

Cabinet

2 February 2016 - At a meeting of the Cabinet held at County Hall, Chichester.

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

Apologies: Mr Evans

Also present: Mrs Urquhart (Chairman Performance and Finance Select Committee (PFSC)).

Officers present: Peter Lewis, Bernadette Marjoram, Sean Ruth, Avril Wilson, Katharine Eberhart and Matthew Evans.

PART I

Declarations of Interest

18. There were no declarations of interest.

Minutes

19. Resolved - That the minutes of the meeting held on 20 October 2015 be approved as a correct record and signed by the Chairman.

Refreshing the Future West Sussex Plan 2015 - 2019

20. The Cabinet considered a report by the Executive Director Corporate Resources and Services and Head of Performance and Intelligence to endorse the refreshed version of the Future West Sussex Plan 2015 – 2019 for approval at the County Council meeting on 19 February 2016 (copy appended to the signed version of the minutes). The report and refreshed Plan was introduced by Louise Goldsmith, Leader, who advised that reference to the Better Roads programme required removal; 2015/16 was the last year of the programme.

21. Deborah Urquhart, Chairman Performance and Finance Select Committee, provided an update on the outcomes of the PFSC debate relating to the draft Plan. The Select Committee had endorsed the Plan and had raised the following issues during the debate: the over 55 employment rate should be monitored in the light of changes to pension arrangements; the section referring to the minimisation of taxation needed to be updated to take account of the proposal to increase Council Tax; the target to increase apprenticeships should be more challenging; and there should be reference to the improvements planned to sections of the A27 throughout West Sussex in collaboration with local partners.

Medium term financial strategy 2016/17 to 2019/20 including revenue budget 2016/17 and capital programme 2016/17 to 2017 to 2017/18

22. The Cabinet considered a report by the Executive Director Corporate Resources and Services to endorse the draft budget for 2016/17 for approval at the County Council meeting on 19 February (copy appended to the signed version of the minutes). The report was introduced by Jeremy Hunt, Cabinet Member for Finance, who raised the following points:

- The medium term financial strategy was designed to support the objectives in the Future West Sussex Plan;
- The reduction in funding announced by the Government in the settlement had been much steeper than anticipated. The calculation used to determine the settlement had taken account of the tax base in the County but had not considered the service needs of the County Council and local residents. There was support for the Governments programme to reduce the deficit but the settlement for the County Council was felt to be unfair;
- Representations to the Government and local MPs had expressed the concerns of the Cabinet regarding the settlement. A final announcement was now awaited from Government to see if there would be any damping of the impact of funding losses;
- The funding gap for the County Council over the course of the next four years stands at £153 million. The Revenue Support Grant had been reduced significantly for 2016/17 and would be reduced to zero over the four year period. Details of the Public Health grant for 2016/17 were still awaited;
- A £44 million budget gap existed for 2016/17 which would be reconciled through: savings of £18 million; the allocation of early savings from previous years; and an increase in Council Tax;
- Council Tax thresholds for 2016/17 stood at 2% for adult social care and 1.95% for core council tax. The Cabinet proposed a Council Tax increase of 3.95%; a proposal which had not been arrived at lightly and followed a period of six years of Council Tax freezes;
- A review of Reserves had been conducted and there was assurance that levels were sufficient to support unforeseen contingencies;
- Investment Capital was planned for the 2016/17 tax year in support of the three priorities; and
- Thanks were expressed for the role of the Select Committees in considering the draft budget.

23. Peter Lewis, Executive Director Corporate Resources and Services provided the following comments on the budget: the late and surprising settlement announcement had disrupted the preparations for budget setting; the four year funding gap of £124 million had increased to £153 million following the announcement; there was a high level of confidence concerning the adequacy of reserves; shrewd financial planning and the realisation of early savings in previous years had helped to reduce the impact of the settlement; and Katherine Eberhart was introduced as the new Section 151 Officer with responsibility for overseeing the robustness report for the budget.

24. Mrs Urquhart provided an update on the outcomes of the PFSC debate relating to the draft budget 2016/17. The Select Committee endorsed the budget and raised the following issues during its debate:

- The strong representations to Government regarding the Settlement were supported;
- The needs of the social care sector was recognised and the need to raise the precept by 2%. Further detail regarding how the 2% increase would reconcile the budget gap in social care services was requested and the impact on other services resulting from the emphasis on social care;
- There needed to be greater clarity concerning the potential increases in Council Tax over the medium term and the link to the Capital Programme;

- It was commented that there was a need to make more efficient and effective use of the County Council's property estate;
- Improved partnership working with District and Borough Councils was urged; and
- There needed to be a focus on the development of markets, for example in social care, to ensure conditions existed that supported the financial viability of contractual partners.

25. Peter Catchpole, Cabinet Member for Adult Social Care and Health, commented that the introduction of the National Living Wage represented a new pressure within adults' social care. The 2% social care precept enabled the Council to meet this new pressure but would not resolve the existing challenges within the sector. The budget for Adults' social care had risen as a consequence of increasing levels of people with multiple conditions requiring care. Funding had been received to meet the duties contained in the Care Act and capital had been allocated to help stimulate the care market. There was confidence that savings identified within Adults' social care could be achieved and the comments of the Health and Adults' Services Select Committee had been acknowledged.

26. Christine Field, Cabinet Member for Community Wellbeing, explained that it was regretted that detail of the Public Health grant could not be confirmed. The County Council had welcomed the return of responsibility for Public Health and had ensured that the promotion of the health of local residents was embedded within its priorities and operations. There would be amendments to the final budget once the public health grant had been confirmed.

27. Mr Lewis commented that the 2% precept for social care helped offset the cost of the introductions of the National Living Wage but would only meet approximately a third of the cost.

28. Mrs Goldsmith and Mr Hunt paid tribute to the work undertaken by the officers to compile the budget in challenging circumstances.

29. The Cabinet voted unanimously to endorse the Future West Sussex Plan and the Budget 2016/17 to the meeting of County Council on 19 February.

30. Resolved – that the Cabinet:

- 1) endorses the revised Future West Sussex Plan 2015-19, for approval by the County Council on 19 February 2016; and
- 2) endorses the County Council draft budget for 2016/17, Appendix 1 to the above report, for approval by the County Council on 19 February 2016.

Outside Bodies Update

31. The Cabinet considered a report by the Director of Law, Assurance and Strategy to add the Sussex Community NHS Trust (SCT) to the County Council's Outside Bodies list (copy appended to the signed version of the minutes).

32. Resolved – that the Sussex Community NHS Trust (SCT) is added to the County Council's Outside Bodies list.

Dates of Future Meetings

33. The next meeting would be held on Tuesday 24 January 2017.

Chairman

The meeting closed at 2.50 p.m.