



Health Overview and Scrutiny Committee

15th January 2020

Medium Term Financial Strategy 2020/21 to 2023/24

Minute Extract

The Committee considered a joint report of the Director of Public Health and the Director of Corporate Resources which provided information on the proposed 2020/21 to 2023/24 Medium Term Financial Strategy (MTFS) as it related to the Public Health Department. A copy of the report marked 'Agenda Item '9' is filed with these minutes.

The Chairman welcomed Mr. L. Breckon CC, Cabinet Lead Member for Health, Public Health and Sport, to the meeting for this item.

In introducing the report, the Director informed the Committee that the Public Health Grant for 2020/21 was expected to be increased in line with inflation plus 1%. However, the funding arrangements from 2021 onwards remained uncertain.

The Cabinet Lead Member informed the Committee that the Public Health budget was tight, but he felt that it represented the best value for public money.

Arising from discussion, the following points were noted:-

Proposed Revenue Budget

- (i) It was clarified that the figure for the proposed/provisional budget was calculated by taking the figure for the original budget, adding the budget transfers and adjustments and also adding proposed growth, before subtracting the savings that needed to be made within the department to facilitate spending elsewhere within the Authority.
- (ii) Approximately two thirds of the net budget for 2020/2021 was proposed to be spent on Sexual Health, Children's Public Health 0-19 and substance misuse.

Savings

- (iii) To achieve the required £665,000 savings for 2020/21 it was planned to increase the capacity of the Programme Delivery Team to enable a reduction in the number of externally commissioned services. A review of staffing and the skills mix within the Public Health department would also take place as a number of Consultants were due to retire.
- (iv) The potential impact on service users as a result of service reductions was considered by the Public Health department and the policy of bringing more

services in house had enabled the Public Health Department to better understand the consequences of decisions made. Public Health held joint Departmental Management Team meetings with colleagues from the Adults and Communities and Children and Families departments within the County Council which enabled potential issues to be identified and the impact of service reductions to be assessed. Public Health Consultants also attended a range of meetings with other partners, including Clinical Commissioning Group Governing Bodies, which enabled two-way discussion regarding the impact of service redesign to take place.

- (v) Work had taken place nationally to assess the impact of Public Health transition to local authorities. Research carried out by the Local Government Association and by the King's Fund presented a positive picture. The Public Health Outcomes Framework also showed that performance had not been affected by the transition. However, it was not currently possible to monitor individual patient's journeys and track their outcomes due to data protection issues.
- (vi) Savings would be made from the 0-19 Health Visiting and School Nursing Service through a freeze on recruitment and by making better use of digital technology, for example the last check on a newborn child could be undertaken electronically. The programme targeted towards high risk parents would no longer be provided by a separate team, which would result in some savings. The Director undertook to circulate details of the redesigned service to members following the meeting.

External Influences and Other funding sources

- (vii) At this stage many of the external funding sources for 2020/21 were assumed rather than confirmed but the 'green' rating for all but one of them indicated a high level of confidence that the funding would be received.

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 2020.

Environment and Transport Overview and Scrutiny Committee

16th January 2020

Medium Term Financial Strategy 2020/21 to 2023/24

Minute Extract

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources which provided information on the proposed 2020/21 to 2023/24 Medium Term Financial Strategy (MTFS) 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 Mr. B. L. Pain CC, Cabinet Lead Member for Environment and Transport and Mr. O. O'Shea CC the Cabinet Support Member to the meeting for this item.

In introducing the report, the Director of Environment and Transport advised members of the continuing financial challenges facing the Council. Since 2010/11 the Department had made overall savings of £42million by restructuring, revising service delivery models, generating income and some reductions to non-statutory services.

The Lead Member for Environment and Transport advised Members that while there was proposed growth to the Department amounting to between £8.5million and £11.7million per annum by 2023/24, savings were still needed due to the increasing resource needed for SEN Transport provision and lack of Government funding.

The Lead Member informed Members of the need for a more reliable, balanced, medium term approach to funding from Government. Currently the County Council were reliant on winning in-year funding bids from Government for capital schemes and annual allocations for maintenance to address the deterioration of the Council's road network.

