



Leicester
City Council

MEETING OF THE OVERVIEW SELECT COMMITTEE

DATE: THURSDAY, 20 JUNE 2019

TIME: 5:30 pm

PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Committee

Councillor Cassidy (Chair)

Councillor Joel (Vice-Chair)

Councillors Dawood, Halford, Joshi, Khote, Kitterick, Porter, Waddington and Westley

Members of the Committee are invited to attend the above meeting to consider the items of business listed overleaf.

For Monitoring Officer

Officer contacts:

Julie Harget (Democratic Support Officer),

Tel: 0116 454 6357, e-mail: julie.harget@leicester.gov.uk

Leicester City Council, Granby Wing, 3rd Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Information for members of the public

Attending meetings and access to information

You have the right to attend formal meetings such as full Council, committee meetings, City Mayor & Executive Public Briefing and Scrutiny Commissions and see copies of agendas and minutes. On occasion however, meetings may, for reasons set out in law, need to consider some items in private.

Dates of meetings and copies of public agendas and minutes are available on the Council's website at www.cabinet.leicester.gov.uk, from the Council's Customer Service Centre or by contacting us using the details below.

Making meetings accessible to all

Wheelchair access – Public meeting rooms at the City Hall are accessible to wheelchair users. Wheelchair access to City Hall is from the middle entrance door on Charles Street - press the plate on the right hand side of the door to open the door automatically.

Braille/audio tape/translation - If you require this please contact the Democratic Support Officer (production times will depend upon equipment/facility availability).

Induction loops - There are induction loop facilities in City Hall meeting rooms. Please speak to the Democratic Support Officer using the details below.

Filming and Recording the Meeting - The Council is committed to transparency and supports efforts to record and share reports of proceedings of public meetings through a variety of means, including social media. In accordance with government regulations and the Council's policy, persons and press attending any meeting of the Council open to the public (except Licensing Sub Committees and where the public have been formally excluded) are allowed to record and/or report all or part of that meeting. Details of the Council's policy are available at www.leicester.gov.uk or from Democratic Support.

If you intend to film or make an audio recording of a meeting you are asked to notify the relevant Democratic Support Officer in advance of the meeting to ensure that participants can be notified in advance and consideration given to practicalities such as allocating appropriate space in the public gallery etc..

The aim of the Regulations and of the Council's policy is to encourage public interest and engagement so in recording or reporting on proceedings members of the public are asked:

- ✓ to respect the right of others to view and hear debates without interruption;
- ✓ to ensure that the sound on any device is fully muted and intrusive lighting avoided;
- ✓ where filming, to only focus on those people actively participating in the meeting;
- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

Further information

If you have any queries about any of the above or the business to be discussed, please contact:

Julie Harget, Democratic Support Officer on 0116 454 6357. Alternatively, email julie.harget@leicester.gov.uk, or call in at City Hall.

For Press Enquiries - please phone the **Communications Unit on 0116 454 4151.**

PUBLIC SESSION

AGENDA

NOTE:

This meeting will be webcast live at the following link:-

<http://www.leicester.public-i.tv>

An archive copy of the webcast will normally be available on the Council's website within 48 hours of the meeting taking place at the following link:-

<http://www.leicester.public-i.tv/core/portal/webcasts>

FIRE / EMERGENCY EVACUATION

If the emergency alarm sounds, you must evacuate the building immediately by the nearest available fire exit and proceed to the area outside the Ramada Encore Hotel on Charles Street as directed by Democratic Services staff. Further instructions will then be given.

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business to be discussed.

3. CHAIR'S ANNOUNCEMENTS

4. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of the Overview Select Committee held on 4 April 2019 have been circulated and the Committee will be asked to confirm them as a correct record.

5. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

6. TERMS OF REFERENCE FOR SCRUTINY COMMITTEES

[Appendix A](#)

To note the Terms of Reference for Scrutiny Committees.

7. MEMBERSHIP OF THE OVERVIEW SELECT COMMITTEE 2019 / 2020

To note the membership of the Overview Select Committee:

Chair: Councillor Cassidy

Vice Chair: Councillor Joel

Councillors Dawood, Halford, Joshi, Khote, Kitterick, Porter, Waddington and Westley

8. DATES OF MEETINGS OF THE OVERVIEW SELECT COMMITTEE 2019/ 20

To note the dates of meetings of the Overview Select Committee for 2019 /20 as follows:

Thursday 20 June 2019

Thursday 19 September 2019

Thursday 28 November 2019

Thursday 16 January 2019

Thursday 5 March 2020

Thursday 30 April 2020

The meetings will commence at 5.30pm.

9. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer to report on any questions, representations or statements of case received.

10. PETITIONS

The Monitoring Officer to report on any petitions received.

11. TRACKING OF PETITIONS - MONITORING REPORT [Appendix B](#)

The Monitoring Officer submits a report that updates Members on the monitoring of outstanding petitions. The Committee is asked to note the current outstanding petitions and agree to remove those petitions marked 'Petitions Process Complete' from the report.

12. IMPLEMENTING THE CITY MAYOR'S MANIFESTO

The Committee will receive an update on the Implementation of the City Mayor's Manifesto. Members will be asked to consider and comment as they see fit.

13. QUESTIONS FOR THE CITY MAYOR

The City Mayor will answer questions raised by members of the Overview Select Committee on issues not covered elsewhere on the agenda.

14. REVENUE BUDGET MONITORING 2018-19 OUTTURN [Appendix C](#)

The Director of Finance submits a report which is the final one in the monitoring cycle for 2018/19, setting out the Council's financial performance against its revenue budget for the financial year. The Committee is recommended to consider the overall position presented within the report and make any observations it sees fit.

15. CAPITAL BUDGET MONITORING OUTTURN 2018/19 [Appendix D](#)

The Director of Finance submits a report which shows the position of the capital programme at the end of 2018/19. The Committee is recommended to consider the overall position presented within this report and make any observations it sees fit.

16. INCOME COLLECTION APRIL 2018 - MARCH 2019 [Appendix E](#)

The Director of Finance submits a report that details progress made in collecting debts raised by the Council during 2018-19, together with debts outstanding and brought forward from the previous year. It also sets out details of debts written off under delegated authority that it has not been possible to collect after reasonable effort and expense. The Committee is recommended to consider the overall position presented within the report and make any observations it sees fit.

**17. REVIEW OF TREASURY MANAGEMENT ACTIVITIES [Appendix F](#)
2018/19**

The Director of Finance submits a report that reviews how the Council conducted its borrowing and investments during 2018/19. The Committee is recommended to note the report and make comments to the Director of Finance and the Executive as they wish.

18. STATUTORY GUIDANCE ON OVERVIEW AND SCRUTINY IN LOCAL AND COMBINED AUTHORITIES [Appendix G](#)

The Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities is attached for information. Members are invited to note and comment as they see fit.

19. SCRUTINY WORK PLAN 2019-2020 [Appendix H](#)

The Scrutiny Commissions Work Plan for 2019-20 is attached and Members are asked to note and comment as they see fit.

20. OVERVIEW SELECT COMMITTEE WORK PROGRAMME

Appendix I

A work programme for the Overview Select Committee is attached. The Committee is asked to consider this and make comments and/or amendments as it considers necessary.

21. PLAN OF KEY DECISIONS

Appendix J

Members are asked to consider the Plan of Key Decisions and in particular, note any items pertaining to their own Scrutiny Commissions.

22. ANY OTHER URGENT BUSINESS

Appendix A

SCRUTINY COMMITTEES: TERMS OF REFERENCE

INTRODUCTION

Scrutiny Committees hold the executive and partners to account by reviewing and scrutinising policy and practices. Scrutiny Committees will have regard to the Political Conventions and the Scrutiny Operating Protocols and Handbook in fulfilling their work.

The Overview Select Committee and each Scrutiny Commission will perform the role as set out in Article 8 of the Constitution in relation to the functions set out in its Terms of Reference.

Scrutiny Committees may:-

- i. review and scrutinise the decisions made by and performance of the City Mayor, Executive, Committees and Council officers both in relation to individual decisions and over time.
 - ii. develop policy, generate ideas, review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas.
 - iii. question the City Mayor, members of the Executive, committees and Directors about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects.
 - iv. make recommendations to the City Mayor, Executive, committees and the Council arising from the outcome of the scrutiny process.
 - v. review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the Scrutiny Committee and local people about their activities and performance; and
 - vi. question and gather evidence from any person (with their consent).
- **Annual report:** The Overview Select Committee will report annually to Full Council on its work and make recommendations for future work programmes and amended working methods if appropriate. Scrutiny Commissions / committees will report from time to time as appropriate to Council.

The Scrutiny Committees which have currently been established by the Council in accordance with Article 8 of the Constitution are:

- Overview Select Committee (OSC)
- Adult Social Care Scrutiny Commission
- Children, Young People and Schools Scrutiny Commission

- Economic Development, Transport and Tourism Scrutiny Commission
- Health and Wellbeing Scrutiny Commission
- Heritage, Culture, Leisure and Sport Scrutiny Commission
- Housing Scrutiny Commission
- Neighbourhood Services and Community Involvement Scrutiny Commission

SCRUTINY COMMITTEE: OVERVIEW SELECT COMMITTEE

The Overview Select Committee **will**:

- Specifically scrutinise the work of the City Mayor and Deputy City Mayor and areas of the Council's work overseen by them.
- Consider cross cutting issues such as monitoring of petitions
- Consider cross-cutting issues which span across Executive portfolios.
- Manage the work of Scrutiny Commissions where the proposed work is considered to have impact on more than one portfolio.
- Consider work which would normally be considered by a Scrutiny Commission but cannot be considered in time due to scheduling issues.
- Report annually to Council.
- Be responsible for organising and agreeing the work of scrutiny and the Commissions including agreeing annual work programmes and approving reports produced by the Commissions
- Consider the training requirements of Members who undertake Scrutiny and seek to secure such training as appropriate.

SCRUTINY COMMISSIONS

Scrutiny Commissions **will**:

- Be aligned with the appropriate Executive portfolio.
- Normally undertake overview of Executive work, reviewing items for Executive decision where it chooses.
- Engage in policy development within its remit.
- Normally be attended by the relevant Executive Member, who will be a standing invitee.
- Have their own work programme and will make recommendations to the Executive where appropriate.
- Consider requests by the Executive to carry forward items of work and report to the Executive as appropriate.
- Report on their work to Council from time to time as required.
- Be classed as specific Scrutiny Committees in terms of legislation but will refer cross cutting work to the OSC.

Consider the training requirements of Members who undertake Scrutiny and seek to secure such training as appropriate.



Leicester
City Council

WARDS AFFECTED
All Wards - Corporate Issue

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Overview Select Committee

20 June 2019

Tracking of Petitions - Monitoring Report

Report of the Monitoring Officer

1. Purpose of Report

To provide Members with an update on the current status of responses to petitions against the Council's target of providing a formal response within 3 months of being referred to the Divisional Director.

2. Recommendations

The Committee is asked to note the current status of outstanding petitions and to agree to remove those petitions marked 'Petition Process Complete' from the report.

3. Report

The Committee is responsible for monitoring the progress and outcomes of petitions received within the Council. An Exception Report, showing those petitions currently outstanding or for consideration at the current Overview Select Committee meeting is attached.

The Exception Report contains comments on the current progress on each of the petitions. The following colour scheme approved by the Committee is used to highlight progress and the report has now been re-arranged to list the petitions in their colour groups for ease of reference:

- **Red** – denotes those petitions for which a pro-forma has not been completed within three months of being referred to the Divisional Director.
- **Petition Process Complete** - denotes petitions for which a response pro-forma has sent to the relevant Scrutiny Commission Chair for comment, subsequently endorsed by the Lead Executive Member and the Lead Petitioner and Ward Members informed of the response to the petition.

- **Green** – denotes petitions for which officers have proposed a recommendation in response to a petition, and a response pro-forma has been sent to the relevant Scrutiny Commission Chair for comment, before being endorsed by the Lead Executive Member.
- **Amber** – denotes petitions which are progressing within the prescribed timescales, or have provided clear reasoning for why the three-month deadline for completing the response pro-forma has elapsed.

In addition, all Divisional Directors have been asked to ensure that details of **all** petitions received direct into the Council (not just those formally accepted via a Council Meeting or similar) are passed to the Monitoring Officer for logging and inclusion on this monitoring schedule.

4. Financial, Legal and Other Implications

There are no legal, financial or other implications arising from this report.

5. Background Papers – Local Government Act 1972

The Council's current overall internal process for responding to petitions.

6. Consultations

Staff in all teams who are progressing outstanding petitions.

7. Report Author

Angie Smith
Democratic Services Officer
Ext. 376354

Date Petition referred to Divisional Director	Received From	Subject	Type - Cncr (C) Public (P)	No. of Sig	Ward	Date Receipt Reported to Council (C) / Committee (Ctee)	Lead Divisional Director	Current Position	Scrutiny Chair Involvement	Date of Final Response Letter Sent to Lead Petitioner	Current Status
26/02/2019	Vilin Pabari / Nilesh Makhwana / Ashley Jones	Petition requesting the Council instal CCTV cameras to monitor and safeguard the area around Stokes Drive, Darlington Road and surrounding	(p)	306	Beaumont Leys		John Leach	The proforma has been sent to the Executive Lead for approval.			RED
05/11/2018	Jessica Adams / Nick Thompson	Petition calling for the Council to reconsider the seven permanent speed reduction refuges on Shanklin Drive	(p)	30	Knighton		Andrew L Smith	Officers have met with the petitioners and Ward councillors. At the Leicester South Highways and Transportation Ward Councillor Briefing on Wednesday 6th March 2019, it was decided to proceed with the construction of the islands as planned.	Proforma returned by the Scrutiny Chair	23/04/2019	PETITION COMPLETE
14/06/2017	Mrs Margaret Marriott	Petition requesting the council take action possible to require Sanctuary Housing to deal with the problems caused by John Calvert Court	(p)	148	Beaumont Leys	Cllr Waddington presented the petition to Council Meeting on 6 July 2017	Chris Burgin	<p>The Council has no legal interest in the site or it's re-development as the land is in private ownership, but is working with the owner to try and get a positive outcome.</p> <p>Sanctuary Housing Association, the owners of the site has confirmed that they propose to demolish the building and have spoken with the Council Planners to discuss options to re-develop the site.</p> <p>John Calvert Court was built with funding from the NHS, part of this funding is re-payable to the NHS, and there is a legal charge on the property. Arrangements are in place for John Calvert Court to be demolished and the site cleared once agreement has been reached with the NHS.</p> <p>Sanctuary Housing Association has been exploring development options for the site which include the provision of market sale housing, low cost ownership products and affordable rent housing. A final decision had not been made. The Council will continue to work with Sanctuary to help and assist them re-develop the site as soon as possible. UPDATE: The property has now been demolished.</p>	Pro-forma returned by Scrutiny Chair who is content with the response.		PETITION COMPLETE
28/09/2018	Mr Jitu Gosai	Petition to double lane the eastbound stretch of A563 Glenfrith Way between Hallgate Drive junction and Anstey Lane Roundabout	(p)	92	Beaumont Leys	Cllr Rae Bhatia presented to Council 4 October 2018	Andrew L Smith	In view of the concerns of the petitioners, the action proposed is to keep under review options to secure funding that would allow potentially signalling the Anstey Lane roundabout and widening the carriageway as requested. Such a scheme would have to compete against other opportunities, however, given the linkage to the A46, Beaumont Leys and other local businesses, works on Glenfrith Way and Anstey lane roundabout could be a strong contender in the future programme of works.	Proforma returned by the Scrutiny Chair	10/04/2019	PETITION COMPLETE

RED – Pro-forma not completed within 3 months of being referred to Divisional Director

PETITION PROCESS COMPLETE – Scrutiny Chair commented on Pro-forma, Lead Executive Member signed off response and final letter sent to Lead Petitioner

GREEN – Lead Executive Member consulted on proposed response and Pro-forma sent to Scrutiny Chair

AMBER – Petition response progressing within 3 months of being referred to Divisional Director

Date Petition referred to Divisional Director	Received From	Subject	Type - Cncr (C) Public (P)	No. of Sig	Ward	Date Receipt Reported to Council (C) / Committee (Ctee)	Lead Divisional Director	Current Position	Scrutiny Chair Involvement	Date of Final Response Letter Sent to Lead Petitioner	Current Status
13/02/2019	Jean Burbridge	Petition asking the Council to reconsider an increase in room hire charges at New Walk Museum, which would affect a yoga class held there	(p)	26	Castle		Mike Dalzell	The proforma has been developed, and no further action will be taken. The Museum Service had recently undertaken a full review of the room hire fees and charges for all bookers. Mrs Doughty was offered a significant rent reduction and position of self-employed yoga teacher at the museum, both of which were rejected. Mrs Doughty was assisted in finding alternative rental accommodation. The Museum Service is in the process of considering setting up an alternative health/exercise class at New Walk Museum & Art Gallery in partnership with Leicester City Council's Sports Services, Public Health Directorate.	Proforma returned by the Scrutiny Chair	10/06/2019	PETITION COMPLETE
11/01/2019	Rumena Rahman	Petition to make Rowsley Street a one-way street	(p)	94	Stoneygate		Andrew L Smith	The City Council's proposed course of action for this petition is to use it to add support to the case for including Rowsley Street in this year's one-way street program.	Proforma returned by the Scrutiny Chair		GREEN
11/01/2019	Mrs Rowshonara Begum	Petition asking for: * Adequate parking facility for Falcoln school users * Grit box on Little Dunmow road * Clean safer area (grey recycling bins and signs for NO DOG FOUL)	(p)	11	Troon		Andrew L Smith	Information has been gathered from different areas of the Council, and a proforma has been developed. The response to the Lead Petitioner is as follows: The School regularly reminds parents to park responsibly, and the golf course on Gipsy Lane can be used; Planning permission was not needed to use the site as a school; Counts show insufficient footfall and vehicle traffic to warrant a crossing patrol; The orange bag recycling scheme launched in 2011 provide unlimited recycling capacity, allow easy identification of contaminated waste, leave the streets clear of clutter when collected; The City Warden has agreed to install signing in the form of a stencil on the ground re. dog fouling; Local councillors for Troon Ward have been contacted to approve an additional grit bin.	Proforma returned by the Scrutiny Chair		GREEN
17/01/2019	Mr Waqar Aziz	Petition for residents of Kimberley Road to join the consultation of gaining residential parking along with Mundella and Herschell Street residents	(p)	16	Stoneygate		Andrew L Smith	The City Council's revised course of action therefore is that the petition will be treated as a request from residents for residents' parking on Kimberley Road. It will be considered if the proposed scheme extension on Herschell Street and Mundella Street (to be included in Highfields South residents' parking zone E) comes into operation, when a consultation about residents' parking with residents of Kimberley Road can be carried out.	Proforma returned by the Scrutiny Chair		GREEN
19/02/2019	Cllr Fonseca	Petitioners urge the Council to take immediate action to address issues at the junction with Frisby Road / Illverscroft Road and	(c)	168 supported by 171 e-petition signatures	North Evington		Andrew L Smith	The Lead Petitioner was contacted on 17th May 2019 and a meeting held on 28th May to discuss the petitioners requests and options available. Following this meeting consultation commenced on 30th May with Ward Councillors and other interested parties			AMBER

RED – Pro-forma not completed within 3 months of being referred to Divisional Director

PETITION PROCESS COMPLETE – Scrutiny Chair commented on Pro-forma, Lead Executive Member signed off response and final letter sent to Lead Petitioner

GREEN – Lead Executive Member consulted on proposed response and Pro-forma sent to Scrutiny Chair

AMBER – Petition response progressing within 3 months of being referred to Divisional Director

Date Petition referred to Divisional Director	Received From	Subject	Type - Cncr (C) Public (P)	No. of Sig	Ward	Date Receipt Reported to Council (C) / Committee (Cttee)	Lead Divisional Director	Current Position	Scrutiny Chair Involvement	Date of Final Response Letter Sent to Lead Petitioner	Current Status
07/03/2019		Petition asking for the closure of the alleyway between Thorpewell and the Wayne Way to be closed off	(p)	82	Evington		Andrew L Smith	The proforma has been developed and sent to the Executive Lead for approval.			AMBER
12/03/2019	Martin Buchanan	Petition to allow Beaumont Lodge Neighbourhood Centre to be transferred as an asset to the residing charity Beaumont Lodge Neighbourhood Association CIO	(p)	14 Paper 198 E-Petition	Beaumont Leys	Petition to be presented to Full Council 21/3/19	Matt Wallace	The City Mayor wants to discuss the proposal with Ward Councillors.			AMBER
29/04/2019	Sally Girling	Petition for a safer school crossing outside Forest Lodge Academy School	(p) via Liz Kendall	233	Western		Andrew L Smith	Officers are to arrange a site visit with Ward Councillors and other interested parties. Ward Councillors and the lead petitioner were contacted prior to half term, and a school contact presence would also attend the meeting when arranged.			AMBER
10/05/2019	Yasmin Kassamali	Petition to have residents parking on and around St Saviours Road / Margaret Road / Constance Road / Copdale Road / Sidwell Street / Clumber Road / Kitchener Road	(p)	54	North Evington / Spinney Hills		Andrew L Smith	Petition sent to Divisional Director			AMBER
28/05/2019	Naushin Mulla	Petition requesting a zebra crossing on Coleman Road junction Robinson Road	(p)	50	Evington / North Evington		Andrew L Smith	Petition sent to Divisional Director			AMBER
29/05/2019	Ms Lou Harrison, Headteacher	Petition requesting a safe place to cross outside King Richard III Infant and Nursery School	(p)	161	Westcotes		Andrew L Smith	Petition sent to Divisional Director			AMBER
10/06/2019	Miss Rosie Antunes	Petition for action regarding the ongoing problem with the parking of non-residential vehicles predominantly during the school hours and safety issues.	(p)	35	Beaumont Leys	Petition to be presented to Full Council 13/6/19 - Cllr Rae Bhatia	Andrew L Smith	Petition sent to Divisional Director			AMBER
10/06/2019	Kimberley Smith	Petition to re-open Vernon Street Park	(p)	58	Fosse	Petition to be presented to Full Council 13/6/19 - Cllr Waddington	John Leach	Petition sent to Divisional Director			AMBER

RED – Pro-forma not completed within 3 months of being referred to Divisional Director

PETITION PROCESS COMPLETE – Scrutiny Chair commented on Pro-forma, Lead Executive Member signed off response and final letter sent to Lead Petitioner

GREEN – Lead Executive Member consulted on proposed response and Pro-forma sent to Scrutiny Chair

AMBER – Petition response progressing within 3 months of being referred to Divisional Director



Revenue Budget Monitoring – Outturn, 2018/19

Decision to be taken by: City Mayor
Overview Select Committee date: 20th June 2019

Lead director: Alison Greenhill

Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: Ext 37 5667

1. Summary

This report is the final one in the monitoring cycle for 2018/19, setting out the Council's financial performance against its revenue budget for the financial year. The scale of Government funding cuts has put departments under pressure to provide services with less funding. It is pleasing to report that the Council continues to live within its means.

As with all authorities, costs associated with social care are high, and rising. A long-term solution from the Government is still awaited. It's pleasing therefore that Adult Social Care and Children's Social Care have lived within their resources – Adult Social Care making one-off savings to support future budgets.

