

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 1 February 2012.

PRESENT

Mr. S. J. Galton CC (in the Chair)

Mr. G. A. Boulter CC
Mrs. R. Camamile CC
Mr. J. G. Coxon CC
Dr. R. K. A Feltham CC
Mr. T. Gillard CC
Dr. S. Hill CC

Ms. Betty Newton CC
Mr. M. B. Page CC
Mrs. R. Page CC
Mrs. P. Posnett CC
Mr. R. J. Shepherd CC

In Attendance:

Mr. D. R. Parsons CBE CC, Leader of the Council |
Mr. N. J. Rushton CC, Deputy Leader of the Council | (For minute 235)

Mr. J. B. Rhodes CC, Cabinet Lead Member for Broadband (For minute 236)

228. Minutes.

The minutes of the meeting held on 9 November 2011 were taken as read, confirmed and signed.

229. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

230. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

231. Urgent Items.

There were no urgent items for consideration.

232. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mr. D. R. Parsons CBE CC, Leader of the Council and Mr. N. J. Rushton CC, Deputy Leader of the Council, each declared a personal, prejudicial interest in the Medium Term Financial Strategy (MTFS) 2012/13 – 2015/16 (minute 235)

refers), as they had attended the meeting of the Cabinet when this item was discussed.

The following members each declared a personal, non-prejudicial interest in respect of the Leicestershire Broadband Plan (minute 236 refers) as members of district/borough councils which were involved in ongoing discussions on the proposals:

Mr. G. A. Boulter CC
 Mrs. R. Camamile CC
 Mr. J. G. Coxon CC
 Mr. S. J. Galton CC
 Mr. T. Gillard CC
 Dr. S. Hill CC
 Ms. M. E. Newton CC
 Mrs. R. Page CC
 Mrs. P. Posnett CC
 Mr. R. J. Shepherd CC

Mr. J. B. Rhodes CC declared a personal, prejudicial interest in respect of the Leicestershire Broadband Plan as he had attended the meeting of the Cabinet when this item was discussed.

233. Declarations of the Party Whip.

There were no declarations of the party whip.

234. Presentation of Petitions under Standing Order 36.

The Chief Executive reported that no petitions had been received under Standing Order 36.

235. Medium Term Financial Strategy 2012/13 to 2015/16.

The Panel considered a report of the Director of Corporate Resources setting out the context and background to the preparation of the Medium Term Financial Strategy (MTFS) for the period 2012/13 to 2015/16. A copy of the report, which was circulated to all members of the County Council via the Members' Information Service, is filed with these minutes.

The Commission also considered supplementary reports setting out the comments of the Overview and Scrutiny bodies on the MTFS relating to their respective service areas. A copy of the supplementary report marked 'BB' is filed with these minutes.

The Chairman welcomed to the meeting the Leader of the Council, Mr D. R. Parsons CBE CC, and the Deputy Leader of the Council, Mr N. J. Rushton CC who were attending for this item.

MTFS Context and Overall Position

The Director of Corporate Resources advised the Commission of the following significant risks:-

- i) The County Council was facing significant financial pressures and it was likely those pressures would continue in the medium term. Savings of the order of £74 million were required over the period of the MTFS: whilst there was a degree of confidence in the ability of the Council to deliver most of the savings in the first and second years, there was less certainty about years 3 and 4, as proposals for delivering such savings were at an early stage of development.
- ii) The proposal by the Government to pass responsibility for the administration of Council Tax Benefit (CTB) from April 2013 to Councils to achieve a saving of 10% was a concern. This coupled with the view of most major software companies that the software packages would not be available to implement by April 2013 meant that the Councils in Leicestershire could potentially face a shortfall of up to £4 million: the County Council's share of this being a little over £3 million.
- iii) The localisation of business rates and the recently announced split thereof between County and District Councils also impacted on the County Council.

Given these risks it was necessary and prudent to maintain the level of balances now outlined in the report to ensure that the Director could discharge his responsibility and provide the necessary assurance to the Council about the robustness of the proposed budget.

The Leader of the Council advised that a significant proportion of the savings requirement, £49 million, was being delivered through efficiencies and he paid tribute to the officers for achieving this. The Administration was committed to freezing Council Tax for the next four years.

The Leader reported back on a constructive meeting he had had with the Business Council. The issues they had raised with him included trade waste, tourism and procurement changes. They had expressed strong support for the Council's broadband strategy.

