

Budget & spending

2021-22



Why are we here today?

Under Section 65 of the Local Government Finance Act 1992, we are required to consult with representatives of ratepayers on proposed expenditure for the coming financial year.

4 guiding principles

1. We will protect frontline services
2. We will safeguard on-island residential care provision
3. We aim to minimise further loss of capacity in the council
4. We will protect and enhance the local economy

Revenue vs capital

Local Authorities are required by law to distinguish between revenue and capital expenditure. This meeting is focussed on **revenue**.

Revenue

Everyday running expenses such as paying for staff and service contracts.

Capital

Monies spent on acquiring or enhancing fixed assets such as land, buildings and vehicles.

Calculating our Council tax

- Councils are normally limited to a 2% cap in council tax rises
- However, the government's spending review introduced an additional 3% precept for Adult Care in order to assist councils with the increasing pressures they are facing
- This is the way Central Government have chosen to fund Adult Care. On the Isles of Scilly with our limited number of council tax payers, this amounts to around £50,000
- To our knowledge, all councils in the region will be asking for the full increase, ie 5% in total. The Council of the Isles of Scilly is proposing to do the same.
- The government bases its announcements on local government funding on the assumption that councils will apply the largest increase. Not doing so would weaken any discussions with government for additional funding in the future.

Council tax overview

Council tax proposed increase of **4.99%** in 2021/22

Current level is £1,328 SCILLY BAND D

This is the second lowest set by any Unitary in England.

£1,818 is the current England Band D average

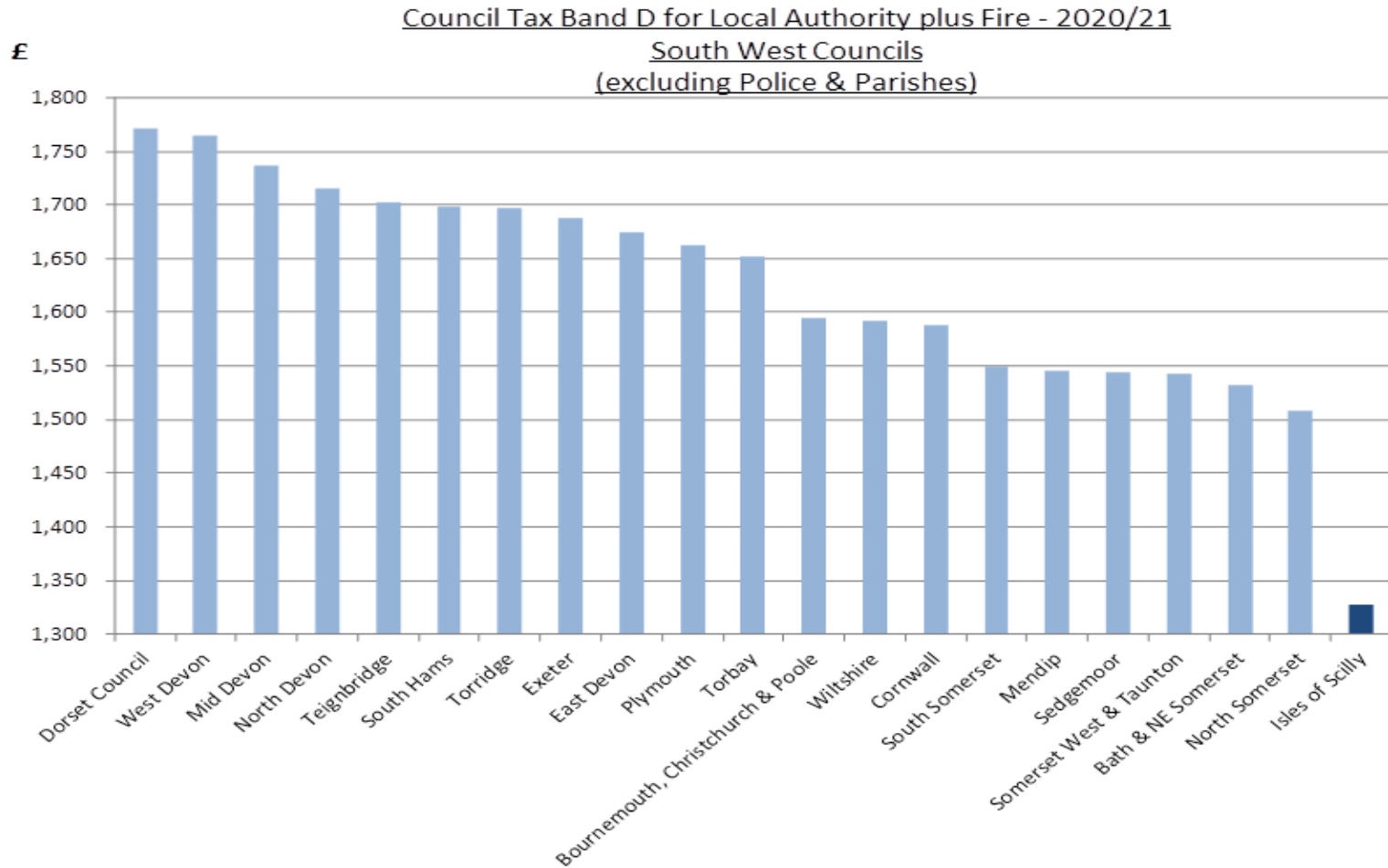
£1,722 is the current Cornwall Band D average

