



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 28 January 2015.

PRESENT

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

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

Mr. Max Hunt CC
Mr. D. Jennings CC
Mr. K. W. P. Lynch CC
Mr. R. J. Shepherd CC
Mr. L. Spence CC

160. Minutes.

The minutes of the meeting held on 5 November 2014 were taken as read, confirmed and signed.

161. Question Time.

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

162. Questions asked by Members.

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

163. Urgent Items.

There were no urgent items for consideration.

164. 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 each declared a personal interest in respect of all substantive items as either a District or Borough Council member (as indicated):

Mrs. R. Camamile CC
Mrs. J. A. Dickinson CC
Mr. S. J. Galton CC
Dr. S. Hill CC
Mr. M. J. Hunt CC
Mr. D. Jennings CC
Mr. K. W. P. Lynch CC
Mr. L. Spence CC

165. Declarations of the Party Whip.

There were no declarations of the party whip.

166. Presentation of Petitions.

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

167. Medium Term Financial Strategy 2015/16 - 2018/19 - Context Setting and Overall Position.

The Commission considered an 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) 2015/16 – 2018/19 which was set out in the following documents before the Committee:

- The MTFS report considered by the Cabinet on 11 December 2014;
- The MTFS report considered by the Cabinet on 14 January 2015;
- The County Council's response to the Local Government Settlement;
- 'Leicestershire's Future' – Consultation on the draft Financial Plan 2015-19;
- A briefing note setting out changes to the MTFS approved by the Cabinet for consultation on 11 December.

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.

The Chief Financial Officer, the Leader and the Deputy Leader all spoke. The Chief Financial Officer provided a brief explanation of the changes to the MTFS since December 2014 and the overall impact on the four year MTFS. He then went on to highlight the following issues:-

- The current Local Government Settlement was to 2015/16 and 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. In this regard there was the risk that an incoming Government could require the front loading of savings;
- Whilst there was £28million growth provision for service pressures in the budget members were advised that there remained in place significant cost and demand risks relating to:
 - the Government fully funding of the Care Act proposals;
 - the impact on social care budgets of the early discharge of patients from hospital settings. In this regard it was reported that the County Council had received a grant of £520,000 to address the pressures on acute hospital caused by delayed discharges, but the grant had to be spent by 31st March 2015;
 - the pressure nationally to increase the level of the minimum wage which in turn would be reflected in higher commissioning costs particularly in relation to care services.

The Leader and the Deputy Leader then advised the Commission on the Fairer Funding Campaign and the implications for the County Council as follows:-

- The County Council had made strong representations to the Government about the historic low level of funding for the County Council and the Leader would put this case again to Rt Hon Eric Pickles MP, Secretary of State for Communities and Local Government when he visited Leicestershire the following day. The Leader indicated that he had prepared a letter to pass on to the Secretary of State. He indicated that he hoped for a response to the letter before the Council's budget meeting;
- The funding position was set out in the Annexe to the County Council's response to the Local Government Settlement. The implications of not obtaining a fair settlement would mean the County Council having to make some unpalatable savings and consider structural change, as set out in paragraph 14 of the Annexe;
- With regard to the potential solutions to the fair funding issue set out in paragraph 21 of the Annexe, members were advised that a Fairer Government Funding and a fairer distribution of Business Rates and possibly localisation of business rates would make a very significant difference. The other solutions listed were to demonstrate that the County Council had explored other options but recognised that these would create local difficulties.

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

- The Administration recognised that the Fairer Funding campaign would not yield immediate results but it was hoped that some progress could be made before 2016;
- Given the current position the Leader advised that even if there was no cap he would not presently recommend a Council tax increase of more than 1.99%;
- The Administration welcomed the support given by the other parties to the broad approach taken to address the challenges facing the Council.

RESOLVED:

That the update of the Chief Financial Officer and the Leader and the Deputy Leader be noted and that the comments made at this meeting be forwarded to the Cabinet for consideration at its meeting on 6 February 2014.

168. Medium Term Financial Strategy 2015/16 - 2018/19 - Corporate Resources and Corporate Items.

The Commission considered a report of the Director of Corporate Resources concerning the proposed Medium Term Financial Strategy 2015/16 to 2018/19 as it related to the Corporate Resources Department. 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 £10.5 million. He also made the following points:

- Though he felt the savings target was achievable, it would prove difficult to maintain the provision of support services internally to the County Council at their current levels;
- Much of the savings requirement would be achieved through the Transformation Programme and gaining additional income through the trading of support services externally to other authorities and schools. Though traded activity represented a significant opportunity for the Authority, the loss of business to other service providers had to be recognised as a risk factor.

