

Isle of Wight Council Budget Consultation 2016/17



Welcome

Councillor Jonathan Bacon
Leader of the Council

Purpose of This Evening:

- Explain the Council's Financial Challenges
- Share the options for setting a legal and balanced budget in 2016/17
- Hear your views on where you would like the Council to focus its resources to deliver services in 2016/17

Agenda:

- The Financial Challenge
- Budget Overview
- Staff Overview
- Views from The Floor
- Conclusions and Next Steps

The Financial Challenge:

	2015/16 (£'000)
Council's Net Budget	124,244
Funded By:	
Council Tax [54.1%]	67,213
Business Rates Retention [13.74%]	17,070
Government Top Up Grant [10.02%]	12,449
Government Revenue Support Grant [21.01%]	26,103
Other Government Grants [1.13%]	1,409

The Financial Challenge:

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Increased Costs	8,918	6,834	6,634	7,194	29,589
Government Grant Losses	6,201	7,118	6,534	3,860	23,713
Increased Income	4,502	4,065	6,570	6,737	21,874
Net Budget Gap	10,617	9,887	6,607	4,344	31,455
Use of Reserves/Gap Brought Forward	6,769	-2,769	-3,000	-1,000	
Savings Target	17,386	7,118	3,607	3,344	31,455

The Financial Challenge – Increased Costs:

- Adult social care packages
- National living wage
- Increased social care need
- Contract cost increases
- Pay awards and pensions
- National insurance changes
- Capital financing

The Financial Challenge – Grant Losses:

- Revenue Support Grant
- Care Act Funding
- Education Services Grant
- New Homes Bonus

The Financial Challenge – Increased Income:

- Business Rates – including top up
- 1.99% increase in Council Tax
- 2.00% increase in Council tax for Adult Social Care only
- Share of Additional National Pot for Adult Social Care
- Fees and Charges

The Financial Challenge – Legal Duties:

- Statutory requirements dictating levels of service, especially in
 - Adult Social Care
 - Children's Services
 - Waste Collection
 - Highways
- General laws not specific to local government such as
 - Health and Safety;
 - Employment law

The Financial Challenge:

	£'000
Savings Target 17/18	17,386
Funded By:	
Use of Reserves	4,000
Savings agreed in February 2015	7,887
Savings agreed in September 2015	2,100
Savings options to be agreed in February 2016	3,399

The Financial Challenge:

- To continue to meet our legal obligations within the context of
 - A reducing financial resource
 - Limited opportunities to grow income
 - Increasing demands for services
 - Increasing expectations of government
 - Increasing expectations of the community
 - The challenges (and privilege of being an island)

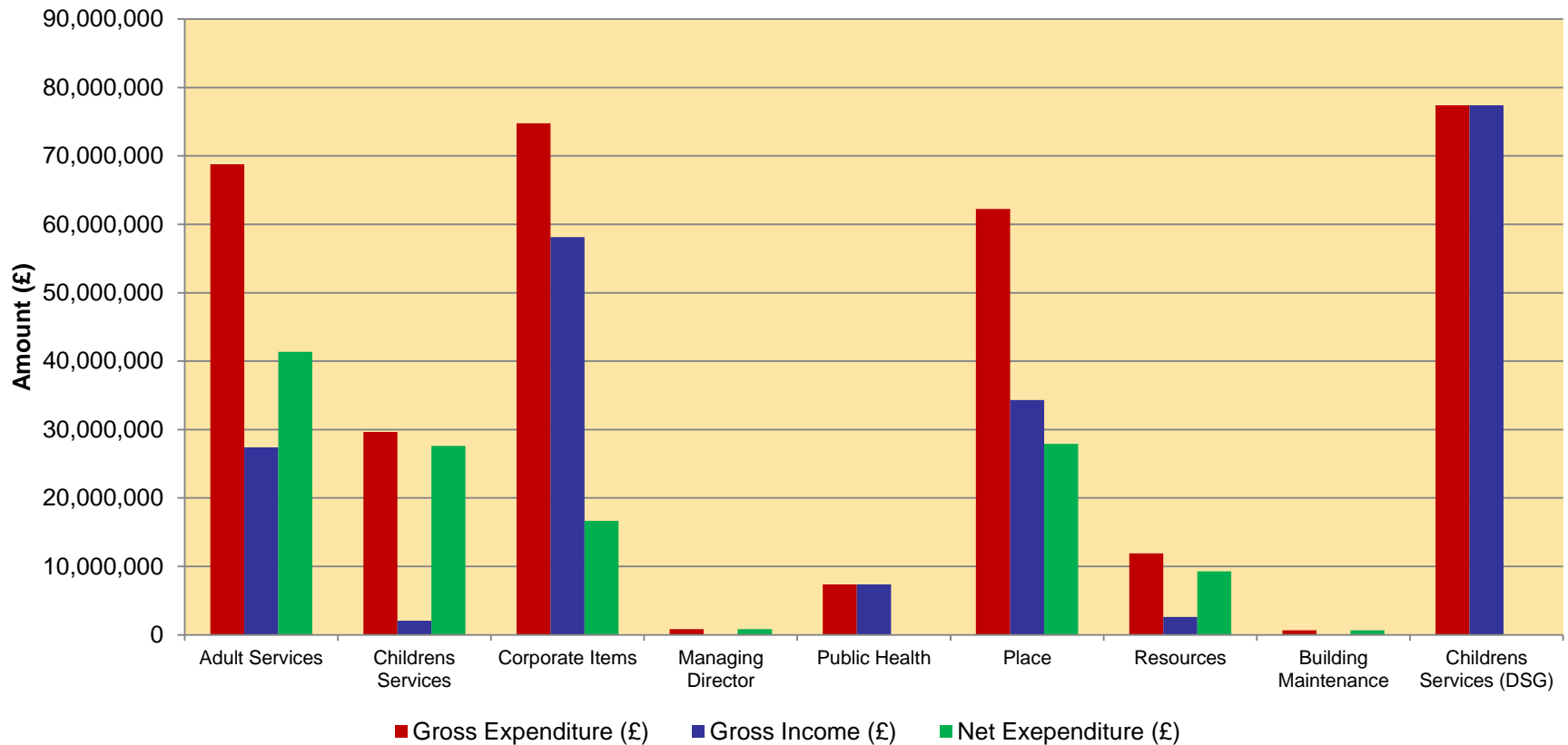
Budget Overview 2015/16

John Metcalfe
Chief Executive

Council Budget Structure: 2015/16

Area of Activity	Gross Expenditure (£)	Gross Income (£)	Net Expenditure (£)
Non-Direct Schools Grant (DSG)			
Adult Services	68,779,267	-27,410,066	41,369,201
Children's Services	29,667,055	-2,068,772	27,598,283
Corporate Items	74,761,828	-58,116,163	16,645,665
Managing Director	829,024	-5,779	823,245
Public Health	7,374,360	-7,374,360	0
Place	62,229,146	-34,338,203	27,890,943
Resources	11,903,253	-2,631,446	9,271,807
Building Maintenance	645,041		645,041
Sub Total Non - DSG	256,188,974	-131,944,789	124,244,185
Direct Schools Grant			
Children's Services	77,413,436	-77,413,436	0
Building Maintenance	0		0
Sub Total - DSG	77,413,436	-77,413,436	0
Overall Total	333,602,410	-209,358,225	124,244,185

