

Isle of Wight Council

Revenue and Capital Budget Summary 2010/11



Corporate Plan

The Council's Corporate Plan, which sets out the key strategic priorities for the Isle of Wight Council over the coming four years, was refreshed and agreed by Full Council on 25 November 2009. Whilst the priorities detailed in this plan do not amount to an exhaustive list, they should be taken as the definitive list of where resources ultimately will be prioritised.

The IW Council has identified seven key priorities as its focus for the next four years:

- Schools reorganisation
- Highways PFI
- Transforming Social Care
- Regeneration and the Economy
- Fire service modernisation
- Local Housing
- Delivering Better services

The councils' priorities listed above sit alongside a broader set of objectives adopted by the Island Strategic Partnership (ISP). This body is chaired by the council given its local democratic accountability. The sustainable community strategy or 'Eco Island' was agreed by the ISP in 2007 as its shared vision and remains a firm commitment. It Identified 4 themes:

- A thriving island
 - A healthy and supportive island
 - A safe and well kept island
 - An inspiring island
- and a range of targets with each theme.

Both documents can be found on www.iwight.com

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Introduction

The Council's 3 year budget strategy (2008/9-2010/11) was adopted on 20 February 2008 and refreshed in 2009 and at Council on 24 February 2010. It is based on the key features set out below:-

- A fixed three year Revenue Support Grant settlement for 2008/9, 2009/10, 2010/11
- Limiting council tax increases to the rate of inflation as measured by the RPI at September each year, and for 2010/11 to 2.5%
- Investment in, and redirection of resources to the council's key priorities; schools reorganisation, highways PFI, transforming social care, economy and regeneration, fire service modernisation, local housing and delivering better services.
- Investment in transformation, ICT and property rationalisation to achieve value for money, and long term efficiency savings
- A nil pay award in 2010/11 and limited inflation provision

This is set against a backdrop of :

- A fall in overall income from fees and charges, and in the interest earned on balances and reserves
- Additional service pressures and increasing demand for services
- Coping with the continued funding shortfall on the national concessionary fares scheme and the continued reduction in grant through 'damping' of some £3.5m per annum

The Council is therefore facing a very challenging financial position with limited resources and increased service need. The potential resources position for future years from 2011/12 when a new three year RSG settlement is implemented will be even more severe. The Council has, therefore, to plan on the basis of ever reducing funding for the foreseeable future all will therefore make significant savings in efficiencies and working differently through its 'Delivering better services' programme.

The council's three year strategy is based on responsible financial management, appropriate use of reserves, the implementation of programmes of major change and a drive for a more efficient organisation. The budget strikes a balance between the need to invest in capital infrastructure to improve services and direct resources to the vision and priorities, and the level of council tax increase, levels of fees and charges, level of savings and service reductions and use of any available balances.

David Burbage
Strategic Director of Resources



Budget consultation 2010/11

A budget consultation exercise is undertaken each year which this year included:

- a telephone residents' survey – 1106 interviews
- A budget simulator online model to gain more detailed feedback on priorities – 283 on line responses
- A workshop with stakeholder groups – 40 attendees

The majority of people that took part in the budget consultation opted for the following:

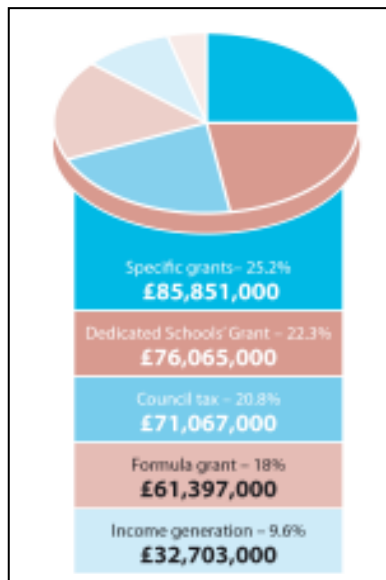
- Retain spending levels on those services that provide for 'human need' e.g. older people, learning difficulties, children's social care.
- Focus spend on those services that help our future as an Island e.g. economic regeneration, highways, tourism.
- Generate income from areas such as parking permits, car parking tickets, library fees, museums, theatres and arts charges, planning and building control and crematorium fees

These priorities have been reflected in the budget strategy.

