

Leicester
City Council

Democratic and Civic
Support
City Hall
115 Charles Street
Leicester
LE1 1FZ

14 February 2017

Sir or Madam

I hereby summon you to a meeting of the LEICESTER CITY COUNCIL to be held at the Town Hall, on WEDNESDAY, 22 FEBRUARY 2017 on the rise of the meeting that commences at 5pm, for the business hereunder mentioned.

Monitoring Officer

AGENDA

1. **LORD MAYOR'S ANNOUNCEMENTS**
2. **DECLARATIONS OF INTEREST**
3. **MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 24 November 2016 are available to view at:

<http://www.cabinet.leicester.gov.uk:8071/documents/g7529/Printed%20minutes%20Thursday%20Nov-2016%2017.00%20Council.pdf?T=1>

Copies are also available from Democratic Support on (0116) 454 6350 or
Committees@leicester.gov.uk

4. STATEMENTS BY THE CITY MAYOR/EXECUTIVE

5. PETITIONS

- Presented by Members of the Public
- Presented by Councillors
- Petitions to be debated
 - 5.1 Rushey Mead Library and Neighbourhood Centre

6. QUESTIONS

- From Members of the Public
- From Councillors

7. MATTERS RESERVED TO COUNCIL

7.1 Treasury Strategy 2017/18

8. REPORTS OF SCRUTINY COMMITTEES

8.1 Scrutiny Annual Report 2015 - 2016

9. EXECUTIVE AND COMMITTEES

- To note any changes to the Executive
- To vary the composition and fill any vacancies of any Committee of the Council

10. NOTICES OF MOTION

11. ANY OTHER URGENT BUSINESS

Fire & Emergency Evacuation Procedure

- The Council Chamber Fire Exits are the two entrances either side of the top bench or under the balcony in the far left corner of the room.
- In the event of an emergency alarm sounding make your way to Town Hall Square and assemble on the far side of the fountain.
- Anyone who is unable to evacuate using stairs should speak to any of the Town Hall staff at the beginning of the meeting who will offer advice on evacuation arrangements.
- From the public gallery, exit via the way you came in, or via the Chamber as directed by Town Hall staff.

Meeting Arrangements

- Please ensure that all mobile phones are either switched off or put on silent mode for the duration of the Council Meeting.
- Please do not take food into the Council Chamber.
- Please note that Council meetings are web cast live and also recorded for later viewing via the Council's web site. Tweeting in formal Council meetings is fine as long as it does not disrupt the meeting. Will all Members please ensure they use their microphones to assist in the clarity of the web-cast.
- 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 Members of the public intend to film or make an audio recording of a meeting they 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.



Leicester
City Council

WARDS AFFECTED
All Wards

COUNCIL

22nd February 2017

**PETITIONS FOR DEBATE BY FULL COUNCIL – RUSHEY MEAD LIBRARY AND
RUSHEY MEAD RECREATION CENTRE**

REPORT OF THE MONITORING OFFICER

1. INTRODUCTION

A petition has been received which asks the City Council to ensure that Rushey Mead Library and Rushey Mead Recreation Centre remain open and continue to provide services for the Community.

The Council's Petitions' Scheme (adopted in September 2014) states that any petition that receives 1,500 or more valid signatures, the lead petitioner may ask that it be subject to a debate at Full Council. The lead petitioners have indicated that they wish their petition to be subject to a debate.

The lead petitioners did not indicate a total figure for signatories to the petition, and although the petitioners have indicated that approximately 4,000 people have signed the petition, the Council does not verify numbers of signatories once the 1500 threshold is reached.

2. RECOMMENDATIONS

Council is recommended to consider the petition and make any recommendations in accordance with the Petitions' Scheme.

3. REPORT

The petition received from Mrs Vijyaben Chauhan has met the criteria of 1,500 signatures of people who have provided an address in Leicester of where they live, work or study. The petition is in the following terms:

"We the undersigned petition the City Mayor, Peter Soulsby of Leicester City Council to ensure that both the Rushey Mead Library and the Rushey Mead Recreation Centre remain open and continue to provide services for all of the community of Rushey Mead. These two premises provide much needed

essential space and services for local people. It is a lifeline for many people, including women, disabled people, single mothers, elderly people, young children and families.

There are no other Council Community facilities in the area and so we demand that there are no cuts to the provision and that both of the buildings remain open and continue the service provision.”

The lead petitioners have been invited to speak on their petition for five minutes to be followed by a Councillor debate for a maximum of 15 minutes.

Following the debate, the Council can decide how to respond to the petitions and may decide to:

- Recommend to the Executive to either take or not take the action the petition requests.
- Recommend to the Executive a different course of action as a result of the debate.
- Commission further investigation into the matter, for example by a relevant committee.

Following the Council meeting the petition organisers will receive written confirmation of this decision.

The background to the petition is attached to the report.

4. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1. Financial Implications

The petition submitted relates to proposals that form part of the wider Transforming Neighbourhood Services Programme. The programme has financial savings attached to it and options being proposed will have financial consequences. Any alternative options considered will have to assess the impact on the delivery of savings expected to be achieved.

Alison Greenhill, Director of Finance, 374401

4.2 Legal Implications

There are no direct legal implications arising from this report, though it should be noted that in the Executive decision notice dated 23 January 2017, subsequently called in to and considered by Overview and Scrutiny Committee, the decision to close the Library has been taken as part of the wider Transforming Neighbourhoods decision. Should a further Executive decision in relation to the Library be considered following the debate of this petition any legal implications which may arise out of the substantive issue will be considered as part of that Executive decision.

Emma Horton, Head of Law (Commercial, Property & Planning), 37 1426

5. OTHER IMPLICATIONS

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

6. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

None

7. CONSULTATIONS

None.

8. REPORT AUTHOR

Francis Connolly
Senior Democratic Support Officer.

Rushey Mead petition background

The Transforming Neighbourhood Services programme is scoped to identify different ways of organising how services are delivered within the neighbourhoods of the city of Leicester, with a view to reducing the costs of delivery by around 30% while maintaining the quality of the services.

The programme approach is to consider each of 6 geographical areas in turn to identify methods by which the service delivery model can be transformed through opportunities to co-locate services and make better use of the assets available.

The services in scope of the programme are:

- Neighbourhood Services including libraries and community centres
- Leicester Adult Skills & Learning Service
- Neighbourhood based customer services
- Youth Centres

The petition has arisen from a decision following consultation which puts which saves 30% of the running costs of a range of council buildings in the North East of the city. The area covers Belgrave, Rushey Mead, Troon, Humberstone & Hamilton and Thurncourt wards.

The background to the project is that a saving is necessary due to severe reductions in the budget available to the city council from the government. The principle behind the exercise is to prioritise the protection of local services offered rather than focussing on retaining all of the council buildings in the area.

The North East is the fourth area of the city which has been subject to the process within the Transforming Neighbourhood Services project. In each area, an initial public engagement period is undertaken before proposals are developed for consultation.

The public engagement exercise was undertaken in the North East area between 6 June – 17 July 2016. The aim was to show the need for change and to gather suggestions from the local community about possible ways in which solutions to the financial challenge can be met.

Proposals for the north east area were developed based on feedback from the engagement findings and service and buildings data collected. A consultation was held on the proposals between 12 September – 23 October 2016. There were 1,436 completed questionnaires and around over 700 people have attended meetings.

The decision for the two buildings in the Rushey Mead ward, Rushey Mead Library and Rushey Mead Recreation Centre is as follows:

“...to combine library services and community activities at the Rushey Mead Recreation Centre. Investment will be made to reconfigure the layout of the building to free up more space.

Rushey Mead Recreation Centre

- Invest in the building to free up additional space
- Work with stakeholders to combine staffed library services and community activities at this centre

- Install library self-service equipment

Rushey Mead Library

- Move library services in to Rushey Mead Recreation Centre
- Explore a range of options for disposal of Rushey Mead Library including lease, sale or demolition.”

The rationale for the proposal is that the buildings are very close to one another and that by refocussing services, it is possible to bring them together in a single building.

MATTERS RESERVED TO COUNCIL

7.1 TREASURY STRATEGY 2017/18

The Director of Finance submits a report that proposes a strategy for managing the Council's borrowing and cash balances during 2017/18.

The matter was considered at the Overview Select Committee on 2 February 2017 and a minute extract from this meeting will be attached to the final script.

Council is recommended to approve this treasury strategy, which includes the annual investment strategy at Appendix B.

**Sir Peter Soulsby
City Mayor**



Council

Date: 22nd February 2017

Treasury Strategy 2017/18

Report of the Director of Finance

1. Purpose of Report

- 1.1 This report proposes a strategy for managing the Council's borrowing and cash balances during 2017/18.

2. Summary

- 2.1 The Council has a substantial amount of debt, which has been borrowed to pay for past capital expenditure.
- 2.2 The Council also has high cash balances. The reasons for this are complex, and are explained in the report.
- 2.3 Treasury management is the process by which our borrowing is managed, and our cash balances are invested.

3. Recommendations

- 3.1 The Council is recommended to approve this treasury strategy, which includes the annual investment strategy at Appendix B.

4. Borrowing

- 4.1 As of 21st December 2016, the Council had a total debt of £239m.
- 4.2 In years prior to 2011, the Government supported our capital programme by means of "supported borrowing approvals." The Government allowed us to borrow money, and paid us to service the debt through our annual revenue support grant. This is similar to someone supporting a family member to buy a house, by paying the mortgage instalments.

