

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 12 September 2018.

PRESENT

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

Mr. D. C. Bill MBE CC
Dr. T. Eynon CC
Dr. R. K. A. Feltham CC
Mrs. H. J. Fryer CC
Mr. J. Kaufman CC
Mr. J. Morgan CC

Mrs. R. Page CC
Mr. A. E. Pearson CC
Mr. T. J. Pendleton CC
Mr. T. J. Richardson CC
Mrs B. Seaton CC

In attendance.

Mr J B Rhodes CC (minutes 26 – 28 refer)

19. Minutes.

The minutes of the meeting held on 6 June 2018 were taken as read, confirmed and signed.

20. Question Time.

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

21. 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).

22. Urgent Items.

There were no urgent items for consideration.

23. 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.

Dr T Eynon CC declared a personal interest in the report on Whole Life Disability (minute 29 refers) as she was a carer for a young person with a disability.

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

There were no declarations of the party whip.

25. Presentation of Petitions under Standing Order 36.

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

26. 2018/19 Medium Term Financial Strategy Monitoring (Period 4).

The Commission considered a report of the Director of Corporate Resources which provided an update on the 2018/19 revenue budget and capital programme monitoring position. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) The pressure within the High Needs Block for school funding was a national issue. There were limited opportunities to move funding from the Dedicated Schools Grant to the High Needs Block as this was capped at 0.5% and required the agreement of the Schools Funding Forum. Locally, the pressures were being managed through increasing the facilities in the county to keep children in mainstream schools and reduce the reliance on expensive out of county placements. The Special Educational Needs (SEN) Strategy was currently being revisited in support of this work; as a 'do nothing' scenario would result in a £15 million overspend in four years' time. Officers in Children and Family Services were also being asked to consider the opportunities for capital investment to increase SEN placement.
- (ii) It was confirmed that staff employed on Teachers' terms and conditions worked in specialist roles in Children and Family Services. Their jobs contained an element of teaching which enabled them to be employed in this way.
- (iii) Wage pressures were currently a concern for the County Council. For some specific groups of staff, such as social workers and highways technical specialists, there was a market pressure and market supplements were in place. The national living wage was also having an impact on the Council's pay scales due to the large increases required at the bottom of the scale.
- (iv) There was currently high number of agency staff in adult social care. The Commission was advised that this was not having an impact on staff stress and sickness levels as, although these were above the target for the Council, recent trends had shown a reduction. There were vacant positions in a number of areas across the department. It was queried whether this was an unintended consequence of the recent restructure; however, members were assured that the Council had a comprehensive approach to redeployment and vacancy management.
- (v) Clarity was sought regarding the reason for the reduction in hours offered for the education of children with medical needs, down to five hours instead of ten. A written response would be provided for members.
- (vi) Some concern was expressed that there were tensions between the County and District Councils regarding the allocation of funds from the business rates pool. It was explained that the pool had been established to enable surpluses in the

business rates to stay in Leicestershire rather than being returned to the Treasury. All councils in Leicester and Leicestershire had agreed to pool resources and let the Leicester and Leicestershire Enterprise Partnership determine where they should be spent. It was decided annually whether the pool should continue. In two years' time, it was expected that councils would be able to retain 75% of business rates. This was likely to end the need for a pooling arrangement.

- (vii) The underspend of £5.5 million in the capital programme for Children and Family Services was not felt to be a concern as it largely related to a contingency which had been held but was not required.

RESOLVED:

- (a) That the report be noted;
- (b) That officers be requested to respond in writing to explain why the offer for the education of children with medical needs had been reduced;
- (c) That officers be requested to include more detail on the Business Rates Pool in the next Revenue Budget and Capital Programme Monitoring Report to be considered by the Commission.

27. Medium Term Financial Strategy Update.

The Commission considered a report of the Director of Corporate Resources which would be considered by the Cabinet at its meeting on 14 September and explained the approach to updating the current Medium Term Financial Strategy (MTFS) and advised of the recent Government announcement with raged to 75% business rates retention pilots for 2019/20.

The Director of Corporate Resources, in his introduction to the report, advised members that the Council's financial position was challenging, although it was expected that balanced budget would be set for the next two financial years. The Government had recently announced that it would make additional funding available to the NHS: given the current national financial position, it was therefore expected there would be no further funding available for local government over the next few years.

In terms of the Council's fair funding campaign, the Director indicated that the Institute of Fiscal Studies had recently recognised that London received proportionately more funding than the rest of the country. He was cautiously optimistic regarding the success of the campaign, bearing in mind the context of no additional resources being available.

