



Leicester
City Council

SECOND DESPATCH

MEETING OF THE OVERVIEW SELECT COMMITTEE

THURSDAY, 1 FEBRUARY 2018

Further to the agenda for the above meeting which has already been circulated, please find attached the following:-

10: DRAFT GENERAL FUND REVENUE BUDGET 2018/19 TO 2020/21

Members will be asked to comment on the draft General Fund Revenue Budget 2018/19 to 2020/21, which will be considered at the meeting of Council on 21 February 2018.

The draft budget has been considered by the different Scrutiny Commissions and a draft minute extract from the meeting of the Heritage, Culture, Leisure and Sport Scrutiny Commission is attached. Because of the timetable of Scrutiny Commission meetings, further minute extracts will be circulated after the agenda has been published.

Draft General Fund Revenue Budget 2018/19 to 2020/21 (Appendix C)
Heritage, Culture, Leisure and Sport draft minute extract (Appendix C1)

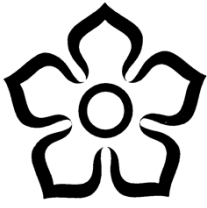
Second Despatch:

Draft Minute Extracts from the discussions held at the meetings of the following Scrutiny Commissions are now attached:

Adult Social Care Scrutiny Commission (Appendix C2)
Health and Wellbeing Scrutiny Commission (Appendix C3)
Neighbourhood Services and Community Involvement Scrutiny Commission (Appendix C4)

Officer contacts

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Leicester
City Council

SECOND DESPATCH

Overview Select Committee 1 February 2018

Further to the agenda for the above meeting which has already been circulated, please find attached the following minute extracts from Scrutiny Commissions relating to agenda Item 10.

Agenda Item 10: Draft General Fund Revenue Budget 2018/19 to 2020/21

Adult Social Care Scrutiny Commission
Health and Wellbeing Scrutiny Commission
Adult Social Care Scrutiny Commission

Thank you.



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Leicester
City Council

MINUTE EXTRACT

Minutes of the Meeting of the ADULT SOCIAL CARE SCRUTINY COMMISSION

Held: TUESDAY, 23 JANUARY 2018 at 5:30 pm

P R E S E N T:

Councillor Cleaver (Vice-Chair in the Chair)

Councillor Aldred

Councillor Chaplin

In Attendance

Councillor Dempster, Assistant Mayor – Adult Social Care and Wellbeing

Also Present

Councillor Cutkelvin

* * * * *

62. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dr. Chowdhury, Pantling and Thalukdar.

63. DECLARATIONS OF INTEREST

No declarations of interest were made.

69. GENERAL FUND REVENUE BUDGET 2018/19 TO 2020/21

The Director of Finance submitted the draft report to Council on 21 February 2018, of the General Fund Revenue Budget 2018/19 to 2020/21. Scrutiny Commission Members were asked to note and comment on the report as they saw fit. The Strategic Director for Adult Social Care submitted supplementary papers relating to adult social care funding to inform the Commission's discussion of the General Fund Revenue Budget.

The Chair made reference to the wider issues associated with cuts in council funding, and the difficult decisions the council had to consider on services it continued to fund. She acknowledged the pressures on the ASC budget, and the strong evidence presented to the Commission over the past year that there

were an increasing number of people of working age who needed help, with issues such as depression, and physical health issues such as diabetes. It was also noted that people were living longer than in the past and were receiving increased care for longer periods. The Chair referred to paragraphs 7.6 and 7.7 in the report, which highlighted the growing gap between Better Care Funding and the underlying demands for care.

The Chair made reference to the two documents attached from Association of Directors of Adult Social Services (ADASS) and the Local Government Association (LGA), and the warning from the LGA of a £5.8 billion local government funding gap by 2020.

The Chair stated it was imperative that central government urgently provided a long term funding solution for adult social care and that it implemented and concluded the promised review as soon as possible. The Chair asked that the following recommendation be made to the Executive for consideration:

That the Assistant Mayor for Adult Social Care jointly write, with the Adult Social Care Scrutiny Commission, to the Secretary of State for Health and Social Care calling on him to:

- Implement and conclude the promised review of social care funding by no later than Summer 2018;
- Provide clarity beyond 2019/2020 for the funding of adult social care.