With regard to Academies, the Leader reported on a meeting with Leicestershire's MPs and their support for a meeting with the Secretary of State for Education, to discuss the implications for the County Council of the Government's proposals for funding academies, which it was estimated would cost the Council around £10 million.

The Leader concluded by saying that the challenges facing the public sector now and for the foreseeable future would mean the County Council having to manage and even suppress demand for services. It would also require greater co-operation and joint working within the public sector to deliver the savings required.

The Deputy Leader echoed the comments of the Leader and strongly supported the views expressed by the Director of Corporate Resources regarding the need to hold an adequate level of balances. He highlighted the significant risk of wage inflation given that public sector pay was frozen whilst inflation was over 4% per annum. In addition, the savings requirement would result in significant job losses and associated redundancy costs.

In response to questions the Commission was advised as follows:

Academies

- i) The County Council hoped to persuade the Secretary of State for Education to reconsider his proposals for funding of Academies. With regard to referring the matter to independent arbitration, the Leader indicated he would not rule this out as an option but he was hopeful that the dialogue with the Secretary of State would be constructive;
- ii) The County Council recognised that a significant number of schools would become academies and to that end had decided to set up a “trading unit” which would be led by the Director of Corporate Resources. Such a unit would be business focused and the aim was to market the excellent services Leicestershire provided to its schools with a view to becoming the provider of choice to academies in the East Midlands and elsewhere.

Economic Impact of the MTFS

- iii) The proposed MTFS would result in a significant loss of public sector jobs which would impact on the economy. The County Council was working closely with businesses, through the Leicester and Leicestershire Economic Partnership and other bodies to attract investment and create jobs.

Benefit Cap

- iv) The Leader indicated that he supported the proposed benefit cap of £26,000. He had not been advised of any significant impact this may have in the County but gave assurances that the impact would be monitored.

Business Rates and Joint Working

- v) The localisation of business rates would require the County and District Councils to work closely to ensure that Leicestershire was a net beneficiary. Similar consideration applied to the New Homes Bonus. The Leader indicated that he was pleased with the co-operation to date and the Commission was informed of discussions between Finance Officers of all Councils with a view to developing and agreeing a local framework on business rates.
- vi) Joint working and particularly joint commissioning of services was key to delivering significant savings, particularly in Health and Social Care. Leicestershire had made good progress with close working at a senior level between the County Council, the Clinical

Commissioning Groups and local NHS bodies. This, together with greater focus on preventative measures, thereby reducing demand, was critical.

Reserves and Contingencies

- vii) The Director of Corporate Resources stated that direct comparisons between the total level of resources forecast last year and this year were misleading. He indicated that he would prepare a schedule setting out in detail the level of reserves, movements between years and the purpose of holding these reserves. This would be made available to the Cabinet and County Council.
- viii) As with the previous year, the Director reported that he proposed to ask the Auditors, PwC, to undertake a review of the robustness of the MTFS and would report thereon to the Corporate Governance Committee.

Council Tax

- ix) Responding to a question as to whether there would be no increase in Council Tax even if there were no additional resources provided by Central Government as was the case this year, the Leader reminded the Commission that a freeze in Council Tax was a manifesto commitment of his Administration which he was determined to honour.

Comments of Scrutiny Bodies

a) Children and Young People's Service

In response to questions regarding home to school transport and transport for +16 year olds and those attending denominational schools, the Leader advised that these were difficult choices and were necessary as a consequence of the difficult financial position facing the Council. The proposals were being consulted upon and the Leader noted the concerns now expressed about the impact on parents, children and the environment. These concerns, together with the responses to the consultation, would inform the decision of the Cabinet on this matter.

b) Adults and Communities

There had been some progress on the issue of supported housing but much more remained to be done and the Leader indicated that he would work with District Councils on this including asking them to ensure that provision for supported accommodation was included in Local Development Frameworks. The Commission's attention was drawn to the recent work by Blaby District Council on this issue.

c) Budget and Performance Panel

- With regard to the funding of Police Community Support Officers (PCSOs) the Commission was advised that 50% of the additional

income from the reduction in second home discounts, together with growth of £315,000, was used by the County Council to fund PCSOs. Districts were able to use their share of the income from the discounts to fund PCSOs if they so wished and some had done so in the past but none did now. The proposals now put forward reflected the new realities of funding reductions and the introduction of elected Police Commissioners.

