

Isle of Wight Council

Revenue and Capital Budget Summary 2008/09



Responsibilities

The Isle of Wight Council is responsible, either directly or indirectly, for the delivery of a range of services that make a difference to people on the Island – from schools and care for adults and children, to the provision of libraries and leisure facilities, waste management, roads and public transport and the Isle of Wight Council fire and rescue service. These examples demonstrate the range of services provided by the council.

Eco island vision

The council, in agreement with its key partners in the public, voluntary and private sectors, and with representatives of the local community, has developed a new sustainable community strategy for the island - eco island. It has a vision for:

The Isle of Wight to become a world renowned eco island, with a thriving economy and a real sense of pride, where residents and visitors enjoy healthy lives, feel safe and are treated with respect.

Having a clear, long term vision for the island expressed in the eco island strategy will enable the council to align its budget to corporate priorities that support the eco island vision delivered through the one island corporate plan and one council programme of projects and modernisation. The council's one island corporate plan says what we will do over the next three years to deliver the vision. It also sets out key deliverables to carry on improving local services, deliver local services our residents want, whilst keeping our council tax increases in line with inflation..

Contents

Introduction	3
The budget summary	
Overall revenue budget summary	4
Changes from the 2007/08 base budget	5-6
Where the money comes from	7
Service budgets	
Schools	8
Children's services	9
Community services	10
Customer services	11
Environment and neighbourhoods	12
Legal and democratic	13
Regeneration and development	14
Finance	15
Corporate management	16-17
Capital programme	18-19
Local Government Financial Settlement	20
Glossary of terms	21-22
Council tax information	23

Introduction

This summary outlines the council's revenue and capital budget for 2008/09. It is part of an overall medium term financial plan and strategy that directs and redirects resources over time to meet the council's vision and strategic objectives and the priorities within them, whilst balancing the budget gap.

In developing this budget, there were a number of elements that had to be considered:

- the council's vision and strategic objectives;
- the results of the budget consultation and previous residents surveys;
- the medium term financial plan, which sets out the projected resources and costs of existing services over the next three years. This reflects known pressures in the current year and future projected inflation and service pressures;
- the medium term revenue and capital strategies that should enable the council over time to redirect those resources it has to its strategic objectives and priorities for improvement;
- the overall deliverability of the strategy including maintaining a sustainable level of reserves and balances and meeting legal and financial constraints in order to agree a legally and financially sound budget and council tax level;
- the requirement to set a balanced budget and in doing so ensure that it meets its statutory duties in relation to provision of services and in any changes it introduces.

The strategy assumes that the council tax increase will be in line with inflation as measured by the retail price index at September each year. For 2008/09 this was 3.9%. This is in line with the council's declared strategy and in keeping with the results of the budget consultation.

David Burbage
Director of Finance



Budget consultation 2008/09

A consultation exercise, aimed at identifying budget priorities for the coming year was undertaken during December 2007 and January 2008.

A full page budget consultation survey was placed in the County Press on 21 December. Readers were asked to let us have responses by 11 January. The survey was also included on the council's website iwight.com.

In total 446 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 and LACES.
- d. Older Voices, Older Persons Network and Age Concern.

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 £200,521,000 during the coming year which, after taking account of the dedicated schools grant of £72,909,000 and use of reserves of £5,000,000, equates to a total net budget of £122,366,000.

