

COUNTY COUNCIL

COUNCIL BUDGET MEETING - 8 FEBRUARY 2011

MINUTES of the Budget Meeting of the County Council held at the County Hall, Kingston upon Thames on Tuesday 8 February 2011 commencing at 10:30am, the Council being constituted as follows:

Mr Marlow – Chairman
Mrs Sealy – Vice-Chairman

Mr Agarwal	Mr Ivison
Mr Amin	Mrs King
Mrs Angell	Mr Kington
Mr Barker OBE	Mr Lake
* Mr Beardsmore	Mr Lambell
Mr Bennison	* Mrs Lay
Mrs Bowes	Ms Le Gal
Mr Brett-Warburton	* Mr Lord
Mr Butcher	Mr MacLeod
Mr Carasco	Mr Mallett
Mr Chapman	Mrs Marks
Mrs Clack	Mr Martin
Mrs Coleman	Mrs Mason
* Mrs Compton	Mrs Moseley
Mr Cooksey	Mr Munro
Mr Cooper	* Mrs Nichols
Mr Cosser	Mr Norman
Mrs Curran	Mr Orrick
* Mr Elias	* Mr Phelps-Penry
Mr Ellwood	Mr Pitt
Mr Few	Dr Povey
Mr Forster	Mr Renshaw
Mrs Fraser DL	Mr Rooth
Mr Frost	Mrs Ross-Tomlin
Mrs Frost	Mrs Saliagopoulos
Mr Fuller	Mr Samuels
Mr Furey	Mrs Searle
Mr Goodwin	Mr Skellett CBE
Mr Gosling	Mrs Smith
Dr Grant-Duff	Mr Sutcliffe
Dr Hack	Mr Sydney
Mr Hall	Mr Colin Taylor
Mrs Hammond	Mr Keith Taylor
Mr Harmer	Mr Townsend
Mr Harrison	Mrs Turner-Stewart
Ms Heath	Mr Walsh
Mr Hickman	Mrs Watson
* Mrs Hicks	Mrs White
Mr Hodge	Mr Wood

*absent

01/11 **APOLOGIES FOR ABSENCE (ITEM 1)**

Apologies for absence were received from Mr Beardsmore, Mrs Compton, Mr Elias, Mrs Hicks, Mrs Lay, Mrs Nichols and Mr Phelps-Penry.

02/11 **MINUTES (ITEM 2)**

The Minutes of the meeting of the County Council held on 14 December 2010 were submitted, confirmed and signed.

03/11 **CHAIRMAN'S ANNOUNCEMENTS (ITEM 3)**

The Chairman made the following announcements:

- (i) He reported the deaths of two prominent Surrey residents. Firstly, Lady Patience Baden Powell and secondly, Mr Ray Lowther, former County Councillor for Chertsey from 1985 to 2009. Members stood in silent tribute for both individuals.
- (ii) That, in Her Majesty the Queen's New Year Honours List, the following people received honours:
 - Mr Peter Chisholm – former Headteacher Yehudi Menhuin School - MBE
 - Mr Roy Fairhead – Ash Citizens Advice Bureau - MBE
 - Mr Anthony Gorham – Services to Disabled People in Surrey – MBE
 - Mr Michael Horan – Voluntary Service to the Army Cadet Force – MBE
 - Mr John Sandy – Service to the Community in Godalming – MBE
 - Mrs Juliet Lever – CHASE in the South East – MBE
 - Mr Mark Rowley – Chief Constable Surrey Police – Queen's Police Medal
 - Mr John Boyce – Queen's Fire Service Medal -
- (iii) He also informed Members that Sir Robert Balchin, County Councillor from 1981 to 1985, was created a life peer on 17 December 2010 as Baron Lingfield.

04/11 **DECLARATIONS OF INTEREST (ITEM 4)**

- (i) Dr Povey declared a prejudicial interest in the Revenue and Capital Budget 2011/2012 to 2014/15 (item 8) because he was a director of a company which supplied social care to adults in Surrey and had contracts with Surrey County Council. He withdrew from the meeting for the consideration of this item and took no part in the discussion and decision thereon.

(ii) Both Mrs Searle and Mr Fuller declared a personal interest in Members' Question Time, question 7 (item 6) because they were both trustees of Disability Challengers.

