

THE CABINET

Minutes of a Meeting of the Cabinet held in the Library Meeting Room,
Taunton Library, on Monday 11th February 2019 at 10.00am.

PRESENT

Cllr D Fothergill (in the Chair)

Cllr M Chilcott
Cllr D Hall
Cllr D Huxtable
Cllr C Lawrence
Cllr F Nicholson
Cllr F Purbrick
Cllr J Woodman

Junior Cabinet members:
Cllr G Frascini
Cllr M Pullin

Other Members present: Cllr S Coles, Cllr H Davies, Cllr A Groskop, Cllr M Keating, Cllr J Lock, Cllr T Lock, Cllr L Leyshon, Cllr L Redman, Cllr B Revans

Apologies for absence: None

170 **DECLARATIONS OF INTEREST** – agenda item 2

Members of the Cabinet declared the following personal interests in their capacity as a Member of a District, City/Town or Parish Council:

Cllr M Chilcott – West Somerset District Council
Cllr F Purbrick – Yeovil Town Council
Cllr J Woodman – Sedgemoor District Council

171 **Minutes of the meetings of the Cabinet held on 23rd January 2019** - agenda item 3

The Cabinet agreed the minutes and the Chair signed these as a correct record of the proceedings.

172 **Public Question Time (PQT)** – agenda item 4

The Leader of the Council, Cllr David Fothergill advised that public questions would be considered as a part of the relevant agenda items.

Cllr Pullin submitted a petition to the Cabinet requesting the need to sustain the young carers service. The Cabinet Member for Children and Families accepted the petition but clarified that there are no savings proposals for the young carers services within the MTFP 2019/20 item. The Cabinet Member undertook to provide a written response.

173 **Leaders Opening Speech**

The Leader of the Council, Cllr David Fothergill, opened the meeting and raised a number of points including: the late government announcement of the revenue budget; finalising Council Tax collections; the small increase to

the Council's base budget; the government business rate retention pilot; the appropriate level of detail included within the budget reports; and his thanks to staff, contractors and partners for their help during the recent snowfall.

Cllr Fothergill highlighted that he was also delighted to announce that additional funding of up to £200k would be allocated to future winter treatment operations following a review in Spring 2019. Cllr Fothergill further noted the decision to reverse proposals regarding gully emptying in urban areas, reactive jetting, flood and water management capacity, encouraging apprentices to join the Council and care home dementia support, alongside using one off funding to pay off debts. In addition members were informed that an additional £500k would be ringfenced for preventative work across the Council.

In summary Cllr Fothergill noted the Performance Report which would be considered later in today's agenda, highlighting that the Council is providing effective, efficient and improving services, and is striding towards a position of financial sustainability.

174 **Quarter 3 Performance Report** - agenda item 5

The Leader of the Council, Cllr David Fothergill introduced the report and made a number of points including: the areas of success detailed in the report including the project revenue budget outturn position; the libraries redesign work; and the works at Yeovil Western Corridor.

The Director of Corporate Affairs, Simon Clifford noted that 63% of measured were rated as on or exceeding target.

The Performance Officer, Ryszard Rusinek drew members attention to Appendix A highlighting pertinent points.

The Cabinet proceeded to debate the report and invited views from other members present. Points raised included:

- Connecting Devon and Somerset Phase 2 and associated concerns regarding the delivery and roll-out timescale;
- the delay between the construction completion and operator procurement for the Energy and Innovation Centre;
- the progress made on major road schemes;
- the need to share data between other public sector partners;
- the excellent work with communities with the libraries service and
- a request for future reports to outline what would be needed to improve performance.

The Leader of the Council, Cllr David Fothergill noted the improved report presentation and highlighted the improvements in budget management illustrated by the projected revenue budget underspend and planned increase in general reserves.

Following consideration of the officer report and appendix the Cabinet:

- 1. Considered and commented on the information contained within this report.**
- 2. Considered the proposed management actions already in place are adequate to improve performance to the desired level.**
- 3. Agreed this report and any appendices as the latest position for Somerset County Council against its Council Vision.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

175 Revenue Budget Monitoring Update – Quarter 3 2018/19 – agenda item 6

The Cabinet Member for Resources, Cllr Mandy Chilcott introduced the report noting: the report details actual spend until the end of December 2018; the continued underspend which was now projected at £1.076m; the additional contribution to reserves; reducing the need to capital receipts to support the revenue budget; improving the Council's financial resilience; and general fund reserves were projected to the £11.637m at the end of the 2018/19 financial year. Peter Lewis, Director of Finance, highlighted that there was still a projected £2m in the contingency budget that could also be used to support the council's resilience.