The managed reserves strategy is a key plank of the successful achievement of our annual budgets. Money has been consciously set aside to enable us to “buy time”, review services effectively, and cater for government funding cuts in a planned way. As a result of the outturn the amount available has increased from that expected when the 2019/20 budget was approved, which will help us sustain this policy for a longer period of time.

Despite the above, the medium-term financial outlook is extremely difficult as funding cuts are expected to continue. Managing spending pressures will be vital to living within our means in the future along with achieving spending review targets.

2. Recommendations

2.1 The Executive is recommended to:

- Note the outturn position detailed in the report.
- Approve the following earmarked reserve changes;
 - a) transfer of underspends within the Corporate Resources department as set out in Appendix B, Para's 1.1, 2.1, 4.1.
 - b) transfer the underspend of £26k in City Developments and Neighbourhoods, as well as the amounts detailed in Appendix Para 7.1, 8.1, 9.1 & 11.4.
 - c) transfer the amounts in Adult Social Care as detailed in Appendix B Para's 13 and 13.13 into the Demographic Pressures Reserve
 - d) transfer the amounts in Children's as detailed in Appendix B, Para 15.13
 - e) transfer the underspends within Public Health & Sports Services as set out in Appendix B, Para 14.1.
 - f) transfer the underspends within corporate budgets to managed reserves and the capital reserve, as detailed in Appendix B, Para 16
- Note the effect of an accounting change in the way earmarked reserves are presented as detailed in Appendix C, para 1.4, (as required by the auditor).

2.2 The OSC is recommended to:

- Consider the overall position presented within this report and make any observations it sees fit.

3. Supporting information including options considered:

General Fund budget set for the financial year 2018/19 was £259.7m.

Appendix A details the budget 2018/19

Appendix B provides more detailed commentary on the outturn position for each area of the Council's operations.

Appendix C provides detail on the Council's earmarked reserves.

4. Financial, legal and other implications

4.1 Financial & Legal implications

This report is solely concerned with financial issues.

Alison Greenhill, Director of Finance, Ext 37 4001

4.2 Climate Change and Carbon Reduction implications

This report is solely concerned with financial issues.

4.3 Equality Impact Assessment

No Equality Impact Assessment (EIA) has been carried out as this is not applicable to a budget monitoring report.

4.4 Other Implications

Other implications	Yes/No	Paragraph referred
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly/People on low income	No	-
Corporate Parenting	No	-
Health Inequalities Impact	No	-

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

5. Background information and other papers.

Period 3 Monitoring report and minutes of OSC Finance Task Group presented to OSC on 13th September 2018.

Period 6 Monitoring report and minutes of OSC Finance Task Group presented to OSC on 13th December 2018.

Period 9 Monitoring report and minutes of OSC Finance Task Group presented to OSC on 4th April 2019.

6. Summary of appendices:

Appendix A – Outturn Summary;

Appendix B – Divisional Narrative – Explanation of Variances;

Appendix C – Earmarked Reserves

7. Is this a private report?

No

8. Is this a “key decision”?

No

APPENDIX A

Revenue Budget Outturn, 2018/19

2018-19 Outturn	CURRENT BUDGET	OUTTURN	Variance
Neighbourhood & Environmental Services	31,131.3	31,020.1	(111.2)
Tourism Culture & Inward Investment	5,866.9	5,821.2	(45.7)
Planning, Development & Transportation	15,833.2	15,824.1	(9.1)
Estates & Building Services	5,221.1	5,452.9	231.8
Departmental Overheads	549.6	505.6	(44.0)
Housing Services	3,025.7	3,003.9	(21.8)
City Development & Neighbourhoods	61,627.8	61,627.8	0.0
Adult Social Care	104,011.2	104,011.2	0.0
Public Health & Sports Services	20,103.4	20,110.4	7.0
Strategic Commissioning & Business Support	698.3	698.3	0.0
Learning Services	10,648.6	10,648.6	0.0
Children, Young People & Families	54,645.9	54,645.9	0.0
Departmental Resources	(3,801.3)	(3,801.3)	0.0
Education & Childrens Services	62,191.5	62,191.5	0.0
Delivery, Communications & Political Governance	5,840.1	5,840.1	0.0
Financial Services	10,662.3	10,662.3	0.0
Human Resources	3,842.5	3,842.5	0.0
Information Services	9,287.4	9,287.4	0.0
Legal Services	2,628.5	2,628.5	0.0
Corporate Resources & Support	32,260.8	32,260.8	0.0
Housing Benefits (Client Payments)	500.0	(3,361.5)	(3,861.5)
Total Operational	280,694.7	276,840.2	(3,854.5)
Corporate Budgets	1,989.7	(5,684.9)	(7,674.6)
Capital Financing	14,020.6	5,886.2	(8,134.4)
Total Corporate & Capital Financing	16,010.3	201.3	(15,809.0)
Public Health Grant	(26,804.0)	(26,811.0)	(7.0)
Use of Reserves	(10,227.8)	(10,227.8)	0.0
TOTAL GENERAL FUND	259,673.2	240,002.7	(19,670.5)

Outturn Divisional Narrative – Explanation of Variances

Corporate Resources and Support

Corporate Resources and Support has delivered a balanced Outturn for Financial Year 2018/19, after setting aside savings achieved for improvement plans (as described below).

1. Finance

- 1.1. The Financial Services underspent by £61k. The underspend has been transferred to Financial Services Reserves to contribute to the costs of the finance systems project.

2. Human Resources & Workforce Development

- 2.1. Human Resources underspent by £350k, due to vacant posts and increased income from trading with Schools and Academies. The underspend will be transferred to reserves to cover future costs of the Digital Transformation Team.

3. Information Services

- 3.1. Information Services has delivered a balanced outturn.

4. Delivery Communications & Political Governance

- 4.1. The Delivery, Communications and Political Governance Division underspent by net £137k, after funding the Digital Transformation Team. This has been transferred to DCPG reserves, to contribute to future costs of the Digital Transformation Project. A government grant of £105k for assisting with potential impacts of leaving the EU, has been transferred to the departmental reserve to cover potential future costs.

5. Legal, Registration & Coronial Services

- 5.1. Legal Services has delivered a balanced outturn.
- 5.2. Coroners spent by £141k more than budget, which has been covered from corporate budgets in line with normal policy. This has happened in previous years and is largely due to historical funding

arrangements. Although the costs of the service are increasing as salaries, Post Mortem Computed Tomography and pathology costs rises, this is a national issue. The budget for this service will be reviewed in 2019/20.

City Development and Neighbourhoods

The department underspent by £26k on a net budget of £61.6m, the underspend will be transferred to the departmental reserve.

6. Planning, Transportation and Economic Development

6.1. The division underspent by £9k. The previously reported pressures on income budgets were managed by controlling expenditure budgets and savings generated by City Highways. £800k of local air quality grant received towards the end of the year will be required in 2019/20, and has been transferred to an earmarked reserve accordingly.

7. Tourism, Culture & Inward Investment

7.1. An underspend of £46k was achieved, largely due to additional managed workspace income. Grant income has been received in year from the Arts Council this is required for future years expenditure. Therefore £666k has been transferred to earmarked reserves.

8. Neighbourhood & Environmental Services

8.1. The division underspent by £111k, due to a number of general savings across a range of services. This allows for £355k which has been moved to reserves to fund costs on waste management, in future years. These budgets are under pressure.

9. Departmental Overheads

9.1. This includes departmentally held budgets such as postage and pension contributions, together with the schools' organisation function. The outturn was a £70k underspend, due to staff vacancies. Grant income received for the delivery of the Learning Programmes (£1,353k) and English for speakers of other languages (£118k) will be required in future years. The money has been transferred to a reserve.

10. Estate and Building Services

- 10.1. The Division overspent by £232k, as Technical Services Review savings were not delivered as early as anticipated by the budget. The division continues to take action to deliver the balance of savings at the earliest possible opportunity.

11. Housing General Fund

- 11.1 The General Fund Housing Service underspent by £20k.
- 11.2 The introduction of the Homelessness Reduction Act has increased the demand for front line staff across the country, and the Homelessness Service has faced recruitment challenges throughout the year as a result. This led to the increased staffing budget not being fully utilised.
- 11.3 Partially offsetting this has been the cost of temporary accommodation due to a significant rise towards the end of the year in the number of families and individuals presenting themselves as homeless. In addition, as part of homelessness prevention, the cost of supporting people into private sector accommodation has increased.
- 11.4 Grant income for Syrian Refugees (£422k) and Homelessness Services (£316k) was received in 2018/19 and will be required in future years. The money will be spent and has been transferred to an earmarked reserve.

12. Housing Revenue Account

- 12.1. The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account relating to the management and maintenance of the Council's housing stock.
- 12.2. The HRA budget is underspent by £2.6m (excluding revenue used for capital schemes, which is reported separately in the capital monitoring report). As previously reported, the main reason for the underspend is savings on capital financing costs, arising from the beneficial repayment of a loan. Other significant variances are explained below.

- 12.3. Rental income was £0.5m higher than the budget. This is largely due to performance in collecting rents being better than expected.
- 12.4. The Repairs and Maintenance service spent £0.2m. above budget. This is mainly due to essential work being carried out in district heating sub stations. This was partially offset by vacancies within the craft operatives in the first half of the financial year.
- 12.5. Management and Landlord services underspent by £0.3m. Vacancies within the Admin Support (£0.3m) and the STAR Team (£0.3m) has contributed to a combined underspend of £0.6m. This is offset by the Noise Reduction Team, CCTV and the City Wardens, which are shared with the General Fund.

Adult Social Care

13. Adult Social Care

The department spent £104m as per the budget after transferring an in year under-spend of £5.8m to the ear-marked reserve set up last year for future demographic cost pressures. Whilst the level of under-spend compared to the budget is significant, it is essentially one off in nature and should not detract from the very significant underlying year on year increase in actual care package gross costs of £10m, a combination of increasing need and inflationary fee increases. The demographic cost pressures reserve will be used to offset the costs of adults and children's social care in future budgets.

- 13.1. The £5.8m consists of the following items which are explained in subsequent paragraphs:
- (i) £2.8m net package cost under-spend (3% of the total £89.4m budgeted net package cost).
 - (ii) £0.8m of savings targets achieved ahead of schedule
 - (iii) £1.3m of lower spend in preventative services (reablement, enablement, crisis response teams, equipment service) either through difficulties in recruitment or lower than expected demand.
 - (iv) £0.3m net in-year staffing vacancies in care management, contracting and commissioning and administration.

- (v) £0.6m of various items with the main ones being no increase to the service user bad debt provision (£0.26m) and £0.14m savings in pension costs (we agreed to make payments to providers who bought our care homes. Our costs are falling over time).
- 13.2. The £2.8m under-spend in net package costs consists of £0.8m lower spend from the gross package budget of £111m and £2m of better than budgeted service user and joint funded income from the CCG. It has been mentioned in previous reports that joint funded cases (288 service users at the year-end) were being reviewed and as a result the proportion of the service user cost attributable to health needs is reducing, on average. The budget for joint funded income was conservative this year but the full year impact of the reduction in income will be felt in 2019/20.
- 13.3. In terms of package costs, whilst there has been a significant year on year increase in actual costs this is not due to unexpected growth in service users. Long term service user numbers stood at 5,089 at the end of the year, 22 more than at the start, a 0.4% increase. This compares to an overall reduction of 1.8% in the prior year. The overall growth in 18/19 of 0.4% is made up a 0.28% growth in over 65s with physical issues and dementia, 3.5% growth in working age adults with physical issues, no net increase in those with learning disabilities and a 1.2% reduction in those with mental health issues.
- 13.4. The fact that service user numbers have remained stable should be seen in the context of the significant increase in the numbers of requests for support seen at the 'front door'. In 2018/19 there were 15,238 such requests, 1,653 or 12% more than the previous year. The department has been successful so far in diverting the increase in requests away from statutory care, through better signposting to universal and other services and through improved uptake of one-off preventative support services.
- 13.5. The £10m increase in gross care package costs has been due to the deterioration and increasing need of our existing service users, together with fee inflation.
- 13.6. A comprehensive review of residential fees was completed during the early part of the year and the revised banded fee rates and additional needs allowances were accepted by providers.

Increases to residential fees, domiciliary care and other services have added £3.9m to the 18/19 costs, predominantly driven by the 4.4% increase in national living wage (NLW) rate. The NLW has been increasing in stages with the intention of reaching 60% of median earnings by 2020. The Low Pay Commission who recommend rates, estimate that the NLW will reach this target at a rate of £8.62 per hour by 2020/21 (19/20 rate is £8.21). We have no knowledge of the Government's intention regarding the National Living Wage beyond 2020/21 (the Chancellor announced a review in the 29th October budget).

- 13.7. The proportion of service users within the different types of provision remains relatively consistent year on year with 54.5% using home care, 25.6% in residential provision, 9.3% in supported living and 9.7% using day care. The most significant variation from the previous year is a shift from residential to homecare of around 3.5%.
- 13.8. The rate of increase in need of our existing service users was 5.5% this year, adding £5.6m to gross package costs this year. The increases were seen in the over 75-year olds with physical frailty issues and in the younger age groups for those with learning disabilities where lifespan is shorter. Whilst the rate of increase is comparable with 2017/18 (and the budget), significantly this is the first year that the rate of change of this increase has slowed. The equivalent rates in the previous 3 years were 2.5%, 3.4% and 5.3%. This is encouraging and whilst too early to draw any firm conclusions for 2019/20 onwards, this slow-down is in line with our expectations that there is a limit to the average density of care package that existing service users require before end of life. Further analysis will be done in this area in advance of the budget setting process for 2020/21.
- 13.9. The result of changes to the service user numbers, level of need (both the in-year impact and the full year effect of previous year changes) and fee inflation is an increase in gross package costs from £101m in 18/19 to £111m. Whilst this level of increase is catered for in the 2019/20 budget there remains an urgent need for central government to provide a sustainable long-term permanent funding solution for adult social care and we continue to await the publication of the promised social care green paper.

- 13.10. The department has once again been able to deliver on savings targets ahead of the original schedule, totalling £0.8m this year. Following consultation, RSLs (registered social landlords) have agreed that they are able to provide non-statutory support to the elderly tenants in their sheltered housing provision and it is no longer necessary for the Council to contribute financially. Similarly, existing contractors that provide non-statutory support for tenants with mental health (MH) issues and learning disabilities (LD) have agreed that the Council contributions towards non-statutory support can be safely reduced. Contracts to provide short term non-statutory support to promote independent living for LD and MH service users have been ended this year. This service provision will now be provided internally by the Enablement service. The final element of savings from the review of care management staff have also been completed a year in advance without the need for redundancies
- 13.11. Preventative services have under-spent by £1.3m (total budget £17.2m) this year. Vacant posts in the Reablement, Enablement and Crisis Response services (which will be filled in 19/20) account for £0.9m. The Integrated Community Equipment service (which provides, hoists, frames etc) underspent by a further £0.15m (budget £0.8m) through a combination of more effective equipment re-cycling and lower demand. Hastings Road Day centre was operating with vacant posts but maintained service provision, under-spending by £0.25m as a result.
- 13.12. The Additional debt collection resource has been in place for two years and this has reduced old service user debt and therefore the bad debt provision. The provision currently stands at £2.3m, 33% of the £6.9m gross debt redundancies.
- 13.13. In the 2019/20 budget report it was identified funding would need to be available to support the 2020/21 budget, after the current round of the Better Care Fund has ceased. To ensure funding is available £7.8m has been transferred into the demographic pressures reserve.

Health Improvement & Wellbeing

14. Public Health & Sports Services

- 14.1. The department spent £20.1m in line with the budget after transferring under-spends of £246k and £312k to reserves in public health and sports services respectively.
- 14.2. The public health underspend of £246k arises predominantly as a result of lower demand for sexual health services (£189k against a total budget of £4.1m) and the NHS health check programme (£66k against a total budget of £0.4m). The new contract for sexual health services began on 1 January 2019 and transferred to the new building in the Haymarket in March. The full year savings from the new sexual health contract will save £0.6m from 2019/20, which is reflected in the budget. The NHS health check programme will be re-procured in 2019. The decline in take up recently in Leicester has been mirrored nationally.
- 14.3. In Sports services efforts to increase the number of gym memberships and the level of swimming participation this year have been successful with total leisure centre income £0.4m ahead of budget. Although staffing costs were higher than budget, partially offsetting the income gain, this will be resolved in 19/20 following the conclusion of the staffing review.
- 14.4. The total held in earmarked reserves after transferring this year's under-spends are £3.5m. These will be used to support the department as it makes further savings as part of spending review four.

Education and Children's Services

15. Education and Children's Services

- 15.1. The department spent £62.2m as per the budget. Significant pressures remain in social care and home to school transport particularly for SEN children as previously reported. These were dealt with this financial year by using one off funds as planned in the budget (but the amount required was £2m higher than originally planned). The pressure on the High Needs Block of the Dedicated Schools Grant (DSG) also remains a significant issue.

- 15.2. The total number of looked after children (LAC) at the start of the year was 683, reducing by a net 12, taking into account starters and leavers, leaving 671 at the end of the financial year. This compares to a net increase of 41 and 40 in the previous two financial years. Whilst the total number of LAC remains high, this is the first time since 2006 that overall numbers have reduced within the year.
- To set our numbers in context, the number of LAC per 10,000 of the Leicester population was 81 at March 2018, compared with our statistical neighbours' averaging 78 and England as a whole 64. Placement costs alone for the 671 LAC and the 251 children with special guardianship orders accounted for 44% (£27.5m) of the total departmental budget.
- 15.3. The new FFT and additional MST therapeutic intervention teams started taking cases in September and are now operating at sufficient scale to make a significant impact on the numbers of children coming into care. Total children diverted from coming into care in year was 172, reducing the number of children that would otherwise have become long term LAC from 324, leaving an actual intake of 152. The 324 children that would otherwise have become long term LAC was markedly higher than the 260 expected and compared to the previous year. It is uncertain at this stage why this should be the case and whether this is one off or a sustained increase - there were some very large sibling groups referred to both MST and FFT during the year, and we could also speculate on the cumulative impact of population changes, benefit changes and austerity generally. We will review the cases that entered care to establish whether the capacity of the FFT and MST teams needs to increase as a result of more referrals. Further work needs to be done to determine the potential financial impact on the 2019/20 budget and 20/21 projections.
- 15.4. The proportion of children in each type of provision has remained similar to the previous year with 59% remaining in internal foster placements. The proportion in semi-independent accommodation and IFAs has increased. The number of children in external residential placements reduced from 40 to 36 this year with greater scrutiny on the necessity for this type of placement. There were a significant number of transfers of older teenagers to semi-independent accommodation from other placement provision and this resulted in an increase from 35 to 49 placements in the year. The level of support required as teenagers transition to adulthood is increasing. This is an area being looked at in terms of proposals

to increase the capacity and quality of semi-independent supported accommodation. The number of IFA placements has continued to increase from 98 to 111 either because of a lack of internal foster carer numbers, a difficulty in matching sibling groups to carer capacity or less frequently where a specialist placement is needed. 26 new foster carers were recruited this year, however 29 de-registered during the same period. The difficulties in increasing the number of foster carers is a national problem for local authorities and work is ongoing to increase new recruits.

- 15.5. The number of LAC leaving care under a special guardianship order (SGO) doubled in 2018/19 at 42 compared to 2017/18. This has contributed towards the net overall reduction in LAC numbers. There are no significant savings in placement costs as a result, however the caseload for social workers is reduced.
- 15.6. The need for short term residential parent and baby assessments has reduced by 50% (£0.5m) in financial terms this year through working more closely with the courts and providing an in-house assessment service.
- 15.7. The number of children with child protection plans has reduced significantly from 624 at the start of the year to 351 at the end and this has had an impact on caseloads within the Children in Need service. This has contributed to the social worker workforce beginning to stabilise with 30 agency and 85 permanent staff, a total of 115 staff at the end of this year compared to the establishment of 111. At the end of the last financial year there were 53 agency staff in post. The current agency staff are covering 26 vacancies and 4 are providing support for the ASYE workers. There are 44 level 1 and level 2 ASYE social workers out of the 85 permanent staff and the process of developing a pipeline of in-house trained social workers is bearing fruit. Expenditure on social work staff was within the available budget this year.
- 15.8. Stricter controls on approving and monitoring home to school and contact transport for LAC have been implemented this year. Total actual spend on transport has reduced from £1.75m in 17/18 to £1.3m in 18/19.
- 15.9. Home to school transport costs for SEN children is paid for from the council's general fund. As with all SEN provision, budgets are

under severe pressure. We spent £6.3m on SEN transport this year, slightly ahead of expectations.

- 15.10. Despite the DfE announcement of additional one-off funding for the High Needs Block of £886k in 2018/19 and 2019/20 (1.9% of the total allocation of £45.8m) there remains a significant gap between current expenditure and the annual formula based grant allocation. This gap is being funded from DSG reserves. In 2018/19 the gap was £5m, significantly higher than the £3.1m planned at the start of the year. The main reason for this was the continued increase in top-ups paid to mainstream schools to supplement their core funding for SEN children. Whilst it is clearly desirable to maintain these children in the mainstream setting the extent of this funding increase is unsustainable and is the subject of a review.
- 15.11. The remaining DSG reserves held by the local authority is £8m and therefore 2019/20 is the last year that we will be able to finance the underlying funding gap in the High Needs Block. We are already working on proposals for high needs services which will be consulted upon later this year, which as a by-product, will also make them more financially sustainable. This is a national problem and there are a number of authorities who are already in deficit in terms of their DSG expenditure. The DfE have responded by asking councils who are in deficit to prepare 3-year recovery plans which, for those experiencing growth as we are, is extremely difficult particularly against the back-drop of parents taking councils to judicial review when services are reduced.
- 15.12. Total maintained primary and secondary DSG school balances have increased in total by £2.2m to £18m at the end of the year. There are a number of primary schools which are known to us that are carrying a deficit balance and we are working with them on financial recovery plans.
- 15.13. The Council has received grants for a youth employment initiative ('EmployMe') and a second scheme called the Early Years Outcome fund. As the schemes are continuing in to 2019/20 it is proposed to transfer the £737k into the Children's Services departmental reserve.

Corporate Items & Reserves

16. Corporate Items

- 1.1. Corporate budgets are those which are not managed by any department.
- 1.2. Housing benefit payments are made to tenants on low income to assist with their rent. Annual spending of around £111m is met from Government grant, although cost falls on the Council when benefit is overpaid (usually due to claimants failing to tell us of changes in circumstances) and where our grant claim is reduced on audit. Improvements have been made in the way we manage housing benefits overpayments and the recovery of outstanding debt. This has resulted in a net budget saving of £3.9m which will be contributed to managed reserves to support future budgets.
- 16.3 At period 9, we were projecting savings on other corporate budgets of £3.7m, primarily due to spending review savings achieved after the budget for 2018/19 was set. This element of the budget has now achieved savings of £7.7m: reasons include spending reviews savings; the original budget contingency not being required; and additional government grants to compensate for changes in business rate rules made by the Government. This saving will be transferred to managed reserves.
- 16.4 In previously monitoring reports, a change in capital financing policy was proposed, which would save £8m through changing the speed at which we repay past years' borrowing. This change has already been made from 19/20 onwards as part of that year's budget report. It is now recommended that this change is made with effect from 2018/19, and that (as the money is one-off) the saving released is added to the capital programme to support future schemes.