The report highlighted savings under development. These were all proposal for achieving greater efficiencies and finding different ways of working and would therefore be technically challenging to deliver.

The Deputy Leader and Cabinet Lead Member for Resources, Mr J B Rhodes CC, advised that the Cabinet was likely to recommend that the County Council added a 1% precept to Council Tax to fund adult social care. It was not yet clear whether Council Tax increases, excluding the adult social care precept, would be capped at 2% or 3% by the Government. The settlement would be confirmed in the autumn.

Arising from discussion the following points were raised:-

- (i) The Government was expected to cease its plans to implement negative Revenue Support Grant. This meant that the County Council would gain an extra £2 million funding.
- (ii) It was agreed that there was an imbalance between the levels of funding received across the Midlands, in favour of the West Midlands. This was driving the current proposal for a Strategic Alliance between the upper tier and unitary authorities in the East Midlands. This was in an early stage of development and it was acknowledged that the governance arrangements would need to be robust in order to attract Government funding.
- (iii) Leicester and Leicestershire were applying to pilot the retention of 75% of business rates. The nine councils were close to agreeing how the money would be allocated; it would be used to fund infrastructure and financial sustainability. If successful, the pilot would generate an additional £14 million
- (iv) It was queried whether, if there were currently difficulties in funding school places, it would be possible to meet the infrastructure requirements set out in the Strategic Growth Plan. However, members were reminded that the Strategic Growth Plan addressed the period between 2031 and 2050 and that without a plan in place it would be more difficult to bid for funding for infrastructure.
- (v) The funding pressure relating to school places had arisen because, when new schools were built, they were not fully occupied and needed subsidising for the first couple of years. It did not relate to issues around children from Leicester City attending schools in the county.

RESOLVED:

That the comments now made be submitted to the meeting of the Cabinet on 14 September 2018.

28. Corporate Asset Investment Fund Annual Performance Report 2017-18 and Strategy for 2018 to 2022.

The Commission considered a report of the Director of Corporate Resources which would be considered by the Cabinet at its meeting on 14 September and set out the performance of the Corporate Asset Investment Fund (CAIF) to date, as well as seeking Cabinet approval to the revised CAIF Strategy for 2018 to 2022 which set out the Council's approach to future asset investments utilising the CAIF. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

The Deputy Leader and Cabinet Leader Member for Resources, Mr J B Rhodes CC, confirmed that he chaired the CAIF Advisory Board. Its membership also comprised Mr Rushton CC, Mr Blunt CC, Mr Ould CC and Mr Shepherd CC. It did not make decisions, but reviewed proposals and sought views from external advisors. It met in private due to issues around commercial sensitivity. If it supported a proposal, this would be reported to the Cabinet for a decision if appropriate.

The report suggested that, in order to increase the CAIF, options including incurring additional prudential borrowing would need to be considered. Mr Rhodes confirmed that this was not required at present. Over the last seven years, the County Council had

reduced its level of debt by £100 million, but still had £265 million of debt. He would be nervous about adding to the level of debt in case it created a problem for the next generation. However, if there was confidence that borrowing would produce a greater level of return, it might be appropriate to do so.

Arising from discussion, the following points were raised:-

- (i) The overborrowed position on the capital programme referred to the fact that the Council was putting money aside to pay off debt, but the long-term nature of debt meant that it could not currently be paid off. The money that had been put aside was the money that would be invested.
- (ii) In response to a query about whether the types of property the Council was investing were flexible enough to respond to changes in the market, it was confirmed that commercial investments would be considered on a case by case basis to ensure that the level of risk was manageable. It was also possible, should the market change, for the Council to cease developing and either act as landowner or sell the land it had invested in, depending on which was the best way to ensure the liquidity of the fund. Advice on changes to the market was sought from external specialists.
- (iii) Members welcomed the focus in the revised CAIF on investment in Leicestershire for the benefit of Leicestershire residents. The proposed use of the fund to develop new or existing assets to meet Council service needs where this would reduce operating costs was also welcomed. The Council was currently considering investing in adult social care facilities as a way of reducing the cost of care. This would support the adult social care market and ensure that the right type of facilities, such as extra care, were available. The business case was currently being developed and would be submitted to the Cabinet in due course. In response to this it was queried whether the County Council, in selling all its residential care homes, had been short-sighted. However, it was confirmed that this had generated over £3 million in capital receipt and that these were old facilities that had required significant investment.
- (iv) It was confirmed that Loughborough University Science and Enterprise Park (LUSEP) development had arrangements in place to mitigate risk. For example, it was let on a full repairing, insuring lease and if the current tenants pulled out the building could easily be sublet on a floor by floor basis, or even on a part-floor basis.