The Cabinet proceeded to debate the report and invited views from other members present. Points raised included:

- Welcomed the introduction of the new expenditure trend graphs as part of the report
- Reference made to the continuing improvements in Childrens Services and the budget rebasing that had been undertaken for funding of these services

Following consideration of the officer report and appendices the Cabinet noted the contents of this report.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

176 Capital Investment Programme Update – Quarter 3 2018/19 – agenda item 7

The Cabinet Member for Resources, Cllr Mandy Chilcott introduced the report and made a number of points including: the report outlined progress against the Council's Capital Investment Programme for the third quarter of 2018/19; and investment in new schools and highway improvements.

The interim Finance Director added to the points raised by Cllr Chilcott highlighting:

- Some scheme acceleration compared to the previous update
- The decrease in net approvals between Q3 and Q2 and the removal of completed schemes
- The projected increase in forecast spend in 2018/19 with details set out in Appendix C
- High level of confidence in achieving the capital receipts target

The Cabinet welcomed the report and the progress made.

Following consideration of the officer report the Cabinet resolved to note the contents of this report.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

177 **Report of the Scrutiny for Policies, Adults and Health Committee on Medium Financial Plan 2019/20 – agenda item 8**

The Chair of Scrutiny Committee for Adults and Health was unable to attend the meeting. In her absence, the Cabinet Member for Adult Social Care, Cllr David Huxtable was invited to introduce the report noting the key areas of debate from the Committee meeting held on 30 January 2019. The Cabinet Member highlighted the Committee's concern regarding long term funding for Adult Social Care Services, the on-going sustainability of the adult services budget beyond 2019/20 and highlighted the recommendations which were put forward by the Scrutiny Committee.

The Cabinet proceeded to debate the report and invited other members to raise any questions. Reference was made to the outstanding Green Paper from the Government regarding Adult Social Care and there was still no clarity on when this would be coming forward. Support for a joint letter to go forward to request clarity on this.

Following consideration of the Scrutiny Committees report the Cabinet noted the recommendations of the Scrutiny for Policies, Adults and Health Committee and agreed:

- 1. In partnership with other stakeholders including Group Leaders and Somerset MP's, that the Council takes a leading role in proactively lobbying central government about the urgent need for sustainable long-term funding for adult social care in Somerset.**
- 2. That the Cabinet is aware of the future risk to adult social care funding, particularly the future capacity to deliver further savings and the impact this will have on preventative services.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

178 **Medium Term Financial Plan 2019-22 and Annual Budget 2019/20 – agenda item 9**

The Cabinet Member for Resources, Cllr Mandy Chilcott introduced the report, commended officers for their thorough work on developing a comprehensive plan and made a number of points including: reference to the proposals to deliver a balanced budget for 2019/20 set out in the report and various appendices; proposals for 2020/21 and 2021/22 to develop the Council's long-term financial resilience; on-going reductions in Government funding; increased demand for services; the Local Government Financial Settlement; and the Business Rate Retention pilot.

The Cabinet Member further drew Members attention to the addendum report and the revised recommendations which had been circulated to all members ahead of the Cabinet meeting. The Director of Finance was invited to outline the amendments and the reasons for these. Reference was also made to the statement of robustness in section 6 of the report.

The Cabinet considered a number of questions which had been submitted by Alan Debenham regarding the Council's budget, including: public spending and austerity; changes to the minimum revenue position for repayment of long-term debt; and the need to lobby for more funding for local government services. The Cabinet Member for Resources thanked Mr Debenham for his questions, provided a response to the points raised and advised that a written response would be provided as Mr Debenham was not present.

The Leader of the Council, Cllr David Fothergill drew members attention to the Council's Equalities duties under the Equalities Act 2010, highlighting that the papers included both a summary impact assessment in Appendix C and that specific assessments were included within the specific proposal documents

The Leader of the Council, Cllr David Fothergill, invited Cabinet Members to present the proposals in their areas of responsibility with reference to Appendices E1-E5. Points raised during debate included:

- Reference to the work undertaken on developing the budget in line with recommendations made previously by our external auditors
- Questions were raised about table 2 in the addendum and the proposed £500k funding for preventative work and what proposals would be funded from this
- Reference to vacancies not being filled in Childrens Services but assurance provided by Director of Childrens Services that statutory duties will be met
- Support for the revised proposals in the addendum, including delaying the proposal to reduce Care Home Dementia support, gully emptying and the funding for the reinstating gritting routes in 2019/20

- Questions raised why the gritting routes could not be reinstated in 2018/19 in view of the projected underspend. Clarification was provided by the Lead Commissioner for ECI that the contractor lead-in time meant that services could not be reinstated in 2018/19 and that the planned review in Spring 2019 would influence where the additional funding should be used. Councillors would be able to feed their views into the review.
- Reference to the proposals for learning and development and assurance provided by the HR & OD Director

The Leader of the Council made reference to his opening speech earlier in the meeting and the key points raised. He referred to further points that had been raised during debate and thanked Members and Officers for their work in developing the Medium Term Financial Plan. The Leader then proposed the recommendations to Cabinet with the Deputy Leader seconding these.