- 4.3 The Government no longer does this, choosing instead to support our capital programme by means of capital grants (i.e. lump sums). Consequently, our debt levels are largely static, until individual loans are due for repayment. As most of our debt is long term, with repayments due 36 to 65 years from now, we expect to see little change in this level of debt.
- 4.4 We will not need to borrow any money in 2017/18, unless we use cash balances to repay existing debt. This is something we would like to do, but Government rules now make it prohibitively expensive in most cases.
- 4.5 Best practice requires the Council to set certain limits on borrowing, and these are provided at Appendix A. In reality, these will play no part in our management of borrowing unless we are, in fact, able to repay any debt. The overwhelming likelihood is that we will end 2017/18 with borrowing of £239m.

5. **Investments**

- 5.1 The effort involved in treasury management now revolves almost solely around management of our cash balances. These fluctuate during the course of a year, and range from £160m to £230m dependent on circumstances (e.g. closeness to employees' pay day).
- 5.2 These balances are high for three reasons:-
- (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 do not actually 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.
- 5.3 The key to investment management is to ensure our money is safe, whilst securing the highest possible returns consistent with this.
- 5.4 In terms of **security**, the key issues are:-
- (a) The credit worthiness of bodies we lend money to ("counterparties");
 - (b) The economic environment in which all financial institutions operate. The financial crash of 2008, for instance, destabilised a lot of banking institutions which appeared credit worthy prior to this;
 - (c) What would happen if a financial institution did, in fact, run into trouble?

- 5.5 The world economic situation has improved since 2008, but risks remain. There are financial and economic risks in the Euro Zone (some economies are in difficulty, and so are some countries' banks), and we do not yet know the impact of Brexit.
- 5.6 In 2008, many Governments bailed out banks regarded as "too big to fail". Since 2008, the world's largest economies have implemented measures to make banks stronger, but also to reduce the impact if they do fail (and the cost to taxpayers). These measures would see institutional investors who have lent money (such as the Council) taking significant losses before there is any taxpayer support. In practice, these measures are likely to be invoked when a bank starts to run into trouble, before it actually fails. This process is known as "bail in".
- 5.7 The upshot is that we cannot regard any financial institution as a safe haven over the medium term – we need to keep watch for any signs of trouble.
- 5.8 The key to our investment strategy is therefore to diversify our investments (so we don't "keep all our eggs in one basket"), invest with public sector bodies that are backed by the Government, or seek additional security for our money.
- 5.9 In respect of **return**, bank base rates are at record lows of 0.25%, and our advisors believe that they will remain extremely low for two years at least.
- 5.10 Greater returns can be achieved by lending for longer periods, but this starts to raise the risks described above.
- 5.11 The details of our investment strategy are described in Appendix B, but in summary:-
- (a) We will lend on an unsecured basis to the largest UK banks for periods not exceeding one year. We will also lend to some smaller building societies for periods not exceeding six months. Bail-in rules mean lending for longer on an unsecured basis is too great a risk;
 - (b) We will lend for longer periods, and to smaller banks, if our money is secured (i.e. if we can take possession of the bank's assets in the event of failure to repay);
 - (c) Lending to other local authorities has long been a cornerstone of our investment strategy, and this will continue. We will lend to local authorities for up to two years, and may invest in bonds that they issue with a maturity of up to five years, enabling us to secure greater returns;
 - (d) We will place some money with pooled investments, such as money market funds. These are professionally managed funds, which place money in a range of financial assets, some based overseas. This

helps achieve diversification. In cases where money is not secured, we will make sure funds can be returned very quickly;

(e) We will lend to the Government and other public sector bodies.

5.12 In addition to the above, we will place up to £15m in the CCLA “local authorities’ property fund.” This fund invests in commercial property, and is owned by its clients who are local authorities and charities. This is also a pooled investment, but in the case of this fund it would only be appropriate to invest if we expect to retain our holding for at least five years. The fund is expected to pay dividends at a rate of 4% to 4.5%, which exceeds current cash returns of around 0.5%. However, with such a fund there is always a risk that values will decrease.

5.13 The Treasury Strategy continues the policy of investing in projects which benefit the local economy, and permits the use of up to £20m for the Local Investment Fund.

5.14 Use of the CCLA, and local investment fund help us to reduce our reliance on cash investments as the sole means of achieving returns, but also introduce greater risk: such investments can lose value as well as make returns. The City Mayor may also, from time to time and in line with normal approvals, spend money on capital schemes which are expected to achieve returns greater than can be expected from investment of cash balances.

6. **Premature Repayment of Debt**

6.1 One tool of treasury management is the premature repayment of debt to achieve savings. This is something we used to do routinely, but (as discussed above) is now usually impossible. We will take such opportunities if they present themselves at a sensible cost.

6.2 The reasons why our debt has 36 to 65 years to run are historic, and reflect past circumstances and government policies at that time. In current circumstances, we would prefer a more even spread of repayment dates, and will use premature repayment to achieve this if possible.

7. **Treasury Management Advisors**

7.1 The Council employs Arlingclose as treasury advisors. Their performance has been good.

8. **Leasing**

8.1 We do not use leasing as a method of financing, preferring instead to use our cash balances.

9. **Financial and Legal Implications**

9.1 The proposals are in accordance with the Council's statutory duties under the Local Government Act 2003 and statutory guidance, and comply with the CIPFA Code of Practice on Treasury Management. In accordance with the Council's constitution (Article 4.03), the strategy requires full Council approval.

10. **Background Papers**

10.1 None.

11. **Author**

David Janes – 0116 454-4058

Mark Noble – 0116 454-4041

Treasury Limits For 2017/2018

1. The treasury strategy includes a number of prudential indicators required by CIPFA's Prudential Code for capital finance, the purpose of which is to ensure that treasury management decisions are affordable and prudent. The recommended indicators and limits are shown below. One of these indicators, the "authorised limit" (para 3 below), is a statutory limit under the Local Government Act 2003.
2. The first indicator is that over the medium-term net borrowing will only be for capital purposes – i.e. net borrowing should not, except in the short-term, exceed the underlying need to borrow for capital purposes (the "capital financing requirement").
3. The Council is required to set an "authorised limit" on borrowing which cannot be exceeded. The approved limits recommended for 2017/18 are:

	£m
Borrowing	280
Other forms of liability	145
Total	425

4. "Other forms of liability" relates to loan instruments in respect of PFI schemes and to pre-unitary status debt managed by the County Council (and charged to the Council). The remainder, "borrowing", refers to conventional loans.
5. The Council is also required to set an "operational boundary" on borrowing which requires a subsequent report to scrutiny committee if exceeded. The approved limits recommended for 2017/18 are:

	£m
Borrowing	270
Other forms of liability	145
Total	415

6. Recommended upper limits on fixed and variable rate debt exposures are shown in the table below. The figures shown are the principal sums outstanding on "borrowing".

	£m
Fixed interest rate	240
Variable interest rate	60

7. The Council has also to set upper and lower limits for the remaining length of outstanding loans that are fixed rate as a percentage of the total of all loans. This table also excludes other forms of liability. Recommended limits are:

Upper Limit

	%
Under 12 months	30
12 months and within 24 months	40
24 months and within 5 years	60
5 years and within 10 years	60
10 years and within 25 years	100
25 years and over	100

We would not normally borrow for periods in excess of 50 years.

Lower Limit

	%
Less than 5 years	0
Over 5 years	60

8. The minimum percentage of its overall investments that the Council will hold in short-term investments is 40%. The Council will also maintain liquidity by holding maturing deposits and deposits on call to cover estimated payments less receipts over a rolling 30 day period (subject to the availability of funds to invest). These liquidity targets are guidelines and occasional and temporary deviations from these limits will be permitted on a planned basis where there are good reasons.
9. The Council is required by statutory guidance to set a limit on those investments which are not “specified investments” and to specify what it means by this term. Specified investments have to be repaid within 12 months of the time they are agreed and must be invested with the UK government, a UK local authority or a body or pooled investment of high credit quality, which we define as having a credit rating of BBB+ or higher. In practice this means that no more than £120m will be held in investments in excess of 366 days, including investments which can be sold at shorter notice but where the intention is to hold the investment for a period in excess of 366 days.

Annual Investment Strategy 2017/18

1. Introduction

- 1.1 This investment strategy complies with the DCLG's Guidance on Local Government Investments and CIPFA's Code of Practice.
- 1.2 The Investment Strategy states which investments the Council may use for the prudent management of its treasury balances. It also identifies other measures to ensure the prudent management of investments.
- 1.3 It does not cover the use of investments for local economic projects for which separate policies will be prepared. For example £20m may be invested in a Local Investment Fund. The City Mayor may also, from time to time and in line with normal approvals, spend money on capital schemes which are expected to achieve returns greater than can be expected from investment of cash balances.

2. Investment Objectives & Authorised Investments

- 2.1 All investments will be in sterling.
- 2.2 The Council's investment priorities are:
 - (a) The **security** of capital; and
 - (b) **Liquidity** of its investments.
- 2.3 The Council will aim to achieve the **optimum return** on its investments commensurate with the proper levels of security and liquidity.
- 2.4 The following part of this appendix specifies how the Council may invest, with whom and the credit worthiness requirements to be applied.

