people	30,000	
	Sub-Total	38,400	8,400
Adult Social Care & Public Health			
New	Feasibility Study for Digital Technological Aids for Adult Social Care	30,000	
	Sub-Total	30,000	0
Deputy Leader, Housing & Finance			
New	Feasibility Study for Prefabricated Relocatable Homes	50,000	
New	Feasibility Study for installation of Solar Panels over major carparks and IW Council buildings	20,000	
	Sub-Total	70,000	0
	Total	138,400	8,400

Note:

The responsibility of the Council is to approve the overall Budget and the associated cash limits of its Portfolios; it is not the responsibility of the Council to approve any individual savings or additions within those Portfolios, that responsibility is reserved for Cabinet Members. The budget savings and additions in the table(s) above are therefore indicative only.

Recommendation 36(h) be amended to:

Directors be instructed to start planning how the Council will achieve the savings requirements of £9m for the 3 year period 2025/26 to 2027/28 and that this be incorporated into Service Business Plans

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 - Additions & Reductions		Increase / (Decrease) in Corporate Resources	Total Corporate Resources Allocated
		£	£
Additional Capital Scheme Proposals (New):			
Economy, Regeneration, Culture & Leisure			
New	Supporting Tourism Infrastructure Fund	200,000	200,000
	Sub-Total	200,000	200,000
Children's Services, Education & Corporate Functions			
New	On-Island Residential facility for Children & Young people - subject to financial viability being established and agreed by S151 Officer	5,000,000	5,000,000
	Sub-Total	5,000,000	5,000,000
Deputy Leader, Housing & Finance			
New	Installation of Solar Panels over major car parks and IW Council buildings - subject to financial viability being established and agreed by S151 Officer	3,000,000	3,000,000
	Sub-Total	3,000,000	3,000,000
Leader, Transport & Infrastructure, Highways PFI & Transport Strategy, Strategic Oversight & External Partnerships			
New	Options appraisal for maintaining the A3055 as a viable route for the whole length between Luccombe and Freshwater	250,000	250,000
	Sub-Total	250,000	250,000
Adult Social Care & Public Health			
New	Digital Technological Aids for Adult Social Care - subject to business case and financial viability being established and agreed by S151 Officer	500,000	500,000
	Sub-Total	500,000	500,000
	Total Additions	8,950,000	8,950,000
Reductions / Deletions to Proposed Capital Schemes:			
Leader, Transport & Infrastructure, Highways PFI & Transport Strategy, Strategic Oversight & External Partnerships			
21	Re-allocate funding from DfT Local Transport Capital Funding	(250,000)	720,000
	Sub-Total	(250,000)	720,000
Economy, Regeneration, Culture & Leisure			
124	Re-allocate funding from Place/Towns Initiative Fund	(200,000)	0
	Sub-Total	(200,000)	0
	Total Reductions/Deletions	(450,000)	720,000
	Total Overall Change	8,500,000	

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:

That Cabinet be requested to undertake a review into any contractually uncommitted Capital Schemes (excluding any schemes necessary for the delivery of statutory services) to assess their ongoing level of priority and value for money in the context of the need to make innovations in the delivery of statutory services and the chronic shortage of affordable housing; this to be scrutinised by the Policy and Scrutiny Committee (or any successor body)

Recommendation 36(t) to be added:

That Cabinet are requested, with immediate effect, to ensure that when evaluating "Best Consideration" for disposals of IoW Council owned land, significant weight should be assigned to bids from organisations that can deliver affordable housing and from bids from Town & Parish Councils for local infrastructure development; where alternative bids are preferred, full justification should be provided.

Recommendation 36(u) to be added:

That Cabinet are requested to adopt a simplified and less onerous application process for access to the Local Council Tax Support - Exceptional Hardship Fund and that options on how this can be provisioned are brought forward.

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. It seeks to undertake additional feasibility investigations to improve the Council's overall financial position in the future and therefore the sustainability of Council Services in the medium term. It proposes that the Council plans more formally for additional future savings as a prudent financial management measure.

The Council's overall level of financial resilience remains intact.

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 (Amended)

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	59,722,847	61,696,732	63,821,449	66,479,214
Children's Services, Education & Corporate Functions	43,693,223	48,518,527	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	51,820,958	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	22,654,261	12,750,000	13,000,000	0	0	56,579,176
Adult Social Care and Public Health	2,007,432	3,599,964	120,000	50,000	0	0	5,777,396
Children's Services, Education & Corporate Functions	6,210,433	9,510,965	2,452,759	0	0	0	18,174,157
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	20,421,928	6,550,000	0	0	0	31,599,243
Climate Change, Biosphere & Waste	2,151,738	4,108,418	100,000	0	0	0	6,360,156
Total Capital Programme	38,727,415	72,611,991	24,943,419	52,197,840	2,932,400	3,049,047	194,462,112
Total Financing	38,727,415	72,611,991	24,943,419	52,197,840	2,932,400	3,049,047	194,462,112