

Unconfirmed minutes – subject to change until confirmed at the next meeting.

## **Cabinet**

28 January 2014- At a meeting of the Cabinet held at County Hall, Chichester.

Present: Mrs Goldsmith (Chairman), Mr Barnard, Mr Brown, Mr Catchpole, Mr Evans, Mrs Field and Mr Lanzer.

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

Apologies: Mr Montyn.

## **PART I**

### **Declarations of Interest**

24. There were no declarations of interest.

### **Minutes**

25. Resolved

That the minutes of the meeting held on 26 November 2013 be approved as a correct record and that they be signed by the Chairman.

### **Urgent Matters**

26. There were no urgent matters.

### **Performance Framework and Revenue Budget & Capital Programme 2014/15 to 2017/18**

27. The Leader introduced the report on the Performance Framework and Revenue Budget and Capital Programme 2014/15 to 2017/18 (copy appended to the signed minutes). The Leader welcomed Mrs Urquhart, the Chairman of the Performance and Finance Select Committee to the meeting.

28. The Leader commented that the performance framework and the budget reflected a considerable amount of discussion and planning over the last two and a half years to develop a commissioning Council as it was known that the Council would be facing significant financial challenges in the future. The Leader highlighted the three key themes in the Performance Framework that would be the priorities for the Council.

29. The Cabinet Member for Finance highlighted the background to the proposed budget:

- Central government funding continued to reduce, as it had done for the last three years
- The County Council's portion of the Council Tax would be frozen for the fourth consecutive year, keeping down the cost of County services for the tax payer
- Gross domestic product (GDP) was expected to increase by 2.4% in 2014/15

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- Public sector austerity, however, was expected to continue until about 2020 as central Government wished to remove the fiscal deficit by 2018 and thereafter, build a modest surplus.
  - This was the first year of the new system of local government finance which was far more volatile than the previous block grant system.
  - While the Rate Support Grant (RSG) would reduce by 7.9% in 2014/15 and 11.6% in 2015/16 these were below the average reductions for local authorities
  - The predicted share of business rates for West Sussex was 4.4%
30. The Cabinet Member was pleased to report that the tax base was now £2.8m higher and the Collection Fund £2.6m higher than the assumptions made in the summer. Other grants were £2.1m higher than anticipated. The New Homes Bonus had been retained by councils, following lobbying of central government.
31. The County Council was committed to spend £31m on the Age of Transfer proposals for Worthing schools, bringing them in line with education provision in the rest of the County. For the next two years, £15m per annum would also be spent on the Better Roads programme to improve the highway infrastructure in West Sussex.
32. The Cabinet Member explained how the Council had come to a conclusion that it would need to save approximately £141m over four years and was pleased to say that in the light of the Autumn Statement this had now reduced to about £128m. On current figures, the final figure could still vary between £108m and £141m but if growth in business rates continued, the savings required could reduce further. While savings of £55-61m were required in the first two years, the last two year savings might not need to be as severe as originally expected.
33. The Revenue Budget was £538m and all budgets had been increased by inflation. Only the budgets for Libraries, Concessionary Fares and Adults Social Care had increased in real terms to reflect their particular service pressures.
34. The Capital Programme for 2014/15 was £134m. Measures had been put in place to improve the delivery of the programme compared with 2013/14.
35. The Cabinet Member was pleased to inform Members that the long term borrowing by the Council would reduce from £495m in 2010 to £390m by 2018. He commented that long term borrowing by its very nature took time to reduce but that the County Council had made good progress with this. Consequently the interest payments that needed to be drawn from the Revenue Budget would also be reducing.
36. The Leader commented that the budget reflected the sound financial management of the authority. She invited the Director of Finance and Assurance to comment as the Section 151 Officer on the risks in the proposals.