- With regard to the savings to be achieved by reducing the cost of democracy, these were to be mainly achieved from 2013/2014 and details had yet to be worked out. The Leader noted the comments now made and indicated he would reflect on them.
- Following representation made to him, the Leader indicated that he was minded not to proceed with the proposed savings to be achieved by reducing the IMPACT programme. Details of how this was to be funded would be reported to the Cabinet.

The Chairman thanked the Leader and Deputy Leader for their attendance.

RESOLVED:-

That the comments now made together with the comments of Scrutiny bodies be forwarded to the Cabinet for consideration at its meeting on 10th February.

236. Broadband Leicestershire Programme.

The Commission considered a report of the Chief Executive which had been originally submitted to the Cabinet at its meeting on 17 January 2012 which set out the County Council's plan to improve broadband speeds across the County. A copy of the report, marked 'C' is filed with these minutes.

The Cabinet Lead Member for Broadband, Mr. J. B. Rhodes CC, introduced the item by explaining that the Government had set up a fund ("Broadband Delivery UK") to improve broadband speeds across the country. The Council had secured £3.1 million of funding to carry out these improvements. In addition, the Cabinet had indicated that it would wish to allocate £4 million of the £6 million Council Tax Freeze Grant to support super-fast broadband. This amount of investment was still insufficient, given the current estimate to undertake necessary infrastructure improvements would be in the order of £20 million. District councils had therefore been asked to make a contribution to the fund. The Plan would be submitted to Government in February. It was hoped that it would be approved by April.

There was concern expressed that telecommunications companies would profit from the Council's investment. It was explained that public investment was needed in order to attract the necessary private sector investment. Improving broadband speeds would have a significant impact, particularly in terms of service delivery and unlocking economic potential.

RESOLVED:

That the report be noted and that future developments with the Plan be reported to the Commission as appropriate.

237. Local Transport Plan 3 (LTP3) Implementation Plan.

The Commission considered a report of the Director of Environment and Transport concerning progress made with the development of the second LTP3 Implementation Plan for 2012/13. A copy of the report, marked 'D', is filed with these minutes.

Arising from the discussion, the following points were noted:

- Providing value for money was central to the LTP3. It would be implemented on an area-based approach and the initial priorities were to support the economies of Coalville and Loughborough. Other areas would then follow;
- Expectation management was crucial to the success of the LTP3. The County had roughly half the funding it had for LTP2, so efficient ways of working would be a key focus of the scheme;
- Consultation with residents and businesses would assist in identifying priority issues, however this would be balanced against evidence gathered from the County's integrated transport and land-use model;
- The Implementation Plan appeared to give little priority to school traffic and school travel plans. The Director agreed to make additions to the document to give this area the necessary profile.

RESOLVED:

- (a) That the report be noted;
- (b) That the matter be the subject of a half yearly progress report with the next report to be submitted at the Commission's meeting on 5 September.

238. Energy Reduction for Street Lighting Project - Update.

The Commission considered a report of the Director of Environment and Transport concerning progress made to date with the energy Reduction for Street Lighting Project. A copy of the report, marked 'E', is filed with these minutes.

Arising from the discussion, the following points were noted:

- Feedback on the scheme had been positive. There had been no recorded increase in crime as a result of switching off lights or dimming and in some areas there had been a significant drop in crime. The scheme had so far resulted in revenue savings in the order of £800,000 for the Council;

- It was important that greater flexibility be built into the scheme to enable the concerns of residents about street lighting in their area to be taken account of. It was felt that parish/town councils may have a role to play in collating and feeding this intelligence back to the County Council. Similarly, when a scheme was announced in a new area via a press release, residents could be invited to submit comments to their local parish/town council. The Director agreed to investigate the viability of this arrangement;
- Schemes were reviewed on an annual basis to ensure that they were safe and appropriate for the area though it was felt that there was a risk that pedestrians might not be given priority as part of risk assessments;
- New technology was being trialled for electronic dimming which, if successful, would enable the Council to be even more efficient in its use of electricity.

RESOLVED:

- (a) That the success of the scheme to date be welcomed and that it be given the full support of the Commission;
- (b) That the comments now made, as outlined above, be fed into the review of the Street Lighting Project.

239. Date of next meeting.

RESOLVED:

- (a) That the meeting originally scheduled for 29 February be cancelled due to lack of business;
- (b) That the next meeting of the Committee would be held on 28 March at 2.00pm.

2.00 pm - 4.45 pm
01 February 2012

CHAIRMAN