

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 15 December 2010.

PRESENT

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

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| Mr. A. D. Bailey CC | Mr. P. G. Lewis CC |
| Mr. R. Blunt CC | Mr. M. B. Page CC |
| Mrs. R. Camamile CC | Mrs. R. Page CC |
| Dr. R. K. A Feltham CC | Mr. B. L. Pain CC |
| Mr. Max Hunt CC | Mrs. P. Posnett CC |

In Attendance:

Mr. D. R. Parsons CBE CC (For Minute 132)

125. Minutes.

The minutes of the meeting held on 10 November were taken as read, confirmed and signed.

126. Question Time.

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

127. Questions asked by members under Standing Order 7(3) and 7(5).

Mr. Max Hunt CC asked the Chairman the following questions under Standing Order 7(3):-

Third Sector Grants

- "1. In view of some concerns expressed about the financing of the George Ward Community Centre in Barwell, understood to be leased by the George Ward Centre Ltd (GWC Ltd) and owned by the County Council, could the Chairman tell the Commission:
- (a) The estimated annual fixed costs of running the Centre for the next three years;
 - (b) The estimated income for the next three years, the sources of that income, and any related costs;
 - (c) Who is liable for meeting any deficit, year on year and what reserves are known to be available to GWC Ltd. to meet this;

- (d) The names of the current Trustees/Directors and the other shareholders or body who are responsible for appointing Trustees or Directors?
- (e) To whom and where annual accounts and annual reports are required to be presented annually (apart from Companies House).
2. Would he confirm that the County Council will underwrite losses of the Company up to the value of £20,000 per annum until 2012/3 and that £20,000 has already been paid in 2010?
3. How many other community facilities in receipt of financial support from the County Council are managed by companies limited by guarantee, and could he list these?
4. Given that some personal responsibility and a level of financial liability falls upon individual Directors or Trustees when managing community facilities, what training and advice does the County Council offer to prevent such companies from getting into personal or collective difficulties?
5. Can he confirm which community organisations (other than Parish or Town Councils) managing such facilities and in receipt of grants from the County Council, have submitted Annual Accounts for the last financial year and how many are outstanding?"

The Chairman replied as follows:-

"1. The George Ward Community Centre is owned by Leicestershire County Council and is leased to the George Ward Centre Ltd.

(a) The estimated costs of running the Centre are as follows:

- 2010/11 - £70,612;
- 2011/12 - £99,938;
- 2012/13 - £103,266.

(b) The estimated income for the Centre is as follows;

- 2010/11 - £75,026;
- 2011/12 - £101,088;
- 2012/13 - £114,599.

The principal sources of income are room rental, event hire, County Council funding and a County Council utility contribution reflecting the utility costs of the library located within the Centre.

(The figures in the answers to (a) and (b) for 2010/11 reflect the opening of the Centre from July 2010 onwards. All estimates are for a March to February financial year. Alternative projections based on additional staff and room rental projections have also been prepared by the Company.)

- (c) George Ward Community Centre Ltd. is responsible for managing the Centre, including meeting any deficit that may arise. Reserves have not yet been generated within the time the centre has been in operation;
 - (d) The current Directors of the company are Tricia Smith, Ken Barsby and Paul Cooney. The current Directors were appointed by a meeting of the George Ward Community Project Group held on 12 January 2010. The Directors will stand down for an election of Directors at the Annual General Meeting of George Ward Centre Ltd. to be held in April 2011;
 - (e) Annual accounts and reports are to be provided to the County Council, which is providing tapered revenue funding to help enable the Company to establish as a sustainable operation. This funding amounts to a total of £180,000 over three years from the opening of the Centre.
2. This year, two quarterly payments of £20,000 each have been made. There is no commitment to underwrite any losses at the Centre.
 3. Community centre facilities in receipt of funding from the County Council and managed by companies limited by guarantee are as follows:
 - Rosebery St Peter's Community Centre, Loughborough;
 - Fearon Hall, Loughborough;
 - Shree Ram Krishna Centre, Loughborough;
 - Gorse Covert Community Centre, Loughborough;
 - Hugglescote, Snibston and Ellistown Community Centre;
 - Westfield Community Development Association, Hinckley.
 4. The County Council does not provide training on financial liability issues, but would expect organisations to seek advice and information as necessary from relevant organisations such as the Charity Commission. Voluntary Action LeicesterShire can also assist with advice and providing contacts for information.
 5. Annual accounts have been received from the following community organisations that are responsible for managing the above facilities:
 - Rosebery St Peter's Community Centre Ltd.;
 - Fearon Community Association Ltd.;
 - Gorse Covert Community Centre, Loughborough;
 - Hugglescote, Snibston and Ellistown Community Centre.

Draft accounts have been provided by Westfield Community Development Association and audited accounts are to be provided at the AGM on 11 November. The accounts for the Shree Ram Krishna Centre are expected later this month.”