3. Approved Investments

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3.1 UK Banking Sector: Credit Rated Institutions			
Type	Description	Investment Period	Controls
General	<p>Covers the largest UK banks and building societies.</p> <p>Covers non-UK banks operating in the UK and regulated in the UK.</p>		<p>No more that £80M will be invested in total with these institutions.</p> <p>No more that £20M will be invested with any one institution.</p> <p>Of this £20M no more than £10M will be unsecured except when invested with Barclays (our bankers). £15M may be lent unsecured to Barclays of which no more than £10M may be lent longer than overnight.</p> <p>New bodies will not be added to the list without the written approval of the Director of Finance.</p>
Unsecured deposits	UK banks only (not non-UK banks).	Maximum 366 days.	<p>A list of approved counterparties will be maintained , based on credit ratings. Principally, we use Fitch.</p> <p>Minimum ratings as below. Other market intelligence will also be considered.</p>
		Up to 366 days.	Long-term rating of A & short term rating of F1
		Up to 6 months.	Long-term rating of A- & short term rating of F2
		100 days or less.	Long-term rating of BBB+ & short term rating of F2

Covered Bonds	This is a deposit with a bank, which is secured on bank assets such as mortgages. These assets are not immediately saleable but the value of the assets exceeds loans secured upon them. If the deposit is not repaid the assets are sold and the proceeds used to repay the loan.	Maximum 5 years.	Bond is regulated under UK law and majority of assets given as security are UK based. Minimum long-term rating of AA .
Reverse REPOs	This is a deposit with a bank, which is secured on bonds and other readily saleable investments and which will be sold if the deposit it not repaid.	Maximum 1 year.	Judgement that the security is equivalent, or better than the credit worthiness of unsecured deposits. REPO/Reverse REPO is accepted as a form of collateralised lending and should be based on the GMRA 2000 (Global Master REPO Agreement). Should the counterparty not meet our senior unsecured rating then a 102% collateralisation would be required. The acceptable collateral is as follows:- <ul style="list-style-type: none"> • Index linked Gilts • Conventional Gilts • UK Treasury bills • DBV (Delivery By Value) • Corporate bonds

3.2 Unrated Building Societies			
Type	Description	Investment Period	Controls
General	Smaller building societies who do not have credit ratings. Many are mutually owned.	Up to 6 months.	<p>No more than £10M will be invested in total with these institutions.</p> <p>No more than £1M will be invested with any one institution.</p> <p>A list of approved counterparties will be maintained.</p> <p>This will be based upon an analysis of the financial strength of the institution by our Treasury Advisers.</p> <p>New bodies will not be added to the list without the written approval of the Director of Finance.</p>

3.3 UK Public Sector & Quasi Public Sector			
Type	Description	Investment Period	Controls
General	<p>The UK Government and UK local authorities.</p> <p>It also includes bodies that are very closely linked to the UK Government or to local government such as Transport of London (TFL) or the Local Government Bond Agency.</p>		<p>No more than £130M to be lent to local authorities. No more than £20M to be lent to any one local authority.</p> <p>No more than £40M to be lent to bodies very closely linked to the UK Government and no more than £20M to be lent to any one body.</p> <p>No limit on amounts lent to the UK Government.</p>
Deposits	Deposits with Local Authorities and the UK Government.	Up to 2 years.	Our judgement is that local authorities are of high credit worthiness and that the law provides a robust framework to ensure that all treasury loans are repaid. However, should the occasion arise, we would have regard to adverse news or other intelligence regarding the financial standing of a local authority.
Bonds – Local Authority	Bonds issued by local authorities.	Up to 5 years.	
Bonds – Municipal Bond Agency	Bonds issued by local authorities collectively through the Local Government Bond Agency.	Up to 5 years.	
Bonds – Bodies Closely Linked to UK Government		Up to 5 years.	<p>Minimum AA credit rating.</p> <p>The agency is new and until established the number of underlying borrowing local authorities will be low. When investing with the agency we will look at the underlying exposure to individual authorities when these are material and take into account existing exposures to those authorities.</p> <p>Minimum AA credit rating.</p> <p>Approval by Director of Finance to the body being added to the lending list on the basis of a written case, including advice from the Council's treasury advisors.</p>

3.4 International Development Banks			
Type	Description	Investment Period	Controls
Bonds	International Development Banks which are backed by the governments of the world's largest and strongest economies. The funding obligations are established by treaties or other binding legal agreements.	Up to 5 years.	<p>No more than £40M to be lent in total and no more than £10M to be lent to any one bank.</p> <p>Approval by Director of Finance, in consultation with the City Mayor, to the body being added to the lending list on the basis of a written case, including advice from the Council's treasury advisors.</p> <p>A minimum credit rating of AA plus backing of one or more G7 country.</p>

3.5. Pooled Investments – Shorter Dated Investments			
Type	Description	Investment Period	Controls
General	<p>A structure where a wide base of investors share a common pool of investments.</p> <p>The most common legal form involves an intermediate company. The company has legal title to a pool of investments. The underlying investors own the company with a claim to their share of the assets proportional to their investment in the company.</p>		<p>We will only invest in funds where there is evidence of a high level of competence in the management of the investments, and which are regulated.</p> <p>Approval by Director of Finance to the body being added to the lending list on the basis of a written case, including advice from the Council's treasury advisors.</p> <p>The investment period will reflect advice from our Treasury Advisors on a fund by fund basis.</p> <p>We will be alert to "red flags" and especially investments that appear to promise excessive returns.</p> <p>We look for diversification away from the banks permitted elsewhere in this lending list (though some overlap is unavoidable).</p> <p>No more than £80M to be invested in all fund types listed in this table.</p>
Money market funds	The underlying pool of investments consists of interest paying investments, for example deposits. The underlying borrowers include banks, other financial institutions and non-financial institutions of good credit worthiness. Banks may be UK or overseas.	Must have immediate access to funds.	<p>Fitch rating of AAmmf (or equivalent).</p> <p>No more than £20M in any one fund.</p>

Short Dated Government Bond Funds	Similar to money market funds but mainly concentrated in highly credit rated government bonds.	Must have immediate access to funds.	<p>Whilst these are very safe the interest returned is very low. We may use these in times of market turmoil.</p> <p>Fitch rating of AA Af (or equivalent).</p> <p>No more than £20M in any one fund.</p>
Money market plus funds / cash plus funds / Short dated bond funds	Similar to money market funds but the underlying investments have a longer repayment maturity. We would use these to secure higher returns.	Must have access with one month's notice but normally would wish to hold for 12-18 months.	<p>Fitch rating of AA Af (or equivalent).</p> <p>No more than £20M in any one fund.</p> <p>We will "drip feed" money that we invest rather than investing it all at once.</p>

3.6. Pooled Investments – Longer Dated Investments			
Type	Description	Investment Period	Controls
General	<p>A structure where a wide base of investors share a common pool of investments.</p> <p>The most common legal form involves an intermediate company. The company has legal title to a pool of investments. The underlying investors own the company with a claim to their share of the assets proportional to their investment in the company.</p> <p>Longer dated investments expose us to the risk of a decline in value, but also provide an opportunity to achieve higher returns.</p> <p>Consequently, controls involve both the personal authorisation of the Director of Finance and consultation with the City Mayor.</p>		<p>We will only invest in funds where there is evidence of a high level of competence in the management of the investments, and which are regulated.</p> <p>The investment period will reflect advice from our Treasury Advisors on a fund by fund basis.</p> <p>We will be alert to “red flags” and especially investments that appear to promise excessive returns.</p> <p>We will “drip feed” money that we invest rather than investing it all at once.</p> <p>We look for diversification away from the banks permitted elsewhere in this lending list (though some overlap is unavoidable).</p> <p>No more than £40m to be invested in all fund types listed in this table.</p>
Local Authority Property Fund	<p>The underlying investments are mainly direct holdings in property.</p> <p>Whilst the fund normally has a small cash balance from which to fund redemptions the bulk of the fund is held in direct property investments. On occasions redemptions will not be possible until a property has been sold.</p>	<p>Generally have access with three months’ notice but normally would wish to hold for five years.</p>	<p>No more than £15M to be invested in this fund.</p> <p>Investment amounts and timing to be approved by the Director of Finance, in consultation with the City Mayor.</p>

Longer-dated Bond Funds.	Similar to money market funds but the underlying investments are now mainly bonds with a maturity with an average maturity of up to 8 years.	Must have access with one month's notice but normally would wish to hold for two to three years.	<p>Fitch rating of AAf (or equivalent).</p> <p>Approval by Director of Finance, in consultation with the City Mayor, to the body being added to the lending list on the basis of a written case, including advice from the Council's treasury advisors.</p> <p>No more than £10M to be invested in any one fund.</p>
Asset Based Securities	<p>The base investments are "securitised investments" which pool consumer debt (mortgages, car loans and credit cards) and loans to small businesses.</p> <p>The base investments are loans to borrowers of good credit worthiness.</p> <p>The investment we would make would be in a pooled investment containing a number of such securitised investments.</p> <p>They are normally issued by banks (UK or overseas).</p>	Must have access with one month's notice but normally would wish to hold for two to three years.	<p>Fitch rating of AAf (or equivalent).</p> <p>We look for particular strong evidence of expertise both from the organisations that issue the securitised investments and also from the managers of the pooled fund. We look for clear evidence of financial and operational independence between the fund managers and the banks that made the consumer loans in the first place.</p> <p>Approval by Director of Finance, in consultation with the City Mayor, to the body being added to the lending list on the basis of a written case, including advice from the Council's treasury advisors.</p> <p>No more than £10M to be invested in any one fund.</p>

REPORT OF SCRUTINY COMMITTEES

8.1 SCRUTINY ANNUAL REPORT

Councillor Baljit Singh submits a report that provides an overview of the activities of the Council's Scrutiny Committee & Commissions 2015-2016.

