

# Isle of Wight Council

## Budget Consultation 2017/18

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# PURPOSE OF THIS EVENT

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- Explain the Council's financial challenges
- Share the options for setting a legal and balanced budget in 2017/18
- Hear your views on where you would like the Council to focus its resources to deliver services in 2017/18

# AGENDA

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- Welcome and corporate overview
- The revised medium term financial strategy
- The financial challenge
- Looking to the future
- Q and A
- Potential budget decisions for discussion

# Welcome and Corporate Overview



# OUR VISION

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**A great place to live, work and visit**

# OUR PRIORITIES

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Supporting growth in the economy, making the Island a better place and keeping it safe

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Keeping children safe and improving their education

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Protecting the most vulnerable with health and social care, investing in support, prevention and continuing care

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Ensuring that all the resources available to the Island are used in the most effective way in achieving the Island's priorities

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# OUR CORE VALUES:

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Open and inclusive working

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People first

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Solution focussed

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Supportive of partnerships

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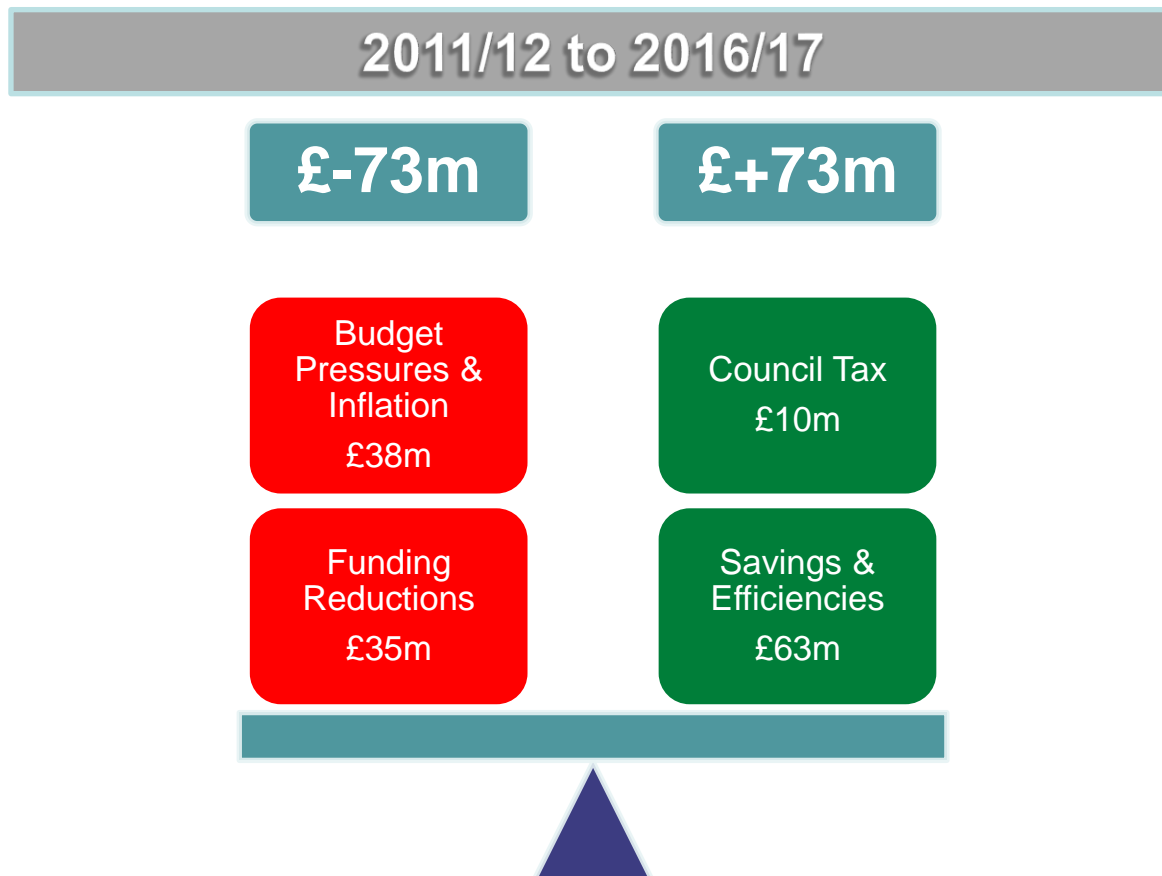
Value for money (financial and social)