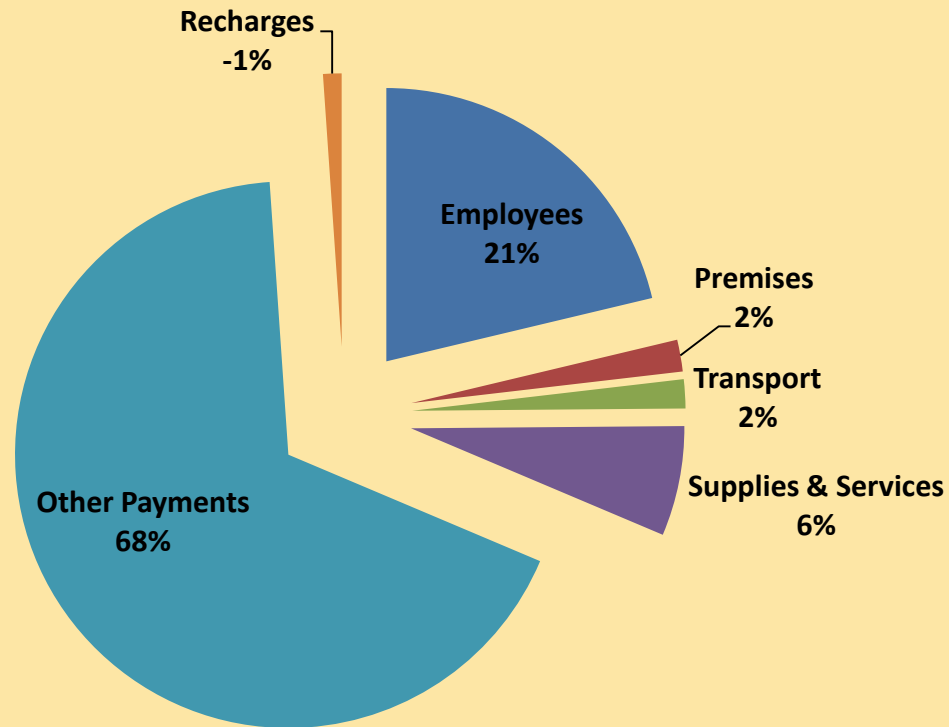
Council Budget Structure: 2015/16



Gross Expenditure 2015/16

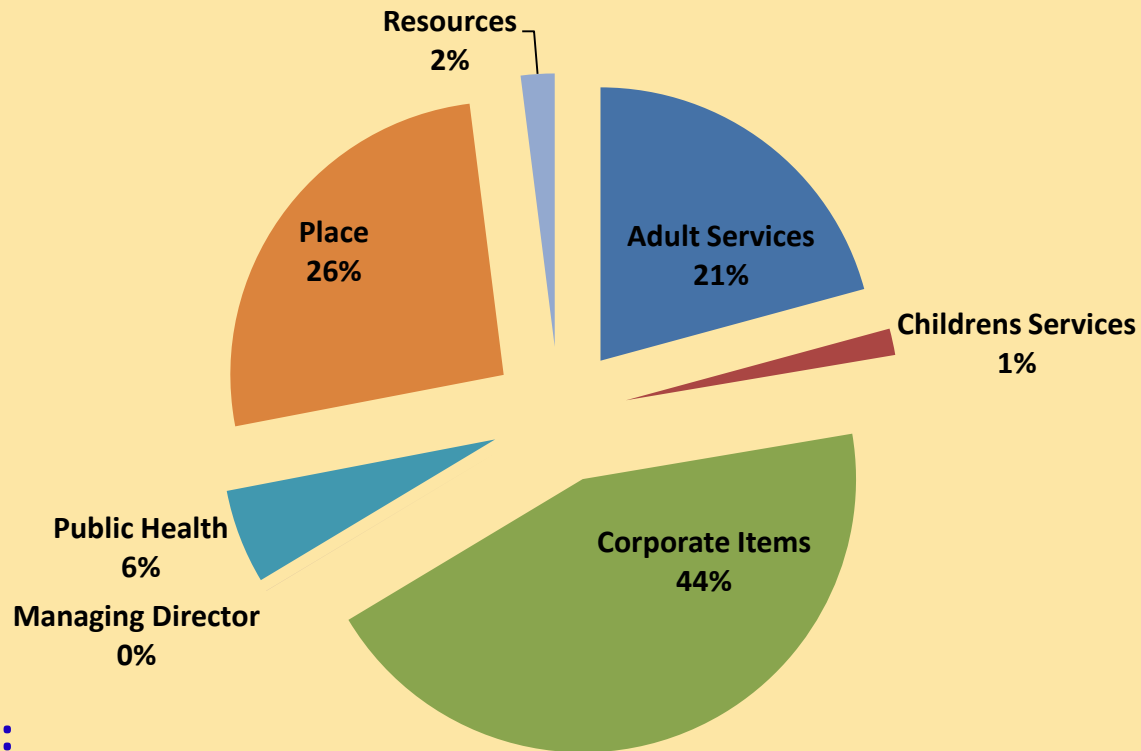
	Employees	Premises	Transport	Supplies & Services	Other Payments	Recharges
Adult Services	12,086,118	484,108	297,373	1,244,527	54,907,519	-240,378
Childrens Services	12,522,310	604,788	3,521,958	1,439,435	12,046,638	-468,074
Corporate Items	649,110			7,027,848	67,084,870	
Managing Director	796,809		14,841	52,449	45,075	-80,150
Public Health	1,030,822		3,377	202,492	6,137,669	
Place	17,373,039	2,858,430	587,256	3,744,624	38,730,876	-1,065,079
Resources	11,262,409	327,568	70,054	3,313,850	-2,061,436	-1,009,192
Building Maintenance		645,041				
Total	55,720,617	4,919,935	4,494,859	17,025,225	176,891,211	-2,862,873

