

Cabinet**Thursday, 21 May 2015, County Hall, Worcester – 10.00 am**

		Minutes
Present:		Mr A I Hardman (Chairman), Mr M L Bayliss, Mr A N Blagg, Mrs S L Blagg, Mr J P Champion, Mr S E Geraghty, Mr M J Hart, Mrs L C Hodgson and Mr J H Smith
Also attended:		Mr M H Broomfield, Mr I Hopwood, Mr P M McDonald, Dr K A Pollock, Mrs E B Tucker.
Available papers		The Members had before them: A. The Agenda papers (previously circulated); and B. The Minutes of the meeting of the Cabinet held on 16 April 2015 (previously circulated). (A copy of document A will be attached to the signed Minutes).
1657 Apologies and Declarations of Interest (Agenda item 1)		None.
1658 Public Participation (Agenda item 2)		None.
1659 Confirmation of the Minutes of the meeting held on 16 April 2015 (Agenda item 3)		RESOLVED: that the Minutes of the Cabinet held on 16 April 2015 be confirmed as a correct record and signed by the Chairman.
1660 Resources Report (Agenda item 4)		The Cabinet considered a report on resource matters. The report set out the provisional financial results for the year ending 31 March 2015 (including a capital investment and Pension Fund update); an insurance update; proposed earmarked reserves, new investments and general balances; redeployment within the capital programme – Timberdine Nursing and Rehabilitation Unit; FutureFit Programme update; and borrowing and

lending transactions 2014/15. The details considered were set out in the report.

In the ensuing discussion, the following main points were made:

- (a) The Leader of the Council introduced the report. He made particular reference to:
- The provisional financial outturn for the year ending 31 March 2015 was to break even compared with the Council's budget of £332m. This was a fantastic achievement in the light of the financial challenge and also managing Children's Social Care Placement additional cost pressures of £5-7m. Income from Business Rates totalled £56.6m which was a surplus of £0.1m compared with the budget. In the future, savings would be more difficult to find and more complex in nature. Considerable challenges lay ahead if the Council wanted to ensure that its finances were balanced
 - The Pension Fund had an operating deficit of £11.2m for 2014/15. This deficit was unusual and as a result of the probation service transferring out to the Greater Manchester Pension Fund. Despite this, the Pension Fund's net assets increased by £190m at the end of 2014/15 to almost £2bn
 - Plans had been revised for redeployment in the Capital programme for Timberdine Nursing and Rehabilitation Unit to ensure that nursing management and patient dignity was maximised. The revised total cost was £760,000. An additional £140,000 cost could be funded from the existing capital funds within the Social Care Reform capital pot
 - FutureFit Programme – The £6.4m raised in capital receipts from the sale of redundant properties was in excess of targets for the release of buildings. The roll out of the Broadband Programme across the County remained ahead of schedule. 'Your Life Your Choice' had been launched and in the first week over 2,000 users had accessed the system to get information and advice. Since 2011/12 the Council had delivered savings of £96.8m through FutureFit. The Council would continue with its proactive approach to planning for change whilst listening to ideas and views from the public
 - Base rates had remained stable during 2014/15 and he anticipated that this would continue. £5.2m of existing loans had been repaid during the year.

He paid tribute to the Treasury Management team for the way in which they had managed debt on behalf of the Council

- (b) Although the Council had delivered savings of nearly £100m since 2011/12, there was still much work to do and the pace of change needed to be maintained. However it would become harder to deliver further savings in the future and could result in an increase in exposure to risk. There had been significant capital investment which should help increase the County's income base through the building of new homes, creation of new businesses and expansion of existing businesses
- (c) The innovative approach to asset management had allowed the Council to invest capital funds into economic generation schemes. The Council had changed considerably in the last 10 years without affecting service level provision. The Council had undertaken a sensible balanced approach to financial management
- (d) The investment at Timberdine Nursing and Rehabilitation Unit, along with the utilisation of money bequeathed to the Council for the benefit of Timberdine Service users, would allow the Council to increase the capacity at the Unit by 11 beds, which was welcomed
- (e) Despite budgetary restrictions, the Council was committed to investing in major infrastructure projects. For example, the Council had undertaken a major surface dressing scheme which supported the Council's Open for Business priority
- (f) a comment from outside the Cabinet was that reference had been made to savings the Council had achieved through its innovative approach to asset management yet considerable sums had been spent on the salary of the Managing Director of the Place Partnership and on the use of consultants
- (g) Dr Pollock, Chairman of the Economy and Environment Overview and Scrutiny Panel commented that the Panel had discussed Public Transport and Broadband. He reported that despite issues associated with some commercial operators, the reorganisation of bus routes had been successfully implemented. The discontinuation of

the Park and Ride in Worcester had not had any impact on the bus provision in the local area. Two of the three Broadband schemes were proceeding successfully, although the scheme initially sponsored by DEFRA had experienced some difficulties.

RESOLVED: that

- (a) the conclusions of the Cabinet Member with Responsibility for Finance concerning financial performance for the year ending 31 March 2015 as detailed in paragraphs 5 to 18 of the report be endorsed and the statutory accounts be finalised on this basis;**
- (b) earmarked reserves and general balances be updated as detailed in paragraphs 21 to 25 of the report;**
- (c) an increase of £140,000 to the previously approved estimate of £620,000 for creating additional capacity at Timberdine Nursing and Rehabilitation Unit be approved, and that this additional sum be redeployed (vired) from the Social Care Reform Capital pot within the Capital Programme;**
- (d) the current progress and successes regarding the FutureFit programme be endorsed; and**
- (e) the report on borrowing and lending transactions during 2014/15 detailed in paragraphs 39 to 40 and Appendix 4 to the report be accepted.**

The meeting ended at 10.23 am

Chairman