Overall revenue budget summary	2007/08 £000's	2008/09 £000's
Children's services	27,274	27,350
Community services	46,687	50,747
Environment and neighbourhoods	35,001	34,548
Regeneration and development	3,585	4,149
Legal and democratic services	2,726	2,542
Customer services	(130)	(128)
Finance services	1,000	1,242
Corporate management	3,270	3,148
Net service expenditure	119,413	123,598
Growth items to be allocated	0	1,000
Local authority business growth incentive scheme grant (LABGIS)	(552)	0
Local public service agreement 2 pump priming grant (LPSA)	(367)	(367)
Private finance initiative waste disposal grant	(1,248)	(1,248)
<i>Financing adjustments</i>		
Interest payable	9,439	10,172
Interest receivable	(1,870)	(1,007)
Net adjustments for retirement benefits in accordance with financial reporting standard (FRS)17	(1,896)	(1,896)
Depreciation	(10,003)	(9,953)
Minimum revenue provision for capital financing	6,244	7,067
Use of reserves	(2,434)	(5,000)
LPSA/LABGIS grants brought forward	(2,735)	0
Total budget	113,991	122,366
Redistributed business rate income	(43,415)	(49,813)
Revenue support grant	(7,286)	(6,934)
Council tax excluding collection fund deficit	63,290	65,619
Adjustment	0	246
Council tax following adjustment	63,290	65,865
Contribution to collection fund	129	377
Special expenses adjustment	-389	0
Expenditure to be met from council tax payers	63,030	66,242
Council tax base	53,864.8	54,484.2
Council tax at band D	1,170.16	1,215.80



Isle of Wight Council
Revenue and Capital Budget Summary 2008-2009

Spending Changes

Total net revenue expenditure (including schools) of £200,521,000 represents an increase of 8.26% or £15,307,000 on the 2007/08 net revenue budget.

		£'000s	£'000s	£'000s
2007/08 base budget				185,214
Inflation (pay awards and prices)				2,820
Service adjustments				
Children's services	Demographic changes	1,269		
	Reorganisation costs	150		
	Service savings	-150	1,269	
Community services	Demographic changes	930		
	Safeguarding adults	205		
	Learning disabilities	140		
	Emerging pressures	563		
	Service savings	-435	1,403	
Environment and neighbourhoods	Concessionary fares	1,690		
	Landfill tax	320		
	Public realm	365		
	Highway maintenance	250		
	Other contract costs	115		
	Staffing costs	525		
	Emerging pressures	463		
	Additional income	-341		
	Service savings	-388	2,999	
Regeneration and development	Staffing costs	343		
	Local development framework	50		
	Emerging pressures	395		
	Planning income	-200	588	
Central services	Customer services	461		
	Legal additional costs	132		
	HR additional costs	143		
	Policy/communications costs	330		
	Property services costs	171		
	Emerging pressures	207		
	Service savings	-293	1,151	
Finance	Additional costs	270		
	Benefits administration	110		
	Treasury management interest	-506		
	Treasury management capital programme	-408	-534	
Other items	Increase in capital financing costs	1,556		
	Impact of specific grants into revenue support grant	2,790		
	Base budget adjustment	283		
	Collection fund	-377		
	LABGI grant adjustment	552		
	Earmarked reserves adjustment	687		
	Concessionary fare specific grant	-880		
	Redirection/new growth (to be allocated)	1,000	5,611	
2008/09 base budget				200,521

Spending changes

The Isle of Wight Council plans to spend £324.5 million in 2008 – 2009 on providing services for Islanders. After deducting specific grants and income of £124.0 million, the budget requirement including schools is £200.5 million. This is £15.3 million higher than the 2007 – 2008 budget.



These increased costs will be funded during 2008/2009 by the following ways:

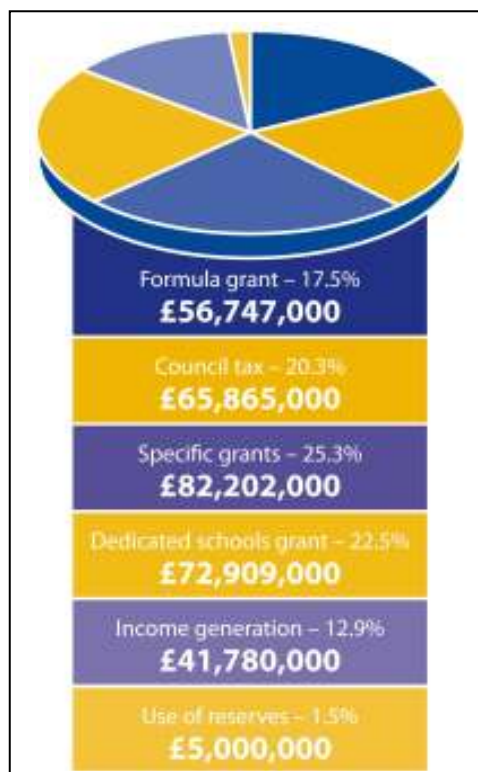
Where the money comes from

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;
- area based grant;
- income from charging for certain services.