Arising from the discussion the following points were noted :-

Growth

- i. **G17 – SEN Transport** - Growth reflected the increased client numbers and costs arising from increasingly complex needs presented by some service users. It was hoped that the investment made by the Council in local SEN provision would assist in reducing costs in this service area.
- ii. **G18 – Additional posts support the expanded capital programme**
– Some members expressed concern that the Department was able to find

funding to pay for additional posts, while cuts were still being made to front line services such as subsidised bus services. The Cabinet Lead Member advised the Committee that such posts were funded through the capital programme from money received from developers via developer contributions (S106) and Government funding. It was important that the Council bid for such funding to mitigate impacts of developments and growth..

- iii. **G22 – Community and Parish Engagement** - The Department recognised not all areas within Leicestershire were represented by parishes. Officers would still work with the communities and Local Members in such areas. Since October 2019 a team has been set up in the department and initiatives were starting to bear fruit. The work included better communications with communities on highways matters as well as initiatives such as providing limited free design work for communities initiatives, which had previously been charged for.
- iv. **G23 – School Crossing Patrols** - Mr Hunt requested that officers looked at issue of road safety near schools more holistically including the use of civil parking enforcement teams at the start and end of the school day. The Director assured Members that the County Council's Safe and Sustainable Travel Team worked with schools in developing their travel plan's, enforcing parking restrictions and schemes such as park and stride. The Department would continue to work with schools in taking forward any initiatives to improve safety.

The Lead Member agreed that more innovative solutions were needed to solve the challenge created around enforcement of parking and encouraging active travel solutions for schools. With regard to school crossing patrol vacancies Members were encouraged to promote and raise awareness of vacancies in their areas.

The Director informed Members that the School Keep Clear scheme would continue and that the Council were looking at procuring another camera car to expand the scheme further. The cars were able to enforce outside of schools on the zig-zag lines, red routes near the airport and bus stops with the correct linings.

Savings

- viii. **ET1 – Revised Passenger Transport Policy** – Due to further withdrawals from commercial bus operators the saving had to be reprofiled and as a result £60,000 less of the saving would be achieved in the next financial year. As services were withdrawn the Council needed to step in whilst it implemented the Passenger Transport Policy to ensure communities had access to key services.
- ix. **ET2 – Implement Review of Social Care and SEN Transport** – There had been a delay in the delivery of savings from the post 16 SEN transport proposals due to the delayed outcome of the Judicial Review.

- x. **ET5 – Recycling and Household Waste Sites service approach** – Arising from an earlier decision to insource the remaining Recycling and Household Waste site, reconsideration of the opening hours of the sites and an initiative to growth the reuse side of the operation, the Council were able to reduce costs and look at further efficiency, savings and income generation.

Savings under Development/External Influences

- xi. **Street Lighting** – A concern was expressed over broken streetlighting on unadopted roads. The Lead Member advised Members that it was not the County Council's duty to resolve these issues as the roads were not of an adoptable standard. It was for the developer, management company or trustee of the development to bring it up to an adoptable standard before the County Council would adopt and take on the maintenance liability. He reminded members that it was the responsibility of the relevant planning authority to make sure that new developments were complying with the terms of the planning permission and for homeowners to be aware of the implications of purchasing homes in developments with unadopted roads.
- xii. **Temporary Traffic Management** - Officers recognised there were issues within some communities regarding the number of temporary traffic management works. Whilst the County Council worked with the appropriate organisations and would challenge how the road works were being undertaken, often the Council was limited in its influence. The Council could fine organisations flouting the agreements, however in many cases the level of fine allowed to be levied would not be enough of a deterrent to large organisations such as Severn Trent. Where emergency works were needed the County Council had even less control.
- xiii. The County Council had an overarching ambition to rationalise traffic regulations affecting parking which was being undertaken under the 'managing traffic in our communities' project and was being done on a rolling basis across the county.
- xiv. The Lead Member informed Members that the County Council could not use its regulatory powers to drive up income for the Authority by levying, fines for parking offences. The growth in income was in relation to the work undertaken in processing parking tickets issued by civil enforcement officers at off street car parks on behalf of the district authorities.
- xv. **National Resources and Waste Strategy** – the County Council had responded to Government's National Resources and Waste Strategy consultation which had been circulated to the Chairman and Spokespersons for comment previously. Government had since produced a response to the consultation and indicated that there would be further consultation papers. If timings allowed officers would bring future consultations to the Committee.

