

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 29 January 2014.

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. A. M. Kershaw CC

Mr. P. G. Lewis CC  
Mr. K. W. P. Lynch CC  
Ms. Betty Newton CC  
Mr. R. J. Shepherd CC  
Mr. L. Spence CC

In Attendance:

Mr. R. Blunt CC, Cabinet Lead Member for County Council Planning and Minerals (for Minute 60)

Mr. J. T. Orson JP CC, Cabinet Lead Member for Safer Communities (for Minute 60)

Mrs. P. Posnett CC, Cabinet Lead Member for Trading Standards and Shire Grants (for Minute 60)

Mr. J. B. Rhodes CC, Deputy Leader of the County Council and Cabinet Lead Member for Resources (for Minutes 58, 59 and 60)

Mr. N. J. Rushton CC, Leader of the County Council (for Minutes 58, 59 and 60)

51. Minutes.

The minutes of the meeting held on 6 November 2013 were taken as read, confirmed and signed.

52. Question Time.

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

53. Questions asked by Members.

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

54. Urgent Items.

There were no urgent items for consideration.

55. 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 declarations were made.

56. Declarations of the Party Whip.

There were no declarations of the party whip.

57. Presentation of Petitions.

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

58. Medium Term Financial Strategy 2014/15 - 2017/18 - Context Setting and Overall Position.

The Commission considered an oral update from the Director of Corporate Resources concerning the financial context and overall position of the County Council in respect of the Medium Term Financial Strategy (MTFS) 2014/15 – 2017/18.

The Chairman welcomed to the meeting Mr. N. J. Rushton CC, Leader of the County Council and Mr. J. B. Rhodes CC, Deputy Leader of the County Council to the meeting.

### **Introduction**

The Director of Corporate Resources, the Leader and the Deputy Leader all spoke. The Commission's attention was drawn to the following points:

- The Coalition Government's policy was to eradicate the fiscal deficit and that, despite the recent economic growth forecast, the austerity measures were likely to continue until 2019;
- Given the reducing level of Government support and the increasing spending pressures, particularly in relation to the care of elderly and vulnerable people, the County Council's budget would be facing ongoing pressures beyond the current MTFS;
- The current Local Government Settlement was a two year settlement up to 2015/16 recognising that there was a General Election due to be held in May 2015. The MTFS would need to be revisited when local government settlements beyond 2015/16 were known;
- The Government had now decided not to top slice the New Homes Bonus Fund, which would have cost the County Council approximately £3 million. This, together with the recent announcement regarding the Better Care Fund (which in Leicestershire amounted to approximately £38 million over 3 years) would help address some of the service pressures, particularly in Adult Social Care;
- The significant increase in Capital Grant, particularly for the provision of primary school places, was welcomed;
- The County Council's Capital Strategy was predicated on no new borrowing and, where possible, repayment of debt;
- There would still be significant risks in relation to the budget, particularly the delivery of some of the savings and the uncertainties concerning the Care Bill implications

and the funding of the Dilnot proposals on care for the elderly. The budget had allocated growth of £25 million over 4 years, £21 million of which was to meet pressures in Adult Social Care.

### **Council Tax**

The Leader advised the Scrutiny Commission that, following the Government's announcement that a grant equivalent to a 1% increase in council tax would be available in 2014/15 and 2015/16 to those authorities that froze council tax, and this grant would be built into the base, the Cabinet would be recommended to agree a freeze in council tax. The impact of this would be a reduction in income of £900,000. This would be met mainly by underspends that had occurred in the current financial year. The Leader advised that he had consulted with political colleagues and the general consensus was that the Government Freeze Grant should be accepted. He also advised that other local authorities in Leicestershire would adopt a similar approach. With regard to future years, the MTFS had provision for a 1.5% increase, but this would be revisited in the light of any announcement regarding the continuation of a freeze grant and future local government settlements.

The Government had yet to announce a referendum cap level, but it was hoped that an announcement would be made before the County Council met to consider the budget on 19 February.

RESOLVED:

That the oral update of the Director of Corporate Resources be noted and that the proposal to freeze council tax for 2014/15 be welcomed.

### 59. Medium Term Financial Strategy 2014/15-2017/18 - Corporate Resources and Corporate Items.

The Commission considered a report of the Director of Corporate Resources concerning the proposed Medium Term Financial Strategy (MTFS) 2014/15 – 2017/18 as it related to the Corporate Resources Department and Corporate Items. A copy of the report, marked "Agenda Item 9", is filed with these minutes.

#### **Introduction**

The Director of Corporate Resources advised that the overall savings requirement for his Department was £7.3 million and that this would need to be achieved by:

- Seeking to increase income from trading activities, particularly with schools. Currently the Department generated in the region of £33 million from trading activities and would be looking to increase income by £1.4 million. It was recognised that this would be challenging and he welcomed the opportunity to work with a Scrutiny Review Panel which was due to be established to look at the Council's approach to trading;
- Transforming the way support services were structured and delivered to ensure that issues raised were more effectively prioritised.