Structure of Gross Expenditure 2015/16



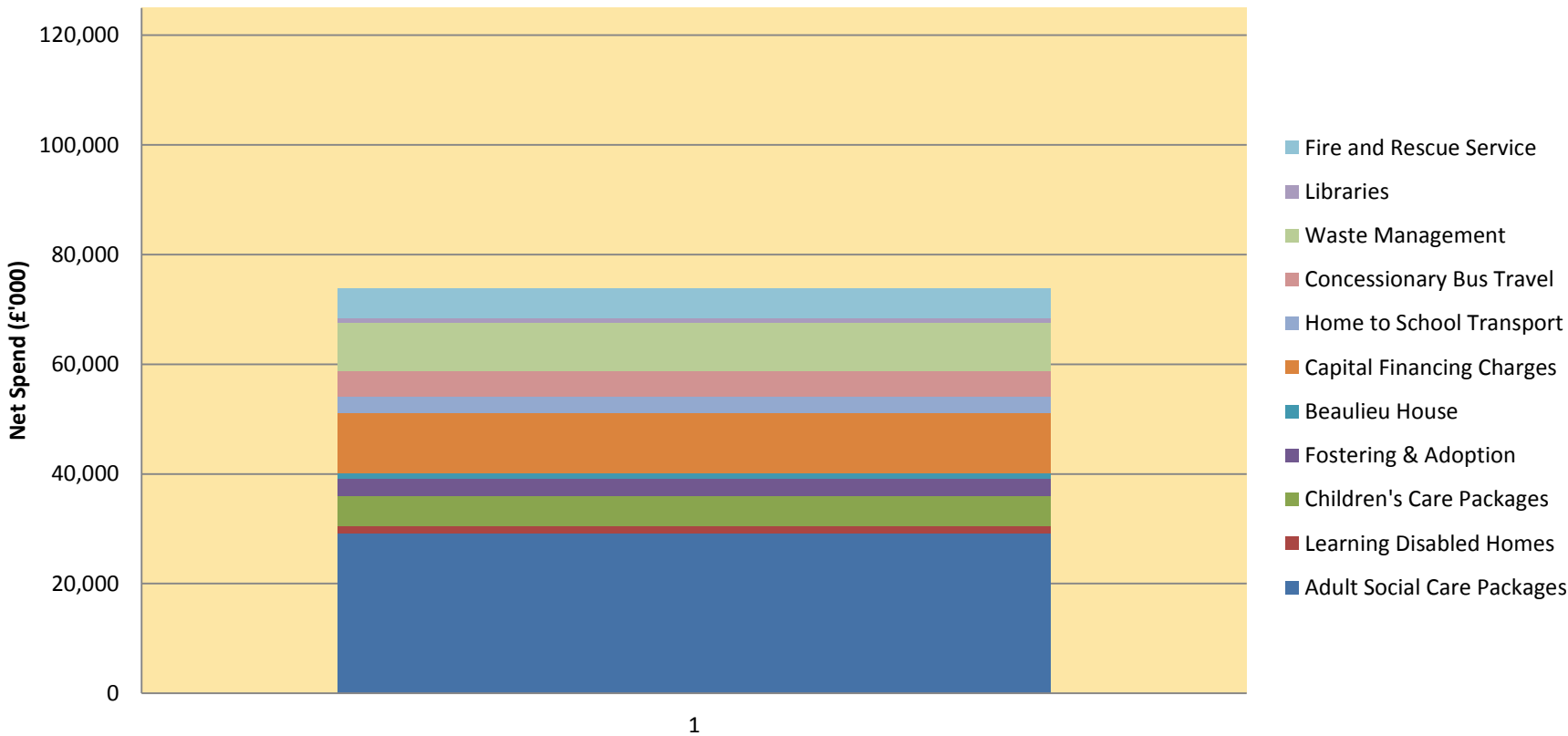
Gross Budget:
£256,188,974

Structure of Gross Income 15/16

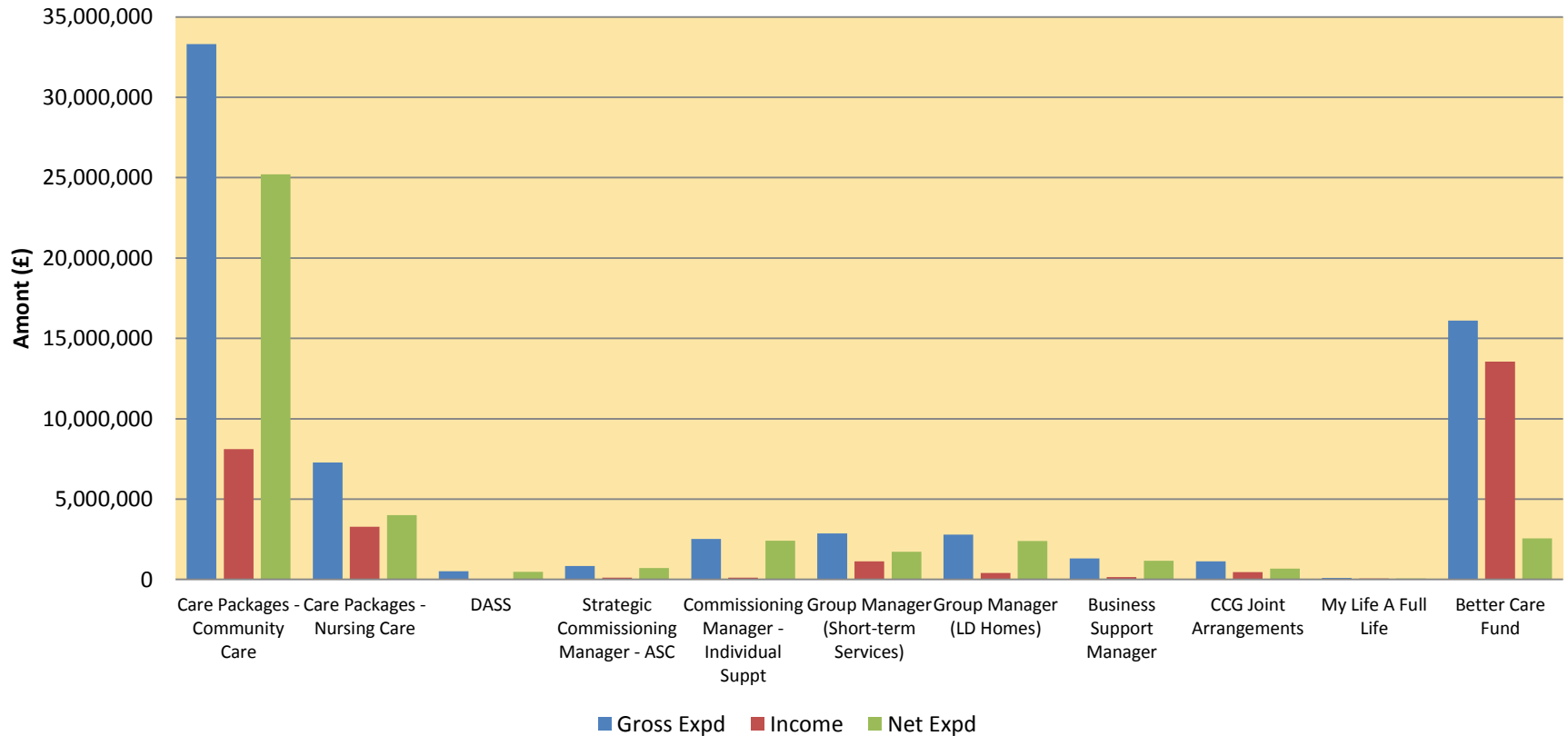


Gross Budget:
£131,944,789

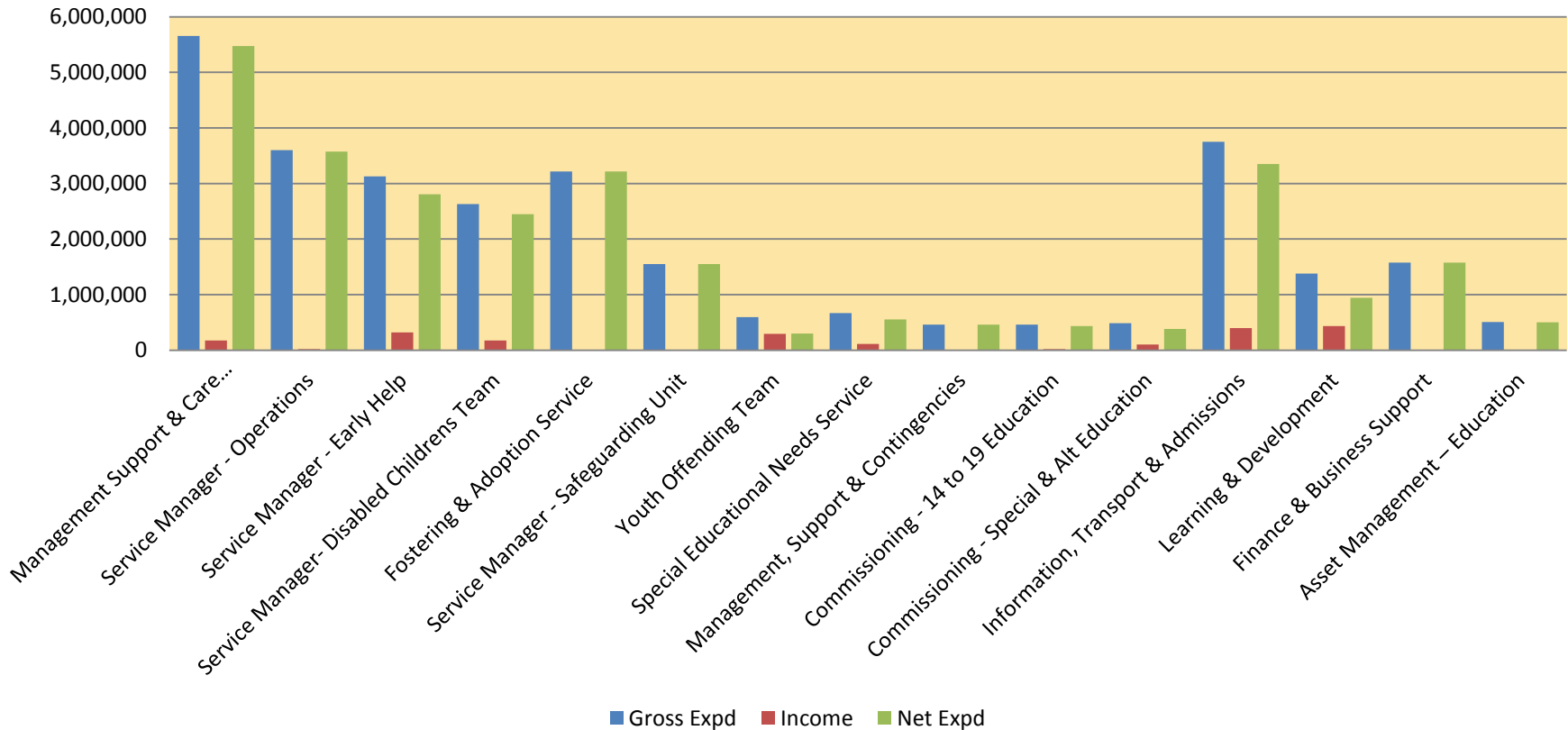
Big Ticket Items



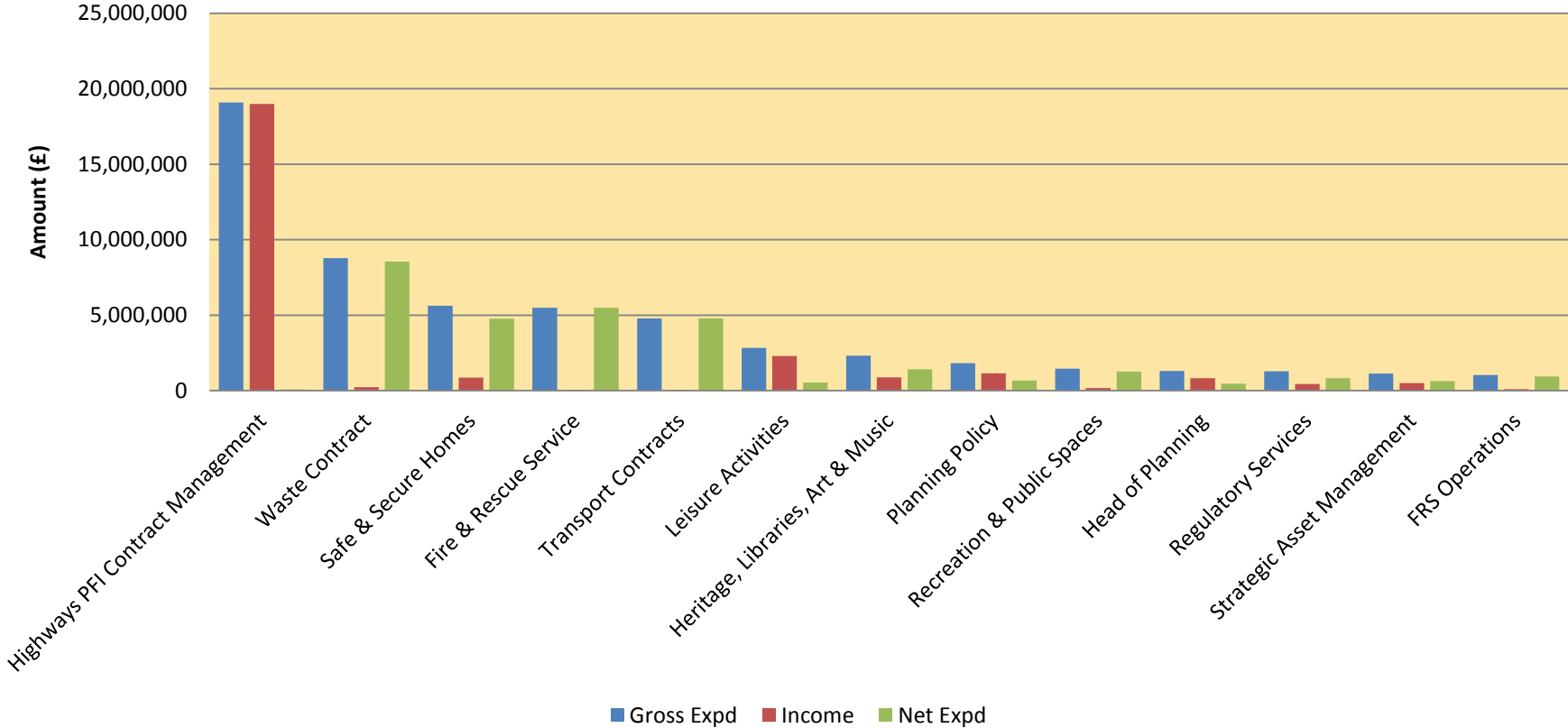
Adult Social Care – Budget Breakdown



