

**EXECUTIVE
 5 JANUARY 2016**

PRESENT: COUNCILLOR M J HILL OBE (LEADER OF THE COUNCIL)

Councillors Mrs P A Bradwell (Executive Councillor for Adult Care and Health Services, Children's Services) (Deputy Leader), C J Davie (Executive Councillor for Economic Development, Environment, Planning, Tourism), R G Davies (Executive Councillor for Highways, Transport, IT), M S Jones (Executive Councillor for Finance, Property), P A Robinson (Executive Councillor for Fire and Rescue, Emergency Planning, Trading Standards, Equality and Diversity), R A Shore (Executive Councillor for Waste, Recycling), Mrs S Woolley (Executive Councillor for NHS Liaison, Community Engagement) and C N Worth (Executive Councillor for Libraries, Heritage, Culture, Registration and Coroners Service).

Councillors C J T H Brewis, S R Dodds, J D Hough, Mrs M J Overton MBE, Mrs J M Renshaw, R A Renshaw and A H Turner MBE JP attended the meeting as observers.

Officers in attendance:-

Tony McArdle (Chief Executive), Debbie Barnes (Executive Director of Children's Services), David Forbes (County Finance Officer), Glen Garrod (Director of Adult Care), Cheryl Hall (Democratic Services Officer), Judith Hetherington Smith (Chief Information and Commissioning Officer), Dr Tony Hill (Executive Director of Community Wellbeing and Public Health), Pete Moore (Executive Director of Finance and Public Protection), Nigel West (Head of Democratic Services) and Richard Wills (Executive Director for Environment and Economy).

29 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors B Young (Executive Councillor for Crime Reduction, People Management, Legal) and Mrs A M Newton.

30 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of interest at this point in the meeting.

31 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

The Executive Councillor for Fire and Rescue, Emergency Planning, Trading Standards, Equality and Diversity was pleased to report that he had received an email of thanks from Cumbria Constabulary for the support given by Lincolnshire's Fire and Rescue team to those affected by the floods in the North of England.

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The Executive Councillor was also very pleased to report that Long Sutton's Retained Watch Manager had been awarded a British Empire Medal in the New Year's Honours List for his services to Fire and Rescue and to Emergency Medical Care.

32 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 1 DECEMBER 2015

RESOLVED

That the minutes of the meeting held on 1 December 2015 be agreed and signed by the Chairman as a correct record.

33 COUNCIL BUDGET 2016/17

Consideration was given to a report from the Executive Director of Finance and Public Protection, which sought approval of the budget proposals for 2016/17, as detailed within the report, as the preferred option for the purposes of further consultation.

The Executive Councillor for Finance and Property introduced the report to the Executive, making specific reference to the early engagement with County Councillors and the budget questionnaire, which had featured in County News.

The County Finance Officer introduced the report to the Executive and in doing so, advised Members that the report described the basis on which the proposals had been developed for the purposes of internal and external consultation. The report also detailed the Provisional Local Government Finance Settlement and its implications for the Council's finances. The Executive was also asked to delegate authority to the Leader to review the Council's participation in a business rates pooling arrangement with six of the Lincolnshire District Council's (Boston Borough; City of Lincoln; East Lindsey; North Kesteven, South Kesteven and West Lindsey) in light of the Provisional Local Government Settlement and notify the Government by 15 January 2016 in the event the Council no longer wished to be considered as part of a pool.

Detailed information was provided as part of a presentation, which covered the followings areas: -

- Background;
- Current Budget Strategy;
- Comprehensive Spending Review / Autumn Statement 2015;
- Provisional Local Authority Finance Settlement;
- Revenue Budget 2016/17;
- Capital Programme 2016/17;
- Council Tax Proposals;
- Budget Consultation.

The report had set out a one-year financial plan for revenue and capital budgets. It was noted that for the second year running the Council was only able to set a one-year budget. Members were advised that this was due to the continued significant reduction in government funding, growing cost pressures from demand-led services such as adult and children's social care and the Council's responsibility from 2016/17 to pay staff and contractors the National Living Wage. The pressures faced by the Council meant that it was not possible, at present, to develop sustainable long-term financial plans beyond the next twelve months.

All areas of service expenditure had been reviewed to identify cost pressures which must be funded and savings which could be made, through efficiencies and by reducing the level of services provided. The Council remained aware of its high priority areas, but no service had been exempted from helping the Council to deliver its savings target. The high priority areas included: -

- Safeguarding children and adults;
- Maintaining and developing highways and infrastructure;
- Managing flood risks;
- Supporting communities to support themselves; and
- Fire and rescue services.