05/11 **LEADER'S STATEMENT (ITEM 5)**

The Leader of the Council made a verbal statement, in which he informed Members of the following:

- That Surrey County Council had been shortlisted for a Local Government Chronicle award, in the 'most improved council' category.
- He set the context for the Budget debate and said that the Deputy Leader would give details of the Budget proposals.
- He confirmed the first council tax freeze in Surrey's history.
- There would be an additional £12m for road improvements over the next four years.
- That front line services would be protected. However, the Council would be looking for 'value for money'.
- His vision was to simulate Surrey's economy in order to create jobs and he was looking into setting up Surrey's own Dragons' Den-style fund so start-up businesses could bid for investment.
- He also said that he would be exploring the possibility of giving 'start-ups' a year's holiday from paying business rates.
- He announced a grant of £21K for next year for Visit Surrey.
- My vision is that the Surrey Economic Partnership with Business should be transferred into an Enterprise Partnership.
- On transport links, he said that he was pleased to support a bid to the Government's Regional Growth Fund for a new junction to replace the roundabout near Guildford's retail park / university / hospital.
- He would be calling on Surrey's local committees to look at the possibility of scrapping single and double yellow line on stretches of roads outside small shops.
- He considered that the proposals that he announced would benefit households, communities and businesses in Surrey.

Members had the opportunity to make comments and ask questions in respect of this statement.

[Note: Due to the interest in the Budget item, the Chairman decided to re-order the agenda and take this item next]

Mr Butcher proposed a motion, under Standing Order 27.2(b):

'That this Council resolves to suspend Standing Order 6.1.1, under which the order of business at this meeting is determined by the Chairman, so that the Council may decide the matter'

The motion was put to the vote and was lost.

06/11 **REVENUE AND CAPITAL BUDGET 2011 / 2012 TO 2014 / 15
(ITEM 8)**

Dr Povey declared a prejudicial interest in this item and withdrew from the meeting for the consideration of this item and took no part in the discussion.

The Chairman drew the Council's attention to the papers for this item, which comprised of those circulated as supplementary papers on Friday 4 February:

- The revised officer report and annexes that replaced the previous papers circulated with the agenda, which included at annexe 6, the Head of Finance's report, as required under Section 25 of the Local Government Act 2003.
- The report of the Cabinet discussion on the budget from its meeting on 1 February 2011 and which included additional recommendations.
- The report of the Deputy Leader which contained the formal recommendations in respect of the proposed Council tax rates and precept level.

Although the officer report on the budget was available 5 clear days before the meeting, the supplementary reports following the Cabinet were not. The Chairman agreed that these supplementary papers should be considered as a matter of urgency under Section 100B (4)(b) of the Local Government Act 1972 in order to ensure the County Council can agree a budget at this meeting.

On the motion of the Chairman, seconded by the Vice-Chairman, Standing Order 18 was suspended to allow minority group leaders five minutes each for speeches on the Budget proposals.

The Deputy Leader presented the report of the Cabinet concerning the Budget 2011/12.

The Deputy Leader made a statement in support of the proposed budget. A copy of the Deputy Leader's statement is attached as Appendix A.

The Deputy Head of Finance presented the Head of Finance's report. A copy is attached as Appendix B.

Each of the Minority Group Leaders (Mrs Watson and Mr Harrison) spoke on the budget proposals.

The Chairman announced that he would be taking the recommendations, as set out in the report of the Deputy Leader, paragraph 6, parts (i) – (xiv) as one recommendation. Also, the additional recommendations, set out in the report of the Cabinet, paragraph 5, parts (1) – (8) would be taken as one recommendation.

After a debate in which 13 Members spoke, the Council considered the report of the Head of Finance made in accordance with Section 25 of the Local Government Act 2003 and then the recommendations, in the report of the Deputy Leader, were put to the vote, with 48 Members voting for and 12 Members voting against. There were 8 abstentions. (Mr Butcher requested that his abstention be recorded.)

RESOLVED:

1. That the budget requirement for 2011/12 is set at £708.7m.
2. That the 2011/12 council tax increase be fixed at 0.0%.
3. That the 2011/12 council tax at Band D is set at £1,116.36.
4. To apply balances totalling £11.6m to 2011/12.
5. That revenue budget proposals set out in paragraphs 2 to 4, of the Report of the Deputy Leader, were agreed.
6. That the capital budget proposals set out in paragraph 5, of the Report of the Deputy Leader, were agreed.
7. That the conclusion of the Head of Finance (S151 Officer), in Annex 6 of the submitted report, under Section 25 of the Local Government Act 2003, that these budget proposals are robust and sustainable and provide for adequate reserves against the level of risk identified, be noted.
8. That the forecasts for 2012/13, 2013/14 and 2014/15 be used as a basis for service planning.
9. That the County Council make and levy a precept based on the following budget requirement:

	£
Budgeted Net Expenditure	1,587,058,762.72
Other Government Grant	-866,753,654.00
Raised from Reserves and Balances	-11,670,313.10
<u>BUDGET REQUIREMENT</u>	<u>708,634,795.62</u>
Formula Grant	-152,451,432.00
Council Tax Collection Fund Surplus	-2,821,662.69
<u>PRECEPT</u>	<u>553,361,700.93</u>

10. That the County Council agree the number of Band D equivalent properties for precepting purposes to be as follows:

<u>Billing Authority</u>	Number of Band D Equivalent Properties
Elmbridge	62,817.00
Epsom & Ewell	31,831.87
Guildford	57,169.97
Mole Valley	40,640.00
Reigate & Banstead	58,994.00
Runnymede	33,653.00
Spelthorne	40,388.20
Surrey Heath	36,958.48
Tandridge	37,821.80
Waverley	54,6520.30
Woking	40,757.30
<u>Total</u>	<u>495,683.92</u>

11. That the County Council's level of Council Tax for each category of dwelling in its area be as follows:

<u>Valuation Band</u>	£
A	744.24
B	868.28
C	992.32
D	1,116.36
E	1,364.44
F	1,612.52

G	1,860.60
H	2,232.72

12. That the payment for each billing authority be as follows:

<u>Billing Authority</u>	£
Elmbridge	70,909,014.12
Epsom & Ewell	35,535,826.39
Guildford	63,891,532.71
Mole Valley	45,885,223.40
Reigate & Banstead	66,218,381.84
Runnymede	37,666,520.08
Spelthorne	45,023,580.95
Surrey Heath	41,258,968.73
Tandridge	42,379,344.65
Waverley	61,658,353.63
Woking	45,756,618.12
<u>TOTAL</u>	<u>556,183,363.62</u>

13. With such payments to be made in ten equal instalments on the following dates, already agreed with billing authorities:

20 April 2011	14 October 2011
26 May 2011	18 November 2011
01 July 2011	03 January 2012
05 August 2011	08 February 2012
09 September 2011	12 March 2012

14. That the Prudential Indicators and limits within the report on Prudential Indicators and Treasury Management Strategy as set out below be adopted:

- The 2011/12 authorised limit for total external debt of £632.7m (as set out in Annex 7 of the submitted report)
- The 2011/12 level of prudential borrowing of £117m over the next four years - £14.1m in 2011/12 (as set out in Annex 7 of the submitted report)
- All other prudential indicators as set out in (as set out in Annex 7 of the submitted report)
- The treasury management strategy (as set out in Annex 7 of the submitted report)

The additional recommendations in the report of the Cabinet were put to the vote with 45 Members voting for and 12 Members voting against it. There were 7 abstentions.

RESOLVED:

- (1) That powers be delegated to the Deputy Leader and the Head of Finance to finalise detailed budget proposals to cover areas of the funding settlement subject to late notification by the Coalition Government.
- (2) That a risk contingency be maintained to mitigate against non-delivery of reductions and efficiencies of £8m.
- (3) That a new earmarked severe weather/civil emergency reserve of £5.0m be created.
- (4) That Strategic Directors be requested to bring forward 2012/13 savings as far as possible to minimise the reduction in balances in 2011/12.
- (5) That sustainable revenue funding be applied to capital programme.
- (6) That capital programme proposals (specifically fund essential schemes over 4 year period, schools and non-schools, to the value of £466m including ring-fenced grants) be agreed.
- (7) That it seeks to secure capital receipts over the 4 year period to 2014/15 of £79m.
- (8) To agree to stabilise contributions to the pension fund at the rate currently in payment, which is in the interests of stability and affordability of employer contributions.

