



MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2019/20

**COMMENTS OF THE OVERVIEW AND SCRUTINY COMMITTEES AND THE
SCRUTINY COMMISSION**

Draft minute extracts from the following meetings are attached -

- Adults and Communities Overview and Scrutiny Committee
- Children and Families Overview and Scrutiny Committee
- Environment and Transport Overview and Scrutiny Committee
- Health Overview and Scrutiny Committee
- Scrutiny Commission

ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
19 JANUARY 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 2019/20

MINUTE EXTRACT

Medium Term Financial Strategy 2016/17 - 2019/20

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2016/17 to 2019/20 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr D W Houseman MBE CC, Cabinet Lead Member for Adult Social Care and Mr R Blunt CC, Cabinet Lead Member for Heritage, Leisure and Arts to the meeting for this item.

In introducing the report the Director of Adults and Communities and Cabinet Lead Members advised that the County Council and the Department was facing unprecedented budget pressures as well as demand pressures. The most significant demand pressures arose from the need to provide services to an increasingly ageing population and for people with complex disabilities who as a result of improvements in medicine were living longer and more productive lives. In addition to this the County Council, along with all other local authorities, was facing significant additional costs in dealing with Deprivation of Liberty Assessments as a result of more people coming within scope of the legislation. In response to the challenges the Department was focused on:-

- Managing demand by preventing and delaying need for services by building capacity in communities and enabling people to manage their conditions;
- Ensuring care was provided in the most cost effective way;
- Closer working and commissioning of services with partners, particularly the NHS.

The County Council had a priority to support the most vulnerable in society and to that end the proportion of spend in Adult Social Care was increasing, rising from 34% of Council spend currently to 39% of Council spend at the end of the current MTFS in 2019/20.

Proposed Revenue Budget

Arising from discussion the Committee was advised as follows:-

- (i) The additional 2% precept to fund social care had to some extent reduced the need for additional savings. The County Council took a holistic view of its overall budget but the Director pointed out that the central contingency for growth and the living wage which would impact primarily on adult social care service providers was greater than the amount generated through the additional precept.
- (ii) There was an element of frontloading of savings as the Council had to make a total saving of £78 million of which £26 million had to be found in the next financial year. The Department's contribution to the savings requirement in the next financial years would be £7.7 million. Members were advised that in most cases detailed planning to deliver these savings had been undertaken and there was confidence that these could be delivered. In some cases part of the savings requirements were already being delivered.
- (iii) The experience of co-production of care plans and care packages was that there was greater transparency and hence ownership of such plans. There was also clear evidence that in many cases the care needs could be met more cost effectively by service users commissioning the service.

Growth

- (iv) The decision of the Supreme Court on the scope of the Deprivation of Liberty Safeguards (DOLS) legislation has resulted in the number of DOLS cases continuing to rise from 600 in 2014/15 to over 1700 in the first half of 2015/16. There was currently a backlog and this put the Council at some risk. An external agency had been engaged to assist with the backlog and work was underway to provide in-house social workers with the necessary training to undertake this work.

Savings - Adult Social Care Savings

Transformation Savings

- (v) AC1 – Effective Management of Direct Payments

The introduction of payment cards not only reduced operating cost but enabled the Department to monitor spends by service users. This monitoring would cover not just overspends but more importantly ensure that service users were using the budget appropriately and purchasing care in line with the assessed needs. Where monitoring identified underspends the care team would be

notified and would check whether the particular service users' needs were being met and how they might be better supported to manage their budget.

(vi) AC2 - Outcome Based Commissioning

The independent sector had been fully engaged in the proposals to change the commissioning arrangements. Members were assured that the Department would meet the true cost of care provision which would include travel and training costs but that alongside this there would be a need for providers to be transparent about their costs.

(vii) AC4 - External Contract Review

The substantial saving requirement in this area of the budget reflected the non-statutory nature of services provided. At a time when the Council was finding it challenging to meet its statutory obligations it was right and prudent to look carefully at spend in this area. The savings requirement in the previous year had been £500,000 but as a result of work already undertaken a saving of £1.5 million could be realised at the start of the next financial year.

The Director undertook to provide detailed reports to a future meeting on the impact of savings in relation to carers.

(viii) AC13 - Reablement

The Department had introduced a two weekly review of reablement packages and this had reduced costs as some people had progressed faster than had originally been anticipated on assessment.