Capital Programme

The Director reported that the figure of £210.8million in paragraph 25 of the report regarding major infrastructure scheme funding was incorrect. The 2020/21 programme amounted to £121million.

The Lead Member prefaced the Capital Programme by informing Members that the £278 million Capital Programme needed increased staffing resources within the Department to enable the Council to plan and deliver the projects.

Mr Hunt raised a concern that the Council's budget, while asking the public to pay an extra four percent for their council tax, was weighted towards new major highway projects that would only put more traffic on the roads with less emphasis on maintaining the existing infrastructure.

In response to a question regarding the risk of project delivery, the Lead Member informed Members that Government had a requirement for schemes to be 'shovel ready' to be able to secure capital funding for a project. This inevitably carried risk but to date the Council had been relatively successful in its bids. The Lead Member reiterated the need for Government to take a more medium-term approach to funding, and it was hoped the Department for Transport would consider those points.

RESOLVED:

- a. That the report and information now provided be noted;
- b. That the comments now made be forwarded to the Scrutiny Commission at its meeting on 27 January 2020.



**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY
COMMITTEE**

20 JANUARY 2020

MEDIUM TERM FINANCIAL STRATEGY 2020/21 – 2023/24

MINUTE EXTRACT

Medium Term Financial Strategy 2020/21 – 2023/24

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2020/21 to 2023/24 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 Committee also noted a question that had been received from Dr Eynon relating to the acquisition of the Thomas Cook archive by the Leicester, Leicestershire and Rutland Records Office, and the response provided by the Director. A copy of the question and response is filed with these minutes.

The Chairman welcomed Mr R Blunt CC, Cabinet Lead Member, to the meeting for this item.

Arising from the comments and questions raised, the Committee was advised as follows:

Service Transformation

The Service Transformation details were noted.

Proposed Revenue Budget

- i) The revenue budget took demographic growth and known budget pressures into account. Cost and price pressures for 2020/22 onwards had not been factored in.
- ii) Whilst the Adult Social Care Precept monies helped with financial pressures in the short-term, it was felt this was not a sustainable solution for the long-term.

Growth

- iii) Some disappointment was expressed that more growth was not required to support communities. However, the details reported related only to the work the Adults and Communities Department held responsibility for. The Director advised that work was also being carried out in other departments such as Public Health and the Chief Executive's Department and suggested a joint report could be presented to the Commission at a future meeting to provide an overview of the work the Council had been undertaking with respect of Communities, as a whole.

Adult Social Care – Savings

- iv) AC4 – Place to Live – The forecasted social care saving of £50,000 per annum associated with the “Place to Live” Brookfield development project was included in the Adults and Communities MTFS. The estimated net rental income of £150,000 pa which the project was also expected to deliver would form part of the savings for the Corporate Resources Department.
- v) AC5 Implementation of revised Target Operating Model (TOM) – The Programme was currently in the early stages of implementation and was on track to achieve the savings predicted. It was not yet possible to assess whether the Programme would over-achieve against the savings target. The Committee praised the work of all involved, noted the significant positive impact the TOM was expected to make and asked to receive regular updates on progress.

Communities and Wellbeing – Savings

- vi) Restructure of Communities and Wellbeing Service – Approximately £410,000 savings had been identified, which was nearly 10% of the total budget for the service. It was confirmed that the level of restructure required would be significant and a reduction in the number of posts was to be expected. A Human Resources action plan was in the process of being finalised which would confirm the detail.
- vii) Collections Hub – Timescales for the development of the Collections Hub (Phase 2) on the County Hall campus were dependent on the success and completion of (Phase 1) the relocation of the Record Office.