From April 2008, certain grants that were previously paid by the government to the council as specific grants are being included as part of the formula grant. This contributes particularly to increases in the gross costs of adult social services and children’s services, and consequently the budget requirement shown in this budget book. However, there is no impact on the council in 2008/09 as these increases are matched by a corresponding increase in formula grant.

In addition, certain grants that were paid by the government to the council as specific grants will be moved into a new area based grant (ABG). This is not new money, but the government has increased local authorities flexibility over the use of mainstream resources by minimising the barriers to local authorities using the grant to support locally determined policies.



Fees and Charges

Income from fees and charges for council services is assumed to rise by inflation year on year and is based on a local inflation factor broadly equivalent to the retail price index at 30 September. The council may choose to levy more or less than the assumed rate of inflation for particular categories of income in any given year. Some fees and charges are subject to specific circumstances, e.g. where certain fees and charges are set by statute and the council is obliged to use those statutory fees when charging for those services.

Full details of fees and charges are available from services or on www.iwight.com but some examples are shown here:

- residents parking permits general £75 ;
- discounted to £50 for residents of pensionable age;
- business parking permits - £481.75 ;
- chain link ferry - cars and small vans from £1.50;
- dog fouling fixed penalty notices - £50.00;
- planning fees are set nationally;
- building control fees depend on the development and should be referred to the Development Control service;
- The One Card gives unlimited access for a monthly fee, to selected sports and leisure activities, subject to availability, provided by the Isle of Wight Council. Various options are available as well as a concessionary rate.

Service Budgets
Childrens Services – Schools

	Gross Expenditure £000's	Income £000's	Net Expenditure £000's
Individual schools budgets	69,786	0	69,786
School standards grant – maintained schools	3,617	(3,617)	0
School standards grant – pupil referral units	35	(35)	0
School standards grant (personalisation) - maintained schools	1,082	(1,082)	0
School standards grant (personalisation) – pupil referral units	3	(3)	0
School development grant	2,769	(2,769)	0
Other standards fund allocation – devolved	388	(388)	0
Threshold and performance pay - devolved	0	0	0
Expenditure for education of children under 5's in private, voluntary and independent settings	2,321	0	2,321
Support for schools in financial difficulties	250	0	250
School specific contingencies	183	0	183
Provision for pupils with SEN	2,830	0	2,830
Support for inclusion	284	(18)	266
Fees for pupils at independent special schools and abroad	1,697	(12)	1,685
SEN transport	397	0	397
Fees to independent schools for pupils without SEN	0	0	0
Inter-authority recoupment	67	(15)	52
Contribution to combined budgets	0	0	0
Pupil referral units	749	(63)	686
Behaviour support services	294	0	294
Education out of school	152	0	152
14-16 more practical learning options	224	0	224
Central expenditure on education of children under 5s	3,693	(2,829)	864
School meals, free school meals, milk and school kitchens	56	(37)	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	31	0	31
Staff costs – supply cover	57	0	57
Termination of employment costs	81	0	81
School development grant – non devolved	0	0	0
Other standards fund allocation – non devolved	387	(387)	0
LSC funding for 6 th form students	0	(7,526)	(7,526)
Dedicated schools grant	0	(72,911)	(72,911)
Dedicated schools grant carried forward from 2007/08	0	(225)	(225)
Capital expenditure from revenue (CERA) (Schools)	373	0	373
Prudential borrowing costs	0	0	0
Totals	91,917	(91,917)	0

