



**EXECUTIVE
19 DECEMBER 2017**

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), 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 R B Parker (Chairman of the Overview and Scrutiny Management Board) was 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 of Adult Care and Community Wellbeing), Cheryl Hall (Democratic Services Officer), Pete Moore (Executive Director, Finance and Public Protection), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer) and Richard Wills (Executive Director, Environment and Economy).

38 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor E J Poll.

39 DECLARATIONS OF COUNCILLORS' INTERESTS

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

40 ANNOUNCEMENTS BY THE LEADER, EXECUTIVE COUNCILLORS AND EXECUTIVE DIRECTORS

There were no announcements.

41 FAIRER FUNDING DEAL FOR LINCOLNSHIRE

The Leader advised that the campaign for Fairer Funding for Lincolnshire was now well underway and had received extensive support.

The continuation of the promotion of the Fairer Funding for Lincolnshire campaign was discussed.

It was highlighted that the Government had committed to conducting a Fair Funding Review for Local government and it was anticipated that the consultation for the review would be launched as part of the Provisional Local Government Finance Settlement. Depending upon how the Government were to proceed, it had the potential to radically alter the funding profile for the Greater Lincolnshire local authorities. It was anticipated that any changes would be implemented in 2020, which would see a revised local government funding formula.

42 MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON
5 DECEMBER 2017

RESOLVED

That the minutes of the meeting of the Executive held on 5 December 2017 be approved and signed by the Chairman as a correct record.

43 COUNCIL BUDGET 2018/19

Consideration was given to a report from the Executive Director of Finance and Public Protection, which sought approval of the budget proposals for 2018/19 and 2019/20, as detailed within the report, as the preferred option for the purposes of further consultation. Additional information was tabled at the meeting, which included the comments of the two Budget Briefing Workshops.

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 and their impact on services. The Executive was also asked to delegate authority to the Leader to review the Council's participation in a business rates pooling arrangement with the seven Lincolnshire District Councils, in light of the Provisional Local Government Settlement and advise the Government four weeks after the notification of the Provisional Local Government Finance Settlement.

The report set out a two-year financial plan for revenue and capital budgets to take the Council to the end of the four year funding deal from the Government. It was noted that this was the first time in four years the Council had been able to develop budget plans for more than the next financial year. The Council continued to face significant reductions in Government funding, growing cost pressures from demand-led services, such as adult and children's social care, waste disposal and the Council's obligation to pay staff and some contractors the National Living Wage. Uncertainty around Government funding beyond the four year funding deal (which runs from 2016/17 to 2019/20) meant the Council did not consider it practicable, at present, to develop sustainable long-term financial plans into the next decade.

All areas of service expenditure had been reviewed to identify those cost pressures which had to be funded and savings which could be made, through efficiencies and by changing 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 pages 12 and 13 of the report.

On an annual basis the County Council had the opportunity to review the level of Council Tax. It was noted that the Government set thresholds, above which a local authority would be required to hold a referendum for Council Tax increases. For 2018/19 and 2019/20 it was anticipated that this threshold would be a 2.00% increase for general Council Tax, 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 each of the two years. It was anticipated that the Provisional Local Government Finance Settlement might alter the adult social care precept to a *care precept*, which could include children's services.

It was advised that the County Council had made two bids to government for Business Rates Pooling and Pilot Bids 2018/19, as detailed on pages 16 and 17 of the report. The County Council was still awaiting notification from government regarding pilot bids.

In developing its two-year financial plan, 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 explained that although the Provisional Local Government Finance Settlement had not yet been received, the information on funding levels detailed in the Table 1 and *under Other Revenue Government Grants* on page 14 of the report were not expected to change.

The Chairman of the Overview and Scrutiny Management Board advised the Executive that the Overview and Scrutiny Management Board had considered the Council's Financial Risk Assessment for the year 2018/19 at its meeting on 26 October 2017. The Board had supported the Council's Financial Risk Assessment. It was also noted that all councillors had been invited to attend one of the two budget briefing workshops, which were held on 4 and 6 December 2017. The comments from those workshops were detailed at Appendix B to the report.

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

- The Executive was assured that all necessary funds to cover the cost of the National Living Wage increase had been allocated to providers and the expectation was that providers were paying their employees at least the National Living Wage;
- The Council's current budget proposals, as detailed in the report, included the use of reserves of £30.875m (£23.375m from the Financial Volatility Reserve and £7.500m from Adult Care Reserves to cover Adult Care service costs) in 2018/19 and £46.456m (£38.956m from the Financial Volatility Reserve and £7.500m from Adult Care Reserves) in 2019/20 to balance the budget and keep the Council's general reserves at 3.5% of the Council's total budget. It was recognised that these were one-off contributions to the Council's budget shortfall and were planned to smooth the effect of reductions in funding on implementing service changes and reductions. It was hoped that the outcome

of the Government's Fair Funding Review for local government would radically alter the funding profile for Greater Lincolnshire local authorities in future years;

- It was noted that the local government employers had offered a 2.00% pay increase for local government staff 2018/19 and 2019/20;
- It was noted that Children's Services was currently undertaking a review on *Review for Readiness for Adult Life (Invest to Save initiative)*, which explored potential options to better support the increase in the number of 16-18 year olds entering care. It was noted that there were currently circa 25 looked after children, who had entered care and were accessing specialist out of county provision, with high levels of need and staffing levels. It was hoped that this review would bring such placements back into county;
- It was also noted that the Better Care Fund (BCF) and improved BCF in Lincolnshire would provide the County Council with £46.343m by the end of its term in 2019/20. It was hoped that either the Government would further extend the BCF or introduce a similar funding source, otherwise Lincolnshire would face a significant funding shortfall for adult social care services.

RESOLVED

- (1) That the budget proposals, as described in the report, be agreed as the preferred option for the purposes of further consultation.
- (2) That the Leader of the Council be delegated authority to review the Council's participation in a business rates pooling arrangement with the seven Lincolnshire District Council's in light of the Provisional Local Government Finance Settlement and notify the Government four weeks after the notification of the Provisional Local Government Finance Settlement.

The meeting closed at 11.04 am.