Savings Under Development

- viii) Social Care Investment Plan (SCIP) – Although the overall strategic aim was to reduce the number of people placed in residential care and increase the number supported in community settings, it was acknowledged there would always be a need for residential and nursing care provision, particularly where night time needs were concerned. In recognition of this, the Department had identified several specialised services as part of its upcoming Home Care Services procurement, which included a service that specifically focussed on providing night time support.

- ix) Digital Technology – With consideration to the review of the use of assistive technology and the Department’s digital offer to local residents, a range of initiatives were being tried and tested. In response to comments raised, the Director provided assurance that not all equipment being considered relied on an individual having to operate it. For example, monitoring equipment was available which could work in the background to provide updates on a service user’s condition. It would be key to strike a balance to ensure that personalisation of service was not replaced with technology as this would increase levels of social isolation.

Health and Social Care Integration

- x) Better Care Fund (BCF) – The current BCF was expected to rollover for another 12 months. Work would be taking place at a national level over the next few months to review outcomes and governance arrangements. It was anticipated that there would be a further three-year programme, but this had not yet been confirmed.

Other External Influences and Other Funding Sources

- xi) In terms of Government funding for the Department in the long-term, it was confirmed that, whilst funding up to March 2021 was certain, there was a lack of clarity regarding funding arrangements for future years.
- xii) Care Act 2014 - Changes in Social Care Legislation – Changes that were originally set take effect in April 2016 had been postponed to 2020. Concern was raised around the proposals to cap the costs of care and accommodation and the impact this could have on the Department and the local care market. The Director confirmed that the Department had previously (in 2015) undertaken an analysis of the care market and the level of provision required to manage the changes. The analysis at that time concluded that the changes would significantly increase costs for local authorities and reduce costs for self-funders. The changes would also be resource intensive as they would result in triple the number of assessments currently carried out. If the changes were implemented, a further analysis would need to be undertaken to reflect current market prices.
- xiii) It was noted that the increases to the Living Wage would have a significant impact on the Adults and Communities Department. It would be important to ensure that the budget for central items contained sufficient contingency to be able to respond to the increase. This point would be drawn to the attention of the Scrutiny Commission.

Capital Programme

- xiv) The Trees Refurbishment was currently in the development phase. Residents had been moved into alternative accommodation to allow for the building works to commence. It was anticipated that the refurbishment would be complete towards the end of the summer 2020.

RESOLVED:

- a) That the Scrutiny Commission be recommended to consider a report on how the Council supports communities at a future meeting;
- b) That the report and information now provided be noted;
- c) That the Committee's comments be submitted to the Scrutiny Commission for consideration at its meeting on 27 January 2020.

CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE
21 JANUARY 2020

MEDIUM TERM FINANCIAL STRATEGY 2020/21 – 2023/24

MINUTE EXTRACT

Medium Term Financial Strategy 2020/21 – 2023/24

The Committee considered a joint report of the Director of Children and Family Services and the Director of Corporate Resources which provided information on the proposed 2020/21 to 2023/24 Medium Term Financial Strategy (MTFS) as it related to the Children and Family Services Department. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed Mr. I. D. Ould OBE CC, Cabinet Lead Member for Children and Family Services, to the meeting for this item.

Arising from the discussion, the following points were raised:

Service Transformation

- i) The transformation programme continued to be targeted at the development and implementation of a sustainable, cost effective operating model for the department that improved outcomes for children and young people in Leicestershire. The department had significant transformation projects charged with delivering the MTFS savings – the development of the Care Placement Strategy, children's centres and early help services and services for pupils with High Needs.

Proposed Revenue Budget

- ii) The total gross proposed budget for 2020/21 was £330.9m with contributions from specific grants, health transfers and service user and partner contributions projected at £250m (including £110m, excluding schools, of services funded from the Dedicated Schools Grant). The Director informed the Committee that the table at paragraph 10 of the report, which detailed the proposed net budget, was titled 2019/20, but was in fact the figures for 2020/21.

Growth

- iii) Growth over the next four years totalled £20.895m, including £7.795m in 2020/21. In response to a query, it was stated that this figure was the amount that would be required if the department took no action to reduce

demand or to change the way it was working. Work was currently taking place to determine how to reduce demand on the service and the costs, and in terms of social care placements, it was hoped that the introduction of the Care Placement Strategy would have an impact on the unit cost of placements.