Children's Services – Non schools

	Gross Expenditure £000's	Income £000's	Net Expenditure £000's
Other education and community budget			
Special education	909	(79)	830
Learner support	4,334	(929)	3,405
Access	933	(357)	576
Youth and community	3,392	(1,931)	1,461
Youth Justice	574	(258)	316
Children and young peoples services			
Looked after children	7,067	(280)	6,787
Children and young peoples safety	600	(388)	212
Family support services	3,122	(625)	2,497
Asylum seekers	3	0	3
Others children's and family services	969	(241)	728
Childrens services strategy	2,200	(181)	2,019
Local authority education functions			
Statutory regulatory duties	1,674	0	1,674
Premature retirement costs/redundancy costs	0	0	0
Existing early retirement costs	357	0	357
Residual pension liability	19	0	19
Joint use arrangements	0	0	0
Insurance	0	0	0
Monitoring national curriculum assessment	46	0	46
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
Corporate performance team	317	0	317
Capital financing costs	5,141	0	5,141
FRS17 pensions current service costs	962	0	962
Total Non schools	32,619	(5,269)	27,350
Totals Children's Services	124,536	(97,186)	27,350

Aims and objectives

Children's services

Make sure our children achieve better than the national average at school and college

Reduce childhood inequality by tackling poverty, neglect and domestic violence

Support families and carers to provide a safe and positive environment for our young people

Develop a preventative strategy

Implement an integrated service to improve standards of service delivery

Corporate Performance

Design, implement and monitor the council's performance management framework

Contribute towards the overall comprehensive area assessment

Implement and embed the data quality strategy, policy and action plan.

Implement and develop the CorVu performance management suite of systems

Lead and co-ordinate delivery of the local area agreement

Aims and Objectives:

Adults

Develop an integrated re-ablement service across all forms of care.
Integrate commissioning strategies with IOW Health Care Trust.
Roll out of personalised budgets and services across all sectors.
Create and sustain greater involvement by service users and their carers.
Develop a workforce 3 year plan across all staff sectors in social care.

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 through the introduction of a choice based lettings scheme.
Stimulate private sector housing renewal to meet the government's decent homes targets.
Develop the supporting people service to provide a flexible response to the challenges set by the supporting people regime.

Culture and Leisure

Secure the protection of the islands heritage assets and increase access to them.
Increase the number of individuals accessing cultural and leisure opportunities as purposeful use of their free time and as a means of extending their life skills.
Increase the number of available cultural and leisure opportunities to support the health and well being of the community.
Improve the effectiveness of services.

Community Services

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Adult service strategy	206	0	0	206
Older people (aged 65 or over)	27,760	(5,241)	3,566	26,085
Adults aged under 65 with sensory/physical disabilities	3,483	(331)	514	3,666
Adults aged under 65 with learning disabilities	9,698	(1,528)	1,200	9,370
Adults aged under 65 with mental health needs	2,575	(679)	426	2,322
Other adult services	3,647	(4,178)	(1)	(532)
Supported employment	418	(26)	0	392
Supported adult services and management costs	3,865	(514)	(3,351)	0
Internal trading accounts	1,182	(1,144)	(38)	0
Adult services inflation /growth/savings unallocated	1,337	0	0	1,337
Nursing care unallocated to client groups	1,070	(1,994)	0	(924)
Housing strategy	766	(411)	148	503
Housing advances	2	(1)	0	1
Private sector housing renewal	285	0	0	285
Homelessness	2,463	(1,267)	0	1,196
Supporting people	6,404	(6,267)	0	137
Housing support services and management costs	131	0	193	324
Housing inflation contingency unallocated	69	0	0	69
Adult and community learning	434	(316)	17	135
Archaeology	156	(4)	14	166
Culture and heritage	1,812	(868)	249	1,193
Recreation and sport	3,956	(2,255)	788	2,489
Open spaces	627	(345)	145	427
Library service	2,109	(288)	299	2,120
Culture and leisure support services and management costs	518	(3)	(735)	(220)
Totals	74,973	(27,660)	3,434	50,747

Customer Services

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Customer support team	232	0	(232)	0
Human resources	1,857	(361)	(1,496)	0
Information and communication , ICT strategic development	2,964	(514)	(2,450)	0
Customer first	1,399	(90)	(1,309)	0
Procurement	122	(14)	(108)	0
Property services	585	(279)	(306)	0
Administrative buildings	871	(38)	(833)	0
Industrial units	57	(143)	41	(45)
Miscellaneous housing	11	(94)	0	(83)
Totals	8,098	(1,533)	(6,693)	(128)



Aims and Objectives:

Customer first

To review and develop face to face customer services, raise standards of customer service and improve the responsiveness of the council.

