

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 4 September 2013.

PRESENT

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

Mrs. R. Camamile CC
Dr. R. K. A. Feltham CC
Mr. S. J. Hampson CC
Dr. S. Hill CC
Mr. Max Hunt CC

Mr. A. M. Kershaw CC
Mr. P. G. Lewis CC
Mr. K. W. P. Lynch CC
Mr. R. J. Shepherd CC
Mr. L. Spence CC

In Attendance:

Mr P. C. Osborne CC – Cabinet Lead Member for Economic Development (support to the Leader)

Mr B. L. Pain CC – Cabinet Lead Member Highways and Transportation (both members present for Minute 34)

26. Minutes.

The minutes of the meeting held on 5 July 2013 were taken as read, confirmed and signed.

27. Question Time.

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

28. Questions asked by members.

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

29. Urgent Items.

There were no urgent items for consideration.

30. 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.

The following members declared personal interests in relation to monitoring report on the Medium Term Financial Strategy 2013/ as members of District Council's given that the report refers at various places to arrangements for the collection of local council tax:-

Mrs. R. Camamile CC
 Dr. R. K. A. Feltham CC
 Mr S. Galton CC
 Mr. S. J. Hampson CC
 Dr. S. Hill CC
 Mr. Max Hunt CC
 Mr. K. W. P. Lynch CC
 Mr. R. J. Shepherd CC
 Mr. L. Spence CC

31. Declarations of the Party Whip.

There were no declarations of the party whip.

32. Presentation of Petitions.

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

33. 2013/14 Medium Term Financial Strategy Monitoring (Period 4).

The Commission considered a report of the Director of Corporate Resources which provided an update on the 2013/14 revenue budget and capital programme. The report also set out:-

- i) recommendations to be made to the Cabinet on 13th September regarding the use of projected revenue underspends to fund 'invest to save initiatives';
- ii) the outcome of a review of the deliverability of the capital programme and a revised capital programme for approval.

A copy of the report marked '1' is filed with these minutes.

Revenue Budget

In introducing the report the Director of Corporate Resources drew attention to Appendix 1 which set out the difference between the projected outturn and original budget. In particular he drew attention to a projected overspend of £3,000,000 in the Adults and Communities Department which was offset by underspends elsewhere the most significant of which were the following:-

Centrally Managed Schools Budget	-£530,000
Children and Young People's Services	-£580,000
Corporate Resources	-£610,000
Contingency for Efficiency Savings	-£4,460,000
Contingency for Inflation	-£1,500,000
Revenue Funding of Capital Spend	-£2,500,000
Business Rates Additional Income	-£370,000

The effect was a net underspend of £7,700,000. A report was due to be submitted to the next Cabinet meeting which would suggest that part of the underspend be utilised for the following purposes:-

- A potential contribution to the City of Culture if the bid was successful;
- A £60,000 contribution to the Bradgate trust to enable the purchase of some land adjacent to Swithland Wood;
- Funding for two highway projects namely bridge strengthening at Zouch and for further development of the Leicester and Leicestershire Integrated Transport Model (LLITM);
- Utilisation of outstanding underspends towards either the repayment of pension liabilities or to repay debt.

With regard to the proposed suggestions for utilising the underspends a number of members were of the view that this should be considered in the context of the responses to the consultation on the MTFs and the significant budgetary pressures faced in Adult Social Care. In this regard the following points were made:-

- Whilst recognising that the City of Culture bid would bring benefits to County the Cabinet needed to demonstrate the economic benefits to the County of any such investment;
- Some concern was expressed about further investment in the LLITM and members were of the view that a clear business case needed to be made before additional resources were made available.

On the issue of localisation of council tax collection, the Commission welcomed the additional investment of £50,000 to engage an external company to undertake checks on single person discounts. Whilst noting that risks to the collection fund balances were being monitored there remained some concern regarding future years when existing government support for the scheme was phased out.

The consultation currently underway regarding the New Homes Bonus was a concern as it could have a significant adverse effect on the County Council particularly if the Government were to opt for a 100% top slice from County Council.

The Commission was reassured that the underspends in the Early Years and Childcare, Short breaks for disabled children were as a result of lower demand and not a reduction in service. Similarly, the demand for Community Care and Crises Loans had been lower than anticipated and the £200,000 contingency that had been set aside would not be required.

