



ISLE OF WIGHT COUNCIL'S BUDGET CONSULTATION

TOWN COUNCIL MEETING

REPORT 7/18

15 JANUARY 2018

The purpose of this paper is to ask Members if they wish to make a corporate response to the current Consultation on the Isle of Wight Council's Budget for 2018/19.

No. DETAILS

1) BACKGROUND

- a) The Isle of Wight Council's consultation on its 2018/19 Budget opened on 15 December and closes on 29 January with responses provided for either through completing an on-line questionnaire or by attending one of the public meetings.
- b) The Council is committed to saving a total of £7.5M from its current year total Budget of £150.5M.
- c) It used a contribution of £3.6M from its reserves to balance its 2017/18 Budget and that leaves it with reserves reduced to £8.5M with £5M judged to be the minimum for an authority of its size.

2) THE CONSULTATION

- a) Although an Isle of Wight Council Press Release of 9 January included the statement by the Council Leader that *Since we were elected last May, the council's Cabinet has been working tirelessly to explore all areas of the council's finances and how we can deliver the best services we can in the face of some very difficult decisions on savings*, no details of the proposed savings have yet been released.
- b) Neither are there any details given in the Budget Consultation section of the Isle of Wight Council's web site.
- c) Instead of financial information, the same approach to the Consultation has been adopted as last year, namely: *the budget consultation does not discuss specific topics; it is very high level in order to enable quality analysis of opinion and focus of those taking part*.
- d) In practice, that comes down to an online Survey Monkey questionnaire with 25 questions about priorities and meetings arranged with stakeholders and one for the public.

3) THE BUDGET

- a) The only hints at where the savings might fall are in the Performance and Finance Report for Quarter 2 considered by the Cabinet at its meeting of 11 January and the Report to the Full Council meeting of 17 January on the Local Council Tax Support Scheme 2018/19.
- b) The first of these, based on the provision of services from 1 April – 30 September 2017 forecasts a year-end underspend on this year's Budget of £540,000 with Children's Services forecast to overspend by £717,000 and a further £ predicted overspend relating to the Floating Bridge of £708,000
- c) Currently, these are more than offset by predicted underspends elsewhere totalling £1,965,000.
- d) However, the Report notes that *at this stage in the financial year the forecast remains susceptible to considerable risk, the most significant of which relates to demand pressures in Children's Social Care and the delivery of savings targets in Adult Social Care*.
- e) The second indication – the Report on the Local Council Tax Support Scheme 2018/19 – is recommending the Full Council meeting of 17 January to *Agree to the maximum level of CTS being reduced from 80 per cent to 70 per cent of a person's council tax liability*.
- f) This would provide a saving of £570,000 by reducing the income of the currently 5,719 working age Islanders that qualify for Council Tax Support by £100 a year.
- g) The Report notes that the majority of respondents to the Consultation on the proposed

changes (217 residents) agreed to the maximum level of support being reduced to either 75% or 70%, but the Appendices show that 40% of respondents did not agree with any reduction; of the six Town & Parish Councils that responded five – Newport, Ventnor, Bembridge, Shanklin and Niton & Whitwell – opposed any reduction.

4) RECOMMENDATION

Members are recommended to determine whether there should be a corporate response to the Budget Consultation.