Arising from the discussion, the following points were noted:

T24 – Review of People, Procurement and Transformation; £365,000 in 2015/16 rising to £875,000 by 2018/19

- Transformation of the way in which the Authority carried out its commissioning and procurement would harness some savings, as well as through a review and a reduction of senior and middle management posts. There would be staff savings in other parts of the budget, but at this stage it was too early to assess the level of job losses;

T24 – Operational ICT Review; £480,000 in 2015/16 rising to £2,140,000 by 2018/19

- It was hoped that significant upfront investment in IT infrastructure projects, such as cloud-based technologies, would harness efficiency savings in the latter years of the MTFS. The possibility of IT services being provided to the Council by external suppliers was being investigated. Data protection would be paramount if this were to be pursued. The Director welcomed the views of members in the way in which IT infrastructure would be deployed in the future;

TBC Improvements to properties and Assets; £200,000 in 2015/16 rising to £760,000 by 2018/19

- The County Hall Master Plan project aimed to implement new ways of occupying the existing County Hall campus in order to reduce property running costs and increase space available for rental to external parties. An “out of hours” facility would enable Council staff to carry out their role at smaller buildings, thus achieving an energy saving through the closure of the main buildings;
- Beaumanor Hall would remain a focus through which the Council aimed to increase income via activities such as weddings and civil partnerships. It should also be recognised that a range of activities, particularly relating to schools, were undertaken at Beaumanor Hall. The Council was working with the City Mayor to regenerate the area of the City around a Council property known as Castle House. The County Council owned Castle House, which was used amongst other things as the Judge’s Lodgings. Whilst the County Council was supportive of the proposed plans for the area, it had not made a financial commitment at this stage;

D81 – Improved performance and growth of trading services; £735,000 in 2015/16 rising to £1,150,000 by 2018/19

- There were concerns around the sustainability of Government funding for Universal Free Infant School Meals post-election. A loss in this funding would have a

detrimental impact on the earnings of the School Food Service and this was acknowledged as a significant risk going forward.

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 6 February 2014.

169. Medium Term Financial Strategy 2015/16 - 2018/19 - 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) 2015/16 – 2018/19 as relating to the Chief Executive's Department. A copy of the report, marked "Agenda Item 10", is filed with these minutes.

In response to questions, members were advised as follows:

Growth

G18 – No new additional money had been made available for local welfare assistance. The Government announced through the provisional Local Government Financial Settlement an indicative sum but this was in effect a re-labelling of existing funds which were previously received through the Revenue Support Grant.

Savings

D68 – Review Planning, Historic and Natural Environment Services

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 continued to move to a self-funded service. This requires other users (principally district councils) to make a contribution to the cost and progress was being made with a majority of district councils. The County Council would continue to look for appropriate opportunities to make charges to developers for services provided to them. The County Solicitor undertook to provide members with a briefing note on the arrangements for the service to generate income.

D70 – 'Tell us Once' Service and Registration Service

Discussions were on-going with those organisations who benefit from the 'Tell us Once Service' to seek a contribution towards the cost to the County Council of maintaining the service as it has been well received by the public and generates a saving to those organisations who require the information.

With regard to the Registration Service good progress had been made in promoting Leicestershire venues as places to get married. This not only delivered an income to the Registration Service but was beneficial to the wider economy. The new facility at Anstey Frith (the former Fire HQ) would enable an enhanced service to be provided.

D70 – Trading Standards reduced enforcement, inspection and testing activity

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 and an assurance was given that that the Service would continue to meet the required regulations and guidance.

Given the savings requirements, work was in hand to explore opportunities of joint working with other Councils. The outcome of this would be reported to the respective authorities in June with a view to seeking a way forward for implementation in April 2016. Such joint working arrangements would reduce costs and maintain key services.

E63 - Stop Funding for economic development activity

The proposed savings were as a result of increasing amounts of funding being channelled through the LLEP. The timing of the saving was linked to contracts that are due to be reviewed in 2016 and consideration would be given to whether these savings could be delivered before 2018.

Capital Programme

With regard to the County Council investment of £1.5million in the Loughborough University Science and Enterprise Park, £0.5million had been used to lever in central government, district council and university funding. The investment options in relation to the remaining £1million were currently under discussion with the University.

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 6 February 2014.

170. Consideration of Responses from 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.

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 6 February 2014.

171. Commissioning and Procurement Strategy.

The Commission considered a report of the Director of Corporate Resources that would be considered at the Cabinet meeting scheduled for 6 February concerning the Council's proposed Commissioning and Procurement Strategy. A copy of the report, marked "Agenda Item 12", is filed with these minutes.

Arising from a discussion, the following points were noted:

- Adoption of the Strategy would lead to a step change in the Council's commissioning approach, which would in turn lead to the delivery of MTFS savings;
- Resourcing of the Strategy was being addressed through the Transformation Programme;
- A procurement shared service was already in operation via ESPO. There was a future opportunity to optimise the use of commissioning and procurement support resources across the wider public sector;
- The voluntary sector had been consulted on the draft Strategy and this engagement would continue to be progressed as part of the actions set out within the Strategy.

RESOLVED:

That the Commissioning and Procurement Strategy be welcomed.

172. Date of next meeting.

It was NOTED that the next meeting of the Commission would be held on 4 March at 2.00pm.

2.00 - 3.45 pm
28 January 2015

CHAIRMAN

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