

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Thursday, 31 January 2013.

PRESENT

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

Mr. G. A. Boulter CC
Mrs. R. Camamile CC
Mrs. J. A. Dickinson CC
Dr. R. K. A. Feltham CC
Mr. G. A. Hart CC
Dr. S. Hill CC

Mr. D. Jennings CC
Mr. A. M. Kershaw CC
Mr. W. Liquorish JP CC
Ms. Betty Newton CC
Mrs. R. Page CC
Mr. R. J. Shepherd CC

321. Minutes.

The minutes of the meeting held on 10 December 2012 were taken as read, confirmed and signed.

322. Question Time.

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

323. Questions asked by members under Standing Order 7(3) and 7(5).

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

324. Urgent Item: Police and Crime Plan.

The Chairman advised the Committee that he had agreed to consider as an urgent item the draft Police and Crime Plan and the outcome of the Police and Crime Panel meeting on 30 January.

325. 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.

No such declarations were made.

326. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.

There were no declarations of the party whip.

327. Petition: Request for Reversal of Decision to Withdraw Funding for Police Community Support Officers.

A petition signed by 1397 residents was presented to the Commission by Mr S L Bray CC, requesting the County Council to reverse its decision to withdraw funding from Police Community Support Officers.

A briefing note of the Chief Executive summarising the situation relating to the petition was considered by the Commission. A copy of this report, marked 'B', is filed with these minutes.

With the consent of the Chairman, Mr Bray addressed the Commission and stated that the petition showed the value local people placed on Police Community Support Officers, despite initial scepticism towards the policy.

RESOLVED:

That the contents of the petition be referred to the Cabinet for consideration in the context of the Medium Term Financial Strategy 2013/14 to 2016/17.

328. Medium Term Financial Strategy 2013/14 to 16/17.

The Commission 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 2013/14 to 2016/17. 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 a supplementary report 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 'C1' is filed with these minutes.

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

MTFS Context and Overall Position

The Director of Corporate Resources advised the Commission as follows:-

- (i) The draft MTFS, which had been approved by the Cabinet on 16 January, had been the subject of consultation. The consultation closed on 27 January and the outcome would be reported to the Cabinet on 6 February. An Information Item would be sent to all members of the Council summarising consultation responses. The late notification of the settlement had meant that the consultation process was somewhat truncated.
- (ii) The County Council was facing significant financial pressures and it was likely that these pressures would continue for the next seven to ten years.

The Director of Corporate Resources then outlined the key changes to the

MTFS since the report had been submitted on 16 January, as follows:-

- (i) The Council Tax Collection Fund surplus had decreased by £0.12m reflecting information from District Councils.
- (ii) The Council Tax base had been confirmed following receipt of figures from District Councils. This was higher than anticipated; however, there were significant risks arising from the localisation of Council Tax Benefit and it was being suggested that additional resource be allocated to a contingency.
- (iii) An additional £350,000 had been included to meet the cost of supporting the Educational Excellence Board.
- (iv) An additional £1.2m had been allocated for investment in Loughborough University Science and Enterprise Park.
- (v) The Public Health Settlement had been received late in the day and the report to the Cabinet on 6 February would set out proposals for how this ringfenced grant was to be used.
- (vi) With regard to reserves and balances, the Commission was advised that the earmarked reserves and balances stood at £99m. The MTFS proposed using reserves and balances totalling £56m over the next four years.
- (vii) There were unidentified savings of £30m in the final years of the MTFS and decisions would need to be taken in the coming year as to how these were to be achieved.

The Chairman then invited the Leader and Deputy Leader of the Council to make comments.

The Leader of the Council endorsed the comments made by the Director of Corporate Resources and, in particular, highlighted the need to set aside a contingency of £1.2m to offset the significant risk to Council revenues from the localisation of Council Tax Benefit. The County Council would be facing considerable financial pressures and the Leader acknowledged the need for the County Council to play its role in the country's deficit reduction programme. However, he expressed concern that the Government's funding allocations disadvantaged the County Council and highlighted in particular the adverse impact on the County Council's finances from reductions made in the Early Intervention Grant and the arrangements for funding academies. He also expressed concern regarding the tone of comments being made by Ministers about local government and councillors. He believed that the County Council, together with other local authorities, had risen to the challenge and made significant efficiencies whilst protecting vital frontline services. He had written to the Leader of the Conservative Group of the Local Government Association expressing his disappointment on this matter and asked the Local Government Association Chairman to take this matter up with the Prime Minister.