The Assistant City Mayor for Adult Social Care and Wellbeing informed the meeting the council was doing its best to protect the service, but unless there was a huge increase in resources it would put pressure on services. She added that in terms of the budget, the council was working in exactly the same way as in previous years, and as issues came forward, officers would bring detailed proposals to the Scrutiny Commission in line with previous years and ask the Commission to comment before decisions were made.

The Strategic Director presented the draft budget report, the background national paper from ADASS and noted the LGA reported replicated much of the ADASS report. The Director believed the increased concern over the funding gap was reflected over the country as a whole, and it was relevant to have a conversation about the national picture.

The Strategic Director presented the ADASS report and drew Members' attention to the following:

- There was a £366 million overspend in ASC in England for 2016/17, which will grow in future years, with insufficient funding to meet growing pressures;
- IBCF monies have allowed departments only to stand still;
- Demographic pressure relating to people with mental health needs were above the national average with a 6% growth in the city over the past year;
- Increasing demographic pressures for physically disabled people were above the national average at around 3%;

- Nationally Directors' confidence in making savings was falling as it became harder to find efficiencies, and were finding it more difficult to invest in prevention;
- CHC savings of £6million locally meant a budget pressure for ASC of estimated at approximately £1million.
- S117 mental health care – there was no ability to charge for aftercare under S117. There was a growing list of people on S117, and the council was in the process of discussing with the NHS the proposal to remove people who no longer required aftercare under S117;
- The care market in Leicester was 'fragile' but 'stable' in nature in comparison to other market places across England where there was much more volatility.

The Strategic Director stated that if Government was not forthcoming urgently from the summer review of adult social care funding, there would be an impending crisis in social care across England.

In answer to Members' questions the following points were made:

- National dataset information on projections for future adult social care needs were 10 years old and would not reflect the work undertaken by Adult Social Care locally to change the profile of services used and where we encourage and support more people to continue to live independently. Occupancy level rates were stable in terms of what beds were available and what were used. In some areas overprovision led to reduced quality, and required some self-observation.
- Adult Social Care was not currently in this financial year part of the spending review programme. The reduction in the numbers of staff came in a change to workflow and had been handled in a positive way, though there was a natural level of anxiety. The department had just completed a HSE healthy workplace survey across the whole department, and across the board results had improved.

The Assistant City Mayor for Adult Social Care and Wellbeing said the Executive would look at possibilities for reconfiguring and making savings, whilst keeping a close eye on the pressures faced by the department, raising attention to issues at an early enough point for them to be managed appropriately.

Members noted that it had been known for a long time that ASC funding was at a crisis point, and that good national data on future demand for adult social care was essential in ensuring that long terms funding for adults social care would meet emerging need. They asked for a recommendation to be added, to note that national datasets re population forecasts and population need should be more flexible to allow councils to plan in a timely way and accurately across the whole range of services.

Members also noted in the report they had been asked to agree a 5% increase in council tax, and agreed to support the increase. They also noted there had been a suggestion to raise the increase to 6%, but needed to recognise that

even in work, some people might not be wealthy.

Members asked for an additional recommendation to ensure that when the Executive made their responses to STP proposals the National Health Service was putting forward that they very strongly made known the impacts on the ASC budget.

A suggestion was made by the Commission that whilst agreeing to the 4.99% increase in Council Tax the Executive be asked to recognise that the overall revenue budget reflect the demand-led Adult Social Care and Children's Service budgets, which represented the most vulnerable people in society, impacting families on a day to day basis, and that reserves should be used to support them for as long as possible.

Members also asked that when other services were looked at, impact assessments be undertaken to look at how they might or should contribute to the work of Adult Social Care and Children and Young People's Services budgets.

The Chair agreed to the above additional recommendations suggested by Members and asked for the Scrutiny Policy Officer to provide wording for the recommendations in consultation with the Chair.

The Chair thanked the Strategic Director, the Assistant City Mayor for Adult Social Care and Wellbeing, Director of Adult Social Care and Safeguarding and Director of Adult Social Care and Commissioning for the information contained in the report, and asked that they take the gratitude and thanks from the Scrutiny Commission back to their teams for what they did for the citizens of Leicester.

