



SCRUTINY COMMISSION – 5TH FEBRUARY 2008

Medium Term Financial Strategy 2008/09 to 2010/11 - Chief Executive's Department.

The Commission considered a report of the Chief Executive and Director of Corporate Resources concerning the Medium Term Financial Strategy and the implications for the Chief Executive's departmental budget. A copy of the report, marked 'A', is filed with these minutes.

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

Revenue

- i) the additional £95,000 for legal services would reduce the use of external legal services and provide it on a more economical basis in-house. The growth for legal services in the Children and Young People's Service was to contribute to the shortfall in the cost of legal services. The increase cost arose from the increased complexity of care proceedings;
- ii) the increased demand on legal services in relation to company formation was attributable to the work involved in establishing the new Connexions Service as a local authority controlled company, work required on establishing several companies to deliver the extended schools programme, and potential work from the emerging regional sub-regional agenda;
- iii) part of the additional £160,000 would be used to support leadership capacity for district and third sector partners serving on the Leicestershire Together Board. This was identified as an issue in the recent Peer Review and would be important to the delivery of the LAA. With regard to scrutiny of the LAA, the Committee was advised that, following representations, the Government was beginning to recognise the importance of member involvement in the LAA and it was hoped that the Commission could take the initiative on scrutiny;
- iv) the growth for the Inter-Agency Community Safety Bureau would ensure that information and intelligence previously gathered through the Number 101 Service, which would now

come through a number of agencies, was assessed and responses co-ordinated;

- v) there would be additional staffing as a consequence of the following growth proposals:-
- Local Resilience Forum
 - Legal Services
 - LAA Implementation
 - Research and Information Capacity
 - 2012 Olympics regional youth response

Capital Programme

- vi) the £100,000 for Protecting and Enhancing Rural Leicestershire would be used to support local initiatives such as Community Transport and Village Halls.

RESOLVED

- a) That the report and information now provided on the implications of the Medium Term Financial Strategy for the Chief Executive's Department be noted;
- b) That the Scrutiny Reference Group be asked to give further consideration to arrangements for scrutiny of the Local Area Agreement.

Medium Term Financial Strategy 2008/09 to 2010/11 – Corporate Resources Department.

The Commission considered a report of the Director of Corporate Resources concerning the Medium Term Financial Strategy and the implications for his department's budget. A copy of the report, marked 'B', is filed with these minutes.

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

Revenue

- i) the Department had looked at the scheme adopted by Worcestershire County Council of engaging a specialist audit company to review invoice payments but concluded that this was not a priority as existing audit arrangements were deemed to be robust;
- ii) the savings of £95,000 in Property Services had been realised through bringing together the services previously undertaken separately by Departments. It was anticipated that further efficiency savings would be realised through re-engineering of the Property Services functions;

Capital

- iii) At this stage £180,000 had been included to continue the programme of works to make County Council buildings DDA compliant. No provision had been made in the subsequent year as a review of County Council accommodation is currently underway;
- iv) The County Farms portfolio generated a profit and the proposed investment would ensure it continued to do so;

Change Management

- v) The investment in the Change Programme would largely be recouped through efficiency savings during the five year investment programme. There would also be an on-going annual saving of £6 million. The all party Member Change Board received regular reports on the Change Programme.

RESOLVED

That the report and information now provided on the implications of the Medium Term Financial Strategy for the Corporate Resources Department be noted.

Medium Term Financial Strategy 2007/08 to 2009/10 – Overall Position.

The Commission considered a report of the Chief Executive and Director of Corporate Resources concerning the overall position on the Medium Term Financial Strategy for 2008/09 to 2010/11. A copy of the report marked 'C' is filed with these minutes. Appended to the report were the following documents:-

- i) the Medium Term Financial Strategy which had been approved by the Cabinet on 10th January as a basis for consultation;
- ii) a supplementary report of the Director of Corporate Resources setting out additional information that had become available since the MTFS was approved by the Cabinet on 10th January;
- iii) the comments of the following Overview and Scrutiny Committees:-
 - Community Services;
 - Adult Social Care and Health;
 - Children and Young People's Service;
 - Environment.

The Director of Resources drew the Commission's attention to the changes that had taken place since the Cabinet report had been written. This would result in a net additional spend of £193,000. This additional expenditure would be met from the £1million set aside in the budget for the LAA and service improvements. He also advised that the Council's contribution to the flood defence levy had reduced by £60,000.

The Leader advised the Commission as follows:-

- i) Delivering cashable efficiency savings was necessary to:
 - deliver the MTFs with lower council tax increases and service improvements
 - meet the Government's efficiency target;
 - retain the Council's 4 star 'value for money' rating.
- ii) Achieving the efficiency savings would not be easy. He drew a distinction between savings which involved service reconfiguration (most likely in the case of adult social care) and those which would be invisible to service users and members. In the case of the latter he suggested that these should be left to officers to implement and manage. He gave an assurance that if changes affecting service users were being proposed a report be brought to the Scrutiny Commission and the relevant Overview and Scrutiny Committees in the summer setting out areas which are being considered.

The Chairman of the Commission suggested that it would be helpful for each Overview and Scrutiny Committee to discuss, in a workshop setting, issues and challenges facing relevant services following the Annual Meeting of the Council.

The Commission was also advised of a proposal to be considered by the Cabinet to allocate an additional £200,000 to expand an existing youth work team (the Impact Project) which worked with young people to dissuade them from becoming involved in anti-social behaviour and crime. The Commission asked that details of the proposals should be circulated to members.

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

- i) Government efficiency targets were based on net expenditure and, as such, it was considered important to ensure that clear efficiency targets were set for each service area which could then be scrutinised. These efficiency targets were particularly challenging and, in recognition of the risk associated with their achievement in 2010 and subsequent years, a contingency had been built into the budget. The Change Programme was instrumental in assisting the Council to deliver cashable savings but also to look critically at how services were provided to ensure service improvements. Discussions would take place with other Authorities to share experience and good practice, as appropriate;

- ii) good progress had been made with neighbouring City and County authorities including Leicester City Council, on the shared services agenda. Work was in hand to engage further with District Councils on this agenda but so far the District response had generally been disappointing.
- iii) The Cabinet on 11th February would consider the initiative to extend the Impact Project which worked with young people to dissuade them from becoming involved in anti-social behaviour and crime, and then come to a view as to how this might be funded.

With regard to the views of the Scrutiny Committees the following points were highlighted by members of the Commission which the Leader undertook to draw to attention of the Cabinet:-

- i) the need for further investment in highways drainage as a flood alleviation measure;
- ii) the proposals from the Community Services Scrutiny Committee on closer working with the City Council including developments linked to the 'Curve' (the new Performing Arts Centre);
- iii) the implications of the decision of the Arts Council to withdraw funding for the Literature Support Officer.

RESOLVED:

That the report and information now provided on the Medium Term Financial Strategy be noted and that the comments now made and those of the Scrutiny Committees made be forwarded to the Cabinet.