



Leicester  
City Council

Minutes of the Meeting of the  
OVERVIEW SELECT COMMITTEE

Held: WEDNESDAY, 22 JUNE 2016 at 5:30 pm

P R E S E N T :

Councillor Singh (Chair)  
Councillor Malik (Vice Chair)

Councillor Bajaj  
Councillor Cleaver  
Councillor Cutkelvin

Councillor Dempster  
Councillor Khote  
Councillor Dr Moore

Councillor Newcombe  
Councillor Porter

Also present:

Sir Peter Soulsby

City Mayor

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**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of the Youth Council Representatives.

**2. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**3. REVENUE OUTTURN 2015/16**

The Director of Finance submitted a report which set out the Council's financial performance against its revenue budget in the financial year 2015/16.

The Chair made reference to the serious budget pressures within the Children's Services and Adult Social Care Departments. Issues around the increase in the number of Look After Children (LAC) and the difficulties in the recruitment of social workers were recognised. The Chair added that the budget deficits were due to legitimate reasons but hoped that the shortfalls were being addressed in the 2016/2017 budget.

The Director of Finance responded that within Adult Social Care and Children's Services there were increasing numbers of people in need of support and the Council had a statutory duty to provide help. The budget was however robust in its response to meeting those needs, taking into account the best data the Council had at the time the budget was set.

The Chair referred to the overspend on the Housing Benefit budget. The Director of Finance explained that this was due to a number of issues. Overpayment in Housing Benefit could be made to people who failed to report a change in their circumstances and such overpayments were difficult to recover as people receiving housing benefits were on some of the lowest incomes. It could take time to recover such overpayments; they might for example be repaid through an attachment to earnings. Universal Credit started to roll out in January 2016 in Leicester and had started with single people. Couples and families would be included by 2018 and pensioners would remain on Housing Benefit.

A Member noted that there had been difficulties in recruiting suitably experienced staff in Revenues and Customer Services and queried the implications of this, particularly in the light of the continuing Universal Credit roll out. The Director of Finance responded that there was a lack of experienced benefit staff generally, but the Council were trying to train and develop their own staff as much as possible.

The Director of Finance added that Directors in all divisions were achieving savings by managing staffing issues carefully and considering options where a vacancy arose. A Member praised efforts to make financial economies but expressed concerns that savings came with a cost to staff and services. Officers were asked whether there was any follow up to those staff made redundant. The City Mayor responded that unfortunately, because of the financial pressures and the numbers of staff involved he had concerns that this would not be realistic, nor could such a follow up be carried out with any credibility. He would however raise this with colleagues.

A Member referred to section 5.1 of the report which stated that there were difficulties in recruiting to vacancies in Legal, Registration and Coronial Services, and queried whether such vacancies affected Children's Services, where there was a need for experienced solicitors. The Director of Finance responded that the private sector offered higher rates of pay to Solicitors than Local Government did and an option was to either look at market pay or a scheme whereby the Council would develop their own legal staff. Where necessary, locums or the private sector were brought into fill gaps. The Director added that she would find out and let Members know whether the difficulties in recruiting Legal Officers affected Children's Services.

The Director of Finance added that Universal Credit was a Department of Work and Pensions (DWP) benefit and would be administered by them; however this presented a concern in that the DWP paid the tenant and the tenant then paid rent to the Council. The payment was made monthly in arrears, with the

intention for people to manage their budget monthly, but there were concerns that many people were unused to this and would find it challenging. The Council commissioned the provision of comprehensive budget advice and people could apply for the housing element of their benefit to be paid direct to the landlord if significant vulnerability could be demonstrated. The meeting heard that some local authorities had reverted to collecting rents at the door to alleviate the risk of the tenant building up debts.

A Member questioned the help that might be available for people who were in financial difficulty. The Director of Finance explained that the Council worked with Citizens Advice and other advice providers to give advice to service users and advice sessions were held around the city on a regular basis. A suggestion was made that where there were free sessions at community facilities, they should be used to offer advice on budget management. It was noted that the Council had switched its bank to Barclays Bank and it was suggested that they might be able to help those people who were reluctant to or had difficulty in opening up a bank account. A Member expressed concerns however that people with learning difficulties might be given a bank overdraft which they would find difficult to manage.

A Member noted the income pressures at the new household waste recycling centre at Gypsum Close (Para 8.2 of the report) and expressed a hope that the Neighbourhood Services and Community Involvement Scrutiny Commission would look at this if the problem continued.

The Chair of the Housing Scrutiny Commission referred to the Housing Revenue Account and noted that there was a decrease in the number of void properties and a shorter void time per property (Para 11.3 of the report). He added however, that the Commission still had concerns and would be looking into this issue in more detail.

