

Isle of Wight Council

Revenue and Capital Budget Summary 2009/10



Corporate Plan

The corporate plan is our main strategic planning document, providing a framework for the delivery of our services. It is a clear statement of the Eco-Island vision, strategic aims and policy and delivery of priorities for the next three years. The plan also outlines the key actions which will support the delivery of these priorities with service objectives underpinning those priorities which will demonstrate success.

The corporate plan helps us to align our resources both to local people's priorities and to our local priorities for internal management. We are committed to consulting and involving local people and communities in decisions about the services that affect them. This helps us to continuously improve the quality of our services and to meet residents' priorities.

Maximum impact can only be achieved if we work towards shared goals within the council, as well as ensuring we work with our partners both on the Island and the wider region where appropriate.

As a core partner on the Island Strategic Partnership (ISP) we play a major part in cross-agency discussions focused on improving the Island. The overarching vision for the ISP is set out in the Eco-Island Sustainable Community Strategy 2008-2020 which aims to make the Island a great place to live, work and visit.

With the development of the Island's new Local Area Agreement (LAA) with central government, local partners such as health, police and the voluntary sector are focused and committed on working more closely together for the benefit of the Island.

Contents

Introduction	3
The budget summary	
Overall revenue budget summary	4
Changes from the 2008/09 base budget	5-6
Where the money comes from	7
Service budgets	
Schools	8
Children's services	9
Community services	10
Resources	11
Environment and neighbourhoods	12
Corporate Services	13
Corporate management and Chief Executive	14
Corporate Plan	15
Capital programme	16-17
Glossary of terms	18-19
Council tax information	20

Introduction

The 2009/10 revenue budget, 2009/10 council tax and the three year capital programme were agreed by Council at its meeting on 25th February 2009. Although this agreed the specific resources and spend levels for 2009/10, this was done within a medium-term approach.

The key elements of the Medium-Term Financial Strategy are therefore to

- invest in key projects, priorities and change in services that deliver improved outcomes for residents
- maintain and improve core service delivery and performance so that we are an effective Council
- maintain appropriate levels of Council tax increases
- reduce costs to ensure we are an efficient organisation that delivers value for money
- invest up front in transformation, ICT, and property rationalisation to deliver long term savings
- be clear and realistic about the priorities of the Council and its capacity to deliver
- balance the budget and deliver a sustainable organisation that lives within its means on an ongoing basis

In delivering on the corporate themes of a thriving island, a healthy and supportive island, a safe and well kept island and an inspiring island, the activities outlined in the service plans to deliver the required outcomes need to be supported by service budgets.

This means that over time we have to re-shape our budget and redirect resources away from lower priority areas and ensure we live within our means.

This is set against a backdrop of a deepening recession, fall in income and very constrained resources.

An essential ingredient to the Medium-Term Financial Strategy is therefore the delivery of value for money and consequent achievement of significant deliverable savings from transformation and efficiency measures.

This budget book sets out the specific details for the 2009/10 financial year.

David Burbage
Director of Finance



Budget consultation 2009/10

A consultation exercise, aimed at identifying budget priorities for the coming year was undertaken during December 2008 and January 2009.

It consisted of a series of qualitative focus groups and a quantitative survey in One Island magazine distributed through the County Press and featured online at iwight.com.

In total 486 survey responses were received.

Focus group meetings were also established and attended by the Leader and Members of the Cabinet.

Invitations were issued to the following groups:-

- a. Voluntary & community sector, parish & town councils and the island's minority groups
- b. Local business community, including trade councils and trade unions
- c. Island youth, including the IW Youth Council, Connexions, LACES and schools.
- d. Older Voices, Older Persons Network and Age Concern.
- e. IWC staff, UNISON and trades councils.

See pages 5 and 6 for details of how the budget has changed in response to the feedback we received.

The Budget Summary

Overall the Council's budget requirement will be £206,674,000 during the coming year which, after taking account of the dedicated schools grant of £74,685,000 and use of reserves of £3,900,000, equates to a total net budget of £128,089,000.

Overall revenue budget summary	2008/09 £000's	2009/10 £000's
Children's services	26,941	27,875
Community services	50,663	50,086
Environment and Neighbourhoods	37,148	39,566
Resources	1,719	1,953
Corporate Services	2,422	2,767
Chief Executive	3,250	2,564
Corporate Management	2,701	1,614
Net service expenditure	124,844	126,425
Local public service agreement 2 pump priming grant (LPSA)	(367)	0
Private finance initiative waste disposal grant	(1,248)	(1,248)
<i>Financing adjustments</i>		
Interest payable	10,172	11,079
Interest receivable	(1,007)	(160)
Net adjustments for retirement benefits in accordance with financial reporting standard (FRS)17	(1,896)	(1,896)
Depreciation	(9,953)	(9,951)
Minimum revenue provision for capital financing	7,067	7,740
Use of reserves	(5,000)	(3,900)
Total budget	122,612	128,089
Redistributed business rate income	(49,813)	(48,041)
Revenue support grant	(6,934)	(11,089)
Council tax excluding collection fund deficit	65,865	68,959
Contribution to collection fund	377	115
Expenditure to be met from council tax payers	66,242	69,074
Council tax base	54,484.2	54,892.50
Council tax at band D	1,215.80	1,258.35