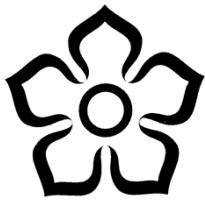
AGREED:

That:

1. The report be received and noted;
2. That the Assistant Mayor for Adult Social Care jointly write, with the Adult Social Care Scrutiny Commission, to the Secretary of State for Health and Social Care calling on him to:
 - Implement and conclude the promised review of social care funding by no later than Summer 2018;
 - Provide clarity beyond 2019/2020 for the funding of adult social care.
3. Population forecasts and population need should be much more flexible to allow councils to plan in a timely way and accurately across the whole range of services.
4. To ensure that when the executive responds to the STP we very strongly set out the implications of this funding for the ASC budgets and the clients who require these services.
5. The Executive be asked to recognise that the overall revenue budget reflect the demand-led Adult Social Care and Children's Service budgets, which represented the most vulnerable people in society, impacting families on a day to day basis, and that reserves should be

used to support them for as long as possible.

6. Impact assessments in other budgets should look at how they might or should contribute to the work of ASC and CYPS budgets.
7. It be noted the Adult Social Care Scrutiny Commission agree to a 4.99% increase in the budget.



Leicester
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Minutes of the Meeting of the
HEALTH AND WELLBEING SCRUTINY COMMISSION

Held: THURSDAY, 11 JANUARY 2018 at 5:30 pm

P R E S E N T :

Councillor Cutkelvin (Chair)

Councillor Chaplin
Councillor Osman

Councillor Corral
Councillor Waddington

Councillors Chaplin, Osman and Waddington had left the meeting prior to the consideration of the budget.

In Attendance:

Councillor Clarke, Deputy City Mayor with responsibility for Environment, Public Health and Health Integration

Also Present:

Sylvia Reid – Interim Chair, Healthwatch

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53. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Fonseca and Sangster.

54. DECLARATIONS OF INTEREST

No declarations of interest were made.

63. DRAFT REVENUE BUDGET 2018/19

The Chair stated that as the meeting was inquorate, the Commission could not make any recommendations or agree the Draft Revenue Budget, but could ask questions.

The Chair referred to Spending Review Four and asked for further details. The Director of Public Health stated that in the Health and Wellbeing Division, there were currently on-going reviews for the sexual health services and for the lifestyle services. Spending Review Four would apply across the whole of the City Council. The Director of Adult Social Care explained that the main budget pressures for the Council arose from demand in Adult Social Care and Children's Services. The Government were carrying out a review in Adult Social Care and it could be seen that their focus was on older people and the NHS rather than on the wider social care issues including adult mental health and learning disabilities.

The Director of Public Health added that it was not possible to talk about public health services in isolation from other services: reductions in preventative services had an impact on other Adult Social Care and Children's Services.



Leicester
City Council

Appendix C4

MINUTE EXTRACT

Minutes of the Meeting of the
NEIGHBOURHOOD SERVICES AND COMMUNITY INVOLVEMENT SCRUTINY
COMMISSION

Held: WEDNESDAY, 24 JANUARY 2018 at 5:30 pm

P R E S E N T :

Councillor Gugnani (Chair)
Councillor Thalukdar (Vice Chair)

Councillor Bajaj Councillor Cutkelvin
Councillor Cank Councillor Khote

In Attendance

Councillor Clair, Deputy City Mayor with responsibility for Culture, Leisure, Sport and
Regulatory Services
Councillor Master, Assistant City Mayor - Neighbourhood Services

Also Present:

Councillor Kitterick

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51. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fonseca.

Members of the Economic Development, Transport and Tourism Scrutiny Commission had been invited to attend the meeting for agenda item 8, "Language and IT Training". Apologies for absence were received from Councillor Patel in relation to this.

52. DECLARATIONS OF INTEREST

No declarations of interest were made.

59. GENERAL FUND REVENUE BUDGET 2018/19 TO 2020/21

The Director of Finance submitted a report setting out the City Mayor's proposed budget for 2018/19 to 2020/21, noting that a balanced budget was proposed for the next financial year. This had been achieved by drawing on the last of the Council's reserves.