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 2008/09 – 2010/11 was to use £10.2m of General Fund balances of which £1.3m would be used in 2010/11. Originally it was projected that there would be £6.3 of general fund balances available at 1st April 2010 which after the £1.3m use in 2010/11 would leave the minimum required of £5m of general fund balances available at April 2011.

However the pressures experienced in 2009/10 have meant that the council is, at the time of setting the 2010/11 budget, facing an overall potential overspend in 2009/10 of some £3m or more. Although concerted action is being taken to avoid this overspend, it would be unwise to use further balances with the budget strategy for 2010/11 and therefore none have been included.

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 no general increases in fees and charges were made in 2009/10.

In 2010/11 it is proposed that increased charges are made where it is appropriate to do so:-

- parking tariffs
- residents parking permits
- Cowes ferry car charge
- Student rider fare
- Wightbus fare and hire
- Crematorium and cemetery

This list is not exhaustive and reference should be made to iwight.com and specific service areas for full confirmation of increases.

Where the money will go in 2010/2011

	This year £'000	Last year £'000
Adult social services	59,330	57,077
Housing services ¹	65,738	65,592
Schools' budgets	97,429	97,172
Children's services	35,115	35,301
Fire service	7,495	7,192
Environmental services	2,278	2,606
Community safety	5,138	5,235
Street and beach cleansing	1,994	1,786
Waste management	8,443	8,188
Highways (including Private Finance Initiative [PFI])	9,078	7,775
Car parking ²	2,288	2,374
Street lighting	837	702
Public transport support	7,029	7,108
Planning and development control	4,012	4,284
Recreation and sport	5,861	5,317
Parks and open spaces	2,770	2,742
Economic and tourism development	2,314	2,485
Cultural, leisure and libraries	5,092	5,762
Other services	10,403	10,452
Other financing	8,206	6,972
Gross expenditure	340,850	336,122
Less grants and other income	-132,321	-129,448
Budget requirement including schools	208,529	206,674

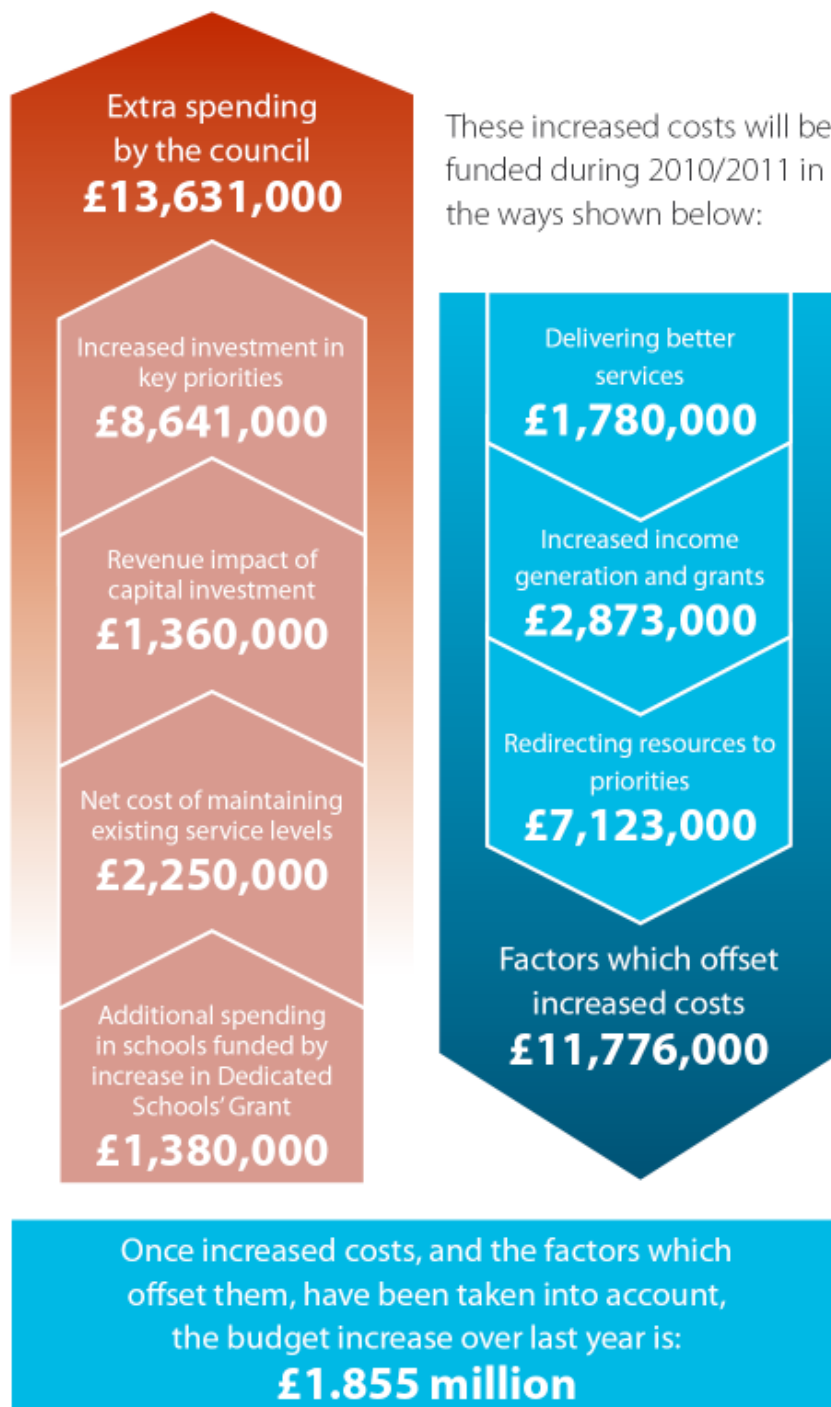
Note:

¹ The housing services figure includes housing benefits expenditure for which government subsidy (included with specific grants and other income) is received.

² The car parking figure represents expenditure on the service; income is included in the line with grants and other income.

Spending changes

The Isle of Wight Council plans to spend £340.8 million in 2010/2011 on providing services for Islanders. After deducting specific grants and income of £132.3 million, the budget requirement including schools is £208.5 million. This is £1.8 million higher than the 2009/2010 budget requirement.



The Budget Summary

As shown in the previous charts the council's gross budget requirement including schools is £208.5m. This includes a dedicated schools grant of £76,065, leaving a net budget requirement of £132,464.

Overall net revenue budget summary	2009/10 £000's	2010/11 £000's
Gross budget requirement		208,529
Dedicated schools grant		-76,065
Net budget requirement		132,464

Spending plans for the net budget requirement can be broken down as follows across the areas of line management responsibilities, having accounted for the service generated income, grant income, internal recharges and other internal adjustments required within local authority accounts:

Chief Executive	1,072	1,205
Children's services	29,137	28,452
Community services	52,940	57,101
Corporate Management	1,799	1,511
Environment and Neighbourhoods	39,544	38,324
Resources	5,033	5,020
Net service budgets	129,525	131,613
Private finance initiative waste disposal grant	(1,248)	(1,248)
Area based grant	(8,489)	(13,767)
<i>Financing adjustments</i>		
Interest payable	11,084	11,668
Interest receivable	(160)	(160)
Net adjustments for retirement benefits in accordance with financial reporting standard (FRS)17	5919	5,919
Depreciation	(9,951)	(9,951)
Minimum revenue provision for capital financing	7,740	8,390
Use of reserves	(6,332)	0
Net council budget	128,088	132,464

The amount to be funded from council tax is then calculated as follows:

Net council budget	128,088	132,464
Revenue support grant	(11,088)	(7,785)
Redistributed business rate income	(48,041)	(53,612)
Council tax excluding collection fund deficit	68,959	71,067
Contribution to collection fund	115	87
Expenditure to be met from council tax payers	69,074	71,154
Council tax base	54,892.50	55,167
Council tax at band D	1,258.35	1,289.80

