

Minutes of the Cabinet Meeting held on 26 January 2016 at 2.00 pm in the King Edmund Chamber, Endeavour House, Ipswich.

Present: Councillors Colin Noble (Chairman), Tony Goldson, Beccy Hopfensperger, Matthew Hicks, Christopher Hudson, Tony Goldson, Gordon Jones, Richard Smith MVO and Sarah Stamp

Also present: Councillors Sonia Barker, Tony Brown, James Crossley, Mary Evans, John Field, Julian Flood, Sandra Gage, Peter Gardiner, Mandy Gaylard, Michael Gower, Len Jacklin, Inga Lockington, Sandy Martin, Bill, Mountford, Graham Newman, Penny Otton, Caroline Page, Bert Pool, David Ritchie, Reg Silvester and Jane Storey

Supporting officers present: Susan Cassedy (Democratic Services Officer).

70. Apologies for Absence

Apologies were received from Councillor James Finch, Cabinet Member for Highways and Transport.

71. Declarations of Interest and Dispensations

There were no declarations of interest or dispensation reported.

72. Minutes of the Previous Meeting

The minutes of the meeting held on 10 December 2015 were confirmed as a correct record and signed by the Chairman.

73. Public Questions

One public question was received as follows:

Question from Sylvia Wright to Councillor Richard Smith MVO, Cabinet Member for Finance

"In her update to Cabinet on 8th December last, Councillor Evans drew particular attention to the Scrutiny Committee's recommendation, shown as 2c) in Appendix A of your papers today, requesting that the proposed cuts to Suffolk Libraries funding be reconsidered, and funds found from reserves to negate the proposed savings.

The cuts proposed for each of the next 2 years represent less than 1% of the growing reserves, also reported in your papers.

Also, in the Report from the Chief Financial Officer, Appendix B of your papers his final recommendation states that where advice is not accepted, this should be recorded formally with reasons.

The recommendation before you simply states that it is not feasible to protect these budgets.

Why was it not considered feasible to implement the Scrutiny recommendation to take the savings expected from library services from reserves given that so little context has been provided on how this was decided, or supporting information, including a statement from Suffolk Libraries?”

Response from Councillor Richard Smith MVO, Cabinet Member for Finance

“The Council has made savings of over £170m since 2011-12 and needs to make further reductions of about £80m over the next two years with more savings in the order of £50-60m to be identified in the period 2018-19 and 2019-20.

These are higher than previously anticipated as the Provisional Local Government Finance Settlement announced on 17 December 2015 indicated that the Revenue Support Grant would reduce much faster than previously expected.

Despite significant grant reductions since 2011 the Council has tried to protect front line services and council tax payers by freezing council tax for five years. Setting up the Library Service as an Industrial and Provident Society is an example of this. However as each year becomes more and more difficult no service the Council pays for can escape having to find savings including the Library Service. The Council has targeted £0.7m to be saved by this service over the next two years and has been in discussions over how this may be achieved.

Reserves are not a sustainable way to permanently fund savings and need to be maintained at a prudent level to address the funding uncertainty and volatility that local government faces. The advice in the Report by the Director of Resource Management is based on the savings as proposed being agreed and delivered. Clearly if this was not the case reasons for not doing so will need to be recorded.”

Supplementary Question from Sylvia Wright

“You suggest setting up the IPS was an example of protecting frontline services and that it cannot escape finding savings. Since Suffolk Libraries was set up in 2012 it has already achieved savings of 28% on the cost of the Library Service and is now being asked to save a further 11%. In order to meet its legal and financial duty as an IPS and fulfil its responsibility to its members, Suffolk Libraries must consider the robustness and risks of delivering the proposed budget and the adequacy of its reserves to manage those risks. Achieving the proposed cuts is not possible without a material revision of our service specification which will take significant resource, time and planning. Would Councillor Smith like to comment on whether he believes Suffolk Libraries would be acting responsibly to agree the proposed cuts without clarity on how they might be achieved and how the Council will manage the financial repercussions if they fail?”

