

BUCKINGHAMSHIRE COUNTY COUNCIL

MINUTES

Minutes of the meeting of the Buckinghamshire County Council convened and held on Thursday 22 February 2018 in Oculus, AVDC, Gatehouse Way, commencing at 9.29 am and concluding at 11.42 am.

PRESENT

Mrs P Birchley in the Chair;

Mr M Appleyard, Mr R Bagge, Mr W Bendyshe-Brown, Ms J Blake, Mr S Bowles, Mr N Brown, Mr T Butcher, Mr D Carroll, Mr W Chapple OBE, Mr J Chilver, Mr C Clare, Mrs L Clarke OBE, Mrs A Cranmer, Mrs I Darby, Mr D Dhillon, Mr C Ditta, Mr C Etholen, Mr M Farrow, Mrs B Gibbs, Ms N Glover, Mr C Harriss, Lin Hazell, Mr A Hussain, Mr M Hussain, Mr P Irwin, Mr R Khan, Mr S Lambert, Ms A Macpherson, Mrs W Mallen, Mr D Martin, Mr P Martin, Mr R Reed, Mr B Roberts, Mr D Shakespeare OBE, Mr M Shaw, Mrs L Sullivan, Mrs J Teesdale, Mr M Tett, Ms J Ward, Julia Wassell, Mr D Watson, Mr W Whyte, Ms A Wight, Mr G Williams and Ms K Wood

DIGNITARIES AND OTHERS PRESENT

Sir H Aubrey-Fletcher, Mrs M Aston, Mr M Colston, Mr P Lawrence and Mrs V Letheren

APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr A Collingwood, Mr D Hayday, Mr N Hussain, Mr P Kara, Mr B Allen, Mrs G Miscampbell OBE DL and Mr K Ross MBE DL

1 HONORARY ALDERMAN

The Chairman, Mrs P Birchley, opened the meeting by welcoming Mrs M Aston to the meeting as an Honorary Alderman. The Lord Lieutenant, Sir Henry Aubrey-Fletcher, presented Mrs Aston with certificate of appointment.

2 MINUTES

RESOLVED: The minutes of the meeting held on 27 November 2017 were agreed as a correct record.

3 PETITIONS

No petitions were received

4 COMMUNICATIONS

Apologies were received from Mr A Collingwood, Mr D Hayday, Mrs G Miscampbell OBE, Mr K Ross, Mr N Hussain, Mr P Kara High Sheriff and Mr B Allen.

The Chairman confirmed that written questions and responses to Cabinet Members had been published online.

Mrs Birchley gave the following update of her recent activities as Chairman since the last meeting in November:

- Had taken children in care to see the pantomimes at Aylesbury and Wycombe.
- Had attended the opening of the University of Buckingham Medical School Academic Centre, opened by HRH The Duke of Kent on 20 February 2018.
- The Chairman was due to host a celebration that evening of the success of Buckinghamshire businesses. The event was being held to celebrate those companies that had been awarded the Queens award over the last five years.
- There would be a reception to mark the closure of the County Court in Market Square, Aylesbury where Mrs Birchley would be paying tribute.
- On 25 April there would be a dinner hosted by the Chairman held for mental health charities in Buckinghamshire at Dorney Wood and Mrs Birchley urged Councillors to show their support.

5 DECLARATIONS OF INTEREST

There were no declarations of interest.

6 CHIEF FINANCIAL OFFICER'S STATUTORY REPORT

Mr R Ambrose, Director of Finance and Assets, presented his report informing Members that the council continued to experience reduced funding and increased demand on services.

Mr Ambrose stated that there had been a robust budget setting process and that the budget had been through extensive scrutiny including by the Council's finance teams, the Corporate Management Team, Cabinet Members and the budget scrutiny exercise as carried out by the Finance and Resources Select Committee in January 2018.

Mr Ambrose brought Members' attention to three key risks in the budget (in paragraph 22 of the report), highlighting:

- Achievability of the reductions – savings were complex and required extensive consultation and involvement of partners.
- Demand led budget - client numbers and levels of need for statutory services.
- Care market sustainability – pressures within the provider market for care services and the risk that additional costs would fall to the County Council.

Mr Ambrose stated that there was a contingency budget in place to help manage areas of uncertainty within the budget. General reserves were also held for unforeseeable spending requirements and provided stability to the Medium Term Financial Planning. A review of the reserves had taken place as part of the budget process and general

reserves have increased slightly in the last few years following previous reductions.

Mr Ambrose confirmed that due to a slight overall underspend being forecast in 2017/18 the level of general fund reserves was likely to be approximately £25m at the end of this financial year, equating to 7.4% of the net budget requirement.

In summary Mr Ambrose considered the budget put forward to Members was robust and sustainable.