The Deputy Leader of the Council reported that finding the £30m unidentified savings in the latter half of the MTFS would pose a significant challenge given

that the County Council had already achieved efficiency savings of £48m over the last four years. To do so would require the County Council to explore all options including fundamental changes to the way the Council currently operated. The Deputy Leader was of the view that, if there was to be such a fundamental reappraisal of how the Council operated, it would be essential that this was done on a cross party basis. To that end, he proposed establishing a Transformation Board, which would be modelled to some extent on the former Change Programme Board, to deal with the challenges ahead.

With regard to the reserves, the Deputy Leader cautioned against the use of reserves to meet in-year deficits as this would exacerbate problems in later years. The reserves needed were earmarked for potential liabilities or to fund specific invest to save projects where the business case had demonstrated such investments would deliver long term revenue benefits.

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

New Homes Bonus

- (i) The County Council had decided to allocate its New Homes Bonus grant for affordable housing and extra care.

Local Authority Mortgage Scheme

- (ii) The County Council had agreed to utilise reserves to support first time buyers through its Local Authority Mortgage Scheme. It was anticipated that repayments on mortgages would flow back into the County Council reserves and these would be reallocated accordingly.

Public Health

- (iii) The funding allocation received in respect of Public Health had been better than anticipated. With effect from 1 April the County Council would assume responsibilities for Public Health and this offered opportunities for more joint working across departments to promote and improve health and wellbeing. Within the County Council, Public Health would be a freestanding department in its own right.

Council Tax

- (iv) The proposal was for no increase in Council Tax in 2013/14 and for increases of 1.5% thereafter. The Council had not increased Council Tax for three years. The proposed increases from 2014/15 onwards were modest but recognised that the County Council would find it increasingly difficult to continue to identify sufficient savings.

Staffing

- (v) The County Council recognised the need to engage in an open and honest way with staff about the financial challenges ahead. Staff had played a significant role in helping the Council to achieve significant financial savings whilst continuing to deliver high quality services to the people of Leicestershire. The proposed Transformation Board would

need to have regard to engaging with staff to ensure that they were aware of the future direction and shape of the Council and could contribute to that agenda.

Joint Working

- (vi) The County Council was looking to work with a range of partners, both within Leicestershire and neighbouring authorities, in order to share services and reduce costs. The County Council recognised that this approach would need to recognise the independence of each partner. Good progress had been made to date and an example cited was the reduced cost arising from shared office accommodation. This not only achieved savings arising from facilities management but also improved joint working between County and District staff and ensured more joined up service provision, including with other agencies.

Early Intervention Grant

- (vii) The Government's reduction in the Early Intervention Grant was regrettable. The County Council had decided that it would provide resources to offset this reduction because the investment in early intervention and preventative services was necessary to reduce future demand on County Council services. In this regard the Children's Centres had played an important role and it was hoped that, despite the reduction in funding, such services could be maintained going forward.

Funding of Capital Schemes

- (viii) The County Council's approach to the funding of capital schemes was to utilise grants made available by the Government and through the generation of capital receipts. Where a clear business case had been made out, the Council would look to prudential borrowing to fund such schemes.

Comments of Scrutiny Bodies

(a) Children and Young People's Service (CYPS)

- The Deputy Leader shared the concerns expressed regarding the unidentified savings requirement of £3.4m. He advised the Commission that he had had discussions with the Director and Cabinet Lead Member with a view to identifying, early in the financial year, how these savings were to be met. It was recognised that it would be wrong to impose a disproportionate requirement on CYPS.
- The County Council currently had a trading relationship with schools and academies which amounted to approximately £20m per year. The County Council had good relationships with its schools, including those schools that had converted to academies, and would be looking to trade with them. It was acknowledged that there would be pressures as new competitors entered the market and the County Council would need to ensure that its offer to schools was not only competitive but also of a high quality.

(b) Adults and Communities

- The challenges faced by the Adults and Communities Department, particularly around demand management, were acknowledged.
- With regard to the projected underspend in the current financial year, any decision on carry forwards would be made at the end of the financial year and would need approval from the Cabinet or the Director of Corporate Resources exercising delegated powers.
- It was not possible at the meeting to say what income had been or could be generated from sales from the Beaumanor Arts Collection. Some artworks had been sold and the intention was to reinvest some funds on improving the Richard III exhibition at Bosworth Battlefield.

(c) Budget and Performance Monitoring Scrutiny Panel: Environment and Transport• Rural Bus Services

The savings requirement had been reduced as it had become clear that it would be difficult to achieve the original savings requirement of £750k without having a serious impact on rural bus service provision. The Scrutiny Review Panel would be asked to look at options to achieve this reduced level of savings.