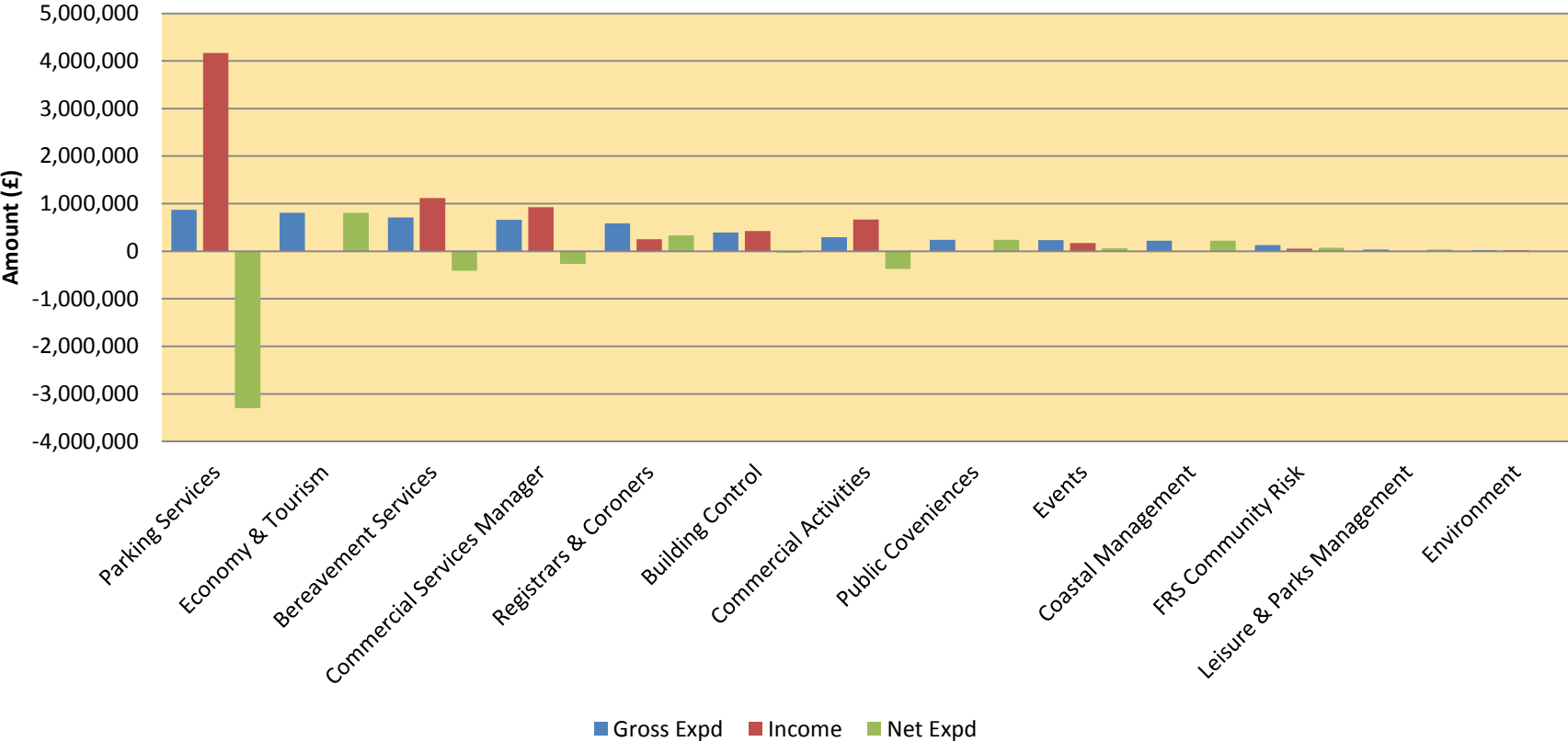
Children's Services – Budget Breakdown



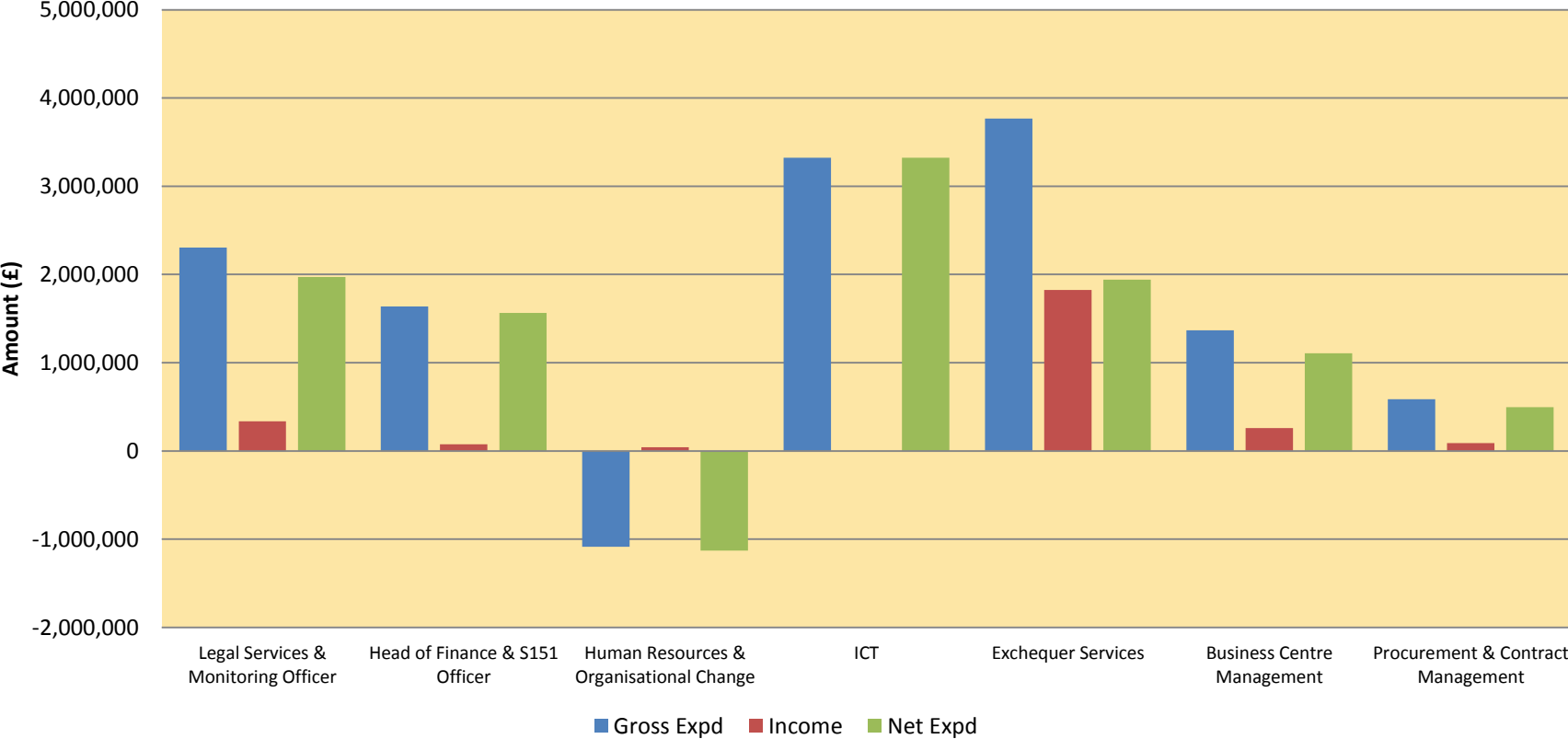
Place Based Services – Budget Overview



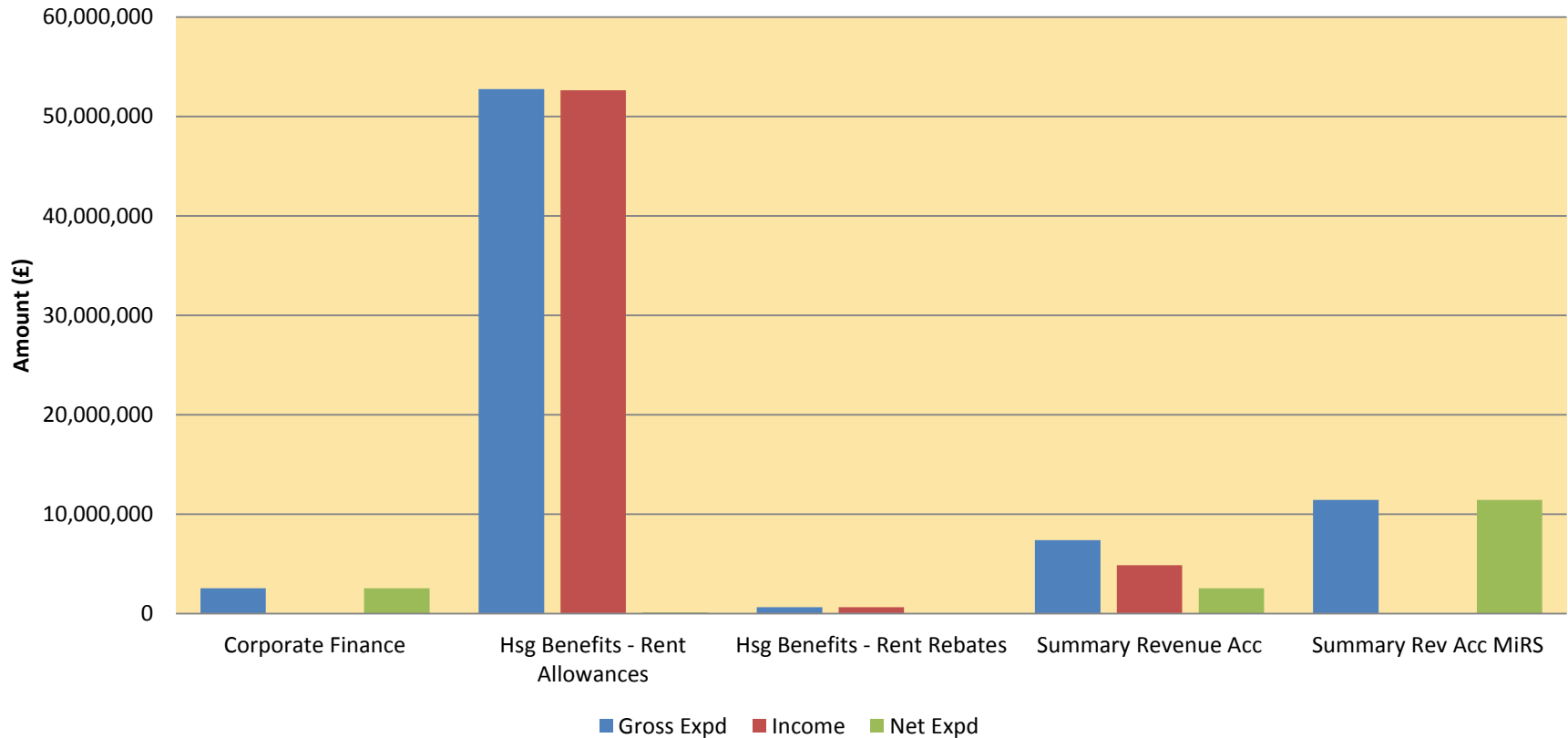
Place Based Services – Budget Overview (2)



Resources – Budget Overview



Corporate Finance – Budget Breakdown



Staff Overview 2015/16

Claire Shand
Head of Resources

Council Employee Terms & Conditions

Since 2005...

- Statutory minimum redundancy payment

Since 2010...

- Business mileage at HMRC rate – 45p
- No payment for professional association fees
- No workplace relocation compensation payable
- Lease car provision ceased

Excludes Teachers/Fire Personnel

Council Employee Terms & Conditions

Since 2012 ...

- Salary protection period reduced to max 12 wks
- Rationalisation of all premium payments
 - Overtime/weekend/bank holiday – plain time
 - Night duty – plain time + 1/3
 - Shift allowance + 10% on plain time – hrs worked
 - Standby allowance - £15.32 per session
 - Call out – plain time + 1/2