Chief Executive

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
Chief Executives Office	222	0	20	242
Corporate Policy and Performance	628	0	23	651
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> • Effective Policy Management • Support the chief executive performance and strategy unit including the chief executive and strategic managers in achieving objectives set out in service plans within directorate • Effective complaints management • Accurate and reliable presentation of performance data to support well-informed decision making • Consistent approach to performance management across the authority and partners • To provide a business intelligence data hub associated with the reporting of performance that assists decision making and supports service improvement and inter agency working 				
Communications				
Communications	645	-1	-792	-148
Publications and Graphics	171	-44	0	127
Marketing and Events	363	-161	28	230
Internal Printing Service	16	-10	15	21
Civic Affairs	82	-3	3	82
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> • Residents feel more informed about council priorities, services, policies and plans • Isle of Wight has a positive reputation as a place to live, work, visit and invest and the Isle of Wight Councils role in this is positively acknowledged • Staff feel more informed and positively engaged in the work of the council and can actively contribute their thoughts and ideas • Residents feel able to get involved in local decision making and feel that the council takes account of their views • Services across the council are communicating more effectively and efficiently with their different audiences 				
Totals	2,127	-219	-703	1,205

Childrens Services

A full breakdown of the Childrens Services budget is not available at this point. Changes to statutory reporting deadlines, a reorganisation of the Childrens Services Directorate, and the impact of School Reorganisation on school budgets mean that the breakdown will not be available until May 2010. This document will be updated when a full analysis becomes available.

Community Services

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
Adults				
Transforming social care	790	-790	0	0
Adults management and overheads	1,298		485	1,783
OT and ICES services	1,538	-671	1	868
Safeguarding adults	441		-441	
Business development	1,390	-1	-923	466
Operational support	1,989	-799	-1,190	0
Older People and Physical Disability	5,032	-475	3,389	7,946
Service delivery	3,099	-364	-593	2,142
Learning disability	3,107	-323	1,137	3,921
Mental Health	1,323	-27	398	1,694
Community care	29,387	-6,074	0	23,313
Nursing care pooled budgets	3,934	-1,200	0	2,734
Key outcomes for services over the next 3 years are:				
<ul style="list-style-type: none"> • Modernised systems and practices to provide better services more effectively • A common assessment framework adopted that support joint working across statutory partners • White Lodge Campus closed and associated Islecare contracts re-commissioned • An inclusive and supportive strategy with care providers and voluntary organisations that helps them develop the market and their services to meet individual needs whilst remaining viable as a business • Vulnerable people will be supported to live independently and safely in their own homes • Increased life expectancy and healthy living 				
Community Safety				
Substance misuse	1,870	-1,749		121
Community safety	1,322	-29	83	1,376
Community safety admin	265	-1	-360	-96
Operational environmental health	1,118	-456	485	1,147
Operational trading standards	437	-16	219	640
Bereavement services	752	-935	89	-94
Coroner	384		8	392
Key outcomes for services over the next 3 years are:				
<p>Improved quality of life on the Isle of Wight through the delivery (on time and within allocated budgets) of</p> <ul style="list-style-type: none"> • statutory plans and programmes assigned to the Community Safety Services. • of Eco-Island and LAA projects and initiatives and capital projects assigned to the Community Safety Services. <p>Improved service delivery through transformation and effective partnership working internally and externally</p>				

Community services Cont.

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
Housing				
Housing management	60	-1	331	390
Housing Enabling Team	196			196
Housing Renewal Team	360	0	0	360
Homelessness and Housing Options Team	2,055	-1019		1,036
Supporting People Team	3,262		7	3,269
Pan Neighbourhood Partnership	299			299
Key outcomes for services over the next 3 years are:				
<ul style="list-style-type: none"> • More mixed tenure housing • A range of preventative housing support services to meet individual needs • Improved social economic and social wellbeing of pan residents • Improved standards in residential accommodation and public safety • A range of housing to meet individual housing needs 				
Culture and Partnerships				
Management and Admin	-114	0	133	19
VBG	531	-220	10	321
Arts	124	-45	17	96
Museum and Heritage	1,076	-438	80	718
Library service	2,111	-347	43	1,807
Partnerships	222	0	15	237
Key outcomes for services over the next 3 years are:				
<ul style="list-style-type: none"> • More island residents and visitors can benefit from lifelong learning and personal development activities in and through IWC cultural services • A more skilled and innovative third sector 				
Totals	69,658	-15,980	3,423	57,101

Corporate Management

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
Corporate management	126	0	0	126
Other precepts & costs	28	-2	1359	1,385
Totals	154	-2	1,359	1,511