- iv) The Lead Member for Children and Family Services confirmed that the department would be receiving no additional money, but he was gratified by the additional funding that the department had received over the last five years. He gave assurance that the department had a number of statutory duties and these would continue to be met.
- v) In relation to G1 – social care placements – there was currently 622 looked after children in Leicestershire, and current projections indicated an increase of 12%. It was noted that a number of children had entered the system with significant and complex needs and a question was asked around whether these children entered the social care system from another area of the system or whether their complex needs were unknown. The Director explained that some young people would have been identified and other areas of the service would be working with them. In the main, however, young people were being identified as a result of a greater understanding of criminal exploitation; these were generally older young people with greater complex needs. As a result, there was significant additional pressure on the system in terms of the type of placement required. This was at a time when the market was very challenged due to a reduction in the number of available places and higher costs from providers.
- vi) The increase in the average weekly cost of provision was noted. The average weekly cost to social care of external residential placements was £7,390 (an increase of over £300 per week) and for 16+ supported accommodation placements, it was £1,330 (an increase of £117 per week).
- vii) It was stated that the department was working on a service redesign for residential care and this included preventative work. Work had already taken place around those on the edge of care, how to work with partners to deliver services to young people, and how to work with families to keep children at home.
- viii) In relation to G4 – social care staff – increased caseloads – the department had remained reliant on agency staff and investment in additional social worker capacity was therefore required. It was noted that the department was introducing a new operating model and was in the early stages of considering ways of working to reduce demand on the service. A review would be undertaken that would analyse ways of working, and this would include the role of Barnardo's as the department's strategic partner.

- ix) Attention was drawn to G9 – Unaccompanied Asylum Seeking Children (UASC) – where the demand on the budget continued to increase. There were currently 103 UASC for whom Leicestershire County Council had responsibility and although the Home Office had increased its funding rates, this was still not sufficient.

Savings

- x) Activities continued to be undertaken to reduce social care placement costs. This included the recruitment of foster carers, the development of a new local framework for providers and the Dedicated Support Team working intensively with high cost placements or those at risk of breakdown.
- xi) CF3 – Early Help Review – highlighted the realisation of the full year impact of savings and related to staff notice period and property costs that could not be realised until 2020/21. It was agreed that the long term impacts of the review would need to be monitored. In response to a query, it was agreed that there was a link between vulnerable families and criminal exploitation. As part of the review, money had not been taken from frontline staff so families could continue to be supported at the same level. As part of the growth received for 2020/21, the department had strengthened its work with more vulnerable young people and had put in additional resources for those who were being criminally exploited.
- xii) Significant progress was being made across the department in relation to staff absence (CF4) and it was anticipated that the target for 2020/21 was achievable.

Dedicated Schools Grant/Schools Block

- xiii) For 2020/21, the Dedicated Schools Grant (DSG) remained calculated in four separate blocks – Schools Block, Central School Services, High Needs and Early Years. In relation to the Schools Block, 2020/21 continued the move towards a National Funding Formula for schools. In respect of school formula funding, this represented a cash increase of 6%.
- xiv) The funding allocation for the Central School Services block was being reduced nationally from 2020/21; this would be a financial pressure for the medium term as the funding was phased out but the commitments retained.
- xv) For the High Needs Block, it was noted that Leicestershire received £2.1m funding to ensure that local authorities did not receive a funding reduction as a result of the introduction of the formula. Confirmation of the 2020/21 grant was not expected until March 2020 – this included additional funding announced by the DfE in September 2019 and was an increase of 7% from the 2019/20 baseline.

- xvi) The 2020/21 MTFS set the overall Schools Budget as a net nil budget at local authority level. However, there was an annual funding gap of £10.531m which would be an overspend against the grant. It was anticipated that the department would be required to submit a recovery plan to the DfE for each year of the MTFS.
- xvii) 26 new primary and three new secondary schools were expected to be built in Leicestershire in the medium to long term. The revenue requirement was difficult to assess, although early estimates suggested that the cost could be managed within the existing grant. Expenditure was expected to rise annually from 2021/22 and annual underspends in growth funding would set aside in the DSG Earmarked Fund to meet the peak.