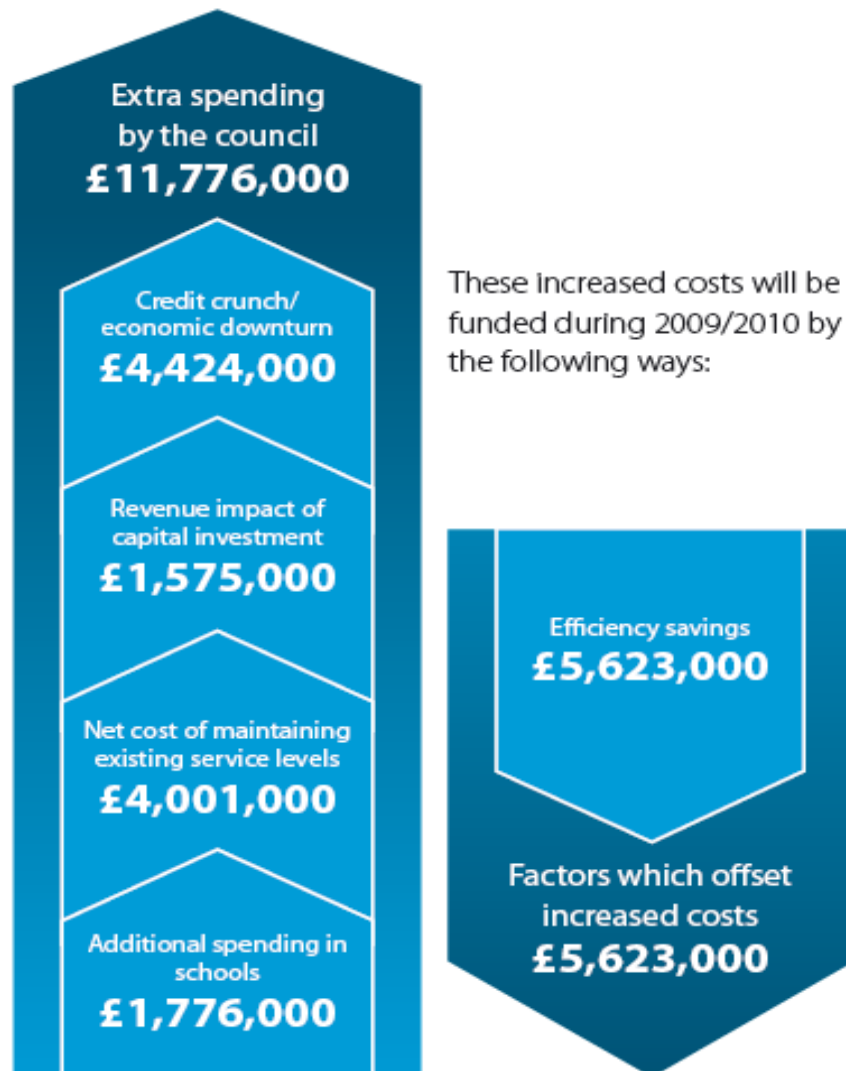


Isle of Wight Council
Revenue and Capital Budget Summary 2009/10

		£000's	£000's	£000's
2008/09 base budget				200,521
Inflation (pay award & prices)				4,053
Pension Fund increase				450
Service adjustments				
Children's Services	Additional spending in schools	1,776		
	Efficiency savings	-114		
	Music Service	72		
			1,734	
Community Services	Deferred payments scheme	-600		
	Credit Crunch	100		
	Service Savings	-2,034		
	Efficiency savings	-179		
			-2,713	
Environment & Neighbourhoods	Credit Crunch	1,526		
	Service Savings	-875		
	Efficiency savings	-116		
			535	
Corporate Services	Credit Crunch	300		
	Service Savings	-141		
	Efficiency savings	-9		
			150	
Resources	ICT/Project office costs	500		
	Credit Crunch	86		
	Service Savings	-538		
	Efficiency savings	-63		
			-15	
Chief Executive	Service Savings	-360		
	Efficiency savings	-19		
			-379	
Other items	Increase in capital financing costs	1,575		
	Reduction in interest rates on advances	847		
	Service Savings	-84		
			2,338	
				1,650
2009/10 base budget				206,674

Spending changes

The Isle of Wight Council plans to spend £336.7 million in 2009/2010 on providing services for Islanders. After deducting specific grants and income of £130 million, the budget requirement including schools is £206.7 million. This is £6.2 million higher than the 2008/2009 budget requirement.