The Chair of the Adult Social Care Scrutiny Commission queried the reason for the £6m additional costs within the Adult Social Care budget for 2015/16. The Director of Finance responded that with the Council's Liquid Logic I.T. system, it was possible to track the pattern of service users. It could be seen that there was a high percentage of service users of working age who had mental health issues. It was possible that some of these service users could remain within the system, needing support, for some considerable time. It could also be seen that the cost of the package for about 20% of service users had increased by 60% over the year. There was a need to ascertain the reason for this and to understand what was happening with the caseloads. Members commented that reduced funding for essential services resulted in stress and a breakdown within families and communities. This led to increased care needs. The Chair of the Health and Wellbeing Scrutiny Commission commented that individual care packages could have increased because people were not receiving effective care early enough from the Health Service. The Scrutiny Commission would be looking at this issue.

The Chair of the Children, Young People and Schools Scrutiny Commission noted a reference to a Health Nurseries scheme in section 13.5 of the report

and queried what this was about. The Director of Finance confirmed that she would look into this and let the Member know.

The Chair of the Health and Wellbeing Scrutiny Commission expressed concern at the reduction in spend on research and development as detailed in section 13.5 of the report. This was an issue that Scrutiny Commission would be looking at, because effective research and development could result in savings in the long run. Members heard that consideration was being given as to how research and intelligence teams across divisions could be used more effectively.

Concerns were expressed relating to the numbers of L.A.C and the resulting costs of their care. The Director of Finance responded that there had been an increase in numbers but a contributing factor in the increased costs was that the council needed to look further afield to find suitable providers. Some children had complex issues and providers were becoming more cautious and 'risk aware'.

A Member commented that as well as the costs of L.A.C. and the continuing use of social workers, increased costs had been incurred as a result of the Ofsted improvement notice. The Director responded that £2.2m had been made available to Children's Services in respect of the Improvement notice and a report would be presented to the Children, Young People and Schools Scrutiny Commission to explain how the money had been spent and what work had been carried out.

In response to a question, the Director explained that the cost of a L.A.C. could be as much as £10k to £20k per week. Some children needed very intensive support. The City Mayor explained that costs had been looked at in detail and in response to a request, offered to provide some anonymised case studies to Members. A Member sought assurances that the council were pursuing the Health and Education Services for their share of the costs of providing for L.A.C, so that the Council's contribution was not the largest part of the total cost. The Director confirmed that the Council were now more vigorous, than they had been, in pursuing health and education funding.

A Member referred to Section 17.5 of the report and sought assurances that investment in the city centre was not at the expense of the outer estates. The City Mayor responded that a very high proportion of capital expenditure was directed at the neighbourhoods and areas where people lived and this was becoming an increasing priority. At the same time it was right to invest in balance in the city centre; it was in effect the Leicester's 'shop window' and had been shown to the world during events such as King Richard III and the Leicester City Football Club celebrations. Potential investors such as IBM were shown around the city centre and subsequently had chosen to bring their business to Leicester.

AGREED:

that the overall position presented within the report be noted.

Action to be taken	By
To provide some information to the Chair of the Children, Young People and Schools Scrutiny Commission on the Healthy Nurseries Scheme..	The Director of Finance
For some anonymised case studies of Looked After Children to be provided to Members.	The Director of Social Care and Early Help.

#### 4. CAPITAL OUTTURN 2015/16

The Director of Finance submitted a report which showed the position of the capital programme for 2015/16 at the end of the financial year.

Members discussed the report and a query was raised in relation to the Anchor Centre. The City Mayor stated that the Council owned the site but the building needed major refurbishment. There had been a number of interests expressed in the site and the Council needed to consider carefully how they could dispose of the property subject to an alternative site for the Anchor Centre being located.

It was noted that Extra Care had been granted planning permission for two new-build extra care facilities but the schemes had been put on hold pending an announcement from the Government on whether rents eligible for housing benefit would be capped. If this happened the scheme would become financially unviable. In response to a query, the meeting heard that this was a national issue and schemes across the country had also been put on hold. It was an issue that was causing concern and which the Local Government Association was taking very seriously.

A query as raised as to whether the capital monies set aside for flood management was sufficient. The City Mayor responded that this reflected the Council spend, but the bulk of the money came from the Environment Agency, with whom the Council had an excellent working relationship. Recent work on the main river, where a wider flood plain had been developed, had been of a very high standard. There were parts of the city where there was a risk from pluvial flooding; the Knighton area presented a particular challenge because of the Holbrook. Officers were very aware of these issues and a recent patch walk had taken place.

It was noted that there was slippage of £283K for the improvement works to a property on New Walk, to be leased to IBM, and the reason for the slippage was queried. Members heard that there was a need to meet some exacting specifications required by IBM and their Parent Board. It had taken longer than anticipated to complete the work.

A query was raised in relation to a proposal for a specialist dementia care centre which had been put on hold pending further analysis of the service needs. The City Mayor explained that discussions were being held as to whether this was the best way forward and the best use of resources for a very small percentage of service users. Consideration was being given as to whether there were more effective ways of providing general support for a wider group of people. The Chair of Adult Social Care Scrutiny Commission reported that this item was already on their work programme and added that the best place for people with dementia was in their own home, supported with good service provision.