7 MEDIUM TERM FINANCIAL PLAN

Mr M Tett, Leader of the Council, presented his report the presentation of which is appended to the minutes.

Mr Tett outlined the budget process that had taken place including aligning the budget with the Council's priorities, public consultations and the internal budget scrutiny process.

Members were reminded that Buckinghamshire had taken the Coalition Government's 'Council Tax freeze grant' which now permanently reduced council tax bases.

Nationally, councils were experiencing a rapid growth of demand for Adult Social Care and Children's Services. Despite these challenges, Buckinghamshire was not in a dire financial position and much of this was due to the strong leadership role of Members, and predecessor county councillors, who had taken to tightly control of the finances. Mr Tett stated that many unpopular decisions had been taken, but as a result the Council continues to run a balanced budget despite all the pressures.

Members heard that the past year had been one of the most challenging. Reports in the autumn appeared to show each portfolio on track; however it soon became apparent that the Council faced renewed pressures in both Adult Social Care and Children's. In the new year this had resulted in the forecast deficits having grown significantly. Through tough financial controls and clear leadership Mr Tett confirmed that the Council was now back on track to come in within the approved budget. The latest forecast for year-end showed that the Council were on track to come in or below budget due to reducing the overspend and increasing income.

Mr Tett confirmed that while overall Local Government 'Spending Power' had increased, the cost for delivering Buckinghamshire services had increased far more, seeing more demand from fast growing and an aging population, care and safeguarding of more children and new responsibilities not fully funded.

Mr Tett reported that he had been lobbying extensively via Members of Parliament, the Local Government Association and directly with Ministers for a number of key and increasingly urgent issues:

- The importance of the Green Paper on the financing of Adult Social Care produced in the summer and the need for this not to be developed in isolation.
- Seeing the design and implementation of the Local Government 'Fair Funding' review.
- The need to resolve the issue of the return of Business Rates to Local Government
- The need to see the end of 'negative Revenue Support Grant'. This coming year saw Buckinghamshire, along with Dorset become the first of County

Councils to lose all RSG.

Mr Tett thanked 'Team Bucks' who were working with the Council on the challenges ahead. This included the local NHS and Health service, the Parish, Town and District councils, Bucks MPs and the voluntary and community organisations across the county. He also thanked the Police, Emergency services, the Bucks Local Enterprise Partnership and to all Council staff.

Mr Tett's presentation took Members through Government Grants, Local Government settlement headlines, Funding, income from business rates, expenditure pressures, efficiencies and income, service reductions, general reserves, the Capital programme and proposed council tax increase. Mr Tett highlighted the following points:

- Revenue Support Grant from Central Government had reduced to nothing from **£6.8m** five years ago, going into Negative RSG' in 2019/20. This represented a further reduction of **£10.95m**.
- The effective 'cap' for Council Tax increases were to be lifted from 2% to 3% in line with CPI
- Adult Social Care had seen an additional **£1m** funding, however this was a one off amount and therefore would not be put into the base budget, but instead would be put into the ASC Transformation programme
- Additional funding for Social Care in the Chancellor's Spring Statement added **£3.6m** to funding Adults Social Care this year, and added **£3.4m** in 2018/19, however that funding did not extend beyond 2019/20
- Top-up Grant rose steadily by inflation from **£25.8m** in 2017/18 to **£27.5m** in 2018/19. However, the impact of 'negative RSG' had an impact reducing it to **£17.5m** for 2019/20. Funding assumptions for additional years was **£11.3m** for 2020/21 and only **£7.0m** for 2021/22. On that basis Bucks were also likely to be the first Council to receive no Top-up grant.
- Despite the County Council having the major responsibility for infrastructure to support growth, the Council had only received 9% of Business Rates.
- In overall terms, the income available to the County Council, before Council Tax, fell from **£68.5m** in the current year to an estimated **£57.1m** next year and **£32.4m** by 2021/22.
- Price inflation and increased demand would cost the Council an extra **£9.9m** and across the whole of the four year planning period an additional **£33.5m**
- In Children's Services, with increasing demand of the number of children looked after, there had been some progress in response to the Ofsted inspection in 2014, and following the 2017 inspection there were still further improvements to be made. Children's Services continued to put pressure on budgets.
- Overall efficiencies in Portfolio budgets were estimated at **£7.1m** for next year, rising to **£13.8m** by the end of the four year period
- Overall in 2018/19 it was estimated that there will be over **£745k** of additional income, which would be on top of significant growth over the previous 2 years. In total, income generation would be approximately £75m in 2018/19.
- It was predicted that savings of **£4.8m** in 2018/19 would be achieved through service reductions. This would include significant restructuring of services within the Health & Wellbeing portfolio
- Resources had been found to reverse the planned cuts to library opening hours and had reversed the decline in year on year Revenue spending on Transportation. This year a **£1.25m** would be added back in to the TfB Revenue line after years of reductions

