

CABINET: (RECONVENED MEETING) MINUTES

Date: Friday 13th February 2004 (Reconvened from 11th February 2004)

Time: 12.30 – 12.48 pm

Present: Councillor K. Walters (Chairman)

Councillors: S Johnstone, V H Lucas
A Melton L J Oliver D R Pegram J A Powley
and F H Yeulett.

Also in Attendance:

Councillors: T Bear, P Downes, J Eddy and J Huppert.

Apologies: Councillor J Reynolds and R Wilkinson

458. CONVENED MEETING

The Chairman explained that this was a reconvening of the meeting of Cabinet adjourned on 11th February 2004 due to the on-going discussions with the Department for Education and Skills on the minimum schools budget. The purpose of the reconvened meeting was to consider a single deferred item, the County Council's Budget 2004/05.

459. REVENUE BUDGET AND CAPITAL PROGRAMME 2004/05 – UPDATED REPORT - BUDGET 2004/05

Cabinet received an updated budget report, including details of the final results of the consultation exercise. It was noted that the final Revenue Support Grant (RSG) settlement was very close to the provisional settlement, and that the corresponding increase in RSG had been added to the capital financing budget and that the capital financing budget was now adequate to meet the demands of the capital programme.

District Councils had reported a surplus of £0.4m on their collection funds. This was a one-off benefit and it was recommended that this sum should be utilised to avoid having to rely on the Local Public Service Agreement Reward Grant to balance the budget strategy.

The tax base figures provided by District Councils again exceeded the tax base figures used by ODPM (Office of the Deputy Prime Minister) in the RSG settlement. This generates additional resources for the Council at any given level of Council Tax with the gain of approximately £0.8m. The usual explanation was that this was due to data lag in a rapidly growing county. However, this year almost half of this gain had been the result of four District Councils deciding to exercise their powers to reduce the second home discount from 50% to 10%. The Leader of the Council had urged them to take

advantage of this discretion and it was proposed that the additional funding generated should be used to fund joint County / District projects relating to implementing the Structure Plan. A figure of £0.3m had been earmarked in this way, leaving £0.5m of the gain - mainly due to data lag - available to fund increased County Council spending or reducing Council Tax.

It was noted that the Secretary of State for Education and Skills had decided not to make an Order to the House of Commons in respect of the Council's minimum schools budget following a proposition agreed with the Leader of the Council. The proposition was that the Council should increase its funding of the schools budget by £2.25m, with the Secretary of State advancing £1.75m of Standards Fund grant allocation which together would provide additional total funding to the schools budget of £4m.

The proposition involved funding the additional £2.25m by a combination of the tax base gain (£500k), additional savings being made across council services of £250k and the shortfall to be funded from levying an increase of just under 1% on the Cabinet's preferred council tax increase of 6%. This would result in an increase of 6.9%, which was higher than the Cabinet believed appropriate, but would facilitate providing schools with £4m of additional funding over and above the previously proposed schools budget. The advance of Standards Fund grant being made available by the Secretary of State was to be deducted from future Standards Fund allocations from Government over the period 2006/07 to 2008/09.

The proposition did provide a real benefit to Cambridgeshire schools, at a much lower cost to the taxpayer than would have resulted from the original Determination by the Secretary of State. However, Cabinet made it clear that as the authority had for many years pursued efficiencies in its service delivery arrangements and had never supported profligate expenditure, the additional £250,000 of monies to be found across directorate budgets were not savings, but were additional service reductions/cuts that would need to be found.

Cabinet in considering the County Council Budget, noted the final results of the consultation exercise, as updated in the appendix to the officers' report, and also took into account the comments provided by the Scrutiny Committees.

Members of Cabinet wished to place on record their appreciation of the tremendous amount of work undertaken by the officers in helping to obtain a revised, more advantageous budget settlement for the people of Cambridgeshire.

It was agreed to recommend to the reconvened Council meeting on 17th February a revised budget strategy which both reflected the proposition agreed between the Leader of the Council and the Secretary of State and the technical amendments arising from the final RSG settlement and tax base and collection fund figures.

The Leader of the Council raised two issues that would require further consideration:

- i) The allocation of the additional reductions/cuts of £250,000 across Council directorates. In respect of this, the Leader of the Council intended to make a recommendation to the Council meeting on 17th February following further consultation with the Chief Executive and the Director of Resources.
- ii) The approach to allocating the advance of Standards Fund Grant between individual schools. It was intended to involve the Schools Forum in developing this approach.

It was resolved:

- (a) To note the:
 - Final results of the consultation exercise;
 - Comments of the Scrutiny Committees.
- (b) Agree a revised budget strategy to reflect the:
 - Technical amendments arising from the final RSG settlement and tax base and collection fund figures;
 - Outcome of the discussions with the Department for Education and Skills.
- (c) To Delegate to the Director of Resources, in consultation with the Leader of the Council, the authority to update the detailed budget recommendation to Council to reflect the revised budget strategy.
- (d) To agree that, following consultation with the Chief Executive and the Director of Resources, the Leader will make a recommendation to Council in respect of the allocation of the additional budget reductions required totalling £250,000 or of an alternative source of funding.
- (e) To agree that the approach to allocating the advance of Standards Fund Grant between individual schools would be developed in consultation with the Schools Forum.

Chairman
02.03.04