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Value staff and their input

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# OVERAL IMPACT OF AUSTERITY SO FAR





# The Revised Medium Term Financial Strategy 2017/18 to 20/21



# MEDIUM TERM FINANCIAL STRATEGY

**"In-year" expenditure matches "In-year" income over the medium term whilst regenerating the Island Economy and providing essential Value for Money Services for our Businesses and Residents.**

**For the period 2017/18 to 19/20  
Reduce spending / increase income and funding by £20m**

# HEADLINE PROPOSITIONS

## Reduce and “Smooth Out” Revenue Savings

Change the method of funding Debt Repayment - £2.0m in 2016/17 but reducing over time

Take a 5 year Debt “Repayment” holiday - £40m over the period

Use savings to unlock capacity to change and “smooth out” savings requirements

## Create Financial and Operational Capacity to Support Transformation

Maintain the £1m p.a. Regeneration package

Create a £1m Transformation Reserve with strict “payback” criteria

Any year end underspends used to increase / top up the Transformation Reserve

## Maximise Capital Funding for “Invest to Save”

Keep full ‘ASDA’ Receipt intact @ £17.5m

Review Capital Programme for all contractually uncommitted Capital Schemes

Cease “ring-fencing” of Capital Funding

# MTFS - GUIDING PRINCIPLES

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Extend the overall plan from two to five years

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Stronger emphasis on creating prosperity and wealth

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Becoming more entrepreneurial and commercial to generate income

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A stronger drive to public service transformation to improve services and outcomes

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Addressing the unique island factors

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Improving the overall financial resilience of the council

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# MTFS – THE FOCUS

## SHORT-TERM

- Create financial and operating capacity to transform
- Increase efficiency and effectiveness

## SHORT TO MEDIUM-TERM

- Entrepreneurial, commercial and collaborative activities
- Withdraw from or offer minimum provision for low impact services
- Improve the Island economy

## MEDIUM TO LONG-TERM

- Public service transformation

# MAKING THE ISLAND'S CASE

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## Discussions with Government:

- Unique geography and Island factors
  - Combined authority / devolution
  - Growing the economy
  - Forensic analysis of spending
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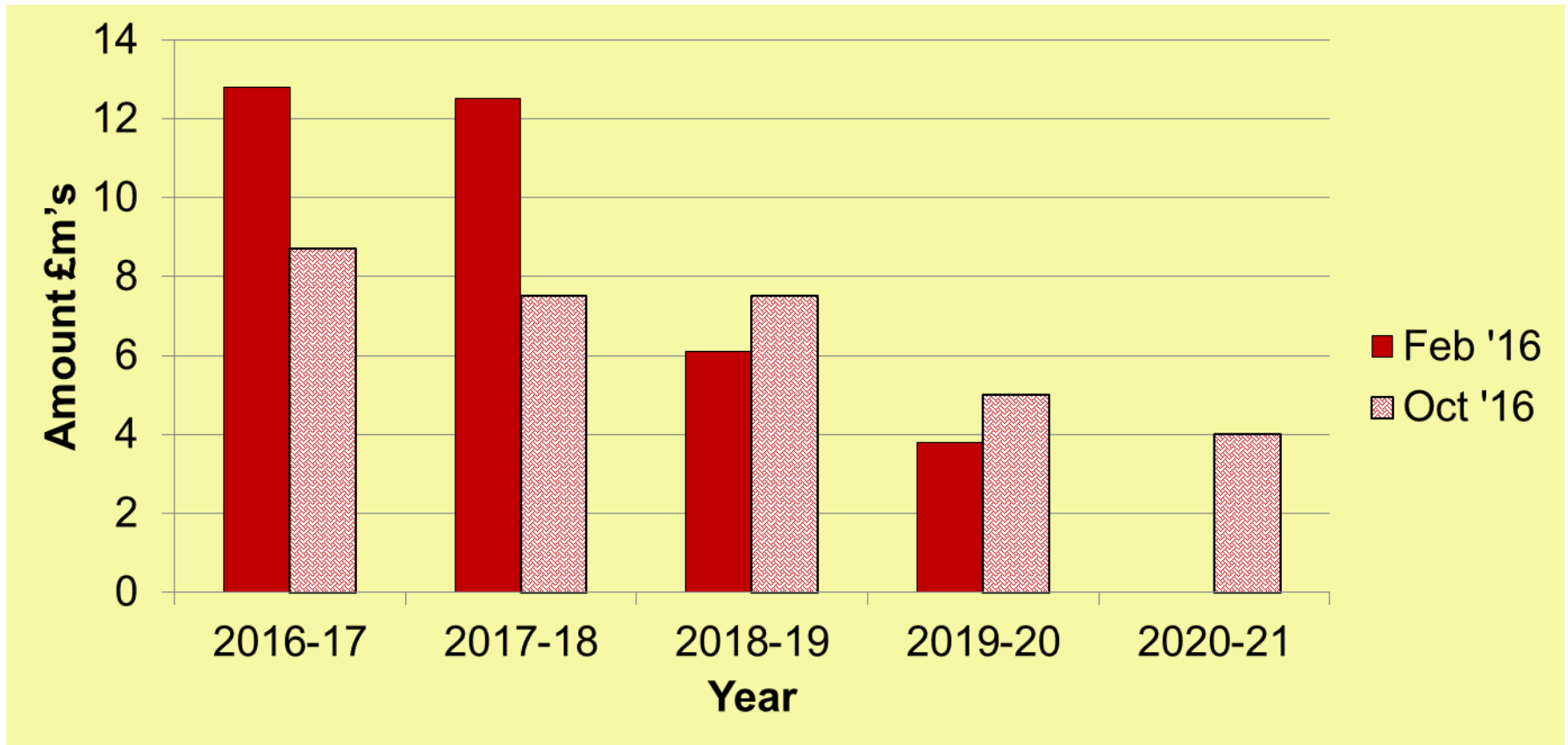