Emerging Savings

(ix) AC 15 – Review of long term residential placement costs

The saving requirement had been reduced as a result of preparation of a detailed business plan. The focus of the work was on reducing the number of payment bands and additional payments so as to provide greater transparency and reduce administration costs. Members were assured that there was no intention of moving people into lower bands purely to save money. Providers were engaged in this process and reports on progress would be made to the Committee during the year. The recent consultation by the Care Quality Commission on fee increases would no doubt be part of the discussion with providers and any increase in fees would need to be factored into the cost of provision.

Communities and Wellbeing Transformation Savings

(x) AC21 – Implementation of the revised Communities and Wellbeing Service

Members were advised that no specific proposals had been identified to achieve the £1.7million saving from a total budget of just over £5million as to achieve this level of saving would require a major remodelling of the Service. The draft Communities and Wellbeing Strategy was currently out for consultation and would be debated by this Committee in April when potential options and opportunities for delivering this saving would be explored. The Cabinet Lead Member indicated that as part of that debate he would be open to consider all options including delivery of service in conjunction with other Councils.

Capital Programme

(xi) Libraries – Reconfiguration of space

The investment would primarily focus on equipment and classroom or meeting room development as the main user of these rooms was the Adult Learning Service. The Department would look at the charging regime to ascertain whether this was affecting hire.

(xii) Extra Care Provision

This reflected the Council's capital investment in a private sector extra care development and such investment would enable the Council to obtain nomination rights. This development in Loughborough followed the Blaby scheme that the Council also supported.

(xiii) Future Developments – Snibston

The cost of maintaining the Scheduled Ancient Monument was approximately £30,000 per annum and provision was contained in the Maintenance Programme. With regard to not proceeding with the proposed mining offer the Cabinet Lead Member advised that given the dire financial situation facing the Council it would not have been prudent to do so.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2016.

CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE
18 JANUARY 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 19/20

MINUTE EXTRACT

The Committee considered a joint report of the Director of Children and Family Services and the Director of Corporate Resources on the proposed Medium Term Financial Strategy (MTFS) for the period 2016/17 to 2019/20 as it related to Children and Family Services. A copy of the report, marked "Agenda Item 8" is filed with these minutes.

The Chairman welcomed to the meeting the Cabinet Lead Member for Children and Families, Mr I. D. Ould CC, and the Cabinet Support Member, Mr. G. A. Hart CC who were attending for this item.

In response to consideration of the issues and questions from the members of the Committee, the following points were noted:

Overall Context

The Director and Cabinet Lead Member in introducing the report drew attention to the extremely challenging financial position facing the County Council. Over the next four years the County Council would need to save £78million which was in addition to the £100million already saved since 2011.

To deliver the MTFS requirements it was imperative that the savings now identified were delivered, that there was close monitoring and control of demand led budgets and that services were reviewed and transformed to ensure value for money. Preventative services would also play a key role and in this regard the Cabinet Lead Member highlighted the work undertaken within the Department which had resulted in an increase of just 4% of children being admitted to the care system in Leicestershire as compared to 16% nationally.

Growth

(i) Item G1 - Increased cost of Social Care Placements

The amount requested as a growth bid was based on the actual level and type of demand in the last quarter of the previous financial year and the first quarter of the current financial year. It was difficult to give an indication of the number of placements this would cover as the cost of placements varied significantly depending on the needs of the individual.

With regard to monitoring and managing this budget the Committee was advised of the following measures being taken:-

- Working to the policy that the best care provided is within a family environment and developing family based services such as specialist foster care services;
- Increasing focus on preventative services to reduce the risk of care needs escalating to a point at which high cost specialist care was required;
- Working closely with NHS partners to ensure ongoing support..

Notwithstanding all of the above it was recognised that in some cases it would be necessary to place some children in residential care settings and that sometimes it was necessary for that to be out of county.

ii) Item G3 - Supporting Leicestershire Families (SLF) - Pooled Budget Contribution

The growth requested would be sufficient to meet the target of working with 3000 families over the next 4 years. The Committee was advised that with the exception of the NHS, all partner contributions had been agreed; the NHS contribution was due to be considered by the Clinical Commissioning Groups shortly. Members of the Committee commended the work of the SLF programme which had turned around a large number of families as well reducing future costs.