A copy of the full report is attached.

The item was considered at the meeting of the Overview Select Committee held on 3rd November and a minute extract is attached to the report.

Council is asked to note and endorse the work of scrutiny in 2015 / 2016.



Scrutiny Annual Report 2015-2016

Decision to be taken by: Council

Decision to be taken on: 22nd February 2017

Presented by: Councillor Baljit Singh

Useful information

■ Ward(s) affected: ALL

■ Report author: Scrutiny Support Manager

■ Author contact details: Kalvaran Sandhu, Scrutiny Support Manager. Tel no: internal 37 6344, external 0116 454 6344, Email: Kalvaran.Sandhu@leicester.gov.uk

1. Purpose of Report

1.1 This report provides an overview of the Scrutiny Annual Report for 2015 - 2016.

2. Summary

2.1 The Chair of the Overview Select Committee submits the Annual Report as a summary of the activities undertaken by the scrutiny commissions during 2015-16. The Annual Report highlights their areas of work and also the outcomes achieved.

2.2 The Annual Report is split into sections to mirror themed work of the council and shows the work completed across all areas of scrutiny last year.

3. Recommendations

3.1 Full Council is asked to note the work of Scrutiny during 2015-2016.

4. Annual Report

4.1 The Annual Report contains an introduction by the Chair of the Overview and Select Committee, which gives an introduction to scrutiny as a whole.

4.2 Each Committee / Commission has reported on their activities during the year which is reported across the themes in the report.

5. Progress

5.1 All members will have received a copy of the Annual Report with the Council papers and those partners and stakeholders who have been involved in scrutiny activities will also receive an electronic copy.

5.2 Paper copies can be made available upon request but none are not being sent prior to any requests and an electronic version of the report will be made available on the Council's website.

6. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

6.1 Financial Implications

There are no financial implications associated with the preparation of the Annual Scrutiny Report, beyond the use of existing resources.

(Alison Greenhill, Director of Finance)

6.2 Legal Implications

There are no legal implications arising from this report.
(Kamal Adatia, City Barrister & Head of Standards)

7. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities		Implications were considered by each of the Scrutiny Commissions and the Overview Select Committee as part of the appropriate scrutiny process.
Policy		
Sustainable and Environmental		
Crime and Disorder		
Human Rights Act		
Elderly/People on Low Income		

Leicester City Council Scrutiny Annual Report 2015-16

Message from the Chair of the Overview Select Committee, 2015-16

It has been a pleasure to chair the Overview Scrutiny Committee and a great privilege to have been able to facilitate discussion and debate on some very critical and crucial issues of future policy and programmes implemented by the Executive.

The annual report details work undertaken by the Scrutiny Commissions and Task Groups. Throughout the year, a most important facet of Commissions work has been that members have had the confidence and skills to use information to drive the scrutiny process and this has been in evidence in the outcomes of work of all the Commissions.

Overview Select Committee (OSC) instituted the review of the Fire Service restructure proposals which eventually led to the Central fire station retaining its present status and preserving fire service provision in the City. The OSC role in leading the Council's response to the much debated Ofsted report highlighted its crucial collaborative role with the CYPS Commission to achieve strategic development and change.

I would mention that the exceptionally efficient management of Commissions' workload, appropriately supported by Council officers, has indicated that restructured timetables and reformed resourcing of scrutiny meetings has worked well.

Finally, I have enormous respect and gratitude to the 'due diligence' conducted by Commission constituent members and Chairs in their deliberations on policy issues within their remit and the discharge of their scrutiny role and functions. On a personal note, I would add that OSC has achieved a closer working relationship with the City Mayor and the Executive without compromising accountability and the scrutiny task at the strategic level of decision making in the City Council.

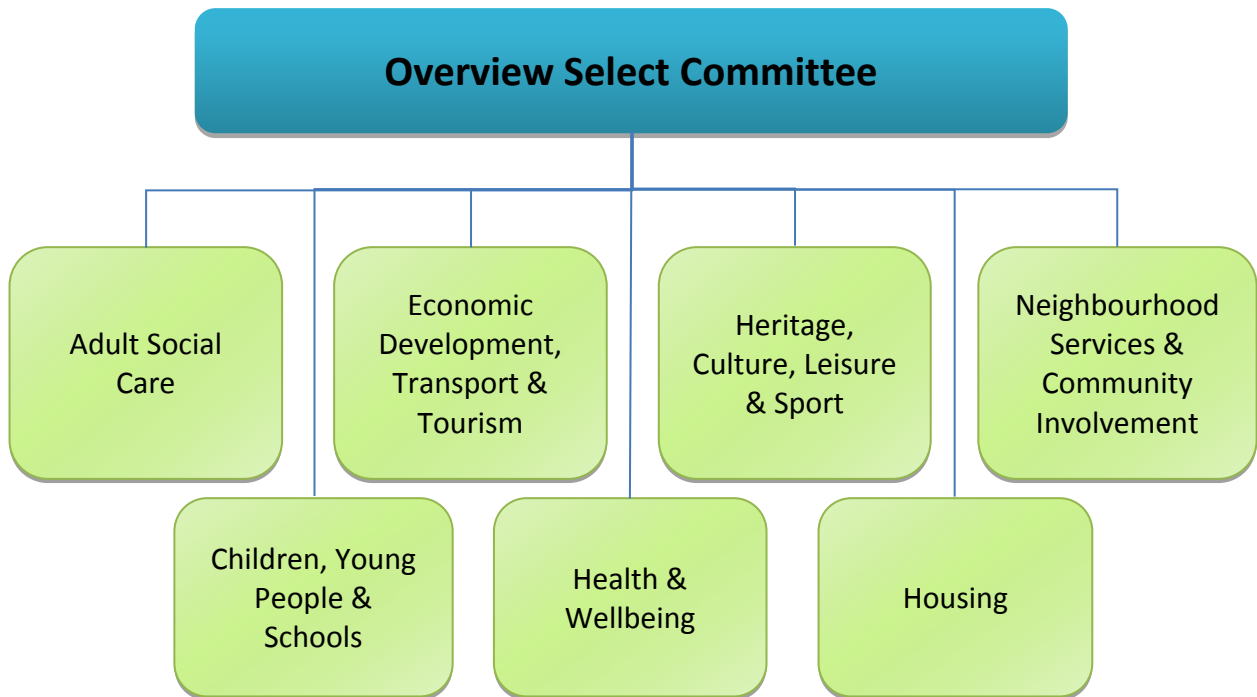


Councillor Baljit Singh
Chair, Overview Select Committee and Chair, Finance Task Group

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Leicester City Council's Scrutiny Structure



Membership of Scrutiny Commissions in 2015-16

The following is a list of the commissions for 2015-16 and the members who sat on them:

Overview Select Committee

Chair: Councillor Baljit Singh

Vice Chair: Councillor Vi Dempster

MEMBERS

Councillors: Dr Susan Barton, Lucy Chaplin, Virginia Cleaver, Mohammed Dawood, Ross Grant, Dr Lynn Moore, Paul Newcombe, Rita Patel, Nigel Porter, Lynn Senior, Bill Shelton, Baljit Singh, John Thomas and Ross Willmott.

Adult Social Care

Chair: Councillor Virginia Cleaver
Vice Chair: Councillor Deepak Bajaj

MEMBERS

Councillors: Elly Cutkelvin,
Mohammed Dawood, Elaine Halford,
Rashmikant Joshi, and Jean Khote.
Standing Invitee: Healthwatch
Leicester (Philip Parkinson).

Children, Young People & Schools

Chair: Councillor Dr Lynn Moore
Vice Chair: Councillor George Cole

MEMBERS

Councillors: Teresa Aldred,
Manshukhlal Chohan, Ross Grant,
Inderjit Gugnani, Mustafa Malik and
Lynn Senior.

Co-opted Members: Bernard
Monaghan (Roman Catholic Diocese),
Carolyn Lewis (Church of England
Diocese), Mohammed Alauddin Al-
Azad: Parent Governor (Primary /
Special Needs).

Standing Invitees: Arshad Daud,
Brahmpreet Kaur Gulati, Yash
Sharma, Ryanvir Singh (Youth Reps),
Rabiha Hannan (Muslim Faith Rep),
Anu Kapur (Leicester Secular Society),
Peter Flack (Teaching Unions), Gary
Garner (Unison, Union Rep)

Economic Development, Transport and Tourism

Chair: Councillor Ross Willmott
Vice Chair: Councillor Rashmikant
Joshi

MEMBERS

Councillors: Hemant Rae Bhatia,
Patrick Kitterick, Dr Lynn Moore, Nigel
Porter, Vijay Singh Riyait and Gurinder
Sandhu.