These increased costs will be funded during 2009/2010 by the following ways:

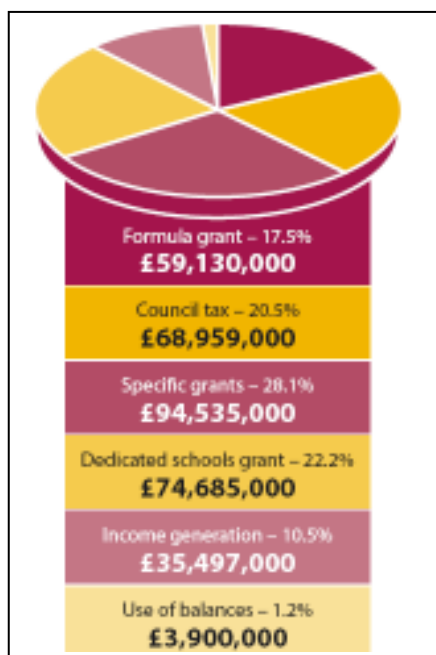
Once increased costs, and the factors which offset them, have been taken into account, the budget increase over last year is:

£6.153 Million

Where the money comes from

The money the Council uses to provide services comes from sources including:

- formula grant from the Government;
- the council tax;
- grants for specific services and projects;
- income from charging for certain services.



Use of Reserves

The agreed strategy over the three years is to use £10.2m of General Fund balances of which £3.9m would be used next year. Originally it was projected that there would be £15.2m of general fund balances available at 1st April 2008. In the event there was an improvement to £16.0m thus there would still be an uncommitted balance of £5m always remaining as a minimum. In addition a further £3m has been set aside for preparation costs of the Highways PFI.

The appropriate use of the general fund balances in this way enables the Council to deliver a coherent strategy, invest in priorities, modernise in a planned way and deliver appropriate Council Tax increases over time. It also follows a prudent path and sustains a healthy level of reserves and provisions.

Fees and Charges

Income from fees and charges for Council services is normally assumed to rise by inflation year on year. Fees and charges for all Council services are subject to such an inflation factor except where specific circumstances dictate otherwise. For example, certain fees and charges are set by statute and the Council is obliged to use those statutory fees when charging for those services. With regard to locally set fees and charges, the Council may choose to levy more, or less, than the assumed rate of inflation for particular categories of income in any given financial year.

As part of the overall strategy and recognising the impact of the recession it is proposed that no general increase in charges are made for 2009/10. Indeed the Council recently announced a reduction in the price of school meal, a price level which will be held until 2010.

The only specific increases proposed are :-

- Removal of free parking on Ryde Esplanade
- Reduction in level of discount on Chain ferry

The overall cost absorbed by the Council from not increasing all other fees and charges is some £600k covering over 500 separate fees and charges items.



Service Budgets
Childrens Services – Schools

	Gross Expenditure £000's	Income £000's	Net Expenditure £000's
Individual schools budgets	70,383	0	70,383
School standards grant – maintained schools	3,618	(3,618)	0
School standards grant – pupil referral units	39	(39)	0
School standards grant (personalisation) - maintained schools	1,088	(1,088)	0
School standards grant (personalisation) – pupil referral units	4	(4)	0
School development grant	2,752	(2,752)	0
Other standards fund allocation – devolved	1,687	(1,687)	0
Threshold and performance pay - devolved	0	0	0
Expenditure for education of children under 5's in private, voluntary and independent settings	2,379	0	2,379
Support for schools in financial difficulties	235	0	235
School specific contingencies	0	0	0
Provision for pupils with SEN	2,892	0	2,892
Support for inclusion	286	0	286
Fees for pupils at independent special schools and abroad	1,726	(13)	1,713
SEN transport	426	0	426
Fees to independent schools for pupils without SEN	0	0	0
Inter-authority recoupment	68	(15)	53
Contribution to combined budgets	0	0	0
Pupil referral units	793	(66)	727
Behaviour support services	299	0	299
Education out of school	156	0	156
14-16 more practical learning options	228	0	228
Central expenditure on education of children under 5s	3,722	(2,846)	876
School meals, free school meals, milk and school kitchens	65	(46)	19
Insurance	13	0	13
Museum and library services	0	0	0
School admissions	85	0	85
Licences/subscriptions	13	0	13
Miscellaneous	0	0	0
Servicing of school forums	72	0	72
Staff costs – supply cover	56	0	56
Termination of employment costs	363	0	363
School development grant – non devolved	0	0	0
Other standards fund allocation – non devolved	874	(874)	0
LSC funding for 6 th form students	0	(7,505)	(7,505)
Dedicated schools grant	0	(74,640)	(74,640)
Dedicated schools grant carried forward from 2007/08	0	500	500
Capital expenditure from revenue (CERA) (Schools)	371	0	371
Prudential borrowing costs	0	0	0
Totals	94,693	(94,693)	0