Human Resources

Review the purpose and structure of the HR unit to align the service with the needs of the business of the council and deliver a people management strategy.

ICT

Deliver an enabling ICT infrastructure, efficient and cost effective ICT services and a corporate approach to ICT in terms of procurement, standards and policies.

Modernisation

Develop, implement and enforce the council wide modernisation programme and integrate with CAA activity. Develop the programme and project management governance framework, the information management strategy and provide business re-engineering expertise.

Procurement

Ensure compliance with all procurement regulations, deliver sustainable savings from contract letting and management, and establish sustainable procurement. Implement and maintain the e-procurement and p-card projects and a more efficient procure to pay process.

Property

Deliver the capital building and planned maintenance programme, the capital disposal and revenue savings programme, the strategic property review and any relevant One Island projects.

Environment and Neighbourhoods

Aims and objectives:

Engineering Services

Provide and maintain a sustainable transport, highway and green infrastructure. Protect and enhance the green island.

Fire and Rescue Service

Provide prevention and protection services to those at greatest need and highest risk in our community. Deliver an appropriate emergency response to reflect the risks within our community. Develop knowledge and skills within an inclusive and diverse workforce.

Safer Neighbourhoods

Reduce crime and fear of crime, anti-social behaviour and substance misuse. Improve service delivery, partnership working and community involvement. Increase public confidence and enhance the public realm.

Consumer Protection

Ensure that environmental health and trading standards service delivery are consistent with priorities identified by the Rogers Review.

Coastal Management

Monitor coastal defences and maintain structures to a safe and operational standard. Monitor ground movement and recommend appropriate action as required. Provide coastal and geotechnical advice and guidance to the council and the public, and fulfil statutory obligations in relation to coastal zone management. Manage Newport Harbour and Ventnor Haven.

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Engineering transport fleet	1,409	(1,429)	(1)	(21)
Environmental services	10,871	(56)	212	11,027
Highways, roads and transport	16,394	(7,586)	869	9,677
Footpaths and bridleways	201	0	5	206
Fire and rescue service	7,255	(231)	(75)	6,949
Emergency planning	158	0	15	173
Community safety	1,645	(219)	88	1,514
Bereavement services	740	(893)	83	(70)
Environmental health	1,166	(449)	437	1,154
Trading standards	457	(16)	208	649
Service management	443	0	(443)	0
Court services	308	0	7	315
Street and beach cleaning	175	0	2	177
Economic development	16	(35)	1	(18)
Recreation and sport	292	(234)	5	63
Open spaces	1,763	(125)	159	1,797
Coast protection	656	(10)	41	687
Environmental initiatives	66	(22)	79	123
Harbours and mooring facilities	257	(148)	37	146
Totals	44,272	(11,453)	1,729	34,548



Legal and Democratic Services

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Democratic representation	1,663	(10)	828	2,481
Legal services	1,058	(32)	(1,026)	0
Elections	142	(2)	22	162
Land charges	182	(611)	19	(410)
Parish and community development	193	(3)	30	220
Registrars	182	(150)	38	70
Northwood House	188	(177)	8	19
Totals	3,608	(985)	(81)	2,542



Aims and Objectives:

Legal

Provide timely, clear and effective legal advice to ensure ethical governance and lawful decision making.

Civic Affairs

Improve community engagement and develop the civic function of the council. Encourage proactive engagement of Lieutenancy, liaison with High Sheriff. Assist on all civic precedence and ceremonial procedures. Maintain the high standards of the office of chairman of the council.

Democratic services

Ensure democracy is delivered within the law particularly around elections and scrutiny. Provide support to members. Deliver timely and quality land charges searches to the local community. Deliver innovative services to parish councils.

