



Cabinet

Minutes of a meeting held at County Hall, Colliton Park, Dorchester,
Dorset, DT1 1XJ on Wednesday, 31 January 2018.

Present:

Rebecca Knox	Leader of the Council
Jill Haynes	Deputy Leader and Cabinet Member for Health and Care
Steve Butler	Cabinet Member for Safeguarding
Deborah Croney	Cabinet Member for Economy, Education, Learning and Skills
Tony Ferrari	Cabinet Member for Community and Resources
Daryl Turner	Cabinet Member for Natural and Built Environment

Members Attending:

Graham Carr-Jones, County Councillor for Stalbridge and the Beacon
Spencer Flower, County Councillor for Verwood and Three Legged Cross
Nick Ireland, County Councillor for Linden Lea

Officers Attending:

Debbie Ward (Chief Executive), Richard Bates (Chief Financial Officer), Nick Jarman (Interim Director - Children's Services), Jonathan Mair (Head of Organisational Development - Monitoring Officer), Matthew Piles (Service Director - Economy) and Lee Gallagher (Democratic Services Manager).

For certain items, as appropriate:

Jim McManus (Chief Accountant).

- (Notes:(1) In accordance with Rule 16(b) of the Overview and Scrutiny Procedure Rules the decisions set out in these minutes will come into force and may then be implemented on the expiry of five working days after the publication date.
Publication Date: **Tuesday, 6 February 2018.**
- (2) These minutes have been prepared by officers as a record of the meeting and of any decisions reached. They are to be considered and confirmed at the next meeting of the Cabinet to be held on **Wednesday, 14 February 2018.**
- (3) **RECOMMENDED** in this type denotes that a decision of County Council is required.)

Apologies for Absence

13 Apologies for absence were received from Mike Harries (Corporate Director for Environment and Economy). Matthew Piles (Service Director – Economy) attended the meeting for Mike Harries.

Code of Conduct

14 There were no declarations by members of disclosable pecuniary interests under the Code of Conduct.

Minutes

15 The minutes of the meeting held on 17 January 2018 were confirmed and signed.

Matter Arising

Min 10 – Questions from County Councillors

Cllr Daryl Turner clarified that in relation to comments about the influence the Council

had in respect of commercial services, he wished to amend the minute to read 'He also added that the County Council was obliged to provide an entitled service for children, and could not decide commercial services by operators but could try to influence positive outcomes where possible'.

Public Participation

16 Public Speaking

There were no public questions received at the meeting in accordance with Standing Order 21(1).

There were no public statements received at the meeting in accordance with Standing Order 21(2).

Petitions

There were no petitions received at the meeting in accordance with the County Council's Petition Scheme.

Cabinet Forward Plan

17 The Cabinet considered the draft Forward Plan, which identified key decisions to be taken by the Cabinet on or after the next meeting. The following changes were noted:

- Local Government Reorganisation Progress and Work Programme – Date to be confirmed or special meeting to be arranged to consider the report.
- Local Authority School Relations – March 2018
- Home to School Transport – Outstanding Policy Consultation – Date to be confirmed

Resolved

That the Forward Plan be updated to include the items listed above.

The County Council's Budget

18 The Cabinet considered the following reports in relation to the County Council's budget:

Medium Term Financial Plan (MTFP) and Budget 2018-19 to 2020-21

18a The Cabinet considered a report by the Cabinet Member for Community and Resources on the Medium Term Financial Plan (MTFP) and Budget for 2018-19 to 2020-21. The report is attached as an annexure to these minutes.

Cllr Tony Ferrari provided a detailed introduction to the report and highlighted that, as an evolution of the policies of the Council, funding to both children's and adult services had been allocated differently due to financial pressures and transformation, and there was continuing pressure to make savings. The opportunity from Government to increase Council Tax base from 1.99% to 2.99% was proposed for 2018/19, and was also assumed for 2019/20, but could not be assumed for future years after 2019/20 so a prudent 1.99% increase was assumed. For these two years the additional 1% increase would raise just over £2m. However, the impact of the Local Government pay settlement would create an additional pressure on the budget of £1.4m. The social care precept of 3% would remain in place and form part of the overall Council Tax proposal of 5.99%. The Council Tax increase would create additional revenue of approximately £13m, but a further £18m was still required in savings for 2018/19 due to ongoing cost pressures.

An explanation was provided on other factors affecting the Council's budget planning assumptions in relation to the ability to create capital receipts and use the funding raised towards transformation, and continued lobbying and consultation in spring 2018 on negative Revenue Support Grant (RSG) funding from Government in 2019/20. A new funding formula would be applied by Government in 2020/21 which

would remove the negative RSG issues.

The importance of transparency and communications regarding the ongoing budget pressures of the Council was discussed. It was felt that more proactive communications were needed to explain why the increases in Council Tax were needed, the extremely challenging work to provide services, increasing demands, and justification of the significant factors facing areas such as social care.

Specific reference was made to the children's services high needs budget and Special Educational Needs and Disability (SEND) activity, and that further information on the direction of travel and relationships with schools would be considered in March 2018.

Reference to the downward trend of highway condition and risks associated with the tender of transport contracts were included in the discussion. However, ongoing work with the Clinical Commissioning Group and the NHS could provide visionary changes in relation to holistic transport provision.

The Cabinet discussed the need to make budget information available moving forward for the new Dorset Council, which needed to build on considerations included in the Cabinet Member's report at paragraph 1.4 which started to outline the sense of direction that would be needed, and it would also need to provide visibility to the work of the Organisational Transformation Board.