APPENDIX C

Earmarked Reserves – Year-end Summary

1. Summary

- 1.1. Earmarked reserves represent sums set aside for specific purposes. This is in contrast to the General Fund, which exists to support the Council's day-to-day operations. Increasingly, though, reserves are being used to mitigate future budget pressures.
- 1.2. Reserves are created or dissolved with the approval of the City Mayor. Directors may make contributions to reserves provided that the purpose of the reserve is within the scope of the budget ceiling from which the contribution was made. Directors may withdraw money from reserves to support spending that is consistent with the purpose for which the reserve was created.
- 1.3. Earmarked reserves can be divided into different categories: information on the larger reserves in each category is detailed below. Some of the balances include transfers for which approval is sought in the recommendations to this report.
- 1.4. The amount of money held in reserves has changed because we have reviewed our accounting practice to ensure we meet requirements of the CIPFA Code of Practice (this is purely presentational). Grant which has not yet been spent has previously been accounted for as precisely that – we are however required to treat it in the same way as earmarked reserves. The money will be spent in the way the grant would have been spent. Some, however, is no longer required and can be added to managed reserves. The main reserves affected by this change are the Demographic Pressures, Managed and Children's Service Pressures Reserves.
- 1.5. A full review of earmarked reserves will be completed in the first quarter of 2019/20, which will include elements formerly presented as government grants.

2. Impact on Future Budgets

- 2.1. By its nature, the outturn itself does not usually affect future expenditure and income patterns. However, members will be aware that we use the Managed Reserves Strategy to "buy time"

to implement budget reductions, and to ensure that all spending reviews are properly thought through. This has been a key plank in recent budget strategies, and in particular has helped us to avoid the type of crisis cuts that some authorities have been required to make.

2.2. Following the outturn, the expected levels of reserves available to support the budget strategy in 2020/21 and beyond is £35m, an increase of £17m since the budget for 2019/20 was approved. Main reasons for the increase are:

- a) Savings in corporate budgets in 2018/19, over and above those reflected in the 19/20 budget (see above).
- b) £8m from the review of grants described at paragraph 1.4 above.

2.3 We are facing major uncertainty over our future budget position, given that the government has given no indication whatsoever about funding levels beyond 2019/20. This increase is therefore welcome and will help us manage uncertainty we face.

3. Ring-fenced reserves

Ringfenced reserves, are funds held by the Council but which we have obligations to other partners or organisations

2.1 The following reserves are ringfenced for schools;

2018/19	Balance at 31st March 2018	Total in Year Transfers	Balance at 31 March 2019
	£000	£000	£000
DSG not delegated to schools	12,710	(4,500)	8,210
School Balances	16,719	508	17,227
School Capital Fund	2,383	575	2,958
Schools Buy Back	1,073	1,583	2,656
Secondary PRU- Year End Balance	91	(5)	86
Primary PRU -Year End Balance	14	68	83
Total School Ring Fenced Reserves	32,990	(1,771)	31,220

2.2 The following reserves are ringfenced for Public Health, Arts Council, Education & Skills Funding & NHS joint working projects.

2018/19	Balance at 31st March 2018	Total in Year Transfers	Balance at 31 March 2019
	£000	£000	£000
NHS Joint Working Projects	1,769	-	1,769
Public Health Transformation	1,668	-	1,668
Education & Skills Funding agency Learning Programmes	-	1,353	1,353
Arts Council National Portfolio Organisation Funding	-	666	666
Total Other Ring Fenced Resources	3,437	2,020	5,457

4. Capital Programme Reserve

3.1 This reserve supports approved spending on the Council's capital programme.

2018/19	Balance at 31st March 2018	Total in Year Transfers	Balance at 31 March 2019
	£000	£000	£000
Total Capital Programme Reserve	41,395	8,933	50,328

5. Departmental Reserves

Departmental reserves are held by services to fund specific projects or identified service pressures.

2018/19	Balance at 31st March 2018	Total in Year Transfers	Balance at 31 March 2019
	£000	£000	£000
Financial Services Reserve	3,940	(232)	3,708
ICT Development Fund	3,887	(390)	3,497
Delivery, Communications & Political Governance	5,211	443	5,654
Housing	1,410	170	1,580
City Development (Excl Housing)	3,369	247	3,616
Children's Services Pressures	14,560	737	15,297
Health & Wellbeing Division	1,692	102	1,794
Other Departmental Reserves	1,257	(81)	1,175
Total Other Departmental Reserves	35,326	996	36,321

Detail on the larger reserves is provided below:-

- **Adult Social Care:** to meet budget pressures in future years, as the Service continues to have demographic cost pressures and no certainty that the Government will provide the much needed extra money;
- **Children's Services Pressures:** to balance future budgets, including those identified as part of the 2019/20 budget report and £5m for current projects.
- **City Developments and Neighbourhoods:** to meet known additional pressures, including one off costs associated with highways functions and the cost of defending planning decisions. Along with the funding of projects that have carried forward into 2019/20.
- **Delivery Communications & Political Governance:** this is principally for expenditure incurred to retain the Digital Transformation team, temporary and one-off staffing costs in HR/Payroll along with future elections.
- **ICT:** rolling funds for network and server upgrades, mobile airtime and upgrade of PC stock.
- **Financial Services:** for expenditure on replacing the Council's main finance system; funding the Service Analysis Team; transitional costs associated with the transfer of the audit function to the County Council; spikes in benefit processing and

overpayment recovery; and to mitigate budget pressures including reducing grant income to the Revenues & Benefits service.

- **Health & Wellbeing:** to support service pressures, channel shift and transitional costs.
- **Housing:** to meet spike in bed & breakfast costs; sourcing private sector landlords; costs associated with economic migrants; and for development work associated with a subsidiary housing company;

6. Corporate reserves

Corporate reserves are those held for purposes applicable to the organisation as a whole and not any specific service and are administered corporately.

2018/19	Balance at 31st March 2018	Total in Year Transfers	Balance at 31 March 2019
	£000	£000	£000
Managed Reserves Strategy	25,252	8,331	33,583
Demographic Pressures	9,745	12,627	22,372
BSF Financing	11,533	634	12,167
Severance Fund	7,265	(937)	6,328
Service Transformation Fund	6,087	(1,175)	4,912
Insurance Fund	9,099	2,491	11,590
Welfare Reform Reserve	3,790	(407)	3,383
Other Corporate Reserves	4,042	303	4,345
Total Corporate Revenue Resources	76,814	21,866	98,679

Detail on these reserves is provided below:-

- **Managed Reserves Strategy:** a key element to delivering our budget strategy, as set out in the budget report for 2019/20;
- **Demographic Pressures:** to help meet cost of demographic changes in adult & children social care and reduce the burden on council tax payers – some is being used as part of the 2019/20 budget strategy and the remainder will be available for 2020/21 and 2021/22.
- **BSF Financing:** to manage costs over the remaining life of the BSF scheme and lifecycle maintenance costs of the redeveloped schools;
- **Severance Fund:** to facilitate ongoing savings by meeting the redundancy and other costs arising from budget cuts;

- **Insurance Fund:** to meet the cost of insurance claims, nearly all our costs are met from this fund.
- **Service Transformation Fund:** to fund projects which redesign services enabling them to function effectively at reduced cost;
- **Welfare Reform:** set aside to support welfare claimants who face crisis, following the withdrawal of government funding for this purpose;

Other reserves: includes monies for spend to save schemes that reduce energy consumption, the combined heat and power reserve, and the surplus property reserve to prepare assets for disposal.

Appendix D
Executive Decision Report

**Capital Budget Monitoring –
Outturn, 2018/19**

Decision to be taken by: City Mayor
Overview Select Committee date: 20th June 2019
Lead director: Alison Greenhill



City Mayor

Useful Information

- Report author: Amy Oliver
- Author contact details: amy.oliver@leicester.gov.uk

1. Summary

- 1.1 The purpose of this report is to show the position of the capital programme at the end of 2018/19.
- 1.2 This is the fourth capital monitoring report of the financial year following similar monitoring reports as at Period 3, Period 6 and Period 9.

2. Recommendations

2.1 The Executive is recommended to:

- Note total spend of £100m for the year.
- Note the progress in delivery of major projects, as shown at Appendix A.
- Note progress on spending work programmes, as shown at Appendix B, and approve the carry-forward of resources into 2019/20 for schemes where spend has slipped into 2019/20 (£37.3m).
- Note that the great majority of provisions remain unspent as shown at Appendix C and approve the carry-forward of unspent resources into 2019/20 (£0.8m).
- Note that across a number of schemes, £2.5m has been declared as savings following completion of schemes within budget. All of this was to be funded by corporate resources and will now be available for future capital projects.
- Approve the addition of £560k to the Ashton Green project to fund infrastructure works. This will initially be funded from prudential borrowing to be repaid by future by earmarked capital receipts.
- Approve the addition of £983k to the Bus Engine Retrofitting scheme, following the receipt of a 2019-20 DFT grant, as detailed in Appendix B, para 3.4.
- Approve the addition of £250k to 11-15 Horsefair Street to fund additional works, to be funded from the Economic Action Plan as detailed in Appendix A, Estates and Building Services, para 2.2.

The OSC is recommended to:

- Consider the overall position presented within this report and make any observations it sees fit.

3. Supporting Information including options considered

- 3.1 The 2018/19 to 2019/20 Capital Programme was approved by Council on 30th November 2017 and amended at the 2017/18 outturn.
- 3.2 The capital programme is split in the following way:
 - (a) Schemes classified as '**immediate starts**', which require no further approval to commence; and

- (b) A number of separate '**policy provisions**' which are not released until specific proposals have been approved by the Executive;

3.3 Immediate Starts are further split into:

- (a) **Projects**, which are discrete, individual schemes such as a road scheme or a new building. Monitoring of projects focusses on delivery of projects on time and the achievement of milestones. Consequently, there is no attention given to in-year financial slippage;
- (b) **Work Programmes**, which consist of minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion;
- (c) **Provisions**, which are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem;
- (d) **Schemes which are substantially complete**. These schemes are the tail end of schemes in previous years' capital programmes, usually consisting of small amounts of money brought forward from earlier years;

3.4 A summary of the total approved 2018/19 to 2019/20 capital programme as at Period 12 is shown below:

	£000
Projects	146,884
Work Programmes	95,856
Provisions	1,195
Schemes nearly complete	15,332
Total Immediate Starts	259,267
Policy Provisions	78,016
Total Capital Programme	337,283

3.5 The following changes have occurred to the capital programme since Period 9:

	£000
St Mary's Allotments	660
Cash Income Management System	600
Ashton Green	578
Tower Block Redevelopment	384
BSF Schools' Landlord Lifecycle Fund	430
Affordable Housing - Other	579
Bishopdale conversion to learning hub	212
Connecting Leicester - Low Carbon Schemes	2,350
Pioneer Park Commercial Workspace (formerly Dock 2)	3,873
De Montfort Hall Improvement Works	131
Relocation of Sexual Health Clinic	122
Transport Improvement Works	(240)
Net Movements	9,679

These additions are included in the table at 3.4 above.

The following appendices to this report show progress on each type of scheme:

- Appendix A – Projects
- Appendix B – Work Programmes
- Appendix C – Provisions
- Appendix D – Projects Substantially Complete
- Appendix E – Policy Provisions

3.6 This report only monitors policy provisions to the extent that spending approval has been given, at which point they will be classified as projects, work programmes or provisions.

3.7 Capital Receipts

3.7.1 At Period 12, the Council has realised £7.5m of General Fund capital receipts. These receipts are not required to fund the current programme. In line with our policies, with the exception of any earmarked receipts, these are set aside for future capital programmes.

3.7.2 Right to Buy receipts this year totalled £19.4m.

4. Financial, Legal and other Implications

4.1 Financial Implications

This report is solely concerned with financial issues.

Alison Greenhill, Director of Finance, 37 4001

4.2 Legal Implications

There are no legal implications arising directly from the recommendations of this report.

Emma Horton, Head of Law (Commercial, Property and Planning).

4.3 Climate Change and Carbon Reduction Implications

This report is solely concerned with financial issues.

4.4 Equalities Implications

No Equality Impact Assessment (EIA) has been carried out as this is not applicable to a budget monitoring report.

4.5 Other Implications

Other implications	Yes/No	Paragraph referred
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly/People on low income	No	-
Corporate Parenting	No	-
Health Inequalities Impact	No	-

No other implications are noted as this is a budget monitoring report, and therefore no policy changes are proposed.

5. Background information and other papers

Report to Council on the 30th November 2017 on the Capital Programme 2018/19 to 2019/20

Period 9 Capital Monitoring Report and minutes of OSC Finance Task Group presented to OSC on 4th April 2019.

6. Is this a private report

No.

7. Is this a "key decision"?

No.

8. If a key decision please explain reason

N/A.

PROJECTS

1. Summary

- 1.1 As stated in the cover report, the focus of monitoring projects is physical delivery, i.e. whether they are being delivered on time, on budget and to the original specification. This appendix summarises progress on projects. Project summaries provided by departments/divisions are shown on pages 9-19 within this Appendix.

Department / Division	Budget 2018/19 to 2019/20 £000	2018/19 Outturn £000
Corporate Resources	2,416	854
Adult Social Care	4,892	685
Planning, Development & Transportation	81,752	15,007
Tourism, Culture & Inward Investment	8,893	3,440
Neighbourhood & Environmental Services	890	243
Estates & Building Services	11,043	768
Children's Services	27,404	14,987
Public Health	3,741	1,507
Housing Revenue Account	5,853	1,762
Total	146,884	39,253

- 1.2 A list of the individual projects is shown in the table on pages 6-8 of this report. This also summarises the progress of each project. Attention is drawn to expected completion dates and any project issues that have arisen.
- 1.3 A colour-coded rating of progress of each project has been determined, based on whether the project is progressing as expected, and whether it is still expected to complete within budget.
- 1.4 The ratings used are:
- (a) **Green** Successful delivery of the project on time, within budget, to specification and in line with original objectives seems very likely. There are no major issues that appear to threaten delivery significantly.
 - (b) **Amber** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears probable. However, some risks exist and close attention will be required to ensure these risks do not materialise into major issues threatening delivery. Alternatively, a project is classed as amber if some insubstantial slippage or minor overspend is probable.
 - (c) **Red** Successful delivery of the project on time, within budget, to specification and in line with original objectives appears to be unachievable. The project is expected to require redefining, significant additional time or additional budget.
 - (d) **Blue** The project is complete.
 - (e) **Purple** The project is on hold, for reasons which have nothing to do with management of the capital programme. Examples include reconsideration of whether the project is still needed as originally proposed, or withdrawal of a funder.

2. Summary of Individual Projects

Dept/ Division	Project	Total Budget (£000)	2018/19 Outturn (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ Outturn
CRS	Automatic Call Distribution System Upgrade	203	133	0	Apr-18	TBC	Red	Amber
CRS	Finance, HR & Payroll System	1,613	687	0	Jun-17	TBC	Red	Red
CRS	Cash Income Management System	600	34	0	Jan-20	Jan-20	N/A	Green
ASC	ICT Investment - Phase 2 - Liquidlogic	627	437	0	Jan-19	Mar-20	Green	Green
ASC	Improvement to Day Care Services at Hastings Road	267	248	0	Apr-16	Jun-19	Green	Green
ASC	Specialist Dementia Care Centre	1,548	0	(1,548)		N/A	Purple	Purple
ASC	Extra Care Schemes	2,450	0	60		Dec-20	Green	Green
CDN (PDT)	Leicester North West Major Transport Scheme	8,720	2,106	0	Mar-19	Mar-21	Amber	Amber
CDN (PDT)	North City Centre Access Improvement Scheme	10,559	3,509	0	Feb-20	Nov-20	Green	Green
CDN (PDT)	Anstey Lane Improvements for Ashton Green	7,900	169	0	May-19	Mar-20	Green	Green
CDN (PDT)	City Centre Street Improvements	4,862	783	0	Apr-19	Dec-20	Green	Green
CDN (PDT)	Waterside Strategic Regeneration Area	17,764	4,277	0	Mar-23	Mar-23	Green	Green
CDN (PDT)	Great Central Street / Vaughan Way	2,740	61	0	Jan-19	Aug-19	Green	Green
CDN (PDT)	Ashton Green	982	694	0	Mar-21	Mar-21	Amber	Green
CDN (PDT)	Pioneer Park	4,217	1,107	0	Jan-21	Jan-21	Green	Green
CDN (PDT)	Newarke Street Car Park improvements	247	172	0	Sep-18	May-19	Green	Green
CDN (PDT)	Abbey Park Precinct Wall	92	34	0	Aug-19	Aug-19	Green	Green
CDN (PDT)	Pioneer Park Commercial Workspace (formerly Dock 2)	5,021	21	0	Spring 18	Spring 20	Amber	Green
CDN (PDT)	Connecting Leicester - Low Carbon Schemes	7,250	1,914	0	Nov-20	Nov-20	Green	Green
CDN (PDT)	22 St. Georges Way	541	0	0	Feb-19	Apr-19	Green	Green
CDN (PDT)	Ashton Green Highways Infrastructure	10,000	147	0	Mar-21	Mar-21	Green	Amber
CDN (PDT)	St George's Churchyard	857	13	0	Aug-18	Aug-19	Purple	Purple

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold
[Green] [Amber] [Red] [Blue] [Purple]

Dept/ Division	Project	Total Budget (£000)	2018/19 Outturn (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ Outturn
CDN (TCI)	Jewry Wall Museum Improvements	2,691	114	0	Mar-19	Nov-20	Green	Green
CDN (TCI)	Leicester Market Redevelopment	5,030	2,489	0	Dec-18	Mar-20	Amber	Amber
CDN (TCI)	Abbey Pumping Station	482	227	0	Mar-19	Mar-20	Green	Green
CDN (TCI)	De Montfort Hall Improvement Works	610	610	0	Sep-18	May-19	Green	Green
CDN (TCI)	LCB Courtyard/Garden development	80	0	0	Apr-19	Mar-20	N/A	Green
CDN (NES)	Library Management System	130	130	0	Dec-18	Mar-19	Green	Blue
CDN (NES)	City Centre Playground	100	0	0	Mar-19	Mar-20	Amber	Amber
CDN (NES)	St Mary's Allotments	660	113	0	Jul-19	Dec-19	N/A	Green
CDN (EBS)	Haymarket House, Car Parks & Lifts	10,067	409	0	Mid - 20	Mid - 20	Amber	Amber
CDN (EBS)	11-15 Horsefair Street	516	333	248	Nov-18	Jun-19	Amber	Amber
CDN (EBS)	City Hall Power Backup	300	5	(295)	Sep-18	N/A	Purple	Purple
CDN (EBS)	Great Central Railway Museum	160	21	0	Oct-18	TBC	Purple	Purple
ECS	Additional Places - Marriott	1,440	238	0	Sep-18	Feb-20	Amber	Green
ECS	St Paul's Temporary Modular Buildings	632	413	0	Sep-18	May-19	Amber	Blue
ECS	Fullhurst School Expansions	14,282	12,172	0	Aug-19	Sep-19	Green	Green
ECS	SEND Places Expansion - Phase 1	1,714	1,051	0	Nov-18	Jun-19	Amber	Green
ECS	Primary Pupil Referral Unit Expansion	2,807	94	0	Oct-19	May-20	Amber	Amber
ECS	St John the Baptist Primary Extension	1,616	851	0	May-19	Jun-19	Amber	Green
ECS	Additional SEND Places - Phase 2 - Knighton Fields Centre	3,924	3	0	Dec-19	Jan-21	Amber	Green
ECS	Wigston Lane Children's Home	500	38	0	Nov-18	Nov-19	Green	Green
ECS	Children's Homes - Netherhall	264	17	0	Sep-17	Dec-20	Green	Green
ECS	Children's Homes - Tatlow Road	225	110	0	Dec-17	Jun-19	Green	Green
PH	Relocation of Sexual Health Clinic	1,496	1,496	0	Mar-18	Feb-19	Green	Blue
PH	Leisure Centre Improvement Programme	2,245	11	0	Mar-20	Jul-20	Amber	Amber
Total (excluding HRA)		141,031	37,491	(1,535)				

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold
[Green] [Amber] [Red] [Blue] [Purple]

Dept/ Division	Project	Total Budget (£000)	2018/19 Outturn (£000)	Forecast O/(U)spend (£000)	Original Completion Date	Forecast Completion Date	Previous Reported RAG Rating	Project RAG Rating @ Outturn
CDN (HRA)	St Leonard's Tower Block - Lift	195	0	0	Mar-18	Apr-20	Amber	Amber
CDN (HRA)	Exchange Demolition	100	0	0	Dec-17	Oct-19	Amber	Amber
CDN (HRA)	E-Communications (Mobile Working)	247	59	0	Aug-18	Dec-19	Green	Green
CDN (HRA)	Northgate Business Systems Phase 2	1,125	520	0	Mar-18	Mar-20	Green	Green
CDN (HRA)	Tower Block Redevelopment	736	754	18	Sep-18	Apr-19	Amber	Blue
CDN (HRA)	Goscote House Demolition	3,000	19	0		Jan-20	Green	Green
CDN (HRA)	Installation of Sprinklers in Maxfield House	450	410	0	Mar-19	Mar-19	Green	Blue
Total HRA		5,853	1,762	18				
Total (including HRA)		146,884	39,253	(1,517)				

COLOUR KEY : Successful Delivery Likely Successful Delivery Probable Successful Delivery Appears Unachievable Project Complete Project on Hold
[Green] [Amber] [Red] [Blue] [Purple]

41

3. Departmental/Divisional Project Summaries

- 3.1 Explanatory commentary for projects that are not currently progressing as planned, or for which issues have been identified, is provided in the next pages. This has been defined as any scheme that has a RAG Rating other than “green” or “blue”.

Capital Programme Project Monitoring 2018/19 Outturn

Corporate Resources

1. Projects Summary

Project Name	Approval 2018/19 to 2019/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Automatic Call Distribution System.	203	0	133	April 2018	TBC	A
Finance, HR & Payroll System	1,613	0	687	June 2017	TBC	R
Cash Income Management System	600	0	34	Jan 2020	Jan 2020	G
Total	2,416	0	854			

2. Projects Commentary (for all projects rated Amber, Red or Purple)

- 2.1. **Automatic Call Distribution System** There were initial concerns over the technical requirements. Solutions have been offered by the supplier and the Council is currently evaluating these.
- 2.2. **Finance, HR & Payroll System** The contract with the finance system supplier is now at an end. The council is now looking to stabilise their current system. During the end of the financial year the Council successfully implemented the first part of a new payroll system. The development of this system will continue into 2019/20.