Registration service

Register all births and deaths. Take notice of intended marriage and civil partnerships and conduct and register all civil marriages and partnerships and citizenship ceremonies. Inspect and register venues for marriage and civil partnerships. Provide safe custody of all historic records dating back to 1837 and issue of certified copies from these records on demand. Hire of rooms at Northwood House for a variety of uses with provision of good quality catering.

Aims and Objectives:

Planning

Develop the island plan as the delivery mechanism for the eco island vision and produce the council's economic strategy.

Ensure a cost effective and efficient development control and building control service.

Balance the need for effective regeneration and the protection of the island's natural assets and act as the host service for the AONB.

Undertake the statutory planning enforcement function and provide specialise advice on conservation, listed buildings, trees and archaeology.

Regeneration

Reduce carbon emissions and the islands carbon footprint. Improve the island economy by making it more sustainable, productive and diverse.

Improve the quality of places through high quality regeneration projects that deliver better communities and better quality of life.

Tourism

Provide customer facing services through Tourist Information Centres.

Promote the visitor economy through marketing, production and distribution of a range of brochures, guides and leaflets.

Promote the island's image as a quality destination and support key events and festivals.

Regeneration and Development

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Regeneration services				
Economic development	356	0	124	480
Environmental – agenda 21	79	0	14	93
Planning services				
Development control	2,025	(1,241)	189	973
Building control	539	(480)	275	334
Planning policy	910	0	118	1,028
Environmental initiatives (inc AONB)	206	(151)	12	67
Tourism				
Tourism general	1,778	(1,179)	278	877
Tourism information centres	362	(124)	59	297
Support services	342	0	(342)	0
Totals	6,597	(3,175)	727	4,149



Finance

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Housing benefit administration	1,168	(1,491)	106	(217)
Housing benefit payments	48,153	(48,059)	0	94
Local tax collection	1,260	(465)	570	1,365
Financial management	1,739	(3)	(1,736)	0
Exchequer services	333	(26)	(307)	0
Compliance & risk	416	0	(416)	0
Totals	53,069	(50,044)	(1,783)	1,242

Aims and Objectives: Finance

Secure the council's financial and compliance duties to ensure good financial management and governance.

Improve value for money and efficient management and procurement practices across all areas of the council, including key partnerships.

Facilitate effective risk management practices across the council and its partners.

Deliver a high quality, cost effective revenue and benefit services to the local community.

Maintain our council tax and NNDR collection rates in the upper quartile.

Maintain our rating of 4 for housing and council tax benefits administration.

To improve our use of resources score

The revenues and benefits department based at Sandown has recently been rated as 'four stars' for the second year running, the highest accolade a council can receive from central government. Each year the team process hundreds of council tax and housing benefit claims from households across the Island and their record in sorting out the claims is second to none.

In 2006 the revenues team which works very closely with colleagues in benefits, won the BACS direct debit challenge for the highest increase in direct debit payers for council tax collection. In 2006/7 the team was in the top 25% of council tax and non domestic rate collectors with a collection rate of 99%. In 2007/8 the team is again on target to improve on last year's collection.

**Aims and Objectives:
Communications**

Build confidence in the one island programme and awareness and engagement of the eco island vision and emerging plans.

Improve public perception of the council and its services.

Inform and engage staff in the work of the council and the one council modernisation programme.

Build the reputation of the council among national and international key audiences.

Corporate Management

	Gross Expenditure £000's	Income £000's	Central Support £000's	Net Expenditure £000's
Corporate & democratic core	622	0	23	645
Communications	1,244	(143)	(749)	352
Corporate management	(382)	(2)	1,352	968
Other precepts & costs	77	0	1,106	1,183
Totals	1,807	(145)	1732	3,148



One of the aims and objectives of the Communications team within the council is to build awareness of, and confidence in the eco island vision and programme. Eco island has been developed in partnership with community, voluntary and other public sector partners who have agreed the eco island vision:

We want the Isle of Wight to become a world renowned eco island, with a thriving economy and a real sense of pride, where residents and visitors enjoy healthy lives, feel safe and are treated with respect.

Our eco island priorities are shown over, along with the 30 one island promises which have been agreed for 2008/09. The council has also agreed to resource a new sustainability unit which will promote the principles of sustainability, engage with the community and ensure that all our actions are considered against these key principles.