• Home to School Transport

The County Council was seeking discussions with the Department for Education and the Local Government Association on this matter. The move to academies and the freedom given to academies to set their own catchment areas and age ranges would cause significant problems in terms of the transportation of pupils. The current policy was to retain existing catchment areas but it was likely that this would not be sustainable and might be open to challenge. It was recognised that a resolution of these issues could take some time to achieve as progress should be dependent upon responses received from the Department for Education on this matter.

• Concessionary Travel

The savings proposals envisaged funding the statutory national scheme and removing existing discretions. The concern expressed by some members regarding some bus companies' understanding of the current position was noted. The Director of Environment and Transport would be requested to write to bus companies reminding them of the current policy.

• Highways Maintenance

The additional investment in highways maintenance was particularly welcomed.

- Waste Collection and Recycling

The County Council had allocated a one off increase of £100k as a number of District Councils had made changes to their waste collection regimes and there was some uncertainty as to how this would impact. It was disappointing that the County Council had not been consulted on these changes and it was hoped that any future changes in collection regimes could be discussed beforehand at the Environment Board.

The Chairman thanked the Leader and Deputy Leader of the Council 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 6 February.

329. Date of next meeting.

It was noted that the next meeting of the Commission would be held on Wednesday 27 February at 2.00pm.

330. Urgent Item: Police and Crime Plan

The Scrutiny Commission considered this matter, the Chairman having decided that it was of an urgent nature as it was important for the Scrutiny Commission as crime and disorder scrutiny committee for the County Council to be made aware of the content of the draft Police and Crime and Plan and the views of the Police and Crime Panel. This would offer the Commission the opportunity to make comments on the Plan if it wished during the consultation process which ends on 10 March.

At the request of the Chairman, the following officers and members attended the meeting to assist the Commission in its deliberations on this matter:-

Mr J B Rhodes CC, Deputy Leader of the Council
 John Sinnott, Chief Executive
 Phil Hawkins, Head of Youth Justice and Safer Communities
 David Morgan, Clerk to the Police and Crime Panel.

The Commission considered the following documents, copies of which are filed with these minutes:-

The draft Police and Crime Plan;
 Letter from the Chief Executive considered by the Police and Crime Panel;
 Supplementary report to the Panel on Commissioning;
 Comments on the draft Plan submitted by Mr S J Galton CC in his personal capacity;
 Comments on the draft Plan submitted by Chief Officers in regard to references to partnership working;
 Comments and views of the Police and Crime Panel which had been communicated to the Office of the Police and Crime Commissioner (OPCC) following the Panel meeting.

The Chief Executive, in his introduction to the Commission, outlined his concerns regarding partnership working to date and the Police and Crime Commissioner's (PCC) apparent intention to determine himself the Strategic Partnership Board's (SPB) role and structure. He advised members that the SPB, which was set up in the last 12 months, was a merger of the previous Community Safety Programme Board and the Local Criminal Justice Board. It had been chaired by the Chief Constable and comprised leading members and officers of local authorities and relevant agencies and provided a strategic oversight and steer to partnership working.

The SPB had agreed that the PCC, when elected, should be offered the opportunity to chair the SPB. A meeting had been held in December which had been badly organised, with the minutes not recognising agreements reached in regard to partner discussions about the future of the SPB, transitional arrangements for commissioning community safety services and the cancellation of a 'stakeholder event' previously arranged for the 15 January. An event, organised by the OPCC, had been held on 15 January, with a structure very close to that of the 'stakeholder event', after which the PCC appeared to believe that binding decisions had been taken about the role and structure of the SPB and transitional arrangements for commissioning and funding.

The Chief Executive advised that he believed that the establishment, structure and operation of the SPB, on a basis agreed between partners, was critical to ensure that the existing good partnership working arrangements were maintained and enhanced. He hoped that the OPCC would now take steps to ensure this happened, as had been agreed by the SPB in December but not actioned.

It had been announced by the PCC at the end of the event on 15 January, when some partners had left, that he would allocate the equivalent of 50% of the funding received (by the County Council) in 2012/13 for the first six months of 2013/14 (i.e. until 30 September 2013) as a transition arrangement, although subject to conditions, and that during this period the PCC would evaluate and decide to recommission or decommission services as he chose. Whilst acknowledging the right of the PCC to do this, the Chief Executive was of the view that this short timescale was contrary to sound financial planning and that there had been no consultation with partners. Indeed, the agreement reached at the SPB in December was that 2013/14 was to be regarded as a transitional 12 month period.

