



**EXECUTIVE
6 FEBRUARY 2018**

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 Economy and Place), R G Davies (Executive Councillor for Highways, Transport and IT), E J Poll (Executive Councillor for Commercial and Environmental Management), 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).

Councillor Clio Perraton-Williams (Executive Support Councillor for Highways, Transport and IT) was also in attendance.

Officers in attendance:-

Debbie Barnes (Executive Director, Children's Services), David Forbes (County Finance Officer), Glen Garrod (Executive Director of Adult Care and Community Wellbeing), Andy Gutherson (County Commissioner for Economy and Place), Cheryl Hall (Democratic Services Officer), Pete Moore (Executive Director, Finance and Public Protection), Jasmine Sodhi (Performance and Equalities Manager) and Nigel West (Head of Democratic Services).

50 APOLOGIES FOR ABSENCE

Apologies for absence were received from Tony McArdle (Chief Executive).

It was noted that Andy Gutherson (County Commissioner for Economy and Place) was attending the meeting on behalf of Richard Wills (Executive Director for Environment and Economy).

51 DECLARATIONS OF COUNCILLORS' INTERESTS

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

52 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

There were no announcements by the Leader, Executive Councillors or Executive Directors.

53 A FAIR DEAL FOR LINCOLNSHIRE

It was reported that the campaign was active and continued to gain support from various organisations, including parish councils.

The Fair Funding Review for Local Government consultation document had been launched on 21 December 2017, with the consultation running until 12 March 2018. It was reported that the Council would be responding before the deadline. There would be two further consultations issued by Government focusing on resources and transitional arrangements. It was anticipated that the implementation of any potential changes to the funding formula would be from April 2020.

It was noted that the Local Government Association (LGA) was due to consider the consultation document and would formulate its own response.

54 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 3 JANUARY 2018

RESOLVED

That the minutes of the meeting of the Executive held on 3 January 2018 be signed by the Chairman as a correct record.

55 REVENUE AND CAPITAL BUDGET MONITORING REPORT 2017/18

Consideration was given to a report from the Executive Director of Finance and Public Protection, which provided an update on spending compared with budgets for the financial year, which started on 1 April 2017.

The County Finance Officer advised that the tables in the report had shown the actual income and expenditure for nine months of the financial year, along with the projections for spendings and a comparison of the projections against the approved budgets.

The report requested that the Executive recommend to the County Council on 23 February 2018 the approval of the transfer of £1.5m from Readiness for Schools (Children's Centres) to Readiness for Adult Life for supported accommodation for homeless young people. It was emphasised that spending on Children's Centres was not being reduced. It would be funded by using £1.5m from the Public Health grant reserve in 2017/18. The Executive supported the recommendation, as outlined above.

It was highlighted that *Other Budgets* was currently forecasting an £8.740m underspend. This was primarily due to national living wage growth in Adult Care being funded by the new Better Care Fund (BCF) monies in 2017/18. Beyond 2017/18, it was anticipated that national living wage costs in Adult Care would continue to be funded from BCF income.

The Chairman of the Overview and Scrutiny Management Board advised that the Board had considered an item on *Revenue and Capital Budget Monitoring Report 2017/18* at its meeting on 25 January 2018. The Board had supported the recommendation to transfer of £1.5m from Readiness for Schools (Children's Centres) to Readiness for Adult Life for supported accommodation for homeless young people. The Board also supported the carrying forward of an underspend, as it would place the County Council in a good position when setting future budgets.

In response to a question, it was advised that the County Council had ended its contract with Carillion, following the company's announcement that it had gone into liquidation. Officers had engaged with the Highways Alliance Framework to procure the remaining work on the Lincoln Eastern Bypass, which had now been packaged into smaller pieces of work.

RESOLVED

- (1) That the current position on the revenue and capital budgets be noted.
- (2) That the transfer of £1.500m from Readiness for Schools revenue budget to Readiness for Adult Life be recommended to the County Council.

56 COUNCIL BUDGET 2018/19

Consideration was given to a report from the Executive Director of Finance and Public Protection, which invited the Executive to consider its final proposals for the Council's budget and council tax in light of the provisional local government settlement and consultation comments on its initial proposals. The Executive was also asked to consider prudential targets in relation to capital financing and other treasury management matters and to recommend to full Council the Flexible Use of Capital Receipts Strategy for 2018/19.

The County Finance Officer introduced the report to the Executive and guided them through those updates to the Council Budget 2018/19, tabled at the meeting, which had taken place since the meeting on 19 December 2017. Some of the changes included the following: -

- The Government had confirmed that it would compensate local authorities in full for the continuation of the business rates cap, small business rate relief and rural rate relief would continue through a Section 31 grant, as in previous years. It was also advised that information on the Section 31 grant had not been received from all seven district councils. The grant for the County Council had been calculated to be £10.827m (£2.753m in 2017/18);
- The Council had been notified of two grants from government which had been incorporated into the Council's budget: Extended Rights to Free Travel (£0.639m), £0.007m, more than originally assumed; and Special Educational Needs and Disability (SEND) implementation grant for January 2018 to March 2019 (£0.323m), of which £0.259m had been budgeted for in 2018/19. It was noted that the SEND grant did not impact on the overall Council budget, as matching expenditure was created in Children's Services budgets;

- The current net increase in income from the changes to Business Rates income and grants, as detailed in the tabled updates, had increased the Council's income for 2018/19 by £21.487m (previously £13.023m);
- The government grant allocations assumed in the budget proposals were those announced in the Provisional Local Government Finance Settlement and therefore may be subject to change. The Final Settlement was expected during the afternoon of 6 February 2018;
- Consultation comments on the budget proposals and the ways in which they were reflected in the final proposals, were detailed at Appendix I to the report.