On an annual basis the County Council had the opportunity to review the level of Council Tax. It was noted that central government set thresholds, above which a local authority would be required to hold a referendum for council tax increases. For 2016/17 it was proposed that this threshold would be 2.00%, plus a further 2.00% for authorities with Adult Social Care responsibilities to deal with pressures in this area including demographic pressures and the impact of the national living wage. It was advised that a council tax increase of 3.95% (1.95% plus a further 2.00% for the social care 'precept') was proposed.

In developing the one-year financial plan for 2016/17 the Council had considered all areas of current spending, levels of income and council tax and use of one-off funding (including use of reserves and capital receipts) to set a balanced budget.

It was noted a number of consultation events had been arranged during January and early February 2016, details of which could be found on page 35 of the Executive's report.

Members were provided with an opportunity to ask questions, where the following points were noted: -

- The Autumn Statement and Provisional Local Government Settlement had provided local authorities with some flexibility around the use of capital receipts. The Council would now be able to use capital receipts to fund the revenue cost of transformation, provided that certain criteria were met for example, redundancy payments;
- The budget proposals were based on a thorough and comprehensive review of the Council's services. The budget proposals therefore aimed to reflect the Council's priorities whilst operating with the resources available;

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- Initial feedback from the budget questionnaire in County News and on the Council's website had indicated that those services which members of the public would wish to reduce funding for had included: libraries; post-16 travel; initiatives to encourage healthy lifestyles; and community grants;
- A direct consequence of the Spending Review was that the rural counties had been considerably under-funded, owing to the formula which was used to calculate funding for local authorities;
- Members of the Executive expressed its disappointment with central government's spending review and autumn statement, and the local government finance settlement and in particular its adverse effect on rural counties. The importance of continued lobbying was discussed. It was noted that the local MPs had received information from the County Finance Officer which detailed the impact of the settlement on services provided by the County Council;
- The Executive also expressed its disappointment with the Local Government Association, as it was felt that it had not fairly represented rural counties;
- A Special Meeting of the County Council's Network's Management Committee had been arranged for 6 January 2016 to discuss the impact of the local government settlement and its adverse effect on shire counties;
- New Homes Bonus Grant of £4.284m would be provided in 2016/17 (an increase of £0.760m from 2015/16) relating to the increase in the number of new properties built in Lincolnshire;
- It was noted that the Revenue Support Grant had reduced by £28m (28%) in 2016/17 from the current year and then by further amounts of £22m, £14m and £14m in successive years to 2019/20. This equated to a cumulative fall of £78m (79%). It was noted that the equivalent grant in 2011/12 was £211m. These reductions were higher than anticipated;
- Members were proud that in previous financial years, the Council had opted not to increase Council Tax and had accepted Freeze Grant offered by Central Government in those years. However, due to the Council being under significant pressure to make further savings, it was necessary to set a Council Tax increase of 3.95% for 2016/17;
- It was noted that the additional funding from the increase 2.00% increase in council tax for adult social care, estimated to be approximately £4.5m a year, would have to be spent on care, would not cover the costs that the Government's national living wage was likely to add to the Council's adult care contracts by 2020;
- Although the County Council had faced significant funding pressures over recent years, it had maintained frontline services. However, Members recognised that difficult decisions now had to be made to balance the County Council's budget.

RESOLVED

That the Executive:

- (1) agree the budget proposals described in the report as its preferred option for the purposes of further consultation; and

- (2) delegate authority to the Leader to review the Council's participation in a business rates pooling arrangement with six of the Lincolnshire District Council's (Boston Borough; City of Lincoln; East Lindsey; North Kesteven; South Kesteven; and West Lindsey) in light of the Provisional Local Government Settlement and notify the Government by 15 January 2016 in the event the Council no longer wishes to be considered as part of a pool.

34 GREATER LINCOLNSHIRE DEVOLUTION - INTERIM GOVERNANCE PROPOSAL

Consideration was given to a report from the Chief Executive, which updated the Executive on the progress made in the development of the Devolution proposal by the ten local authorities in the Greater Lincolnshire area; presented the latest elements of the devolution proposal; detailed the indicative process for the next stages in the devolution programme; and sought approval for the carrying out of a governance review as the next formal stage of the process and the establishment of a formal joint committee to oversee the development of the governance review.

Members were assured that the approval of the recommendations in the report would not pre-judge the outcome of the governance review. Any future decisions would come before the County Council and the Executive, as and when required.

RESOLVED

That the Executive:

- (1) approves the carrying out of a governance review, as described in the report, to commence no sooner than January 2016 such review to be conducted, to the fullest extent envisaged by the Act, as a formal governance review under section 108 of the Local Democracy, Economic Development and Construction Act 2009.
- (2) subject to the outcome of any governance review, supports in principle the establishment of a combined authority for the Greater Lincolnshire geography if that is the most effective and efficient means of securing strategic economic (and related) growth.

The meeting closed at 11.34 am.