£1,754 is the current Isle of Wight Band D average

Note : Figures include Adult Care and Town and Parish Council precepts

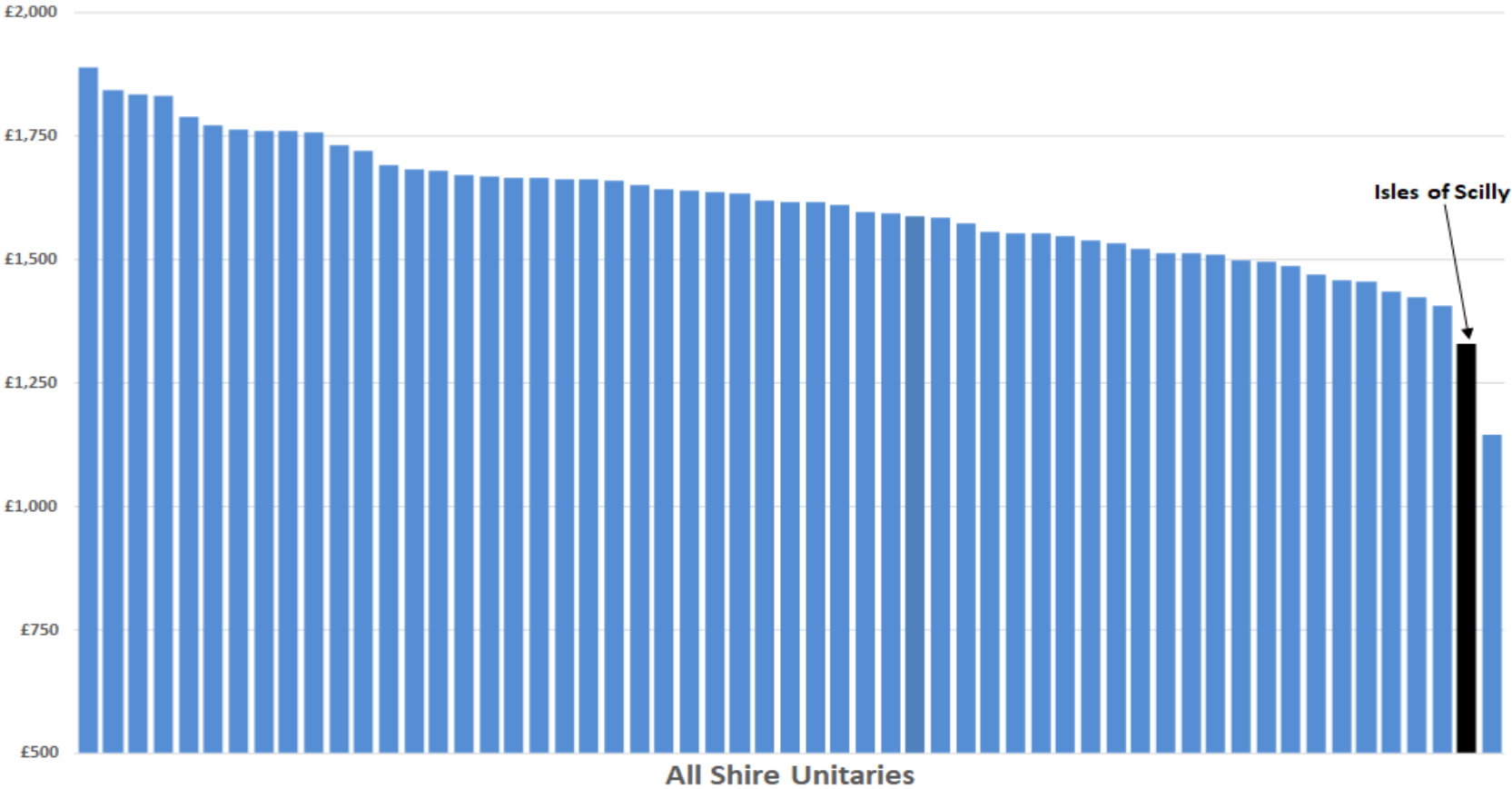
Source: <https://www.gov.uk/government/statistics/council-tax-levels-set-by-local-authorities-in-england-2020-to-2021>