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37. The Director of Finance and Assurance reported that the County Council had taken a prudent approach to risks and he expected them to improve. The savings proposals were at the lower end of those previously achieved by the Council. The County Council Reserves, at 3.3% were lower than recommended by the Audit Commission. He confirmed that the proposals in the budget were robust and adequate.
38. The Cabinet Member for Adults' Social Care and Health commented that the proposed increase reflected a growing elderly population that needed the County Council's support and a commitment to the excellent work carried out by Adults' Services staff.
39. The Cabinet Member for Community Wellbeing commented that Public Health would be working closely with the NHS to shift the emphasis from the treatment to the prevention of ill health and this was reflected in the Public Health budget for 2014/15. While a positive start had been made on this work it was not expected that the proposed shift in resources from the acute NHS services to Public Health would be easy to achieve.
40. The Cabinet Member for Children – Start of Life highlighted the following points regarding the Children Services budget:
  - The Think Family Initiative was progressing well
  - There were currently 634 looked after children in the County but good work was being done to reduce the number and enable these children to either return home or move on to fostering or adoption
  - Migration into the county continued to put pressure on the schools basic need places.
  - The Music Service and two nursery schools had become staff mutuals during 2013/14
41. The Cabinet Member for Residents' Services welcomed the budget and commented that:
  - the West Sussex Fire and Rescue Service continued to provide an excellent service and highlighted in particular the attendance by the Service at numerous flooding incidents and several major fires in recent weeks
  - the Library Service continued to provide a good service to the public.
  - reducing the waste stream to landfill continued to be a particular challenge in his portfolio.
42. The Leader invited the Chairman of the Performance and Finance Select Committee to report on all the Select Committees' comments (copy appended to the signed minutes). The Chairman commented that the Select Committees had welcomed the increase in the revenue budgets, the council tax freeze and the investment in roads. She said that the Performance and Finance Select Committee wanted assurance that the Better Care fund would be deliverable.
43. Members noted that the public consultation on the savings proposals had not attracted sufficient responses to be informative. It was agreed that this aspect of the budget preparations would be reviewed to see what improvements could be made to encourage a larger response.

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#### 44.Resolved

That, taking account of member priorities, medium term finance strategy, local government finance settlement and the results of internal and external consultation, the following items be recommended to County Council for approval:

1. the Performance Framework 2014/15 (paragraphs 1.1 to 1.5)
2. net revenue expenditure of £534.0m (paragraph 3.1 and Table 1)
3. price rise allowance of £9.6m (paragraph 3.2 and column 2 of Table 2)
4. service commitments and net additional funding of £4.2m (paragraph 3.4 and columns 3 and 6 of Table 2)
5. savings of £14.7m (paragraph 4.2 and Table 3)
6. capital payments in 2014/15 of £139.7m (paragraph 7.1 and Table 8)
7. proposed methods of financing capital payments between 2013/14 and 2016/17 (paragraph 7.8)
8. a maximum operational borrowing limit of £558.633m for outstanding debt and an authorised borrowing limit of £598.633m, including £40m of borrowing for temporary cash flow purposes (paragraphs 7.12 and 7.13, and Table 7)
9. a limit of 100% on borrowing at fixed rates and 25% on borrowing at variable rates (paragraph 7.14 and Table 7)
10. headcount – to be updated prior to approval by County Council on 14 February 2014 (paragraph 8.1)
11. the assumptions underpinning the Director of Finance and Assurance's assessment of the robustness of estimates and the adequacy of reserves (paragraphs 9.1 to 9.14)
12. The following amounts be approved for the financial year 2014/15 in accordance with Section 42A of the Local Government Finance Act 1992:
  - a. That the budget requirement to meet net expenditure of the County Council for the financial year 2014/15 is £534.043m, and the council tax requirement for 2014/15 is £353.327m.
  - b. That the following sums be payable for the year into the County Council's revenue fund:

Business Rate Retention Scheme	£163.932m
Business Rate Cap Grant	£0.749m
Education Services Grant (ESG)	£10.853m
New Homes Bonus Grant	£2.946m
Local Services Support Grant	£0.862m
Small Business Rate Relief	£0.265m
Net surplus from District Council Collection Funds	£1.109m
  - c. The council tax base for the year 2014/15 is the aggregate amount calculated by the billing authorities to which the County Council issues precepts totalling 304,070.70 Band D equivalents.
  - d. The amount of council tax being the budget requirement at 12(a) above, less the amounts receivable in 12(b) above, all divided by the council tax base at 12(c) above, shall be £1,161.99 to the nearest penny.
  - e. The amount of council tax payable for dwellings listed in a particular valuation band, calculated in accordance with the proportion set out in Section 5(1) of the Act, shall be as follows:

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Valuation Band	Amount	Valuation Band	Amount
A	£774.66	E	£1,420.21
B	£903.77	F	£1,678.43
C	£1,032.88	G	£1,936.65
D	£1,161.99	H	£2,323.98

- f. That the district councils be requested to make payments of sums due under precepts calculated in proportion to their council tax Band D equivalents as follows:

Adur District Council	£22,888,181.83
Arun District Council	£64,948,269.06
Chichester District Council	£57,824,805.56
Crawley Borough Council	£37,378,894.32
Horsham District Council	£64,180,542.27
Mid Sussex District Council	£65,077,249.95
Worthing Borough Council	£41,029,169.71

- g. That the district councils be required to make payments of precept by equal instalments of the above sums due on or before:

17 April 2014	22 May 2014	26 June 2014
31 July 2014	4 September 2014	9 October 2014
13 November 2014	11 December 2014	15 January 2015
19 February 2015		

- h. Additionally, that payments be made by the district councils in respect of the estimated surplus on their collection funds on 31 March 2014:

	Council Tax	Business Rates
Adur District Council	£238,769.09	£98,330.55
Arun District Council	£523,000.00	£114,967.49
Chichester District Council		£1,088.04
Crawley Borough Council	£405,298.00	
Horsham District Council	£392,109.00	£203,446.58
Mid Sussex District Council	£385,000.00	£30,603.73
Worthing Borough Council	£16,552.85	£1,764.32

And payments be made to the district councils in respect of the estimated deficits on their collection funds on 31 March 2014:

	Council Tax	Business Rates
Crawley Borough Council		£1,302,563.62

- 13 the context of the Equalities Act 2010 in making budget proposals (paragraphs 11.1 and 11.2)

### **Outside Bodies - Appointment of Deputy for the Chichester Harbour Conservancy**

45. The Cabinet received the report of the Head of Law and Governance on the proposed appointment of Mrs M Evans as a Deputy for the Chichester Harbour Conservancy who would substitute in the absence of a principal County Council Member (copy appended to the signed

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minutes).

46. Resolved:

That Mrs M Evans be appointed as a Deputy for the Chichester Harbour Conservancy to act as a substitute in the absence of a principal West Sussex County Council Member until the end of the Council term in May 2017.

### **Total Performance Monitor to the end of December 2013**

47. The Cabinet noted the Total Performance Monitor (TPM) to the end of September 2013 (copy appended to the signed minutes).

48. The Cabinet Member for Finance was pleased to report that the under spend reported in the TPM would be used for the Unclassified Roads Improvement Programme. The projected over spending for Residents' Services was due to the additional cost of managing the protest at Balcombe in 2013. £300,000 would be transferred from the General Reserve to offset this over spend.

49. The Cabinet Member congratulated the Chief Executive on the excellent performance in delivering the £79m savings over the last three years.

50. Members noted that the provision of cardiovascular screening, which was currently shown as a red risk, carried out by GPs and other providers such as pharmacies was expected to move from red to amber by the year end. The target had been set considerably higher than last year and its gradual improvement was a good example of joint local authority and NHS working. It was anticipated that this service would continue to improve in 2014/15.

### **Dates of Future Meetings**

51. The next meeting would be held on Tuesday 23 September 2014 .

Chairman

The meeting closed at 12.05 p.m.