Children's Services – Non schools

	Gross Expenditure £000's	Income £000's	Net Expenditure £000's
Other education and community budget			
Special education	994	(79)	915
Learner support	4,595	(1,141)	3,454
Access	950	(275)	675
Youth and community	2,816	(1,486)	1,330
Adult and Community Learning	642	(644)	(2)
Youth Justice	531	(259)	272
Children and young peoples services			
Looked after children	7,502	(556)	6,946
Children and young peoples safety	604	(392)	212
Family support services	2,950	(214)	2,736
Asylum seekers	11	0	11
Others children's and family services	988	(253)	735
Childrens services strategy	2,230	(134)	2,096
Local authority education functions			
Statutory regulatory duties	2,157	0	2,157
Premature retirement costs/redundancy costs	0	0	0
Existing early retirement costs	373	0	373
Residual pension liability	19	0	19
Joint use arrangements	0	0	0
Insurance	0	0	0
Monitoring national curriculum assessment	62	0	62
Specific Grants and Specific Formula Grants			
School development grant	0	0	0
Other standards fund allocation	0	0	0
Other specific grant	0	0	0
Total specific grant	0	0	0
Capital expenditure from revenue	0	0	0
Capital financing costs	4,936	0	4,936
FRS17 pensions current service costs	948	0	948
Total Non schools	33,308	(5,433)	27,875
Totals Children's Services	128,001	(100,126)	27,875

Aims and objectives:

Learning and achievement:

Embed the Framework for Learning and Achievement and develop the 14-19 Strategy across the Directorate and schools. Ensure a reduction in schools requiring additional support through targeted intervention funding. Reduce the number of pupils excluded, and the numbers becoming NEET. Raise Achievement at Key Stages 2, 4 and 5

Preventative Services:

Enable children and young people to build resilience and well being to achieve their potential. Develop integrated locality working as part of a preventive approach and framework in order to improve early success indicators for children and young people. Improve access to integrated specialist preventative services by building capacity of professionals.

Targeted Intervention:

Promote parenting and anti bullying strategies, developing effective family support and intervention to children and young people with complex and acute needs. Embed the role of LSCB and promote a safeguarding strategy to ensure all children and young people are able to access services. Reduce the number of children coming into care. Improve placement stability and outcomes for children in care. Reduce the number of children experiencing significant harm and ensure effective safeguarding process and systems.

Planning and Resources:

Implement an integrated service to improve standards of service delivery.

Aims and Objectives:

Adults

Transforming social care - implement personalisation by establishing key service components and agreeing a shared vision across the Isle of Wight care and support community.

Corporate transformation - embed Isle of Wight Council business transformation objectives to deliver efficient and effective operational business practice and processes.

Housing

Maximise the provision of affordable and low cost homes.

Tackle homelessness and increase housing options and homelessness prevention work to reduce the use of temporary accommodation.

Provide choice and improved access to affordable housing
Stimulate private sector housing renewal to meet the government's decent homes targets.

Assess the quality of supporting people service provision and monitor the contract performance of individual services.

Reconfigure and re-contract a range of services in line with supporting people programme grant flexibilities.

Improve recognition of preventative services across key partnerships.
Address deprivation of Pan Ward.

Culture and Leisure

Improve access to cultural and leisure opportunities

Improve the standard of the culture and leisure services offered in respect of facilities and services
Develop effective partnerships to improve island life

Provide opportunities for all to learn and achieve their full potential

Implement actions from inspections and business reviews to improve customer services.

Community Services

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Adult service strategy	221	0	5	226
Older people (aged 65 or over)	27,328	(5,506)	3,767	25,589
Adults aged under 65 with sensory/physical disabilities	4,281	(831)	545	3,995
Adults aged under 65 with learning disabilities	9,686	(2,258)	1,268	8,696
Adults aged under 65 with mental health needs	3,011	(758)	447	2,700
Other adult services	2,417	(2,233)	1	185
Supported employment	420	(26)	3	397
Supported adult services and management costs	3,665	(562)	(3,103)	0
Internal trading accounts	1,245	(1,157)	(88)	0
Adult services inflation /growth/savings unallocated	154	0	(135)	19
Nursing care unallocated to client groups	977	(1,700)	0	(723)
Housing strategy	640	(320)	155	475
Housing advances	0	(1)	0	(1)
Private sector housing renewal	401	(41)	0	360
Homelessness	2,280	(1,293)	0	987
Supporting people	6,092	(5,950)	1	143
Housing support services and management costs	122	0	278	400
Housing inflation contingency unallocated	102	0	0	102
Adult and community learning	948	(805)	29	172
Archaeology	198	(41)	16	172
Culture and heritage	1,827	(823)	272	1,276
Recreation and sport	3,913	(2,310)	798	2,401
Open spaces	576	(320)	151	407
Library service	2,151	(323)	318	2,146
Culture and leisure support services and management costs	532	(4)	-567	(39)
Totals	73,187	-27,262	4,161	50,086

Resources

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
ICT	2,601	(86)	(2,515)	0
Strategic Projects	581	0	(581)	0
Compliance and Risk	363	0	(363)	0
Procurement	124	(14)	(110)	0
Financial management	1,717	0	(1,717)	0
Exchequer and residents services	4,339	(2,116)	(1,093)	1,130
Housing Benefit Payments	54,307	(54,200)	0	107
Strategic Asset Management	771	(461)	(310)	0
Other land and buildings	999	(289)	(836)	(126)
Corporate Management	642	0	200	842
Totals	66,444	(57,166)	(7,325)	1,953

Aims and Objectives:

Compliance and Procurement

Provide an internal audit, risk management and insurance service across all areas of the council with the overarching objective of providing a reasonable assurance of effective control, risk management and transference processes are in place to reduce the councils key risk exposures to acceptable levels.