(ii) Item G4 - Legislative Changes

The growth was to meet costs being transferred from the criminal justice system to local authorities and would cover the existing level of remands which were at 4-5 young people per year.

Savings

(iii) Item CF1 - Remodelling in Early Help

£1m of the original £1.4m MTFs savings had been identified, and have been achieved through the decommissioning of certain services where interventions had proved less effective, through the change of commissioning arrangements to focus on central as opposed to locality arrangements, and by reducing the duplication of services.

To achieve the remaining savings the Department would bring together preventative services, the Supporting Leicestershire Families work and the Children's Social Care Teams to achieve closer working and greater continuity, ensuring a proper and proportionate response to need. It was recognised that to achieve savings, some universal services would be

reduced. The Director indicated that she would provide case studies demonstrating how the changed commissioning arrangements impact on service users.

(iv) Item CF2 - Develop local, lower cost provision for complex social care placements

A new operating model would be introduced that would shift from existing arrangements. Whilst not introducing a commissioner / provider split, there was the need for greater clarity as to why services were commissioned and from where. Internal provider units would have to demonstrate that they were cost effective.

(v) Item CF4 Reduce Cost and Demand for Social Care Placements

The work undertaken to date was welcomed by the Committee. Savings had been identified separately from the growth requirements in G1 as a means of demonstrating activity and initiatives underway to reduce costs and manage demand.

(vi) Item CF5 – Reduction in Educational Psychology Service

Members were reminded that the MTFs in 2015/16 included savings in this area of £380,000 which had been subsequently reduced to £150,000. Savings had been achieved by the Department charging schools for non-statutory activities. The Department was meeting all targets regarding statutory requirements in relation to the Education Psychology Service, and was generating significant new business from schools on non-statutory services which had resulted in two new members of staff employed in the service. The Director would circulate to members further information on non-statutory services.

(vii) Item CF6 - Increase in In House Foster Carers

Targets for the recruitment of Foster Carers in the current year was challenging, however the Department was on target to recruit 12 mainstream Foster Carers and two level 6 Foster Carers were currently being assessed. To achieve targets for 2017/18, the Department was working with Leicestershire County Council's communications team and others to develop initiatives to recruit and retain Foster Carers. Challenges in recruiting level 6 carers were not underestimated, and the Department recognised the need to ensure carers were fully trained and supported.

(viii) Item CF8 Reduction in Senior Management

The Committee was advised that reductions were necessary to ensure that frontline services were protected, recognising that there would be a reduction in leadership and management capacity.

(ix) Item CF10 - Establish Regional Adoption Agency

Eight East Midland authorities and one voluntary sector provider were involved in discussions to establish a regional adoption agency. It was hoped that by coming together, economies of scale would be achieved on some aspects of adoption work. The Committee was advised that whilst more joined up working around adoption was welcomed, the Cabinet Lead Member was concerned about a national focus on the speed of adoption rather than permanence. A further concern was around the potential separation of fostering and adoption services and the interdependence between the two being lost.

Capital Programme

(x) School Place Planning

The Director advised that Leicestershire County Council's School Strategy, 'In the right place', sets out the council's policy direction for school place planning. Plans have identified the need for 17 new schools in the next 15 years; 15 primary schools and two secondary schools were required.

The process for securing Section 106 developer contributions had been significantly improved and the Government had indicated that it would make available sufficient capital resource for new schools. The position and demand for school places would be closely monitored.

(xi) Age Range Changes

The Committee was advised that academies making age range changes needed to demonstrate to the Education Funding Agency through their Business Plan how additional costs would be met. The provision within the capital programme was primarily to cover primary schools affected as a result of age-range change.

The Department worked with all schools proposing age range changes to ensure that a whole systems approach was adopted.

Members expressed concerns regarding the use of mobile classrooms, particularly those reaching the end of their useful life. The Committee also expressed concern over the number of planning authorities that had refused to extend temporary planning permissions for mobile classrooms. The Director indicated that she would produce a comprehensive report on this matter for consideration at a future meeting of the Committee.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments of the Committee be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2016.

ENVIRONMENT AND TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE
21 JANUARY 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 19/20

MINUTE EXTRACT

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources on the proposed Medium Term Financial Strategy (MTFS) for the period 2016/17 to 2019/20 as it related to the Environment and Transport Department. A copy of the report, marked “Agenda Item 8” is filed with these minutes.