School Funding Formula

- xviii) It was noted that the minimum per pupil funding levels had been made mandatory. Despite the overall increase in budget, some schools remained on the funding floor and would experience a real terms decrease in income.
- xix) The introduction of two additional factors to the school funding formula – sparsity and pupil mobility – would ensure that the Leicestershire formula fully reflected the National Funding Formula. This had been supported by the Schools Forum and would be considered by the Cabinet at its meeting on 7 February 2020.

High Needs

- xx) The escalating cost of providing SEND services was one of the main financial pressures impacting local government nationally. For 2020/21, it was estimated that the funding gap would be £11m and the cumulative deficit was expected to total £19m. The financial deficit was expected to continue increasing and the department was looking at how it could reduce demand.
- xxi) Concern was raised that local authorities would be required to set aside revenue funding to offset liability and that this would require expenditure reductions in other areas of the authority. The Director confirmed that this was a national funding issue and that the local authority would be unable to sustain the level of overspend from the High Needs Block. Although a programme was in place to reduce the budget, the amount of funding coming to local authorities was a national issue and placed significant pressure on the County Council.

Other Funding Sources

- xxii) Grants were largely received from the DfE, who to date had not confirmed many of the allocations. However, it was assumed that the grants would continue at the 2019/20 levels.

Capital Programme

- xxiii) The programme focused on two significant areas, one of which was the need to provide additional primary school places. It was estimated that additional places would be delivered in 2020/21. The programme also included an investment in SEND provision to increase local provision and would provide a total of 500 additional SEND places.

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 2020.

SCRUTINY COMMISSION: 27 JANUARY 2020**MINUTE EXTRACT****64. Provisional Medium Term Financial Strategy 2020/21 - 2023/24.**

The Commission considered a report of the Director of Corporate Resources which provided information on the proposed 2020/21 to 2023/24 Medium Term Financial Strategy (MTFS) as it related to Corporate and Central items, provided an update on changes to funding and other issues arising since the publication of the draft MTFS and provided details of a number of strategies and policies related to the MTFS. 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, the Deputy Leader and Cabinet Lead Member for Resources, Mr J B Rhodes CC, and the Cabinet Lead Member for Communities, Mrs L Richardson CC, to the meeting for this item.

In his introduction to the report, the Director of Corporate Resources reminded members that the Council's financial position had been challenging since 2010. The key driver had been the reduction in funding. This was the first budget since 2010 where the Council had had a meaningful increase in funding from central Government. Despite this, the MTFS contained a number of challenges and risks, notably the SEND (Special Educational Needs and Disabilities) budget.

The Leader of the Council advised the Commission that increases in the National Living Wage would have a knock-on effect on pay differentials, particularly towards the bottom of the pay scale. The impact would need to be reviewed in future iterations of the MTFS. With regard to the forthcoming Devolution White Paper, the Leader felt that the Council's previous work on the business case for a unitary model of local government in Leicestershire had put it in a good position but that the business case might need amending in the light of the White Paper. However, he expected that any local government reorganisation would take a number of years and therefore the Comprehensive Spending Review and the Fair Funding Review were both needed to address the Council's short-term financial challenges. It was expected that an announcement regarding the Comprehensive Spending Review would be made at budget time.

The Deputy Leader and Cabinet Lead Member for Resources advised that the Ministry for Housing, Communities and Local Government was intending to provide more detail relating to the Fair Funding Review in the Spring. This was expected to include examples of what the review would mean for individual councils and some detail of the methodology that had been used.

The Deputy Leader confirmed that the following changes to the MTFs would be included in the report to the Cabinet in February 2020:

- SEND figures would need adjusting to reflect the most recent information that was available;
- £100,000 extra would be made available for Shire Grants;
- The scams intervention project, provided by Trading Standards, would receive £75,000 to enable it to continue;
- The £130,000 saving from the Recycling and Household Waste Sites, intended to be achieved through a reduction in opening hours, would be removed.

