

## **Agenda Item 6 – Budget and Council Tax Setting 2022/23 and Future Years Forecasts.**

Cllr Andrew Garrett Amendment

### Preface

The corporate plan, proposed by the Alliance group, and adopted after amendment by Full Council, provides for decisions to:

- Be fair and transparent with decisions based on data and evidence and in an open and accountable way
- Address poverty as an overarching consideration

This budget amendment is informed by those commitments.

With regard to the first bullet point, the amendment sets out that three indicative savings not be proceeded with as proposed.

The increase in WightCare fees and charges is 13 per cent, well in excess of measures of inflation experienced by residents. The amendment provides for a reasonable increase of 3 per cent. The proposal to charge for video streaming funerals has been met with public dissatisfaction, for obvious reasons given the impact of the pandemic. The proposal to reduce staffing in the contact centre is recognised as limiting the capacity of back office processing support to the council tax and housing benefits teams. The effects of cost of living increases could well lead to an increased need for support to these functions. If the administration wishes to pursue implementation of these three indicative savings, then it should do so in keeping with the first bullet point through a full process of consultation, scrutiny, and cabinet decision.

With regards to the second bullet point, the amendment provides for the development of an anti-poverty strategy, to ensure that consideration of poverty is embedded throughout council decision-making. The amendment also provides for a fund to implement initiatives arising from this strategy that cannot be funded from existing resources.

These commitments are to be funded through a reduction in the transformation reserve to £4 million, not dissimilar to figures for previous years. It would be welcome for the use of the transformation reserve to be scrutinised in the coming year, both for its effectiveness and for the reasonable level at which it should be maintained year on year rather than rely on ad hoc replenishments.

## AGENDA ITEM 6 - BUDGET & COUNCIL TAX SETTING 2022/23 AND FUTURE YEARS FORECASTS

A summary of the Cllr Andrew Garratt Amendment is described in the table below – this is for information only

### Summary

Ref No	CHANGES IN SPENDING & COUNCIL TAX	2022/23 £	Future Years £
<b>Reinstatement of Budget Savings</b>			
2	Limit uplift of fees and charges for Wightcare to 3% increase	78,000	
22	Withdraw - charge for Video streaming of funeral services	30,000	
48	Re-instate - staffing reductions - Contact Centre	25,000	
	<b>Sub Total</b>	<b>133,000</b>	<b>0</b>
<b>New Revenue Expenditure</b>			
New	Commission an Anti-Poverty Strategy	25,000	
New	Establish an Anti-Poverty Strategy Implementation Fund (3 year fund)	300,000	
	<b>Sub Total</b>	<b>325,000</b>	<b>0</b>
<b>TOTAL AMOUNT TO BE FUNDED</b>		<b>458,000</b>	<b>0</b>

Ref No	REDUCTION IN SPENDING & RESERVES	2022/23 £	Future Years £
<b>Revenue Budget Savings</b>			
New	Reduce Transformation Reserve	(458,000)	
	<b>Sub Total</b>	<b>(458,000)</b>	<b>0</b>
<b>TOTAL REDUCTIONS - REVENUE, CAPITAL &amp; RESERVES</b>		<b>(458,000)</b>	<b>0</b>

The full Amendment to Full Council recommendations are attached on the pages that follow

## Amendment proposed by Cllr Andrew Garratt

### BUDGET & COUNCIL TAX SETTING 2022/23 AND FUTURE YEARS FORECASTS

#### Recommendation 1(a) be amended to:

1(a) The revised Revenue Budget for the financial year 2021/22 and the Revenue Budget for the financial year 2022/23 as set out in the General Fund Summary (attached as Appendix 1 amended) which includes:

- (i) A Revenue Contribution to Capital of £2.0m, to support the provision of housing affordable to Island residents
- (ii) The COVID Contingency estimated at £9.1m, to guard against continuing and legacy risks

Appendix 1 (Amended) 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	2022/23	2023/24 & Future Years
		£	£
<b>Strategic Finance, Corporate Resources and Transformational Change</b>			
New	Reduce Transformation Reserve	(458,000)	
	<b>Total</b>	<b>(458,000)</b>	<b>0</b>

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

<b>Saving No.</b>	<b>Increases to Portfolio Budgets</b>	<b>2022/23 £</b>	<b>2023/24 &amp; Future Years £</b>
<b>Adult Social Care &amp; Public Health</b>			
2	Limit uplift of fees and charges for Wightcare to 3% increase	78,000	
<b>Community Protection, Digital Transformation, Housing Provision &amp; Housing Needs</b>			
22	Withdraw - Charges for Video streaming of funeral services	30,000	
<b>Strategic Finance, Corporate Resources &amp; Transformational Change</b>			
48	Re-instate - Staffing reductions - Contact Centre	25,000	
New	Commission an Anti-Poverty Strategy	25,000	
New	Establish an Anti-Poverty Strategy Implementation Fund (3 year fund)	300,000	
<b>Total</b>		<b>458,000</b>	<b>0</b>

**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 tables above are therefore indicative only.

## Recommendation 1(g) be amended to:-

The savings proposals for each Portfolio amounting, in total, to £2,867,000 for 2022/23 as set out below:

Portfolio	Controllable Budget	Savings Proposal	
	£	£	% Budget
Adult Social Care, Public Health*	52,585,029	1,652,900	3.1%
Children's Services, Education & Lifelong Skills*	26,518,026	375,900	1.4%
Community Protection, Digital Trans., Housing Provision & Housing Needs	13,007,237	152,000	1.2%
Environment, Heritage & Waste Management	8,087,817	304,500	3.8%
Highways PFI, Transport & Infrastructure**	12,255,527	50,900	0.4%
Leader & Strategic Partnerships	806,763	0	0.0%
Planning & Community Engagement	2,061,733	11,000	0.5%
Regeneration, Business Development & Tourism	4,787,226	234,300	4.9%
Strategic Finance, Corporate Resources & Transformational Change	12,726,167	85,500	0.7%
<b>Grand Total</b>	<b>132,835,525</b>	<b>2,867,000</b>	<b>2.2%</b>

\* Excludes the additional funding passported through to Adult Social Care of £3.7m (which if included would result in an overall increase of 3.9%) and the additional funding for Children's Services, Education & Lifelong Skills of £2.3m (which if included would result in an overall increase of 7.3%)

\*\* Excludes £19.4m of PFI grant funding, on a gross expenditure basis the saving amounts to 0.2%

## **SECTION 151 OFFICER'S COMMENTS**

**Under Recommendation 1(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 2022/23.

The amendment is less prudent than the Administration's Budget proposal and presents some additional financial risk to the Council's ability to deliver future savings by reducing the transfer to the Transformation Reserve by the sum of £458,000.

The use of the Transformation Reserve for this purpose is contrary to the Council's approved Medium Term Financial Strategy. The Transformation Reserve is designed to be the Council's primary vehicle for funding "Spend to Save" schemes as well as any necessary additional financial support required for the delivery of Budget Savings by Services. The Transformation Reserve currently has an uncommitted balance remaining of just £4.4m, the proposals within this amendment would reduce the available Reserve to £4.0m.

The Council's future Budget Forecasts do not provide for any further contributions to the Transformation Reserve and historically between £1m and £2m per year has been required from it. At a balance of £4.0m this would imply that it may remain available for its intended purpose for the next 2 to 3 years.

## **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 - 2021/22 to 2025/26

## APPENDIX 1 (Amended)

NET REQUIREMENTS OF PORTFOLIOS	REVISED BUDGET 2021/22 £	ORIGINAL BUDGET 2022/23 £	FORECAST 2023/24 £	FORECAST 2024/25 £	FORECAST 2025/26 £
Adult Social Care & Public Health	54,535,869	52,368,006	54,403,474	55,671,260	56,951,698
Children's Services, Education & Lifelong Skills	27,685,475	28,889,575	29,138,231	29,439,491	29,765,704
Community Protection, Digital Transf., Housing Provision & Housing Needs	10,050,805	10,290,200	10,148,169	10,175,745	10,200,275
Environment, Heritage & Waste Management	6,363,921	6,502,463	6,821,181	7,111,895	7,402,609
Highways PFI, Transport & Infrastructure	16,273,286	15,014,903	15,625,604	15,995,882	16,358,525
Leader & Strategic Partnerships	1,109,601	1,202,176	1,202,184	1,202,184	1,202,184
Planning & Community Engagement	722,515	881,090	512,090	512,090	512,090
Regeneration, Business Development & Tourism	913,933	511,724	511,724	511,724	511,724
Strategic Finance, Corporate Resources & Transformational Change	40,231,504	45,427,638	54,598,983	58,166,886	60,969,246
Savings to be identified	0	0	(2,000,000)	(4,000,000)	(6,000,000)
<b>Portfolio Expenditure</b>	<b>157,886,908</b>	<b>161,087,775</b>	<b>170,961,640</b>	<b>174,787,157</b>	<b>177,874,055</b>
<b>FUNDED BY:</b>					
Contribution (to)/from Balances & Reserves	2,065,082	28,575	1,998,233	709,268	(7,826)
Revenue Support Grant	3,642,344	4,757,433	4,757,433	5,757,433	6,757,433
Business Rates Retention	30,610,224	31,140,075	37,762,049	38,399,761	38,234,970
Other General Grants	33,118,315	31,390,503	30,778,762	30,778,762	30,778,762
Collection Fund (Council tax)	88,450,943	93,771,189	95,665,163	99,141,933	102,110,716
<b>Total Financing</b>	<b>157,886,908</b>	<b>161,087,775</b>	<b>170,961,640</b>	<b>174,787,157</b>	<b>177,874,055</b>
<b>BALANCES &amp; RESERVES</b>					
Balance brought forward at 1 April	13,646,139	10,981,057	10,952,482	8,954,249	8,244,981
Potential Transfer to Combined Fire Authority	(600,000)	0	0	0	0
(Deficit)/Surplus for year	(2,065,082)	(28,575)	(1,998,233)	(709,268)	7,826
<b>Balance carried forward at 31 March</b>	<b>10,981,057</b>	<b>10,952,482</b>	<b>8,954,249</b>	<b>8,244,981</b>	<b>8,252,807</b>
<b>Minimum level of balances</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>
<b>Underlying Budget Deficit/(Surplus) - assuming future savings are met</b>	<b>2,065,082</b>	<b>28,575</b>	<b>1,998,233</b>	<b>709,268</b>	<b>(7,826)</b>