Fight for the Wight

# The Financial Challenge:

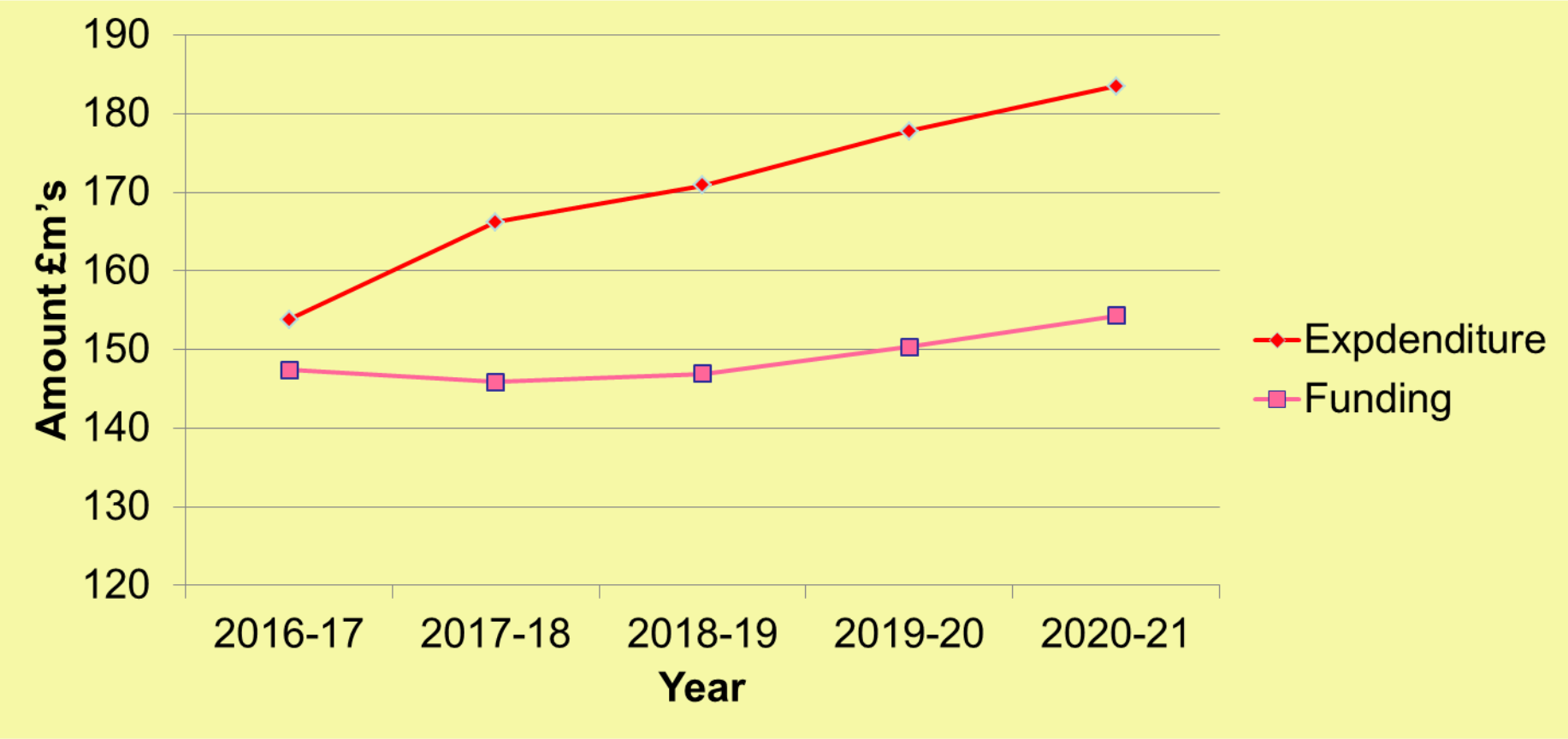


# ANNUAL SAVINGS REQUIREMENTS

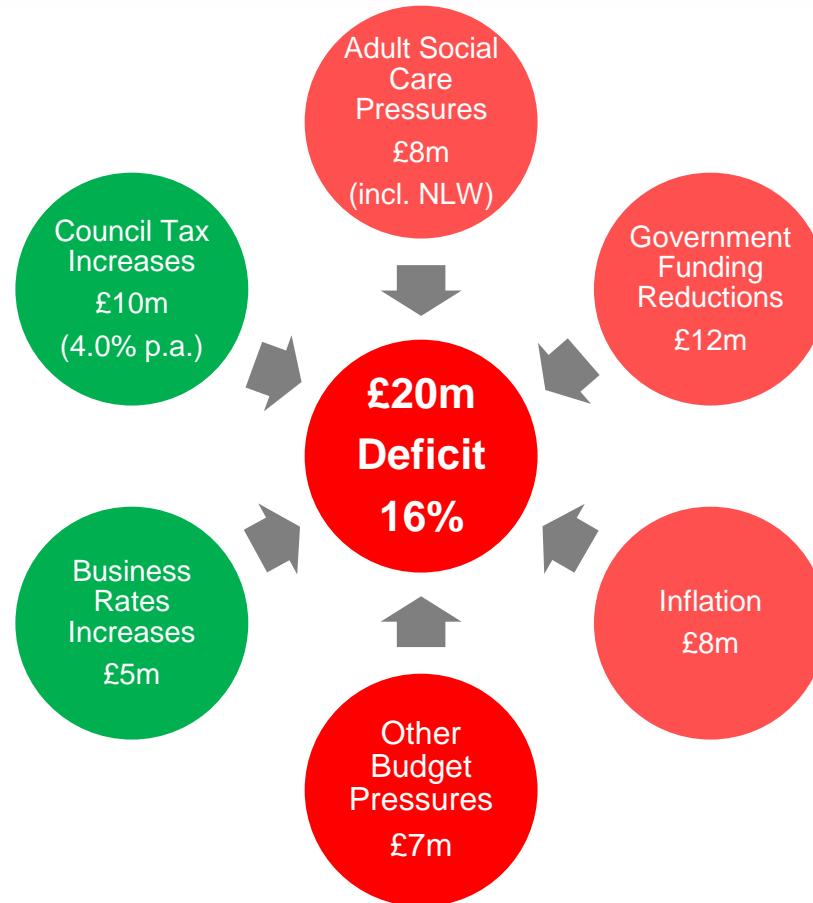




# FORECAST SPENDING AND FUNDING



# FORECAST: NEXT THREE YEARS



# SAVINGS REQUIREMENTS

**£20m Deficit Over 3 years**

**2017/18**

**2018/19**

**2019/20**

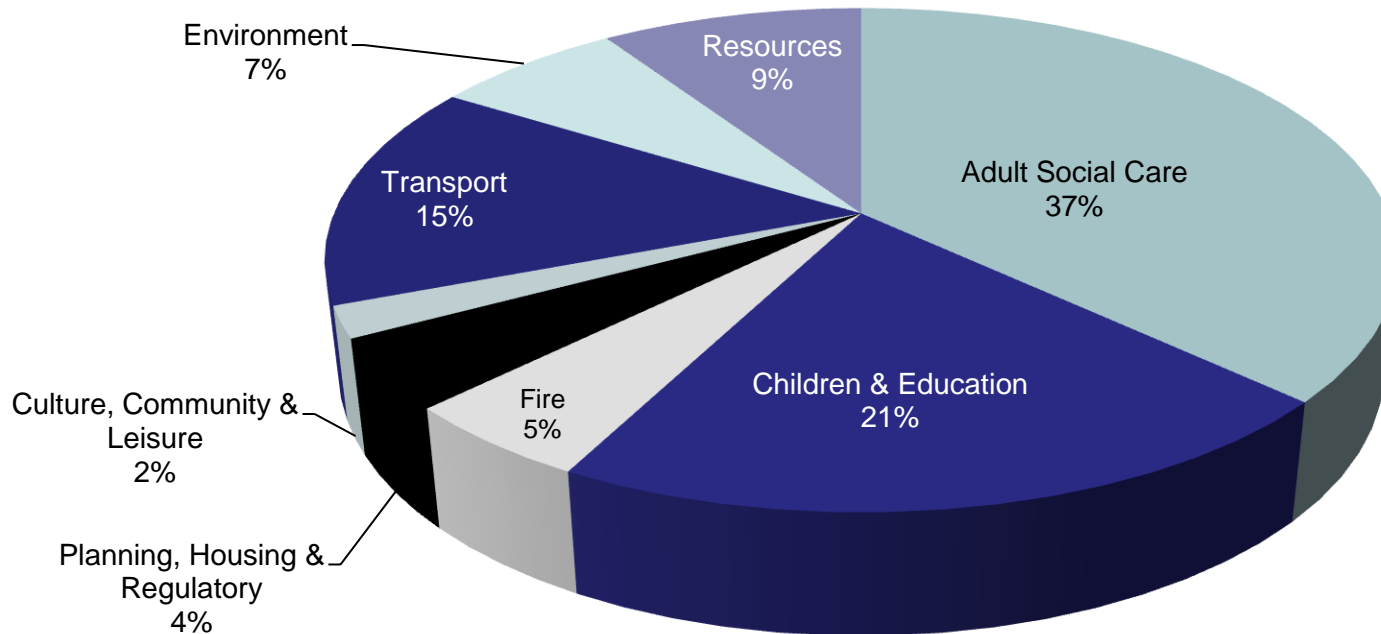
**£7.5m**

**£7.5m**

**£5m**

# Council Spending on Services – Current Year

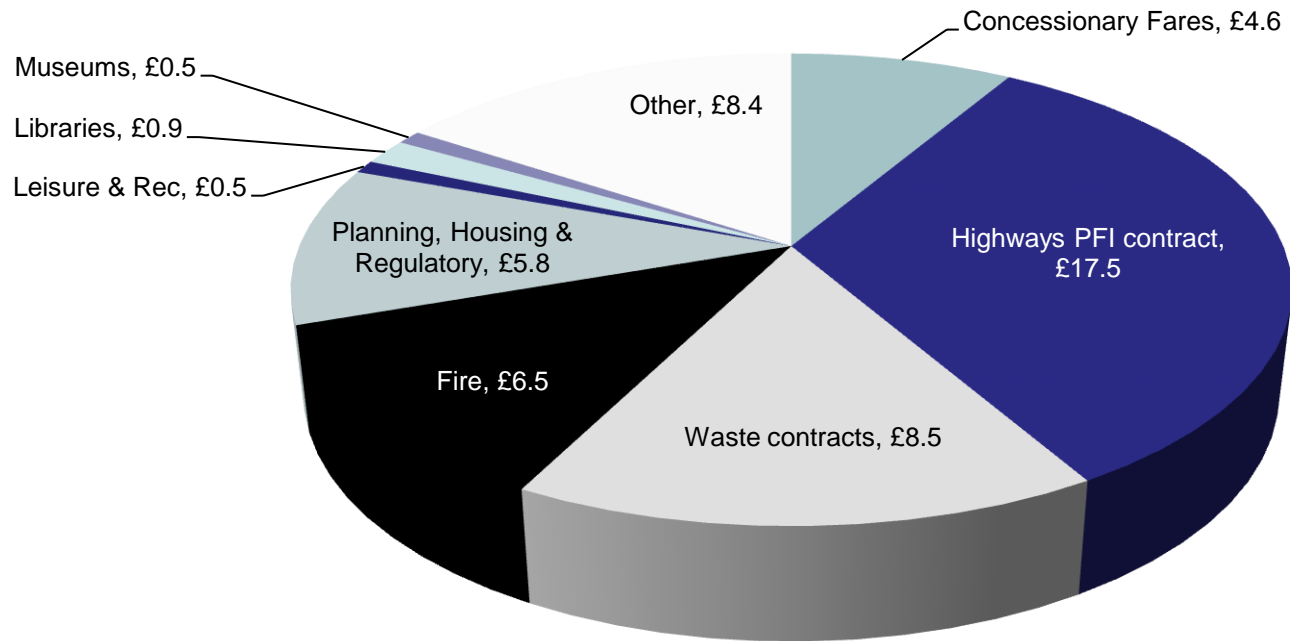
## 2016/17 Net Controllable Expenditure of £128m



**Savings required of £20m by 2019/20 (16% of controllable budget)**

# Scope for Savings – Outside of ASC & CSC

**2016/17 Net Controllable Expenditure £53m  
(excluding Adult Social Care and Children & Education)**



# SUMMARY

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Savings of £63m since 2011/12 (representing a reduction of over 30% in controllable spending)

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Future savings required of £20m over the next three years – representing a further 16% controllable spending (if a “cuts” alone strategy is adopted)