Provide a sustainable and cost effective supply chain for the purchasing and supply of goods and services focused on the achievement of legal compliance and value

Exchequer and Residents Services:

Provide high quality, cost effective customer accounts, payments, payroll, pensions, revenue and benefits and tax and VAT management services. Residents Services provide face to face and telephonic customer services and aim to raise standards and improve the responsiveness of the council

Financial management

Manage the Council's finances and provide a framework which secures the financial resources of the Council and allows their effective use in delivering efficient services to the local community in a fully transparent and accountable manner both in year and into the future

Strategic Assets

Deliver the strategic accommodation rationalisation programme

Deliver the property elements of the council's strategic programme

Implement a strategic approach to the management of the council's property assets
Meet building maintenance health and safety and statutory compliance requirements

Strategic Projects

Provide assurance for the council's programmes and projects

Manage delivery of the strategic transformation programme

Implement the information observatory and GIS

Implement the business systems improvement programme

ICT

Achieve significant improvements in customer insight. Enable more efficient and effective ways of working. Provide value for money ICT to the organisation. Reduce the ICT carbon footprint



**Aims and objectives:
Environment and Waste
management**

Maintain and develop a safe and enjoyable network of green spaces, coastal areas and public amenities. Implement Nottingham declaration on climate change.

Create an effective and robust service management structure capable of and empowered to deliver appropriately planned service priorities.

Achieve the IOW Councils LATs targets for 2009/10 and ensure compliance with LAA2 NI192 and England Waste Strategy 2007 targets.

Highways

Reduce traffic impact and increase opportunities to travel by sustainable means.

Improve the management and safety of our highway network.

Fire Service

'Prevent, Protect and Respond' to secure a safe society by reducing the incidence of death, injury and damage to property from fire and other emergencies.

Community safety

Ensure that the merged community safety services are fit for purpose. Improve service delivery and partnership working internally and externally. Implement transformation programme within the service area. Deliver statutory plans and programmes and eco island and LAA projects and initiatives assigned to the service area on time and within allocated budgets.

Planning

Deliver local planning policy via the LDF process having regard to national guidelines, and ensure subsequent development meets with the Council's approved policy. Deliver a robust Building Control Service. Support and work with the AONB Partnership.

Environment and Neighbourhoods

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Waste management	10,643	(56)	477	11,064
Parks and Countryside	2,114	(417)	213	1,910
Highways and transport	18,049	(7,432)	916	11,533
Coastal management	946	(177)	161	930
Sustainable development strategies	246	(165)	16	97
Fire and rescue service	7,230	(170)	(14)	7,046
Emergency planning	157	0	17	174
Community safety	3,451	(1,967)	152	1,636
Bereavement services	736	(913)	88	(89)
Environmental health	1,204	(460)	495	1,239
Trading standards	472	(16)	219	675
Service management	347	0	(337)	10
Court services	315	0	8	323
Building Control	539	(420)	99	218
Development Control	1,967	(694)	474	1,747
Planning Policy	951	(2)	9	958
Environmental initiatives	233	(152)	14	95
Totals	49,600	(13041)	3,007	39,566



Corporate Services

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Democratic representation	1,281	(6)	1,057	2,332
Directorate of Corporate Services	178	0	(178)	0
Human Resources	1,904	(320)	(1,584)	0
Legal services	1,256	(32)	(1,224)	0
Elections	139	(2)	35	172
Land charges	183	(237)	26	(28)
Parish and community development	134	(4)	41	171
Registrars	187	(150)	52	89
Northwood House	188	(177)	20	31
Totals	5,450	(928)	(1755)	2,767

Aims and Objectives:

Legal Services

Deliver a broad variety of training across the council. Successfully support school reorganisation. Develop and improve provision of legal advice to Adult safeguarding team and childrens services. Maintain and improve information governance.

Human Resources

Support the transformation agenda. Implement the people strategy.

Democratic services

Facilitate the elections in 2009. Establish the new administration post election. Support new parish councillors. Increase percentage of staff who understand how to report ethical issues. Implement BSIP tranche 1 of the transformation project.

Registration service

Continue to develop the registration service taking advantage of legislative changes and deliver the service in an appropriate setting. Develop and implement a service operational plan in order to strive to meet the better practice benchmark as outlined in the GRO/LACORS guide to good practice in local registration services.



Aims and Objectives:

Communication and Public Relations

Improve public perceptions of the council and its services.

Inform and engage staff in the work of the council and the modern council programme.

Build the reputation of the Isle of Wight as a number one visitor destination.

Build and develop effective partnership communications.