Arising from discussion and questions, the following points were raised:

Revenue Budget

- (i) The Commission welcomed the report, which demonstrated the Council's good financial management. Members were also pleased to note that the opening hours of Recycling and Household Waste Sites would remain unchanged and that the £130,000 saving was no longer required.
- (ii) The additional funding for the scams intervention project and Shire Grants was welcomed. Members requested a written briefing on Shire Grants which could be shared with residents. The Cabinet Lead Member for Communities, Mrs L Richardson CC, confirmed that this would be made available and also advised members to look at the communities website.
- (iii) The growth set out in the MTFs would, in some areas, require additional staff to be employed. Children's Social Care was one such area.
- (iv) In response to a query regarding health and social care integration, it was confirmed that Leicestershire had a successful programme. However, the NHS also required integration to take place at system level, defined as Leicester, Leicestershire and Rutland, which was more difficult. To facilitate greater joint working, the local NHS was now engaging with Executive members as well as the Health Overview and Scrutiny Committee and some meetings which also involved the City Mayor and his Cabinet would take place. The Leader commented that he welcomed the introduction of these meetings and that the initial meeting had been positive.
- (v) Some concern was expressed that the Clinical Commissioning Groups (CCGs) were struggling to produce a balanced budget and that this could have an impact on the health and care integration programme. It was noted that the local response to the NHS Long Term Plan should be published in the Spring. This would give an indication of the extent of the financial difficulty faced by the CCGs.
- (vi) The New Homes Bonus was being phased out by the Government. It was not yet known whether it would be replaced by a new system or abolished and the funding returned to form part of the total amount of money that the Government made available for local government.

- (vii) It was not known when the review of business rates would be undertaken by the Government. It was noted that, through the 75% retention of business rates policy, the Government was already moving away from a system based purely on business rates to one based on the level of activity in an area.
- (viii) With regard to the plan to address overspends in the SEND budget, it was confirmed that the key part of the plan related to managing demand, including how applications for support were assessed, and part required the provision of additional places. 200 additional places had been created so far. However, increases in demand had meant that it had not been possible to move some children from expensive, independent sector provision. The number of children and young people with Education, Health and Care Plans increased by approximately eight percent each year. It was also noted that the system was designed to support parents and that the majority of appeals at tribunal went against the County Council, which further increased costs.

Capital Programme

- (ix) The Deputy Leader advised that the size of the Capital Programme reflected the proposed level of housing and economic growth in Leicestershire and associated requirements for infrastructure. Section 106 contributions would be essential, but the agreements were determined by the district councils as Local Planning Authorities and their decisions could reduce the level of funding available to the County Council in order to meet other local needs, in some cases significantly. This in turn would increase the pressure on the County Council's budget.
- (x) With regard to the proposal to share the risks relating to the forward funding of infrastructure for major developments with district councils, the Commission was advised that the scale of development proposed for Leicestershire would otherwise expose the County Council to too much risk. Risk sharing agreements would need to be developed on an individual basis, reflecting the degree of risk for each scheme.
- (xi) It was confirmed that the County Council submitted robust, evidence-based requests for Section 106 funding, not least for education provision in new housing developments, but that it was a matter for the Local Planning Authority to agree the requests.

In closing the debate, the Deputy Leader advised the Commission that, to date, the County Council had made sufficient savings to enable it to set a balanced budget. However, the opportunities to make savings in the future were limited. An outcome of the Fair Funding Review which ensured that the Council was funded adequately in the future was needed.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 7 February.

65. Medium Term Financial Strategy 2020/21 - 2023/24 - Chief Executive's Department.

The Commission considered a joint report of the Chief Executive and Director of Corporate Resources which provided information on the proposed 2020/21 MTFS as it related to the Chief Executive's Department. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

The Chairman welcomed Mr N J Rushton CC, Leader of the Council and Mrs L Richardson, Cabinet Lead Member for Communities, to the meeting for this item.

It was noted that in May 2019, the Cabinet had agreed to establish a Growth Unit to enable the Council to respond to the scale of growth in Leicestershire and its impact on the Capital Programme. To date, the Growth Unit had been obliged to focus its efforts on the development to the east of Lutterworth. Positive conversations had also taken place with Harborough and Blaby District Councils. The Unit was operating with a skeleton staff but the aim was for it to be fully operational by April 2020.