The Executive was asked to consider the potential use of the net additional income of £21.487m. The following three options were put to the Executive: -

- To reduce the amount of funding required from the Financial Volatility Reserve to set a balanced budget in 2018/19;
- To fund additional spending by the Council or reduce the savings required to be made; or
- To reduce the planned increase in Council Tax of 4.95%.

The Executive supported the recommendation that the net additional funding was used to reduce the contribution required from the Council's Financial Volatility Reserve to meet the 2018/19 budget shortfall.

The Chairman of the Overview and Scrutiny Management Board advised that comments from the overview and scrutiny committees and the Board on the *Council Budget 2018/19* were detailed at Appendix I. In response to a question, it was confirmed that the Overview and Scrutiny Management Board would receive a report on the proposal within the budget to invest £3m on Information Technology, as referred to in the Executive's report.

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

- Overall levels of funding to local government were reducing and would continue to reduce in future years. The use of any additional funding to smooth the effect of the budget reductions would allow the Council more time to develop robust new service models;
- It was confirmed that an item on the *Membership of the Local Government Association* would be considered by the Overview and Scrutiny Management Board at its meeting on 1 March 2018;
- It was also confirmed that funding for the Citizens Advice Bureaux had been re-added to the Council's base budget;
- It was suggested that delegated authority should be given to the Leader to review and amend the Executive's budget recommendations to the County Council, as appropriate, in light of the final Local Government Settlement once it had been received between the Executive meeting and the County Council on 23 February 2018;

- It was 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 due to prudent accounting, including the management of reserves, that the County Council could balance its budget;
- The level of usable reserves would be significantly diminished by the end of the decade and the Council would face further challenges to set a balanced budget beyond this date, as there was significant uncertainty over levels of funding beyond the four-year deal. It therefore remained prudent to retain resources in the financial volatility reserve to deal with future financial uncertainties and challenges;
- It was reiterated that the Fair Funding Review for Local Government consultation document had been launched on 21 December 2017, with the consultation running until 12 March 2018. It was anticipated that the implementation of any potential changes to the funding formula would be from April 2020.

RESOLVED

- (1) That the effect of the updated funding available and revenue expenditure as noted in paragraphs 1.3 to 1.20, and as detailed at Appendices A and B to the report, be noted.
- (2) That the Equality Impact Analysis, as detailed at Appendix C to the report, and the consultation comments as shown in Appendix I to the report and presented at the meeting be noted.
- (3) That, subject to recommendation 4 below, the following be recommended to the County Council for approval:
 - (a) The revenue budget, as detailed at Appendix D to the report;
 - (b) The capital programme, as detailed at Table A and Appendix E to the report;
 - (c) The levels of council tax proposed in Table B of the report, including the increasing of council tax in 2018/19 by 4.95%;
 - (d) The prudential indicators, as detailed at Appendix G to the report;
 - (e) The flexible Use of Capital Receipts Strategy, as detailed at Appendix H to the report.
- (4) That the Leader of the Council be given delegated authority to review and amend the Executive's budget recommendations to the County Council, as appropriate, in light of the final Local Government Settlement, council tax and business rates information from the Lincolnshire District Councils if received between the Executive meeting and the County Council on 23 February 2018.

57 FINAL DRAFT COUNCIL BUSINESS PLAN 2018 - 2020

Consideration was given to a report from the Chief Executive, which presented the draft outcomes and measures generally as specified in Appendix A to the report, as the Council Business Plan for 2018-2020.

The Performance and Equalities Manager advised that the format and content of the Council Business Plan had remained largely unchanged from 2017/18 (with the exception of the inclusion of the 2018/19 and 2019/20 targets). The draft Council Business Plan was attached to the report at Appendix A and the changes to the content were detailed in Appendix B. The changes were also reflected in the equalities objectives, as detailed at Appendix C.

The Chairman of the Overview and Scrutiny Management Board advised that the Board had considered an item on *Final Draft Council Business Plan 2018 – 2020* at its meeting on 25 January 2018. The Board had supported the recommendations in the report. In response to a question, it was advised that the measure on *Youth Offending Victim Engagement* had been removed from the Council Business Plan as it was no longer a priority measure. It was noted that performance for this area would be measured through counting first time entrants and reoffending.

The Chairman of the Board emphasised the need for all County Councillors to be invited to undertake the annual Information Governance training, similar to the employees of the County Council. It was agreed that this would be taken forward by the Head of Democratic Services.

RESOLVED

- (1) That approval be given in principle to the recommendation of outcomes and measures, generally as specified in Appendix A to the report, as the Council Business Plan for 2018-2020.
- (2) That the Leader of the Council be given delegated authority to determine any changes to the said outcomes and measures to be finally recommended to the meeting of County Council on 23 February 2018, following discussion with Executive Councillors.

The meeting closed at 11.23 am.