Capital Programme Project Monitoring 2018/19 – Outturn

Adults

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
ICT Investment – Phase 2 (Liquidlogic Enhancements)	627	0	437	January 2019	March 2020	G
Improvements to day care services at Hastings Road	267	0	248	April 2016	June 2019	G
Special Dementia Care Centre	1,548	(1,548)	0		N/A	P
Extra Care – Two Schemes	2,450	60	0		December 2020	G
Total	4,892	(1,548)	685			

1. Projects Summary

2. Projects Commentary (for all projects rated Amber, Red or Purple)

2.1 Specialist Dementia Care Centre This project was put on hold pending expected Government changes, which could have affected the viability of the scheme. After a long period of uncertainty, the Government announced that vulnerable people will still be able to claim the higher rate of intensive housing management as part of their housing benefit claim. However, taking into consideration the requirement of the Care Act 2014, a greater emphasis needs to be placed on supporting greater independence, which can be delivered via supported living and extra care housing. Therefore, this budget is no longer required. However, a small portion of the monies (£60k) is required to towards the access road for the extra care scheme being developed at Tilling Road.

Capital Programme Project Monitoring 2018/19 Outturn

Planning, Development & Transportation

1. Projects Summary

Project Name	Approval 2018/19 to 2019/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Leicester North West Transport Scheme	8,720	0	2,106	Mar 2019	Mar 2021	A
North City Centre Access	10,559	0	3,509	Feb 2020	Nov 2020	G
Anstey Lane Improvements for Ashton Green	7,900	0	169	May 2019	Mar 2020	G
City Centre Street Improvements	4,862	0	783	Apr 2019	Dec 2020	G
Waterside	17,764	0	4,277	Mar 2023	Mar 2023	G
Vaughan Way / Great Central Street	2,740	0	61	Jan 2019	Aug 2019	G
Ashton Green	982	0	694	Mar 2021	Mar 2021	G
Pioneer Park	4,217	0	1,107	Jan 2021	Jan 2021	G
Newarke Street Car Park Improvements	247	0	172	Sept 2018	May 2019	G
Abbey Park Precinct Wall	92	0	34	Aug 2019	Aug 2019	G
Pioneer Park Commercial Workspace	5,021	0	21	Spring 2018	Spring 2020	G
Connecting Leicester – Low Carbon Schemes	7,250	0	1,914	Nov 2020	Nov 2020	G
22 St. Georges Way	541	0	0	Feb 2019	Apr 2019	G
Ashton Green Highways Infrastructure	10,000	0	147	Mar 2021	Mar 2021	A
St George's Churchyard	857	0	13	Aug 2018	Aug 2019	P
Total	81,752	0	15,007			

2. Projects Commentary (for **all** projects rated Amber, Red or Purple).

2.1. **Leicester North West Major Transport Project** Work is progressing on site. There has been some slippage due to the presence of services which were previously thought to be unaffected and the utility contractor being unable to programme the diversion works. Construction is now therefore programmed to continue until October 2019.

2.2. **Ashton Green Highways Infrastructure** Construction costs are being reviewed with the County Council, as they have risen over the last two years. It is anticipated that a further key decision will be required by the City Mayor in June with respect to additional funding to enable this scheme to proceed to delivery. The £5m funding secured from Highways England for road improvements must be drawn down by March 2021. The

County Council is the accountable body for this funding and is leading on project delivery.

2.3. **St George's Churchyard** The scheme for public realm improvements was represented to the Planning & Development Control Committee in December 2018 but was rejected. Options for the scheme are currently being reviewed.

Capital Programme Project Monitoring 2018/19 Outturn

Tourism, Culture and Inward Investment

1. Projects Summary

Project Name	Approval 2018/19 to 2019/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Jewry Wall Museum Improvements	2,691	0	114	March 2019	Nov 2020	G
Leicester Market Redevelopment	5,030	0	2,489	Dec 2018	March 2020	A
Abbey Pumping Station	482	0	227	March 2019	March 2020	G
De Montfort Hall Improvement Works	610	0	610	Sept 2018	May 2019	G
LCB Courtyard/Garden development	80	0	0	April 2019	March 2020	G
Total	8,893	0	3,440			

2. Projects Commentary (for all projects rated Amber, Red or Purple)

- 2.1. Leicester Market Redevelopment** Further to a review with the contractor on 14th May the scheme is likely to be significantly delayed further until end July. Though work is progressing, an inability to resolve key design risks promptly, in particular a structurally safe solution for the windows to be safely installed, has created a knock-on slowdown. Until the windows, new render and decoration is complete, the scaffolding system must remain and finishing works can't begin. Project management arrangements are being reviewed by Directors on 23rd May.
- 2.2.** Other projects highlighted as green are anticipated to be delivered as planned and within existing budget limits. Some projects have gone past their original completion date due to delays in procurement, the time of specific executive decisions and sometimes a need to hold back completion of an element. Project programmes have been reset consequently.

Capital Programme Project Monitoring 2018/19 Outturn

Neighbourhood and Environmental Services

1. Projects Summary

Project Name	Approval 2018/19 to 2019/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating
Library Management System	130	0	130	Dec 18	March 19	B
City Centre Play	100	0	0	March 19	March 20	A
St Mary's Allotments	660	0	113	July 2019	December 2019	G
Total	890	0	243			

2. Projects Commentary (for all projects rated Amber, Red or Purple)

2.1 **City Centre Play** Proposals are currently being developed.

Capital Programme Project Monitoring 2018/19 – Outturn
Estates and Building Services

1. Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
Haymarket House, Car Park and Lifts	10,067	0	409	Mid 2020	Mid 2020	A
11-15 Horsefair Street	516	248	333	Nov 2018	June 2019	A
City Hall Power Back Up	300	(295)	5	Sept 2018	N/A	P
GCR Mainline Museum	160	0	21	Oct 2018	TBC	P
Total	11,043	(47)	768			

2. Projects Commentary (for **all** projects rated Amber, Red or Purple).

2.1 Haymarket House, Car Park and Lifts All works have been contracted. Works to the car park are due to commence in May, with works to the lift and Haymarket House to undertaken as per agreed programme. The scheme is rated Amber due to its complexity and time critical activities, rather than any specific concerns at this stage.

2.2 11-15 Horsefair Street. The project cost plan has been increased to include the additional wall re-build because of the structural steel projections from number 11 which cannot be removed. It is proposed to fund the additional costs of £250k from the policy provision set aside for the Economic Action Plan. Current completion date for the works is the end of June 2019.

2.3 City Hall Power Back Up Following a full option appraisal, it has been concluded that the cost and disruption of a power outage are acceptable when contrasted against the likelihood of occurrence, the cost of a fully effective back-up solution, and the availability of alternative management procedures. Therefore, this project is to be closed down.

2.4 Great Central Railway Mainline Museum Further site investigations and feasibility work have been undertaken. The substantive project is on hold following the withdrawal of HLF funding in December 2017. GCR are considering the most recent feedback from the Council regarding site constraints and estimated budget costs of which we expect updated proposals from GCR later summer 2019.

Capital Programme Project Monitoring 2018/19 – Outturn

Children’s Services

1. Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
Additional Places - Marriott	1,440	0	238	Sept 18	Feb 20	G
St Paul’s TMB 2018	632	0	413	Sep 18	May 19	B
Secondary Expansions – Fullhurst	14,282	0	12,172	Aug 19	Sep 19	G
SEND Places Expansion - Phase 1	1,714	0	1,051	Nov 18	Jun 19	G
Primary Pupil Referral Unit (PRU) Expansion (Netherhall)	2,807	0	94	Oct 19	May 20	A
St John the Baptist Primary Expansion	1,616	0	851	May 19	Jun 19	G
Additional SEND Places - Phase 2 - Knighton Fields Centre	3,924	0	3	Dec 19	Jan 21	G
Children’s Homes – Wigston Lane	500	0	38	Nov 18	Nov 19	G
Children’s Homes – Netherhall	264	0	17	Sep 17	Dec 20	G
Children’s Homes – Tatlow Road	225	0	110	Dec 17	Jun 19	G
Total	27,404	0	14,987			

2. Projects Commentary (for all projects rated Amber, Red or Purple)

2.1 St Paul’s Temporary Modular Building - Works are now complete, providing additional provision for up to 60 Secondary school places.

2.7 Primary Pupil Referral Unit Expansion (Netherhall) – Currently a review is being undertaken of the Primary PRU scheme.

Capital Programme Project Monitoring 2018/19 – Outturn

Public Health

1. Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
Relocation of Sexual Health Clinic	1,496	0	1,496	March 2018	Feb 2019	B
Leisure Centre Improvement Programme	2,245	0	11	March 2020	July 2020	A
Total	3,741	0	1,507			

2. Projects Commentary (for all projects rated Amber, Red or Purple)

2.1. **Leisure Centre Improvement Programme** – As previously reported feasibility studies have identified that costs were likely to be more than programme funds. Sports Services and EBS have been working together to produce a report for August 2019 detailing proposed timescales, further clarity on cost of delivery, along with revised business plans. The report and business plans will be informed by demand studies, that have been completed at Aylestone, Cossington and Evington.

Capital Programme Project Monitoring 2018/19 – Outturn

Housing

1. Projects Summary

Project Name	Approval 18/19 to 19/20 (£000)	Forecast Over / (Under) Spend (£000)	Outturn (£000)	Original Completion Date	Forecast Completion Date	RAG Rating (project)
St Leonard's Tower Block - Lift	195	0	0	Mar 18	April 20	A
Exchange Demolition	100	0	0	Dec 17	Oct 19	A
E-Communications (Mobile Working)	247	0	59	Aug 18	Dec 19	G
Northgate Business Systems Phase 2	1,125	0	520	March 18	March 20	G
Tower Block Redevelopment	736	18	754	Sept 18	April 19	B
Goscote House Demolition	3,000	0	19		Jan 20	G
Installation of Sprinklers in Maxfield House	450	0	410	Mar 19	Mar 19	B
Total	5,853	18	1,762			

2. Projects Commentary (for **all** projects rated Amber, Red or Purple)

2.1 St Leonard's Lift Following significant delays, the necessary agreement to enable the installation of second lift has been reached with a leaseholder and procurement is due to start imminently. This will be followed by the renewal of the existing single lift.

2.2 Exchange Demolition The demolition of the parade of shops is dependent on the relocation of the post office to an existing health centre. The land transfer to facilitate the necessary health centre extension was completed in October 2017. However, ongoing delays to the construction of the post office mean that demolition is not expected before the Autumn of 2019.

WORK PROGRAMMES**1. Summary**

- 1.1 As stated in the cover report, work programmes are minor works or similar on-going schemes where there is an allocation of money to be spent during a particular year. Monitoring of work programmes focusses on whether the money is spent in a timely fashion.

Department /Division	Approved £000	2018/19 Outturn £000	Slippage £000	Over/(Under) Spend £000
Adult Social Care	184	6	21	(157)
Planning, Development & Transportation	19,614	10,976	8,638	0
Tourism, Culture & Inward Investment	2,848	1,772	1,076	0
Neighbourhood & Environmental Services	900	502	398	0
Estates & Building Services	4,204	1,248	2,956	0
Housing General Fund	5,833	3,073	2,514	(246)
LLEP	11,297	11,297	0	0
Children's Services	10,619	2,296	8,323	0
Total (excluding HRA)	55,499	31,170	23,926	(403)
Housing Revenue Account	27,841	20,691	7,171	21
Total (including HRA)	83,340	51,861	31,097	(382)

2. Summary of Individual Work Programmes

Work Programme	Dept/ Division	Approved £000	2018/19 Outturn £000	Slippage £000	Over/(Under) Spend £000
Dementia Friendly Buildings Initiative	ASC	184	6	21	(157)
Transport Improvement Works	CDN (PDT)	7,343	1,257	6,086	0
Bus Engine Retrofitting (DFT funded)	CDN (PDT)	2,200	1,581	619	0
Air Quality Action Plan	CDN (PDT)	87	85	2	0
Highways Maintenance	CDN (PDT)	4,078	4,062	16	0
Townscape Heritage Initiative - Business Grants	CDN (PDT)	661	98	563	0
Flood Strategy	CDN (PDT)	367	312	55	0
Festive Decorations	CDN (PDT)	46	42	4	0
Local Environmental Works	CDN (PDT)	400	375	25	0
Legible Leicester	CDN (PDT)	695	427	268	0
Parking Strategy Development	CDN (PDT)	735	735	0	0
Leicester Strategic Flood Risk Management Strategy	CDN (PDT)	2,223	1,517	706	0
Potential Strategic Development Sites Assessment	CDN (PDT)	479	438	41	0
Architectural & Feature Lighting	CDN (PDT)	50	0	50	0
Front Wall Enveloping	CDN (PDT)	200	47	153	0
Replacement Doors & Windows St Saviours Rd	CDN (PDT)	50	0	50	0
Enterprising Leicester Loans	CDN (TCI)	993	973	20	0
Heritage Interpretation Panels	CDN (TCI)	313	11	302	0
Retail Gateways	CDN (TCI)	425	29	396	0
Arts & Museum Security Improvements	CDN (TCI)	40	0	40	0
Collaborate Business Project - Business Grants	CDN (TCI)	977	659	318	0
Cultural investment programme	CDN (TCI)	100	100	0	0
Parks Plant and Equipment	CDN (NES)	150	148	2	0
Allotment Infrastructure Phase 2	CDN (NES)	75	75	0	0
Replacement Tree Planting	CDN (NES)	86	86	0	0
CCTV Upgrade - Infrastructure	CDN (NES)	444	138	306	0
CCTV Upgrade - Neighbourhood Facilities	CDN (NES)	90	0	90	0
Street Scene Improvements	CDN (NES)	55	55	0	0
Euston Street Store	CDN (EBS)	790	460	330	0
Property Maintenance	CDN (EBS)	3,330	788	2,542	0
Energy Fund - Pool Covers	CDN (EBS)	84	0	84	0
Private Sector Disabled Facilities Grant	CDN (HGF)	2,495	2,131	364	0
Repayable Home Repair Loans	CDN (HGF)	433	132	100	(201)
Leicester Energy Efficiency Fund	CDN (HGF)	50	5	0	(45)
Vehicle Fleet Replacement Programme	CDN (HGF)	2,855	805	2,050	0
Local Growth Fund Projects	CDN (LLEP)	11,297	11,297	0	0
School Capital Maintenance	ECS	8,094	1,912	6,182	0
BSF Schools' Landlord Lifecycle Fund	ECS	2,525	384	2,141	0
Total (excluding HRA)		55,499	31,170	23,926	(403)
Council Housing - New Kitchens and Bathrooms	CDN (HRA)	4,341	4,599	0	258
Council Housing - Boiler Replacements	CDN (HRA)	3,500	3,617	0	117
Council Housing - Rewiring	CDN (HRA)	1,750	1,719	0	(31)
Council Housing - Disabled Adaptations & Improvements	CDN (HRA)	1,374	991	165	(218)
Council Housing - External Property Works	CDN (HRA)	1,054	840	223	9
Council Housing - Fire and Safety Works	CDN (HRA)	1,150	958	192	0
Council Housing - Insulation Works	CDN (HRA)	350	288	0	(62)
Community & Environmental Works	CDN (HRA)	1,967	1,910	0	(57)
Affordable Housing - Acquisitions	CDN (HRA)	9,780	4,630	5,150	0
Affordable Housing - LA New Build	CDN (HRA)	200	231	0	31
Affordable Housing - Other	CDN (HRA)	2,375	908	1,441	(26)
Total HRA		27,841	20,691	7,171	21
Total (including HRA)		83,340	51,861	31,097	(382)

3. Commentary on Specific Work Programmes

- 3.1 Explanatory commentary for work programmes not currently progressing as planned, or for which issues have been identified is provided below. For monitoring purposes this has been defined as any scheme where budgets have significantly changed, where spend is low or where material slippage is forecast.
- 3.2 **Dementia Friendly Buildings** – A second phase of refurbishment works at the Customer Service Centre has been organised with a contribution of £21k to better accommodate those with dementia. This will be completed in June 2019. This will leave an unspent balance of £157k to be made available for the future capital programme.
- 3.3 **Transport Improvement Works** - This includes bus pinch point schemes at a number of locations, Putney Road, 20mph schemes, surveys and charges for management of the programme. Many of the schemes are at design stage but due to consultations and timing of the programme delivery there is slippage. The Putney Road scheme is expected to be delivered now starting Summer 2020 due to the complexity of the project. The majority of 20mph schemes programmed for 2018/2019 are complete, however schemes at Eyres Monsell and Montrose have required extended consultations resulting in the spend needing to be carried forward to the programme for 2019/20. Delays in finalising the ERDF Low Carbon Fund Project contract with the government has resulted in slippage. The contract was signed in February 2019 and the contribution will be made in 2019/20.
- 3.4 **Bus Engine Retrofitting (DFT funded)** - £2.2m was awarded by the Government in 2017/18 towards retrofitting engines in the city fleet (operated by First, Arriva, Centrebus and Kinch) to achieve the EURO VI emissions standard and hence improve air quality. Some 116 buses are expected to be fitted by December 2019. In February 2019 an extension to the project was requested and in March 2019 a further £983k was granted to fit a further 53 buses before March 2020.
- 3.5 **Townscape Heritage Initiative - Business Grants** - The overall programme is progressing although there will be some slippage into 2019/20 (the final year of the grant scheme) due to minor project changes. These include a delay in the development of a grant application for bringing vacant space back into use.
- 3.6 **Legible Leicester** - The overall Legible Leicester programme is progressing well; however, there will be some slippage into 2019/20, for example installation of a Variable Message System (VMS) on Vaughan Way, procurement of two additional trailer VMS's, and extensions to the existing wayfinding and de-cluttering directional signage. The delays are due to a number of factors including other highways/developer schemes, procurement issues and resourcing.
- 3.7 **Leicester Strategic Flood Risk Management Strategy** - This is a project within the Local Growth Fund programme which is led and managed by the City Council with delivery partners the Environment Agency and the Canal & River Trust (CRT). Lower than expected spend on the total budget in 2018/19 was due the CRT not being able to complete their projects by the end of March, which are being carried over into 2019/20.
- 3.8 **Architectural & Feature Lighting** – This is a grant scheme which has been promoted to local businesses and property owners. There has been some interest in the scheme, however due to dependency on third party applications there was no spend in 2018/19. This will be slipped into 2019/20.

- 3.9 **Front Wall Enveloping** – Following a successful pilot, £150k was released in March 2019 to complete the works on 23 identified properties in 2019/20.
- 3.10 **Retail Gateways** – Whilst there were delays in take up during 2018/19, there is healthy demand and full spend is expected across, this two-year programme.
- 3.11 **Collaborate Business Project - Business Grants** - This is ERDF funded, and spend is dependent on the number of applications from businesses. Therefore £318k will be slipped for use in 2019/20.
- 3.12 **CCTV Upgrade Infrastructure** - Slippage relates to resolution of repairs to the existing fibre/copper wire infrastructure, purchase of additional deployable cameras and replacement cameras for the city centre security system. All works elements are expected to be completed by the end of June.
- 3.13 **Euston Street Store** - The final phase of this programme, which includes shelving and partial re-roofing alongside solar PV panels, is expected to complete in the Autumn.
- 3.14 **Property Maintenance** - Approved in September 2018, this is a phased programme of essential maintenance works to Council properties. Works planned for delivery in 2019/20 include De Montfort Hall lifts and Town Hall fire and intruder alarms. Works are currently to the programme plan.
- 3.15 **Repayable Home Repair Loans** - These loans support people, often Adult Social Care clients, to continue living independently within their homes. The service is demand-led, and a drop in the number of applications has led to an underspend of £301k, of which it is proposed only £100k be reprofiled into 2019/20, recognising likely demand.
- 3.16 **Vehicle Fleet Replacement Programme** - Of the £2.9m approval, it was originally planned that £1.5m would be spent during the year, supported by a detailed plan of vehicle purchases. Because of resource issues in drawing up specifications, only £805k was actually spent. This has now been addressed with initial priority in 2019/20 being given to procuring new passenger transport mini buses.
- 3.17 **Schools Capital Maintenance** – The previously reported slippage is due to limited spend to date against ‘production kitchens’ whilst schemes are identified. Compliance and fire safety surveys are underway to determine the necessary works to be carried out in 2019/20. Individual Access Needs works are now programmed into 2019/20.
- 3.18 **BSF Schools’ Landlord Lifecycle Fund** – Remedial works at New College, Millgate Academy, Lancaster Academy and Sir Jonathan North Academy are currently at RIBA Stage 4, with contracts expected to be issued for a total works value of £2.3m. Works are programmed to be completed in 2019/20.
- 3.19 **Council Housing** –due to the nature of the capital spend within the Housing Revenue Account, some programmes have slipped as planned work has not been completed or is no longer required. Some overspends have occurred due to the reactive nature of some of the works. The small overspend is being funded from Housing Revenue Account balances.

PROVISIONS**1. Summary**

- 1.1 As stated in the cover report, provisions are sums of money set aside in case they are needed, where low spend is a favourable outcome rather than indicative of a problem.
- 1.2 As at the end of Period 12, the majority of the following budgets for capital provisions were unspent. There has been an overspend within the Empty Homes Purchase following a Compulsory Purchase Order, which is anticipated to be recovered through re-sale in 2019/20.
- 1.3 Normally provisions are there if needed. The sums below are for two financial years.

Provision	Dept/ Division	Approved £000	2018/19 Outturn £000	Commit- ments £000	2018/19 Total £000	Remaining Budget £000
Local Investment Fund Support	CDN (TCI)	181	0	0	0	181
Feasibility and Development Studies	CDN (PDT)	250	175	0	175	75
Empty Homes Purchase	CDN (HGF)	50	181	0	181	(131)
New School Places - Contingency	ECS	0	0	0	0	0
Children's Services Buildings (Non-Schools)	ECS	500	0	0	0	500
Adventure Playgrounds & Youth Centres	ECS	25	0	0	0	25
Early Years - Two Year Olds	ECS	189	33	0	33	156
Total		1,195	389	0	389	806

PROJECTS SUBSTANTIALLY COMPLETE**1. Summary**

- 1.1 As at the end of Period 12, the following schemes were still in progress and nearing completion. The budgets are the unspent amounts from previous years' capital programmes, mainly as a result of slippage.

Project	Dept/ Division	Approved £000	2018/19 Outturn £000	Slippage £000	Over/(Under) Spend £000
Electronic Document System Replacement	CRS	330	105	0	(225)
Anchor Centre - new recovery hub	ASC	146	49	0	(97)
Friars' Mill Phase 1	CDN (PDT)	54	28	26	0
Queen's Building (formerly Shahista House)	CDN (PDT)	150	146	0	(4)
Townscape Heritage Initiative	CDN (PDT)	796	627	169	0
Carron Building	CDN (TCI)	18	18	0	0
Watermead Country Park - Additional Car Park	CDN (NES)	39	39	0	0
15 New Street	CDN (EBS)	24	24	0	0
Braunstone Hall	CDN (EBS)	130	24	106	0
9 Midland Street Acquisition	CDN (EBS)	281	275	6	0
Haymarket Theatre	CDN (EBS)	400	400	0	0
New School Places - various*	ECS	3,088	1,492	1,669	73
Secondary School Temporary Modular Buildings*	ECS	6,003	2,706	3,297	0
Children's Homes	ECS	15	0	15	0
Children's Services Contact Centres	ECS	33	10	21	(2)
Primary School Temporary Modular Buildings	ECS	625	236	384	(5)
Waterside Primary School Feasibility	ECS	1,623	1,195	428	0
Secondary School Places - PFI schools	ECS	568	564	4	0
Secondary School Places - Non-PFI schools	ECS	1,009	965	44	0
Total		15,332	8,903	6,169	(260)

*The outstanding budget on new school places projects largely relates to on-going rental costs for the agreed periods.