30 One Island Promises 2008/09

Eco island

- eco island conference and big green picnic event;
- 200 green island awards;
- 13 council fleet vehicles running on bio fuels;
- 4% reduction in council's carbon emissions;
- introduce zero plastic bag scheme;
- 5 new electric charging points in car parks.

A safe and well kept island

- additional £1.75m for island roads;
- 6 new public toilets;
- 20mph zones outside all schools;
- 3 more 'no drinking in public places' zones to tackle antisocial behaviour in town centres;
- roll out 1 million blooms to 3 showcase areas and 20 community led areas.

A thriving island

- new design champion for Island - Sir Terry Farrell;
- new town square and community facilities for East Cowes;
- use planning powers to generate sustainable development;
- design briefs for Shanklin, Ryde Ventnor, , Newport and Sandown.

A healthy and supportive island

- £500k towards grants to insulate up to 1,500 households;
- bring 100 empty properties back into use and deliver 163 affordable homes ;
- enable 100 people with learning disabilities to live independently ;
- 1,050 people over 80 to receive free homecare;
- encourage 22,000 more visits to leisure centres.

An inspiring island

- raise performance in KS2 (ages 7-11) and KS4 (ages 14-16) to at least national average by 2010;
- establish a new 'children in care' council by Sept 08;
- ensure at least 95% of 16/17 year olds are in employment, training or education;
- reduce the number of exclusions from school by 120;
- start building new secondary school in Cowes.

A modern council

- save £2 million by being more efficient;
- one phone call to the call centre to access 113 council services;
- response from customer services to residents enquiries by email in 2 days, by letter in 15 days and face to face in 5 minutes;
- process new council tax and housing benefit claims within 20 days;
- train all front line staff in customer services.

Capital Programme 2008/09

The council's capital programme represents ongoing and significant investment in the infrastructure of the Island. The council maintains detailed strategic documents to identify and manage such investment. The capital programme is approved on an annual basis as part of the council tax setting process.

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. for 2007/8 the council received a SCE allocation to date of £15.4 m;
- 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;
- the council receives capital grants and contributions 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;
- 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

Individual capital schemes are included in the capital programme on the basis of the council's long term strategies. The Cabinet can also determine to fund other capital schemes from prudential borrowing where there is no specific or alternative funding identified, where some element of external funding can be attracted, or where there is a legal requirement to progress.

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.

Capital Programme 2008/09

The council plans to spend £63.8 m on capital projects in 2008/09.

Approximately £24m (39%) of this expenditure is to be financed from borrowing which includes supported capital expenditure (SCE) and prudential borrowing as identified below. The council has received government support to borrow £6.4m in 2008/09, in addition to supported capital of £8.2m carried forward from the 2007-08 capital programme.

Capital expenditure forecast	£000's
Community services	3,982
Children services	39,414
Environment and neighbourhoods	14,743
Regeneration and development	156
Customer services	4,672
Corporate finance	850
Totals	63,817

Resources available	£000's
2008-09 supported capital expenditure	6,428
2007-08 supported capital expenditure carried forward	8,227
Prudential borrowing	10,000
2007-08 council funded slippage	791
Grants and contributions	32,458
Capital receipts	5,520
Revenue contributions	393
Totals	63,817

Main schemes for 2008/09

- 2008-09 schools programme;
- Cowes High School;
- 2008-09 local transport plan programme;
- Ryde gateway;
- public convenience programme;
- improved roads and pavements;
- carriageway treatment;
- speed management;
- corporate ICT replacement;
- integrated children's system;
- disabled facility grant;
- general needs; housing;
- housing renewal assistance;
- heating and loft insulation;
- improvements to council property.



Local Government Finance Settlement 2008/09 -2010/2010

The local government finance settlement sets out the resources that the council will receive over the next three financial years including the RSG and income set and distributed by the Government from business rates.

The provisional local government finance settlement was announced on 6.12.07 and detailed the individual RSG figures for each local authority. The final figures were announced on 24.1.08.

