



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 15 November 2017.

PRESENT

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

Mr. D. C. Bill MBE CC
Dr. T. Eynon CC
Dr. S. Hill CC
Mr. D. Jennings CC
Mrs. R. Page CC

Mr. T. J. Richardson CC
Mrs H. L. Richardson CC
Mrs B. Seaton CC
Mr. D. Slater CC

In attendance.

Mr N J Rushton CC – for minutes 43 and 44

36. Minutes.

The minutes of the meeting held on 13 September 2017 were taken as read, confirmed and signed.

37. Question Time.

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

38. 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).

39. Urgent Items.

There were no urgent items for consideration.

40. 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.

All members who were also district councillors declared a personal interest in all items on the agenda.

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

There were no declarations of the party whip.

42. Presentation of Petitions under Standing Order 36.

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

43. Leicestershire County Council's Strategic Plan 2018 - 2022.

The Commission considered a joint report of the Chief Executive and Director of Corporate Resources which set out the results of an engagement process with key stakeholders on the County Council's revised Strategic Plan 2018 – 2022, presented the revised Strategic Plan and outlined the changes required to deliver an outcomes-based approach in the Council. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed the Leader of the Council, Mr N J Rushton CC, to the meeting for this item. Mr Rushton thanked the Committee for the comments it had made when it had previously considered the matter. These had led to significant changes being made to the Strategic Plan. Mr Rushton confirmed that the Strategic Plan would drive the Council's agenda and inform the Medium Term Financial Strategy (MTFS) to enable departments to focus on delivering their strategic priorities. The Transformation Programme would also be refreshed so that it could be aligned to the outcomes in the Plan. Achievements would be monitored through the Annual Delivery Report.

Arising from discussion the following points were raised:-

- (i) The Commission welcomed the revised Strategic Plan and was pleased to note that the comments and concerns it had raised previously had been taken into account. In particular, the Commission was pleased to see the introduction of a performance framework with measurable outcomes to support delivery of the Plan.
- (ii) It was suggested that the performance framework should include measures related to economic development and transport infrastructure, such as housing developments being linked to employment sites or a reduction in the number of people unable to get a job due to a lack of transport. It was confirmed that the performance framework was still being developed and consideration would be given to the inclusion of these measures. References in the Strategic Plan to transport infrastructure and access to employment had been strengthened following feedback from the Scrutiny Commission and stakeholders.
- (iii) Some concern was expressed that the measures identified in the performance framework for ensuring that cultural and historical heritage and the natural environment was enjoyed and conserved would not provide sufficient protection for the environment. This should be addressed through the development of performance measures relating to open spaces, especially given the positive impact these had on mental health, and biodiversity. It was also suggested that there was a conflict between the Council's roles of promoting economic development and protecting the environment. The Commission was assured that, despite the requirement for housing to be built across Leicestershire, there would be an emphasis placed on protecting the green spaces and areas that people valued.
- (iv) Concern was expressed that not all of the Council's key strategic partners had responded to the Plan. However, the Commission was assured that, where

responses had been received from partners, these had generally been positive and confirmed that there was alignment with the strategic direction of their own organisations.

- (v) The Commission emphasised the importance of communicating the final version of the Strategic Plan to partners so that they were aware of the Council's strategic priorities and future areas of focus. It was confirmed that the Plan would be made available on the Council's website, shared with partners including MPs and publicised through the mainstream media and social media.
- (vi) It was noted that delivery of some of the outcomes in the Strategic Plan would rely on partnership working. The County Council aimed to foster good relationships with partners and the bid to be a pilot area for the retention of business rates was a good example of successful partnership working. With regard to the outcome around affordable and quality homes, although the Council was not the relevant Local Planning Authority, its influence would come through its support to the planning process as the Highways Authority and the provision of services such as Supported Living.

RESOLVED:

- (a) That the revised Strategic Plan be welcomed;
- (b) That the comments now made be submitted to the Cabinet for consideration at its meeting on 24 November.

44. Working Together to Build Great Communities: The Leicestershire Communities Strategy 2017 - 2021.

The Commission considered a report of the Chief Executive which provided an opportunity to comment on the Communities Strategy before its consideration by the Cabinet and to report on progress in developing a Communities Strategy Action Plan. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

In his introduction to the report, the Chief Executive advised that the Communities Strategy would support delivering of the 'Great Communities' outcome in the Strategic Plan and would also facilitate communities to contribute towards delivery of the other four outcomes.