Mr. Hunt asked the following supplementary question in relation to Question 1:

“Can I be provided with further information in relation to the accountability of Management Committees and Public Limited Companies?”

The Chairman replied to the effect of:

“I think this is a matter on which you are entitled to seek officer advice on outside this Committee.”

128. Urgent items.

The Chairman indicated that he had agreed to take a report of the Chief Executive updating on progress made in relation to the arrangements for the Single Delivery Vehicle as an item of urgent business (minute 134 below refers).

129. 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.

No declarations were made.

130. Declarations of the Party Whip.

There were no declarations of the party whip.

131. Petition: To Request the Council to Review its Policy on Pavement Cafes and to ask they not be charged in order that they can Continue to Support the Economy of Melton Mowbray.

A petition submitted by Dr. Matthew O’Callaghan, a local Borough Councillor and Mr. Michael Cooke, Editor of the Melton Times, signed by 2,801 local residents was presented to the Commission by Dr. O’Callaghan in the following terms:

“We the undersigned call on Leicestershire County Council to review its policy on pavement cafes and not to introduce charges for them so that the cafes can continue to support the economy of Melton Mowbray.”

With the consent of the Chairman, Dr. O’Callaghan addressed the Commission and made the following points in support of the petition:

- 16 cafes, restaurants and bars in Melton were affected by the introduction of a policy to charge for a pavement presence;
- Of the 16 affected, only three intended to pursue paying for the license. The remaining 13 would cease having a pavement presence. It was felt that this would have a negative impact on the area which was recognised as the ‘Rural Capital of Food’;
- It was unlikely that those affected would be able to site their tables and chairs if they were to fully adhere to the policy;

- The opinion of owners was that it was an unnecessary and onerous burden;
- There were no known accidents as a result of pavement cafes.

RESOLVED:

That a full report on this matter be submitted to the Commission at its next meeting on 19 January 2011.

132. MTFS Prospects for 2010/11-2013/14.

The Chairman welcomed the Leader of the Council to the meeting and invited him to outline his thoughts on the Council's financial position and other key issues in view of the imminent announcement of the Local Government Finance Settlement and following the Corporate Spending Review, announced by the Chancellor earlier in the year.

Arising from discussion, the following points made by the Leader were noted:

Localism Bill

- The abolition of the Standards Board for England was welcomed. The new 'General Power of Competence' was also to be welcomed, as it would allow local authorities to do anything an individual could do (subject to the same legal limitations), instead of being restricted to what Parliament had expressly authorised;
- The new system for directly elected mayors was radical and would almost certainly have an impact on the relationship between the County and the City, though it was felt that this could be a positive impact;
- The new planning system which placed communities at the heart of decision making in place of top-down targets was welcomed;
- Community empowerment was an important issue, though it would be the Council's job to engage the public to take full advantage of the powers contained in the Bill and 'enable' this transition to take place;
- The Bill recognised the importance of business rates as making a key contribution to the degree by which local authorities could become self-sufficient in the future;
- There was a clear role for 'backbench' members to engage volunteers and encourage their involvement in providing services as part of the Big Society agenda. It was important that the Council ensured that Voluntary Action LeicesterShire delivered its contracted obligations, given the funding of nearly £1 million;
- The Big Society agenda was seen as underpinning much of the Localism Bill. The Bill would enable communities to take control of services, though it was acknowledged that Leicestershire was a varied landscape and different communities would require different levels of

support to utilise their new powers;

- The Community Forums were seen to have a good future. Though there were some initial difficulties, they were now perceived to be a positive engagement tool for the Council and its partners. It was acknowledged that much of their 'success' could be as a result of the £20,000 per Forum participatory budget allocation;
- The Community Infrastructure Levy could cause some concern for some local authorities. However, it would enable local authorities to raise funds from developers undertaking new building projects in their area. The money could then be used to fund a wide range of infrastructure that was needed as a result of development;
- It was hoped that the Commission would agree to continue the Review Panel, following its interim report on operation of The Big Society in the New Year, in order to look at the Bill and the Green Paper on 'Modernising Commissioning';
- The Leader was apposed to a return to the committee system in Leicestershire County Council.