Nationally the increases including inflation are as follows:

	2008/09	2009/10	2010/11
national	3.8%	4.4%	4.3%
excluding PFI	3.5%	2.8%	2.6%
real terms	0.9%	0.1%	-0.1%
IOW including inflation	5.9%	4.2%	3.8%

As previously, 'floors' have been used to protect councils that are heavy losers. This is paid for by taking grant away from gainers and 'damping' their grant. We are a damped authority and lose £11.658m over the three years of the settlement.

	2007/08	2008/09	2009/10	2010/11
	£	£	£	£
RSG	10.900m	8.023m		
damping	-3.614m	4.254m	-3.861m	-3.543m
	7.286m	3.769m		
service grants	2.881m	3.165m		
Total	10.167m	6.934m		
NNDR	43.415m	49.813m		
Total	53.582m	56.747m	59.130m	61.397m
Adjustments			0.43m	.006m
change		+3.165m	+2.427m	+2.273m
		+5.9%	+4.2%	+3.8%

The business rate multiplier has also been announced at 46.2p compared to 44.4p, an increase based on an RPI increase of 3.9% at September 2007. You will see from the above that RSG funding has declined with the increase in resources coming through our share of business rates



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 23 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.



Isle of Wight Council Revenue and Capital Budget Summary 2008-2009

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.



Isle of Wight Council
Revenue and Capital Budget Summary 2008-2009

Council Tax Banding and Precepts

Council tax property bandings	Property Value at 1 st April 1991 £	Proportion	Council Tax £
A	Up to 40,000	6/9	900.89
B	40,001 to 52,000	7/9	1,051.04
C	52,001 to 68,000	8/9	1,201.19
D	68,001 to 88,000	9/9	1,351.34
E	88,001 to 120,000	11/9	1,651.64
F	120,001 to 160,000	13/9	1,951.94
G	160,001 to 320,000	15/9	2,252.23
H	Over 320,000	18/9	2,702.68

Isle of Wight Council, Police and Parish Precepts	£	£	£
	Per Band D Property	Total 2008/09	Total 2007/08
Isle of Wight Council	1,215.80	66,241,890	63,030,434
Hampshire Police Authority	135.54	7,384,788	6,753,030
Arreton	13.11	5,200.00	4,000.00
Bembridge	46.87	97,000.00	86,400.00
Brading	49.82	41,250.00	38,000.00
Brighstone	17.90	15,000.00	15,000.00
Calbourne	22.48	9,117.00	8,895.00
Chale	24.97	7,000.00	6,700.00
Cowes	19.32	81,000.00	79,000.00
East Cowes	28.11	66,306.00	55,335.00
Fishbourne	18.13	7,638.00	7,416.00
Freshwater	22.31	56,847.00	54,340.96
Gatcombe	32.59	6,300.00	6,300.00
Godshill	22.73	14,000.00	12,000.00
Gurnard	31.36	25,000.00	23,000.00
Havenstreet & Ashe	28.17	9,900.00	9,000.00
Lake	20.81	40,000.00	30,000.00
Nettlestone & Seaview	13.68	23,285.00	23,965.00
Newchurch	9.26	10,300.00	9,450.00
Newport (created 2008/09)	14.05	109,814.60	0.00
Niton & Whitwell	12.34	12,200.00	12,050.00
Northwood (created 2008/09)	14.07	12,577.57	0.00
Rookley	22.02	5,460.00	5,250.00
Ryde (created 2008/09)	22.03	188,762.35	0.00
Sandown	38.27	98,000.00	88,350.00
Shalfleet	18.61	14,000.00	12,200.00
Shanklin	22.61	82,182.00	58,342.00
Shorwell	12.59	4,250.00	4,175.00
St Helens	17.58	10,000.00	15,000.00
Totland	23.88	32,265.00	30,438.00
Ventnor	36.54	99,500.00	90,000.00
Whippingham (created 2008/09)	21.00	7,322.75	0.00
Wootton Bridge	30.64	45,000.00	40,600.00
Wroxall	13.33	8,930.00	8,504.00
Yarmouth	35.53	18,471.00	18,471.00

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01983 821000 کریں