

**EXECUTIVE
 20 DECEMBER 2016**

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

Councillors Mrs P A Bradwell (Executive Councillor for Adult Care, Health and Children's Services) (Deputy Leader), C J Davie (Executive Councillor for Development), R G Davies (Executive Councillor for Highways, Transport and IT), R A Shore (Executive Councillor for Waste and Recycling), Mrs S Woolley (Executive Councillor for NHS Liaison and Community Engagement), C N Worth (Executive Councillor for Culture and Emergency Services) and B Young (Executive Councillor for Community Safety and People Management).

Councillors P J O'Connor (Chairman of the Overview and Scrutiny Management Committee), R B Parker and A H Turner MBE JP were also in attendance.

Officers in attendance:-

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

37 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mrs A M Newton.

38 DECLARATIONS OF COUNCILLORS' INTERESTS

There were no declarations of interests made at this point in the proceedings.

39 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

The Executive Councillor for Community Safety and People Management advised that the Lincolnshire Police and Crime Panel at its meeting on 19 December 2016 had appointed Mr B Skelly to the role of Lincolnshire Police Chief Constable, as recommended by the Lincolnshire Police and Crime Commissioner. Mr Skelly would take up the position from February 2017.

40 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON
1 NOVEMBER 2016

RESOLVED

That the minutes of the Executive held on 1 November 2016 be agreed and signed by the Chairman as a correct record.

41 COUNCIL BUDGET 2017/18

Consideration was given to a report from the Executive Director of Finance and Public Protection, which sought approval of the budget proposals for 2017/18, as detailed within the report, as the preferred option for the purposes of further consultation. Additional information was tabled at the meeting, which covered an update to the Council Budget 2017/18; the Community and Public Safety Scrutiny Committee budget workshop comments; and comments from the Overview and Scrutiny Management Committee on the financial standing of the County Council.

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 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 four weeks after the notification of the Provisional Local Government Finance Settlement.

The report set out a one-year financial plan for revenue and capital budgets. It was noted that for the third 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, waste disposal and the Council's responsibility to pay staff and contractors the National Living Wage. The pressures faced by the Council meant that it was not practicable, at present, to develop sustainable long-term financial plans beyond the next 12 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 were detailed on page 12 of the report.

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 2017/18 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.

The Chairman of the Overview and Scrutiny Management Committee advised the Executive that seven of the Council's scrutiny committee's had received budget briefings by way of an informal workshop. The comments from those workshops were detailed at Appendix B to the report. The Chairman specifically highlighted that the Highways and Transport Scrutiny Committee had questioned whether one weed spray per year added value. It was also highlighted that the Value for Money Scrutiny Committee had raised concerns regarding the licensing costs for Microsoft.

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

- It was noted that the Leader of the Council, or his Executive Support Councillor, had attended all of the scrutiny budget workshops to listen to the comments of the scrutiny committees;
- In response to the specific points highlighted by the Chairman of the Overview and Scrutiny Management Committee, as detailed above, it was noted that the County Council currently spent approximately £50k on weed control. It was confirmed that officers were currently exploring alternative options for weed control, however, these options were very limited. It was also noted that the cost of migrating to an alternative software platform would not have a substantial benefit, owing to the cost of additional training and migrating data; and issues with the functionality of alternative software platforms;
- It was unclear at this stage what impacts there would be on the County Council's services, including weed control, following the vote to leave the European Union;
- The changes to the Pension Contributions were discussed, where it was highlighted that the figure of £3.513m, as detailed on page 27 of the report, had been factored into the budget. Furthermore modest increases were expected to be incurred annually to 2019/2020;
- The changes to the New Homes Grant, following the announcement of the provisional Local Government Finance Settlement, were also discussed. It was noted that the New Homes Bonus Grant was £3.555m (previously £4.555m) for 2017/18. It was clarified that this change had reflected the reduction to the number of payment years for the New Homes Bonus from six years to five in 2017/18 with the funding released contributing towards the new social care grant;
- In the recent past an increase in the number of council taxable households, the tax base, had been around 2% in Lincolnshire. Nationally, the tax base had increased by 1.9%. This reflected the increase in the number of new properties being built in Lincolnshire;

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- The inclusion of the 'Lincolnshire Community Assistance Scheme – local welfare support' on page 36 of the report should be removed, as this scheme had ceased to exist;
- It was noted that the Secretary of State in the provisional Local Government Finance Settlement had confirmed the referendum threshold for Council Tax would remain at 2.00%. He had also announced that the net increase in Social Care precept would remain at 6.00% over the next three years, however, local authorities would not be limited to an annual increase of 2.00%. It was clarified that local authorities could choose to increase this element of their precept by 3.00% in both of the next two years (2017/18 and 2018/19), but the total increase may be no more than 6.00% over the next three years. Further to this, it was stated that the Executive would continue with its proposals, as detailed within the report and not increase the adult care precept to 3% next year; and
- Although the County Council had faced significant funding pressures over recent years, it had maintained frontline services. However, Members recognised that further difficult decisions would have to be made to balance the County Council's budget in future years. It was agreed that it was thanks to prudent accounting, including the managing of reserves, which had meant the County Council could balance its budget.

RESOLVED

That the Executive:

- (1) agree the budget proposals, as 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 four weeks after the notification of the Provisional Local Government Finance Settlement.

**42 COUNCIL BUSINESS PLAN 2016/2017 PERFORMANCE REPORT,
QUARTER TWO**

A report from the Chief Executive was considered, which presented an overview of performance for Quarter 2 against the Council Business Plan.

The Performance and Equalities Manager reminded the Executive that performance data could be viewed on the web in a secure area on the Lincolnshire Research Observatory.

It was reported overall that out of the 15 commissioning strategies reported in Quarter 2, eight had performed really well; five had performed well; and two had mixed performance.

Members were reminded that targets for 2016/2017 which had been published in the Council Business Plan in February 2016, were informed by the latest available performance information at the time of writing the plan (2015/2016 Quarter 2), with the following caveats: -

(i) The targets were subject to change to reflect: -

- 2015/2016 outturns;
- Changes in the wider economy;
- Nature of demand; and
- Consequences of any service reductions.

(ii) The Council Business Plan would be reviewed as part of quarterly performance reporting with any proposed changes to reporting agreed by the Executive.

Members were advised that the relevant Executive Councillors had been consulted and recommendations for proposed changes to reporting were set out in Appendix A of the report.

In response to a question, Members were assured that the overall performance of the library service was as per the contract performance indicators, as detailed within the contract with Greenwich Leisure Limited (GLL). Further to this it was noted that the total number of interactions and the number of people visiting libraries had increased since GLL was awarded the contract. It was suggested that this was something that should be publicised.

It was noted that the Overview and Scrutiny Management Committee had considered a report on the *Quarter 2 performance against the Council Business Plan 2016/2017* at its meeting on 24 November 2016. It was also noted that the Committee had welcomed the report and had no additional comments to pass to the Executive.

RESOLVED

- (1) That the Quarter 2 performance 2016/2017 be noted.
- (2) That the proposed changes to reporting, as set out in Appendix A to the report, be approved.
- (3) That the proposals for presenting historical performance trends, as set out in Appendix B to the report, be noted.

The meeting closed at 11.15 am.