The Chairman welcomed to the meeting the Cabinet Lead Members for Highways and Transport, Waste Management and Environment respectively, Mr. P. C. Osborne CC, Mr. B. L. Pain CC and Mrs. P. Posnett CC.

In response to consideration of the issues and questions from the members of the Committee, the following points were noted:

Overall Context

The Director and Cabinet Lead Members in introducing the report drew attention to the extremely challenging financial position facing the County Council. Over the next four years the County Council would need to save £78million, of which £19 million had yet to be identified. It was noted that the Council already achieved savings in excess of over £100million.

Transformation

The Department was embarking on creating an integrated delivery function based around strategic and operational commissioning which would operate much like a commercial entity. Services would be retained in-house where it made financial sense to do so.

The Director indicated that a number of projects in the Capital programme were “invest to save” and included the conversion to LED street lighting and investing in the Department’s fleet of vehicles in order to reduce future maintenance costs.

It was noted that the Department’s budget was reducing from £69.5million to £58.2million and this would be unachievable without significant service reductions. The Department had been restructured from the top tier of management down to team leader level already, with the remainder of the Departmental restructuring to be completed by August 2016.

There would be significant challenges in respect of housing and economic growth and the Department would remain proactive in bidding for funding through the Local Growth Fund.

Growth

- (xii) **Item G15 - Special Educational Needs (SEN) transport increased client numbers/costs: £550,000 in 2016/17 rising to £1,640,000 from 2019/20**

It was noted that every effort was being made to ensure that the County Council's fleet of vehicles was used instead of contracting taxis, where this was possible and represented best value. A review was being undertaken aimed at increasing the number of shared journeys, though this would not be possible with all journeys and a robust risk assessment process would remain in place.

In response to a suggestion made, the Director undertook to ensure that hedge purchasing of fuel would be included within the scope of the review.

- (ii) **Item G16 - Landfill tax – annual increase linked to Retail Price Index (RPI): £180,000 in 2016/17 rising to £625,000 from 2019/20**

Charging for landfill waste had previously been rising year-on-year at around £8 per tonne but more recently was increasing by RPI (the charge for the current year was £82.60 per tonne). In response to concerns expressed about the unfairness of the Landfill Tax, the Cabinet Lead Member indicated that representations had been made to the Government in regard to how the revenue from this tax could be better used.

Savings

- (xiii) **Item ET1 - Street Lighting – expected savings from conversion to LEDs including consideration of any further switching off, dimming and part night lighting: £750,000 in 2016/17 rising to £1,750,000 from 2018/19**

It was felt that LED lights had been bulk procured at a time when the price was right to make the project value for money. There had been a delay in implementing conversion as a result of a lack of resource to carry out the necessary design work. However the central management system and base stations were in the process of being installed and the project would be back on track by the end of 2016/17.

- (xiv) **Item ET2 - Revised approach to Highways Activities (Looking after Leicestershire): £1,385,000 in 2016/17 rising to £4,405,000 from 2018/19**

It was noted that there would be an increased emphasis on meeting resident's needs rather than their desires and where activities would have a well evidenced and strong economic or safety impact, which was in-line with Government policy. It was felt that, despite the reduction in funding, the majority of targets in the Local Transport Plan would be met but would be refreshed as part of the development of the Department's Commissioning Strategy.

The Director indicated that it was his intention to retain a robust staff resource for assessing service requests, as a result of what would likely become an increasing need to evidence why requests would not be carried out.

(xv) Item ET6 - Revised approach to flooding schemes: £250,000 from 2016/17

Despite the flooding experienced in the north of the country, Leicestershire had been lucky not to have experienced significant problems over the last year. Despite the reduction in revenue funding available for flooding schemes the Committee was reassured that the total funding available for flooding schemes has been protected but this would reduce the funding available for road maintenance. However the Director reminded members that the County's roads were some of the best in the country. The Department remained committed to investing in solutions to flooding which could be assisted by works to the highway.

(xvi) Item ET8 - Review of road safety strategy and provision: £410,000 in 2016/17 rising to £800,000 from 2018/19

The emphasis of the Review would be on improved joint-working with partners with a view to achieving increased income and more efficient evidence-led service delivery. The Committee was assured that there was no intention to stop school crossing patrols as part of this proposal, and these would only be affected where alternative facilities were provided

(xvii) Item ET11 - Public Bus Services – revised policy on subsidised transport: £2,000,000 from 2018/19

Some concern was expressed in regard to the impact of this saving on residents, particularly those in more isolated rural areas.