Comprehensive Spending Review (CSR)

- The Council was only marginally worse off as a result of the Local Government Settlement. As had been anticipated, the Council would have to make savings in the order of £100 million over five years, of which in excess of £50 million would be from efficiency savings, with a further figure of about £50 million expected to be saved as a result of service reductions;
- The additional £640 million earmarked by the Government to keep Council Tax at 0% for the next year was welcomed. It was a challenging environment, but not one which could be described as significantly detrimental, as it was expected that the Authority would come through this period without a significantly negative impact generally on the quality of service provision;
- The Council would see an average reduction in Formula Grant of 9.9% in 2011/12 and 7.3% in 2012/13;
- The administration would keep to its promise of no Council Tax increases for two years. It was looking at all avenues in order to make further savings, including automatic salary increments and senior staff pay. The Government's commitment, of making financial support available to Councils which achieved a 0% Council Tax increase was to be welcomed;
- In response to the comment that Overview and Scrutiny Committees did not have sufficient information to scrutinise the MTFS, the Leader asked members to raise specific issues with him in an effort to overcome this. Members would, as in previous years, receive updates via the Members' Information Service in relation to responses from the Director of

Corporate Resources to media queries;

- The Cabinet had yet to pursue the possible use of cash reserves to alleviate some of the financial pressures, though it was happy to receive advice on this in the future;
- It was felt that the Government had “woken up late” to the redistribution of business rates. Specific grants were unknown at this stage though the £6.4 million of NHS funding to support social care and benefit health was welcomed;
- The Council would still be spending in the region of £3.5 billion in the next five years. It was acknowledged that the transition period for those on the receiving end of cuts would be difficult and that they must be given as much help as possible to cope.

Community Budgeting

- The scope of this work was still under development. It was hoped that this work would go beyond helping families with complex needs, allowing the Council and its partners to prevent families becoming in need. The issues of addressing worklessness also merited consideration for the purposes of community budgeting;
- With regard to governance, the Public Service Board model was seen as a way forward for some of this work. The Council hoped to be in a position to work with partners to take decisions in one place on issues such as commissioning. The Council and partners would have to become more ‘seamless’ and this was likely to involve the transfer of resources between agencies. Pooling of budgets and co-location of service planning staff was crucial to the development of affective amalgamation of services, as had already been the case with the PCT in regard to the joint commissioning of certain services;
- The Coalition Government was enabling local authorities to have a greater say in the way services were run. It appeared to be very receptive to good ideas from local authorities and pragmatic solutions in response to the funding pressures were welcomed and it was a challenge to this and all other councils to respond in a positive manner;
- It was important for the Government to take steps to ensure a high level Ministerial group with the task of driving the community budgeting initiative forward;
- The Community Budget proposals could result in some restructuring of the County Council and its departmental structures.

RESOLVED:

That the discussion with the Leader of the Council and the points outlined above be noted.

133. Urgent item: Update on Progress with the Single Delivery Vehicle.

The Commission considered this matter, the Chairman having decided that it was of an urgent nature due to the timescales involved.

The Commission had earlier in the year received presentations from Prospect Leicestershire and Leicestershire Promotions regarding their performance and roles they undertook for the Council.

The Chief Executive reported that it had been agreed at the Leicester and Leicestershire Leadership Board to combine the work of both companies into a "Single Delivery Vehicle". The new vehicle would have to operate with substantially less resource than currently available in the combined budgets of the two companies, this was due to a reduction in funding from the County Council, City Council and district councils and the loss of funding from emda and the Homes and Communities Agency. The new Vehicle would be charged with increasing visitor numbers to the County, increasing inward investment and increasing recognition of 'place'. It was likely that work on physical regeneration would be brought back in-house and dealt with by the two local authorities. Positive discussions had already taken place between the Chief Executives of both companies in regard to the way forward, though it was noted that there were some complex legal and other technical matters to be resolved before any conclusions could be reached.

It was anticipated that there would be a resolution to the situation early in the New Year. A detailed update on the situation would be submitted to the Commission at its next meeting in January.

RESOLVED:

That the update on progress with the arrangements for a Single Delivery Vehicle be noted.

134. Issues arising from the meeting of the Commissioners and Deputy Commissioners.

The Commission considered two supplementary reports of the Chief Executive. The first report dealt with matters arising from the session held on 8 December between the Scrutiny Commissioners and the Deputy Commissioners and to seek approval to new arrangements in regard to the agreement of work programmes for all Overview and Scrutiny Committees. The second report dealt with the timetabling arrangements for the Medium Term Financial Strategy (MTFS) following the delay in the Government's announcement of the Local Government Finance Settlement. A copy of both reports is filed with these minutes.

RESOLVED:

- (a) That the provisional work programme for the period up to June 2011 be noted;
- (b) That the work programmes of both the Adults, Communities and Health and the Children and Young People's Services Scrutiny Overview and Scrutiny Committees as appended to the report be agreed;

- (c) That the Statutory Scrutiny Officer, following consultation with the Chairman and Deputy Chairman (or in the case of the Commission, following consultation with the Scrutiny Commissioners) be authorised to make amendments to the agreed work programmes, as necessary;
- (d) That the proposed arrangements for scrutiny of the MTFs, as outlined in paragraphs 4 and 5 of the relevant report, be noted.

135. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on 19 January at 11.00am.

9.30 am - 11.00 am
15 December 2010

CHAIRMAN