

COUNTY COUNCIL

COUNCIL BUDGET MEETING - 7 FEBRUARY 2012

MINUTES of the Budget Meeting of the County Council held at the County Hall, Kingston upon Thames on Tuesday 7 February 2012 commencing at 10:30am, the Council being constituted as follows:

Mrs Sealy – Chairman
Mr Munro – Vice-Chairman

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

*absent

01/12 **APOLOGIES FOR ABSENCE (ITEM 1)**

Apologies for absence were received from Mr Elias, Dr Grant-Duff, Dr Hack, Mrs King, Mr Renshaw and Mr Sutcliffe.

02/12 **MINUTES (ITEM 2)**

Subject to this amendment, the addition of the following sentence to Minute No. 113/11, Q12:

‘The Chairman announced that there would be no supplementary questions to this question because, in the absence of the Chairman of Planning and Regulatory Committee, a written answer would be sent to Mrs Nichols.’

The Minutes of the meeting of the County Council held on 13 December 2011 were then submitted, confirmed and signed.

03/12 **CHAIRMAN’S ANNOUNCEMENTS (ITEM 3)**

The Chairman made the following announcements:

- (i) The 60th anniversary of Her Majesty the Queen’s accession to the throne. Members joined with the Chairman to send loyal greetings to Her Majesty.
- (ii) Her Majesty the Queen’s New Year Honours List. A list was included in the agenda. However, she informed Members that she had written to the Lord Lieutenant to congratulate her on being appointed Dame Commander of the Royal Victorian Order and read her reply to Members.

She mentioned the following people, who had received knighthoods:

- Professor Christopher Snowden
- Mr Gerald Acher
- Dr John Buchanan

Also, mentioned were Mr James Wates who had received the CBE for services to construction and the charitable sector and Mr Paul Arnold, Project Officer for the Hindhead Tunnel, who had received the MBE.

- (iii) The passing of Dr Brian Coffin, County Councillor for Heatherside and Parkside from 1970 – 2005 and Chairman of the Council from 2000 – 2003.

Two other County Councillors had also passed away since the last council meeting:

- Danny Denningberg, County Councillor for Godalming North from 1993 - 2001
- Evelyn Collins, County Councillor for Egham North from 1973 - 1985

- (iv) That the Council had won an award for the Best Project Delivery at the UK Public Sector Digital Awards.

The Cabinet Member for Children and Families presented the award to the Chairman and said that Surrey County Council had won the award for the Integrated Children's System (ICS), designed in conjunction with Liquidlogic. The new system had revolutionised the way the service worked.

The Chairman congratulated the following staff, who had contributed to the project:

Angeline Lee, Anna McCulloch, Annette O'Neill, Burhan Abdi, Caroline Budden, Charlie Croisdale, Chris Millard, Christopher Pierce, Claire Smalley, Coleta Pilgrim, Dai Hothi, Daniel Harmer, David Miller, David Springett, Dee Daffu, Diane Jordan, Dwight Grant, Emma Cunningham, Emmanuel Santhanam, Heather Hadley, Ian Meyer, Jackie Spence, James Brand, Jan Hagara, Janice Smith, John Hampton, Jon Stevens, Jonathan Birks, Julie Green, Julie Savill, Julie Shepherd, Karen Smout, Kerry Middleton, Liz Walker, Lorraine Juniper, Louise Savage, Mark Bisson, Michelle Pons, Naheem Shafiq, Nicki Richardson, Paul Brocklehurst, Ramesh Panchagnula, Ricky Churchard, Sally Woodhead, Sammy Njue, Simon Willis, Sophie Harris, Steve Hill, Vanessa Moody, Vincent Wood, Wendy Izzard.

- (v) She attended the launch of the P&G Surrey School Games in January and said that she was inspired by the energy and enthusiasm of everyone there including those athletes with disabilities. Also, the entire P&G Surrey School Games programme had been awarded the London 2012 Inspire Mark.

She also reminded Members and officers that there were still opportunities available, until 25 February 2012, for volunteering for the Olympics.

- (vi) High Sheriff's Alcohol Initiative – she considered that this was an excellent initiative and congratulated him for the links he was making with schools and the community.

- (vii) Finally, she said that her role as Chairman was to be the link between the county council and the county. She tried to accept as many invites as possible from Members to events in their division. She also reminded Members that today's lunchtime speaker was Mr Peter Dawson, Governor of Highdown Prison.

04/12 **DECLARATIONS OF INTEREST (ITEM 4)**

There were none.

05/12 **REVENUE AND CAPITAL BUDGET 2012 / 2013 TO 2016 / 17 (ITEM 8)**

The Chairman drew the Council's attention to the papers for this item, which comprised of those circulated with the agenda as well as the supplementary papers circulated on Friday 3 February 2012:

- The officer report and annexes, which included at annexe 8, the Chief Finance Officer'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 31 January 2012.
- The report of the 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. As is standard practice for the Council Budget meeting, 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 could agree a budget at this meeting.

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

The Leader presented the report of the Cabinet on the Revenue and Capital Budget 2012/13 to 2016/17 and made a statement in support of the proposed budget. A copy of the Leader's statement is attached as Appendix A.

The Chief Finance Officer presented her report to Council. A copy of her statement is attached as Appendix B.

Each of the Minority Group Leaders (Mrs Watson and Mr Harrison) spoke on the budget proposals, followed by 19 other Members.

Key points made in the debate were:

- The proposals were in excess of what was required to balance the books.
- Cut the communications, agency staff and consultants' budgets and increase the funding for the youth service, highways, libraries and bus services, including reinstating the earlier start time for concessionary bus travellers.
- That the two new earmarked reserves were unnecessary.
- A need to address the Highways maintenance backlog.
- These budget proposals were an excessive burden for the Surrey taxpayer and did not provide the services that they needed.
- Although this year's performance was good, £50m of the Council's risks were red or amber so next year's savings would be more challenging.
- A request for the contingency plans, if savings could not be identified.
- Residents would find it difficult to understand why Surrey County Council had not accepted the Government's council tax freeze grant.
- Support for 2.5% increase but not for the proposals of 2.99%.
- Local residents had been affected by the closure of the mobile library service.
- Ensure that the council had the resources to meet increasing demands i.e. the increased demand for school places and Children's Services.
- The importance of setting a budget which would invest in the future for Surrey.
- All select committees had budget workshops. They would also need to continue to scrutinise the directorates' service plans.
- Support for the increase to Members' local allocations.
- Most of Surrey's funding was raised from council tax.
- Volume growth for Adult Social Care and Children's Services were based on best estimates.
- The importance of adhering to a long term plan to look to the future and continue to challenge service costs.
- Support for localism as the most effective way to engage and support residents.
- Given the size of the budget, 50% of the council's savings had been taken from the Adult Social Care budget and any more savings would be very difficult.
- A hope that the Leader would continue to lobby Government on funding issues.

- Although many Surrey residents were wealthy, there were many others on low incomes who would find the increased council tax difficult to fund.

After a debate in which 21 Members spoke, the Council considered the report of the Chief Finance Officer made in accordance with Section 25 of the Local Government Act 2003 and then the recommendations, in the Report of the Leader and in the Report of the Cabinet. They were taken as one recommendation.

Mrs Watson requested a recorded vote and 10 Members stood in support of this request.

The following Members voted for the Budget proposals:

Mrs Angell, Mr Barker, Mr Bennison, Mrs Bowes, Mr Brett-Warburton, Mr Butcher, Mr Carasco, Mr Chapman, Mrs Clack, Mrs Coleman, Mr Cosser, Mrs Curran, Mr Ellwood, Mr Few, Mrs Fraser, Mrs Frost, Mr Fuller, Mr Furey, Mr Gimson, Mr Gosling, Mr Hall, Mrs Hammond, Mr Harmer, Ms Heath, Mrs Hicks, Mr Hodge, Mr Ivison, Mrs Kemeny, Mr Lake, Mrs Lay, Ms Le Gal, Mr MacLeod, Mrs Marks, Mr Marlow, Mr Martin, Mrs Moseley, Mr Munro, Mr Norman, Mr Pitt, Mrs Ross-Tomlin, Mrs Saliagopoulos, Mr Samuels, Mr Skellett, Mr Sydney, Mr Keith Taylor, Mrs Turner-Stewart, Mr Walsh and Mr Young

The following Members voted against the Budget proposals:

Mr Agarwal, Mr Amin, Mr Beardsmore, Mr Cooksey, Mr Forster, Mr Frost, Mr Goodwin, Mr Kington, Mr Lambell, Mr Mallett, Mrs Mason, Mrs Nichols, Mr Orrick, Mrs Searle, Mrs Smith, Mr Colin Taylor, Mrs Watson, Mrs White and Mr Wood.

There were five absentions:

Mr Cooper, Mr Harrison, Mr Hickman, Mr Phelps-Penry and Mr Townsend.

Therefore, it was:

RESOLVED:

1. That the council tax requirement for 2012/13 is set at £574.8m.
2. That the 2012/13 council tax increase be fixed at 2.99%.
3. That the basic amount for 2012/13 council tax at Band D is set at £1,149.66.
4. To apply reserves totalling £15.2m to 2012/13.

5. That revenue budget proposals set out in paragraphs 2 to 4, of the Report of the Leader, were agreed.
6. That the capital budget proposals set out in paragraph 5, of the Report of the Leader, were agreed.
7. That the conclusion of the Chief Finance Officer (S151 Officer), in Annex 8 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 2013/14, 2014/15, 2015/16 and 2016/17 be used as a basis for service planning.

The **Council tax requirement** for 2012/13 is based on (recommendation 1):

	£
Gross expenditure	1,655,607,456.00
Other income	-131,326,405.00
Budgeted Revenue expenditure	1,524,281,051.00
Council Tax collection fund balance	-5,259,717.00
Raised from reserves and balances	-15,248,800.00
Budgeted net expenditure	1,503,772,534.00
Formula grant	-148,614,723.00
Other Government grant	-780,391,226.25
COUNCIL TAX REQUIREMENT	574,766,584.75

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

(recommendation 3):

<u>Billing Authority</u>	Number of Band D Equivalent Properties
Elmbridge	63,895.00
Epsom & Ewell	32,166.34
Guildford	57,644.39
Mole Valley	40,801.70
Reigate & Banstead	59,403.00
Runnymede	33,893.97
Spelthorne	40,667.30
Surrey Heath	37,476.90
Tandridge	38,001.50
Waverley	54,846.80
Woking	41,147.94
<u>Total</u>	<u>499,944.84</u>

Therefore, the basic amount of council tax is:

$$574,766,584.75 / 499,944.84 = \text{£}1,149.66$$

9. 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	766.44
B	894.18
C	1,021.92
D	1,149.66
E	1,405.14
F	1,660.62
G	1,916.10
H	2,299.32

10. That the payment for each billing authority, including and balances on the collection fund will be as follows:

<u>Billing Authority</u>	£
Elmbridge	74,740,468.70
Epsom & Ewell	37,138,530.44
Guildford	66,574,324.41
Mole Valley	47,268,715.42
Reigate & Banstead	68,899,753.98
Runnymede	39,143,400.55
Spelthorne	46,806,408.12
Surrey Heath	44,195,692.85
Tandridge	43,880,104.49
Waverley	63,716,430.09
Woking	47,662,472.70
<u>TOTAL</u>	<u>580,026,301.75</u>

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

20 April 2012	15 October 2012
25 May 2012	19 November 2012
29 June 2012	03 January 2013
06 August 2012	08 February 2013
10 September 2012	12 March 2013

12. That the Prudential Indicators as set out below be adopted:

- a) The 2012/13 authorised limit for total external debt of £662m (as set out in Annex 5 of the submitted report).
- b) The level of prudential borrowing of £662m over the next five years - £32m in 2012/13.
- c) All other prudential indicators, as set out in Annex 5 of the submitted report).
- d) The treasury management strategy (as set out in Annex 5 of the submitted report).

The additional recommendations in the Report of the Cabinet were also put to the vote.

RESOLVED:

- (1) That powers be delegated to the Leader and the Chief Finance Officer to finalise detailed budget proposals to cover areas of the funding settlement subject to late notification by the Government.

- (2) That a risk contingency be maintained to mitigate against non-delivery of reductions and efficiencies of £8m.
- (3) That a new earmarked economic downturn reserve of £4.4m be created.
- (4) That a new earmarked interest rate risk reserve of £3.2m be created.
- (5) That the approved carry forward revenue budgets from 2011/12 totalling £15.2m be applied to 2012/13.
- (6) That sustainable revenue funding be applied to capital programme.
- (7) That capital programme proposals (specifically fund essential schemes over 5 year period, schools and non-schools, to the value of £681m including ring-fenced grants) be agreed.
- (8) That it seeks to secure capital receipts over the 5 year period to 2016/17 of £69m.
- (9) That the Corporate Board maintains robust procedures so Cabinet can monitor achievement of efficiencies and service reductions through the monthly budget monitoring Cabinet reports and the quarterly Cabinet Member accountability meetings.
- (10) That all revenue invest to save proposals and capital schemes have an approved business case before expenditure can be committed.
- (11) That £6m be provided as a one off amount for the Invest to Save fund, from which services can borrow funds and repay.

ADJOURNMENT

The meeting adjourned for lunch at 12.50pm and resumed at 2.05pm, with all those present who had been in attendance in the morning session except for Mr Amin, Mrs Bowes, Mr Chapman, Mrs Coleman, Mr Forster, Mr Harmer, Mr MacLeod, Mrs Moseley, Mr Colin Taylor and Mr Young.

06/12 ONE COUNTY ONE TEAM: CORPORATE STRATEGY 2012-2017 (ITEM 6)

The Leader of the Council presented the One County One Team Corporate Strategy 2012 – 2017, which was set out in the supplementary Report of the Cabinet, from its meeting on 31 January 2012 and circulated to Members on 3 February 2012. A copy of the Leader's introductory statement is attached as Appendix C.

Members made the following points:

- Delight that the information was on a single piece of paper, clearly setting out the purpose and values of the Council.
- The One County, One Team approach was important.
- Staff were the Council's greatest assets.
- The strategy could not be delivered in isolation. There were other interrelated policies.
- The need to increase the speed in which change was delivered.
- The document represented the new Leadership and the challenges facing the County Council.
- It was easy to read.
- The vision was set out with six areas of focus.
- Delegating some decisions to a more local level was welcomed. As was the inclusion of the Volunteering Strategy in the bookcase.
- A hope that increased engagement with the private sector would deliver improvements to residents.
- Recognition that some key priorities were ambitious and challenging.
- This plan made no reference to pre-2008 and failures between 2005 -08.
- The importance of focussing on partnerships and the progress made to date with both SE7 colleagues and the business sector.
- Some priorities were very aspirational and high standards were being proposed and a request was made for the baseline data for the commitments.
- The priorities needed to be measurable, achievable and specific.
- The importance of training for staff and Members, and for all Members to actively participate.

RESOLVED:

- (1) That the *One County One Team*, Corporate Strategy 2012 - 2017 be approved.
- (2) That the suite of Strategies that support the delivery of the Corporate Strategy, which will be presented to the Cabinet for approval in February and March 2012, be noted.

07/12 **MEMBERS' QUESTION TIME (ITEM 7)**

Notice of 6 questions had been received. The questions and replies are attached as Appendix D.

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

(Q1) Mr Cooksey asked the Cabinet Member for Transport and Environment what action was being taken to resolve the IT issues. He was informed that the Cabinet Member was confident that the issues would soon be resolved and that he was pleased with the progress made to date with May Gurney.

(Also, Q1) Mrs Clack asked the Cabinet Member for Transport and Environment, who agreed, to thank the Assistant Director for Highways, his team and May Gurney contractors for the efforts made to clear the recent snow and keep Surrey moving.

(Also, Q1) Mr Hickman referred to the first bullet point of the question and requested that the Cabinet Member for Transport and Environment investigated the process for prioritising and delivering emergency repairs.

(Q2) Mr Orrick asked the Leader if the County Council aspired to develop partnership working with Tandridge District Council, to promote advertising space on the Surrey County Council website. The Leader said that he would discuss this further outside the meeting.

(Also, Q2) Mr Agarwal suggested that any unused space could be offered to local charities and the voluntary sector.

(Q3) Mr Munro asked the Cabinet Member for Children and Learning for details of a contingency plan for dealing with secondary school applications in the Farnham area, if the expected 'fall out' to the private sector did not occur. The Cabinet Member informed him that he had met with the newly appointed Chief Property Officer to discuss the issue. He also said that demand from Hampshire residents for school places in this area, contributed to the shortage of places. However, he assured local Members for the Farnham area that school planning was a priority and that he would keep them informed of any developments.

(Q4) Mr Marlow asked the Cabinet Member for Community Services and the 2012 Games whether it was still the council's intention to continue with the plans for community partnered libraries. The Cabinet Member said that she was unable to provide a definitive answer, pending the outcome of the Judicial Review.

(Also, Q4) Mrs Clack asked the Cabinet Member for Community Services and the 2012 Games whether any statistical information concerning the footfall at the new library in St Martin's Walk, Dorking was available. She was advised that there had been 168%

increase in visitors including 300 new borrowers and the council had invested £30K in new stock for this library.

(Q5) Mr Townsend questioned the communication programme dates set out in the response and said that some dates were more than one year ago. He asked the Cabinet Member for Transport and Environment to ensure that all Members whose divisions were affected by the closure of the Randalls Road waste site would be kept informed. This was agreed.

(Q6) Mr Beardsmore requested that all Spelthorne Members had sight the results of the public consultation exercise. The Chairman of the Planning and Regulatory Committee said that this would be available to all Members when the agenda for the committee's meeting on 9 March 2012 was published.

08/12 **SURREY POLICE AUTHORITY (ITEM 8)**

No questions had been received for the Surrey Police Authority.

09/12 **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.

Mrs Hicks, as the Surrey Police Authority (SPA) representative confirmed that the SPA had set its last ever Budget and precept for 2012/13, at its meeting on 6 February 2012 and had agreed a 2.5% precept rise, by a majority of 15:2.

The Cabinet Member for Community Safety asked whether details of the funding to support the Police and Crime Panel had been received from the Home Office. She was advised that currently no final figures had been received but the information would be circulated when available.

10/12 **STATEMENT BY MEMBERS (ITEM 10)**

There were no local Members statements.

11/12 **REPORT OF THE CABINET (ITEM 11)**

Mr Hodge presented the reports of the Cabinet's meetings held on 20 December 2011 and 31 January 2012.

(1) Statements / Updates from Cabinet Members

- Cabinet Member for Community Services and the 2012 Games on the 2012 Olympics in Surrey (Appendix E).

(2) Reports for Information / Discussion

The following report was received and noted:

- Arrangements to support Community Partnered Libraries
- Savings accounts for Looked After Children
- Quarterly report on decisions taken under Special Urgency Arrangements – 1 October – 31 December 2011

RESOLVED:

That the report of the meeting of the Cabinet held on 20 December 2011 and 31 January 2012 be adopted.

12/12 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.

[The meeting ended at 3.15pm]

Chairman