Health and Wellbeing Scrutiny Commission

Chair: Councillor Lucy Chaplin
Vice Chair: Councillor Luis Fonseca

MEMBERS

Councillors: Dawn Alfonso, Harshad
Bhavsar, Dr Shofiquil Chowdhury,
Deborah Sangster and Kulwinder
Singh Johal.

Standing Invitee: Healthwatch
Leicester (Surinder Sharma)

Housing

Chair: Councillor Paul Newcombe
Vice Chair: Councillor Dawn Alfonso

MEMBERS

Councillors: Teresa Aldred, Hanif
Aqbany, Annette Byrne, Diane Cank
and Rashmi Joshi

Heritage, Culture, Leisure and Sport

Chair: Councillor Dr Susan Barton
Vice Chair: Councillor Malcolm
Unsworth

MEMBERS

Councillors: Deepak Bajaj, Ratilal
Govind, Elaine Halford, Bill Shelton
and Aminur Thalukdar.

Neighbourhood Services and Community Involvement

Chair: Councillor Mohammed Dawood
Vice Chair: Councillor Inderjit Gugnani

MEMBERS

Councillors: Stephen Corral, Elly
Cutkelvin, Elaine Halford, Sue Hunter
and Jean Khote.

Introduction

Scrutiny is an essential part of ensuring that the council and its partners remain effective and accountable. 'The definition of scrutiny provided by the Centre for Public Scrutiny explains it as "the activity by one elected or appointed organisation or office examining and monitoring all or part of the activity of a public sector body with the aim of improving the quality of public services. A public sector body is one that carries out public functions or spends public money. Scrutiny ensures that executives are held accountable for their decisions, that their decision-making process is clear and accessible to the public and that there are opportunities for the public and their representatives to influence and improve public policy."

For 2015-16 the council continued to have an Overview Select Committee and seven scrutiny commissions covering all parts of the council's business. Scrutiny is often cross-cutting and this report has retained the model of last year and looks at scrutiny work within key themes of the Council's work.

As in previous years, scrutiny has continued to do a considerable amount of work via reports to meetings, reviews, call-ins and task groups and making recommendations from the various commissions to the Council's Executive.

This report looks at some of the highlights but further details, including reports, can be found on the Council's website via the following link:

<http://www.cabinet.leicester.gov.uk:8071/ieDocHome.aspx?Categories>

Contact

For more information please contact the Scrutiny Team on **0116 4546340** or email **scrutiny@leicester.gov.uk**

Glossary

The following abbreviations are used during the course of this report.

ASC: Adult Social Care Scrutiny Commission

CYPS: Children, Young People and Schools Scrutiny Commission

EDTT: Economic Development, Transport and Tourism Scrutiny Commission

HCLS: Heritage, Culture, Leisure and Sport Scrutiny Commission

HSC: Housing Scrutiny Commission

HWB: Health and Wellbeing Scrutiny Commission

NSCI: Neighbourhood Services and Community Involvement Scrutiny Commission

OSC: Overview Select Committee

A place to do business

This theme focuses on how the council works with business, public, voluntary and community sectors to respond to the economic challenges the city faces.

Procurement strategy

The Economic Development Transport and Tourism Scrutiny Commission's examination of the council's **Procurement Strategy & Plan** focussed on the social value of Council procurement activities and how social value could be incorporated into future procurement and commissioning. EDTT asked the department:

- To report regularly to the Commission at appropriate intervals on the impact of Social Value on the Council's procurement activity; and
- To provide monitoring information to this Commission on training provision (such as apprenticeships), arising from the Social Value elements of procurement.

This has since lead to EDTT commencing a scrutiny review into the Council's procurement strategy and this will be concluded next year.

Jobs creation and recruitment

EDTT also looked at the work being done with former employees of **The Mark Group and SPS Technologies**. Almost 1,200 jobs were at risk, mainly due to the ending of Government support for solar energy technology. The Commission was briefed on a jobs fair organised in the wake of the job losses. Members supported the initiative and **recommended** that the council considered the feasibility of holding regular jobs fairs, possibly focussing on certain parts of the city. The commission will expect a report back within a few months on work being done to assist former staff at the Mark Group and the success of this.

King Richard III Economic impact assessment



A report to HCLS set out the economic impact of the Richard III discovery on tourism and the visitor economy in the city and further afield. The commission noted the rise in visitor numbers and that more than 1,000 jobs had been created among a range of economic benefits.

'The discovery of Richard III has singularly put a pin in the map for Leicester, a place where no one was even looking for a pin in the past. As stewards of the county we now have a responsibility to make the most of this legacy...'

Stakeholder reported in an Economic Impact Assessment

Commission members praised the strategy adopted by the council and wider business community, and called for measures to encourage day tourists to stay longer. Members stressed they felt development needed to be sustainable over a long period. Members felt one challenge would involve making sure hotel capacity was built to meet the increase in visitor numbers.

The economic impact of Leicester's heritage and culture:

HCLS also conducted a review into the performance indicators relating to the contribution and economic impact of culture and heritage in the city in the context of using culture as a means to secure inward investment.

The review also considered the capacity to build the city's artistic and cultural reputation and create a sense of place and identity. It also explored the prospect of future research regarding social impact of the arts, heritage and culture on the city.

[Draft recommendations from the review reported to HCLS in March included:](#)

- Establishing of clearer methodologies for how economic data could be gathered,
- Social impact of the city's heritage and culture be investigated and greater publicity given to what was achieved through investment in heritage and culture.

The report was due to be finalised later in 2016-2017.

Leicester Heritage Action Plan

The HCLS commission was briefed on the five main objectives of the Action Plan – Heritage at risk, heritage protection, proactive projects, promotion and participation



and on-going conservation work. The Commission noted the extensive cover given to the King Richard 111 profile within the city and was interested if other aspects of the city's profile would be promoted. It asked for a further report and feedback on grants paid under the Greyfriars Townscape Initiative.

Abbey Pumping Station

Developments and opportunities relating to the Abbey Pumping Station were discussed, particularly in the context of the planned closure of the Snibston Discovery Park and the transfer of significant numbers of exhibits from that site to Leicester. The transfer of exhibits would feed into a wider review of the way in which the city's museum exhibits and assets might be displayed. HCLS members supported a strategy of imaginative future advertising to promote the Pumping Station and the use of interactive displays wherever possible to increase the attractiveness of the site.

The Commission also wanted exhibits to reflect not just the industrial past of the city but the present-day industrial background to the city, helping visitors to understand the city's history in the context of modern Leicester.

Getting about in Leicester

This section prioritises the need for an effective traffic management network, including road maintenance programmes and an efficient public transport network which is technologically advanced, up to date and helps improve air quality. Safe provision for cyclists and pedestrians is also important.

Connecting Leicester

Economic Development Transport and Tourism commission members scrutinised proposals in their early stages of development. Projects on the agenda during the year included Guildhall Lane; Mill Lane; Jubilee Square; Harvey Walk Footbridge; Oxford Rd; Grey Friars Townscape; Belgrave Rd; Belvoir St and Welford Rd. EDTT scrutiny invited external witnesses to give evidence on the impacts to access, road layout, transport and traffic issues, including Leicester Disabled Persons Access Group and Belgrave Residents Association. EDTT sought assurances that work was on schedule and what residents in the area desired, and this will continue as the programme of work continues.

Review of Bus Lanes Policy and Operation

EDTT led a task group review into how well bus lanes were operating in the city. The bus lanes network has received major investment in recent years. The task group concluded the network delivered benefits for bus and other road users. They had increased numbers of passengers, reduced journey times and improved the cycling environment.

The bus operators praised the council for installing enforcement cameras in the city centre. This was done after surveys found contraventions were affecting the operation and efficiency of bus services. In evidence, the Bus Users Panel said: *“if there are regulations of any sort, then they should be enforced, and penalties applied for infringements. The proper enforcement of Charles Street and Causeway Lane has made a huge difference to the number of infringements, markedly improving bus journey times along Causeway Lane and does not appear to have caused any problems”*.

The task group's recommendations include urging the city council to:

- continue to operate its "24/7" bus lane policy
- improve enforcement with the help of additional cameras; and
- install extra signs to warn motorists from using the bus lanes.

The Executive have taken many of the recommendations on board.. [A link to the task group report is here.](#)

A low carbon city

A key ongoing priority area of work for the city council is reducing the city's carbon footprint by focusing on reductions of greenhouse gas emissions from the council's own operations, as well as promoting sustainable travel, and reducing emissions from homes and businesses.

Air Quality Action Plan – Joint scrutiny

Members of the Health and Wellbeing Commission were invited to EDTT to review the council's draft Air Quality Action Plan. Poor air quality in the city has been associated with a number of deaths and nationally has the greatest impact on the most deprived communities.



Members endorsed the Action Plan but had a number of observations and suggestions. [A link to the minute of this report can be found here](#). Members felt evaluation of health data needed to be enhanced because it was not possible to definitely relate individuals' deaths to poor air quality. It was suggested 2013 data showing ward health profiles, and particularly winter care deaths, could be used to assess if a geographical correlation with air quality existed. Working with health partners was encouraged, as was the introduction of a low-emission zone. Further progress on this will be brought back to both commissions.