## **Growth**

### G21 School place planning strategy: time limited contribution of £500,000 in 2014/15

This additional growth to help establish a dedicated cross-departmental team to research, plan and co-ordinate the Children and Families Service capital programme was welcomed.

## **Savings**

In relation to paragraph 22 of the report, the Director advised that the County Council had been working to develop management capacity within the organisation. The Leading for High Performance programme, which had initially targeted senior managers, was now being rolled out to middle managers. The objective was to empower managers to examine their service areas critically and to innovate to achieve the savings and transformation that the Authority required.

In relation to the concern about being less responsive to support requests, the intention was to examine requests for support critically and focus such support on “must have” services rather than those that were considered “nice to have”.

### S81 – Review of Strategic Finance, Property & Procurement: £350,000 in 2014/15 rising to £570,000 in 2015/16 and to £1,110,000 in 2017/18

The Director advised that ESPO was a successful partnership and, following the management restructuring of the organisation, significant surpluses amounting to between £2-3 million were now being generated. Given the confidence level about the ability of ESPO to continue to generate these surpluses, a decision had been made to include the County Council’s share of the surplus in the base budget.

### S87 – Strategic Information Technology and Communications Review: £30,000 in 2014/15 rising to £80,000 in 2015/16, to £420,000 in 2016/17 and to £620,000 in 2017/18

The Commission was advised that the initial review of communications and engagement activity within the Council had resulted in the centralisation of these activities and more targeted marketing campaigns. This had resulted in a 60% reduction in expenditure. The savings identified would be accrued by further centralisation of communications activities and a greater focus on digital rather than paper-based marketing materials. The intention was to continue producing Leicestershire Matters three times per year as this was the best means of communicating directly with residents of Leicestershire.

### S88 – Efficiency savings from sharing services with Nottingham City Council: £190,000 in 2014/15 rising to £390,000 in 2015/16

Members were advised that there had been initial teething problems with the software supporting the East Midlands Shared Service. These had now largely been resolved and the intention was to focus on seeking additional partners such as district councils or police and fire authorities to take up the services offered.

### S92 – End support for community ICT: £70,000 in 2015/16

The proposal was to work with local parishes and partners with a view to providing the existing service in a more cost-effective way. These savings were not expected until

2015/16. The Director undertook to provide members with a list of organisations that would be affected by the changes.

### **Capital Programme**

Members of the Commission welcomed the proposals for renewable energy generation on County Council sites.

With regard to paragraph 40 of the report, the Director undertook to provide members with details of the two vacant sites proposed for demolition to improve saleability.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments made at this meeting be forwarded to the Cabinet for consideration at its meeting on 4 February 2014.

#### 60. Medium Term Financial Strategy 2014/15-2017/18 - Chief Executive's Department.

The Commission considered a report of the Chief Executive and Director of Corporate Resources concerning the proposed Medium Term Financial Strategy (MTFS) 2014/15 – 2017/18 as relating to the Chief Executive's Department. A copy of the report, marked "Agenda Item 10", is filed with these minutes.

The Chairman welcomed to the meeting the following Cabinet Lead Members for the Chief Executive's Department:

- Mr. R. Blunt CC, Cabinet Lead Member for County Council Planning and Minerals;
- Mr. J. T. Orson JP CC, Cabinet Lead Member for Safer Communities;
- Mrs. P. Posnett CC, Cabinet Lead Member for Trading Standards and Shire Grants.

The Chief Executive introduced the report and drew attention to the need to review how support services provided by the Department were to be delivered in the future. The Department was required to make savings of £4.7 million and the proposals now put forward sought to reflect the themes emerging from the public consultation undertaken on the MTFS last year.

With regard to the transfer of the Supporting Leicestershire Families (SLF) programme, the Youth Offending Service (YOS) and the Community Safety Team, the Chief Executive reminded members that this had always been the intention and was now taking place as a new Director of Children and Families had now been appointed.

### **Savings**

S71 – provision and refocusing of grants to individuals and community groups: £430,000 reduction in 2014/15

Members were advised that the proposals were to reduce the number of existing grant streams and to merge these into a single Shire Grants programme. The concerns expressed by members that support for communities was being reduced at a time when the County Council was also seeking to get local communities to take over certain services provision (eg. libraries) were noted. Members were advised that a review of the

“Communities in Charge” programme was being undertaken with a view to determining how the County Council would support local communities in future including matters such as providing library services. The findings of this review would be reported to the Transformation Board in the near future.

S72 – Funding and support to agencies: £210,000 reduction in 2014/15 rising to £590,000 in 2015/16

Members were advised that good practice required draft equalities impact assessments to be prepared which would be revised in the light of responses to processes of consultation. The Leader stated that he recognised the good work that a number of voluntary and community groups undertook but that, given the financial pressures on the Council, it was only reasonable for them to contribute towards the savings requirement.