Economic and Tourism Development

Improve the economic well being and sustainability of the island.

Maximise the all round benefits of sustainable tourism to the Isle of Wight.

Develop an effective island strategic partnership working collaboratively to the benefit of the island.

Create the environment for a thriving voluntary and community sector on the Isle of Wight.

Corporate Policy and Performance

Lead, implement, review and monitor the delivery of the council performance management framework.

Lead and co-ordinate corporate policy management.

Enable the Island Strategic Partnership to performance manage the Local Area Agreement.

Corporate Management

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Corporate management	123	(2)	15	136
Other precepts & costs	378	0	1,100	1,478
Totals	501	(2)	1,115	1,614

Chief Executive

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Chief Executives Office	261	0	17	278
Corporate Policy and Performance	411	0	36	447
Communications	853	(17)	(836)	0
Partnerships	165	0	27	192
Economic Development and Regeneration	464	0	(149)	315
Events	340	(131)	102	311
Tourism	1,045	(402)	289	932
Customer Care	165	0	(165)	0
Civic Affairs	89	(2)	2	89
Totals	3,793	(552)	(677)	2,564

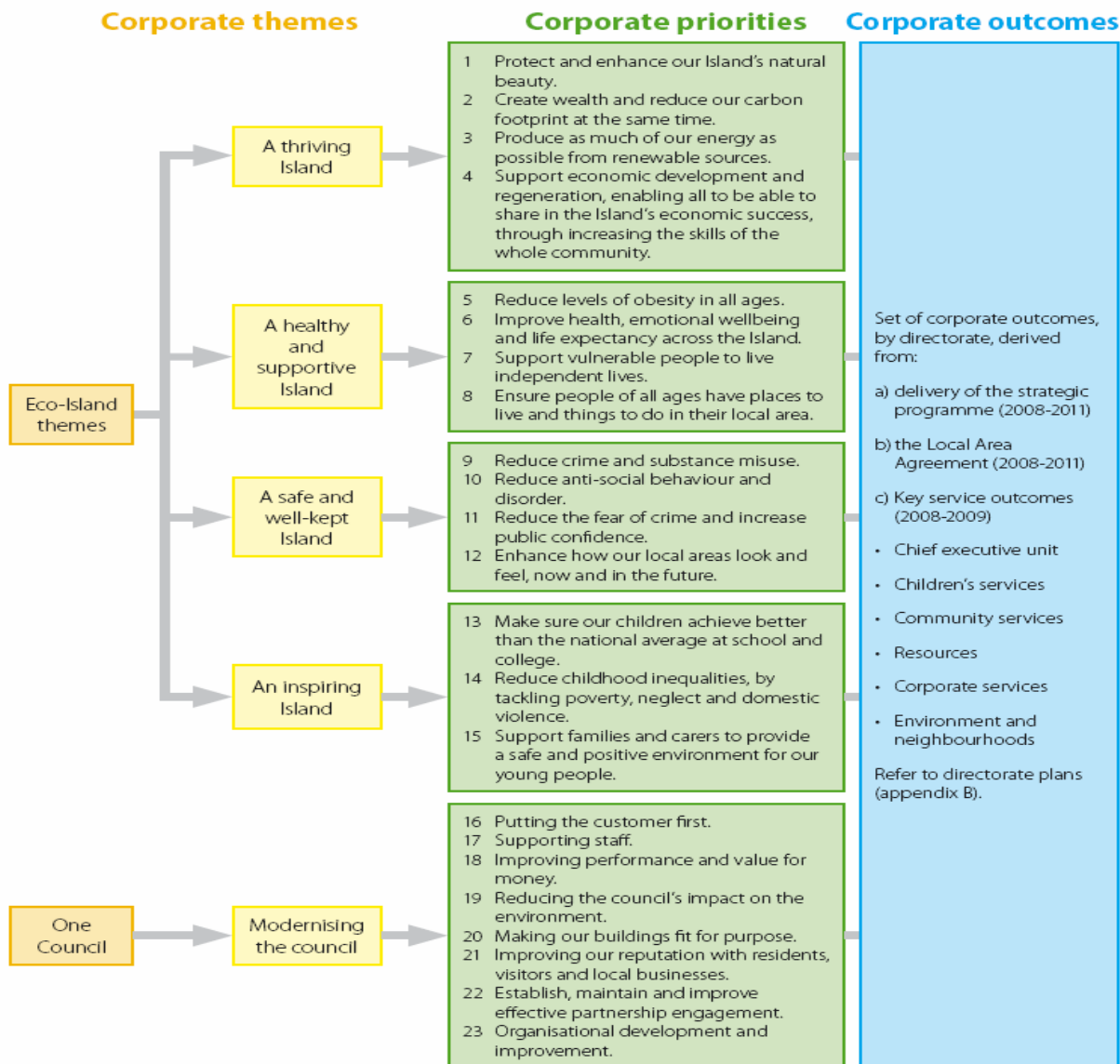


Corporate Plan

The Corporate Plan is a key component of the authority’s performance management framework and sets out how the authority’s priorities are translated into action plans, and how the impact of those delivers outcomes for residents.