CIOS Compared with South West



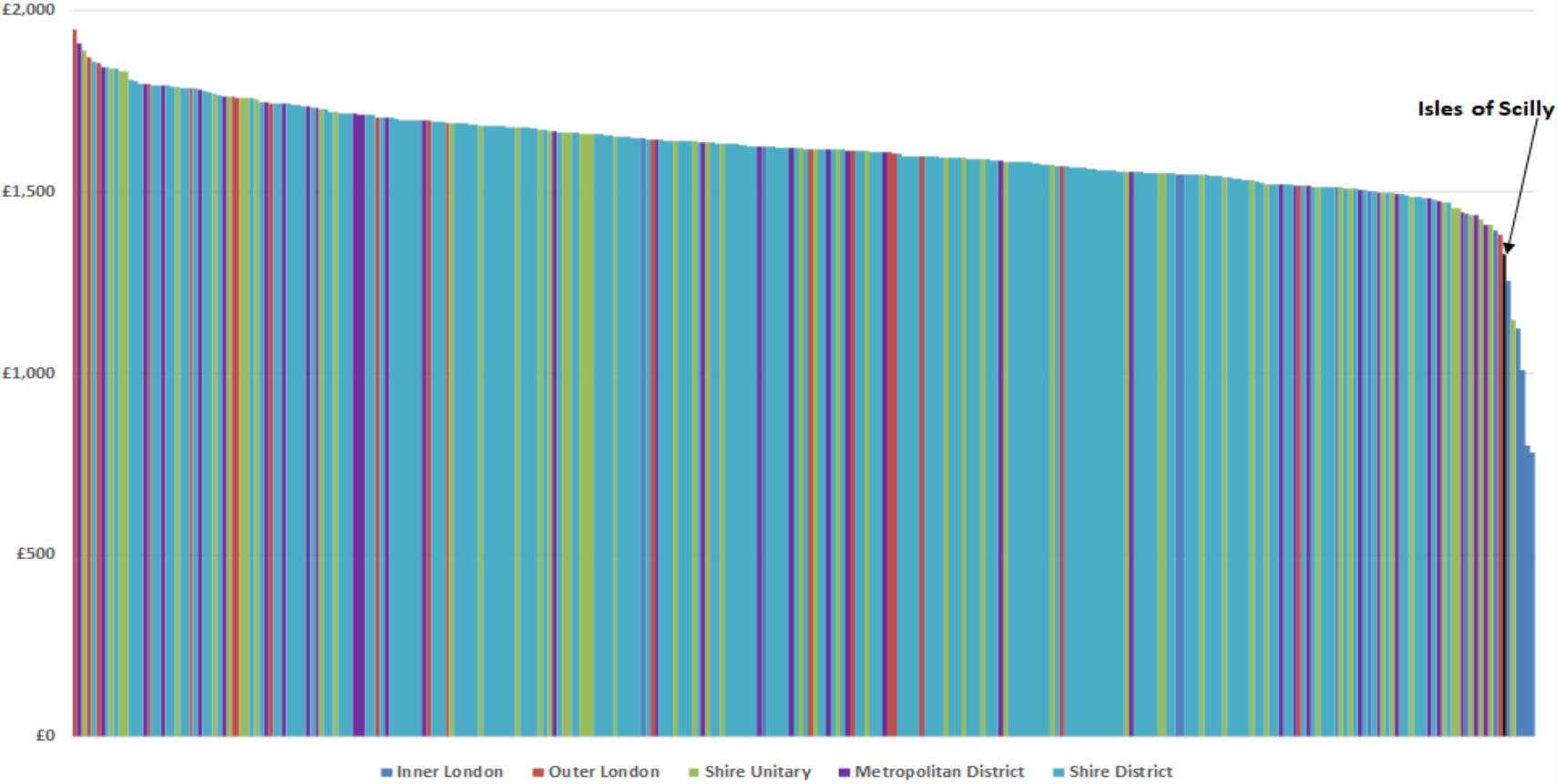
CIOS Compared with Shire Unitaries

Band D Council Tax 2020/21 - All Shire Unitaries
(excludes Police and local precepts)



CIOS compared with All Authorities

Band D Council Tax 2020/21 - All Authorities
(excludes Police and local precepts)



Council Tax Implications

- Previous 3 charts show Isles of Scilly has low Council Tax compared to other Local Authorities
- On Scilly there is no Town or Parish Precept but all the services of a unitary and Town & Parish Council are delivered by our Council
- Impact of Increases would be:

	Band B	Band D
2020/21 Council Tax Charge	£1,032.89	£1,328.01
2021/22 Charge @1.99% Increase	£1,053.44	£1,354.44
Increased Annual Charge	£20.55	£26.43
Increased Weekly Charge	£0.40	£0.51
2021/22 Charge @4.99% Increase	£1,084.43	£1,394.28
Increased Annual Charge	£51.54	£66.27
Increased Weekly Charge	£0.99	£1.27

Our 3 Year Financial Plan

Council Tax increases

- 2021-22 4.99%
- 2022-23 1.99%
- 2023-24 1.99%

Council Tax Base

- 2021-22 £1,278.6
- 2022-23 £1,309.1
- 2023-24 £1,309.1

Council Tax Collection rate

- 2021-22 97.5%
- 2022-23 98.5%
- 2023-24 98.5%

Government Funding

- 2021-22 +0.37%
- 2022-23 +2.0%
- 2023-24 +2.0%

Inflation

- 2021-22 2% Prices 1% Pay
- 2022-23 1.75% Prices & Pay
- 2023-24 1.75% Prices & Pay

Budgets and core funding

	2021-22	2022-23	2023-24
	£	£	£
Resources:			
Council tax	1,738,109	1,833,708	1,870,201
Business Rates	1,654,559	1,687,650	1,721,403
Government Grants	1,879,994	1,917,594	1,955,946
Other Minor Grants	893	893	893
Local Council Tax Support Grant	10,000	0	0
Covid Grant	56,521	0	0
Council Tax Collection fund Surplus/(Deficit)	(51,055)	(45,795)	(45,795)
Business Rates Collection fund Surplus/(Deficit)	0	(50,964)	(50,964)
Total Resources	5,289,021	5,343,086	5,451,683
Expenditure:			
Service Budgets brought Forward	5,173,266	5,330,933	5,389,097
Budget Pressures/Growth	272,691	118,291	128,309
Full Year Impact of 2020-21 Savings	(78,730)	0	0
New Savings	(60,001)	0	0
Covid Spend Contingency	46,521	(46,521)	0
Reduce Contingency	(32,813)	(3,606)	(19,711)
Hardship Fund	10,000	(10,000)	
Net Expenditure before Reserve Movements	5,330,933	5,389,097	5,497,696
Reserve Movements			
Existing Transfer to Reserve Movement	49,143	50,747	50,747
Use of Local Plan reserve to fund Inspector requirements	(20,000)		
Planning Scanning Project - fund from Reserves	(20,000)		
General Fund Reserve - fund CT Collection Loss	(51,055)	(96,759)	(96,759)
Total Net Expenditure After Reserve Movements	5,289,021	5,343,085	5,451,684
Budget Shortfall/(Deficit)	0	0	0

Budget pressures

Pressures:	2021-22	2022-23	2023-24
	£	£	£
Inflation	47,821	93,291	94,309
Capital Charges	85,000	45,000	14,000
Increments & Grade Increases	25,000	20,000	20,000
One-off costs prev yr Children Social Care legal Fees	(15,000)	0	0
Non Delivery of Savings 2020/21	12,870	0	0
Active Scilly - Kit and equipment replacement programme for gym and sports hall 2020/21 onwards	5,000	0	0
Procurement- E tendering system 2020/21	10,000	0	0
Planning - Scanning project 2021/22	20,000	(20,000)	0
Local plan - inspector requirements 2021/22	20,000	(20,000)	0
Planning System Software	10,000	0	0
Property management software 2020/21	2,000	0	0
Waste Contract	20,000	0	0
Reduction in Housing Income (reduced stock)	30,000	0	0

Savings

Full Year Impact of 2020-21 Savings:	2021-22	2022-23	2023-24
	£	£	£
Redesign of Family Scilly Service	(3,400)	0	0
Use of Better Care Funding to support integration capacity	(8,500)	0	0
Remove Social Care System from Capital Programme	(4,000)	0	0
Housing Staff savings	(3,400)	0	0
Change to service delivery model for Public Conveniences	(8,250)	0	0
Rationalisation of Corporate Estate - Carn Thomas	(3,400)	0	0
Commercial Property - Rent Review 2021	(6,000)	0	0
Waste Management - Improved Compaction of DMR and cardboard	(13,860)	0	0
Waste Management - In vessel Composting	(9,900)	0	0
Operational Services - Income from Services to SWW	(6,800)	0	0
Fire & Rescue - Implementation of Collaborative measures	(1,700)	0	0
Fire & Rescue - reduction in salary and transport costs	(3,400)	0	0
Reduce Travel - boating & Travel to mainland by 10%	(6,120)	0	0
New Savings:			
Further reduce Travel by 30%	(54,000)	0	0
Additional Social Care Grant	(6,001)	0	0