RESOLVED:

That the Cabinet be advised at its meeting on 14 September 2018 of the Scrutiny Commission's support for the Corporate Asset Invest Fund Strategy.

29. Whole Life Disability Strategy.

The Commission considered a joint report of the Director of Adults and Communities and the Director of Children and Families which presented the County Council's Whole Life Disability Strategy and associated document "Preparing for adulthood – a protocol for young people with special education needs or a disability" which described how children and young people should be involved in decisions about their care and support. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) The Commission requested that the description 'disabled people' be changed to 'people with disabilities' as 'people first' language is considered more appropriate and respectful. It was agreed that this request would be put to the Cabinet at its meeting on 14 September.
- (ii) The Commission welcomed the development of the Strategy and the aspirations set out in, particularly the aspirational opportunities available to children with disabilities once they reached adulthood. However, some concern was expressed that they would be difficult to achieve and could unfairly raise expectations, especially given the Council's current financial position. The Commission was assured that the Strategy was honest as well as aspirational. Where difficulties had been identified through the consultation they were referenced in the report and information and signposting advice would be provided, even where a solution could not be found.
- (iii) The Adults and Communities Department sought to manage expectations and demand through working with people to enable them to become more independent. This included living independently, being engaged in employment activities and having control of a Personal Budget. The Department needed to consider the way in which it provided services to people in order to facilitate their independence, recognising that there were some people with complex disabilities who would always require support from the State to meet their needs.
- (iv) The consultation used to inform the Strategy had been undertaken by PeopleToo and a report, providing a detailed breakdown of the consultation, had been produced. The Children and Families Department engaged closely with the Parent Carer Forum on an ongoing basis and had also employed a Voice Worker to ensure that children and families' voices were regularly heard as part of service development. The Adults and Communities Department also had advocacy arrangements in place. These methods of continuous engagement would be used to support the implementation of the Strategy. Members welcomed the effort that had been put into consultation and engagement in this area of work.
- (v) Members commented on the importance of monitoring delivery of the Strategy. It was noted that performance indicators which related to the Strategy were already reported to the Adults and Communities Overview and Scrutiny Committee. A report the previous day had confirmed that, during Quarter 1, 11.6% of people with Learning Difficulties were in employment; this was the second highest figure nationally. The stretch target was set at 9%; this would be altered as it ought to be more challenging than current performance.
- (vi) Although the Council already had a range of transition services in place, the development of the Strategy had encouraged the two departments to work more closely together. The Transitions Team and the Children with Disabilities Team met regularly and identified those children who would transition into adult services at an early stage. The intention was for the assessments to also take place earlier, preferably when the child was 14 rather than 17 as was currently the case. This should be followed up with light touch engagement from the Transitions Team and a named contact.

- (vii) Not all children in receipt of children's social care services would meet the eligibility criteria for adult services; however the Strategy clarified that these children would still need support in preparing for adulthood and identifying opportunities. It was noted that, whilst the Strategy focused specifically on the offer available to children with disabilities, all children required some support in preparing for adulthood; this was addressed through the Education Excellence Partnership.
- (viii) One of the pillars of independence related to the availability of accessible and adapted housing. The County Council was working with district councils to ensure that existing housing was adapted and also thinking about the future accommodation offer, which should include lifetime homes. A business case was currently being developed proposing capital investment to meet both the specialist and non-specialist needs of people with disabilities.
- (ix) Concern was expressed that some colleges assessed people with learning difficulties for apprenticeships without allowing them to use assistive technology. The Commission was advised that a Preparing for Adulthood reference group, including representatives from Further Education Colleges. It was intended that this would address issues such as the one now raised.

RESOLVED:

- (a) That the Cabinet at its meeting on 14 September be advised that the Scrutiny Commission supports the Whole Life Disability Strategy;
- (b) That the Cabinet be recommended to change the wording in the Strategy from 'disabled people' to 'people with disabilities'.

30. Dates of future meetings.

RESOLVED:

It was noted that future meetings of the Commission would be held on the following dates:-

Wednesday 31 October 2018 at 10.30am;
 Wednesday 14 November 2018 at 10.30am;
 Monday 28 January 2019 at 10.30am;
 Wednesday 6 March 2019 at 10.30am;
 Wednesday 10 April 2019 at 10.30am;
 Wednesday 12 June 2019 at 10.30am;
 Wednesday 4 September 2019 at 10.30am;
 Wednesday 6 November 2019 at 10.30am.