POLICY PROVISIONS**1. Summary**

1.1 As at Period 12, the following policy provisions were still awaiting formal approval for allocation to specific schemes.

Department/ Division	Policy Provision	Amount £000
CDN (EBS)	Property Maintenance	1,124
CDN (PDT)	Economic Action Plan	6,314
CDN (PDT)	Air Quality Action Plan	729
CDN (PDT)	Parking Strategy Development	0
CDN (PDT)	Local Environmental Works	346
CDN (PDT)	Ashton Green Infrastructure	400
CDN (PDT)	Front Wall Enveloping	0
CDN (EBS)	Commercial Property Acquisitions	1,927
CDN (HGF)	Vehicle Replacement Programme	1,800
ECS	New School Places	53,300
ECS	School Maintenance	3,688
ASC	Extra Care Schemes	6,700
Total (excluding HRA)		76,328
CDN (HRA)	New Affordable Housing	1,388
CDN (HRA)	Other HRA Schemes	300
Total HRA		1,688
Total (including HRA)		78,016

1.2 Money for new school places has been periodically released since period 9, as plans are developed and approved. Decisions taken include:

- £1,765k released as per the recommendation in the P9 report, to fund additional project costs.

1.3 Other releases from policy provisions since Period 9 (reflected in the tables above) are listed below:

- £400k for the Haymarket Theatre
- £150k for Front Wall Enveloping
- £80k Cultural quarter - LCB depot courtyard and associated improvements.
- £288k Adult Learning Hub - Bishopdale Road

1.4 The Economic Action Plan Policy Provision includes £1,000k that has been committed for the Cultural Investment Programme, as per an executive decision taken on 23rd October 2018. This money will not be formally committed until all of the other funding for the scheme is in place.



Income Collection April 2018 – March 2019

Decision to be taken by: N/A

Overview Select Committee date: 20th June 2019

Lead Director: Alison Greenhill

Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: Ext 37 5667

1. Summary

This report details progress made in collecting debts raised by the Council during 2018-19, together with debts outstanding and brought forward from the previous year. It also sets out details of debts written off under delegated authority that it has not been possible to collect after reasonable effort and expense.

This is a routine report made to members twice each year.

Figures included in this report need to be seen in the context of the total amount of income collected by the Council from the public each year, which amounts to over £400m. Whilst some debt is difficult to collect, and some people find it difficult to pay, ultimately we collect nearly all of the money due to us. An exercise in 2016 suggested that around 1% is eventually written off.

Key issues reported are:-

- a) performance in local tax and rent collection;
- b) continued progress in reducing old debt for other sources of income;
- c) concerns about the impact of Universal Credit affecting the ability to recover debt.

2. Recommendations

2.1 The OSC is recommended to:

- Consider the overall position presented within this report and make any observations it sees fit.

3. Supporting information:

Appendix A is a summary of all debt and a three year moving average of debt.

Appendix B provides more detailed information and narrative for each main category of debt.

4. Financial, legal and other implications

4.1 Financial implications

The report details the current collection and write-off levels of sums payable to the City Council.

Alison Greenhill, Director of Finance, Ext 37 4001

4.2 Legal implications

Where appropriate debts are the subject of legal action through the courts.

Jeremy Rainbow – Principal Lawyer (Litigation) Ext 37 1435

4.3 Climate Change and Carbon Reduction implications

No climate change implications.

4.4 Equality Impact Assessment

The Council has to make every effort to collect its due debts. The Council adopted a new debt policy in June 2016. The new policy aims at ensuring that the Council collects debt in a fair, proportionate and respectful manner.

Copies of the policy are available on the Councils website

<https://www.leicester.gov.uk/your-council/how-we-work/debt-enforcement/if-you-are-struggling-to-pay>

Recovery action needs to strike a fair balance between sensitivity to debtors who are struggling to pay and the interests of the public as a whole. (the income expected is part of our budget)

5. Background information and other papers.

Finance Procedure Rules

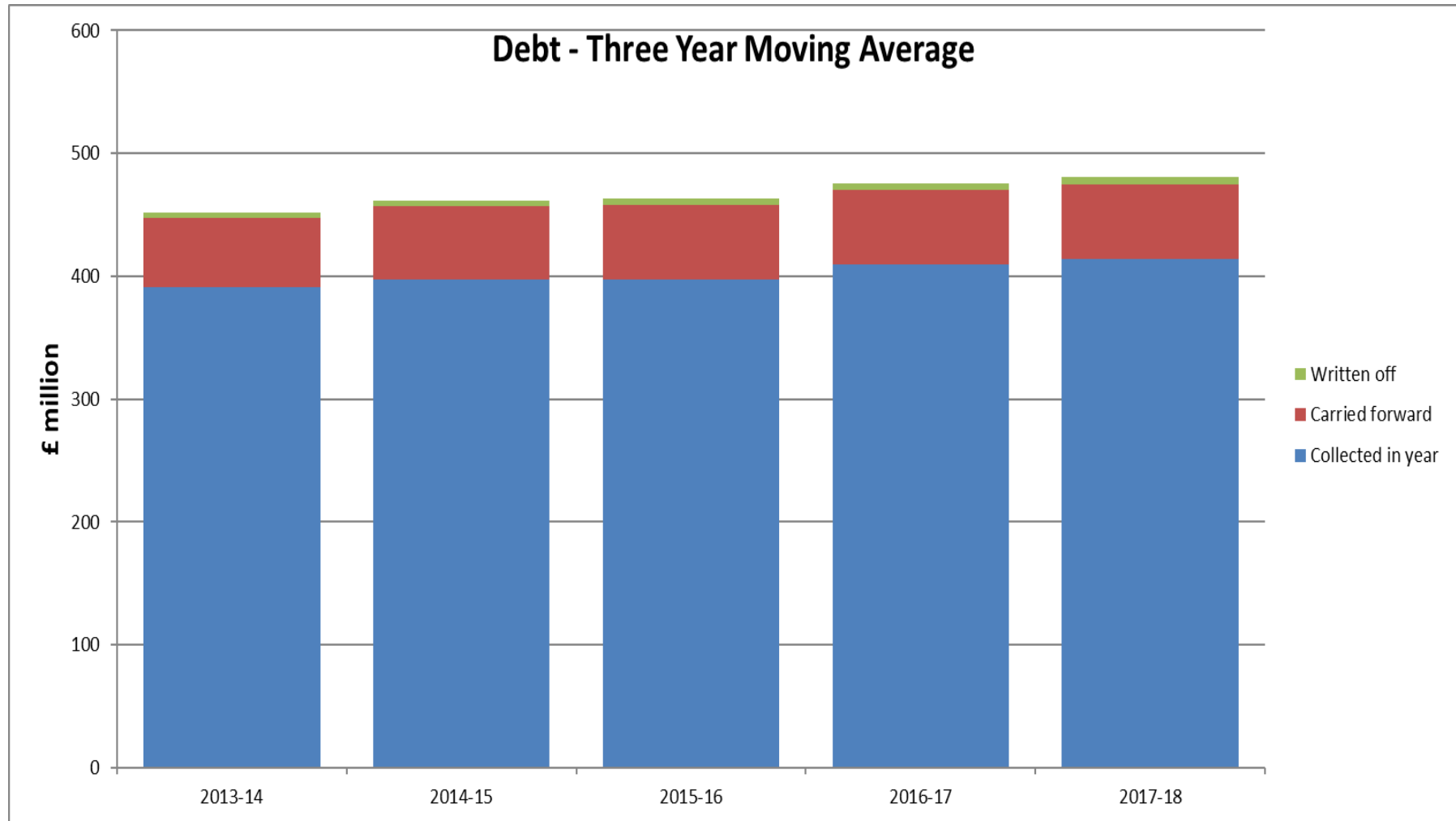
Debt Policy

6. Is this a private report?

No

Summary of all Debt

Income Type	Debts brought forward @ 1/4/2018	Amounts raised 2018-19	Amounts collected 2018-19	Amounts written off 2018-19	Debts outstanding @ 31/3/2019
	£m	£m	£m	£m	£m
Non Domestic Rates (including Costs)	11.11	109.55	(108.34)	(2.55)	9.77
Council Tax (including Costs)	15.53	132.42	(129.66)	(1.56)	16.73
Housing Benefit Overpayments	17.09	5.25	(6.02)	(0.82)	15.50
Council House Rents *	1.85	79.87	(79.17)	(0.26)	2.29
On and Off-Street Car Parking fines	1.58	4.26	(2.50)	(1.39)	1.95
Bus Lane Enforcement	1.01	1.82	(1.35)	(0.65)	0.83
Other Income	10.67	92.61	(87.93)	(0.29)	15.06
Totals	58.47	426.15	(414.97)	(7.52)	62.13



Note: This chart is a moving average (eg 2014/15 is the average of 2013/14, 2014/15 and 2015/16). This treatment smooths anomalies in individual years and highlights trends. Consequently, 2017/18 is the latest year we can report.

1. Business Rates

1.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
11.11	109.55	(108.34)	(2.55)	9.77

1.2 Background and comparator information

Background Information

Business Rates are a national tax paid by approximately 12,600 businesses in Leicester.

Comparator Information

Percentage Debt collection in the year it is raised: -

- 2017/18 - 97.04%
- 2018/19 – 97.53%

It should be noted that unpaid debt on 31st March continues to be collected in the following year.

We are 8th out of 11 authorities with comparable populations, but performance tends to bunch (i.e there is little difference between authorities generally). This is different to Council Tax.

1.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	34	284
Deceased – No Assets	1	1
Insolvent / Bankrupt/ Liquidated	254	2,051
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons	32	218
Totals	321	2,554

1.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

The Government introduced three measures to help those businesses affected by the recent revaluation of all non-domestic properties. These reliefs are fully funded by the Government. In 2018/19 we awarded relief of £0.8m, assisting just over 1,000 ratepayers.

Write offs have increased due to the number of insolvent and dissolved companies.

1.5 Summary of measures taken to recover debt

Debt recovery measures

A bill is sent early March detailing instalments that should be made. The ratepayer can either pay by 10 or 12 instalments.

A reminder will be sent if an instalment is missed;

- If the instalment is paid within 7 days of the reminder, the right to pay by instalments is maintained; if a subsequent instalment is missed a final notice will be issued stating that the right to pay by instalments has been lost and the full charge has become payable;
- If the instalment is not paid within 7 days of the reminder, the full charge becomes payable.
- If the full charge becomes payable and is not paid within 7 days, a summons will be issued and a liability order sought at the Magistrates' Court. Costs become payable at this stage.

At every stage of the recovery process the ratepayer payer is offered a formal payment arrangement

Recovery options after a liability order obtained

Referral to Enforcement Agent;
 Bankruptcy / liquidation;
 Charging Order (only with ratepayer's consent);
 Committal to Prison.

2. Council Tax

2.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
15.53	132.42	(129.66)	(1.56)	16.73

2.2 Background and comparator information

Background information

Council tax is a national tax, charged to 139,300 properties in Leicester. The amount we collect includes sums charged by the fire authority and police commissioner.

Comparator information

Percentage of debt collected in the year it is raised: -

- 2017/18 - 95.3%
- 2018/19 – 94.9%

We are 7th out of 12 authorities with comparable populations.

Collection does not stop at year end and eventually we collect over 98% of the debt for any specific year.

2.3 Debt write-off

	Reason for Write Off ↓	No.	Value £000
2.4	Unable to Trace	1,236	904
	Deceased – No Assets	97	49
	Insolvent / Bankrupt/ Liquidated	339	271
	All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons	2,118	340
	Totals	3,790	1,564

Volume/policy/statutory changes that have occurred during the period and their impact

Changes

In 2018/19 the Government allowed Councils to increase tax to pay for Adult Social Care costs. The overall increase of 5.9% resulted in the Council needing to collect an additional £10m of income. This increase does not seem to have materially affected collection.

From 1st April 2018 the council also introduced 100% relief for care leavers up to the date they reach the age of 25. This applies to young persons who had been in the care of Leicester City Council at the point they left care.

2.5 Summary of measures taken to recover debt

Debt recovery measures

A bill is sent in early March, detailing instalments that should be paid. The council tax payer can either pay by 10 or 12 instalments.

A reminder will be sent if an instalment is missed;

- if the instalment is paid within 7 days of the reminder, the right to pay by instalments is maintained; if a further instalment is missed, another reminder can be issued; if a third instalment is missed, a final notice will be issued stating that the right to pay by instalments is lost and the full balance becomes payable;
- If the instalment is not paid within 7 days of the first /second reminder, the right to pay by instalments is lost and the full balance becomes payable;
- if the full balance becomes payable and is not paid within 7 days, a summons will be issued and a liability order sought at the Magistrates Court.

At every stage of the recovery process the council tax payer is offered a formal payment arrangement. Within the recovery process, safeguards have been put in place to protect the most vulnerable.

Recovery options after a liability order obtained

Attachment to Earnings;

Attachment to Income Support / Job Seekers Allowance / Employment Support Allowance / Pension Guarantee Credit / Universal Credit

Referral to Enforcement Agent (if an attachment is not possible)

If the options above are still not successful, then the following recovery actions are considered. An external supplier has been appointed who assists with recovery on difficult targeted cases.

Bankruptcy, where there are assets;

Charging Order application (is not made until after attempted enforcement agent action); or
Committal to prison

3. Overpaid Housing Benefit

3.1 Headline Figures for period under review including costs

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
17.09	5.25	(6.02)	(0.82)	15.50

3.2 Background and comparator information

Background information

The main cause of housing benefit overpayments is delays in recipients telling the Council of changes in their circumstances, meaning that too much benefit is paid in the interim. Nationally, outstanding over-payments stood at £2.1bn at July 2018. By its nature, overpaid benefit is very difficult to collect. Of the £15.5m, we have outstanding, there are recovery processes in place wherever possible e.g. via deductions from ongoing benefit and instalment arrangements.

Overall housing benefit debt is decreasing:

- Outstanding debt at 31/03/2019 £15.50m
- Outstanding debt at 31/03/2018 £17.09m

Comparator information

There is no like for like comparator information available

3.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	441	143
Deceased – No Assets	23	38
Insolvent / Bankrupt/ Liquidated	61	104
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons	3,332	540
Totals	3,847	825

3.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

The migration to Universal Credit removes our ability to collect debt from ongoing benefit. We are closely monitoring the effect of this change; any claimant moving onto UC is notified of any outstanding balance immediately and given a range of options to make repayments.

The launch of the HB Debt Service Project allows LCC to submit cases to HMRC to gain details of any employment, so that subsequent applications can be made to employers for Direct Earnings Attachments. This obligates employers to recover any overpayments from their employees' earnings.

The reduction in outstanding debt is due to:

- More rigorous processes inhouse to target old debt and pursue recovery where current year debt is identified
- The use of the DWP HB Debt Management Service as an intelligent tool on recovery methods
- Introduction of the DWP Direct Earnings Attachments
- Use of Civica On Demand Offsite processing
- The implementation of the Universal Credit Full Service has resulted less debt being created

3.5 Summary of measures taken to recover debt

Debt recovery measures

Debt is collected by means of deduction from ongoing benefit payments, if there is current entitlement;

- If there is no current entitlement, payment is requested from customer in the first instance before it is referred to the Business Services Centre.
- Legislation permits us to deduct overpayments from other state benefits. Requests have been made to the DWP, but response times are poor as to whether deductions can or cannot be made. These cases are monitored closely: no other action can be taken until a response has been received.
- Where enforcement takes place in the County Court and orders are obtained we consider;
 - A Charging Order
 - A Third-Party Debt Order
 - Referral to High Court Enforcement Officers.

3.6. Processing backlogs

Backlogs

There remains a backlog of debt awaiting recovery; however it continues to be targeted and has reduced from £1.4m in September 2017 to £0.7m in March 2019.

4. Housing Rent

4.1. Headline Figures for period under review

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
1.85	79.87	(79.17)	(0.26)	2.29

4.2 Background and comparator information

Background information

The authority currently collects rent from approximately 20,200 tenancies across the City. 12,000 of our tenants (60%) are on full or partial Housing Benefit. The debt raised & collected includes the element paid by Housing Benefit.

The debt figures above include the following;

- Hostels
- Former Tenants Arrears
- Non Dwellings
- Gypsy & Travellers Sites.

These have not previously been reported in the income collection reports. This debt represents £0.7m of the carried forward amount in the headline figures shown above.

4.3. Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	-	-
Deceased – No Assets	-	-
Insolvent / Bankrupt/ Liquidated	-	-
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons	878	260
Totals	878	260

4.4. Volume/policy/statutory changes that have occurred during the period and their impact

Universal Credit Full Service (UCFS) commenced in June 2018. The categories of people that can claim Universal Credit is broad and it is anticipated that UC migration will be completed by 2023. Any tenant on benefits or low income can apply for Housing Benefit with the Local authority and have their award paid directly into the rent account. Following the introduction of UCFS anyone claiming help with housing related costs are required to claim from the DWP and

expected to pay their Housing Costs award directly to the landlord. Vulnerable tenants and those with a history of rent arrears or homelessness may be able to have their rent paid directly to the landlord by applying for an Alternative Payment Arrangement (APA).

Since September 2018 the number of current tenants who have transferred to UC has now doubled to 1,900 and this has increased the rent arrears. The emerging trend is that tenants moving onto UC are already in arrears and as the claim takes 4-5 weeks this puts the tenant further behind. This increases to 8-9 weeks if we apply for managed payments through an APA. It is anticipated this increase will be higher during the transition period but is likely to reduce thereafter.

4.5 Summary of measures taken to recover debt

Rent Arrears for current tenants are managed by the Income Management Team. The team closely monitors and maintains regular contact with those tenants having the highest level of arrears. The ultimate sanction for non-payment is eviction, but this is only pursued as a last resort. Arrears of rent are not written-off for live tenancies; this is considered for former tenants where the debt is uneconomical to pursue or where tenants cannot be traced.

The Income Management Team are working collaboratively with the Department of Works and Pensions and work coaches from the local Job Centre Plus to minimise any impact of Universal Credit.

5. Parking Fines (Penalty Charge Notice)

5.1 Headline Figures for period under review

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
1.58	4.26	(2.5)	(1.39)	1.95

5.2 Background and comparator information

Background information

The Council issues penalty notices for both on-street and off-street parking charge evasion, as well as illegal parking. There are two nationally set rates based on the seriousness of the offence, details below;

- (a) £25 or £35 if paid with 14 days;
- £50 or £70 if paid after 14 days.

Comparator information

The percentage of tickets issued during the year, paid at the 31st March;

- 2017/18 -74%
- 2018-19- 75%

5.3. Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	10,125	924
Deceased – No Assets	30	3
Insolvent / Bankrupt/ Liquidated	132	14
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons	4,304	450
Totals	14,591	1,391

5.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

Recruitment of Civil Enforcement Officers in 2018-19 has meant more PCN's being issued city-wide.

5.5. Summary of measures taken to recover debt

Debt recovery measures

- Reminder letters
- Legal action

6. Bus Lane Enforcement Fines

6.1 Headline Figures for period under review

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
1.01	1.82	(1.35)	(0.65)	0.83

6.2 Background and comparator information

Background information

The Council issues fines for driving in bus lanes with enforcement schemes. Fines are levied at the rate of £60, which is discounted to £30 if paid within 14 days.

The debt collection for bus lane enforcement debt is collected on our behalf by Nottingham City Council.

Comparator information

The percentage of tickets issued during the year, paid at the 31 March;

- 2017/18- 60%
- 2018/19- 60%

6.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	3,437	122
Deceased – No Assets	8	1
Insolvent / Bankrupt/ Liquidated	81	8
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons	5,638	515
Totals	9,164	646

6.4 Volume/policy/statutory changes that have occurred during the period and their impact

Changes

The London Road clearway camera were suspended the latter part of February, to enable road works.

6.5 Summary of measures taken to recover debt

Debt recovery measures

- Reminder letters
- Legal action

7. Other Income

7.1 Headline Figures for period under review including costs*

Uncollected debt b/f £m	Debt raised £m	Debt collected £m	Debt written off £m	Uncollected debt c/f £m
10.67	92.61	(87.93)	(0.29)	15.06

7.2 Background and comparator information

Background information

“Other Income” includes all income other than the sources described above, and is collected by the Business Service Centre. It covers a wide variety of income from various individuals and organisations. Examples include: commercial rents, adult care costs for service users, and repairs & maintenance charges relating to Council property.

The Council has been successful in reducing debt over 12 months old, for some 5 years. Aged debt is difficult to collect, and we may not continue to see this reduction going forward.

It is worth noting the uncollected debt carried forward includes invoices that were raised close to the year end. In this area it is important to concentrate on the performance of the debt collection by looking at the aged debt over 12 months, rather than total outstanding debt.

Comparator information

Debt over 12 months old (aged debt) continues to reduce from £7.2m in March 2016 to £3.6m in March 2019.

- 31/03/2017 £4.9m
- 31/03/2018 £3.8m
- 31/03/2019 £3.6m

7.3 Debt write-off

Reason for Write Off ↓	No.	Value £000
Unable to Trace	202	93
Deceased – No Assets	355	195
Insolvent / Bankrupt/ Liquidated	157	42
All recovery options exhausted / irrecoverable at reasonable expense, including adjustments for costs and write ons	1,728	272
Small balance credit write offs	1,710	(312)
Totals	4,152	290

7.4 Volume/policy/statutory changes that have occurred during the period and their impact

<u>Changes</u>
None

7.5 Summary of measures taken to recover debt

<p><u>Debt recovery measures</u></p> <p>A first reminder is issued at 14 days; when an invoice remains unpaid. Seven days later a second reminder is issued. A letter before action known as a letter of claim follows if the case is suitable for enforcement in the county court. If the Council obtains a judgment or an order for recovery of award and if payment is still not forthcoming the next actions, we can take include;</p> <ul style="list-style-type: none"> • Referral to an enforcement agent • Third party debt order • Attachment to earnings • Charging Order <p>Cases not suitable for enforcement through county court procedures are referred to enforcement agents for collection.</p>
--



Leicester
City Council

**WARDS AFFECTED:
ALL WARDS (CORPORATE ISSUE)**

OVERVIEW SELECT COMMITTEE

20th June 2019

REVIEW OF TREASURY MANAGEMENT ACTIVITIES 2018/19

Report of the Director of Finance

1. Purpose of Report

- 1.1 This report reviews how the Council conducted its borrowing and investments during 2018/19.
- 1.2 2018/19 has seen continued economic growth in the UK and elsewhere. However, there are risks and these are discussed further in section 5.
- 1.3 We continue to monitor the impact of the “bail in” requirements whereby major depositors could be forced to inject funds into banks which are running into trouble, introduced earlier in the year. This is further discussed below.

2. Summary

- 2.1 Treasury management is the process by which our borrowing is managed, and our cash balances are invested. Whilst there are links to the budget, the sums in this report do not form part of the budget. To the extent that the Council has money it can spend, this is reflected in the annual budget report. Cash balances reported here cannot be spent, except to the extent shown in the budget report and accounts and revenue outturn report (elsewhere on your agenda).
- 2.2 The Council has incurred debt to pay for past capital expenditure
- 2.3 The Council also has cash balances. These are needed for day to day expenditure (e.g. to pay wages when they are due). A substantial proportion can only be used to repay debt but (because of Government rules) we have been unable to use them to repay debt. Thus, they are held in investments.
- 2.4 The report commences with an overview of treasury management, including loans and investments at key dates. It then reviews the credit worthiness of investments and implementation of our strategy, provides outcomes on key performance measures and concludes by reviewing compliance against limits set by the Council.
- 2.5 Reports reviewing treasury management activities are submitted twice a year. The previous report was presented to your committee on 13th December 2018.