Resolved

That, subject to confirmation of funding levels once the final settlement was received:

1. The service issues and risks associated with the savings measures arising from the updated Forward Together programme, set out in Appendix 2 of the Cabinet Member's report be agreed as the measures upon which further consultation takes place;
2. The risks associated with the use of one-off funding through flexible capital receipts and collection fund surpluses to balance the budget be noted;
3. The Council Tax increase of 2.99% for 2018-19 and note the assumption of 2.99% in 2019-20 and 1.99% beyond that be confirmed; and,
4. The Social Care Precept of 3% for 2018-19 and 0% in 2019-20, bringing the three-year total to the 6% allowed by Government be confirmed.

RECOMMENDED

1. That the County Council be recommended to approve:
 - a) the revenue budget strategy for 2018-19 to 2020-21:
 - b) the budget requirement and precept for 2018-19; and,
 - c) the position on general balances and reserves.
2. That the Chief Financial Officer present to the County Council a schedule setting out the Council Tax for each category of dwelling and the precepts on each of the Dorset Councils for 2018-19.
3. That the proposal to increase fees and charges for non-residential adult social care services by 5% in 2018-19 be approved.

Reason for Recommendations

To approve the Council Tax increase for 2018-19 and to enable work to continue to refine and manage the County Council's budget strategy for the remaining MTFP period.

Treasury Management Strategy Statement and Prudential Indicators for 2018-19

- 18b The Cabinet considered a report by the Cabinet Member for Community and Resources on the Treasury Management Strategy Statement and Prudential Indicators for 2018-19. The report is attached as an annexure to these minutes.

The Chief Financial Officer highlighted the importance of the Treasury Management Strategy and the parameters within which treasury management activity contributed as a vital part of the governance of the Council.

In terms of the borrowing capacity of the Council, it was confirmed that borrowing was built into a ceiling mechanism which had not been exceeded in recent years, but the level of borrowing was managed close to the ceiling of the operational range.

RECOMMENDED

The Cabinet recommends to the County Council approval of:

1. The Prudential Indicators and Limits for 2018/19 to 2020/21.
2. The Minimum Revenue Provision (MRP) Statement.
3. The Treasury Management Strategy.
4. The Investment Strategy.
5. Delegation to the Chief Financial Officer to determine the most appropriate means of funding the Capital Programme.

Reasons for Recommendations

1. The Prudential Code provided a framework under which the Council's capital finance decisions were carried out. It required the Council to demonstrate that its capital expenditure plans were affordable, external borrowing was within prudent and sustainable levels and treasury management decisions were taken in accordance with professional good practice. Adherence to the Prudential Code was mandatory as set out in the Local Government Act 2003.
2. This report recommended the indicators to be applied by the Council for the financial years 2018/19 to 2020/21. The successful implementation of the code would assist in our objective of developing 'public services fit for the future'.

Asset Management Capital Priorities

18c The Cabinet considered a joint report by the Cabinet Members for Community and Resources and Natural and Built Environment on the Asset Management Capital Priorities. The report is attached as an annexure to these minutes.

On considering the report a summary of the need to manage the available capital funding within the borrowing ceiling as part of the Treasury Management arrangements was provided. If the ceiling was met capital funding would only be generated through the sale of assets or after the repayment of previous commitments. This would introduce much lower levels of capital financing that the Council was historically used to.

The importance of the Digital Strategy was highlighted as key capital investment for the future to develop integration of services and drive out further efficiencies.

In relation to the investment in the Dorset History Centre extension as match funding to a Heritage Lottery Fund bid, it was confirmed that the bid had been unsuccessful but there were further possibilities being explored to add extra space that were being developed and would hopefully be significantly cheaper than the original scheme.

The Department for Transport and the Department for Education had not yet announced capital allocations, but would be added to the existing funding once notified.

RECOMMENDED

That the County Council be recommended to approve the capital programme for 2018/19 to 2020/21.

Reason for Recommendation

The available resources after taking account of committed projects were sufficient to

meet the current capital programme.

Consent to orders under the Cities and Local Government Devolution Act

- 19 The Cabinet considered a report by the Leader of the Council on consent to orders under the Cities and Local Government Devolution Act to enable Local Government Reorganisation to take place pending the final decision of the Secretary of State to progress the reorganisation.

Resolved

That the Chief Executive be granted delegated authority, after consultation with the Leader of the Council, to provide all necessary consents to enable the Secretary of State to make regulations under section 15 of the Cities and Local Government Devolution Act 2016 to enable local government reorganisation in Dorset to take place.

Reason for Decision

In order to enable the Secretary of State to make regulations so that local government reorganisation may take place simply and efficiently.

Panels and Boards

- 20 The Cabinet received the following minutes:

Dorset Waste Partnership Joint Committee - 15 January 2018

- 20a The minutes from the Dorset Waste Partnership Joint Committee meeting held on 15 January 2018 were noted.

Noted

Questions from County Councillors

- 21 A question was received from Cllr Clare Sutton to the Cabinet Member for Community and Resources in relation to Fees and Charges for Non-Residential Adult Social Care. The question and answer are attached as an annexure to these minutes.

A justification was also provided regarding the Consumer Price Index quoted in the question as the rate at the time of the decision to increase fees and charges by 5% was 3% at the time. This meant that a realistic extra cost faced by the County Council would have been approximately £120k instead of the £138k quoted in the direct answer to the question from Cllr Sutton.

It was further clarified that the increase of 5% on fees and charges was only applied to service users as a result of a financial assessment where the outcome indicated that they were able to pay.

Noted

Meeting Duration: 10.00 am - 10.50 am