The themes in the Corporate Plan provide the basis for the setting of the Council’s budget to deliver the key strategic improvement priorities that will make a difference to the way services are delivered and improved for residents and visitors.

The corporate priorities and outcomes under the Corporate Plan themes are:-



Capital Programme 2009/10

The 2009/10 capital programme has been structured to implement significant investment in schools, environmental infrastructure, housing and leisure facilities that will deliver against the four key Eco-Island strategic themes:

- A thriving Island
- A healthy and supportive Island
- A safe and well-kept Island
- An inspiring Island

As well as the investment being directed at transforming the council within the programme, this capital review process demonstrates a firm commitment to transformation, satisfying the Council's 5th corporate theme:

- Modernising the Council

Resources

The level of capital resources available determines the total capital spending in the year. There are five sources of funding available:

- **supported capital expenditure** (revenue) (SCE) amounts are allocated by central government and represent an amount of borrowing that government will support in order to finance the capital programme.
- **prudential borrowing** can be taken over and above SCE where the capital financing costs are met from revenue budget savings or directly from council tax;
- **capital grants and contributions** are received by the Council from a number of sources. These are usually for specific items of capital expenditure and come with specific conditions attached;
- **capital receipts** are obtained from the sale of capital assets. These receipts are held corporately and are used to fund capital projects;
- **revenue contributions** can be made from the revenue budget of a service towards their capital programme. However pressure on revenue budgets means there is limited opportunity for such support.

Setting the budget

Last year, the Council decided to augment its supported borrowing by agreeing to use 'prudential' borrowing to the tune of £30 million over the three years 2008-2011. Appropriate provision has been made in the Council's revenue budget and the Medium Term Financial Strategy to finance the borrowing implications of the capital programme.

Capital Programme 2009/10

The Council plans to spend £39.9m on capital projects in 2009/10 and the final decision on this programme will be made at Full Council on 31.3.09. The tables below therefore show the recommended capital programme at the time of this document going to print.

Capital expenditure forecast	£000's
Community services	4,951
Children services	9,493
Environment and neighbourhoods	19,223
Resources	6,246
Chief Executive	25
Totals	39,938

Resources available	£000's
Supported capital expenditure	8,231
Prudential borrowing	14,963
Grants and contributions	14,452
Capital receipts	1,920
Revenue contributions	372
Totals	39,938

Monitoring the Capital Programme

Due consideration is given at all stages of capital planning to the ongoing capital and revenue implications of the capital programme. A process of rigorous monitoring of all capital projects is carried out and reported to cabinet through the integrated performance reports.



Glossary of Terms

Area Based Grant (ABG)

From 1st April 2008 this grant will be a non-ringfenced general grant available to support local priorities. It replaces a large number of specific grants provided by government in previous years and allows the council greater flexibility over its use.

Billing authority

A local authority responsible for collecting the council tax and non-domestic rates in its local area, i.e. unitary councils, metropolitan districts, London boroughs, the City of London and district councils in areas where there is a two-tier system of county and district councils.

Budget

A statement defining the council policies in financial terms.

Business Rates

A levy on businesses based on a national rate in the pound set by the government and multiplied by the 'rateable value' of the premises they occupy. Business rates are collected by billing authorities on behalf of central government who then redistribute it among local authorities and police authorities on the basis of population. It is also known as national non-domestic rates (NNDR).

Capital expenditure

This includes spending on the acquisition, creation or enhancement of assets, either directly by the local authority or indirectly in the form of grants to other persons or bodies. Expenditure not falling within this definition of capital expenditure must be charged to the general fund as revenue expenditure.

Capital receipts

The proceeds from the disposal of land or other assets that can only be used to finance capital expenditure or repay outstanding debt on assets financed from borrowing.

Collection fund

A fund administered by each billing authority. It is used to record local taxes and NNDR collected by the authority, along with payments to precepting authorities, the national pool of non domestic rates and its own general fund.

Council tax

This is the main source of local authority taxation. It is levied on households, by the billing authority within its area and the proceeds paid into its collection fund for distribution to its precepting authorities and for use by its own general fund services. The level of council tax applied to each household is based on the property band, the rate applied by the council, the police authority and parish council if appropriate. See page 20 for further details of the Isle of Wight Council rates.

Council tax base

The number of properties valued in council tax band D in an area.

Council tax benefit

Assistance provided by billing authorities to adults on low income to help them pay their council tax bill. The cost to authorities of council tax benefit is largely met by government grant.

Dedicated schools grant

From the 1st April 2006 this specific grant is paid by central government to fund schools budgets and is not available to support services provided from the general fund.



General fund

This is the main revenue fund of a billing authority. Day to day spending on service is met from the fund.

Local authority business growth incentive scheme grant (LABGIS)

LABGIS is an incentive scheme that aims to encourage local authorities to increase business growth in their areas by giving them additional revenues to spend.