Response from Councillor Richard Smith MVO, Cabinet Member for Finance

“Thank you for that hard hitting supplementary. First of all may I make clear that I’m a keen supporter of Suffolk Libraries and in this financial year I have given two grants from my Locality Budget, first for a General Fund to buy equipment for use in all libraries throughout Suffolk and second a £2,000 grant to Aldeburgh Library to help cover the costs of creating a new Children’s Corner there which has been very successful indeed. And I am sure that my attitude is the same as every Councillor in this room. We are pleased with the prospects of the Library Service. But we really can’t make any specific difference to what we as a County Council are having to face with lower grants from Government and the money that we fund the Library Service with. It is my understanding that the £350,000 of savings in this forthcoming financial year has been agreed and we will enter into extended discussion to see how that further funding in the next year can be made but we do support the Libraries and wish them well and we feel that the grant that we are giving as a County Council, your major funder, is sufficient to meet all of your legal and financial duties.”

74. Standing Item – Update from the Scrutiny Chairman

At Agenda Item 5 the Chairman of the Scrutiny Committee provided the Cabinet with an update on the meeting of the Education and Children’s Scrutiny Committee meeting on 3 December 2015.

Decision: The Cabinet noted the Scrutiny Update.

Reason for decision: The Cabinet recognised the importance of the Scrutiny function.

Comments by other councillors: The Cabinet Member for Children’s Services, Education and Skills reaffirmed the importance of recruitment and retention of good school leadership and teachers.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None reported.

75. New Schools

A report at Agenda Item 6 by the Corporate Director for Children’s and Young People’s Services invited the Cabinet to consider the establishment of new primary schools in Red Lodge, Lakenheath, Lowestoft, Ipswich, Sudbury and Stowmarket together with 2 new Special Educational Needs (SEN) schools – a school for autistic pupils in Ipswich and a school for pupils with social, emotional and behavioural difficulties.

Decision: The Cabinet agreed:

- i) to the establishment of 7 new primary schools and two SEN schools, and where appropriate, to the commencement of a free school/academy competition for new school sponsors; and
- ii) that officers pursue the opportunities the Free Schools programme could bring to fund any or all of these new schools.

Reason for decision: The Cabinet noted that the Education Act 1996 (Section 14) specified the duties of local authorities in respect of provision of primary and secondary schools i.e. there was a statutory duty to secure sufficient primary and secondary schools in their area.

The Education and Learning Infrastructure Plan, previously considered by Cabinet, mapped demand and supply of school places across the county. The Plan identified areas of Suffolk where there would be a shortage of school places in the near future and prioritised areas for immediate action. A list of the first of the new schools required between now and 2019 had been compiled and is attached as Appendix A.

Comments by other councillors: In response to Councillor's question regarding the difficulty in finding temporary capacity to existing schools in Ipswich, the Cabinet Member for Children's Services, Education and Skills advised that the Council was currently in early discussion with Ipswich Borough Council regarding an additional school site and suggested meeting with the councillor outside of the meeting to discuss this further as it involved commercially sensitive information.

In response to a local Councillor's questions regarding schools in Stowmarket the Cabinet Member for Children's Services, Education and Skills advised that in line with Government policy there would be more standardised design for school buildings that would have economical running costs. He confirmed that the Council would make as little use of temporary accommodation as possible. He advised that when district council's agreed to new housing the Council would respond accordingly. He assured the Councillor he would keep her up to date on the proposals for Stowmarket.

The Cabinet Member for Children's Services, Education and Skills, in response to a Councillor's concerns, advised that the 50 additional places at Carlton Colville were in addition to the pupil assessment centre. He also advised that he would be happy to visit Carlton Colville in order to witness the traffic congestion. In response to another Councillor's concern the Cabinet Member for Children's Services, Education and Skills confirmed that that the establishment of two further SEN schools was not pre-empting the SEN school consultation process.

With regard to children walking to school and the safety of routes, the Cabinet Member for Children's Services, Education and Skills noted that, although in an ideal world all children would walk to school, many parents chose to take their children to school by car. He acknowledged that safety of routes was a factor to take into account when choosing development sites. He advised that the Council had been able to make some progress on making routes safer which also had the advantage of reducing traffic pollution.

In response to a Councillor's query, the Cabinet Member for Children's Services, Education and Skills confirmed that any new school would be either an academy or a free school and that there was not currently a study to show the education impact of schools no longer being local authority maintained schools. He added that the Council was currently working with those academies and free schools which were under performing to raise results.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None reported.

76. Revenue Budget 2016-17 and Capital Programme 2016-19

A report at Agenda Item 7, by the Director of Resource Management, invited the Cabinet to consider the recommendations to Council on the budget requirement and council tax for 2016-17 together with the Capital Programme, its financing and Prudential Indicators.

