

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 2 February 2011.

PRESENT

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

Mr. R. Blunt CC	Mr. P. G. Lewis CC
Mr. G. A. Boulter 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
Dr. S. Hill CC	Mrs. P. Posnett CC
Mr. Max Hunt CC	Mr. R. J. Shepherd CC

In Attendance:

Mr. D. R. Parsons CBE CC	(For Minute 158)
Mr. N. J. Rushton CC	

151. Minutes.

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

152. Question Time.

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

153. Questions asked by members.

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

154. Urgent Items.

There were no urgent items for consideration.

155. 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.

Mr. D. R. Parsons CBE CC, Leader of the Council and Mr. N. J. Rushton CC, Deputy Leader of the Council, each declared a personal prejudicial interest in the Medium Term Financial Strategy (MTFS) 2011/12 – 2014/15 (minute 158 refers), as they had attended the meeting of the Cabinet when this item was discussed.

The following members each declared a personal, non-prejudicial interest in respect of all items on the agenda as members of district/borough or parish councils:

Mr. R. Blunt CC
 Mr. G. A. Boulter CC
 Mrs. R. Camamile CC
 Mr. S. J. Galton CC
 Dr. S. Hill CC
 Mr. Max Hunt CC
 Mr. P. G. Lewis CC*
 Mr. M. B. Page CC*
 Mr. B. L. Pain CC
 Mrs. P. Posnett CC
 Mr. R. J. Shepherd CC*

* Dr. R. K. A. Feltham CC, together with those members highlighted above, each declared a personal, non-prejudicial interest in respect of any discussions on the MTFS item that concerned concessionary travel as holders of bus passes (Minute 158 refers).

Mr. B. L. Pain CC further declared a personal, prejudicial interest in respect of the MTFS item as the owner of a taxi company. He indicated that he would leave the room if the debate on this item strayed into the area of concessionary travel and issues such as taxi vouchers (Minute 158 refers).

156. Declarations of the Party Whip.

There were no declarations of the party whip.

157. Presentation of Petitions under Standing Order 36.

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

158. Medium Term Financial Strategy 2011/12 - 2014/15.

The Commission considered a joint report of the Chief Executive and Director of Corporate Resources concerning the Medium Term Financial Strategy (MTFS) 2011/12 to 2014/15. A copy of the report, marked 'B', is filed with these minutes.

The Commission also considered supplementary reports setting out the comments of the Overview and Scrutiny bodies on the Medium Term Financial Strategy relating to their respective service areas. A copy of the supplementary report, marked 'BB', is also filed with these minutes.

The Chairman welcomed to the meeting the Leader of the Council, Mr. D. R. Parsons CBE, CC and the Deputy Leader of the Council, Mr. N. J. Rushton CC who were attending for this item.

During the discussion, the following principal points were made:

General

- (i) The Director of Corporate Resources advised the Commission that in a written statement the Under Secretary of State had announced the details of the final local government finance settlement for 2011/12. This would be the subject of a debate in the House of Commons on 9 February. The changes in the County Council's Formula Grant figure for 2011/12 and provisional figure for 2012/13 were as follows

2011/12 Reduction in Formula Grant of £51,000

2012/13 Increase in Formula Grant of £26,000.

- (ii) In recognition of the particular issues in relation to the CYPS Budget as a result of the significant loss of specific grants, the Leader had indicated at the meeting of the Cabinet on 19 January that £5 million from the Council's reserves could be used to ease the transition of services that were currently funded by specific grant. The detail of how this £5 million would be allocated was yet to be determined and a report would be submitted to the Cabinet in due course. The Director also advised that he was looking to use the underspend in the current financial year towards the £5 million reserve to be used for the CYPS budget.
- (iii) The Leader advised the Commission that, although this was a difficult budget settlement which required significant savings of the County Council, the majority (70%) of which would be met from efficiency savings, the proposed budget also contained significant growth for Adult Social Care (£26 million) and Children in Care (£2 million). He also welcomed the additional £6.4 million NHS funding which would be used to mitigate some of the proposed reductions and invest in new services to benefit health.
- (iv) In formulating the budget, the views of Leicestershire residents had been taken into account. The Leader was keen to let it be known there was growth in the budget. In addition to the items mentioned by the Director of Corporate Resources, he particularly welcomed the investment of £500,000 in Big Society initiatives and the provision of £1.5 million on a one year basis for repairing winter damage to roads. Overall, the Leader was reasonably confident that it would not be necessary to make major cuts in front-line services.
- (v) The Deputy Leader advised the Commission that the one of the key risks of the MTFs was inflation. Provision of 3.3% had been made in the Budget but it was intended to hold this as a central contingency, recognising that there would be some services for which inflationary pressures would be greater than 3.3%.
- (vi) The development of a four year MTFs which had commenced in 2010/11 had meant that the County Council was in a better position than most to deal with the significant reductions in public spending.

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

- (vii) The decision to use reserves to support the loss of specific grant within CYPS was because that Service was facing unprecedented reductions in its budget. The use of reserves would enable the process of reducing service provision and realigning the Department to meet new challenges to be carried out in a more measured way.
- (viii) With regard to the issue of senior officer and management pay, the Commission was advised that the MTFS contained £7 million worth of savings to be found through management restructuring and up to £2 million from a review of terms and conditions. In addition it was noted that all staff within the Council were facing a pay freeze for three years, which would see a real terms reduction in pay of between 10-15% over that period.