Officers undertook to provide a written response to a query regarding the timescales for phase 4 of the superfast broadband project.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 7 February.

66. Medium Term Financial Strategy 2020/21 - 2023/24 - Corporate Resources Department.

The Commission considered a report of the Director of Corporate Resources which provided information as it related to the proposed 2020/21 MTFS as it related to the Corporate Resources Department. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

The Chairman welcomed the Deputy Leader and Cabinet Lead Member for Resources, Mr J B Rhodes CC, to the meeting for this item.

Arising from discussion and questions the following points were raised:

- (i) With regard to the additional resources required to manage the increasing asset portfolio held by the authority (G35), the growth was felt to be modest, but reflected the extra demands placed on Strategic Property Services by the size of the Capital Programme, social care investment schemes and energy efficiency schemes.
- (ii) It was suggested that the growth required to improve complaints handling (G37) would not be needed if the right decision was made in the first place. However, the growth related to the fact that the County Council was receiving more complaints, as well as the increased complexity of complaints, particularly relating to SEND and SEND transport.

- (iii) It was felt that the resources allocated for environmental improvements during 2020/21 were small given the significance of the climate change agenda. It was explained that the funding had been split into departments and that in total £16 million had been allocated to carbon reduction. The largest allocation was the solar farm planned at Quorn. In future reports, consideration would be given to presenting the total amount of funding available to address climate change given it would be a growing influence on the capital programme.
- (iv) With regard to County Farms, it was confirmed that staff and acquisition costs were charged to the Capital Programme whereas the ongoing maintenance and income generated both formed part of the revenue budget. In terms of revenue, the rate of return, from rental income, was low but there would be significant financial benefits if some of the land was made available for housing and infrastructure. More detail on the performance of County Farms and the amount of land made available for development would be included in the Corporate Asset Investment Fund Annual Report.
- (v) The Council was making good progress with its digital strategy. Key customer facing services were being digitised, for example the blue badge renewal process. However, it would take time for the digital initiatives to have an impact on the Customer Service Centre. A workplace strategy was also in place to support staff to make better use of digital technology and consideration was being given to improving the digital offer for elected members. A proposal for trialling paperless meetings would shortly be considered by the Group Leaders.
- (vi) It was confirmed that the Country Parks cost approximately £300,000. The café at Beacon Hill would broadly break even or make a small profit this year which was to be welcomed given that it had only been operating for six months, largely over the autumn and winter period. Officers undertook to provide a written note of where the Country Parks were accounted for in the departmental budget.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 7 February.

67. Medium Term Financial Strategy 2020/21 - 2023/24 - Consideration of Responses from Overview and Scrutiny Committees.

The Commission considered extracts from the minutes of the Overview and Scrutiny Committee meetings held to consider the Medium Term Financial Strategy (MTFS) 2020/21 to 2023/24 as it related to the County Council departments. A copy of the minute extracts is filed with these minutes.

Arising from discussion the following points were raised:-

Health Overview and Scrutiny Committee

The Chairman of the Health Overview and Scrutiny Committee drew members' attention to the uncertainty regarding the future funding of Public Health and the lack of clarity from central Government.

Environment and Transport Overview and Scrutiny Committee

Members commented on issues relating to temporary traffic management, in particular where grass verges were damaged during roadworks. It was confirmed that where this was the fault of the company undertaking the roadworks, this should be reported to the Customer Service Centre so the company could be asked to repair the damage. It was not possible to recharge the company for damage caused by individual road users. The Leader of the Council confirmed the view of the administration that, if more funding became available, it needed to be invested in highways maintenance.

The Commission welcomed the decision previously announced by the Deputy Leader to remove the savings requirement from the Recycling and Household Waste Sites (ET5).

Adults and Communities Overview and Scrutiny Committee

The Chairman of the Adults and Communities Overview and Scrutiny Committee advised that the Committee was very impressed with the programme to introduce a new Target Operating Model into the department. Members were proud of the Cabinet's vision and the hard work of officers as this was expected to make a dramatic change to the department's budget.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 7 February.

This page is intentionally left blank