During the meeting the Chamber noted that 23 written questions had been received from the Labour Group prior to the meeting.

Decision: Cabinet agreed to recommend to the County Council at its meeting on 11 February 2016:

- i) the budget proposals, including savings of £34.4m (detailed in paragraphs 30 to 32 of the report) leading to a 2016-17 budget requirement of £445,659,553;
- ii) a freeze in general council tax for 2016-17 so that the Band D council tax for County Services remains at £1,126.53p (paragraph 41 of the report).
- iii) the introduction of a new precept to fund Adult Social Care which is equivalent to 2% of Band D council tax equivalent to £22.50p bringing the total Council Tax to £1,149.03p (paragraphs 40 and 41 of the report).
- iv) a council tax requirement/total precept on the collection funds of District and Borough Councils of £276,546,530 which includes a new precept to fund Adult Social Care of £5,415,261 (paragraph 42 of the report);
- v) a capital programme for 2016-17 totalling £99.3m, including new schemes of £57.6m and the commitments that flow from them, as detailed in paragraphs 43 to 48 of the report;

In making these recommendations the Cabinet also:

- i) agreed the responses to the recommendations and comments made as part of the budget scrutiny process (Appendix A).
- ii) noted the report of the Director of Resource Management on the robustness of the budget and on the adequacy of the proposed financial reserves (Appendix B). Under the Local Government Act 2003 the Council is obliged to take account of this report in making decisions on the budget.

Cabinet also recommended to Council:

- i) the revised Policy on Minimum Revenue Provision and Capital Prudential Indicators (Appendix C, Section C, Paragraphs 16-31)
- ii) the Treasury Management Strategy and Treasury Prudential Indicators including approval to invest for longer than 364 days (Appendix C, Section D).

Reason for decision: The Cabinet was required to recommend to Council a revenue budget and capital programme on an annual basis.

Comments by other councillors: In response to Councillors' questions Cabinet Members advised of the following:

How the Council was intending to make £1.3m savings to the Fire Service was currently out for consultation. The £600,000 savings which were aligned to Public Protection comprised of 3 elements. £300,000 was linked to initial savings in the IRMP proposals subject to the outcome of the consultation and managerial and back office savings from Suffolk Fire and Rescue Service. £100,000 was from Trading Standards and Community Safety. £200,000 had been set aside against potential reduction in the revenue costs of the PFI contracts for fire stations. If no changes were made to the Suffolk Fire and Rescue Service through the IRMP proposals and back office and managerial reductions then the savings would only be £100,000 and this would be realised through Trading Standards.

A 1% increase in Council Tax would bring in £2.7m of extra funds and the effect on a Band D property would be an extra £11.25p per year however, the Chairman reminded the Chamber that the Administration had been elected in 2013 on a manifesto pledge of a 0% council tax increase for the next 4 years. The adult social care precept increase of 2% for 2016/17 was for adult social care only and the Council would have to make returns to Government in order to prove that the money had been specifically spent in this area. The Adult and Community Services budget was increasing from £208m to £217m.

If all residential care homes currently rated as inadequate were to close, the number of residential care places required would be 424. The Council was currently working with Ipswich and East and West Suffolk CCGs to undertake a strategic review of the residential and nursing care market including Council and privately purchased care. The 2% adult social care precept increase could purchase 1.5 weeks in a nursing home for someone with dementia based on a spend per person of £880 and a population in Suffolk of 740,000.

The £4.1m saving that had been identified from Health and Social Care Integration in the previous year's budget had not been realised as, due to their own financial constraints, the CCGs had only been able to transfer £1m to Adult and Community Services. This deficit had been covered by budget underspends in other parts of the Directorate. Savings had not been attributed to 2017/18 as it was always expected that the Health and Social Care Integration savings would take time to develop and therefore the £4.1m target to 2015/16 was not increased further until 2017/18 and therefore allowed time for the CCGs to plan and realise savings to transfer to Adult and Community Services.

