

Minutes

Name of meeting	CABINET
Date and Time	THURSDAY 15 FEBRUARY 2024 COMMENCING AT 5.00 PM
Venue	COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Present	Cllrs P Jordan (Chairman), D Andre, J Bacon, P Fuller, J Jones-Evans, K Lucioni, L Peacey-Wilcox and I Stephens
Also Present	Laura Gaudion, Kerry Hubbleday, Wendy Perera, Chris Ward and Ashley Whittaker
Also Present (Virtual)	Sharon Betts, Francis Fernandes, Colin Rowland and Claire Shand

175. Minutes

The Minutes of the meeting held on 8 February 2024 had been published after publication of the agenda, therefore these would be approved at the next meeting.

176. Declarations of Interest

There were no Declarations of Interest, but it was noted that Cabinet Members had a general dispensation to consider budget matters.

177. Public Question Time - Maximum 15 Minutes for Written Questions and 15 Minutes for Oral Questions

No public questions were received.

178. Chairman's Announcements

The Chairman had no announcements to make.

179. Report of the Cabinet Member for Housing and Finance

179a Budget and Council Tax Setting 2024-2025 and Future Years' Forecasts

Cuts and savings had been made across all services to reach a balanced budget, with difficult decisions having to be made. At the end of January assurance had been given of a further £3 million from government and Cabinet members had tried to use it to benefit the community with no increase in parking and floating bridge

fees, some community funding and match funding for small businesses, £1.9 million towards providing affordable housing and the continuation of cross-Solent ferry funding. A motion was to be put forward to Full Council to reinstate the exceptional hardship fund. There was no guarantee that similar extra funding would be received in subsequent years, therefore it would be assumed that the extra funding was only for the coming financial year, although the relevant minister had offered a meeting to discuss possible future extra funding and the Leader confirmed he would continue to argue for more.

Other highlights included extra capital funding of £250,000 for the Community Fund for Town Parish and Community Councils and community stakeholders, £200,000 place plan/business grant funding to help local businesses.

Extra funding for social care

Funding for Rights of Way to address deterioration of footpaths as a result of recent bad weather.

The S.151 officer explained the impact of the structural deficit and why it was important to address it now. The additional funding had helped to reduce the deficit to £1.2 million, which would be met from General Reserves. It was hoped that in 2025/26 the council could potentially move to a surplus.

Concerns were raised by Cllr Garratt regarding the proposed cutting of the Contact Centre service on Saturday and the Leader confirmed that he would look at this further along with any other suggestions.

Concerns were also raised regarding the ending of the Household Support Fund and it was requested that a way of reinstating the funding be sought. Confirmation was given that an anti-poverty strategy was being developed with a draft action plan emerging, and that a range of options was being considered to enable the community pantries to continue.

Other Cabinet members highlighted various aspects of their portfolios, including more money allocated for highways drainage to help those affected by flooding, and more investment in coastal protection which would attract match funding from the Environment Agency.

In response to rumours that had been circulating, the Leader clarified that, following discussions between Cabinet members and Directors which had commenced after the summer break, a potential list of savings was drawn up with potential submissions from each cabinet member. Officers had not worked on the budget alone and had not provided the list as a 'fait accompli' and they should be respected and not subject to undue behaviours by any member. Working documents had remained confidential as they had always been and would remain so until the decision came to be made. Other members would not be prevented from accessing other information. Legal advice had supported this position. It was further confirmed that those members who had worked on the budget with the Alliance group had seen all the working documents.

Members hoped that Full Council would agree with their budget.

RESOLVED:

That the Cabinet endorse the following:

(a) The recommendations to the Council set out below.

1. It is recommended that the Council approve the following:

(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:

(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

(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.

(c) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold^[1] for 2024/25 announced by Government (as calculated in Appendix 2)

(d) That the level of Council Tax be increased by a further 2.0% 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

(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

(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

(g) The savings proposals for each Portfolio amounting, in total, to £2.75m for 2024/25 and continuing into future years as set out on the next page:

Portfolio	Controllable Budget	Savings Proposal	
	£	£	%
Adult Social Care & Public Health*	57,782,000	919,900	1.6%
Children's Services, Education & Corporate Functions*	41,238,000	207,000	0.5%
Climate Change, Biosphere & Waste	6,777,000	68,000	1.0%
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 and External Partnerships**	13,658,000	1,167,000	8.5%
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%

* 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%)

** Excludes £19.4m of PFI grant funding, on a gross expenditure basis the saving amounts to 3.5%

- (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
- (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
- (j) Members have regard for the "Statement of the Section 151 Officer in accordance with the Local Government Act 2003"
- (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
- (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 2028/29 and be funded from the available Capital Resources

- (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
 - (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
 - (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).
2. It is recommended that the Council note the following in respect of the Council's Budget:
- (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
 - (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
 - (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:

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

- (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
- (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

- (f) The Council Tax base for the financial year 2024/25 will be 54,407.3 [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].
- (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%)
- (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%)
- (i) The Retained Business Rate income^[2] 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.

^[1] Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum.

^[2] Includes Retained Business Rates of £17,546,907, "Top Up" of £12,834,713, S.31 Grants of £15,025,039 a Collection Fund deficit of £1,643,639

180. **Cabinet Member Announcements**

The Cabinet Member for Economy, Regeneration, Culture and Leisure reported that funding from the Arts Council for culture projects had been extended from four years to five years. An expression of interest was to be submitted for funding from the MEND fund for Newport Guildhall. News regarding funding for Dinosaur Isle was expected at the end of March. Bids had also been submitted to the Libraries Improvement Fund for Ryde and Cowes libraries.

The Cabinet Member for Regulatory Services, Community Protection and ICT reported that the crematorium had been refurbished, and the old pews had been passed to a local charity to raise funds.

181. **Consideration of the Forward Plan**

The Forward Plan had been republished and members were asked to note the changes.

182. **Members' Question Time**

A written question had been received from Cllr Garratt (MQ 09-24) regarding traffic flow which may be affected by future developments and the importance of getting the infrastructure right.

The Chairman provided a written response and thanked Cllr Garratt for his contribution to the preparation of some upcoming Supplementary Planning Documents.

Cllr Jarman asked whether Cabinet members would be attending the further public meeting planned regarding the Military Road. The Chairman requested that the dates for future meetings be forwarded to him.

Cllr Jarman stated that at the Corporate Scrutiny Committee meeting on 12 February the Leader had undertaken to forward an email to the Chairman of that Committee, and asked when the email might arrive.

The Leader responded that he had not given a timescale for forwarding the email as there may be some redactions necessary as it contained references which did not relate to the issue of concern, but that he would deal with it as soon he could.

CHAIRMAN