



Leicester  
City Council

Minutes of the Special Meeting of the  
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 22 JUNE 2017 at 5:30 pm

P R E S E N T :

Councillor Singh (Chair)  
Councillor Govind (Vice Chair)

Councillor Cank  
Councillor Cleaver  
Councillor Cutkelvin

Councillor Grant  
Councillor Khote  
Councillor Malik

Councillor Porter  
Councillor Unsworth

Also present:

Sir Peter Soulsby                      City Mayor

Youth Representative

Brahmpreet Gulati

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**1. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Dr Moore.

Councillor Cleaver was present as a substitute for Councillor Newcombe.

**2. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**3. REVENUE BUDGET MONITORING OUTTURN 2016 / 2017**

The Director of Finance submitted a report which set out the Council's financial performance against its revenue budget in the financial year 2016/17.

The Chair commented that this report, the Capital Budget Monitoring Report and the Income Collection Report had all been considered by the Finance Task

Group and the minutes of the meeting had been previously circulated.

The Director of Finance introduced the report and explained that Local Government, including Leicester City Council was in a difficult financial position because of the significant pressures it faced, particularly in Adult Social Care and Children's Services. In Leicester, