



Meeting: **Scrutiny Commission**

Date/Time: **Monday, 28 January 2019 at 10.00 am**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Mrs R Whitelaw (Tel: 0116 305 2583)**

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Membership

Mr. S. J. Galton CC (Chairman)

Mr. P. Bedford CC Mr. J. Morgan CC
Mr. D. C. Bill MBE CC Mrs. R. Page CC
Mr. M. H. Charlesworth CC Mr. A. E. Pearson CC
Dr. T. Eynon CC Mr. T. J. Richardson CC
Dr. R. K. A. Feltham CC Mrs B. Seaton CC
Mrs. H. J. Fryer CC Mr. M. B. Wyatt CC

A G E N D A S U P P L E M E N T

The following additional reports have now been published, agenda item 11 of the main agenda refers.

<u>Item</u>	<u>Report by</u>	
1. Medium Term Financial Strategy 2019/20 to 2022/23 - Consideration of Responses from Overview and Scrutiny Committees.	Director of Corporate Resources	(Pages 3 - 18)
• Health Overview and Scrutiny Committee		(Pages 3 – 6)
• Environment and Transport Overview and Scrutiny Committee		(Pages 7 – 10)
• Adults and Communities Overview and Scrutiny Committee		(Pages 11 – 14)
• Children and Families Overview and Scrutiny Committee		(Pages 15 – 18)



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HEALTH OVERVIEW AND SCRUTINY COMMITTEE
16 JANUARY 2019

MEDIUM TERM FINANCIAL STRATEGY 2019/20 – 2022/23

MINUTE EXTRACT

Medium Term Financial Strategy 2019/20 – 2022/23

The Committee considered a joint report of the Director of Public Health and the Director of Corporate Resources which provided information on the proposed 2019/20 to 2022/23 Medium Term Financial Strategy (MTFS) as it related to the Public Health Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mrs. P. Posnett MBE CC, Cabinet Lead Member Health, Public Health and Sport, to the meeting for this item.

In introducing the report, the Director and Cabinet Lead Member informed the Committee that 2019/20 was the last year that Public Health would be financed through a ring-fenced grant from the Department of Health. It was expected that from 2020/21 Public Health would be funded from retained business rates. However, until the outcome of the 2019 Spending Review was announced the exact funding that the Public Health Department would receive would not be known and therefore assumptions had been made in the MTFS. The Director was confident that Public Health would be able to make the necessary savings for a balanced budget for the 2019/20 year. However, for the following three years the position was less clear.

Arising from discussion, the following points were noted:-

Service Transformation

- (i) The Director of Public Health provided some reassurance that if the funding position changed in the future from that which had been anticipated, then the financial plans for Public Health could be altered and contingency plans would be put in place. In the meantime work was underway to reduce costs in the department such as focusing on digitising services.
- (ii) In response to a question from a member regarding the budget totals showing a debit balance it was explained that some of the Public Health Grant was used for preventative activities in other departments of the County Council.

Growth

- (iii) An assumption had been made that in the subsequent years of the MTFs, the Public Health specific grant (or whatever replaced it) would remain at the same level as in 2019/20.

Savings

- (iv) The Director of Public Health stated that he had high levels of confidence that the proposed savings as set out in the report could be made and confirmed that the savings relating to Integrated Sexual Health, NHS Health Checks and Heart Smart had already been achieved. The Director of Public Health was also confident that the savings relating to Substance Misuse Treatment Services could be achieved as the plans had been developed in a high level of detail.
- (v) The savings relating to Homelessness Prevention were not confirmed yet as public consultation needed to take place on the proposals; however, the Director of Public Health had confidence that the financial modelling was sound. Further work was required to be undertaken to establish how the outreach element of the service would work. It was expected that this would be a similar model to the Local Area Co-ordinators and the role would include ensuring effective links between the work District Councils undertook on homelessness and the wider Public Health work.
- (vi) An action plan was currently in place to rationalise staffing levels in the provider arm of the Public Health Department. This could affect Local Area Co-ordinators, although overall Leicestershire did have the largest team of Local Area Co-ordinators in the country. This fitted with the Department's ethos around providing prevention services at the lowest cost in the community and seeking to develop community capacity.
- (vii) In response to a query from a member as to why no allowance had been made for inflation or cost increases the Director of Public Health explained that when services were externally commissioned the provider was expected to meet inflationary pressures as part of the contract. The Treasury had also previously made a payment directly to NHS providers to account for inflation, although it was unclear whether this would continue. Any additional cost pressures would have to be accounted for 'in year'.
- (viii) The planned recruitment freeze for the school nursing service had not yet begun therefore the impact on the service was not yet known. It was hoped that the introduction of digital tools such as text health and web health, would mitigate against any negative impact on the school nursing service. Joint working was taking place between the Public Health Department and Children and Family Services to ensure that the changes proposed would not have a disproportionate impact on certain groups of children such as those with Special Educational Needs.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 28 January 2019.

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Environment and Transport Overview and Scrutiny Committee

17th January 2019

Medium Term Financial Strategy 2019/20 to 2022/23.

Minute Extract

The Committee considered a joint report of the Director of Environment and Transport and Director of Corporate Resources which provided information on the proposed 2019/20 to 2022/23 Medium Term Financial Strategy (MTFS) as it related to the Environment and Transport Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr Rhodes CC, the Cabinet Lead Member for Resources and Mrs Radford CC, the Cabinet Support Member to the meeting for this item..

Proposed Revenue Budget and Budget Transfers and Service Transformation

In introducing the report, Cabinet Lead Members for Resources advised members of the financial challenges facing the Council. The Revenue Support Grant would reduce from £8.5million to zero. The inflationary and demand pressures on services provided by the Council were increasing. The Cabinet had indicated that it would prioritise adult social care and children services. The Cabinet however recognised the pressures on the Environment and Transport Department and the need to provide good and sustainable services and therefore provided growth of £2million for SEN Transport, dealing with HS2 and ash dieback/forestry. The Government was looking to change the funding formula but this would not happen until 2020/21 at the earliest. It was anticipated that the funding formula would address some of the current anomalies and this might improve the Council's financial position in the future. If that were not to happen the financial outlook would be severe.

The Director advised of the significant change that had taken place across the Department to enable it to achieve total savings of £43million since 2010/11. The Department faced increasing pressures arising primarily from:-

- Higher expectations from the public about levels of service and response times;
- Increasing demand from population growth;
- Higher rates of inflation particularly within the construction sector;
- The need to respond to the growth agenda in terms of planning and bidding for infrastructure projects;
- Increasing difficulties in recruiting and retaining staff.

The savings now expected from the Department were extremely challenging. The Department and its partners were looking at smarter working and delivery and to invest to save schemes.

The growth in the staffing budget reflected the need to engage staff to help the Council develop infrastructure bids (such as the Melton Mowbray Distributor Road and Housing Infrastructure Bids) and to ensure that the Council responds to the HS2 project. With regard to HS2 the Council was seeking to mitigate the adverse impacts and maximise opportunities such as the case for classic connectivity as well as supporting businesses to take advantage of potential business opportunities.

With regard to inflation this was held centrally and allocated in-year when the position became clearer.

In response to questions and comments the Committee was advised as follows:-

Growth

G15– SEN Transport

- i) This growth was essentially to meet additional demand and the increasingly complex needs now being presented by some service users.

Savings – Highways and Transport

ET1 – Revised Passenger Transport Policy

- ii) All supported bus services would be assessed using the new criteria set out in the Passenger Transport Policy which was recently agreed by the Cabinet. It was therefore not possible to give any commitment about the future of any particular bus service ahead of the review.
{Mr Bill CC asked that it be recorded that he opposed this savings proposal as it would adversely impact bus service provision}.

ET2– Social Care and SEN Transport

- iii) The impact of the new eligibility criteria would be reviewed following 12 months of operation and the outcome reported to the Committee. Members were reminded that the policy made provision for exceptions on appeal and a contingency of 20% had been built into the budget for this purpose.

ET 3 – Review of staff absence

- iv) The proposals now outlined were supported.

ET 4 - Alternative Fleet Provision

- v) The Department was exploring options for bringing in-house some of the most expensive contracts.

Savings – Environment and Waste

ET7– Recycling and Household Waste Sites

- vi) The proposals to increase levels of re-use at household waste sites were welcomed. Members noted that a detailed report on this saving proposal would be made to the Committee in the near future.

ET8– Future Residual Waste

- vii) Members were advised that there was little likelihood of a reduction in the level of landfill tax and previous representations on the matter had not been successful.
- viii) With regard to the recently launched Government strategy document on waste, further information was still awaited on what the Government's intentions are with respect to the separate collection of food waste and this matter is to be the subject of a consultation exercise.

Savings under Development

- ix) The Department was now looking at smarter working and delivery and to invest to save schemes and had held 'brainstorming sessions' with frontline staff to explore ideas.

Other Funding Sources

- x) The impact of recently introduced Roadworks Permit Scheme would be assessed and report made to the Committee.

Capital Programme

- xi) The Department had to bid to various Government funding streams for major projects. The Government expectation was that where funding was provided there should be an element of matched funding from the local authority. Whilst S106 contributions played significant role in this it was increasingly necessary for the County Council's mainstream capital programme to provide matched funding.
- xii) Representations had been made to Government regarding the retention of fines from the speed cameras installed by the County Council as a means of funding further installations. The Leader planned to have further discussions on the matter.
- xiii) The Director indicated that she would write to Mr Bill regarding the current position on works to the Hinckley junctions.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 24 January 2018.

ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
21 JANUARY 2019

MEDIUM TERM FINANCIAL STRATEGY 2019/20 – 2022/23

MINUTE EXTRACT

Medium Term Financial Strategy 2019/20 – 2022/23

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2019/20 to 2022/23 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr R Blunt CC, Cabinet Lead Member to the meeting for this item.

In introducing the report, the Director advised members of the financial challenges facing the Council and the demand and cost pressures facing adult social care services in dealing with an ageing population and an increased number of people with complex disabilities.

Arising from the comments and questions raised, the Committee was advised as follows:

Service Transformation

- i) Work was progressing on the integration of services with Health and a report would be made to a future meeting on the new Home First service and the proposed development primary care services for people with complex needs. These developments were aimed at helping more people to receive services in their own home.

Proposed Revenue Budget

- ii) The revenue budget did not taken into account any pay or price inflation. A contingency was held centrally and allocated in-year when the position became clearer. In the previous year a sum of £3.7 million had been transferred for price inflation and £1.5 million for pay and pension inflation.

Growth

- iii) G10 - Transforming Care transfers from Health This growth was required to cater for additional cost the Department would incur for the 23 patients with very complex and challenging needs who would be ready to be discharged into the community over the next few years. The majority of the cost would be met by the NHS, social care and the Transforming Care Programme. Whilst the intention is for the Transforming Care Programme to come to an end soon discussions were on-going at a national level to ensure that mechanisms were in place to manage discharges along with funding.
- iv) G12 – Transitions. Four additional members of staff were required to assist with the work with the increased number of young people transitioning to adult services. A Development Manager post had also been established to look at how adult and children services could be better aligned. A report on this would be submitted to a future meeting of the Committee.
- v) G6 and G7 – Increased demand from Older People and Learning Disabilities This growth recognised the increasing demands from demographic growth and increasing complexity of care and fragility of some service users.. A report was due to be presented to a future meeting of the Committee which on how needs were being met and the impact on carers. It was noted that the demographics and the fact that people were living longer, but often with poorer health, required support to be provided to more people with complex needs.

Adult Social Care – Savings

- vi) There were no new savings in this area of service.
- vii) The proposed saving around staff absence was set to increase. The target was phased over two years to allow time for the improvements to take effect. Work was continuing within the Department to further reduce the level of staff absence.

Communities and Wellbeing – Savings

- viii) There were no new savings in this area of service.
- ix) The closure of the Care On-Line service had contributed to savings within this area of the department. An report would be presented to the March meeting of the Committee, post closure of the service, how the provision of services has been reconfigured.
- x) The options for the new Collections Hub previously considered by the Cabinet involved a significant capital outlay. Work on further options was being undertaken which sought to reduce the capital costs and these options would be presented during 2019/20. The Collections Hub would

cover the Records Office Service and the Museum Collections and provide an opportunity for making the Collection more accessible. A report would be brought to the Committee on the proposed Hub and how the Collection was maintained and policies relating acquisition and disposals. A site visit to one of the collection storage facility would also be arranged

Savings Under Development

- xi) The development of Brookfield in Great Glen would cost approximately £2.5 million and would deliver annual savings of £50,000 plus net rental income of £150,000. Further work was currently underway to investigate the possibility of similar capital investments schemes.
- xii) The proposed changes to the Target Operating Model would help to deliver a more efficient service. The initial assessment had identified potential savings opportunities. These projected savings had not been included in the current MTFS as the contract had yet to be let. Once work had commenced and there was a greater understanding of the scope and level of savings it would then be reflected in the MTFS.

Health and Social Care Integration

- xiii) Health and Social Care integration continued to be a top priority for the County Council and its NHS partners as it had the potential for delivering better outcomes for people whilst also reducing costs.
- xiv) The Better Care Fund made a significant contribution to the revenue budget to support social care services. The BCF programme is due to cease in 2020 but the expectation was that it would either continue in a different form and the funding for social care services would continue.

Capital Programme

- xv) The Capital Programme was noted.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 24 January 2018.

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CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE
22 JANUARY 2019

MEDIUM TERM FINANCIAL STRATEGY 2019/20 – 2022/23

MINUTE EXTRACT

Medium Term Financial Strategy 2019/20 – 2022/23

The Committee considered a joint report of the Director of Children and Family Services and the Director of Corporate Resources which provided information on the proposed 2019/20 to 2022/23 Medium Term Financial Strategy (MTFS) as it related to the Children and Family Services Department. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed Mr I D Ould CC, Cabinet Lead Member for Children and Family Services, to the meeting for this item. Mr Ould praised the work of the officers in ensuring that the budget was as positive as could be expected.

Arising from the discussion, the following points were raised:

Service Transformation

- i) Concern was raised around the lack of certainty of future contributions from partner funding and the Government's Troubled Families grant to support the Supporting Leicestershire Families (SLF) programme. This would equate to a loss of £2.3 million of income from October 2020. The Office of the Police and Crime Commissioner had recently confirmed the continuation of funding towards the SLF programme. The Cabinet Lead Member reported that there was to be a ministerial visit to Leicestershire on 7 February to discuss the programme, and support for SLF had been received from Ministers. A report was due to be presented to the March meeting of the Committee on the evaluation of the Early Help Review.

Proposed Revenue Budget

- ii) The revenue budget had not taken into account any pay or price inflation. A central contingency was held which would be allocated to services as necessary.

Growth

- iii) Attention was drawn to G2 – Supporting Leicestershire Families – transition to a new model when external funding ceases. The 2018/19 MTFS had made provision of £1 million per annum for 2018/19 and 2019/20, after which this funding would be removed.
- iv) Other significant areas of growth included Unaccompanied Asylum Seeking Children, due to the volatility of this area, and the use of agency staff in Children’s Social Care. Although the Department’s Recruitment and Retention Strategy was starting to have a positive impact, there would be an ongoing need for agency staff to cover vacancies.

Savings

- v) There were no new savings against the Department’s budgets in this MTFS.
- vi) It was noted that the annual target for CF2 – Growing Mainstream Internal Foster Carer Provision – had fallen short in 2018/19. However, this had been offset by the savings achieved from the recruitment of specialist foster carers, and it was anticipated that the target would be fully achieved in 2019/20 as a result of successful recruitment campaigns. Members highlighted that, whilst increasing foster carer provision did deliver savings for the department, it was also a better way of delivering services.
- vii) The contract for Wrap Around Therapeutic Services had now commenced and savings were expected to accrue from 2020/21. An update on the progress of this would be provided to the Committee in due course.
- viii) With regard to the savings from disabled children’s respite care, it was noted that this related to the review of a specific contract to ensure that a greater range of options for respite care were available to service users.

Dedicated Schools Grant/Schools Block

- ix) Under the National Funding Formula, there was a mixed picture as to how schools were managing financially. A new project had been developed to work with schools to look at developing their financial capacity as there were some concerns around the way schools were forecasting their budgets. A new post would be recruited to, for two years, to work with schools on their budgets in order to get a clear picture of the situation. The County Council had also considered a number of factors which could indicate whether a school was operating well financially, but no correlation had been found between the school’s position and any specific funding.
- x) In terms of the teacher’s pay increase, schools had received a grant, which had commenced in September 2018, to cover the cost of the teacher’s pay award. This was funded on a per pupil basis and the general response that had been received from schools was that this was covering the cost. A new grant was also expected in September 2019 to

cover the increase in the employer's contribution to the teacher pension scheme.

- xi) In relation to a query around the National Funding Formula calculating notional school allocations based upon pupil characteristics, it was stated that this ensured that schools were given the same amount of funding for pupils with the same characteristics, irrespective of where the school was located. However, there would still be a degree of unequal funding to local authorities, as specific characteristics such as deprivation, low attainment and the receipt of free school meals, determined different levels of funding.
- xii) The financial challenges faced by Church of England schools was significant, with more than half of all such schools nationally at risk of becoming insolvent over the next few years. It was therefore pleasing to note the work being undertaken in respect of school financial planning.

High Needs

- xiii) The confirmed level of funding for the High Needs DSG was detailed in the report; no inflationary increases had been assumed although it was hoped that they would be made available.

Specific Grants

- xiv) It was difficult to confirm when some of the specific grants for the department would be allocated. In particular, the Early Years DSG grant would not be confirmed until June 2020, which was after the 2019/20 financial year. There was no indication that any of the grants would not be available for the 2018/19 financial year.
- xv) The County Council acted as the conduit for maintained schools in relation to grants around maintained school sixth forms, pupil premium, universal infant free school meals, and the PE and Sports grant.
- xvi) The government had now confirmed that it would fund the additional responsibilities associated with the Virtual School until 2020.
- xvii) The Youth Justice Good Practice grant had not yet been confirmed. It was assumed that it would be at the same level as 2018/19, but if this was not the case, it would perhaps be necessary to make some reductions to services. Previous reductions in service had not prevented the County Council from meeting its statutory requirements. However, if further reductions in service were made this could be a risk.

Capital Programme

- xviii) The programme focused on two significant areas, one of which was the need to provide additional primary school places. An estimated 895 additional places would be delivered in 2019/20. In response to a query, it

was not possible to ensure that these places would only be allocated to Leicestershire county children. The County Council had a duty to ensure that there were sufficient school places within the county for the children of Leicestershire; this was the case.

RESOLVED:

- a) That the report and information now provided be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 28 January 2019.