

Cabinet

29 January 2025 – At a meeting of the Cabinet held at 10.30 am at County Hall, Chichester, PO19 1RQ.

Present: Cllr Marshall (Chairman)

Cllr Crow, Cllr Hunt, Cllr A Jupp, Cllr Lanzer, Cllr Russell and Cllr Waight

Apologies were received from Cllr J Dennis and Cllr Urquhart

Also in attendance: Cllr Oakley, Cllr Boram (virtual), Cllr Burrett (virtual), Cllr Dabell (virtual), Cllr Wall (virtual) and Cllr Walsh (virtual)

Part I

37. Declarations of Interest

37.1 No declarations of interest were made.

38. Minutes from previous meetings

38.1 Resolved – that the minutes of the meetings held on 3 December 2024 and the 9 January 2025 be approved as a correct record and that they be signed by the Chairman.

39. Council Plan and Revenue Budget 2025/26 - CAB09 (24/25)

39.1 The Cabinet considered a report by the Director of Finance and Support Services, and Director of Law and Assurance (copy appended to the signed minutes).

39.2 The Leader introduced the report and confirmed that the Council Plan had been refreshed to ensure it is current and aligned with the Council's priorities which had remained consistent.

39.3 Cllr Hunt, Cabinet Member for Finance and Property, introduced the report and noted that it is a balanced budget without the use of reserves. Despite the challenging economic conditions, there is still investment in services and no cuts to front line services. Internal pressures were noted in the complexity of social care cases. Staff in these areas worked hard and innovatively to provide excellent services to residents. Gross Council spend would be £2.2bn, with a net revenue spend of £827m. Cost of living challenges for residents were noted. It was proposed to raise core council tax by 2.99% plus 2% for adult social care, which met Government expectations. The increase in National Insurance contributions was noted, and the budget had been prepared with an assumption of £3m support coming from the Government. A reduction in the support figure would lead to further cost pressures. The Dedicated Schools Grant (DSG) deficit remained a cost pressure. The Performance and Finance Scrutiny Committee were thanked for their contributions and the annex containing their comments was noted.

39.4 Mr Suarez, Director of Finance and Support Services, thanked all contributors for their work and support of the budget. The budget had been calculated based on a provisional settlement, and the final settlement was expected in February. Living wage increases had been accounted for. The Treasury had confirmed that schools and academies would be compensated for the increase in National Insurance contributions. Lobbying would continue to the Government on the DSG deficit.

39.5 Mr Whitehouse, Chief Executive, explained that the budget represented a balance of resources and risks. The impact of the DSG deficit was noted and also the pressures in the social care sector. The big issues would require changes from Government. The budget delivered key services and supported the Council Plan. Thanks were given to the Executive Leadership Team for their support and upcoming work to deliver the Council Plan.

39.6 The following points were made by Scrutiny Committee Chairmen.

- a. Cllr Burrett, Vice-Chairman of the Performance and Finance Scrutiny Committee (PFSC), highlighted Annex 4 which included feedback from the 22 January PFSC meeting. The Committee had welcomed the inclusion of care leavers as a protected characteristic and that this should be considered in equality impact assessments. Pressures in social care and highways maintenance had been noted. Government lobbying had been requested to express concern on budget changes that impacted small and medium sized enterprises.
- b. Cllr Oakley, Chairman of the Communities, Highways and Environment Scrutiny Committee, noted the risk that the rise in Employers National Insurance would have to projects and external contractor costs. It was noted that the County Council had spent capital funds in mid 2010s to improve highway assets. Highway spend had been welcomed in the public budget consultation response. The Library service was celebrating its 100th year and the evolved service was welcomed, but it was noted that making the library buildings energy efficient would be a challenge.
- c. Cllr Boram, Chairman of the Fire & Rescue Service Scrutiny Committee, noted it had been a good year for the fire service. Value for money was noted and the strong financial position would allow for investment and improvement.
- d. Cllr Wall, Chairman of the Health and Adult Social Care Scrutiny Committee, expressed concern on funding, particularly in adult social care. The delivery of proposed savings would be a challenge. The hard work of officers in this portfolio was noted.
- e. Cllr Dabell, Chairman of the Children and Young People's Services Scrutiny Committee, recognised the financial challenges. The budget was welcomed so that the Council Plan could be delivered and support vulnerable residents.

39.7 The following point was made by a Minority Group Leader.

- a. Cllr Walsh, Leader of the Liberal Democrats, felt that the three minute invitation to speak was too short to allow comments on the budget and council plan, and resolved to comment at the February Full Council meeting. Concerns were raised on the DSG deficit and social care pressures and stressed that the Government needed to provide necessary support to underfunded local authorities

39.8 The following points were made by Cabinet Members in discussion.

- a. Cllr Waight, Cabinet Member for Support Services and Economic Development, welcomed the budget for being balanced but also allowing investment in improvements and no cuts to front line services. The upcoming implementation of Oracle Fusion was noted and the improvements that would come from this. Confidence was given on achieving the proposed savings for the portfolio. Change of spend was highlighted between Council years, and clarity was given that the majority of change was linked to change in departmental functions.
- b. Cllr Jupp, Cabinet Member for Adults Services, confirmed that this portfolio has the largest budget due to statutory duties. The Care Quality Commission was currently undertaking an assessment of County Council. It was stressed that the Government needed to provide more support to assist with funding pressures. It was noted that a protest had taken place at County Hall today in response to recent national funding decisions.
- c. Cllr Lanzer, Cabinet Member for Public Health and Wellbeing, noted that the budget preparation was a large cycle of processes. Once the budget is considered at February County Council, finance officers would begin work on the next year's budget. Assumptions had been made for the public health grant, which was used across multiple portfolios.
- d. Cllr Crow, Cabinet Member for Community Support, Fire and Rescue, welcomed the engagement exercises for the budget, particularly the public consultation which had received over 3000 responses. 75% of the responses endorsed the proposals. The importance of prevention work was expressed to help vulnerable residents. The recent HM inspection was noted, and that no recommendations had been required for attention. No front-line cuts had been made, and investments would be made in new appliances and fire stations.
- e. Cllr Russell, Cabinet Member for Children and Young People, Learning and Skills, spoke to the statutory requirements for the portfolio and that there is no sign that demands were slowing. DSG remained a concern and it was reported that West Sussex was the only local authority that had responded to a call for evidence to the Public Accounts Committee on this. Home to school transport requirements also added significant financial pressure. The Children's Home Collaborative initiative was helping to reduce the number of children in unregistered settings.

39.9 The Leader noted the changing government landscape. Despite the challenging pressures, there had been no service cuts or use of reserves. Mr Suarez and all officers were thanked for their hard work in preparing the Council Plan and Budget.

39.1 Resolved that the Cabinet endorses the Council Plan and the County Council Budget for 2025/26, as set out in Appendix A. This includes the recommendations listed on page 5 and Annex 1, the updated Council Plan as set out in Annex 1 (Appendix 8), the Capital Strategy set out in Annex 2(a) and the Treasury Management Statement set out in Annex 2(b), for approval by County Council on 14 February 2025.

40. Emerging Issues

40.1 The Leader invited Cabinet Members to provide any verbal updates on current, significant issues from their respective portfolios that may benefit from discussion.

40.2 There were no updates required.

41. Date of Next Meeting

41.1 The Cabinet noted that its next scheduled meeting will be held on 11 March 2025.

The meeting ended at 11.50 am

Chairman