The Director of Finance advised the Commission that:

- Unison trades union had rejected the employers' offer of a 2% increase on employees' pay for 2018/19. This could have a significant impact on the budget, as allowance for a 1% award had been built in to budget ceilings;
- A significant pressure on the budget was the continuing reduction in housing benefit administration grant, received from the Department for Work and Pensions. The number of housing benefit claimants had not fallen, but by 2019/20 the grant received would be less than half that received in 2010/11;
- Under the government's welfare reforms, if elderly people were already in receipt of Housing Benefit they would continue to receive it. However, non-payment of rent was recognised as a risk for the Council, as reduced income to the Housing Revenue Account would affect the Council's ability to pay for repairs to the housing stock;
- Government funding for discretionary housing payments continued to be ring-fenced and would reduce over the next few years. The Council would be advised in March what funding it would receive for these payments over the coming year, but indications were that it would be approximately the same level as the current year;
- The Supporting Tenants and Residents (STAR) service initially had been included in the recent review of welfare advice services. However, it was felt that including it in the new social welfare advice contract would not have made that contract attractive to the market, so it was removed. Instead, an internal review was being undertaken to determine the way forward for this service; and
- This Commission's remit included discretionary services and regulatory services for which there was discretion in how they were provided. Historically, financial savings had been made through cuts to such services and this was likely to continue.

The Director of Neighbourhood and Environmental Services drew Members' attention to the large number of actions undertaken through these service budgets. For example, annually there were approximately 9,000 licensing applications processed, 13 million waste collections, 8,500 fly tips dealt with and 27 community/library buildings operated and maintained. Despite budget reductions over recent years, good services continued to be provided. This was evidenced from feedback such as that from waste collection services,

which showed high levels of satisfaction with waste collection and waste management.

The Commission noted that a change in law relating to the content of waste processed through the anaerobic digester that the Council used at Wanlip had resulted in significant costs to the Council. These costs would be reduced by reducing the organic content of sand derivative from the waste processed there from the current level of approximately 15% to below 10%. Work was underway with Biffa, (the Council's contractor), to install clarifying equipment that it was intended would help achieve this.

The trade waste facility at Gypsum Close recycling centre also had an impact on the revenue budget, as an ambitious income target had been set when the current facility was opened in 2015. However, use of the facility was increasing and weighbridge revenue had increased by approximately 40% since the facility opened in 2015. These services were being promoted as much as possible, for example by including Information on trade waste services in the letters to be sent advising businesses of their rates for the coming year.

Loros currently operated the re-use shop at the Gypsum Close Recycling Centre. Under the contract, at or above a certain level of profit, some of that profit was passed to the Council. The amount being received was increasing, which would contribute towards the running costs for the site.

Members asked whether consideration had been given to recovering charges from Council tenants when their gardens had to be cleared by the Council. The Director of Neighbourhood and Environmental Services confirmed that charges for clearing private locations were passed on to the owners and suggested that Housing services could be asked to consider doing this for Council tenants. Any costs recovered in this way would be paid in to the Housing Revenue Account.

Members asked whether consideration had been given to recovering charges from Council tenants when their gardens had to be cleared by the Council. The Director of Neighbourhood and Environmental Services confirmed that charges for clearing private locations in, for example, filthy, verminous or fly-tipping situations, were passed on to the owners. The Director offered to feedback the Commission's view to Housing Services. This matter would relate back to the Housing Revenue Account.

It was questioned whether the current garden waste collection service had been successful. In reply, the Director of Neighbourhood and Environmental Services noted that approximately 4,200 residents currently used this chargeable and optional service, which was considered to be a reasonable level of use, noting the city environment. However, there was an ambition to further grow the customer base.

Concern was expressed that the budget reductions being faced by the Council would lead to a reduction in staff numbers. The Director of Finance advised that the level of budget reductions meant that it was not possible to provide

guarantees about jobs, noting that the Council's employment costs currently were approximately £1million per day.

AGREED:

- 1) That the Director of Neighbourhood and Environmental Services be asked to:
 - a) ask Housing services to consider recharging Council tenants when the Council is required to clear poorly maintained gardens; and
 - b) provide this Commission with a full report on waste management costs, including information on how the city's waste is disposed of;
- 2) That the Director of Finance be asked to notify the Commission of the final level of funding to be available for discretionary housing payments in 2018/19, to enable a decision to be made on whether the impact of this on the city's residents requires further scrutiny; and
- 3) That the Chair of this Commission be asked to advise the Overview Select Committee that this Commission accepts that the Council cannot increase Council Tax for 2018/19 above the limit set by government and so supports the proposed increase of 4.99%.