

County Council Meeting – 7 February 2017

SUPPLEMENTARY REPORT OF THE CABINET

The Cabinet met on 31 January 2017. Members marked * were present.

* Mr David Hodge (Chairman)	* Mr John Furey
* Mr Peter Martin (Vice-Chairman)	* Mr Mike Goodman
* Mrs Helyn Clack	* Mrs Linda Kemeny
* Mrs Clare Curran	* Ms Denise Le Gal
* Mr Mel Few	* Mr Richard Walsh
Cabinet Associates:	
Mr Tim Evans	* Mrs Kay Hammond
* Mrs Mary Lewis	* Mr Tony Samuels

A REVENUE AND CAPITAL BUDGET 2017/18 TO 2019/20 AND TREASURY MANAGEMENT STRATEGY

1. The Cabinet considered a report on the Revenue and Capital Budget 2017/18 to 2019/20 and Treasury Management Strategy at its meeting on 31 January 2017.
2. **Following this meeting, the recommendations to County Council are:**

To note the following important features of the revenue and capital budget:

1. The Director of Finance has produced two statutory conclusions as follows.
 - a. For the proposed budget: that the council's budget is balanced and sustainable over the long term, although still requiring significant service transformation and efficiencies.
 - b. For the substitute budget: that the budget can only be balanced and become sustainable through the identification of substantial and permanent further service reductions for implementation in 2017/18 and subsequent years.
2. The requirement for the council to approve a substitute budget, with a council tax rise of 4.99% that will be implemented if the proposed budget is not supported in a referendum.
3. The findings of the Financial Resilience Review completed in November 2016.

Proposed budget: Cabinet recommendations to Full County Council on the revenue and capital

4. Increase the level of the general council tax by 1.99% and an additional 10% (35p per day) as a result mainly of social care pressures, making a total general council tax increase of 11.99%.
5. Increase council tax by a further 3% for the adult social care precept, which will provide £18m to support the growth in demand for services.
6. Set the County Council precept for band D council tax at £1,458.45 which represents a 14.99% up-lift.
7. Agree to maintain the council tax rate set above after the Final Local Government Financial Settlement.
8. Delegate powers to the Leader and the Director of Finance to finalise budget proposals and recommendations to Full County Council updated to take into account new information.
9. Require the Chief Executive and the Director of Finance to continue their work to ensure delivery of planned efficiencies and service reductions.
10. Approve the County Council's £1,696m gross revenue expenditure budget for 2017/18 for the proposed budget.
11. Note that the existing revenue costs of funding past capital spending decisions is £30m for 2017/18.
12. Agree up to a total of £408m funding for capital schemes that funds essential schemes over the next three year period (schools and non-schools), including ring-fenced grants and a borrowing requirement of £94m over the three years.
13. Note that the detailed programme of schemes will be agreed at the March 2017 Cabinet as part of the Medium Term Financial Plan.
14. Require a robust business case to be prepared (and taken to the Investment Panel for review) before committing expenditure for the use of:
 - all revenue 'invest to save' proposals, and
 - capital schemes.

Substitute budget: Cabinet recommendations to Full County Council on the revenue and capital

15. Increase the level of the general council tax by 1.99%.
16. Increase council tax by a further 3% for the adult social care precept, which will provide £18m to support the growth in demand for services.
17. Set the County Council precept for band D council tax at £1,331.55 which represents a 4.99% up-lift.
18. Approve the County Council's £1,666m gross revenue expenditure budget for 2017/18 for the substitute budget.
19. Require the Chief Executive and the Director of Finance to continue their work to ensure delivery of planned efficiencies and service reductions.
20. Agree to support only capital schemes which are funded without requiring borrowing, unless a sustainable basis for funding borrowing costs is identified and a compelling business case developed that demonstrates best value in progressing a particular scheme.
21. Note that the detailed programme of schemes will be agreed ahead of implementation of the substitute budget (if necessary).
22. Require a robust business case to be prepared (and taken to the Investment Panel for review) before committing expenditure for the use of:
 - all revenue 'invest to save' proposals, and
 - capital schemes.

Treasury management and borrowing: Cabinet recommendations to Full County Council

23. Approve, with immediate effect, the Treasury Management Strategy for 2017/18, which includes:
 - the investment strategy for short term cash balances;
 - the borrowing strategy for funding the capital programme;
 - the treasury management policy (Appendix 8 to the Cabinet report);
 - the prudential indicators (Appendix 9 to the Cabinet report);
 - the schedule of delegation (Appendix 11 to the Cabinet report);
 - the minimum revenue provision policy (Appendix 12 to the Cabinet report).

That the following decisions have been approved by Cabinet:

24. That services will develop detailed budgets and savings ahead of approval by Cabinet on 28 March 2017 when the final Medium Term Financial Plan (MTFP) 2017-20 will be presented.
25. That the draft MTFP for the financial years 2017-20 be approved, which includes:
 - the Total Schools Budget of £545.2m (paragraphs 66 to 71 in the Cabinet report);
 - overall cash limits for individual services for the proposed budget and the substitute budget.
26. A) Agree to establish a Sustainability Review Board comprising three cross party Members, the Strategic Director for Adult Social Care and Public Health, the Deputy Chief Executive and the Director of Finance.

B) Require this board to bring back an initial report to the Cabinet meeting on 28 March 2017 on progress towards identifying £30m permanent service reductions and up to a further £22m one-off reductions required to achieve a balanced budget in 2017/18.

B ADMISSION ARRANGEMENTS FOR SURREY'S COMMUNITY AND VOLUNTARY CONTROLLED SCHOOLS AND CO-ORDINATED SCHEMES FOR ALL SCHOOLS FOR SEPTEMBER 2018

1. The Cabinet were asked to agree the Admission Arrangements for Surrey's Community and Voluntary Controlled Schools and Co-ordinated Schemes for all schools for September 2018 at its meeting on 31 January 2017. The full report, Enclosures and Appendices are set out in the Cabinet agenda.
2. **The Cabinet RECOMMENDED that the County Council agrees the following Admission Arrangements for September 2018 for Surrey's Community and Voluntary Controlled Schools and Co-ordinated Schemes for all schools:**

Recommendation 1

That a sibling link is introduced for Stoughton Infant School with Northmead Junior School for September 2018.

Recommendation 2

That the published admissions number for St Andrew's CofE Infant School in Farnham is decreased from 40 to 30 for September 2018.

Recommendation 3

That the published admissions number for Walsh CofE Junior School is decreased from 75 to 64 in September 2018

Recommendation 4

That Surrey's Relevant Area is agreed as set out in Enclosure 3 of the Cabinet report.

Recommendation 5

That the aspects of Surrey's admission arrangements for community and voluntary controlled schools for September 2018, for which no change is proposed, are agreed as set out in Enclosure 1 and its Appendices within the Cabinet report.

Recommendation 6

That the primary and secondary coordinated admission schemes that will apply to all schools for 2018 are agreed as set out in Enclosure 2 to the Cabinet report.

**Mr David Hodge
Leader of the Council
3 February 2017**

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