In response to a suggestion that the Park & Ride travel arrangements between the County and the City should be reviewed alongside the public bus service review, the Cabinet Lead Member assured members this would also be within the scope of this work and would remain under review.

(xviii) Item ET12 - County wide parking strategy including residents' parking permits and consideration of charging for on-street parking: £600,000 from 2018/19

Concerns were expressed that any increase in charges for residents' parking permits could lead to many choosing not to renew and thus leaving the Council with an unachievable saving. The Director responded by suggesting that, whilst it was unlikely that residents' parking permits would see a significant increase, the current annual rate of £40 would need to be benchmarked against other authorities. Detailed business cases would need to be developed for this project and would be reported to the Committee at the appropriate time.

(xix) Item ET22 - Revised payment mechanism for recycling credits for dry materials (net savings): £1,030,000 from 2018/19

The Cabinet Lead Member suggested that one option which was being considered was for the County Council to provide a facility to deal with dry materials which would mean that the payment of recycling credits to the district councils for these materials would no longer be necessary.

Some members felt that this would add a cost burden to the district councils at a time when all in local government were facing huge financial challenges. Subsequently, the Lead Member indicated that significant savings could potentially be harnessed by all parties through the creation of a single waste authority for the County and districts. However despite a lengthy dialogue between the County Council and the district councils no progress had been made with only two of the seven district councils having expressed an interest in moving the matter forward.

Capital Programme

(XX) Strategic Economic Plan (SEP) Funding

The Committee joined the Director in congratulating his staff for securing significant funding for major transport schemes.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments of the Committee be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2016;
- (c) That the Committee expresses its support for the creation of a single waste authority.

HEALTH OVERVIEW AND SCRUTINY COMMITTEE
20 JANUARY 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 2019/20

MINUTE EXTRACT

Medium Term Financial Strategy 2016/17 - 2019/20

The Committee considered a joint report of the Director of Public Health and Director of Corporate Resources which provided information on the proposed 2016/17 to 2019/20 Medium Term Financial Strategy (MTFS) as it related to the Public Health Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr E F White CC, Cabinet Lead Member for Health to the meeting for this item.

In introducing the report the Director of Public Health and Cabinet Lead Member advised that the Department's overall approach was to redesign services where possible to improve outcomes as well as saving money. The Department had an exemplary track record of delivery in this area which gave confidence that the proposed savings were deliverable, although it was acknowledged that there would also be some risks associated with the projects. In some cases the work to deliver savings during 2016/17 was already underway.

In response to the financial challenge it was facing, the Department was focused on:-

- Services that made the biggest impact such as those to improve the health and wellbeing of children;
- Early help and prevention to reduce demand for service and ease the pressure on the health and social care system.

Arising from discussion the Committee was advised as follows:-

Service Transformation

- (i) The Department was keen to encourage community involvement in the delivery of appropriate services, as outlined in the Annual Report of the Director of Public Health for 2015. It was intended that this approach would sit outside formal voluntary sector arrangements and would empower communities to take responsibility for their own health and wellbeing.

Proposed Revenue Budget

- (ii) The Committee was disappointed to note that the grant allocation for 2016/17 from the Department of Health had not yet been confirmed. However, it welcomed the Department's pragmatic approach to setting its budget using estimates.
- (iii) The contribution to other County Council preventative services made by the Public Health Department would be reviewed as part of a comprehensive approach to early help across the Council aimed at bringing all preventative spend together.

Savings

- (iv) PH2 – Reduction in Health Checks

The Health Check programme was statutory; however the fees that the County Council paid to GPs for carrying out Health Checks were at the higher end of the national range. There was some risk attached to this saving as any reduction in fees would be dependent on the outcome of negotiation with GPs.

- (v) PH4 Review of Physical Activity Services and Contracts

It was intended that the physical activity service would be focused on delivery; to that end the reduction in funding to district council was expected to cease the funding of physical activity co-ordinators. It was recognised that this was not an efficient use of funding and district councils were already working to identify alternative service models. The reduction in funding would not affect high impact services such as exercise on referral schemes or the infrastructure provided by Leicester-Shire and Rutland Sport to support physical activity across Leicestershire.