Environment and Neighbourhoods

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
Management and Business Support	232	0	-232	0
Fire and rescue	7,055	-219	524	7,360
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> ensure communities feel safer through saving lives and reducing injuries whilst protecting the natural and built environment. ensure community protection, emergency response and incident prevention processes are robust and effective. ensure priorities drive resources allocation and manage resources effectively and efficiently. ensure a competent and healthy workforce. 				
Planning				
Planning	218	0	7	225
Planning policy	1,012	-135	61	938
Performance and Business	504	-18	98	584
Development control	973	-645	304	632
Building control	499	-427	75	147
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> Local Development Framework and the production of an Annual Monitoring Report ensuring the protection of designated areas Provision of new housing units on the Island including affordable housing Delivery of the Area of Outstanding Natural Beauty (AONB) Management Plan Consistent policy based planning decisions that are lawful with the reduced risk of challenge and appeal Improved Customer Satisfaction with the Planning Service The highest standards of design, energy efficiency and safety are applied in both the rural and urban environment Enforcement of planning decisions across all areas of the Island Planning to support the development and growth of Island Businesses and Inward Investment 				
PFI Programme	981	0	0	981
Transport and Highways				
Highways and Coastal	11,309	-6,114	602	5,797
Transport	7,265	-2,716	-141	4,408
Waste, Cleansing and Public Conveniences	11,078	-53	95	11,120
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> Reduced traffic impact and increased opportunities to travel by sustainable means Improved management and safety of our highway network Coastal defences are installed and maintained The Island's municipal waste is collected, managed, treated and disposal effectively 				
Environment	156	0	39	195

Economy and Environment Continued....

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
Economy, Tourism and Leisure				
Economic and Tourism Development	1,515	-483	225	1,257
Sports and Leisure	5,012	-2,823	466	2,655
Parks and Gardens	1,973	-367	193	1,799
Countryside	242	-60	44	226
Key outcomes for services over the next 3 years are:				
<ul style="list-style-type: none"> • Encouraging local firms to bid for public sector work and emphasising the creation and retention of local jobs by strengthening the overall business base of the Island • Supporting the development of suitable renewable energy schemes by increasing the activity on the Isle of Wight as a centre for excellence in the development and production of renewable technologies • Promoting Island produced goods, working with the farming industry to challenge restrictive UK and EU laws by increased recognition of the quality and importance of the Island's rural experience especially in relation to its food produce • Promoting the Island as an accessible and affordable tourist destination to increase the value of the visitor economy to the Island • Increased business awareness of the Island as an investment location • Increasing uptake of total solution investment packages by potential investors in the Island • Increased support to new starts and high growth businesses • Increase job opportunities and improve the supply of suitably skilled local people for each of the Island's key economic sectors. • Maximise third party funding for and the use of local businesses in the delivery of services and refurbishment of sport and leisure facilities • Increased participation in sport and active recreation • Reduction in overall cost per user of the principle leisure facilities • One new area of Local Nature Reserve will be designated by the Council and confirmed by Natural England • National recognition for the quality of the Island's beaches, parks and hedgerows. • The Estuaries Project will deliver the sustainable and integrated use of the Islands estuaries leading to a better understanding of estuarine processes and features and improved biodiversity. Improved understanding of the Island's estuarine processes features and biodiversity • Produce a Climate Change Strategy 				
Economy and Environment Totals	50,024	-14,060	2,360	38,324