Following consideration of the officer report and appendices the Cabinet agreed all of the following recommendations and also recommended these recommendations to Full Council for approval to:

- 1. Agree a gross revenue budget of £780.181m and a net revenue budget in 2019/20 of £327.967m**
- 2. Agree the application of up to £2.791m in 2019/20 of capital receipts to fund the revenue costs associated with reforming services, subject to further development and review of business cases.**
- 3. Delegate authority to the S151 Officer, in consultation with the Chief Executive and the Director for Corporate Affairs to review all business cases before agreeing to the use of capital receipts or the Invest to Save reserve.**
- 4. Agree the replenishment of depleted reserves as follows:**
 - a. Create Invest to Save earmarked reserve of £2.852m to ensure resources are available to support further service reform;**
 - b. Addition of £2.000m to the General Fund, from the base budget provision, to bring the balance up towards a reasonable level for a Council of this size, and;**
 - c. Contribute an additional £3.389m to repay the Buildings Maintenance Insurance Scheme (BMIS) and Repairs & Maintenance Fund deficit reserves as the schemes have now ended;**
 - d. Addition of £0.540m to the Insurance Fund to partially replenish the fund to enable it to support likely claims against the Council.**

5. **Agree the actions required to manage the gap to be reduced to £15.112m in 2019/20:**
 - **the reversal of previously identified savings and technical adjustments totalling £18.154m as set out in paragraph 4.5 and Appendix A**
 - **approve the revised Minimum Revenue Provision (MRP) statement and policy (Appendix B), which delivers a saving in 2019/20 of £3.714m;**
 - **the reduction of the corporate contingency by £0.575m to £7.226m for 2019/20;**
 - **the use of the additional one-off Adult Social Care grant of £2.498m to meet the requirements set out by Government for this grant;**
 - **the use of the additional one-off Social Care grant of £4.267m for social care pressures, and;**
 - **approve the removal of the staff unpaid leave saving of £0.454m following rejection of the proposal by the Unions.**
6. **Consider the proposed treatment of the minor funding changes following receipt of the Final Financial Settlement received on 29 January 2019 and the potential use of these additional resources as set out in Table 2 of this report.**
7. **Agree the proposals for change (as set out in Appendices D and E1-E5 – subject to any amendments agreed by recommendation 6 above) necessary to set a balanced budget for 2019/20, totalling £8.512m, and delegated the implementation to the relevant director(s) following due process.**
8. **Agree that due regards have been taken to any equalities implications identified and risk implications prior to any decision being taken in relation to the recommendations in this report, noting the initial equalities impacts as set out in Appendix C.**
9. **Agree that the savings target relating to Waste Disposal costs (£225k) is endorsed to the Somerset Waste Board to consider agreeing to make savings to this value as part of setting its 2019/20 budget.**
10. **Agree the Strategy for the Flexible use of Capital Receipts (CRF) as set out in this report, in section 4.40.**
11. **Agree to keep the Scheme of Members' Allowances unchanged for 2019/20.**
12. **Note that the Leader of the Council, Cabinet Member for Resources, Chief Executive and Section 151 Officer will oversee and monitor the delivery of the proposals for change and report on progress as part of the budget monitoring reports.**

- 13. Delegate authority for the development of any additional alternative proposals for change that may be necessary to the Chief Executive in consultation with the Section 151 Officer and relevant Director(s).**
- 14. Agree that the Cabinet and the Council have reviewed and confirmed that account has been taken of the Section 151 Officer's assessment of the robustness of estimates and adequacy of reserves as set out in section 6 of this report.**
- 15. Agree the Reserves and Balances Policy Statement in Appendix K**
- 16. Agree to increase the level of the general Council Tax by 2.99%, which will provide a further £7.073m to support the Councils expenditure.**
- 17. Agree to increase Council Tax by a further 1% for the adult social care precept, which will provide a further £2.365m to support the growth in demand for services.**
- 18. Agree to continue the Council Tax precept of £12.84 within the base budget for the shadow Somerset Rivers Authority (representing no increase). This results in a Council Tax Requirement of £2.547m**
- 19. Agree to set the County Council precept for band D Council Tax at £1,239.73 which represents a 3.99% uplift. This is a rise of £0.91 per week for a Band D property, as set out in Appendix H.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

179 Capital Strategy 2019-22 (Investment Strategy) – agenda item 10

The Cabinet Member for Resources, Cllr Mandy Chilcott, introduced the report, highlighting the following points: the programme included £224m of investment in the County; non-treasury investments and potential contributions to the Council's revenue budget; and work to formulate proposals for on treasury investments.