- (vi) PH6 Review of Smoking and Tobacco Services and Contracts

It was acknowledged that the increased usage of e-cigarettes and the time-intensive nature of current smoking cessation services meant that there had been a reduction in activity. The smoking cessation service would therefore be redesigned to be more cost effective and to take international best practice into account. The intensive services such as one-to-one or group sessions would still be available, but only for targeted groups such as Looked After Children. These would be supported by universal telephone or web based services which would be less resource intensive and emerging national and international evidence showed that them to be effective.

A future service redesign, currently proposed for 2017/18, would involve integrating all lifestyle services, such as substance misuse and obesity services as well as smoking and tobacco services, into a single lifestyle behaviours service.

Capital Programme

- (vii) The warm and healthy homes scheme was funded through an external grant following a successful bid for funding. The County Council's spend on the project would be delivered through the Papworth Trust, although the Trust would not provide services. There were a number of ways in which vulnerable people could access the scheme, including through the Lightbulb Project, in-house service, district council services or those provided by a charity.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2016.

SCRUTINY COMMISSION - 27 JANUARY 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 2019/20

MINUTE EXTRACT

56. **Medium Term Financial Strategy 2016/17 to 2019/20 - Context Setting and Overall Position.**

The Committee considered an oral report of the Director of Corporate Resources concerning the context and overall position with respect to the Council's Medium Term Financial Strategy (MTFS) 2016/17 to 2019/20.

The Chairman welcomed to the meeting the Leader of the Council, Mr. N. J. Rushton CC and the Deputy Leader and Cabinet Lead Member for Finance and Resources, Mr. J. B. Rhodes CC.

The Director reported the following matters:

- As referenced in the MTFS report to the Cabinet (paragraph 39), the Council's Revenue Support Grant (RSG) would be reduced to zero by 2019/20. This had been anticipated, though it had not been expected that it would come as sharply as had proven to be the case. It was noted that the Government's new methodology for calculating RSG took no account for the low funding position which Leicestershire was known to have;
- Implementation of the Living Wage was expected to cost the Authority in the region of £20 million, particularly as a result of the expected rise in payments to commissioned care services which would be required to increase their costs to cover this additional expenditure;
- There were a number of risks and challenges around funding for Adult's and Children's Social Care (CSC) which were expected to rise significantly partly as a result of people living longer. Growth for CSC was set at £8 million in the next year of the MTFS. The success of the MTFS was heavily reliant on achievement of savings and containing demand for services;
- The Social Care Levy (a precept of 2% for each year of the Spending Review specifically for spending on adult social care) made this MTFS achievable. It was suggested that without it, the Council would have been placed in an even more invidious position.

The Cabinet Lead Member for Resources and Finance reported the following matters:

- The £19.3 million budget shortfall by the end of the MTFS was of significant concern, though some savings had yet to be identified which would have some impact on this figure going forward. Though further efficiencies could doubtless be made, it was emphasised that services reductions had already begun to hit the public and this would worsen over the next four years;
- The Funding Settlement for the Council was the second worst for a county council. It was noted that were it to receive a similar settlement to Sussex it would have an extra £100 million with which to protect services. It was the Lead Member's view that a decision had been made at DCLG to protect inner-London borough authorities at the expense of county and district authorities;
- The Leader had made well publicised representations to MPs, who were thought now to be in agreement that the funding formula was wrong and unfairly disadvantaged Leicestershire. The Authority was aiming to form a group with other similarly poorly funded authorities as a means for further lobbying of the Government.

Arising from questions from members, the following points were noted:

- It was a legal requirement for billing authorities to include specific information on council tax bill as to where precepts were allocated and this would be the case for the Social Care Levy. The possibility of including further detail about this Levy in the associated materials would be considered;
- Though the increase in spending power (3.4% over 4 years) as a result of the Social Care Levy was welcome, demand for social care costs was expected to increase hugely and this was expected to lead to rising costs of over £50 million in this area over the next 4 years which would not be covered entirely by the Levy;
- The Government's announcement that local authorities could retain business rates was not expected to have a wholly positive impact on the Council's funding position. This was attributed in part due to the fact that business rates would reduce after RSG reduced to zero in 2019/20;
- It was acknowledged that the public could become confused by the message the Council was delivering on fairer funding at a time when the Government was suggesting that Leicestershire's funding had increased. It was important that the public were reminded of the fact that Leicestershire was a traditionally

lower council tax authority and that this meant it had a low council tax income when compared to others.