Excludes Teachers/Fire Personnel

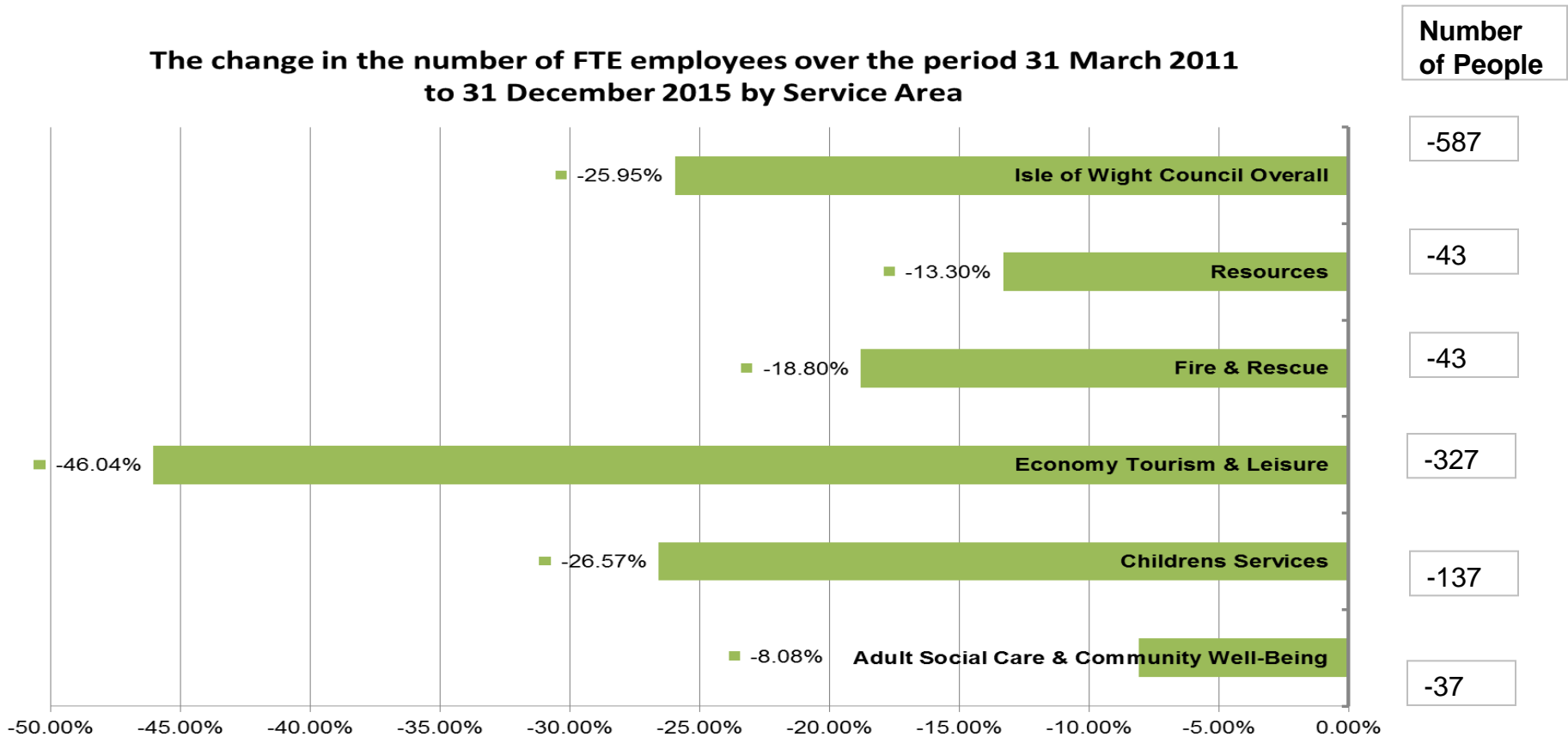
Council Employee Terms & Conditions

General:

- Charging for car parking at work
- No automatic discretions applied for enhanced pension provision
- No first class travel
- Annual leave entitlement

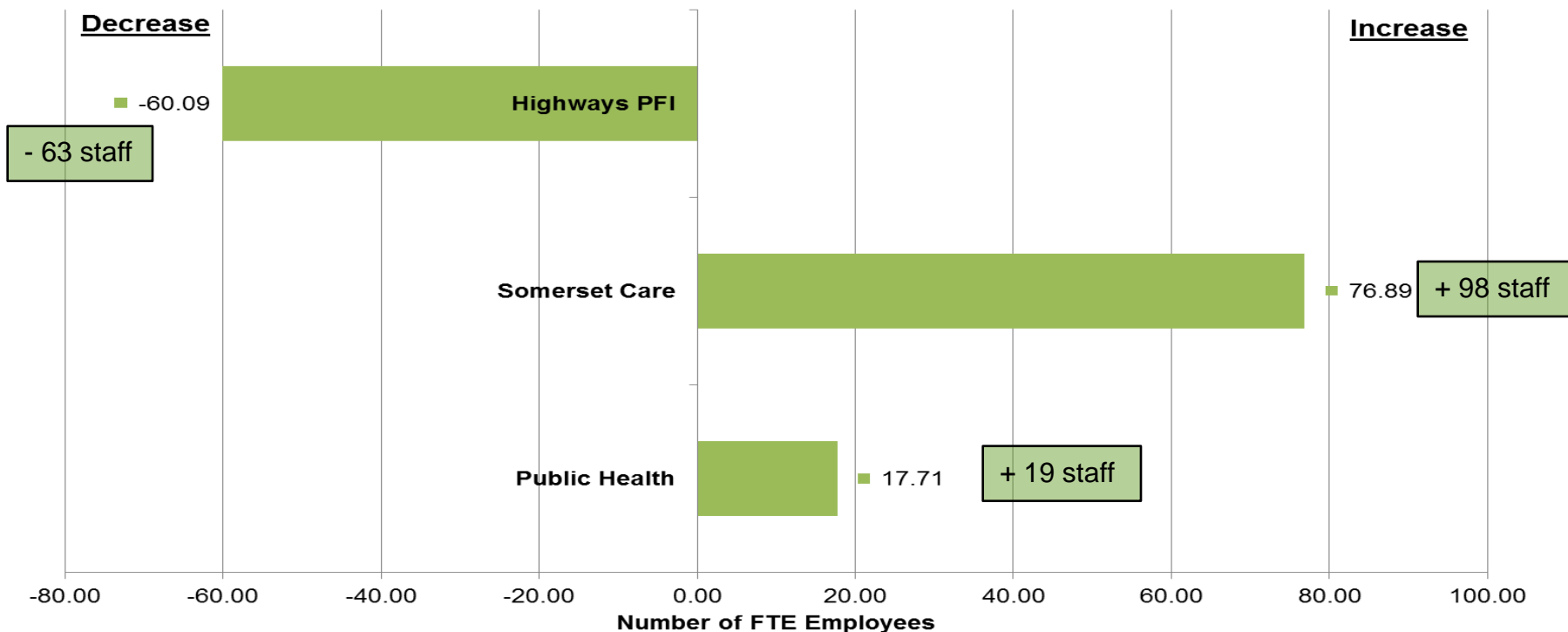
Staffing Levels

The change in the number of FTE employees over the period 31 March 2011 to 31 December 2015 by Service Area