The built and natural environment

In recent years we have seen national and international focus on the city and its heritage. Initiatives such as Connecting Leicester have been important in promoting the heritage of the city and connecting shopping, leisure, heritage, housing and transport facilities.

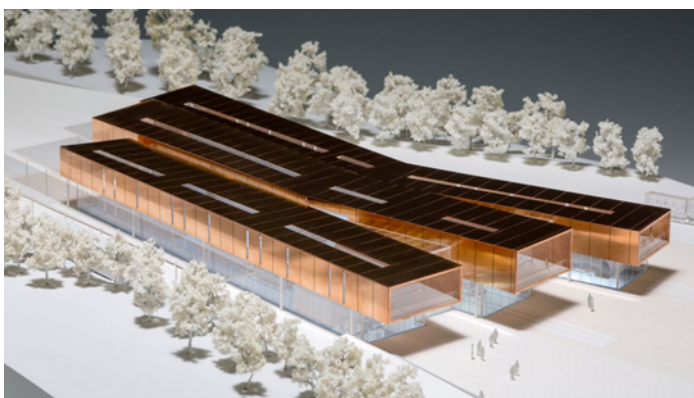
Jewry Wall Museum

HCLS was briefed on proposals to make the Jewry Wall Museum more accessible and scrutinised plans to create a sustainable visitor attraction. External funding, including a bid for Heritage Lottery funding, was being sought for proposed works. Members looked at the proposed walkway from St Nicholas Circle to the Vaughan College podium and designs for a new staircase and lift for improved accessibility. They *recommended* discussions should take place on whether glass could be inserted into a proposed walkway.

Members scrutinised the designs and proposed improvements to the ground floor, reception and the first floor of the museum and *recommended* that if any film of the original excavation of the Jewry wall site was still available it should be part of the exhibits when the museum has been redeveloped. A further update on this will be received at a future meeting.

Great Central Railway

The HCLS was briefed on progress to develop the planned £17.7m National Rail Museum at Leicester North. The long-term impact of the project would be to almost double the numbers of visitors to the Great Central Line from 120,000 a year to 250,000 a year with the creation of around 700 jobs across the city and county and a contribution of £44m to the local economy.



The winning design for the new National Rail Museum Extension at Leicester North (selected in October 2016 after an international architectural design competition)

There was still a funding gap despite a £10m Heritage Lottery Fund award towards the scheme. However members were confident that gap would be filled and welcomed the presentation from the Great Central Railway.

Market Redevelopment project

The Economic Development, Transport and Tourism Commission considered this issue at two meetings, the first during consultation on development proposals and a second which considered the results of the consultation. [Minutes of this meeting are accessible through this link.](#)

Options to attract younger shoppers to the market and suggestions to offer a wider range of products were proposed by Commission Members. The Commission broadly welcomed the redevelopment proposals but asked to be kept briefed on the project as it developed and this will continue on next year as plans develop.

Using Buildings Better

EDTT scrutinised the proposals for the **New Walk Centre / Welford Place Development Site**, with a focus on the change of use to mixed use, including residential, and impacts to the local area and residents. It was agreed comments raised by commission members would be passed onto the developer. Again, as this is a work in progress, scrutiny will continue to monitor the development.

A healthy and active city

Leicester has poorer health on average compared to the rest of the country - so it is important to provide excellent healthcare and promote healthier lifestyles to close the gap with the rest. Scrutiny calls to account all health partners in the city.

Leicestershire Partnership NHS Trust (LPT) – Quality monitoring following the Care Quality Commission (CQC) Inspection

A review by the Health and Wellbeing Commission monitored progress of LPT's efforts following a report and 'requires improvement' judgement from the CQC. The Commission wished to be assured LPT was making the necessary improvements to ensure services were not putting vulnerable people at risk. Initial findings of the review are that:

- Progress was being made but that all ligature risks needed to be removed immediately whether they are high risk or not.
- Further resources were needed in the Child and Adolescent Mental Health Services (CAMHS) to reduce waiting lists.
- Greater strategic planning is required to deal with the staffing issues, particularly at the Bradgate Unit.

Primary Care Workforce

An HWB task group reviewed NHS workforce planning and in particular the ability of the city to attract and retain high quality medical staff. This is a national issue, with a third of GPs planning to retire in the next five years. But there were also important local issues, including why graduates from the universities' medical schools were not being retained.

The task group asked Leicester City Council's executive and the Health and Wellbeing Board to launch "a concerted effort to promote the prospects of the city, not only in the city but other cities and maybe even internationally." It called on the Clinical Commissioning Group (CCG) to consider "better engagement and consultation with patients by GPs/Partners and the CCG with patients when surgeries are due to close";

"I remain to be convinced there is a sustainable workforce model for primary care in general in the UK.... This is particularly a problem for Leicester with a number of factors coming together (retirements from GP, rising demand and sometimes unrealistic expectation, low morale in the workforce, high levels of NHS red tape diverting dedicated workforce from front line patient care etc). All this is occurring in a tight financial environment."

*Evidence from Professor Kevin Harris,
University of Leicester*

and said: “Nursing courses should look at how doctors organise their trainees to help remove the barrier to GP placements for nurses in training”.

Public Health England and other national bodies were called on to consider the issue of notice periods, saying these should be “extended to ensure that there is enough time to ensure patients are adequately catered for.” The CQC is also asked to “reconsider their inspection regime and the impact that it has on patients by taking away the time of GPs, particularly on a single GP surgery.”

Investing more money into funding GPs is not the answer to solving the issues in the primary care workforce as there is a shortage of GPs. –

Dr Peter Miller

Since the review started the Deputy City Mayor has called on a summit to deal with the issue of Primary Care in the city. The commission will continue to review the position of primary care based on its recommendations.

Better communications when closing GP surgeries

This issue related in part to that of workforce planning and was prompted by a number of high-profile GP surgery closures and the public dismay and confusion caused by those closures. HWB considered this issue on a number of occasions. Members were told GP contracts allowed for three months’ notice of termination; they felt that a voluntary six month notice period would allow for better succession planning for the CCG and also to give more public notice of the closure and the possible need for patients to register with another GP practice. The CCG agreed to take on the Commission’s concerns.

Public Health Budget

The council’s public health programme was badly affected by an in-year government announcement of public health budget spending cuts. Additionally the public health budget is being reduced year on year nationally by 2.2% in 2016/17, 2.5% in 17/18, 2.6% in 18/19 and a further 2.6% in 2019/20. In-year budget cuts in 2015/16 of £1.6m will be followed by further cuts of £621k in 16/17 and £695k in 18/19. Ring-fencing of public health budgets would end from 2018-2019 onwards

HWB Commission members underlined the importance of highlighting where savings were identified as a result of duplication across the health economy and the importance of considering equality implications and impacts on specific communities. A letter was written to the Secretary of State about the concern in cutting Public Health Budgets, which negates against all the preventative work achieved by them which the Government believes should be promoted. The Commission will continue to monitor the situation.

Non-emergency patient transfers

Leicester City Clinical Commissioning Group reported that an option to extend the Non-Emergency Patient Transport Service by Arriva Transport Services was not being taken up. This followed criticism by the HWB and the wider public of Arriva's performance. Some of these had been apparent under the previous contract with Arriva. Despite this Arriva were awarded a further contract in 2012. However members recognised the health and care system was different to when the contract was originally awarded and more demands had been placed upon Arriva since then. The commission was pleased that concerns they had raised had been taken on board, and with the CCG's decision.

Patient transfers from EMAS to LRI

Waiting times for the transfer of patients from ambulances to Leicester Royal Infirmary (LRI) Accident and Emergency (A&E) unit continued to be a concern. East Midlands Ambulance Service (EMAS) and University Hospitals Leicester (UHL) representatives made presentations to the October 2015 and January 2016 meetings of HWB.

Comparisons were made with the Queen's Medical Centre (QMC) A&E unit, which was 30-40% larger than that of LRI and was specifically designed to accommodate patient flows through the hospital. Whilst 1,650 hours had been lost at the LRI in October 2015 through waiting to transfer patients from ambulances only 570 hours had been lost at the QMC. There were also significantly more walk-in patients at LRI whose A&E unit was the busiest in the country.

"Ambulance crews experienced additional emotional pressures as communications to all ambulances were open channel broadcasts and they would be aware there were Red category calls that they could not respond to whilst waiting to hand patients over to hospital staff." –

Evidence to the Health and Wellbeing Scrutiny Commission



The Commission heard delays in discharging patients had a significant impact on ambulance staff. Communications to all ambulances were open channel broadcasts and crews were aware of Red category calls to which they could not respond while waiting to hand patients over to hospital staff. The Commission will continue to observe this but:

- Wanted to be informed of reductions in performance for the handover process as it occurs rather than being informed 2-3 months afterwards
- Welcomed the measures introduced to improve performance and said the efforts of staff to achieve this be recognised
- Recognised the need to treat patients in corridors at periods of high volumes of admissions but indicated it would not wish to see this practice continued when the new Emergency Floor was completed.

Sports participation

HCLS was briefed on the extent of sports participation in the city and on the legacy of the Olympic / Paralympic Games following London 2012. There had been little change in participation since the games and rates remain lower than the national average. Members welcomed changes to the government's sporting strategy and the need to recognise physical activity other than competitive sports.

Members looked at plans to tackle barriers to participation and concluded there needed to be further encouragement among people aged over 60, disabled people and members of the BME community.