Local public service agreement 2 pump priming grant (LPSA)

The LPSA itself is a contract between a Local Authority and Central Government focused on a series of agreed targets for the Council, Health and Police services. It is entirely voluntary and the Government provides some pump priming to support its development.

Medium Term Financial Plan (MTFP)

The MTFP provides an opportunity to determine the council's resource allocation over a period of years allowing consideration of potential changes in service demand and legislation. It also allows policy alternatives to be financially evaluated and match service demands to likely resource availability.

Net expenditure

Gross expenditure less service specific income, but before the deduction of formula grant.

Precept

A charge made by a precepting authority on a billing authority requiring the latter to collect income from council taxpayers on their behalf.

Precepting authority

Those authorities which are not billing authorities i.e. do not collect the council tax and non-domestic rate. County councils, police authorities and joint authorities are 'major precepting authorities' and parish, community and town councils are 'local precepting authorities'.

Prudential borrowing

Borrowing used to finance capital expenditure which does not have SCE(R) support. The financing costs of such borrowing have to be met from revenue savings or directly from council tax.

Reserves

All authorities hold reserves in order to meet future liabilities or spending commitments, both known and unknown.

Revenue support grant (RSG)

A grant paid by central government to aid local authority services in general as opposed to specific grants which may only be used for specific services. The grant makes up the difference between expenditure and the amount which would be collected in council tax for that level of expenditure and the amount of non domestic rate distributed.

Specific grants

The term used in this booklet to describe all government grants – including supplementary and special grants – to local authorities other than revenue support grant, capital grants and HRA subsidy.

Supported capital expenditure (revenue) SCE (R)

An approval to borrow in order to finance capital expenditure which permits an authority to pay for capital expenditure out of credit rather than cash. SCE(R) is issued before the start of the financial year to which it relates, and can only be used in respect of capital expenditure defrayed in that year. SCE(R) can be used in relation to any kind of capital expenditure.

Council Tax Banding and Precepts

The level of tax set by the Council to cover the cost of services it will provide in 2009/2010 is 3.5 per cent higher than in 2008/2009, equivalent to 73p per week for a band C taxpayer.

Band	Value of property (1/4/91)	Proportion of band D	Council Tax (excluding parishes)
A	Up to £40,000	6/9	£933.64 (£778.03*)
B	£40,001 to £52,000	7/9	£1,089.25
C	£52,001 to £68,000	8/9	£1,244.85
D	£68,001 to £88,000	9/9	£1,400.46
E	£88,001 to £120,000	11/9	£1,711.67
F	£120,001 to £160,000	13/9	£2,022.89
G	£160,001 to £320,000	15/9	£2,334.10
H	Over £320,000	18/9	£2,800.92

* Disabled reduction

The table below shows the combined costs for a band D council tax payer. The figures include the Isle of Wight Council, the Hampshire Police Authority and the Island's town and parish councils. Please note: the Council is required to show costs in this table as they affect band D council taxpayers.

	£ per band D property	£ Total 2009/2010	£ Total 2008/2009		£ per band D property	£ Total 2009/2010	£ Total 2008/2009
Isle of Wight Council	1,258.35	69,073,977	66,241,890	Nettlestone and Seaview	14.14	24,015.00	23,285.00
Hampshire Police Authority	142.11	7,800,773	7,384,788	Newchurch	9.35	10,300.00	10,300.00
Parish and town councils				Newport	16.04	127,247.50	109,814.60
Arreton	13.66	5,460.00	5,200.00	Nilton and Whitwell	12.45	12,200.00	12,200.00
Bembridge	46.96	97,000.00	97,000.00	Northwood	13.84	12,454.00	12,577.57
Bradling	52.01	43,250.00	41,250.00	Rookley	23.72	5,951.00	5,460.00
Brighstone	18.59	15,690.00	15,000.00	Ryde	23.06	200,000.00	188,762.35
Calbourne	23.55	9,339.00	9,117.00	Sandown	38.05	98,000.00	98,000.00
Chale	31.31	8,800.00	7,000.00	Shalfleet	30.82	23,000.00	14,000.00
Cowes	19.00	81,000.00	81,000.00	Shanklin	22.86	83,826.00	82,182.00
East Cowes	28.06	67,324.00	66,306.00	Shorwell	17.79	6,000.00	4,250.00
Fishbourne	18.16	7,638.00	7,638.00	St Helens	17.59	10,000.00	10,000.00
Freshwater	23.40	59,847.00	56,847.00	Totland	25.00	33,846.00	32,265.00
Gatcombe	35.63	7,300.00	6,300.00	Ventnor	36.57	99,500.00	99,500.00
Godshill	23.74	14,500.00	14,000.00	Whippingham	21.21	7,460.00	7,322.75
Gurnard	34.84	28,000.00	25,000.00	Wootton Bridge	31.27	46,350.00	45,000.00
Havenstreet and Ashe	24.66	8,600.00	9,900.00	Wroxall	14.02	9,375.00	8,930.00
Lake	12.96	25,000.00	40,000.00	Yarmouth	34.97	18,471.00	18,471.00