Resources

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
ICT	3,374	-86	-3,288	0
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> The organisation has achieved its efficiency targets through the implementation of better and more resilient technology Improved access to Council services for residents via electronic channels Reduced complexity for staff in accessing government systems through introduction of 'Employee Authentication Services' (EAS) Achievement of ICT Service management best practise standard ISO20000 for improved ICT service to customers Residents and staff are able to access services and information, through Council websites in a more efficient and effective way Reduction of carbon footprint for ICT having implemented lower powered ICT hardware Implemented ICT solutions to support transforming social care Better skilled workforce in ICT for residents of all ages and council staff Improved practise for supporting Every Child Matters agenda through Integrated Childrens Systems 				
Strategic Projects	675	0	-675	0
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> Increased satisfaction with the delivery of council services across Island Residents, Businesses and Visitors Causes of inefficiency across the council have been removed and new ways of working have been introduced The Council is able to prioritise and direct appropriate resources over time to support the delivery of corporate and LAA targets Delivery of revenue savings from cross-council transformation projects 				
Compliance and Procurement				
Compliance and Risk	328	0	-328	0
Procurement	160	0	-160	0
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> Improved clarity across local industry about how to do business with the council Establishment and adoption of sustainable procurement policies and processes for acquiring goods and services which take due account of legal requirements, value for money, environmental considerations and social inclusion. Achievement of an improved cost-base at Council and service-level through delivery of procurement savings (both reduced contract cost -contract letting and management - and process improvement Establishment of an effective risk-managing culture across the council Audit Committee gain requisite audit assurance to enable approval of the Annual Governance Statement (AGS) Council physical assets and interests are adequately and cost-effectively insured 				
Strategic Asset Management				
Strategic asset management	2,171	-428	-1,743	0
Other land and buildings	72	-252	41	-139
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> Reduction in carbon dioxide emissions from Isle of Wight Council buildings Reduction of floor space per Full Time Equivalent staff creating efficiencies and enabling effective and safe service delivery Compliance with building occupation statutory requirements in order to assist safe and effective service delivery. Capital Receipts Programme delivered in year 				

Resources Cont..

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
Financial management	1386	0	-1386	0
Corporate management (finance)	690	0	236	926
<p>Key outcomes for services over the next 3 years are:</p> <ul style="list-style-type: none"> • That the Medium Term Financial Strategy (MTFS) and Capital Strategy are clearly linked to the Sustainable Community Strategy and Corporate Plan, and closely aligned to other key plans and strategies to demonstrate budgets support the delivery of corporate priorities and Local Area Agreement (LAA) targets • The Council is able to prioritise and direct appropriate resources to support the delivery of corporate priorities and service priorities identified by residents • The Council has the necessary capacity, resources and skills to be able to respond to the changing financial management environment for public sector authorities and the delivery of key strategic projects for the council • Improved financial information to budget managers through the development of the new financial systems • The Council's performance in terms of achieving value for money is improved, leading to better economy, efficiency and effectiveness of the services provided to local residents • Efficiency improvements linked to achievement of Government efficiency savings targets and achievement of budget savings in accordance with the Council's savings policy as part of a sustainable budget strategy • Financial governance and financial management standards are improved and the Council fulfils its role as the steward of public funds, and the use of available resources to deliver key services to the community is maximised • Improved awareness of key financial issues amongst budget managers and partners, continuous service improvement and increased auditor confidence resulting in an improved score across CAA Use of Resources themes • Improved public involvement in, and awareness of, key financial issues through budget consultation and reporting 				
Exchequer and residents services				
Exchequer and Residents	1811	-45	-1766	0
Revenues and Benefits	2179	-1983	928	1124
Housing Benefit Payments	57,800	-57,685	0	115
<p>Key outcomes for services over the next 3 years are:</p> <ul style="list-style-type: none"> • High quality, cost-effective services with supporting benchmarking information for all functions within Exchequer & Resident Services. • Maximise the collection of Council Tax, Business Rates (NNDR) and Sundry Debt, reducing the impact on the Council's budget and the overall burden on the tax payer. • Reduce costs by organising transactional activities into a structure that more effectively & cost-efficiently serves the Council. • Tax & VAT impact on the Council is minimised by meeting statutory requirements and limiting exposure to claims for income tax, national insurance contributions (NIC) liabilities, VAT, interest and penalties. • Residents' enquiries are met in a professional & cost-effective way and customer satisfaction ratings are improved. 				

Resources continued.