Better Care Fund – Letter sent to Minister of State

Members of ASC were told Leicester City was seen both regionally and nationally as an exemplar in delivering the Better Care Fund (BCF). However members were told of concerns that the BCF was very bureaucratic and that the Department of Health needed to be made aware of the issues that arose. Planning and bureaucracy were felt to be “unhelpful” despite an awareness that other regions that were not as well placed in dealing with BCF as Leicester.

The Commission members were also concerned at BCF bureaucracy and the chairs of the Adult Social Care and Health and Wellbeing Scrutiny Commissions wrote jointly to ministers to express and underline their concerns about the BCF, and in particular the bureaucratic nature of its structure.

Providing care and support

Care for older people needs to be adequate for their needs and this is moving from traditional social support services towards promoting independent living. These services are also being increasingly aligned with healthcare to ensure easier transition between the two. There is also a need to ensure carers are well supported.

Greater consideration of Autism and publicity for families.

Guidance for councils and NHS organisations to support the Adult Autism Strategy was published in March 2015. The guidance refers to what “must” and “should” be done by councils and NHS bodies to implement the strategy. Members of ASC were told a multi-agency Autism Board had taken over from the previous Autism Planning Group to oversee the work in the delivery action plan. The Chair of ASC suggested more action was needed to raise awareness as autism was not promoted as well as, for example dementia. Council officers needed to be more aware of the issue. Libraries, community centres and other public buildings could perhaps do more to promote public awareness. Regular updates on the strategy would be requested by ASC with museums and libraries asked to take particular action.

Closure of Elderly People’s Homes (EPHs)

ASC continued to receive reports relating to the closure of EPHs within the city as well as monitoring issues surrounding those closures and the resulting transfer of residents to other homes. In November 2015 the commission requested a report on the sale of Arbor House and ThurnCourt as going concerns to Leicestershire County Care Ltd and the closure of Preston Lodge. Commission members asked about impacts on residents and staff and how these were managed and were reassured appropriate actions were being taken to manage this, including supporting residents and their families.

Adult Social Care Budget

The Adult Social Care budget is under increasing pressure because of government budget cuts and increased demand for services. The ASC and HWB commissions [held a joint meeting](#) to consider the adult social care budget. Members felt older citizens appeared to be increasingly disadvantaged as the government was not adequately supporting the continuing demands for adult social care and preventative services. They said investment in public health campaigns had proved effective in keeping people healthier for longer which reduced the burden on more expensive acute sector services. Members also underlined that sports, arts and cultural activities all contributed to health and wellbeing, combated isolation, helped to deliver good quality of life to people and helped people stay fit and well. The commission will continue to monitor the impacts of the pressures on the budget.

Our children and young people

This priority is based on every child to be safe, loved and live a happy and healthy childhood, free from harm and given every chance to pursue their aspirations and fulfil their potential.

Leicester Safeguarding Children's Board (LSCB): 2014/15 annual report

The Children, Young People and Schools Scrutiny Commission considered the report in the context of an Ofsted review which had found Children's Services and the LSCB inadequate. The Board report to CYPS included reference to the publication of a two-year business plan for LSCB. This was the first time the Board had published such a plan and members were told the longer-term planning would help the work programme and would allow for the 2018 LSCB business plan to be aligned with the LCC Children's Trust Children and Young People's Plan.

Scrutiny members, concerned the report did not give a true reflection of what was happening on the ground, asked whether the action plans in the report had been implemented and what the improvement figures were. With numbers of children in need and caseloads increasing the Commission was told the government was reviewing the safeguarding framework in the light of serious pressures on families. The trend in Leicester echoed the national picture and the council had invested in early help and was working with families to get interventions in place as early as possible. However the Commission was warned these areas were under threat due to funding cuts because they were not statutory children's services.

Early Years Foundation Stage Outcomes

Results for Leicester continued to improve, with 2015 results being better than in 2014. However:

- Results also improved across the country and Leicester remained at or near the bottom on many measures
- Girls continue to achieve better outcomes than boys though the gaps in achievement between girls and boys are smaller than nationally
- Achievement for all children and the lowest performing 20% improved but the gap between them increased, contrary to regional and national trends.

CYPS members acknowledged that achieving the required improvements would not be simple and stressed the importance of ensuring the objective was embedded in schools' teaching without interfering with individual schools' classroom ethos. The commission will consider this again next year.

The strategy to improve educational outcomes in Leicester: 2015-2018

CYPS members received a report which set out the above strategy. Members were told the strategy, which had been developed with the Leicester Education Strategy Partnership (LESP), featured three main strands -

- Outstanding leadership
- Inspiring teaching and learning; and
- Early help and a good start in life.

Members asked how the strategy differed from previous strategies and were told it had been written in close co-operation with head teachers in the city - also that it was a working document and would be revised as appropriate. Concern was expressed at the falling numbers of teachers. Members were told that nationally there was a downward trend in numbers of teachers remaining in the profession. There was a concern there would not be enough teachers to meet future demand and the commission will keep a watching brief on this.

“We want to engage and harness the resources of all who care about children and young people and the future of a thriving Leicester City to work together to deliver our vision. The children of Leicester City deserve only the best. Our vision is one of partnership working, innovation and long term sustainability.”

Leicester Education Strategic Partnership

Ofsted inspection of services for children in need

In 2015 a task group reviewed ‘The historical context of the Ofsted Inspection of services for children in need of care and protection, inspected by Ofsted and assessed as *‘inadequate.’*

The findings highlighted some weaknesses in management at the time of the Ofsted Inspection; however, the task group was satisfied the council has taken measures to make improvements.

It respected and acknowledged the efforts of frontline staff and welcomed assurances from the new Strategic Director and Councillor Russell, the Assistant City Mayor (Children Young People and Schools), that things were being turned around but that this was a considerable task against a national shortage of social workers. The task group praised social workers for their hard work and commitment.

The work of CYPS will continue to monitor that the improvement plan put in place following the Ofsted inspection is working well and meeting the required standards.

Our neighbourhoods and communities

Neighbourhood facilities allow people to access services locally and to run them themselves where possible, reducing costs and improving services through better use of buildings and joining up services locally where possible. It is also important to communicate the many welfare reforms taking place and to look at ways to potentially reduce the impact of those reforms.

Environmental and enforcement services help keep people safe, tackle anti-social behaviour, domestic violence and substance misuse and keep the city clean and green through waste collection and recycling, and tackling fly tipping. There is also an aim in this section to ensure council homes are good quality and energy-efficient.

Housing Voids Task Group

The Housing Scrutiny Commission has begun a review into void council homes. The time during which properties remain empty has been an on-going concern for members, tenants and tenant representatives. Each empty home meant a household or family, which should be in a decent home, cannot access that facility. There are also financial implications for the council through loss of rent and council tax. Members are seeking to understand why some homes remain unoccupied for months while work remains un-started or unfinished. The task group is due to report to the HSC in Autumn 2016.

Licensing Policies

In Autumn 2015 the city council reviewed its policies on licensing functions relating to alcohol outlets, gambling premises and hackney cabs and taxi drivers and these policy proposals were reported to the Neighbourhood Services and Community Involvement Commission.

On the council's alcohol licensing policy the Commission considered that "the policy of banning some stores from selling high alcohol content drinks while others are allowed to sell such drinks is anti-competitive and may lead to smaller local businesses losing trade".

The gambling licensing proposals attracted comment and recommendations from NCSI members. They were concerned that a number of gambling establishments were too close to places of worship. Concern also was raised about the number of betting shops that could be located in one street.

The commission asked for updates to these policies following implementation.

The impact of gambling on vulnerable communities

Members of the NSCI returned to the issue of gambling, and looked more closely at the impact of gambling on vulnerable communities as a review. The Task Group devoted a hearing to taking evidence from the Association of British Bookmakers at senior level, and the ABB's overall response was that Leicester City Council's engagement with the industry was a model for others to follow.

Evidence from STAR (Supporting Tenants And Residents) showed that, against expectations and experience, people were prepared to answer difficult questions about gambling problems. This included one client in a city centre betting shop who said he had lost more than £100,000 in two years on betting; it had cost him his family and his home. The losses had been made on Fixed Odds Betting Terminals (FOBTs) and this was experienced by clients of gambling support groups, one of which provided evidence to the investigation.

"I shoplift and sell goods to fund my gambling habit. I have lost money and an inheritance..."

"£250 per week. This was the entire household income, leaving us without food and the ability to pay bills..."

"Spends £100 per week leaves no money for food..."

"£10 a week on gambling which affect my financial situation..."

The wider picture appeared to be that while gambling is legal and regulated it can have damaging impacts on individuals and communities. But support and other agencies did not ask clients about gambling and if so what the impact was. Part of the wide range of recommendations from the Commission sought to raise the issue of gambling as a problem for individuals and communities, particularly vulnerable communities.

The Commission proved helpful in offering advice and guidance to the review at a number of points. Heather Wardle, consultant with Geofutures and who had worked with Westminster and Manchester councils and the Local Government Association, was extremely helpful to the review, offering information and guidance, particularly about the development of a risk assessment framework.

A total of 26 report [recommendations](#) to the Executive were accepted in full. Four further actions recommended to the Executive from the chair of the task group in the light of the Times story and other developments, including the formation of an all-party Parliamentary group on gambling issues, were also accepted by the executive.