- The latest forecast outturn for the current year reserves were set to be £25m or £26m by the 31 March.
- There was a plan to spend nearly **£123m** in 2018/19 and some **£420m** over the four year life of the Capital programme. The highways network would be prioritised with a programme produced which would include a commitment to spend at least **£15m** on Bucks roads both in 2018/19 and 2019/20, and to increase this amount to **£16m** for 2020/21 and 2021/22.
- There was also a commitment to spend **£1.5m** each year of the Capital programme on structural repairs to our footways, and **£1m** each year on the drainage systems
- The Capital programme also included **£56.9m** in 2018/19 and **£156.5m** over four years investment in Bucks schools
- Proposed increase in Council Tax would be in line with the inflationary level of 2.99% and, in addition, implement the Government's proposal for a Social Care Precept of 3%. This would make a total of 5.99%. Mr Tett demonstrated that for a Band D property this would represent an increase of just **£1.40p per week**.

Mr S Lambert, Leader of the Opposition Group, responded to the proposals.

Mr Lambert thanked staff especially those that delivered front line services day-to-day. He also thanked back office teams that supported Members in their roles.

Mr Lambert cautiously welcomed the budget proposal that had been put forward by Mr Tett, however stated that the goal posts are often moved making it difficult for the opposition to manage a response.

Mr Lambert highlighted the issues of zero council tax increases set over a number of years by the Conservatives, which saved money at the time but had led to the large increase now put upon residents coupled with reduction in services was not acceptable.

Mr Lambert highlighted the current state of the roads across Buckinghamshire and welcomed the revenue funding to be put into roads as part of the budget, however was keen to see the detail of this, to be presented to Council at the next meeting.

Mr Lambert focused on the current issues within Children Services with a Commissioner having been appointed to monitor progress following the 2017 Ofsted inspection. Mr Lambert questioned the ability of the current administration to be able to raise standards when it had failed to so far. Mr Lambert highlighted that Mr Tett had been Leader for 50% of the time Children's Services had been underperforming and questioned the political leadership.

Mr Lambert also highlighted the recent issues of overspending in ASC and the need for weekly meetings with the Section 151 Officer now having to take place. Mr Lambert questioned why this had not been identified sooner and expressed concerns across ASC and Children's that the budget as proposed would not be sufficient for these areas.

The closure of children's centres was also raised by Mr Lambert stating that this should be an area where investments were made rather than reductions. Mr Lambert stated that reviews of these services had been deeply flawed and this had been reflected in the recent call in of the Cabinet decision. Mr Lambert awaited the next steps of the

review and assured that the opposition group would defend their position on their closures.

Mr Lambert mentioned the opportunity missed by the Council by not taking part in trials currently underway of 100% retention of Business Rates. The inability to agree with Districts Councils on a bid meant that the County Council would experience a loss of £10.6m over two years.

The case for Unitary was raised and the need for the decision to be made soon by Central Government. A Unitary is needed in order for Bucks to create a new sustainable council.

Mr Lambert raised his ongoing concern about the attainment gap in Bucks highlighting that it had been reported in the press that Bucks schools were among some of the worst in the country. Mr Lambert stated that if it were not for the Government's new Fair Funding Formula, this issue would have continued to be ignored by the Cabinet Member.

Overall Mr Lambert summarised that while the budget was balanced, it lacked ambition and didn't give members of the Opposition any comfort or confidence in its robustness.

Mr D Watson, Chairman of Finance and Resources Select Committee Chairman, addressed Members and reminded them of the recent scrutiny process the budget had undergone in January 2017. Mr Watson reiterated that the role of the Select Committee was to assess the robustness of the budget put before it, rather than to propose a new one and he thanked Members and Officers for their input. Mr Watson highlighted that following budget scrutiny Members of the Committee put forward 12 recommendations to be considered by Cabinet, which were now being taken forward. One of the key recommendations highlighted by Mr Watson was a proposal that the Council adopts a policy of preparing its management accounts on an accruals basis.

During the debate Members raised the following matters

- The need to address the attainment gap in Buckinghamshire while still understanding the priorities of different cohorts
- Highlighted the savings achieved through income generation from commercial properties and savings achieved through shared services arrangements
- The current state of footpaths across the county and those nearest to schools to be considered as a priority
- How money would be better spent in Children's Services going forward to make the required improvements
- The need to look at income generation opportunities
- How the additional capital funding for road maintenance would be spent
- The need for the Early Help review to address the service being available to those who need it most

Mr Tett responded to Members comments as summarised below:

- The latest Ofsted report did not highlight there being a problem with the political leadership at the Council.
- A fast local response was now needed on the roads with the release of a substantial amount from reserves, however he noted that it was important to see how much could be afforded based on final end of year outturn and more prudent to wait for better weather for this to commence.