The Chief Executive noted that this decision of the PCC, now contained in a supplementary report to the Panel, was contrary to a decision the PCC had communicated previously to the Chairman of the Panel that he was withdrawing all funding from the County Council with effect from 1 April 2013 and would not commission any services from the County Council. The Chief Executive did not believe that the questions to the PCC put in his letter, included with the agenda for the Panel, had yet been answered. The Chief Executive stated that concerns about the approach taken by the PCC and the OPCC were shared by the City Council and District Councils. Recent emails received from Health representatives, following the publication of the draft Police and Crime Plan, indicated that they too shared concerns about the Plan and lack of consultation.

The Chairman then invited David Morgan, in his capacity as Clerk to the Police and Crime Panel, to address the Commission. A copy of the comments made by the Police and Crime Plan, which had already been communicated to the PCC, was tabled. The Commission was advised that the comments submitted had been unanimously agreed by the Panel which comprised members of Leicester City Council, Leicestershire County Council, Rutland Council and all seven District Councils. The two independent members of the Panel also supported the comments.

The Panel had asked the PCC to have regard to its comments and those that had been submitted to him by other agencies and report back to it in early March, indicating how he proposed to address the comments received.

The Panel was concerned that the Police and Crime Plan was a key strategic document and it was therefore important that the Plan reflected and recognised the structure, inter-relationships and complexity of partnership working arrangements aimed at reducing crime and disorder in the Force area. It was also important that the Plan could be supported by all partners. Failing to do so would, in the Panel's view, seriously undermine the existing good working relationships.

The Chairman then invited Phil Hawkins, Head of Youth Justice and Safer Communities, to advise the Commission on current funding received by the County Council which had transferred to the PCC. There had been three main Home Office funding streams (2012/13), as follows:-

- (i) Community Safety fund of £312,000;
- (ii) Youth Justice Grant (part) of £79,000;
- (iii) Drug Intervention Programme, £138,000.

With regard to the Community Safety Fund, this was supplemented by other funding from partners giving a total of approximately £450,000 which was allocated as follows:-

- (i) Local Community Safety Partnerships, £98,000;
- (ii) Integrated Offender Management, £200,000;
- (iii) Twenty:Twenty Mentoring, £66,000;
- (iv) Domestic Abuse Outreach, £25,000;
- (v) Safe Inside, Safe Outside, £26,000;
- (vi) Evaluation, £11,000;
- (vii) Children and Young People's Substance Misuse, £32,000.

The Youth Justice Grant of £79,000 contributed to the funding of two Youth Offending Service Substance Misuse workers who worked to reduce substance misuse in young people at risk of offending and reoffending. The County Council's Children and Young People's Service provided a top-up to this funding.

The contribution to the Drugs Intervention Programme, at £138,000, represented approximately 18% of the total pooled budget. If this element of funding were to be removed, it would have a significant impact on staffing levels and service provision with a consequent impact on reoffending and overdose and drug related deaths.

The Deputy Leader of the County Council, Mr J B Rhodes CC, echoed the concerns that had been expressed by officers. He was concerned that the PCC and the OPCC appeared to have a limited understanding of the range and complexity of partnership arrangements. In particular, the proposal for a six month transition period would, in his view, have significant risks and might adversely impact on the on-going sustainability of existing schemes.

At this point the Chairman invited comments and questions from members of the Commission. In the ensuing debate the following key points were made:-

- (i) A number of members were aware of local initiatives that were currently being undertaken through partnership working and/or funding and sought assurances that such work would continue. Officers indicated that this would be subject to the review and re-evaluation undertaken by the PCC and the OPCC and it was impossible to provide such assurance.
- (ii) With regard to the PCC and the OPCC having a clear understanding of partnership working, it was noted that a considerable amount of work had been undertaken by officers of local councils to map partnership activity and its effectiveness, and information had been provided earlier in 2012 to the OPCC. It was unclear as to how this had been taken into account by the PCC and the OPCC in producing the draft Police and Crime Plan but misunderstandings, errors and omissions suggested that the information had not been adequately assessed and understood.
- (iii) A number of schemes were delivered by small voluntary and community groups and members expressed concern that the current uncertainty regarding funding would cause problems for such groups and might undermine their overall financial viability.
- (iv) Concern was expressed that statements made by the PCC to the media earlier that morning implied that he might not be willing to change direction. A number of members queried whether such a stance would be contrary to the requirements placed on the PCC to work collaboratively with partners who retain some statutory responsibilities for crime and disorder matters and therefore the PCC could be open to challenge.

It was moved by the Chairman, seconded and carried unanimously:-

- (a) That this Commission is extremely concerned at the tone and content of the draft Police and Crime Plan and believes that it needs to be rewritten to reflect the concerns expressed by partners and the Police and Crime Panel;
- (b) That the comments made by the Police and Crime Panel to the PCC be strongly supported;
- (c) That the matter and concerns now expressed be brought to the attention of the County Council at its next meeting.