Highfields Community Association

The decision to end funding for Highfields Community Association (HCA) and to make no retrospective payments was called in and referred to the Neighbourhood Services and Community Involvement Scrutiny Commission. Scrutiny looked at the underlying financial case for the decision and sought reassurances that disruption to services caused by the closure was minimised.

Discussions focussed on whether users of HCA buildings and services would have continued access to the services they required, and that where HCA staff were affected, assurances were in place about their futures. The Commission was assured appropriate alternative arrangements were in place for service users, in particular for those wishing to access adult education services, and that HCA staff had been supported in relation to seeking alternative employment.

Fire Service Review

The Overview Select Committee led on member responses to proposals from the Leicestershire Fire and Rescue Service (LFRS) to cut the LFRS budget, which included proposals to close Leicester's central fire station. Richard Chandler, the LFRS Chief Fire Officer, and representatives of the Fire Brigades Union (FBU) were invited to give evidence to the OSC.

(OSC) "urges the Leicester, Leicestershire and Rutland Combined Fire Authority and the City Mayor to look at a managed reserve strategy for the next two to three years, during which time a referendum is considered and planned for the most suitable time, with a county-wide campaign to support an increase in the fire precept for future years to address any budget shortfall.":-

Cllr Baljit Singh, OSC Chair

OSC was particularly concerned about the proposal to close Leicester's central fire station in the context of serious concerns that the most vulnerable communities in the city and county, particularly those in high-rise accommodation, as well as hospitals, two sports grounds and two universities, would be put at greater risk by the closure of the station. Members were critical that none of the proposals for savings included back-office reductions or proposals for joint working with other blue-light and public agencies.

OSC chair Cllr Singh wrote setting out the committee's views which were in a series of recommendations: that the Committee rejected the budget proposals on the basis that:

- 1) They would leave the city unsafe;
- 2) They did not include consideration of other savings, such as those outlined at by the Fire Brigades Union and Councillors, including savings at the Fire Authority's headquarters premises; and

- 3) The budget assumptions exaggerated the savings needed over the next three years, particularly because of the planning assumptions that are included;
- 4) OSC called on the Leicester, Leicestershire and Rutland Combined Fire Authority and City Mayor to fully explore other savings to be made, including at the Combined Fire Authority's headquarters and other savings referenced by the Fire Brigades Union; and
- 5) That the Leicester, Leicestershire and Rutland Combined Fire Authority and the City Mayor look at a managed reserve strategy for the next two to three years, during which time a referendum is considered and planned for the most suitable time, with a county-wide campaign to support an increase in the fire precept for future years to address any budget shortfall.

A major outcome from OSC and other representations was that the proposal to close the Central Fire Station was withdrawn.

Transforming Neighbourhood Services (TNS)

TNS continued to be a topic of interest for NSCI throughout the year. This city-wide programme of reviewing service delivery in relation to potential for disposal of buildings became part of the wider Using Buildings Better programme which also includes related work on Channel Shift that also forms part of this Commission's portfolio.

Members were concerned that where buildings are offered to the community or community groups, those groups had the training and support to sustain them as a community resource. They were also keen to ensure that where services were being concentrated within fewer buildings service levels were maintained and that as far as possible services continued to be accessible to the most vulnerable members of the community.

Communal Cleaning Review

The Housing department reported back on progress made since a wide-ranging report on problems of cleaning communal areas of mainly council-owned and managed homes – often on stairwells and balcony areas of flats across the city, notably within the St Matthews and New Parks areas. [A link to the report, in December 2015, is contained here.](#)

The report set out details of £137.5k of investment in improved floor surfaces, and in some cases, cleaning and redecoration, for 2016-2017, as well as £33.6k of similar work in 2015-2016. A £32k programme of deep-cleaning of surfaces was also re-introduced, at least partly in response to the Housing Scrutiny Commission report calling for this to be done. The Commission was keen that staff, often temporary and part-time, should be recruited from local housing estates so that they would have better knowledge of the local environment and a greater buy-in to the work. Access to better training for all staff was also being encouraged.

A strong and democratic council

It is important for the public to have confidence and value the work of the council and also for them to be able to participate in decisions affecting them. As such ensuring the way the council's work supports openness and accountability, communicating effectively, and encouraging the people of Leicester to participate in the democratic process and in the shaping of services is an important priority.

Channel Shift

The council is transforming the way in which it interacts with communities. The objective is to ensure as many contacts are made electronically – through emails, social media and other formats – as possible. There would be a consequent reduction in face-to-face contacts. Members of NSCI received a progress report and were concerned that the most vulnerable and possibly in most need would have least access to computer-based facilities. They were also concerned that channel shift might reinforce isolation within some communities. Members asked for a further report on progress on implementing the strategy and expressed concern about staff reductions associated with the programme. [A link to the minutes of this issue can be found here.](#)

Ward Community Meetings

NSCI received a progress report on the re-shaping of the way in which ward community meetings were organised and how funding applications might be made and monitored. This included a shift towards on-line applications for project funding. The Commission:

- Encouraged the potential further use of Voluntary Action Leicestershire
- Supported production of a ward meetings annual report
- Was concerned about the reduction in the number of community engagement officers and the need to manage community expectations about what could be subsequently achieved by ward meetings; and
- Requested a report on the new operating model during the 2016-2017 year.

[A link to the report on this issue can be found here.](#)

Tracking petitions

Each meeting of the Overview Select Committee received reports about progress made on petitions which had been made to the council. It was recognised that some petitions could not be resolved and closed in the timescales set out by the council because they involved decision-taking and programming which might take months to resolve. This was particularly apparent in transport-related petitions where proposed changes, responding to petitions, would themselves be subject to consultation, and where projects might be required to be programmed in future financial years

City Mayor's Questions

This standing item on the Overview Select Committee's agenda covered a wide range of topics. It provided an opportunity for members of the committee to raise issues of concern to them, and for the Mayor (and other executive members) to respond or act on. Issues included:

- Empty city centre shops
- Western Park Golf Club
- Partnership working with county and district counties in Leicestershire
- Parking fines
- Investment in the outer estates (and the relationship with Connecting Leicester)
- The impact of welfare cuts
- Bringing empty homes back into use
- The purchase of Vaughan College
- The refugee crisis
- Ward community meeting funding
- The Anchor centre (and its replacement)
- Schools admissions and school place planning
- Franklyn Fields
- Tuition fees and academies
- Adult Social Care budget provision
- Trees in Knighton
- Schools and associated traffic parking problems

Finance Task Group/Budgets

The Finance Task Group made a series of reports to the Overview Select Committee and OSC members highlighted a number of issues from these reports. These ranged from the effectiveness of revenue collection to over-spends in areas such as Adult Social Care and Children's Services. The OSC Chair stressed budgets for Children Services and Adult Social Care needed to remain a priority for the relevant commissions and suggested they request updates and examine these accordingly.

Members also highlighted the increasing numbers of looked-after children. A lack of fostering places and increasing costs were identified as issues but the rise in numbers of looked-after children was likely to be part of a national picture. The Committee [asked for more in-depth information](#) about numbers of children from the city sent out of the area for their care and for a breakdown of the funding involved. OSC also asked for further information on the numbers of agency staff, particularly social workers, who were taken on to address issues with Looked After Children.

The chair of OSC also expressed concern about the overpayment of housing benefits. However the committee was told the headline figure of £15m was mitigated by the fact that a third had been collected and another £10m had been invoiced or was scheduled to be invoiced.

Contacting Scrutiny

Contact

For more information please contact the Scrutiny Team on **0116 4546340** or email **scrutiny@leicester.gov.uk**

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Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 3 NOVEMBER 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 Porter

Councillor Grant
Councillor Khote
Councillor Newcombe

Also present:

Sir Peter Soulsby City Mayor

Youth Council Representatives

Krishna Patel

Sagar Haria

* * * * *

41. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dempster and Dr Moore.

42. DECLARATIONS OF INTEREST

No declarations of interest were made.

51. DRAFT SCRUTINY ANNUAL REPORT 2015/16

The Chair of the Overview Select Committee submitted the Draft Scrutiny Annual Report for 2015/16. The Committee were asked to approve the draft report prior to its submission to Council on 24 November 2016.

Councillor Cleaver, Chair of the Adult Social Care Scrutiny Commission commented that autism had been an item on the Commission's agenda over the last two years. Councillor Cleaver stated that she was pleased that the Museum Service had very recently highlighted this issue and had sent out a tweet asking what else they could do to support people living with autism. Leicester City Libraries had also worked hard to raise awareness and help people living with autism.

Councillor Khote, Chair of the Economic Development, Transport and Tourism (EDTT) Scrutiny Commission stated that further to the Procurement Strategy and Plan that had been examined by the Commission during the previous municipal year, a review was now underway to look into procurement and social value.

It was noted that the report included a reference to proposals for New Walk centre and Welford Place being scrutinised by the EDTT Scrutiny Commission. This came under the title of Using Buildings Better and a comment was made that this might be more appropriately referenced as Demolition. The Scrutiny Policy Officer advised that at the time, the proposals for those buildings were part of the Using Buildings Better Project.

AGREED:

- 1) that the Overview Select Committee endorse the Draft Scrutiny Annual Report 2015/16; and
- 2) that the comments of the Committee in respect of the above report be noted.