3. **Recommendations**

- 3.1 Members of the Overview Select Committee are recommended to note the report and make comments to the Director of Finance and the Executive as they wish.

4. **Overview of Treasury Management**

Main elements of Treasury Management

- 4.1 There are two main elements to treasury management. The first is managing our borrowings which have been taken out to finance capital expenditure. Most capital schemes are now financed by grant, and only a limited number of schemes are financed by borrowing (generally those which pay for themselves). In the past the Government expected us to borrow but allowed for the cost of borrowing in our grant settlement, and we still have a lot of debt which was taken to meet this capital expenditure.
- 4.2 Historic debt can sometimes be restructured to save money, i.e. repaying one loan and replacing it with another and this is always given active consideration. In recent years, Government rule changes have normally made it prohibitively expensive to repay loans borrowed from the Public Works Loans Board. We have, however, prematurely repaid £51m of market loans having been offered favourable terms by the lender (this was reported in the previous, mid-year, report).
- 4.3 The revenue budget approved by the Council for each financial year includes provision for the interest payable on this borrowing. It also includes a provision for repaying the borrowing over a number of years (broadly speaking over the economic life of the assets acquired).
- 4.4 The second element is cash management which involves managing the Council's investments to ensure the optimum amount of money is in the bank account on a day-to-day basis – so that there is enough money in the account to cover the payments made on the day but no more (cash held in the bank account earns negligible interest).
- 4.5 The Council has substantial investments but this is not “spare cash”. There are three reasons for the level of investments:-
- (a) Whilst the Government no longer supports capital spending with borrowing allocations, we are still required to raise money in the budget each year to repay debt. Because of the punitive rules described above, we are not usually able to repay any debt, and therefore have to invest the cash;
 - (b) We have working balances arising from our day to day business (e.g. council tax received before we have to pay wages, and capital grants received in advance of capital spending);
 - (c) We have reserves, which are held in cash until we need to spend them. We expect reserves to fall over the next few years. The annual accounts for 2018/19 have been prepared and will detail the reserves of the Council.

Treasury Management Policy and Monitoring

- 4.6 The activities to which this report relates were governed by the Treasury Strategy for 2018/19 which was approved by the Council on 21st February 2018. This establishes an outline plan for borrowing and investment. The strategy for 2019/20 was approved by the Council on 20th February 2019 and governs treasury strategy from that point. The Treasury Strategy is drawn up in the light of the Council's expected borrowing requirements, its expected cash balances, the outlook for interest rates and the credit worthiness of the banks with whom the Council might invest its cash balances.
- 4.7 A twice-yearly report is submitted to your Committee reviewing the treasury activity undertaken in the year. This report is the final report for 2018/19

Loans and Investments at Key Dates

- 4.8 Table 1 below shows the loans (money borrowed by the Council) and investments (money invested by the Council) as at 29/10/2018 and at 31/03/2019. The rates shown are the averages paid and received during 2018/19.
- 4.9 The level of gross debt (total loans borrowed) has reduced from £188M to £179M because market debt (loan stock) has matured. No new loans have been borrowed and no debt restructuring has taken place in the second half of the year.
- 4.10 Investments have decreased by £43M from £273M to £230M. £9M of this movement reflects the repayment of the loan stock. The balance of £34M is within the range of what is normal (for example if grant income has been spent).

Table 1- Loans & Investments

	Position at 29/10/2018 Principal £M	Position at 29/10/2018 Principal £M	Average Rate
Long Term Fixed Rate Loans			
Public Works Loan Board (PWLB)	134	134	4.2%
Market & Stock	34	25	4.7%
Variable Rate Loans			
Bank Loans	20	20	4.5%
Gross Debt	188	179	4.3%
Treasury Investments			
Banks and Build Soc	33	63	
Other Local Authorities	172	128	
Government Debt			
Management Office	4	-	
Money Market Funds	55	29	
Property Funds	8	8	
Total Treasury Investments	272	228	0.8%
Local Investment Fund			
Loans	1	2	
Total Local Investment Fund Investments	1	2	4.3%
Total Investments	273	230	0.9%
NET INVESTMENTS	85	51	

- 4.11 The investments include £8m in property unit trusts. These are unit trusts which invest in property (as opposed to more traditional unit trusts that invest in shares). At present political and economic uncertainties are impacting on the property markets and if we had surrendered the units to the fund managers at 31st March 2019 then we would have made a loss of £267K on the principal sum invested. This is not reflected in the table above because our strategy is to hold the investments long term. It should be noted also that there is a secondary market in which units can be sold and that generally this achieves a higher price, although this did not apply at 31st March.
- 4.12 The dividends received on the units in the year totalled £238K and are £170K more than would have been earned on cash investments.
- 4.13 The treasury strategy permits investments in property funds up to a total value of £30M but no further such investments will be made whilst the current uncertainty around Brexit persists.

5. Credit Worthiness of Investments & Interest Rate Outlook

- 5.1 2018/19 showed steady growth within the world economy and the UK - albeit at relatively low levels in the UK. Within the Eurozone many of the economic and financial tensions that followed the crisis of 2008 have eased but significant underlying issues remain. Tensions between the USA and trading partners remain a source of uncertainty. The impact of the UK's exit from the EU on the economy remains to be seen.
- 5.2 The core expectations of the Council's treasury advisors, Arlingclose, is for Bank Rate is to remain at 0.75% in 2019 before rising twice to a rate of 1.25% in 2020. Inflationary pressures, possibly following future devaluations in the value of the pound, could carry the risk of higher interest rates. On the other hand economic risks around Brexit could argue for bank rate increases to be moderated in order to support the UK economy.
- 5.3 The governments of the largest world economies, including the UK, have implemented measures to make banks less likely to fail but also to reduce the impact on the financial system and on tax payers if they do fail. The measures for dealing with a failing bank see investors who have lent or deposited money (which includes us) taking significant losses before there is any tax payer support ("bail in"). Our assessment of risk is based both on the risk that banks fail (as measured by credit ratings) and also on the level of losses that we might face should the banks require capital support to prevent failure.
- 5.4 These developments are reflected in the Council's approach to managing credit risk in its Treasury Strategies for 2018/19 and 2019/20. It has adopted a cautious stance over the whole period covered by this report and has only directly lent to strong UK banks, other local authorities and the UK Government. Other lending has been part of pooled funds (see 5.5 below).
- 5.5 The position is continually under review. One factor is that other regulatory developments are continuing to require or push banks towards greater financial robustness. One change has been that banks are now required to "ring fence" bank deposits from other more risky activities.
- 5.6 The Council has an indirect exposure to non-UK banks through its investment in money market funds. Money market funds are like "unit trusts" but rather than investing in company shares these funds invest in interest bearing investments such as bank deposits. When we open such funds they are vetted to ensure that they have strong investment and risk management processes to ensure a high level of credit worthiness in the underlying investments, and we receive advice from our treasury advisor, Arlingclose. Investing in this way helps manage credit risk by having a high level of diversification amongst the underlying banks and institutions to whom money is lent. Interest rates on these funds are low, because we have immediate access to the funds. Some of our money needs to be immediate access (like individuals will usually keep some money in a current account). Rates are, however, better than alternatives such as the DMO.
- 5.7 The Council has a "Local Investment Fund" which invests in local commercial opportunities. This fund is managed within the Council's framework for managing capital expenditure and it is not considered in detail within this report. However, investments within this fund are included at table 2 below because the rationale of this fund is that it puts to work cash balances which would otherwise be invested in low interest paying deposits. The fund has now ceased to exist following approval of the Council's new investment strategy in February 2019. This strategy will govern similar investments in the future.

5.8 The Treasury Strategy for 2018/19 and 2019/20 permits investment in property funds. Investments of £8m are held in two funds, the Lothbury Property Trust and the Threadneedle Property Unit Trust.

6. **Implementation of Borrowing & Investment Strategy**

6.1 The strategy approved by Council for 2018/19 envisaged using cash balances instead of borrowing, and this strategy has been adhered to.

6.2 Given that the Council continues to have a high level of investments, active consideration is given to the possible early redemption of a limited amount of debt. This, however, is not straightforward as debt repayment usually involves the payment of a premium. The level of such premiums payable is generally high and premature debt redemption is usually not financially viable.

6.3 As at 31/03/2018 we held £71m of “LOBOs” loans. These are fixed rate but on which the lender may ask for a rate rise. We have the option to repay if they do. Members may be aware of some criticism of LOBOs nationally, principally in respect of authorities which have complex mechanisms for calculating interest rates. We do not: we would be pleased to receive a request for a rate rise as we would then take the opportunity to repay. To all intents and purposes they are simply fixed rate loans.

6.4 In the previous review of treasury activities we reported that on 25th May 2018 we had prematurely repaid three of these loans with a total face value of £51m. After this redemption, LOBO loans with a face value of £20m remain (these are reported in the table above as variable rate bank loans).

7. **Key Performance Measures**

7.1 The most important performance measures are the rate of interest on the Council’s borrowings, the timing of borrowing decisions, the timing of decisions to prematurely repay debt and the return on investments. No new loans have been borrowed and no further loans have been prematurely repaid.

7.2 The Council benchmarks its investments and the latest data for the investment portfolio as at 31st March 2019.

7.3 Treasury investments comprise internally managed investments, longer maturity externally managed funds and in 2018/19 our local investment fund.

7.4 The following table compares our performance against that of participating authorities. This information is available for internally managed investments (including money market funds) and externally managed funds. It is a “snapshot” of investments held at 31st March 2019. No comparative data is held for the local investment fund.

Table 2 – Key Performance Data

Investment	Leicester City Council Revenue return	All Authorities' Revenue return
Internally managed	0.98%	0.85%
Longer term investments*	1.12%	4.14%
Local Investment Fund	4.5%	n/a
Total	1.02%	1.43%

* total return -income received less capital losses

7.5 The average rate of interest on all investments for participating authorities at 30th September is 1.43% whilst the Council's own rate is 1.02%. This is mainly explained by differences on income from longer term investments.

7.6 There are two factors to consider with regard to longer term investments. Firstly, the Council has a lower proportion of longer-term investments than the average authority. Secondly the longer-term investments that it holds yield less but are less risky (higher yields are achieved at the expense of higher risk).

7.7 As at 31st March the Council's own investments comprised units in property unit trusts. These carry less risk than some other investment types and the lower risk equates to a lower investment return. In addition we selected property fund managers that invested in good quality properties with reliable tenants and such funds have a lower rate of return than more adventurous property funds or (for example) funds that invest in the shares of companies.

7.8 Higher investment returns are always available if higher risk is accepted. Risk can take the form of credit risk (money due is not paid) or market risk (the value of investments fall). However, the trade-off between risk and reward was considered when investment strategies were set for 2018/19 and in the current economic climate continues to be a most important consideration. The "return of the principal" is more important than the "return on the principal": our primary concern is to ensure that the funds invested will be repaid on time and in full. This remains our approach during the current financial year.

7.9 In practice, there is no such thing as a representative "average" authority. The benchmarking data report shows a division between the authorities that use longer term and more risky assets (about half of all authorities) and those adopting a more cautious approach. We fall on the cusp between the two as we have only a small proportion of longer-term assets.

8. Use of Treasury Advisors

8.1 The Council are advised by Arlingclose Ltd. They advise on all aspects of treasury management but their main focus is on providing advice on the following matters:

- the creditworthiness of banks
- the most cost effective ways of borrowing
- appropriate responses to Government initiatives
- technical and accounting matters.

9. **Compliance with the Council's Treasury Strategy**

9.1 As required by the statutory borrowing framework, the Council is required to set a number of prudential limits and indicators. These limits are set annually and can be found within the budget and Treasury Strategy.

9.2 For the operational implementation of the Council's Treasury Management Strategy the most important limits and indicators that need to be monitored throughout the year are:

- The authorised limit – the maximum amount of borrowing that the Council permits itself to have outstanding at any one time
- The operational limit – a lower limit to trigger management action if borrowing is higher than expected.
- The maximum proportion of debt that is fixed rate.
- The maximum proportion of debt that is variable rate.
- Limits on the proportion of debt maturing in a number of specified time bands
- Limits on sums to be invested for more than 364 days

9.3 These limits are monitored and have been complied with.

9.4 Some of the indicators for 2019/20 have been modified with effect from 20th February 2019. The changes are marginal and the revised indicators have been complied with.

10. **Financial and Legal Implications**

10.1 This report is solely concerned with financial issues. Kamal Adatia, Legal Services, has been consulted as Legal Advisor and there are no legal issues.

11. **Other Issues**

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	No		
Policy	No		
Sustainable and Environmental	No		
Crime and Disorder	No		
Human Rights Act	No		
Elderly/People on Low Income	No		
Corporate Parenting	No		
Health Inequalities Impact	No		

12. **Background Papers**

12.1 The Council's Treasury Management Strategy - "Treasury Strategy 2018/19" (Council 21st February 2018), "Treasury Strategy 2019/20" (Council 20th February 2019) and The Council's Treasury Policy Document – "Framework for Treasury Decisions" – Council 20th February 2019.

13. **Consultation**

13.1 Arlingclose Ltd (the Council's Treasury Management advisers).

14. **Author**

14.1 The author of this report is David Janes, Treasury Manager, on extension 37 4058.

Alison Greenhill
Director of Finance.



Ministry of Housing,
Communities &
Local Government

Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities



© Crown copyright, 2019

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>

This document/publication is also available on our website at www.gov.uk/mhclg

If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/mhclg>

May 2019

ISBN: 978-1-4098-5458-6

Contents

Ministerial Foreword	4
About this Guidance	5
1. Introduction and Context	7
2. Culture	8
3. Resourcing	13
4. Selecting Committee Members	15
5. Power to Access Information	18
6. Planning Work	21
7. Evidence Sessions	25
Annex 1: Illustrative Scenario – Creating an Executive-Scrutiny Protocol	27
Annex 2: Illustrative Scenario – Engaging Independent Technical Advisers	28
Annex 3: Illustrative Scenario – Approaching an External Organisation to Appear before a Committee	30

Ministerial Foreword

The role that overview and scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy. Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself. Conversely, poor scrutiny can be indicative of wider governance, leadership and service failure.

It is vital that councils and combined authorities know the purpose of scrutiny, what effective scrutiny looks like, how to conduct it and the benefits it can bring. This guidance aims to increase understanding in all four areas.

In writing this guidance, my department has taken close note of the House of Commons Select Committee report of December 2017, as well as the written and oral evidence supplied to that Committee. We have also consulted individuals and organisations with practical involvement in conducting, researching and supporting scrutiny.

It is clear from speaking to these practitioners that local and combined authorities with effective overview and scrutiny arrangements in place share certain key traits, the most important being a strong organisational culture. Authorities who welcome challenge and recognise the value scrutiny can bring reap the benefits. But this depends on strong commitment from the top - from senior members as well as senior officials.

Crucially, this guidance recognises that authorities have democratic mandates and are ultimately accountable to their electorates, and that authorities themselves are best-placed to know which scrutiny arrangements are most appropriate for their own individual circumstances.

I would, however, strongly urge all councils to cast a critical eye over their existing arrangements and, above all, ensure they embed a culture that allows overview and scrutiny to flourish.



A handwritten signature in blue ink, appearing to read 'Rishi Sunak'.

Rishi Sunak MP
Minister for Local Government

About this Guidance

Who the guidance is for

This document is aimed at local authorities and combined authorities in England to help them carry out their overview and scrutiny functions effectively. In particular, it provides advice for senior leaders, members of overview and scrutiny committees, and support officers.

Aim of the guidance

This guidance seeks to ensure local authorities and combined authorities are aware of the purpose of overview and scrutiny, what effective scrutiny looks like, how to conduct it effectively and the benefits it can bring.

As such, it includes a number of policies and practices authorities should adopt or should consider adopting when deciding how to carry out their overview and scrutiny functions.

The guidance recognises that authorities approach scrutiny in different ways and have different processes and procedures in place, and that what might work well for one authority might not work well in another.

The hypothetical scenarios contained in the annexes to this guidance have been included for illustrative purposes, and are intended to provoke thought and discussion rather than serve as a 'best' way to approach the relevant issues.

While the guidance sets out some of the key legal requirements, it does not seek to replicate legislation.

Status of the guidance

This is statutory guidance from the Ministry of Housing, Communities and Local Government. Local authorities and combined authorities must have regard to it when exercising their functions. The phrase 'must have regard', when used in this context, does not mean that the sections of statutory guidance have to be followed in every detail, but that they should be followed unless there is a good reason not to in a particular case.

Not every authority is required to appoint a scrutiny committee. This guidance applies to those authorities who have such a committee in place, whether they are required to or not.

This guidance has been issued under section 9Q of the Local Government Act 2000 and under paragraph 2(9) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009, which requires authorities to have regard to this guidance. In addition, authorities may have regard to other material they might choose to consider, including that issued by the Centre for Public Scrutiny, when exercising their overview and scrutiny functions.

Terminology

Unless 'overview' is specifically mentioned, the term 'scrutiny' refers to both overview and scrutiny.¹

Where the term 'authority' is used, it refers to both local authorities and combined authorities.

Where the term 'scrutiny committee' is used, it refers to an overview and scrutiny committee and any of its sub-committees. As the legislation refers throughout to powers conferred on scrutiny committees, that is the wording used in this guidance. However, the guidance should be seen as applying equally to work undertaken in informal task and finish groups, commissioned by formal committees.

Where the term 'executive' is used, it refers to executive members.

For combined authorities, references to the 'executive' or 'cabinet' should be interpreted as relating to the mayor (where applicable) and all the authority members.

For authorities operating committee rather than executive arrangements, references to the executive or Cabinet should be interpreted as relating to councillors in leadership positions.

Expiry or review date

This guidance will be kept under review and updated as necessary.

¹ A distinction is often drawn between 'overview' which focuses on the development of policy, and 'scrutiny' which looks at decisions that have been made or are about to be made to ensure they are fit for purpose.

1. Introduction and Context

1. Overview and scrutiny committees were introduced in 2000 as part of new executive governance arrangements to ensure that members of an authority who were not part of the executive could hold the executive to account for the decisions and actions that affect their communities.
2. Overview and scrutiny committees have statutory powers² to scrutinise decisions the executive is planning to take, those it plans to implement, and those that have already been taken/implemented. Recommendations following scrutiny enable improvements to be made to policies and how they are implemented. Overview and scrutiny committees can also play a valuable role in developing policy.

Effective overview and scrutiny should:

- Provide constructive 'critical friend' challenge;
- Amplify the voices and concerns of the public;
- Be led by independent people who take responsibility for their role; and
- Drive improvement in public services.

3. The requirement for local authorities in England to establish overview and scrutiny committees is set out in sections 9F to 9FI of the Local Government Act 2000 as amended by the Localism Act 2011.
4. The Localism Act 2011 amended the Local Government Act 2000 to allow councils to revert to a non-executive form of governance - the 'committee system'. Councils who adopt the committee system are not required to have overview and scrutiny but may do so if they wish. The legislation has been strengthened and updated since 2000, most recently to reflect new governance arrangements with combined authorities. Requirements for combined authorities are set out in Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.
5. Current overview and scrutiny legislation recognises that authorities are democratically-elected bodies who are best-placed to determine which overview and scrutiny arrangements best suit their own individual needs, and so gives them a great degree of flexibility to decide which arrangements to adopt.
6. In producing this guidance, the Government fully recognises both authorities' democratic mandate and that the nature of local government has changed in recent years, with, for example, the creation of combined authorities, and councils increasingly delivering key services in partnership with other organisations or outsourcing them entirely.

² Section 9F of the Local Government Act 2000; paragraph 1 of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

2. Culture

7. The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.
8. While everyone in an authority can play a role in creating an environment conducive to effective scrutiny, it is important that this is led and owned by members, given their role in setting and maintaining the culture of an authority.
9. Creating a strong organisational culture supports scrutiny work that can add real value by, for example, improving policy-making and the efficient delivery of public services. In contrast, low levels of support for and engagement with the scrutiny function often lead to poor quality and ill-focused work that serves to reinforce the perception that it is of little worth or relevance.
10. Members and senior officers should note that the performance of the scrutiny function is not just of interest to the authority itself. Its effectiveness, or lack thereof, is often considered by external bodies such as regulators and inspectors, and highlighted in public reports, including best value inspection reports. Failures in scrutiny can therefore help to create a negative public image of the work of an authority as a whole.

How to establish a strong organisational culture

11. Authorities can establish a strong organisational culture by:

- a) **Recognising scrutiny's legal and democratic legitimacy** – all members and officers should recognise and appreciate the importance and legitimacy the scrutiny function is afforded by the law. It was created to act as a check and balance on the executive and is a statutory requirement for all authorities operating executive arrangements and for combined authorities.

Councillors have a unique legitimacy derived from their being democratically elected. The insights that they can bring by having this close connection to local people are part of what gives scrutiny its value.

- b) **Identifying a clear role and focus** – authorities should take steps to ensure scrutiny has a clear role and focus within the organisation, i.e. a niche within which it can clearly demonstrate it adds value. Therefore, prioritisation is necessary to ensure the scrutiny function concentrates on delivering work that is of genuine value and relevance to the work of the wider authority – this is one of the most challenging parts of scrutiny, and a critical element to get right if it is to be recognised as a strategic function of the authority (see chapter 6).

Authorities should ensure a clear division of responsibilities between the scrutiny function and the audit function. While it is appropriate for scrutiny to pay due regard to the authority's financial position, this will need to happen in the context of the formal audit role. The authority's section 151 officer should advise scrutiny on how to manage this dynamic.

While scrutiny has no role in the investigation or oversight of the authority's whistleblowing arrangements, the findings of independent whistleblowing investigations might be of interest to scrutiny committees as they consider their wider implications. Members should always follow the authority's constitution and associated Monitoring Officer directions on the matter. Further guidance on whistleblowing can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/415175/bis-15-200-whistleblowing-guidance-for-employers-and-code-of-practice.pdf.

- c) **Ensuring early and regular engagement between the executive and scrutiny** – authorities should ensure early and regular discussion takes place between scrutiny and the executive, especially regarding the latter's future work programme. Authorities should, though, be mindful of their distinct roles:

In particular:

- The executive should not try to exercise control over the work of the scrutiny committee. This could be direct, e.g. by purporting to 'order' scrutiny to look at, or not look at, certain issues, or indirect, e.g. through the use of the whip or as a tool of political patronage, and the committee itself should remember its statutory purpose when carrying out its work. All members and officers should consider the role the scrutiny committee plays to be that of a 'critical friend' not a de facto 'opposition'. Scrutiny chairs have a particular role to play in establishing the profile and nature of their committee (see chapter 4); and
- The chair of the scrutiny committee should determine the nature and extent of an executive member's participation in a scrutiny committee meeting, and in any informal scrutiny task group meeting.

