

Cabinet

20 October 2015 - At a meeting of the Cabinet held at County Hall, Chichester.

Present: Mrs Goldsmith (Chairman), Mr Barling, Mr Brown, Mr Catchpole, Mr Evans, Mrs Field, Mr Hunt, Mr Lanzer, Mr O'Brien.

Also present: Mr Turner (Vice Chairman Performance and Finance Select Committee).

Officers present: Gill Steward, Peter Lewis, Bernadette Marjoram, Sean Ruth, Avril Wilson and Matt Hall.

PART I

Declarations of Interest

1. There were no declarations of interest.

Minutes

2. Resolved:

That the minutes of the meeting held on 27 January 2015 be approved as a correct record and that they be signed by the Chairman.

Urgent Matters

3. There were no urgent matters.

Capital Programme 2015-2021

4. Louise Goldsmith, Leader of West Sussex County Council, invited Michael Brown, Cabinet Member for Finance, to introduce the report on the Capital Programme 2015-2021.

5. Mr Brown commented that the schemes in the capital programme represented investment in the priorities of the County Council. It was highlighted that the level of investment in the five-year programme was less than the capital investment over the previous five years. It was noted that difficult choices had been proposed with limited and reducing resources on the basis of generating economic, social and financial improvements for residents of West Sussex.

6. Mr Brown commented that the proposed borrowing cap of £75m (in addition to the core borrowing) was manageable within the County Council's finances at a time when conditions were favourable for borrowing. Members were assured that £75m was not a target for borrowing and that, as schemes in the programme were developed and additional funding sources identified, it was hoped that the total amount borrowed may be reduced.

7. Mr Brown concluded that the capital programme was bold but not reckless, affordable and provided the necessary investment for the delivery of the County Council's priorities.

8. Bryan Turner, Vice Chairman of the Performance and Finance Select Committee, reported that the Committee had supported the capital programme in principle at the meeting on 19 October. Mr Turner highlighted a number of comments that were raised at the meeting (a copy of the comments from Performance and Finance Select Committee is appended to the signed minutes), which included:

- The longer-term approach to capital planning was welcome
- Some Members were concerned regarding the increase in borrowing levels and the County Council's ability to support the repayments
- Other Members felt that the additional £75m investment would not be enough
- There was concern over the accuracy of projections, potential overspending on schemes and the impact of inflation
- Members welcomed the approach to seek alternative sources of funding, including S106 and CIL, to avoid external borrowing, where possible
- The importance of good partnership working arrangements was emphasised, particularly in delivering the Growth Plans
- There was concern that the development of schemes included robust mechanisms to ensure effective prioritisation, value for money and member engagement
- Further clarification of the future governance arrangements and the role of Select Committees was sought

9. Cabinet Members welcomed the comments from Performance and Finance Select Committee and contributed a number of comments on the proposed capital programme, including:

- The programme is innovative in challenging economic times and the five-year approach will enable the County Council to plan now for the future
- The programme provides infrastructure necessary to support housing development and economic growth in the county
- The programme provides for an increasingly older population, engaging with partners and providers to shape the way the care market develops in West Sussex
- The capital gearing ratio allowed the County Council to borrow responsibly, to take advantage of historically low interest rates to deliver the infrastructure required to meet the future demand
- £75m was to be considered a cap on borrowing and the programme would be delivered with a lower level of borrowing, if possible
- Estimated costs for each scheme will become more precise as schemes are developed and the review of governance arrangements is being undertaken to ensure that the process is transparent

10. Peter Lewis, Executive Director for Corporate Resources and Services, assured Members that the financial details were updated as schemes in the programme developed. It was noted that the borrowing cap had been set to underwrite the programme but that additional sources of funding were being investigated to avoid borrowing, where possible. A governance framework for the agreement and monitoring of business cases would be shared with Performance and Finance Select Committee ahead of consideration at County Council on 19 February 2016.

11. Members noted an amendment to the report on page 13 to reflect that there were two decisions taken as urgent action decisions.

12. Louise Goldsmith thanked the Performance and Finance Select Committee for their comments and officers for the work that had gone into producing the programme. The Cabinet noted the recommendations made by the Performance and Finance Select Committee and agreed that the recommendations to County Council be amended to reflect them.

13. Mrs Goldsmith commented that the County Council needed to respond to the potential housing development in West Sussex and deliver the necessary infrastructure. It was felt that the scale of the challenge required a different approach and the five-year programme provided innovation alongside measured financial management to meet the needs of residents.

14. Resolved:

i) That the recommendations in the report be amended to reflect those made by the Performance and Finance Select Committee.

ii) That the proposed capital programme for 2015/16 to 2020/21 and proposed methods of financing capital payments between 2-15/16 and 2020/21 be endorsed for approval by County Council on 30 October 2015.

Outside Bodies Update

15. The Cabinet received the report of the Head of Law and Governance on the proposed changes to the Outside Bodies list (copy appended to the signed minutes).

16. Resolved:

- The two LEADER Local Action Groups (LAG); the Central Sussex LAG and Sussex Downs and Coastal Plain LAG are added to the list of Outside Bodies;
- Janet Duncton is appointed to the Central Sussex LAG until the end of the term of the County Council in May 2017; and
- Simon Oakley is appointed to the Sussex Downs and Coastal Plain LAG until the end of the term of the County Council in May 2017.

Dates of Future Meetings

17. The next meeting would be held on Tuesday 26 January 2016.

Chairman

The meeting closed at 11.25