- Local Members will help make decisions on the footpaths programme of works.
- There was a strong focus in Children's Services following the Ofsted report and that early intervention was fundamental.
- Mr Tett made reference to the recent headlines regarding failing schools and stated that this was disrespectful to those hard working colleagues in the profession and that Bucks schools had some of the best outcomes across the country.
- Mr Tett confirmed that there would be a proposal to the next meeting of the Council on the planned road maintenance programme for them to consider.

Out of the 45 Members present a recorded vote was taken as follows:

Members for: Mr Appleyard, Mr Bagge, Mr Bendyshe-Brown, Mrs Birchley, Mrs Blake, Mr Bowles, Mr Brown, Mr Carroll, Mr Chapple, Mr Chilver, Mr Clare, Mrs Clarke, Mrs Cranmer, Mrs Darby, Mr Dhillon, Mr Etholen, Mrs Gibbs, Mrs Glover, Mr Harriss, Lin Hazel, Mr A Hussain, Mr Irwin, Mrs Macpherson, Mrs Mallen, Mr D Martin, Mr P Martin, Mr Reed, Mr Roberts, Mr Shakespeare, Mr Shaw, Mrs Sullivan, Mrs Teesdale, Mr Tett, Mrs Ward, Mr Watson, Mr Whyte, Mrs Wight, Mr Williams, Ms Wood

Members against: Mr Ditta, Mr Farrow, Mr M Hussain, Mr R Khan, Mr S Lambert, Julia Wassell

The motion was carried with 39 in favour, 6 against and no abstentions.

RESOLVED:

Council APPROVED the Revenue Budget for 2018/19 (and indicative budgets for the following three years) as set out in Appendices 1, 2 and 3 and a Net Budget Requirement of £338.203m in 2018/19; APPROVED a Council Tax Requirement of £281.012m and a Band D council tax, for County Council spending of £1,291.04 in 2018/19; APROVED the Capital Programme as set out in Appendix 5; NOTED the Budget Scrutiny Report; NOTED the Business Unit Plans.

8 TREASURY MANAGEMENT STRATEGY

Mr G Williams presented the report to Council and Members were asked to consider the Annual Treasury Management Policy Statement, Treasury Management Strategy Statement, Annual Investment Strategy and the Minimum Revenue Provision Policy Statement for 2018/19, together with the Prudential Indicators for the next four years.

Mr Williams highlighted the following points to Members:

- The current portfolio position with a net cash borrowing of £213m as at December 2017.
- Borrowing undertaken for the Council's property investments.
- Average cash balance at £30m at any one time.
- The use of derivatives had been discussed at the last Regulatory and Audit Committee and Mr Williams confirmed that there currently were not any.
- A number of Lender Option, Borrower Option (LOBOs) had been retired and those remaining were being kept under review to ensure value for money.
- Ongoing discussions with advisors regarding current low interest rates and borrowing for longer tenures.

RESOLVED:

The Council APPROVED the Treasury Management Policy Statement, Treasury Management Strategy Statement, the Minimum Revenue Provision Policy Statement and the Annual Investment Strategy.

9 PUBLIC SECTOR AUDIT APPOINTMENTS

Mr D Martin presented the report to Council. Mr Martin stated that at the meeting of Full Council held on 24 November 2016 it was agreed that Buckinghamshire County Council would opt into sector led arrangements, where auditor appointments would be made by a sector led body. The body authorised for such purposes was the Public Sector Audit Appointments Limited (PSAA). Mr Martin confirmed that this was the most cost effective route for the Council.

RESOLVED: Council NOTED the report and the appointment of Grant Thornton as the Council's external auditors.

10 BUCKS MINERALS AND WASTE LOCAL PLAN

Mr B Chapple presented the report which asked Council to consider the Draft Submission Buckinghamshire Minerals and Waste Local Plan 2016-2036 for Regulation 19 consultation and thereafter submission of the Plan to the Secretary of State for Housing, Communities and Local Government for examination.

Mr Chapple outlined the background to the plan and commented on the formal consultation that had received 220 representation, the details of which and the assessment were set out in the previous Cabinet report.

Mr Chapple confirmed that the next steps for the plan would be submission to the Secretary of State followed by an Examination in Public, the meeting of which would be open for the public to attend and view but not take.

RESOLVED: Council APPROVED the proposed submission draft of the Buckinghamshire Minerals and Waste Local Plan 2016-2036.

11 NOTICES OF MOTION

There were none.

12 CABINET MEMBER DECISIONS TAKEN - INFORMATION ONLY

RESOLVED: Council NOTED the report

13 MEMBER DEVELOPMENT UPDATE - INFORMATION ONLY

RESOLVED: Council NOTED the report

14 DATE OF NEXT MEETING

Thursday 26 April 2018, 9.30am, The Oculus, Aylesbury Vale District Council.

CHAIRMAN