- d) **Managing disagreement** – effective scrutiny involves looking at issues that can be politically contentious. It is therefore inevitable that, at times, an executive will disagree with the findings or recommendations of a scrutiny committee.

It is the job of both the executive and scrutiny to work together to reduce the risk of this happening, and authorities should take steps to predict, identify and act on disagreement.

One way in which this can be done is via an 'executive-scrutiny protocol' (see annex 1) which can help define the relationship between the two and mitigate any differences of opinion before they manifest themselves in unhelpful and unproductive ways. The benefit of this approach is that it provides a framework for disagreement and debate, and a way to manage it when it happens. Often,

the value of such a protocol lies in the dialogue that underpins its preparation. It is important that these protocols are reviewed on a regular basis.

Scrutiny committees do have the power to 'call in' decisions, i.e. ask the executive to reconsider them before they are implemented, but should not view it as a substitute for early involvement in the decision-making process or as a party-political tool.

- e) **Providing the necessary support** – while the level of resource allocated to scrutiny is for each authority to decide for itself, when determining resources an authority should consider the purpose of scrutiny as set out in legislation and the specific role and remit of the authority's own scrutiny committee(s), and the scrutiny function as a whole.

Support should also be given by members and senior officers to scrutiny committees and their support staff to access information held by the authority and facilitate discussions with representatives of external bodies (see chapter 5).

- f) **Ensuring impartial advice from officers** – authorities, particularly senior officers, should ensure all officers are free to provide impartial advice to scrutiny committees. This is fundamental to effective scrutiny. Of particular importance is the role played by 'statutory officers' – the monitoring officer, the section 151 officer and the head of paid service, and where relevant the statutory scrutiny officer. These individuals have a particular role in ensuring that timely, relevant and high-quality advice is provided to scrutiny.
- g) **Communicating scrutiny's role and purpose to the wider authority** – the scrutiny function can often lack support and recognition within an authority because there is a lack of awareness among both members and officers about the specific role it plays, which individuals are involved and its relevance to the authority's wider work. Authorities should, therefore, take steps to ensure all members and officers are made aware of the role the scrutiny committee plays in the organisation, its value and the outcomes it can deliver, the powers it has, its membership and, if appropriate, the identity of those providing officer support.
- h) **Maintaining the interest of full Council in the work of the scrutiny committee** – part of communicating scrutiny's role and purpose to the wider authority should happen through the formal, public role of full Council – particularly given that scrutiny will undertake valuable work to highlight challenging issues that an authority will be facing and subjects that will be a focus of full Council's work. Authorities should therefore take steps to ensure full Council is informed of the work the scrutiny committee is doing.

One way in which this can be done is by reports and recommendations being submitted to full Council rather than solely to the executive. Scrutiny should decide when it would be appropriate to submit reports for wider debate in this way, taking into account the relevance of reports to full Council business, as well as full Council's capacity to consider and respond in a timely manner. Such

reports would supplement the annual report to full Council on scrutiny's activities and raise awareness of ongoing work.

In order to maintain awareness of scrutiny at the Combined Authority and provoke dialogue and discussion of its impact, the business of scrutiny should be reported to the Combined Authority board or to the chairs of the relevant scrutiny committees of constituent and non-constituent authorities, or both. At those chairs' discretion, particular Combined Authority scrutiny outcomes, and what they might mean for each individual area, could be either discussed by scrutiny in committee or referred to full Council of the constituent authorities.

- i) **Communicating scrutiny's role to the public** – authorities should ensure scrutiny has a profile in the wider community. Consideration should be given to how and when to engage the authority's communications officers, and any other relevant channels, to understand how to get that message across. This will usually require engagement early on in the work programming process (see chapter 6).
- j) **Ensuring scrutiny members are supported in having an independent mindset** – formal committee meetings provide a vital opportunity for scrutiny members to question the executive and officers.

Inevitably, some committee members will come from the same political party as a member they are scrutinising and might well have a long-standing personal, or familial, relationship with them (see paragraph 25).

Scrutiny members should bear in mind, however, that adopting an independent mind-set is fundamental to carrying out their work effectively. In practice, this is likely to require scrutiny chairs working proactively to identify any potentially contentious issues and plan how to manage them.

Directly-elected mayoral systems

12. A strong organisational culture that supports scrutiny work is particularly important in authorities with a directly-elected mayor to ensure there are the checks and balances to maintain a robust democratic system. Mayoral systems offer the opportunity for greater public accountability and stronger governance, but there have also been incidents that highlight the importance of creating and maintaining a culture that puts scrutiny at the heart of its operations.
13. Authorities with a directly-elected mayor should ensure that scrutiny committees are well-resourced, are able to recruit high-calibre members and that their scrutiny functions pay particular attention to issues surrounding:
 - rights of access to documents by the press, public and councillors;
 - transparent and fully recorded decision-making processes, especially avoiding decisions by 'unofficial' committees or working groups;
 - delegated decisions by the Mayor;
 - whistleblowing protections for both staff and councillors; and
 - powers of Full Council, where applicable, to question and review.

14. Authorities with a directly-elected mayor should note that mayors are required by law to attend overview and scrutiny committee sessions when asked to do so (see paragraph 44).

3. Resourcing

15. The resource an authority allocates to the scrutiny function plays a pivotal role in determining how successful that function is and therefore the value it can add to the work of the authority.
16. Ultimately it is up to each authority to decide on the resource it provides, but every authority should recognise that creating and sustaining an effective scrutiny function requires them to allocate resources to it.
17. Authorities should also recognise that support for scrutiny committees, task groups and other activities is not solely about budgets and provision of officer time, although these are clearly extremely important elements. Effective support is also about the ways in which the wider authority engages with those who carry out the scrutiny function (both members and officers).

When deciding on the level of resource to allocate to the scrutiny function, the factors an authority should consider include:

- Scrutiny's legal powers and responsibilities;
- The particular role and remit scrutiny will play in the authority;
- The training requirements of scrutiny members and support officers, particularly the support needed to ask effective questions of the executive and other key partners, and make effective recommendations;
- The need for ad hoc external support where expertise does not exist in the council;
- Effectively-resourced scrutiny has been shown to add value to the work of authorities, improving their ability to meet the needs of local people; and
- Effectively-resourced scrutiny can help policy formulation and so minimise the need for call-in of executive decisions.

Statutory scrutiny officers

18. Combined authorities, upper and single tier authorities are required to designate a statutory scrutiny officer,³ someone whose role is to:
 - promote the role of the authority's scrutiny committee;
 - provide support to the scrutiny committee and its members; and
 - provide support and guidance to members and officers relating to the functions of the scrutiny committee.

³ Section 9FB of the Local Government Act 2000; article 9 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017

19. Authorities not required by law to appoint such an officer should consider whether doing so would be appropriate for their specific local needs.

Officer resource models

20. Authorities are free to decide for themselves which wider officer support model best suits their individual circumstances, though generally they adopt one or a mix of the following:

- Committee – officers are drawn from specific policy or service areas;
- Integrated – officers are drawn from the corporate centre and also service the executive; and
- Specialist – officers are dedicated to scrutiny.

21. Each model has its merits – the committee model provides service-specific expertise; the integrated model facilitates closer and earlier scrutiny involvement in policy formation and alignment of corporate work programmes; and the specialist model is structurally independent from those areas it scrutinises.

22. Authorities should ensure that, whatever model they employ, officers tasked with providing scrutiny support are able to provide impartial advice. This might require consideration of the need to build safeguards into the way that support is provided. The nature of these safeguards will differ according to the specific role scrutiny plays in the organisation.

4. Selecting Committee Members

23. Selecting the right members to serve on scrutiny committees is essential if those committees are to function effectively. Where a committee is made up of members who have the necessary skills and commitment, it is far more likely to be taken seriously by the wider authority.
24. While there are proportionality requirements that must be met,⁴ the selection of the chair and other committee members is for each authority to decide for itself. Guidance for combined authorities on this issue has been produced by the Centre for Public Scrutiny⁵.

Members invariably have different skill-sets. What an authority must consider when forming a committee is that, as a group, it possesses the requisite expertise, commitment and ability to act impartially to fulfil its functions.

25. Authorities are reminded that members of the executive cannot be members of a scrutiny committee.⁶ Authorities should take care to ensure that, as a minimum, members holding less formal executive positions, e.g. as Cabinet assistants, do not sit on scrutinising committees looking at portfolios to which those roles relate. Authorities should articulate in their constitutions how conflicts of interest, including familial links (see also paragraph 31), between executive and scrutiny responsibilities should be managed, including where members stand down from the executive and move to a scrutiny role, and vice-versa.
26. Members or substitute members of a combined authority must not be members of its overview and scrutiny committee.⁷ This includes the Mayor in Mayoral Combined Authorities. It is advised that Deputy Mayors for Policing and Crime are also not members of the combined authority's overview and scrutiny committee.

Selecting individual committee members

27. When selecting individual members to serve on scrutiny committees, an authority should consider a member's experience, expertise, interests, ability to act impartially, ability to work as part of a group, and capacity to serve.

⁴ See, for example, regulation 11 of the Local Authorities (Committee System) (England) Regulations 2012 (S.I. 2012/1020) and article 4 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

⁵ See pages 15-18 of 'Overview and scrutiny in combined authorities: a plain English guide': <https://www.cfps.org.uk/wp-content/uploads/Overview-and-scrutiny-in-combined-authorities-a-plain-english-guide.pdf>

⁶ Section 9FA(3) of the Local Government Act 2000.

⁷ 2(3) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009

28. Authorities should not take into account a member's perceived level of support for or opposition to a particular political party (notwithstanding the wider legal requirement for proportionality referred to in paragraph 24).

Selecting a chair

29. The Chair plays a leadership role on a scrutiny committee as they are largely responsible for establishing its profile, influence and ways of working.

30. The attributes authorities should and should not take into account when selecting individual committee members (see paragraphs 27 and 28) also apply to the selection of the Chair, but the Chair should also possess the ability to lead and build a sense of teamwork and consensus among committee members.

Chairs should pay special attention to the need to guard the committee's independence. Importantly, however, they should take care to avoid the committee being, and being viewed as, a de facto opposition to the executive.

31. Given their pre-eminent role on the scrutiny committee, it is strongly recommended that the Chair not preside over scrutiny of their relatives⁸. Combined authorities should note the legal requirements that apply to them where the Chair is an independent person⁹.

32. The method for selecting a Chair is for each authority to decide for itself, however every authority should consider taking a vote by secret ballot. Combined Authorities should be aware of the legal requirements regarding the party affiliation of their scrutiny committee Chair¹⁰.

Training for committee members

33. Authorities should ensure committee members are offered induction when they take up their role and ongoing training so they can carry out their responsibilities effectively. Authorities should pay attention to the need to ensure committee members are aware of their legal powers, and how to prepare for and ask relevant questions at scrutiny sessions.

34. When deciding on training requirements for committee members, authorities should consider taking advantage of opportunities offered by external providers in the sector.

Co-option and technical advice

35. While members and their support officers will often have significant local insight and an understanding of local people and their needs, the provision of outside expertise can be invaluable.

⁸ A definition of 'relative' can be found at section 28(10) of the Localism Act 2011.

⁹ See article 5(2) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 (S.I. 2017/68).

¹⁰ Article 5(6) of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

36. There are two principal ways to procure this:

- Co-option – formal co-option is provided for in legislation¹¹. Authorities must establish a co-option scheme to determine how individuals will be co-opted onto committees; and
- Technical advisers – depending on the subject matter, independent local experts might exist who can provide advice and assistance in evaluating evidence (see annex 2).

¹¹ Section 9FA(4) Local Government Act 2000

5. Power to Access Information

37. A scrutiny committee needs access to relevant information the authority holds, and to receive it in good time, if it is to do its job effectively.
38. This need is recognised in law, with members of scrutiny committees enjoying powers to access information¹². In particular, regulations give enhanced powers to a scrutiny member to access exempt or confidential information. This is in addition to existing rights for councillors to have access to information to perform their duties, including common law rights to request information and rights to request information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
39. When considering what information scrutiny needs in order to carry out its work, scrutiny members and the executive should consider scrutiny's role and the legal rights that committees and their individual members have, as well as their need to receive timely and accurate information to carry out their duties effectively.
40. Scrutiny members should have access to a regularly available source of key information about the management of the authority – particularly on performance, management and risk. Where this information exists, and scrutiny members are given support to understand it, the potential for what officers might consider unfocused and unproductive requests is reduced as members will be able to frame their requests from a more informed position.
41. Officers should speak to scrutiny members to ensure they understand the reasons why information is needed, thereby making the authority better able to provide information that is relevant and timely, as well as ensuring that the authority complies with legal requirements.

While each request for information should be judged on its individual merits, authorities should adopt a default position of sharing the information they hold, on request, with scrutiny committee members.

42. The law recognises that there might be instances where it is legitimate for an authority to withhold information and places a requirement on the executive to provide the scrutiny committee with a written statement setting out its reasons for that decision¹³. However, members of the executive and senior officers should take particular care to avoid refusing requests, or limiting the information they provide, for reasons of party political or reputational expediency.

¹² Regulation 17 - Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10 Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

¹³ Regulation 17(4) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(4) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

Before an authority takes a decision not to share information it holds, it should give serious consideration to whether that information could be shared in closed session.

43. Regulations already stipulate a timeframe for executives to comply with requests from a scrutiny member¹⁴. When agreeing to such requests, authorities should:

- consider whether seeking clarification from the information requester could help better target the request; and
- Ensure the information is supplied in a format appropriate to the recipient's needs.

44. Committees should be aware of their legal power to require members of the executive and officers to attend before them to answer questions¹⁵. It is the duty of members and officers to comply with such requests.¹⁶

Seeking information from external organisations

45. Scrutiny members should also consider the need to supplement any authority-held information they receive with information and intelligence that might be available from other sources, and should note in particular their statutory powers to access information from certain external organisations.

46. When asking an external organisation to provide documentation or appear before it, and where that organisation is not legally obliged to do either (see annex 3), scrutiny committees should consider the following:

- a) **The need to explain the purpose of scrutiny** – the organisation being approached might have little or no awareness of the committee's work, or of an authority's scrutiny function more generally, and so might be reluctant to comply with any request;
- b) **The benefits of an informal approach** – individuals from external organisations can have fixed perceptions of what an evidence session entails and may be unwilling to subject themselves to detailed public scrutiny if they believe it could reflect badly on them or their employer. Making an informal approach can help reassure an organisation of the aims of the committee, the type of information being sought and the manner in which the evidence session would be conducted;

¹⁴ Regulation 17(2) – Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012; article 10(2) Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

¹⁵ Section 9FA(8) of the Local Government Act 2000; paragraph 2(6) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

¹⁶ Section 9FA(9) of the Local Government Act 2000; paragraph 2(7) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.

- c) **How to encourage compliance with the request** – scrutiny committees will want to frame their approach on a case by case basis. For contentious issues, committees might want to emphasise the opportunity their request gives the organisation to ‘set the record straight’ in a public setting; and
- d) **Who to approach** – a committee might instinctively want to ask the Chief Executive or Managing Director of an organisation to appear at an evidence session, however it could be more beneficial to engage front-line staff when seeking operational-level detail rather than senior executives who might only be able to talk in more general terms. When making a request to a specific individual, the committee should consider the type of information it is seeking, the nature of the organisation in question and the authority’s pre-existing relationship with it.

Following ‘the Council Pound’

Scrutiny committees will often have a keen interest in ‘following the council pound’, i.e. scrutinising organisations that receive public funding to deliver goods and services.

Authorities should recognise the legitimacy of this interest and, where relevant, consider the need to provide assistance to scrutiny members and their support staff to obtain information from organisations the council has contracted to deliver services. In particular, when agreeing contracts with these bodies, authorities should consider whether it would be appropriate to include a *requirement* for them to supply information to or appear before scrutiny committees.

6. Planning Work

47. Effective scrutiny should have a defined impact on the ground, with the committee making recommendations that will make a tangible difference to the work of the authority. To have this kind of impact, scrutiny committees need to plan their work programme, i.e. draw up a long-term agenda and consider making it flexible enough to accommodate any urgent, short-term issues that might arise during the year.
48. Authorities with multiple scrutiny committees sometimes have a separate work programme for each committee. Where this happens, consideration should be given to how to co-ordinate the various committees' work to make best use of the total resources available.

Being clear about scrutiny's role

49. Scrutiny works best when it has a clear role and function. This provides focus and direction. While scrutiny has the power to look at anything which affects 'the area, or the area's inhabitants', authorities will often find it difficult to support a scrutiny function that carries out generalised oversight across the wide range of issues experienced by local people, particularly in the context of partnership working. Prioritisation is necessary, which means that there might be things that, despite being important, scrutiny will not be able to look at.
50. Different overall roles could include having a focus on risk, the authority's finances, or on the way the authority works with its partners.
51. Applying this focus does not mean that certain subjects are 'off limits'. It is more about looking at topics and deciding whether their relative importance justifies the positive impact scrutiny's further involvement could bring.
52. When thinking about scrutiny's focus, members should be supported by key senior officers. The statutory scrutiny officer, if an authority has one, will need to take a leading role in supporting members to clarify the role and function of scrutiny, and championing that role once agreed.

Who to speak to

53. Evidence will need to be gathered to inform the work programming process. This will ensure that it looks at the right topics, in the right way and at the right time. Gathering evidence requires conversations with:
 - *The public* – it is likely that formal 'consultation' with the public on the scrutiny work programme will be ineffective. Asking individual scrutiny members to have conversations with individuals and groups in their own local areas can work better. Insights gained from the public through individual pieces of scrutiny work can be fed back into the work programming process. Listening to and participating in conversations in places where local people come together, including in online forums, can help authorities engage people on their own terms and yield more positive results.

Authorities should consider how their communications officers can help scrutiny engage with the public, and how wider internal expertise and local knowledge from both members and officers might make a contribution.

- *The authority's partners* – relationships with other partners should not be limited to evidence-gathering to support individual reviews or agenda items. A range of partners are likely to have insights that will prove useful:
 - Public sector partners (like the NHS and community safety partners, over which scrutiny has specific legal powers);
 - Voluntary sector partners;
 - Contractors and commissioning partners (including partners in joint ventures and authority-owned companies);
 - In parished areas, town, community and parish councils;
 - Neighbouring principal councils (both in two-tier and unitary areas);
 - Cross-authority bodies and organisations, such as Local Enterprise Partnerships¹⁷; and
 - Others with a stake and interest in the local area – large local employers, for example.
- *The executive* – a principal partner in discussions on the work programme should be the executive (and senior officers). The executive should not direct scrutiny's work (see chapter 2), but conversations will help scrutiny members better understand how their work can be designed to align with the best opportunities to influence the authority's wider work.

Information sources

54. Scrutiny will need access to relevant information to inform its work programme. The type of information will depend on the specific role and function scrutiny plays within the authority, but might include:

- Performance information from across the authority and its partners;
- Finance and risk information from across the authority and its partners;
- Corporate complaints information, and aggregated information from political groups about the subject matter of members' surgeries;
- Business cases and options appraisals (and other planning information) for forthcoming major decisions. This information will be of particular use for pre-decision scrutiny; and
- Reports and recommendations issued by relevant ombudsmen, especially the Local Government and Social Care Ombudsman.

¹⁷ Authorities should ensure they have appropriate arrangements in place to ensure the effective democratic scrutiny of Local Enterprise Partnerships' investment decisions.

As committees can meet in closed session, commercial confidentiality should not preclude the sharing of information. Authorities should note, however, that the default for meetings should be that they are held in public (see 2014 guidance on '*Open and accountable local government*':

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343182/140812_Openness_Guide.pdf).

55. Scrutiny members should consider keeping this information under regular review. It is likely to be easier to do this outside committee, rather than bringing such information to committee 'to note', or to provide an update, as a matter of course.

Shortlisting topics

Approaches to shortlisting topics should reflect scrutiny's overall role in the authority. This will require the development of bespoke, local solutions, however when considering whether an item should be included in the work programme, the kind of questions a scrutiny committee should consider might include:

- Do we understand the benefits scrutiny would bring to this issue?
- How could we best carry out work on this subject?
- What would be the best outcome of this work?
- How would this work engage with the activity of the executive and other decision-makers, including partners?

56. Some authorities use scoring systems to evaluate and rank work programme proposals. If these are used to provoke discussion and debate, based on evidence, about what priorities should be, they can be a useful tool. Others take a looser approach. Whichever method is adopted, a committee should be able to justify how and why a decision has been taken to include certain issues and not others.

57. Scrutiny members should accept that shortlisting can be difficult; scrutiny committees have finite resources and deciding how these are best allocated is tough. They should understand that, if work programming is robust and effective, there might well be issues that they want to look at that nonetheless are not selected.

Carrying out work

58. Selected topics can be scrutinised in several ways, including:

- a) **As a single item on a committee agenda** – this often presents a limited opportunity for effective scrutiny, but may be appropriate for some issues or where the committee wants to maintain a formal watching brief over a given issue;
- b) **At a single meeting** – which could be a committee meeting or something less formal. This can provide an opportunity to have a single public meeting about a

given subject, or to have a meeting at which evidence is taken from a number of witnesses;

- c) **At a task and finish review of two or three meetings** – short, sharp scrutiny reviews are likely to be most effective even for complex topics. Properly focused, they ensure members can swiftly reach conclusions and make recommendations, perhaps over the course of a couple of months or less;
- d) **Via a longer-term task and finish review** – the ‘traditional’ task and finish model – with perhaps six or seven meetings spread over a number of months – is still appropriate when scrutiny needs to dig into a complex topic in significant detail. However, the resource implications of such work, and its length, can make it unattractive for all but the most complex matters; and
- e) **By establishing a ‘standing panel’** – this falls short of establishing a whole new committee but may reflect a necessity to keep a watching brief over a critical local issue, especially where members feel they need to convene regularly to carry out that oversight. Again, the resource implications of this approach means that it will be rarely used.

7. Evidence Sessions

59. Evidence sessions are a key way in which scrutiny committees inform their work. They might happen at formal committee, in less formal ‘task and finish’ groups or at standalone sessions.

Good preparation is a vital part of conducting effective evidence sessions. Members should have a clear idea of what the committee hopes to get out of each session and appreciate that success will depend on their ability to work together on the day.

How to plan

60. Effective planning does not necessarily involve a large number of pre-meetings, the development of complex scopes or the drafting of questioning plans. It is more often about setting overall objectives and then considering what type of questions (and the way in which they are asked) can best elicit the information the committee is seeking. This applies as much to individual agenda items as it does for longer evidence sessions – there should always be consideration in advance of what scrutiny is trying to get out of a particular evidence session.

Chairs play a vital role in leading discussions on objective-setting and ensuring all members are aware of the specific role each will play during the evidence session.

61. As far as possible there should be consensus among scrutiny members about the objective of an evidence session before it starts. It is important to recognise that members have different perspectives on certain issues, and so might not share the objectives for a session that are ultimately adopted. Where this happens, the Chair will need to be aware of this divergence of views and bear it in mind when planning the evidence session.
62. Effective planning should mean that at the end of a session it is relatively straightforward for the chair to draw together themes and highlight the key findings. It is unlikely that the committee will be able to develop and agree recommendations immediately, but, unless the session is part of a wider inquiry, enough evidence should have been gathered to allow the chair to set a clear direction.
63. After an evidence session, the committee might wish to hold a short ‘wash-up’ meeting to review whether their objectives were met and lessons could be learned for future sessions.