The Disability and Advice Service was the sole voluntary sector organisation to receive only a moderate grant reduction in 2017/18 as it worked with customers to maximise their welfare benefits entitlement in maintaining their independence and helping to avoid social care costs. Within the Cabinet report grants to all other voluntary sector organisations were shown as zero for 2017/18 however it was stressed that this was now under review with further conversations to take place before the Council put forward its final proposals for next year. Over a period of time however, given the direction of travel, the point would be arrived at when these organisations would have to be self-sustaining. The Cabinet Member for Adult and Community Services had met with the organisations and

was listening to concerns. There was ongoing dialogue on how the sector as a whole could work more efficiently and effectively.

A Councillor noted that certain tables within the annexes did not tally. The Cabinet Member for Finance advised that this had arisen because the provisional settlement had not been as forecast and agreed to provide further clarification and detail outside of the meeting. As a result of a fundamental review of the Council's Capital Financing Policy it had been identified that an annual saving was achievable through smoothing the repayment of debt. This had required the agreement from the Council's Auditors. It was appropriate to apply this to the 2016/17 financial year as the financial pressures were greater than in previous years and other options had to be considered in order to meet the budget gap.

The amount of Local Highways Budget having been spent to date was £767,761 and the balance available was £1,812, 84. It was confirmed that £2m savings had been achieved through the Kier highways contract and further detail would be included in the Scrutiny Committee report going to the meeting on 10 February 2016.

A reserve was to be used to cover the running costs of the Endeavour Card the majority of which would be used by the end of 2017/18

In April 2016 it was proposed to reduce the number of printed passenger timetables produced and include a leaflet to advise where to get up to date information. In September 2016 no printed bus timetables would be produced but a further run of leaflets advising on where to get information would be distributed instead. This would achieve a saving of £50,000. The Council would also consider maintaining a list of names and email contacts to send out updated timetables. As part of the Real Time Passenger Information programme there were plans to install or replace a number of screens in Suffolk which would be funded by the On Street Parking Fund, Station Improvement Programme and Locality Budgets.

Savings on home to school transport would be achieved by an inflation hold on contracts with providers and would be managed through competition and negotiation with those providers willing to accept contracts at the current level. Cost of fuel had also dropped although there were pressures on workforce costs due to competition from haulage companies.

Under the new Education and Learning Team Structure all maintained schools, pupil referral units and convertor academies were assigned a dedicated Standard and Excellence Officer (SEO). One of the functions of the SEOs' role was to act as a single point of contact on matters relating to support and challenge to ensure the Council met the Raising the Bar aspiration. The achievement of vulnerable learners was part of the SEOs' dialogue with schools. It was too early to make a valuation judgement on impact on SEOs but many schools were reporting favourably. More formal evaluation would be undertaken later in the year. Activities Unlimited was not within the remit of SEOs but SEOs would signpost to this service to support schools in assisting families. Both school improvement and Raising the Bar would continue.

In response to a Councillor's question on the reasons for increased residential waste, the Cabinet Member for Environment and Public Protection advised that

waste increased when the economy improved as people bought more new items.

The County Council Network had been lobbying the government extensively over fairer funding and had put forward a formal paper to the Department of Communities and Local Government the previous week, the results would be known on 6 February 2016. The Chairman advised that he had been part of a delegation who met with Greg Clark MP on two occasions to discuss the formula figure and how it was arrived at. Local MPs were also making strong representations to central government.

The Council would endeavour to continue negotiating with the Library Service to move things forward. The proposal was to save £350,000 in the Library Service in the current year and £350,000 next year with a small saving to be made in the Archives service. Reduction in library stock was up for negotiation with the aim to agree the current year's contract fee with meaningful public consultation taking place on how the service may change moving forward. Savings from stock reduction were part of the £350,000 and further information on the exact figure would be provided in writing outside of the meeting.

With regard to proposed savings to Culture, Heritage and Sport Services the figure for Most Active County had been omitted from the figures in error. This information would be provided in writing outside of the meeting.

Statements on reserves had to be approved by the Section 151 Officer. Earmarked reserves were kept for identified, future risks and would be used within the next few years. 'Free' reserves were those that could be used when necessary to help with the volatility in grant distribution, income streams, business rates, council tax and short term problems. Each authority assessed its own risk and what it needed to have in reserves.

There were set rules and regulations to follow with regard to the procurement process and due diligence had to take place.

The Council had made a firm commitment to ensure the delivery of 100% superfast broadband and continued to work with providers to achieve this.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None reported

77. Urgent Business

There was no urgent business reported.

The meeting closed 4.27pm.

Chairman