



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 25 January 2017.

PRESENT

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

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

Mr. K. W. P. Lynch CC
 Mrs. C. M. Radford CC
 Mr. R. Sharp CC
 Mr. S. D. Sheahan CC
 Mr. R. J. Shepherd CC

In Attendance:

Mr. R. Blunt CC, Cabinet Lead Member for Planning (for Minute 62)
 Mr. J. T. Orson JP CC, Cabinet Lead Member for Regulatory Services (for Minute 62)
 Mr. N. J. Rushton CC, Leader of the County Council (for Minutes 61 to 64)

54. Minutes.

The minutes of the meeting held on 30 November 2016 were taken as read, confirmed and signed.

55. Question Time.

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

56. Questions asked by Members.

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

57. Urgent Items.

There were no urgent items for consideration.

58. 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 on the agenda (Minutes 61 to 64 refer) as members of district/borough councils (as indicated):

Mr. S. J. Galton CC (Harborough District Council)

Dr. S. Hill CC (Harborough District Council)
 Mr. D. Jennings CC (Blaby District Council)
 Mr. K. W. P. Lynch CC (Hinckley and Bosworth Borough Council)
 Mrs. C. M. Radford CC (Charnwood Borough Council)
 Mr. R. Sharp CC (Charnwood Borough Council)
 Mr. S. D. Sheahan CC (North West Leicestershire District Council)
 Mr. R. J. Shepherd CC (Charnwood Borough Council)

59. Declarations of the Party Whip.

There were no declarations of the party whip.

60. Presentation of Petitions.

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

61. Medium Term Financial Strategy 2017/18 to 2020/21 - 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) 2017/18 to 2020/21.

The Director reported the following matters:

- This year's MTFS represented the Council's seventh "austerity" budget. The "Fairer Funding" campaign remained crucial to the Council's financial outlook as Government grant was expected to disappear completely by 2020;
- Of the Council's planned £68 million savings programme, £44 million had been identified, leaving a funding gap of £24 million. Around 15 areas of the Council's business had been identified as a means of attempting to address this gap, though it was known that even if all were to be pursued to a successful conclusion they would not fully bridge the gap;
- Since the circulation of the MTFS report to the Cabinet's meeting in December there had been some changes to the MTFS, which were mostly positive. These included a new Adult Social Care Fund of £2.4 million, an extra £1.3 million which could be harnessed through Council Tax and business rates, one-off funding of £200,000 for education services and a new £2.8 million highways grant. There were other funding opportunities available in Highways and Transportation;
- It was hoped that significant savings could be harnessed via a change in the way Council Tax was organised across the districts;
- Pooling of business rates would enable the Council to make up to £4 million this year and up to £6 million next year.

The Chairman welcomed to the meeting the Leader of the Council, Mr. N. J. Rushton CC to the meeting. The Leader reported the following matters:

- The Cabinet Lead Member for Finance, Mr. J. B. Rhodes CC had been unable to attend today's meeting as he was attending a County Council's Network meeting on the Council's "Fairer Funding" campaign. It was hoped that the Council's funding model would be adopted across the country and whilst it had received general support there were some councils who would be worse off as a result. The Council maintained a strong relationship with local MPs and it was felt that all were in agreement with the funding model the Council was proposing;
- The 1.99% increase in council tax alongside the 2% levy for adult social care was the maximum that Leicestershire families would be able to cope with in the present financial climate. The Council could have chosen to front load the increases by having two 3% rises followed by a 0% rise in the third year of the MTFS. This approach would have led to an increased resources of around £8 million though it had been a political decision to phase the increases over three years, making it more manageable from the point of view of the public;
- The Secretary of State for Communities and Local Government, Sajid Javid MP would be attending a County Council meeting relating to the Combined Authority proposals and this meeting would be used as an opportunity to press the need and urgency for Leicestershire's funding model to be adopted.

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

- In response to concerns that rising demand for SEN education was making it difficult to sustain the budgetary position, it was noted that there was a plan in draft form which aimed to address the need for provision of sufficient SEN placements within the County as out of County and independent placements came at a high financial cost to the Council (£60,000 per pupil). It was hoped that a free school could be established to enable those with SEN to be placed locally. The Children and Families Overview and Scrutiny Committee would be pursuing this issue as part of its work programme;
- The Council's response to the financial settlement had been sent to the Government. A copy of the response would be provided to members following the meeting;
- The national concern about the current state of the NHS largely related to "bed blocking", the picture locally was different and was known to be based more around the provision of community hospital beds;
- No details had yet been established for the basis on which business rates would be retained by local authorities. A consultation exercise was expected to be launched nationally in the coming weeks.

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 10 February 2017.