Developing recommendations

64. The development and agreement of recommendations is often an iterative process. It will usually be appropriate for this to be done only by members, assisted by co-optees where relevant. When deciding on recommendations, however, members should have due regard to advice received from officers, particularly the Monitoring Officer.

65. The drafting of reports is usually, but not always, carried out by officers, directed by members.

66. Authorities draft reports and recommendations in a number of ways, but there are normally three stages:

- i. the development of a 'heads of report' – a document setting out general findings that members can then discuss as they consider the overall structure and focus of the report and its recommendations;
- ii. the development of those findings, which will set out some areas on which recommendations might be made; and
- iii. the drafting of the full report.

67. Recommendations should be evidence-based and SMART, i.e. specific, measurable, achievable, relevant and timed. Where appropriate, committees may wish to consider sharing them in draft with interested parties.

68. Committees should bear in mind that often six to eight recommendations are sufficient to enable the authority to focus its response, although there may be specific circumstances in which more might be appropriate.

Sharing draft recommendations with executive members should not provide an opportunity for them to revise or block recommendations before they are made. It should, however, provide an opportunity for errors to be identified and corrected, and for a more general sense-check.

Annex 1: Illustrative Scenario – Creating an Executive-Scrutiny Protocol

An executive-scrutiny protocol can deal with the practical expectations of scrutiny committee members and the executive, as well as the cultural dynamics.

Workshops with scrutiny members, senior officers and Cabinet can be helpful to inform the drafting of a protocol. An external facilitator can help bring an independent perspective.

Councils should consider how to adopt a protocol, e.g. formal agreement at scrutiny committee and Cabinet, then formal integration into the Council's constitution at the next Annual General Meeting.

The protocol, as agreed, may contain sections on:

- The way scrutiny will go about developing its work programme (including the ways in which senior officers and Cabinet members will be kept informed);
- The way in which senior officers and Cabinet will keep scrutiny informed of the outlines of major decisions as they are developed, to allow for discussion of scrutiny's potential involvement in policy development. This involves the building in of safeguards to mitigate risks around the sharing of sensitive information with scrutiny members;
- A strengthening and expansion of existing parts of the code of conduct that relate to behaviour in formal meetings, and in informal meetings;
- Specification of the nature and form of responses that scrutiny can expect when it makes recommendations to the executive, when it makes requests to the executive for information, and when it makes requests that Cabinet members or senior officers attend meetings; and
- Confirmation of the role of the statutory scrutiny officer, and Monitoring Officer, in overseeing compliance with the protocol, and ensuring that it is used to support the wider aim of supporting and promoting a culture of scrutiny, with matters relating to the protocol's success being reported to full Council through the scrutiny Annual Report.

Annex 2: Illustrative Scenario – Engaging Independent Technical Advisers

This example demonstrates how one Council's executive and scrutiny committee worked together to scope a role and then appoint an independent adviser on transforming social care commissioning. Their considerations and process may be helpful and applicable in other similar scenarios.

Major care contracts were coming to an end and the Council took the opportunity to review whether to continue with its existing strategic commissioning framework, or take a different approach – potentially insourcing certain elements.

The relevant Director was concerned about the Council's reliance on a very small number of large providers. The Director therefore approached the Scrutiny and Governance Manager to talk through the potential role scrutiny could play as the Council considered these changes.

The Scrutiny Chair wanted to look at this issue in some depth, but recognised its complexity could make it difficult for her committee to engage – she was concerned it would not be able to do the issue justice. The Director offered support from his own officer team, but the Chair considered this approach to be beset by risks around the independence of the process.

She talked to the Director about securing independent advice. He was worried that an independent adviser could come with preconceived ideas and would not understand the Council's context and objectives. The Scrutiny Chair was concerned that independent advice could end up leading to scrutiny members being passive, relying on an adviser to do their thinking for them. They agreed that some form of independent assistance would be valuable, but that how it was provided and managed should be carefully thought out.

With the assistance of the Governance and Scrutiny Manager, the Scrutiny Chair approached local universities and Further Education institutions to identify an appropriate individual. The approach was clear – it set out the precise role expected of the adviser, and explained the scrutiny process itself. Because members wanted to focus on the risks of market failure, and felt more confident on substantive social care matters, the approach was directed at those with a specialism in economics and business administration. The Council's search was proactive – the assistance of the service department was drawn on to make direct approaches to particular individuals who could carry out this role.

It was agreed to make a small budget available to act as a 'per diem' to support an adviser; academics were approached in the first instance as the Council felt able to make a case that an educational institution would provide this support for free as part of its commitment to Corporate Social Responsibility.

Three individuals were identified from the Council's proactive search. The Chair and Vice-Chair of the committee had an informal discussion with each – not so much to establish their skills and expertise (which had already been assessed) but to give a sense about

their 'fit' with scrutiny's objectives and their political nous in understanding the environment in which they would operate, and to satisfy themselves that they will apply themselves even-handedly to the task. The Director sat in on this process but played no part in who was ultimately selected.

The independent advice provided by the selected individual gave the Scrutiny Committee a more comprehensive understanding of the issue and meant it was able to offer informed advice on the merits of putting in place a new strategic commissioning framework.

Annex 3: Illustrative Scenario – Approaching an External Organisation to Appear before a Committee

This example shows how one council ensured a productive scrutiny meeting, involving a private company and the public. Lessons may be drawn and apply to other similar scenarios.

Concerns had been expressed by user groups, and the public at large, about the reliability of the local bus service. The Scrutiny Chair wanted to question the bus company in a public evidence session but knew that she had no power to compel it to attend. Previous attempts to engage it had been unsuccessful; the company was not hostile, but said it had its own ways of engaging the public.

The Monitoring Officer approached the company's regional PR manager, but he expressed concern that the session would end in a 'bunfight'. He also explained the company had put their improvement plan in the public domain, and felt a big council meeting would exacerbate tensions.

Other councillors had strong views about the company – one thought the committee should tell the company it would be empty-chaired if it refused to attend. The Scrutiny Chair was sympathetic to this, but thought such an approach would not lead to any improvements.

The Scrutiny Chair was keen to make progress, but it was difficult to find the right person to speak to at the company, so she asked council officers and local transport advocacy groups for advice. Speaking to those people also gave her a better sense of what scrutiny's role might be.

When she finally spoke to the company's network manager, she explained the situation and suggested they work together to consider how the meeting could be productive for the Council, the company and local people. In particular, this provided her with an opportunity to explain scrutiny and its role. The network manager remained sceptical but was reassured that they could work together to ensure that the meeting would not be an 'ambush'. He agreed in principle to attend and also provide information to support the Committee's work beforehand.

Discussions continued in the four weeks leading up to the Committee meeting. The Scrutiny Chair was conscious that while she had to work with the company to ensure that the meeting was constructive – and secure their attendance – it could not be a whitewash, and other members and the public would demand a hard edge to the discussions.

The scrutiny committee agreed that the meeting would provide a space for the company to provide context to the problems local people are experiencing, but that this would be preceded by a space on the agenda for the Chair, Vice-chair, and representatives from two local transport advocacy groups to set out their concerns. The company were sent in

advance a summary of the general areas on which members were likely to ask questions, to ensure that those questions could be addressed at the meeting.

Finally, provision was made for public questions and debate. Those attending the meeting were invited to discuss with each other the principal issues they wanted the meeting to cover. A short, facilitated discussion in the room led by the Chair highlighted the key issues, and the Chair then put those points to the company representatives.

At the end of the meeting, the public asked questions of the bus company representative in a 20-minute plenary item.

The meeting was fractious, but the planning carried out to prepare for this – by channelling issues through discussion and using the Chair to mediate the questioning – made things easier. Some attendees were initially frustrated by this structure, but the company representative was more open and less defensive than might otherwise have been the case.

The meeting also motivated the company to revise its communications plan to become more responsive to this kind of challenge, part of which involved a commitment to feed back to the scrutiny committee on the recommendations it made on the night.

Scrutiny Work Plan 2019-2020

Scrutiny Commission	Topic	Scrutiny Involvement
Overview Select Committee	Digital Transformation Programme	Update on progress
	Equality Strategy and Action Plan	One-year update since the plan went live
	Finance Reports	Update on revenue and capital monitoring for each quarterly period
	Draft General Fund Revenue Budget	Update report on the current position before being considered by Council
	Investment Strategy	Update report on the current position before being considered by Council
	Treasury Strategy 2020/21	Update report on the current position before being considered by Council
	Scrutiny Annual Report 2018/19	Update report on the previous year's scrutiny
Adult Social Care	ASC Green Paper	Consideration of what the green paper means for the authority
	Annual Operating Plan 2019/20 End of Year Report	Annual update
	Better Care Fund	Annual update
	Carers Strategy	Revised strategy and update on progress
	Dementia Strategy: Action Plan	Update on progress
	Extra Care Housing Update	Update on progress
	Leicester Ageing Together	Update report
	Learning Disability Strategy	Consultation findings including Autism Self-Assessment
Test of Assurance – Joint Service	Findings of the review	

Scrutiny Work Plan 2019-2020

Scrutiny Commission	Topic	Scrutiny Involvement
Children, Young People and Schools	Adoption, Fostering and Private Fostering Services	Statement of purpose and update on actions
	Independent Reviewing Officers (IRO)	Annual Report update
	Leicester Safeguarding Children Board (LSCB)	Annual Report update
	Ofsted Improvement Plan	Update on progress
	Quarterly Quality Assurance Report	Quarterly reporting on progress (new simplified format)
	School Support, Attendance and Performance Academic Year	Annual performance reporting
	Special needs (signs of safety model)	Annual report and action planning update
	Youth Justice Plan and Youth Offending Service	Annual Reporting
Economic Development, Transport and Tourism	Connecting Leicester projects	Progress reports
	Councils General Fund Revenue Budget Report to 2020/21, and Capital Programme Projects	Update on budgets and spending
	Healthier Air for Leicester – Air Quality Action Plan 2015 – 2026	Progress report
	Biodiversity Action Plan 2011-2021	Update on progress
	Leicester City Cycle Action Plan	Update on actions
	Leicester’s Draft Local Plan	Update on progress
	Leicester: Great City’ Economic Action Plan 2016-2020’	Progress on actions
	Major Transport Projects	Update on consultations and progress
	Planning for People not Cars – transport plan 2011-2026	Update on actions

Scrutiny Work Plan 2019-2020

Scrutiny Commission	Topic	Scrutiny Involvement
Health and Wellbeing	0-19 Services	Update on progress
	All-age mental health transformation programme	Consideration of the proposals
	Better Care Together	Regular updates to be taken to LLR Health Scrutiny Committee
	Bradgate Mental Health Unit	Strategic outline case for rebuild
	CAMHS	Update on progress
	CCG Joint Accountable Officer	Update to be taken to LLR Health Scrutiny Committee
	Community service redesign	Update to be taken to LLR Health Scrutiny Committee
	Haymarket Health	Outcomes since the move
	Integrated Lifestyle Services	Update on progress
	LPT Progress following CQC Inspection	Update to be taken to LLR Health Scrutiny
	Primary Care Networks	What they are and what it means for primary care moving forward
	NHS Long Term Plan	What does this mean for local NHS services
	NHS Workforce	Plans to tackle workforce issues across NHS
	Turning Point	Update on performance
	UHL 3 Year-Plan	Consider ambitions set out in the plan
	Winter Care Planning	Update on progress and consideration of plans

Scrutiny Work Plan 2019-2020

Scrutiny Commission	Topic	Scrutiny Involvement
Heritage, Culture, Leisure and Sports	Bereavement Services	Update report
	Cultural Development Fund	Outcome of the bid
	De Montfort Hall – Outdoor Events Programme	Consider the outcomes of programme
	Football Investment Strategy	Update report
	Heritage Action Plan 2016-21	Update on progress
	Jewry Wall	Progress on refurbishment and improvements
	Leicester Theatres	Progress report
	Outdoor Gyms	Consider the outcomes following the installation of the gyms
	Story of Leicester	Update report
	Story of Parks	Update report
Housing	District Service Priorities & performance including ASB service	Consideration of outcomes
	Empty Homes	Update report
	Homelessness	Update on progress
	Preparing for Winter	Consideration of steps being taken
	Rent Arrears	Quarterly and Year-end report
	Voids and Lettings	Quarterly and Year-end report
Neighbourhood Services	Community Asset Transfer Review	Revisit earlier work on the review and progress
	Community Safety Plan	Update report on progress
	Civil Action Against Private Landlords	Report on implementation of the scheme
	Discretionary Payments	Update report
	Food safety team service plan 2019-20	Annual update on a key area of public protection within the city
	Selective Landlord Licensing Scheme	Report on implementation of the scheme

Overview Select Committee
Draft Work Programme 2019 – 2020

Meeting Date	Topic	Actions Arising	Progress
20 Jun 19	1) Tracking of petitions 2) Implementing the City Mayor’s Manifesto Update 3) Questions to City Mayor 4) Revenue Budget Monitoring Outturn 2018/19 5) Capital Budget Monitoring Outturn 2018/19 6) Income Collection April 2018 - March 2019 7) Review of Treasury Management Activities 2018/19 8) Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities 9) Scrutiny Work Plan 2019-20		
19 Sep 19	1) Tracking of petitions 2) Questions to City Mayor 3) Revenue Budget Monitoring P3 4) Capital Monitoring Report P3 5) Equality Strategy and Action Plan – Update 6) Draft Scrutiny Annual Report 2018/19		
28 Nov 19	1) Tracking of petitions 2) Questions to City Mayor 3) Revenue Budget Monitoring P6 4) Capital Monitoring Report P6 5) Treasury Performance 6) Income Collection Performance		
16 Jan 20	1) Tracking of petitions 2) Questions to City Mayor		

Meeting Date	Topic	Actions Arising	Progress
5 Mar 20	1) Tracking of petitions 2) Questions to City Mayor 3) Draft General Fund Revenue Budget 2020/21 4) Treasury Strategy 2019/20 5) Investment Strategy 6) Revenue Budget Monitoring P9 7) Capital Monitoring Report P9		
30 Apr 20	1) Tracking of petitions 2) Questions to City Mayor		

Forward Plan Items

Topic	Detail	Proposed Date
Digital Transformation		
Health and Wellbeing Strategy		
Prevent Strategy		
Homelessness Strategy		
Emergency Planning		
Revenue Budget Monitoring Outturn 2019/20		June 2020
Capital Budget Monitoring Outturn 2019/20		June 2020
Income Collection April 2019 - March 2020		June 2020
Review of Treasury Management Activities 2019/20		June 2020

Leicester City Council

PLAN OF KEY DECISIONS

On or after 1 August 2019

What is the plan of key decisions?

As required by legal regulations the Council publishes a document to show certain types of decision known as 'key decisions' that are intended to be taken by the Council's Executive (City Mayor, Deputy City Mayor and Assistant City Mayors). The legislation requires that this document is published 28 days before a decision contained in the document can be taken. This document by no means covers all the decisions which the Executive will be taking in the near future.

Details of the other decisions, the City Mayor and the Executive also take can be found at www.cabinet.leicester.gov.uk/mgdelegateddecisions.aspx?bcr=1

What is a key decision?

A key decision is an executive decision which is likely:

- to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- to be significant in terms of its effects on communities living or working in two or more wards in the City.

Full details of the definition can be viewed at <https://www.leicester.gov.uk/your-council/how-we-work/plan-of-key-decisions/>

What information is included in the plan?

The plan identifies how, when and who will take each key decision, who to contact for more information or to make representations, and in addition where applicable, who will be consulted before the decision is taken.

The plan is published on the Council's website.

Prior to the taking of each executive key decision, please note that the relevant decision notice and accompanying report will be published on the Council's website and can be found at

<http://www.cabinet.leicester.gov.uk/mgdelegateddecisions.aspx?bcr=1>

Plan of Key Decisions

On or after 1 August 2019

Contents

	<u>Page</u>
1. A place to do business	
2. Getting about in Leicester	
3. A low carbon city	
4. The built and natural environment	
5. A healthy and active city	
6. Providing care and support	
7. Our children and young people	
8. Our neighbourhoods and communities	
9. A strong and democratic council	

1. A place to do business

What is the Decision to be taken?	NEW OPPORTUNITIES To approve the investment in new opportunities through the use of New Opportunities funding.
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019

Who will be consulted and how?	None.
Who can I contact for further information or to make representations	Matthew.Wallace@leicester.gov.uk

What is the Decision to be taken?	DECISIONS ACTING AS ACCOUNTABLE BODY TO THE LLEP Decisions as a consequence of being the Accountable Body to the Leicester and Leicestershire Enterprise Partnership, as and when they arise
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	Proposals will have been subject to the LLEP governance processes
Who can I contact for further information or to make representations	Colin.Sharpe@leicester.gov.uk

What is the Decision to be taken?	APPROVE A CULTURAL INVESTMENT PROGRAMME To approve investment in important cultural assets and activities
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	
Who can I contact for further information or to make representations	Mike.Dalzell@leicester.gov.uk

What is the Decision to be taken?	LEICESTER GROWTH HUB Delivery of new European funded business support project
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	None
Who can I contact for further information or to make representations	Joanne.Ives@leicester.gov.uk

What is the Decision to be taken?	PURCHASE OF PROPERTY
-----------------------------------	----------------------

	Purchase of property for strategic regeneration purposes using EAP funding
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	None
Who can I contact for further information or to make representations	Matthew.Wallace@leicester.gov.uk

2. Getting about in Leicester

What is the Decision to be taken?	A46 & A5630 JUNCTION IMPROVEMENT To approve funds to enable the delivery of highway improvements in conjunction with approved Highways England funding
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	
Who can I contact for further information or to make representations	Louise.Seymour@leicester.gov.uk

What is the Decision to be taken?	CONNECTING LEICESTER PHASED PROGRAMME Decision to approve funds to progress the next phases of Connecting Leicester to be funded as part of the Economic Action Plan and through external grant funding
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	Public, stakeholder and planning application consultation carried out on each scheme as appropriate

Who can I contact for further information or to make representations	Andrewl.Smith@leicester.gov.uk
--	--

What is the Decision to be taken?	ELECTRIFICATION OF PARK AND RIDE BUS SERVICES Decision to approve the provision of electrification of park and ride bus services, to be funded through the Transforming Cities Fund and Economic Action Plan funds
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	Stakeholder and planning application consultation carried out on each scheme as appropriate
Who can I contact for further information or to make representations	Andrewl.Smith@leicester.gov.uk

3. A low carbon city

No decisions due to be taken under this heading for the current period

4. The built and natural environment

What is the Decision to be taken?	TRANSFORMING DEPOTS To approve a programme of rationalisation, disposal and improvement of the Council's depots. Planned capital expenditure is expected to be funded from the proceeds of disposals.
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	No external consultation is required, as this relates to the Council's operational arrangements.
Who can I contact for further information or to make representations	Debbie.White@leicester.gov.uk

What is the Decision to be taken?	INCREASING THE SUPPLY OF NEW
-----------------------------------	------------------------------

	AFFORDABLE HOUSING WITHIN THE HRA To consider the range of acquisition opportunities currently being explored by officers in order to increase the supply of new Affordable Housing within the HRA
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	
Who can I contact for further information or to make representations	Janet.Callan@leicester.gov.uk

5. A healthy and active city

No decisions due to be taken under this heading for the current period

6. Providing care and support

No decisions due to be taken under this heading for the current period

7. Our children and young people

What is the Decision to be taken?	ADDITIONAL SCHOOL PLACES To approve capital funding for additional school places
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	Schools
Who can I contact for further information or to make representations	Richard.Sword@leicester.gov.uk

8. Our neighbourhoods and communities

No decisions due to be taken under this heading for the current period

9. A strong and democratic council

What is the Decision to be taken?	REVENUE OUTTURN 2018/19
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	Overview Select Committee – date to be advised
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	CAPITAL OUTTURN 2018/19
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	Overview Select Committee, date to be advised
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	REVENUE BUDGET MONITORING 2019/20 PERIOD 3 Decisions consequential to the monitoring of expenditure in 2019/20 (if any)
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	Overview Select Committee – date to be advised
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	CAPITAL MONITORING 2019/20 PERIOD 3 Decisions consequential to the monitoring of expenditure in 2019/20 (if any)
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	Overview Select Committee, date to be advised
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	REVENUE BUDGET MONITORING 2019/20 PERIOD 6 Decisions consequential to the monitoring of expenditure in 2019/20 (if any)
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Nov 2019
Who will be consulted and how?	Overview Select Committee – date to be advised
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	CAPITAL MONITORING 2019/20 PERIOD 6 Decisions consequential to the monitoring of expenditure in 2019/20 (if any)
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Nov 2019
Who will be consulted and how?	Overview Select Committee, date to be advised.
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	REVENUE BUDGET MONITORING 2019/20 PERIOD 9 Decisions consequential to the monitoring of expenditure in 2019/20 (if any)
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Feb 2020
Who will be consulted and how?	Overview Select Committee – date to be advised
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	CAPITAL MONITORING 2019/20 PERIOD 9 Decisions consequential to the monitoring of expenditure in 2019/20 (if any)
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Feb 2020
Who will be consulted and how?	Overview Select Committee, date to be

	advised
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	REVENUE OUTTURN 2019/20 Decisions consequential to the monitoring of expenditure in 2019/20 (if any)
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 May 2020
Who will be consulted and how?	Overview Select Committee – date to be advised.
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	CAPITAL OUTTURN 2019/20 Decisions consequential to the monitoring of expenditure in 2019/20 (if any)
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 May 2020
Who will be consulted and how?	Overview Select Committee, date to be advised
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	GENERAL FUND REVENUE BUDGET 2020/21 To recommend a revenue budget to the Council
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Feb 2020
Who will be consulted and how?	Consultation with Scrutiny prior to the Council meeting
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	CAPITAL PROGRAMME 2020/21 To recommend a capital programme to the
-----------------------------------	--

	Council
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Nov 2019
Who will be consulted and how?	Consultation with Scrutiny prior to the Council meeting
Who can I contact for further information or to make representations	Alison.Greenhill@leicester.gov.uk

What is the Decision to be taken?	HOUSING REVENUE ACCOUNT 2020/21 BUDGET AND CAPITAL PROGRAMME To recommend a budget, rent level and capital programme to the Council
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Jan 2020
Who will be consulted and how?	Consultation with Scrutiny and Tenants' Forum prior to the Council meeting
Who can I contact for further information or to make representations	Chris.Burgin@leicester.gov.uk

What is the Decision to be taken?	INVESTMENT PROPERTY To approve the purchase of investment property through use of Investment Property funding.
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Aug 2019
Who will be consulted and how?	None
Who can I contact for further information or to make representations	Matthew.Wallace@leicester.gov.uk

What is the Decision to be taken?	LEICESTER SMART CITY STRATEGY To approve the adoption of a strategy that combines Leicester's digital, physical and social environment to deliver an inclusive, prosperous and sustainable city for all
Who will decide?	City Mayor/Executive
When will they decide?	Not before 1 Oct 2019

Who will be consulted and how?	Extensive conversations have already taken place among council colleagues and external stakeholders. We will continue to engage with such stakeholders
Who can I contact for further information or to make representations	Kieran.O-Hea@leicester.gov.uk

DRAFT