07/11 MEMBERS' QUESTION TIME (ITEM 6)

Notice of 15 questions had been received. The questions and replies are attached as Appendix C.

A number of supplementary questions were asked and a summary of the main points is set out below:

(Q1) Mr Butcher considered that the points raised on his question had not been answered. The Leader did not accept the implications made by Mr Butcher and expressed confidence that the Council was fulfilling its statutory duties to ensure that vulnerable children were safeguarded.

Through the Chairman, Mrs Le Gal made a number of points and drew attention to the invitations that Mr Butcher had received from the Cabinet Member and Assistant Strategic Director for Children, Schools and Families to clarify his budget concerns. The Leader was confident that the relevant select committee had scrutinised this area and said that he was aware of the many opportunities offered to Mr Butcher to allay his concerns.

(Q2) Mr Ellwood expressed concern that the issue with Countryliner at Merrow depot would drag on until the lease ended next year and asked for assurance from the Cabinet Member for Change and Efficiency that the situation would be resolved as a matter of urgency. This assurance was given.

(Also, Q2) Mr Keith Taylor asked the Cabinet Member for Change and Efficiency, who confirmed that the new Highways contract with May Gurney had addressed the property issues. He said that he would welcome the assistance of local Members if there continued to be problems for local residents.

(Q4) Mrs Mason asked the Leader of the Council whether the policy initiatives budget should be scrutinised before his spending decisions were made. The Leader considered that this budget was open to scrutiny.

(Q5) Mrs Watson quoted from a Mole Valley District Councillor's email and challenged the Cabinet Member for Change and Efficiency on the savings to be made by moving the library in Dorking to St Martin's Walk. The Cabinet Member said he had been through all the Freedom of Information requests on Pippbrook and confirmed that there was no evidence to support her challenge of the estimated savings. He explained that the County Council had leased the whole building which had accommodated other county services.

(Q6) Mr Orrick said that one of the main (Priority 1) routes (Church Hill) in Caterham on the Hill had been impassable to buses and traffic during the adverse weather last December and London Buses had terminated at Old Coulsdon. He said that there had also been other issues with gritters in the area. He asked the Cabinet Member for Transport to respond directly to the concerns of one of his residents. The Cabinet Member said that overall the Highways Service had worked well during the winter weather and said that the County Council had tried to meet its obligations. However, any issues arising from last December's winter weather would be considered as part of the forthcoming review. Finally, he considered that it was the responsibility of local Members to respond to their constituents.

(Also, Q6) Mrs Clack said that she was delighted, and the Cabinet Member for Transport agreed, that an additional £5m contingency for severe weather had been included in the Budget for 2011/12.

(Q7) Mrs Searle said she was a trustee of Disability Challengers and asked the Cabinet Member for Children and Families how the cuts to funding would affect the County Council's statutory duty to provide short breaks for these families. The Cabinet Member acknowledged that there would be some cuts to the Early Years

and Children's Disability budgets but confirmed that the County Council would meet its statutory obligations and that it was working towards personalised budgets for these families.

(Q8) Mr Frost asked the Cabinet Member for Children and Learning if any consultation on the 'tiered sibling' rule could be extended to governors and residents in the affected areas and was advised that, if it was deemed appropriate to introduce this criterion, a full consultation would take place.

(Q10) Mr Rooth asked the following supplementary questions: (i) Could the Cabinet Member for Transport confirm that the County Council had contacted all Surrey farmers to assist with snow clearing in their local areas, (ii) Had all the parish councils / residents associations been consulted on the arrangements and informed of the identity of those farmers working for the County Council, and (iii) Did he consider that the road clearing / gritting should include all schools and not just secondary schools.

The Cabinet Member responded by confirming that he had asked parish councils and Members via local committees and that Communications would contact all Surrey farmers to ascertain if they would offer assistance during adverse weather. On schools, he reminded Members of the priority list and the limited resources of this budget and invited local committees to play a part in this area. Other Members contributed to the debate on particular issues in their areas.

(Q12) Mrs Watson referred to the letter sent to parish councils from the Leader of the Council concerning Localism and service delivery and asked for confirmation, which was given, that he would continue to support parish councils.