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58% of spend is consumed by Adult Social Care and Children and Education. If Highways PFI, Waste contracts and Concessionary Fares are added this climbs to 83%

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Adult Social Care represents the greatest financial challenge for the council; the decision of the level of Council Tax will be critical for Adult Social Care Services on the Island

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Savings requirement for 2017/18 amounts to £7.5m – to be found from increased income / funding and service reductions

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Aspiration to create a prosperous and sustainable Island community based on the pillars of regeneration, growth and productivity.

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# Isle of Wight Council Budget Consultation 2017/18

Areas for discussion  
and  
Q & A

# QUESTIONS...

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- Where could greater use of technology be made to save money?
- Where could the council do more with the voluntary sector?
- What could the council do with other local authorities?
- Where should the council reduce its spending on services?
- Where should the council invest its capital funds to secure income?
- What could the council do to act more commercially / entrepreneurially?
- What improvements to the infrastructure should be pursued?
- Where and what type of businesses should be encouraged?
- To what extent should the building of new homes be pursued?
- Should the 3% council tax increase for adult social care be applied?



# YOUR VIEWS...

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- Rank three areas for continued or increased financial investment ?  
(1 is high)
- Rank three areas for reduced or no investment?  
(1 is most preferred less funding)
- List any service areas for review not already covered elsewhere in the presentation (free response)?
- What would be your views on a council tax increase of more than 4.99% (requiring a referendum)?



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WIGHT  
C O U N C I L