The Cabinet proceeded to debate the report and other members were invited to ask questions. Points raised included:

- The proposed change to the minimum revenue provision and the reasons for this, following discussion with our external auditors and assurance from the Section 151 officer
- The need to ensure the Council learns from experience of other councils

Following consideration of the officer report and appendices:

- 1. The Cabinet recommended the Capital Strategy 2019/20-2021/22, and the prudential indicators contained within, to the Council for consideration and approval at their meeting on 20 February 2019 (as set out in Appendix 1).**
- 2. That the Cabinet and Council agreed to delegate authority to the Section 151 Officer, in consultation with the Leader, Deputy Leader, Opposition Spokesperson for Resources, Monitoring Officer and County Solicitor, to design the governance arrangements and remit of the non-treasury investments for recommendation to, and approval by, the Cabinet and the Council before the end of July 2019.**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

180 **Treasury Management Strategy 2019/20 – agenda item 11**

The Cabinet Member for Resources, Cllr Mandy Chilcott, introduced the report, highlighting the need for effective treasury management which underpins the achievement of our business and service objectives and is essential for maintaining a sound financial reputation.

The Cabinet proceeded to debate the report and invited other members to put forward any questions. Members acknowledged that this was a comprehensive report and commended the work of officers.

Following consideration of the Officer report and appendices Cabinet endorsed the following recommendations and recommended approval by Council on 20th February 2019:

- To adopt the Treasury Borrowing Strategy (as shown in Section 2 of the report).**
- To approve the Treasury Investment Strategy (as shown in Section 3 of the report) and proposed Lending Counterparty Criteria (attached at Appendix B to the report).**
- To adopt the Prudential Treasury Indicators in section 4.**

The Cabinet noted the current Treasury Management Practices (TMPs) attached at Appendix D to the report.

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

181 **CAF 14b Proposals for the alternation and / or reduction of early help services provided to children and their families – getset – agenda item 12**

The Cabinet Member for Children and Families, Cllr Frances Nicholson introduced the report noting: the two previous Cabinet approvals relating to reductions in staffing levels across the service as a response to current demand levels and increasing caseload targets and the launch of a public consultation exercise to review the provision of early help services; the proposal to promote prevention in the community; the £200k set aside to help develop early help projects; and the importance of working alongside key partners such as schools. Reference was made to the equalities impact assessment in Appendix 4.

The Cabinet considered a number of questions which had been submitted by Elvira Elliot, Genia Pirrie and Nigel Behan. Responses were provided by the Cabinet Member which included:

- Clarification that the council and partners have continued to deliver early childhood services across Somerset and have retained 8 of our original children centre buildings as our “family centres”. The key is on providing effective and timely support and services to families, not buildings. The statutory duty is on health, police and local authorities to identify, assess and support families that require additional help – and this system is still in place.
- Recognition that these changes have been very difficult for the staff, and managers continue to support them whilst we work over this transitional period.
- The Council has listened carefully to the responses to the consultation and this has resulted in amendments to its original proposals, by retaining the level 2 service for a further year rather than an immediate cessation, recognising that further improvements need to be made over the next year in collaboration with partners. The right approach is to involve communities and partners as part of the solution and our proposals outline a system-wide approach that will improve early help support in Somerset. To that end we are looking at using our available resources to invest in the right areas to produce the outcomes for children and families that we all want.

The Cabinet Member highlighted that a petition from Adam Boyden had been received earlier that day and she acknowledged this. The Cabinet Member confirmed that Frome Childrens Centre is not closing.

The Cabinet proceeded to debate the report and invited other members to raise any questions. Points raised included:

- Recognition of the joint work with district councils to move to a different model of delivery
- Reference to the statutory duties and requirements upon the council
- Praise was given for the many volunteers who work with children and families
- Comments from Scrutiny for Children and Families were highlighted and a request that an update be provided in six months to provide assurance

Following consideration of the office report, the equalities impact assessment and points raised during debate the Cabinet agreed:

- **The proposals set out in Appendix 1 to improve Somerset's early help approach.**
- **The delegation of the award of the commissioning/grant fund to the Director of Children's Services.**
- **The submission of a business case for support from the Invest to Save fund, or Capital Receipts Flexibilities as determined by the Director of Finance, in June 2019, enabling development work of the electronic early help module to support partners in delivering early help.**
- **The delegation of the approval of business cases to the Director of Children's Services and Director of Corporate Affairs for the implementation of the electronic early help module (See Appendix 1 Section 2).**

ALTERNATIVE OPTIONS CONSIDERED: As set out in the officer report

REASON FOR DECISION: As set out in the officer report

182 Any other urgent items of business – agenda item 13

The Cabinet thanked Peter Lewis, Interim Director of Finance for his work for the Council and wished him well for the future.

(The meeting ended at 12.40pm)

CHAIR