(Also, Q12) Mrs White expressed concern that those parts of the county that did not have a parish / town council could be disadvantaged. The Leader of the Council shared her concerns and said it would be up to Borough / District councillors to fulfil this role in those areas.

(Q13) Mr Kington questioned the satisfaction rate of the current Highways contract and was informed by the Cabinet Member for Transport that for November, it was 97%, which he considered was a commendable performance for a contract terminating in April. However, he acknowledged that the winter weather in December would have an effect on subsequent performance data.

ADJOURNMENT

The meeting adjourned for lunch at 12.45pm and resumed at 2.00pm, partway through Members' Question Time (item 6) with all

those present who had been in attendance in the morning session except for Mr Carasco, Mr Chapman, Mr Cooper, Mr MacLeod, Mr Samuels, Mr Skellett, Mr Colin Taylor.

08/11 **SURREY POLICE AUTHORITY (ITEM 7)**

One question had been received for the Surrey Police Authority. The question and reply is attached as Appendix C.

One supplementary question was asked:

Mr Butcher said that the form had said that councillors could ask questions and asked the Surrey Police Authority representative why his question had been disallowed. He was advised that this was a matter for Elmbridge Borough Council and that he had nothing more to add to the response.

09/11 **REPORT OF THE SURREY POLICE AUTHORITY (ITEM 9)**

A written statement on the work of the Surrey Police Authority had been included in the agenda.

Mr Harmer, the Surrey Police Authority representative informed the County Council that, at its meeting on 7 February 2011, the Surrey Police Authority had set its precept for 2011/12 at the same rate as last year.

10/11 **STATEMENT BY MEMBERS (ITEM 10)**

There was one statement from:

- Mr Chris Townsend on On-street Parking Charges across Surrey.

A copy of the statement is attached as Appendix D.

11/11 **REPORT OF THE CABINET (ITEM 11)**

Dr Povey presented the reports of the Cabinet's meetings held on 21 December 2010 and 1 February 2011.

(1) Statements / Updates from Cabinet Members

- Cabinet Member for Community Services and the 2012 Games on Adult Learning
- Cabinet Member for Environment on Future Jobs Fund
- Cabinet Member for Children and Families on the Munro interim report on the current child protection systems

Copies of all Cabinet Member statements are attached as Appendix E (i) – (iii).

(2) Reports for Information / Discussion

The following report was received and noted:

- Quarterly report on decisions taken under Special Urgency Arrangements – 1 October – 31 December 2010

Mr Mallett raised a question on Appendix 4 of the Cabinet minutes from 21 December 2010. He queried the tenure of the Molesey Youth Centre and also requested an update on its expenditure. The Cabinet Member for Change and Efficiency agreed to clarify the tenure and to respond to Mr Mallett outside the meeting.

RESOLVED:

That the report of the meeting of the Cabinet held on 21 December 2010 and 1 February 2011 be adopted.

12/11 AMENDMENTS TO THE SCHEME OF DELEGATION – THE EXERCISE OF EXECUTIVE FUNCTIONS (ITEM 12)

RESOLVED:

- (i) That the amendments to the Scheme of Delegation in relation to executive functions agreed by the Leader, as detailed in the submitted report, be noted
- (ii) That the addition of 'air quality' to the portfolio of the Cabinet Member for Transport be noted.

13/11 APPOINTMENT OF HM CORONER FOR SURREY (ITEM 13)

The appointments panel's recommendation was circulated to Members in the supplementary papers circulated on 4 February 2011. As the panel did not meet until 1 February 2011, the panel's recommendation could not be made available 5 clear days before the meeting. Therefore, the Chairman agreed that the Council should consider the panel's recommendation as a matter of urgency under Section 100B(4)(b) of the Local Government Act 1972, in order to ensure the appointment of a Coroner to enable sufficient handover and no break in service delivery pending the retirement of Mr Burgess OBE on 31 March 2011.

Kay Hammond, as Chairman of the Appointments Panel, presented the report.

On behalf of the County Council, Mrs Fraser expressed thanks to Mr Burgess for his outstanding contribution and service to Surrey for the last 25 years.

RESOLVED:

That the appointment of Mr Richard Travers as HM Coroner for Surrey upon the retirement of Mr Burgess OBE be agreed.

[The meeting ended at 3.05pm]

Chairman