It was also reported that the "Communities Summit", which had taken place the previous week, had been well attended and the new Strategy had been positively received. The emphasis had been on Parish and Town Councils and the County Council working collaboratively to support communities. Community groups attending had used the opportunity to share examples of good practice with each other. Some of these community led initiatives would be used as case studies to illustrate the final version of the Strategy.

The Chairman welcomed the Leader of the Council, Mr N J Rushton CC, to the meeting for this item. Mr Rushton advised that he was keen for the Council to help and support Parish and Town Councils to take on additional responsibilities where they felt able to do so.

Arising from discussion the following points were raised:-

- (i) Not all areas of the County had a Parish or Town Council. It was noted that the Council also provided support to community groups and this was especially important in unparished areas. Some members expressed the view that all areas of the County should be parished. However, this process was led by district councils through a Community Governance Review.
- (ii) The Commission welcomed the positive work already undertaken by the Council to support community groups. Hermitage FM and Thurmaston Library were cited as examples of successful community projects which had benefitted from the County Council's input.
- (iii) The importance of removing barriers and simplifying processes to make it easier for Parish and Town Councils or community groups to deliver services was emphasised. It was also felt that advice and expertise from the County Council would be useful for these bodies. The Commission was advised that a limited resource was available from the Communities Team and some support for specific issues such as road closures for Remembrance Sunday was available from the relevant department. Following feedback from events held for Parish Councils, consideration would be given to establishing simpler and more efficient communications channels.
- (iv) It was noted that support to community groups would also be delivered through Voluntary Action Leicestershire (VAL). The County Council had a service level agreement with VAL to provide appropriate infrastructure and support to the voluntary sector.
- (v) The Communities Strategy would be supported by an action plan which would contain details of the activity needed to deliver the Strategy. This would apply to the whole Council as each department would have actions for which it was responsible. The action plan was currently being developed.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting in December 2017.

45. Annual Delivery Report and Performance Compendium 2017.

The Commission considered a report and presentation from the Chief Executive which presented the draft Annual Delivery Report and Performance Compendium for 2017. A copy of the report marked 'Agenda Item 10' and the slides forming the presentation is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) The Commission welcomed the overall message of the report; that the County Council performed well but that there were risks and issues in the future if a fairer funding settlement was not received from the Government. It was suggested that a summary version of the report, highlighting the key messages, should be produced.

- (ii) The narrative in the Annual Delivery Report was largely intended to look back at performance during the previous year. However, the Council also had a responsibility to undertake effective forward planning and some of the narrative in the report therefore reflected the emerging priorities for the coming year.
- (iii) The County Council had limited influence over the performance of academies. This was now the responsibility of the academies themselves and was expected to be driven by market forces. The County Council had a role through the Leicestershire Education Excellence Partnership (LEEP) and through sharing performance data with schools to help them identify areas for improvement.
- (iv) Concern was expressed by some members that the sections in the Annual Delivery Report relating to economic development and strategic transport included proposals which residents had not yet been consulted on and that the cumulative effect of developments on the landscape, particularly in the south of the county, was not yet understood. The Commission was assured that the key plans outlined in the report which affected the economy had all previously been considered by the Cabinet and the Scrutiny Commission. Each stage of the Strategic Growth Plan would also be considered by the Commission prior to being submitted to the Cabinet. It was acknowledged that the reliance on partnership working to deliver economic development meant that the governance and accountability process for this area were complicated. However, it was important for the Council to engage effectively with these partnerships, especially regional partnerships such as the Midlands Engine.
- (v) The Government had committed to honouring funding for projects supported by the EU Structural Investment Fund until 2019. It was thought that a new Shared Prosperity Growth Fund was being developed nationally which would replace EU funding. The County Council should be able to bid for funding from this.
- (vi) Although the most recent bid for national funding for the Desford Crossroads transport scheme had not been successful, the scheme was still a priority for the County Council and further bids for funding would be made when the opportunity arose.
- (vii) It was suggested that details of the work of the Leicestershire Market Towns Group to help maximise the economic contribution of towns should be reported to a future meeting of the Scrutiny Commission. The Commission was advised that it would be appropriate to wait until the outcome of the bid for piloting local retention of business rates was known as, if successful, this could result in more funding being available for economic development in market towns.

Mr D C Bill CC asked for it to be placed on record that he opposed the section of the Annual Delivery Report relating to the economy and strategic transport as he felt that consultation with the affected communities on the cumulative impact of development in South Leicestershire had not yet been undertaken.