It was noted that slippage had incurred on the Haymarket Bus Station and Waterside projects. The City Mayor responded that the Haymarket development had taken longer than planned due to the discovery of underground cellars. The spend on Waterside mostly reflected land acquisition; however a report on this project would be submitted to Council in July where an update would be given. The City Mayor added that the project had attracted considerable interest from three potential developers.

A Member commented that previously a commitment had been made to bring a condition survey of the city's leisure centres to scrutiny, and he questioned whether this had happened. The Director of Finance reported that the surveys were ongoing and were a fundamental part of the Sports and Leisure Spending Review Programme. As part of the Sports and Leisure offer, it was necessary to understand the state of the buildings and the first phase of this work would be brought to the Executive in the autumn. Scrutiny would also be included in the process. The Member commented that it was time that the Scrutiny Commission had sight of this survey.

It was noted that Heritage Interpretation Panels had been installed around Leicester and a request was made for an additional panel to be installed on the old Thorn / GE Lighting site on Melton Road, to provide information about the industrial heritage of the site. The City Mayor responded that more panels were being planned, including one for the old Thorn Lighting site.

Concerns were expressed relating to the plethora of parking problems outside schools. A Member asked when the Parking Strategy would be implemented and stressed the need to promote the message that people needed to park responsibly. The City Mayor responded that a strategic document which took into account a whole range of parking issues would be put out for consultation in the near future. This was an overarching strategy which might be something that the Economic Development, Transport and Tourism Scrutiny Commission, and possibly the Overview Select Committee may wish to consider.

AGREED:

that the overall position of the Capital Programme for 2015/16 be noted.

## **5. OUTTURN 2015/16 - BUDGET STRATEGY UPDATE**

The Director of Finance submitted a report which looked ahead to the Council's financial position in 2017/18 and beyond.

A Member drew attention to the Spending Review Programme and expressed concerns that reports did not always come to Scrutiny in such a way that those Commissions could make a difference. A request was made for the Executive to consider how Scrutiny could be involved at an earlier stage; as in terms of making savings, it was in everyone's interest that Scrutiny was involved earlier. The City Mayor undertook to arrange an informal discussion in the near future to discuss how the Scrutiny process could be improved.

AGREED

- 1) that the report be noted; and
- 2) that an informal discussion between the City Mayor and Scrutiny Chairs be arranged, to discuss the Scrutiny process.

Action to be taken	By
For an informal meeting to be held between the City Mayor and Scrutiny Chairs to discuss how the Scrutiny procedure could be improved.	City Mayor's Office / Scrutiny Policy Team

## **6. COLLECTION OF INCOME 2015/16**

The Director of Finance submitted a report which detailed progress made in collecting debts raised by the Council during 2015/16, together with debts outstanding and brought forward from the previous year. The Chair presented the report and commented that overall the Council were in a good position, though there were some concerns relating to the overpayment of housing benefit.

A Member noted that some of the debts were more than 12 months old and questioned the reasons for the delay in recovery. The Director of Finance responded that there were a number of reasons, but the hardest debt to recover was where people were late in reporting a change in their circumstances and an overpayment in benefits was made. A Member commented that sometimes it was difficult for people to know when a change of circumstances might affect benefits.

AGREED:

- that the report be noted.

## **7. COLLECTION OF INCOME - LEICESTER CITY COUNCIL'S DEBT POLICY**

The Director of Finance submitted a report which presented the Leicester City Council's new Debt Policy to the Committee. The Policy had already been considered by the Executive, but had not yet been adopted as the views of Scrutiny were sought.

The Chair commended the policy and the steps that were taken prior to legal action.

A Member expressed concerns that the policy might be too complicated. She suggested that telephoning the debtor might be more effective than communicating by letter. Officers explained that the primary means of debt recovery was by a telephone call, and options of telephoning people outside of office hours were being considered. However there may also be a need to write to the debtor and the letter would refer to the Council's Debt Policy.

Members commented that the policy was welcome, well written and offered support and guidance but also explained that the Council and service users had a mutual duty. The Policy contained strong messages written in a non-threatening way and it was suggested that some key phrases should be displayed on posters in housing offices. The Director of Finance stated that she welcomed Councillors' views on the possibility of using of key phrases and running a debt campaign. Views were expressed that there was a need to avoid using threatening messages and a Member also commented that she hoped that officers would work with the Executive and the Press to remind people of their responsibilities and also of the need to communicate with the Council in the event of any difficulties.

AGREED:  
that the report be noted.

## **8. REVIEW OF TREASURY MANAGEMENT ACTIVITIES 2015/16**

The Director of Finance submitted a report that reviewed how the Council conducted its borrowing and investing during 2015/16.

AGREED:  
that the report be noted.

## **9. CLOSE OF MEETING**

The meeting closed at 8.40 pm.