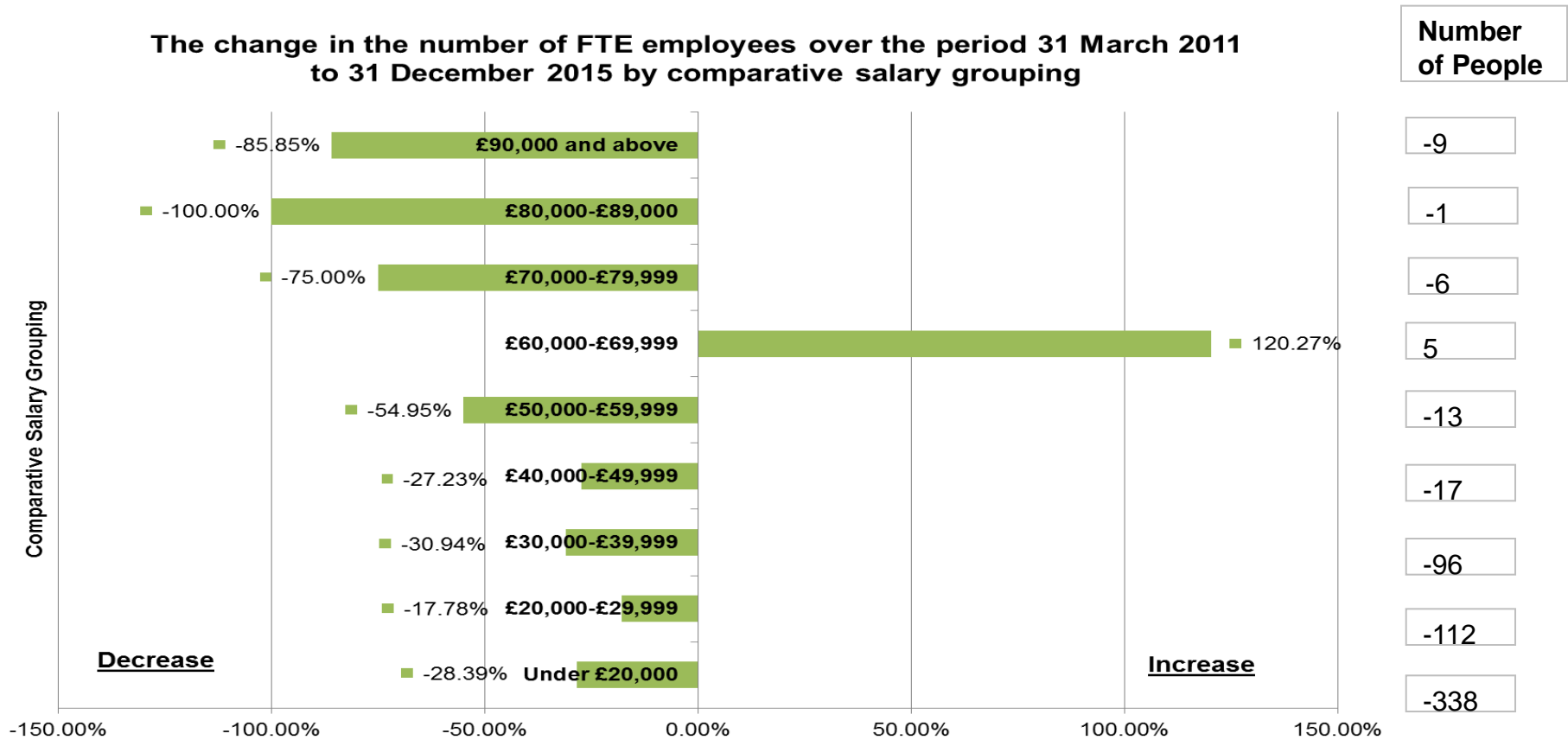
Staffing Numbers – Transfers in/out

The number of FTE employees involved in the TUPE of Highways PFI, Public Health and Somerset Care over the period 31 March 2011 to 31 December 2015



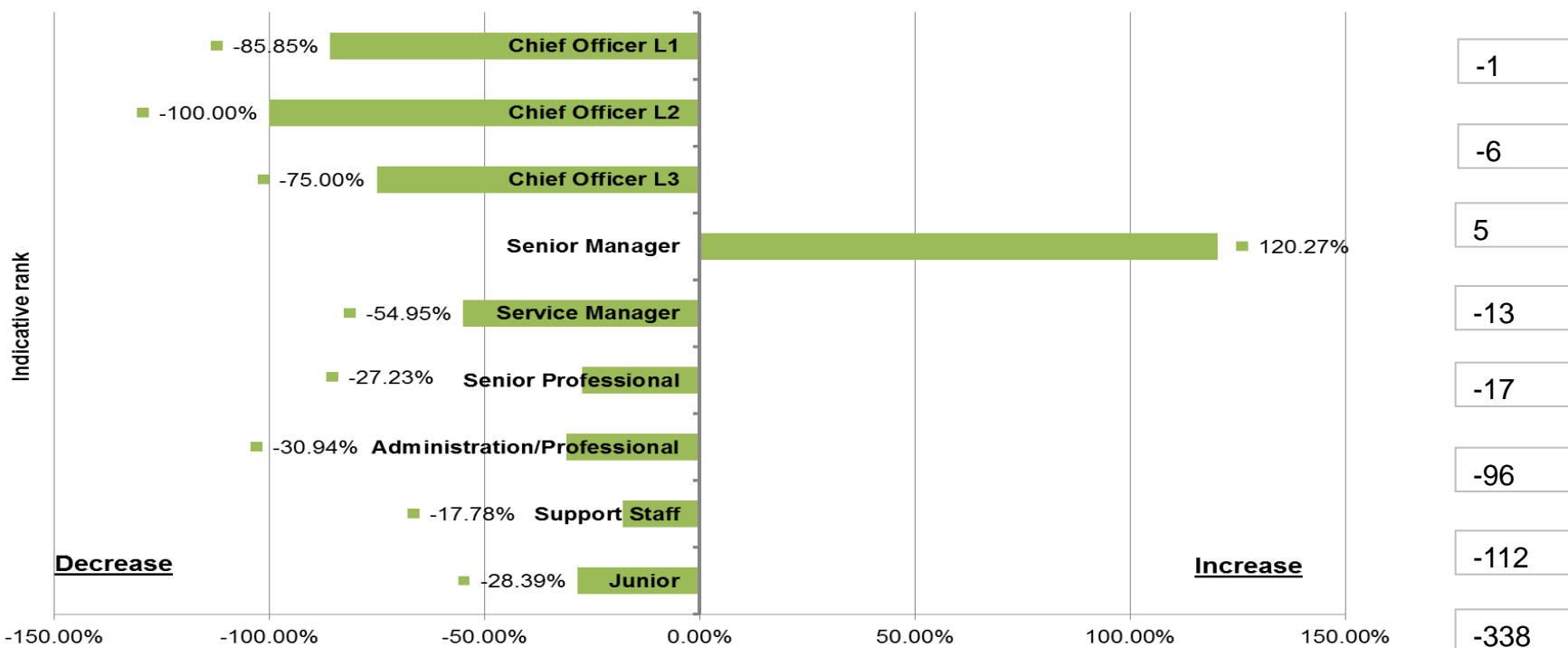
Salary Levels

The change in the number of FTE employees over the period 31 March 2011 to 31 December 2015 by comparative salary grouping



Occupational job role Changes

The change in the number of FTE employees over the period 31 March 2011 to 31 December 2015 by indicative rank



Staffing Reductions

The change in the number of FTE employees over the period 31 March 2011 to 31 December 2015 by managerial status



Savings Options 2016/17

John Metcalfe
Chief Executive

Adult Social Care:

- Resource Centres – Adelaide, Gouldings
- Mental Health Day Centres
- Complex Case Reviews

Children's Services:

- School Improvement
- Branstone Farm
- Youth Offer

Place Based Services:

- Amenities – Public conveniences
- Community Safety Team
- Supporting People
- Empty Properties
- Parking
- Planning

Central Services and Resources:

- Business Centre – Staff Savings
- Restructure HR team
- ICT Reorganisation
- Property Rationalisation
- Local Council Tax Support Scheme

Your Views:

1. Tick three that you would support
2. Tick three you would not support
3. Are there any other areas that we should look at – free response
4. What would be your views on an increase in council tax above 3.99%?



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