The overspend in Adults Social Care was primarily as a result of significantly lower than expected savings being achieved in the 'Effective Support Efficiency Programme'. That programme had anticipated savings in the order of £6,500,000 resulting from a reassessment of client needs and investment in less expensive preventative services. To date savings of £1,500,000 had been achieved and it was now expected that the full year effect would be of the order of £2,500,000. Part of the overspend had been offset by utilising health transfer monies and the Department was looking at greater use of Assistive Technology to reduce spending pressures. It was acknowledged that the social care budget faced significant challenges and posed a risk particularly with likely changes as a result of the Dilnot proposals and the new Care Bill. It was noted that this was a national issue and that unless action was taken on improving joint working with the Health Service and greater integration there was a significant risk to the current social

care arrangements and other parts of the Council's budget. The Government had made some funding available and to date there had been good engagement with local health service partners.

Capital Programme

The Commission was advised that following a review of the current programme and its deliverability a revised capital programme was being put forward for approval to the Cabinet.

In response to questions the Commission was advised as follows:-

- the lower than expected level of funding from the Education Funding Agency affected a number of Authorities. It would appear that funding had been diverted to areas of the Country where there were particular pressures on primary school places. Whilst this was less of a problem in Leicestershire there were nevertheless some pressures in the Hinckley and Blaby areas. The Commission noted that the Children and Families Scrutiny Committee would be looking at the issue of school place planning at its next meeting;
- the County Council had a good track record of opportunity purchases of agricultural land which not only generated a revenue stream but had contributed significantly to the generation a capital receipts.

Members noted that the proposed development of a 25 place school for children with autism had proved financially unviable and were concerned about the impact that this may have on pupils and their families and also on the revenue budget if this were to result in increased number of out-county placements.

RESOLVED:

- (a) That update on the 2013/14 revenue budget and recommendations to be made regarding the use of projected revenue underspends to fund 'invest to save' initiatives, be noted and the views of the Commission be drawn to the attention of the Cabinet;
- (b) That the recommended revised Capital Programme, be noted;
- (c) That the Adults and Communities Scrutiny Committee be asked to look in detail at the reasons for the overspend in the budget and the risks posed for future years given the additional pressures that are likely to be faced by the Department from changes resulting from the Dilnot report and the Care Bill.

34. Workshop: Economic Development.

The Commission received a presentation which provided an update on economic development priorities and in particular progress in relation to the City Deal and the Local Transport Board. A copy of the presentation is filed with these minutes.

The Chairman welcomed to the meeting Messrs Osborne and Pain who had kindly agreed to attend the meeting and assist the Commission in its deliberations.

Arising from the discussion and questions the Commission was advised as follows:

City Deal

- The City Deal would be considered by the City Council, the County Council and the District Councils prior to the submission of a Draft Negotiation document to the Government in late October. The Leaders of each of these Councils had been involved in the preparation of the document and were supportive of the way forward. One of the key challenges was to get agreement to governance arrangements which conformed to the Government's requirements of a body which could deliver binding decision making;
- At this stage it was envisaged that the delegation to meet with the Deputy Prime Minister and other Ministers regarding the City Deal Negotiation Document would involve key political leaders (such as the City Mayor, the Leader of the County Council and a district council leader), the Chairman of the LEP, and senior representatives from the business and academic sectors. The final decision on City Deal was expected by the end of the year;
- The focus of the City Deal document had changed since its first iteration. It now focussed on supporting people into jobs and job creation through business growth as the issues around infrastructure were being dealt with through other mechanisms and funding streams;
- The EU Structural and Investment Fund opportunity for the sub-region included a requirement to invest in supporting the low carbon economy and this could be used to help and support businesses become more energy efficient and hence drive down costs;

Members welcomed the new focus of City Deal and in particular the focus on supporting people into employment and signposting/brokerage support for local businesses.

Local Transport Board

- The County and City Council as Local Transport Authorities were now major scheme sponsors and the role of the LTB would consider the business case for schemes put forward. The decision of the LTB needed to have regard to the DFT Assurance Framework if the LTB were to be successful in any future bid;
- The two schemes 'approved' by the LTB, namely improvements to the A50 and A6 corridors had been put forward by the County Council but had received full support from the City Council. The scope of the schemes would extend beyond the County boundary into the outskirts of the City. Section 106 Funding and mainstream County and City funds would also be used for the proposed schemes;
- Further work was currently underway to ensure that the LTB was supported in its decision making by officers of both Councils as well as having access to independent technical and financial advice.

RESOLVED:

That the update now provided on economic development priorities, the City Deal and the Local Transport Board, be noted.

35. Date of next meeting and Schedule of Meetings for 2014.

It was NOTED that the next meeting of the Commission would be held on 6th November at 2.00pm.

The following meeting dates were AGREED for 2014 (all meetings to commence at 2.00pm):-

- 29th January
- 26th February
- 26th March
- 30th April
- 4th June
- 3rd September
- 5th November

2.00 - 4.40 pm
04 September 2013

CHAIRMAN