RESOLVED:

- (a) That the comments now made be submitted to the Cabinet for consideration at its meeting on 24 November;
- (b) That the work of staff across the County Council be recognised and appreciated;

- (c) That officers be requested to submit a report on the work of the Leicestershire Market Towns Group to a future meeting of the Scrutiny Commission.

46. Fit for the Future Update.

The Commission considered a report of the Director of Corporate Resources which explained the overall approach being adopted to replace the Oracle e-Business Suite as part of the County Council's partnership with Nottingham City Council, to outline the approach to procurement and also to advise members of the intention to deliver this change as a transformation programme and not just as a system implementation. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

In the ensuing discussion the following points were raised-

- (i) It was confirmed that the indicative cost of £10 million related to implementation costs. This would be split between the County Council and Nottingham City Council. There would also be an annual cost relating to the license for the software and its maintenance. It was anticipated that this cost would be significantly less than the annual cost of the current Oracle system. A number of workarounds were in use within the current system and the full functionality was not being maximised. There was an opportunity to make considerable improvements within the new implementation that would address these issues.
- (ii) Members welcomed the robust approach being taken to the procurement of the new system and felt that lessons had been learnt from the procurement of Oracle. In particular, the appointment of an external partner, Capgemini, to advise the two Councils on the process was felt to be useful. The Commission was advised that the risks of implementing the new system included delivery in accordance with timescales, the need to have clear outcomes from the outset and alignment with the implementation partner. However, there was confidence that the governance arrangements were sufficient to ensure that risks would be managed and the new system implemented effectively.
- (iii) The new contract would be for at least five years, with an option to extend it for 15 years. The business case would be based on a return on investment within seven years. It was noted that the County Council had not considered outsourcing HR and payroll services due to the belief that it could be delivered more effectively through its joint shared service arrangements with Nottingham City Council. In addition, the East Midlands Shared Service provided services for Leicestershire academies and therefore generated income for the County Council.

RESOLVED:

That the approach being adopted to replace the Oracle e-Business Suite as part of the County Council's partnership with Nottingham City Council be noted.

47. 2017/18 Medium Term Financial Strategy Monitoring (Period 6).

The Commission considered a report of the Director of Corporate Resources which provided an update on the 2017/18 revenue budget and capital programme monitoring position. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) The outcome of the bid to pilot the retention of local business rates would be known by mid-December. If successful, Leicestershire would receive an extra £19 million, of which £6 million would be spent on the Public Realm and £7 million on infrastructure to unlock growth. Some of the remaining funds would be directed to cost pressure areas such as Children's Social Care and the remainder would be divided between the organisations involved in the bid.
- (ii) The Homecare service was forecast to overspend due to an increase in the number of service users during the past month. It was not yet known whether this was a result of people switching from direct payments or new people coming into the service. The Commission was assured that the department as a whole was underspent and was therefore managing demand successfully.
- (iii) It was noted that there was a risk that the Improved Better Care Fund (IBCF) monies could be withdrawn if the health and care system's performance on delayed transfers of care did not meet the target set by NHS England. The Commission was advised that, although the County Council as an individual organisation was performing comparatively well in this area, this remained a risk going forward into 2018/19. The Director of Finance undertook to provide details of the exact figure that was at risk.
- (iv) The Corporate Asset Investment Fund Project at the Leaders Farm Industrial Estate in Lutterworth related to building a headquarters for a company to use. The building would be leased out to that company and would therefore generate income for the Council.

RESOLVED:

That the 2017/18 revenue budget and capital programme monitoring position be noted.

48. Review of Earmarked Funds and Balances.

The Commission considered a report of the Director of Corporate Resources which set out the findings of a detailed review of revenue earmarked funds and balances. A copy of the report marked 'Agenda Item 13' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) The Director of Finance undertook to clarify the funding arrangements for the School Music Service.
- (ii) It was confirmed that the Medium Term Financial Strategy (MTFS) took account of the impact of the national living wage. The refresh of the MTFS would reflect the latest national forecast.
- (iii) The Local Authority Mortgage Scheme had been successful both in terms of supporting approximately 400 first time buyers to access the housing market and also by generating the County Council a return on investment of approximately three percent.

RESOLVED:

That the findings of the review of revenue earmarked funds and balances be noted.

49. Date of next meeting.

It was noted that the next meeting of the Commission would be held on 24 January 2018 at 10.30am.

An additional meeting of the Scrutiny Commission to consider the Strategic Growth Plan would take place on 7 February 2018 at 2.00pm.

2.00 - 5.10 pm
15 November 2017

CHAIRMAN