	Service Expenditure £000's	Income £000's	Central Support £000's	Net Budget £000's
Corporate services	179	0	-179	0
Legal services	1,226	-32	-1,194	0
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> • Council-wide Effective Information Governance. • Effective Delivery of Major Projects • Effective Support for Regulatory Clients. • Safeguarding Vulnerable Groups • Effective and Lawful Procurement. 				
Democratic services				
Management and Admin	179	0	-179	0
Elections	129	-2	38	165
Land charges	177	-237	25	-35
Democratic representation	1,099	-1	1,456	2,554
Parish and community support	86	0	29	115
Registrars and Northwood House	447	-336	84	195
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> • Elected members are supported to make decisions in accordance with statutory and ethical requirements. • Delivery of the general election. • Support to Parish and Town Councils on Code of Conduct issues so there are fewer complaints • Reduction in the number of times that an individual needs to inform the Council of a bereavement by 31 December 2010. • Work with Northwood House trustees and Cowes Town Council to seek to find a long term solution for Northwood House 				
Human Resources	1,873	-386	-1,487	0
Key outcomes for services over the next 3 years are: <ul style="list-style-type: none"> • Human Resource transactional operations transferred into the Council's Shared Service Centre • Consistent, timely and accurate employment advice • A skilled and well trained workforce • Compliant recruitment in line with Independent Safeguarding Authority regulations and improved recruitment and retention in hard to fill posts • An achieving organisation as judged against the equality framework for local government • An effective approach to pay and rewards that attracts and retains a high calibre staff • A healthy, safe and well employment and service delivery environment 				
Totals	76,041	-61,473	-9,548	5,020

Corporate Plan

The Council's Corporate Plan, which sets out the key strategic priorities for the Isle of Wight Council over the coming four years, was refreshed and agreed by Full Council on 25 November 2009. Whilst the priorities detailed in this plan do not amount to an exhaustive list, they should be taken as the definitive list of where resources ultimately will be prioritised:

Schools Reorganisation

Part of the council's overall approach to regeneration is to raise the standards of educational attainment and opportunity on the Island. The council has decided to change its schools system from a three tier (with middle schools) to two tier (primary and secondary) model of education, to achieve this improvement.

Roads PFI Scheme

In 2008, the council was one of three local authorities to secure the allocation of substantial government funding. The outline business case for how this project will be delivered has now been submitted to the government and the council is now awaiting the next stage of this process. This programme of improvement represents not only a significant investment which will dramatically improve the Island's roads, but will also act as a catalyst for wholesale benefits to the public realm, local economy and community through regeneration and redevelopment.

Transforming Social Care

On the Island, the transformation of social care is a strategic priority for the IW Council and we are working with a range of people, including service users and carers, organisations, staff groups and providers to create a shared vision and to look at how this will be delivered on the Island. In the document Putting People First, the Government has said that Council's need to make the changes by 2011. Here on the Island, we have already started to make changes with the introduction of a Personal Budgets pilot to meet our targets of 1000 personal budgets in place by April 2010 and 2000 in place by April 2011.

Regeneration and the Economy

The council has recently commissioned a refreshed version of the strategy to be in place by March 2010, with the following five economic commitments:

- Supporting the development of suitable renewable energy schemes.
- Promoting the Island as an accessible and affordable tourist destination.
- Promoting Island produced goods, working with the farming industry to challenge restrictive UK and EU laws.
- Encouraging Island firms to bid for public sector work and emphasising the creation and retention of local jobs.
- Supporting automatic business relief for firms.

Fire Service Modernisation

The service is responsible for assessing risk and putting in place the right resources to ensure the community remains safe. Modernising means securing additional investment and using resources, such as firefighters and stations, differently to provide a service which meets the needs of the community. Providing fire stations which are fit for purpose, located in the right place, along with maintaining adequate fire cover to meet the needs of the community, are essential.

Local Housing

One of the clear political priorities of the current administration is to help local residents onto the housing ladder with a 'homes for Islanders' scheme. General housing needs on the Island are being addressed through schemes to increase the availability of affordable housing which will also bring additional job opportunities to the local economy. There are also programmes to generate affordable homes and make progress on the homelessness agenda.

Delivering Better Services

The Council has begun a process of transformation to ensure its services meet the needs of the Island in the most efficient and cost effective manner. This process encapsulates many different aspects, offering changes in the way services are delivered, including service design, process improvement, workforce development, resource management, information management, use of technology, building management and energy management.

Capital Programme 2010/11

The 2010/11 capital programme has been structured to implement significant investment that will deliver against the Councils agreed key priorities. Capital expenditure 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.