Departmental Budgets

Adults and Communities Department

- (ix) With regard to the Breaking the Barriers Team, the Leader indicated that he would look again at the consultation process and the difficulties which were said to have been experienced by service users. Additional funding had been put into the Supported Employment Scheme for staff directly employed by the County Council. Alternative employment opportunities in community settings and social enterprises for those affected by the proposed reduction in the Breaking the Barriers Team were being considered.
- (x) With regard to charging for services, it was noted that the initial monitoring indicated that service users had accepted the charges and compliance was high. However, this was an area which scrutiny might wish to monitor.

Children and Young People's Service

- (xi) The Leader indicated that he was reluctant to take up the suggestion that the £400,000 underspend in the CYCLE budget should be used to support the Youth Service. He indicated that he would prefer that the money should be used for the purposes allocated.
- (xii) The provision of music in schools was recognised as important. The details of the Standards Fund allocation and the outcome of the Henley Review were still awaited, though the early indications were that funding from the Standards Fund would be given directly to schools and it would be a matter for schools to determine how they wished to provide music education. This could be the subject of a further report to the Children and Young People's Service Overview and Scrutiny Committee.

Chief Executive's Department

- (xiii) The Leader indicated that he recognised the importance of Participatory Budgets as a means of engaging local communities. He reminded the Commission that £500,000 had been included for the Big Society but that he would look again at the level of resources included in the Budget for Participatory Budgets.
- (xiv) The voluntary sector currently received approximately £30 million for direct service provision and just over £1 million for infrastructure support.
- (xv) The Leader indicated that he would look again at the proposed reductions in Planning, Historic and Natural Environment Services, in the light of the suggestions now put forward that all or part of the savings might be realised by charging developers and others wishing to interrogate the ecology and archaeology databases.

Environment and Transport

- (xvi) With regard to Concessionary Travel, the Director of Corporate Resources advised that the Government had clawed back from district councils the estimated total cost of providing the statutory and discretionary elements of the scheme, but funding to cover that cost was not being provided to the County Council. In terms of the funding now made available to the County Council, the Government had assumed a level of efficiency savings arising from merging administration of the scheme. However, in Leicestershire, a single administration system already operated and there were no efficiencies to be made. In addition, the funds transferred for concessionary travel had then been reduced by 13.8% in line with the reduction in the formula grant. The net effect was that the County Council had been provided with £4.8 million in 2011/12 to operate the statutory elements of a scheme which it was estimated would cost £6 million. The additional funding was provided for in the MTFS from County Council resources.
- (xvii) With regard to the discretionary elements of the scheme, the Commission was advised that the costs were as follows:
 - Option A: Morning peak half fare bus travel for older people (£150,000)
 - Option B: Free morning peak bus travel for disabled people (£18,000)
 - Option C: Half Fare travel on Community Transport (£130,000)
 - Option D: Local half fare rail travel for older people and free for disabled (£70,000)
 - Option E: Taxi vouchers for those unable to use buses due to disability or rural location (£125,000).
- (xviii) The outcome of the consultation would be reported to the Cabinet on 14 February. The Leader indicated that, given the current financial climate and the fact that the County Council was having to use some of its own resources to meet the costs of the statutory scheme, it might be difficult to find the necessary resources for continuing with the discretionary elements.

RESOLVED:

- (a) That the comments of the Overview and Scrutiny bodies, together with those of the Commission, be forwarded to the Cabinet for consideration at its meeting on 14 February;
- (b) That officers be thanked for providing comprehensive budgetary information in a timely fashion that enabled full consideration of the issues.

159. Sub-Regional Economic Development Arrangements.

The Commission considered a report of the Chief Executive, which was to be considered by the Cabinet at its meeting on 8 February, updating members on the development of a new approach to support economic development in the Leicester and Leicestershire sub-region, including the establishment of a Local Enterprise Partnership (LEP) and a Single Delivery Vehicle (combining Prospect Leicestershire and Leicestershire Promotions). A copy of the report, marked 'C', is filed with these minutes.

Arising from discussion, the Chief Executive advised the Commission as follows:

LEP

- The existing and future arrangements for economic delivery ensured that the needs of rural areas were taken account of as the Leicestershire Rural Partnership was an integral part of the existing economic arrangements and it was expected that this would continue;
- The LEP would be a strategic body, but had no direct funding. The Board would have a private sector majority and it was anticipated that a high profile Chairman would soon be appointed.

Leicestershire Promotions/Prospect Leicestershire

- The tenancy for the building to be vacated by Prospect Leicestershire was held by the County Council with any future liabilities to be shared with the City Council. The Commission was assured that arrangements for entering into a new sub-tenancy were being actively pursued;
- It was confirmed that the articles and memorandum of association of Leicestershire Promotions would ensure that any assets would be transferred to the new single delivery vehicle.

It was recognised that the new single delivery vehicle should be allowed to embed before any further scrutiny of the arrangements. In respect of the LEP, a suggestion was made for scrutiny to take place on a cross-authority basis.

RESOLVED:

That the report be noted.

160. Review of Locally Based Voluntary and Community Sector Infrastructure Services - Update.

The Chairman reported that, following the previous meeting of the Commission, every effort had been made to organise a meeting with the Leader or his representative concerning the extent to which “subsidiarity” would be adopted as an approach in the voluntary sector single delivery vehicle (minute 144 refers). Unfortunately, due to the demanding budget schedule, it had not been possible to convene a meeting.

RESOLVED:

That the Commissioners continue to pursue a meeting with the Leader or his representative on this issue and that the result of any meeting be reported back to the Commission at its next meeting on 2 March.

161. Date of next meeting.

It was NOTED that the next meeting of the Commission would be held on Wednesday 2 March at 2.00pm.

2.00 pm - 4.00 pm
02 February 2011

CHAIRMAN