RESOLVED:

- (a) That the information provided be noted;
- (b) That the comments of the Commission be forwarded to the Cabinet for consideration at its meeting on 5 February 2016.

57. Medium Term Financial Strategy 2016/17 to 2019/20 - Corporate Resources and Corporate Items.

The Commission considered a report of the Director of Corporate Resources concerning the proposed Medium Term Financial Strategy 2016/17 to 2019/20 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 advised that the overall savings requirement for his Department amounted to a net reduction of £7.5 million. He also made the following points:

- The Department will have made a saving of 50% between 2010 and the end of this MTFS. In 2010, 74% of the Department's income came from grant funding or council tax. Next year this was down to just 42%;
- The achievement of the MTFS would greatly depend on income from externally traded services. A new trading unit was being established to improve the Council's commercial approach;
- £2.1 million of the savings requirement would come from reductions in staffing and vacancy control. It would not be possible to avoid compulsory redundancies. The total number of redundancies was as yet unknown;
- £865k of growth would largely be directed towards new ways of delivering support services and investment in technology to enable the Council to become "digital", providing more of its services online. There was also significant investment being made in new desktop architecture for staff which would enable more flexible and efficient ways of working which it would be crucial that staff embraced in order to achieve savings.

Arising from the discussion, the following points were noted:

- 58% of the Department's budget was based around traded income and this would increase to over 70% by the end of the MTFS assuming targets had been met. It was felt that the Council had a good "brand" in the marketplace on which to build from, though it was noted that all other local authorities would be joining Leicestershire in this marketplace and therefore competition for business would be high;
- In respect of collaboration, Leicestershire was taking a lead on information and data sharing with the districts. The East Midlands Shared Service had experienced initial difficulties but was now harnessing the savings that had been expected of it. It was felt that the Service was now at a successful point at which other partners would want to join which would make the achievement of further savings possible.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments made be forwarded to the Cabinet for consideration at its meeting on 5 February 2016.

58. Medium Term Financial Strategy 2016/17 to 2019/20 - 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) 2016/17–2019/20 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 Mr. R. Blunt CC, Cabinet Lead Member for Planning, Historic and Natural Environment and Mrs. P. Posnett CC, Cabinet Lead Member for Rural Communities and Equality and Diversity. It was noted that the Cabinet Lead Members for Economic Development and Regulatory Services had been unable to attend due to other County Council commitments.

In response to questions, members were advised as follows:

Savings

CE8 - Review Planning, Historic and Natural Environmental Services; £35,000 in 2016/17 rising to £100,000 by 2018/19

Planning fees were set by Government, so there was little scope to increase these. Currently, income from environmental data sales and monitoring fees from developer contributions duties made around £150k per annum but there was a risk, due to legal issues, that this may be significantly reduced in the future.

CE9 - Registration opening hours and "tell us once" service; £60,000 in 2017/18

It was proposed as part of this saving to cease a "face-to-face" service for those registering births and deaths. This would be replaced by a telephone service. It was hoped that future savings could be identified through increased income rather than service closures. There were some concerns around the "tell us once" saving.

CE15 - Stop providing funding for economic development activity to external agencies; £50,000 in 2017/18 rising to £300,000 in 2018/19

A majority of this saving related to the Council's contract for the provision of tourism services, which was currently held by LeicesterShire Promotions Limited. These arrangements were currently being reviewed and proposals for future provision would be submitted to the Cabinet and Overview and Scrutiny for consideration in the coming months.

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 5 February 2016.

59. Medium Term Financial Strategy 2016/17 to 2019/20 - 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. A copy of the supplementary report is filed with these minutes.

In response to questions from members, the Leader confirmed the following:

ET11 - Public Bus Services – revised policy on subsidised transport: £2,000,000 from 2018/19 (Page 17 of the report refers)

All public bus services would be reviewed including the arrangements for Park and Ride services between the County and the City.

Item ET12 - County wide parking strategy including residents' parking permits and consideration of charging for on-street parking: £600,000 from 2018/19 (Page 17 of the report refers)

The impact of changes to on-street parking arrangements could have a detrimental impact on local businesses, but it was suggested that any measures could have a positive effect and free up spaces for those visiting shops and local businesses. By charging for on-street parking, businesses might be forced into providing alternate provision for staff thus freeing up spaces for shoppers.

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 5 February 2016.