S75 – Review Planning, Historic and Natural Environment Services: £70,000 reduction in 2014/15 rising to £120,000 in 2015/16, to £160,000 in 2016/17 and to £180,000 in 2017/18

The County Council had been recording and maintaining historic and environmental records for a number of years. These records were necessary when dealing with planning matters. The County Council was keen to continue to maintain these records, but could only do so if other users (principally, district councils) made a contribution to the cost. The County Council would continue to look for appropriate opportunities to make charges to developers for services provided to them.

S77 – Trading Standards reduced enforcement, inspection and testing activity: £100,000 reduction in 2014/15 rising to £180,000 in 2015/16 and to £250,000 in 2016/17

In identifying the areas where savings were to be realised, the Department was mindful of the need to ensure that services which directly focused on public protection matters were not adversely affected. Examples of this included counterfeit goods which could cause harm, the illicit production of alcohol, underage sales and other activities to safeguard the human food chain. With regard to the recording of farm animal movements, this was now being discontinued, as the function had transferred to Defra.

S79 – Cease contribution towards Police Community Support Officer: £430,000 reduction in 2014/15

Members noted that the Police and Crime Commissioner had indicated that he was proposing to use £2 million of reserves to fund existing and additional Police Community Support Officers.

S80 – Review of IMPACT programme and the Youth Offending Service: £350,000 reduction in 2015/16, rising to £440,000 in 2016/17 and to £550,000 in 2017/18

Members were advised that there were currently 30 IMPACT workers operating in 20 areas of the County. Anti-social behaviour levels had reduced significantly over the last few years and the intention was to reduce the number of workers and areas covered, but not the quality of the service.

## Other Funding

Members were advised that the Police and Crime Panel grant allocation referred to in paragraph 33 the report had yet to be confirmed. The Youth Offending Service grant allocation was expected to be reduced by 8%.

With regard to the grant funding for the SLF programme, members were advised that the County Council needed to demonstrate to the Government that the programme was delivering the necessary savings. The County Council was working with the Department of Communities and Local Government on this issue. There was also a need to demonstrate the effectiveness of this programme to partners, including the Clinical Commissioning Groups, who had contributed approximately £2 million into this programme.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments made at this meeting be forwarded to the Cabinet for consideration at its meeting on 4 February 2014.

### 61. Consideration of Responses from and Information Requested by Overview and Scrutiny Committees.

The Commission considered a supplementary report setting out the responses to their respective areas of the Medium Term Financial Strategy (MTFS) of the Adults and Communities, Children and Families, Environment and Transport and Health Overview and Scrutiny Committees, together with any further information requested in relation to the MTFS. A copy of the supplementary report is filed with these minutes.

#### **Adults and Communities Overview and Scrutiny Committee**

##### S34 – New models of early intervention and prevention support

Members were advised that the intention was to bring a detailed report on the potential list of organisations affected to the Adults and Communities Overview and Scrutiny Committee prior to the implementation of the savings proposal.

##### S37 – Reduction in funding for community libraries

The concerns now expressed about the loss of community libraries and the impact it would have on local communities was noted. As reported earlier, the County Council was reviewing its “Communities in Charge” programme and, as part of that review, would be addressing the support structures that would need to be in place to enable local communities successfully to take over the running of local services to ensure their sustainability.

##### S35 – Redevelopment of Snibston Discovery Museum

Members noted the additional information now provided in relation to contingent liabilities and covenants. The Leader indicated that, whilst noting the concerns that had been expressed, it was not possible to continue to subsidise Snibston Museum at its current level. The County Council would therefore be asked to agree a reduction in the level of

support for Snibston and a refocus of its activities. With regard to the contingent liability in relation to the fashion gallery, the Leader stated that, were it possible to accommodate the display at another accredited museum, the Heritage Lottery Fund would be informed. With regard to the gallery building, the Leader reminded members of the Commission that there were significant structural problems with the building.

The County Council remained committed to ensuring that the Scheduled Ancient Monument would be maintained, and to date, the County Council had spent in excess of £2 million in support of this.

RESOLVED:

- (a) That the supplementary report be noted;
- (b) That the comments made at this meeting be forwarded to the Cabinet for consideration at its meeting on 4 February 2014.

## 62. Consultation Principles.

The Commission considered a report of the Chief Executive which was to be submitted to the Cabinet at its meeting on 4 February concerning a revised set of consultation principles setting out what the public could expect from consultation exercises conducted by the County Council. A copy of the report, marked "Agenda Item 12", is filed with these minutes.

The Chief Executive reported that it was timely to update the Council's consultation principles to bring them in line with standards and guidance that had been adopted by the Government.

Arising from the report, the following comments were made:

- Some concern was expressed that hard copy consultation was susceptible to abuse, with the potential for multiple returns from one person or household. It was noted however that online surveys did not allow for multiple returns from one computer;
- Guidance for managers would ensure that there was a consistent approach taken across the Council. It was noted that this should make it easier for members to scrutinise the activities of the Council in this area;
- It was stated that a robust quality assurance process was in place.

RESOLVED:

That the comments as outlined be submitted to the Cabinet for consideration at its meeting on 4 February.



63. Date of next meeting.

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

2.00 - 4.10 pm  
29 January 2014

CHAIRMAN