62. Medium Term Financial Strategy 2017/18 to 2020/21 - 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) 2017/18–2020/21 as relating to the Chief Executive’s Department. A copy of the report, marked “Agenda Item 9”, is filed with these minutes.

The Chairman welcomed to the meeting the following Cabinet Lead Members who represented service areas that fell within the Department’s remit:

- Mr. R. Blunt CC, Cabinet Lead Member for Planning
- Mr. J. T. Orson JP CC, Cabinet Lead member for Regulatory Services
- Mr. N. J. Rushton CC, Leader of the Council and with responsibility for Economic Development

In introducing the report, the Chief Executive reported that the Department provided a broad range of services and facilitated the Council’s relationships with the NHS and the Police and Crime Commissioner in addition to taking a lead role in the arrangements for a Combined Authority.

In response to questions, members were advised as follows:

- Though there had not been a full assessment of the costs to the Authority thus far in attempting to set up a Combined Authority, it was likely that over £150,000 would have been spent in officer time in obtaining the full agreement of the district councils to the cost-sharing proposals;
- The Department retained very little in the way of contingency funding, the purpose of which was to address on a needs basis minor issues such as the renewal of equipment and pay increases;
- Though the Council had been engaged in work to increase community capacity, its contract with Voluntary Action LeicesterShire had been changed and would mean a reduced support offer;
- The increased income via Registration Services was partly due to the success of Anstey Frith House which was proving to be a popular location for wedding services. There were also opportunities for charging for some auxiliary services. There would be a small increase in fees for the licensing of wedding venues and for the provision of a registrar to conduct ceremonies. All increases were within commercial expectations whilst ensuring Leicestershire remains competitive as a ceremony location;
- The fees charged to developers for planning services were set nationally. A White Paper was expected in March which would likely set out proposals for local authorities to set their own fees. Increased income was expected for some planning services which were sold to district councils.

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 12 February 2017.

63. Medium Term Financial Strategy 2017/18 to 2020/21 - 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 10", is filed with these minutes.

Introduction

The Director advised that the Department's gross spend was £78.2 million. It was planned that £45 million of this would be achieved through income generation. The Department had achieved £19 million of savings since 2010 and services were felt to have remained at a high standard.

Arising from questions the following points were noted:

- The savings requirement for the Department (£2.3 million in 2017/18 rising to £5.6 million by 2019/20) would be challenging to deliver and would be heavily dependent on the success of the Council's traded offer;
- There had been a concerted effort to boost the Council's traded services. Services such as facilities management, catering and print had been consolidated under one brand ("Leicestershire Traded Services") with a new post established to oversee the commercialisation of the services. The brand aimed to play to the Council's established reputation for quality and reliable services;
- Assets such as Beaumanor Hall were being developed to better market the heritage and history of their locations as well as achieving income to make a contribution to the council's savings target;
- There had been around £20 million of investment in property funds which were known to provide a reasonable rate of interest of around 4-6%. Income from these investments would be used to support the MTFS on an ongoing basis;
- The savings in respect of the Customer Service Centre (£130,000 from 2018/19) would be achieved mostly via the digitisation of services and a re-engineering of the processes to deliver savings as well as improved ways of working and improved customer service. It was suggested that such an approach had already had a positive effect on hospital discharge times;
- The savings identified for the Employee Service Centre would be achieved through service redesign and the procurement of a replacement for the Council's business intelligence system, which was presently provided by Oracle;
- It was felt that there was little scope to further rationalise the Council's service departments. The Council's "target operating model" would be reviewed. It was suggested that there might be some savings which could be harnessed via the centralisation of the Council's administration function, though a review was ongoing in this respect.

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 10 February 2017.

64. Medium Term Financial Strategy 2017/18 to 2020/21 - 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:

- The saving in respect of Council subsidised bus services would be challenging to achieve and would prove controversial. It was acknowledged that this saving would affect mostly bus users in rural areas. Were the Council's revised funding model to be adopted by the Government then it was possible that this saving could be looked at again;
- It was felt that the issue around children's' centre provision was best addressed at a corporate level and was being assessed as part of a review of early help and prevention. It was felt that there was scope to reduce the number of children's centre whilst retaining the same level of service;
- The County's lack of foster carers had brought about a significant recruitment drive. It was noted that there was presently a lack of recognition at Government level for the financial impact that could be felt on those authorities that were unable to place refugee children locally and would then be forced to place children in costlier national placements;
- It was acknowledged that there was scope to extend the hours of operation of the Park and Ride services at Enderby and Birstall, with the aim of benefiting late night shoppers. Talks were ongoing with the City Mayor in regard to the possibility of a joint franchised bus service.

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 10 February 2017.

65. Date of next meeting.

It was NOTED that the next meeting of the Commission would be held on 8 March 2017 at 10.30am.

10.00 - 11.50 am
25 January 2017

CHAIRMAN

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