The council has the following capital funding available:

Resources available	£000's	Explanation
Local Transport Programme	4,397	
Other supported borrowing	148	Supported capital expenditure (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	14,293	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
Grants and contributions	4,284	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	1,900	Capital receipts are obtained from the sale of capital assets. These receipts are held corporately and are used to fund capital projects
Leasing budgets	596	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.
Transformation costs	4,550	Financed from prudential borrowing where revenue impact met from savings
Schools	33,682	Resourced schools programme subject to re-profiling and change through BSF
Total resources available	63,850	

The Council plans to spend £63.8m on capital projects in 2010/11 as outlined below:

2010/2011 Capital Programme	£000's
Fire service model for change and vehicle replacement	4,696
Housing	4,389
Roads	6,516
Cremator replacement	1,350
Leisure facility improvement	2,050
Transformation	4,550
Schools	33,682
Other	6,617
Total capital programme	63,850

Monitoring the Capital Programme

A process of rigorous monitoring of all capital projects is carried out which considers the logistics of achieving the project, the profiling of spend over the life of the project, the risk management and other governance arrangements and the delivery of agreed outcomes. This is reported to cabinet on a quarterly basis.



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).

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'.

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.

Council Tax Banding and Precepts

The level of tax set by the Council will increase by 2.5% for a band D property. This equates to £1,289.80p for the IOW Council element of council tax an increase of £31.46p or 60.5 pence per week.

Banding	Value of Property	Proportion	IWC Precept
A	Up to £40,000	6/9	£859.87
B	£40,001 - £52,000	7/9	£1,003.18
C	£52,001 - £68,000	8/9	£1,146.49
D	£68,001 - £88,000	9/9	£1,289.80
E	£88,001 - £120,000	11/9	£1,576.42
F	£120,001 - £160,000	13/9	£1,863.04
G	£160,000 - £320,000	15/9	£2,149.67
H	Over £320,000	18/9	£2,579.60

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.

	£ per Band D property	£ Total 2010-11	£ Total 2009-10		£ per Band D property	£ Total 2010-11	£ Total 2009-10
Isle of Wight Council	1,289.80	71,154,397	69,073,977				
Hants Police Authority	146.25	8,068,174	7,800,773				
Parish/town councils							
Arreton	16.57	6,520.00	5,460.00	Newport	15.94	127,257.00	127,247.50
Bembridge	47.01	97,000.00	97,000.00	Niton and Whitwell	12.35	12,200.00	12,200.00
Brading	54.01	45,500.00	43,250.00	Northwood	12.24	11,114.00	12,454.00
Brighstone	19.52	16,596.00	15,690.00	Rockley	24.15	6,130.00	5,951.00
Calbourne	23.45	9,339.00	9,339.00	Ryde	22.97	200,000.00	200,000.00
Chale	30.43	8,600.00	8,800.00	Sandown	38.40	100,450.00	98,000.00
Cowes	20.36	86,700.00	81,000.00	Shalfleet	32.80	24,636.00	23,000.00
East Cowes	27.39	67,324.00	67,324.00	Shanklin	29.72	108,974.00	83,826.00
Fishbourne	18.29	7,638.00	7,638.00	Shorwell	17.70	6,000.00	6,000.00
Freshwater	23.83	60,945.00	59,847.00	St Helens	21.84	12,500.00	10,000.00
Gatcombe	36.15	7,382.50	7,300.00	Totland	25.03	33,846.00	33,846.00
Godshill	23.67	14,500.00	14,500.00	Ventnor	54.21	149,466.00	99,500.00
Gurnard	39.80	32,000.00	28,000.00	Whippingham	30.63	10,750.00	7,460.00
Havenstreet and Ashey	24.27	8,600.00	8,600.00	Wootton Bridge	32.14	47,800.00	46,350.00
Lake	12.98	25,000.00	25,000.00	Wroxall	14.58	9,850.00	9,375.00
Nettlestone and Seaview	17.33	29,540.00	24,015.00	Yarmouth	34.79	18,471.00	18,471.00
Newchurch	9.99	11,000.00	10,300.00				

Please note: the council is required to show costs in this table as they affect band D council taxpayers. In accordance with government guidelines we are required to detail parish or town council precepts exceeding £140,000. This is shown in the table below:

	Gross spend £	Income £	Reserve movement £	Budget requirement 2010-11 £	Budget requirement 2009-2010 £
Ryde Town Council	243,700	-27,700	-16,000	200,000	200,000
Ventnor Town Council	152,610	-3,144	0	149,466	99,500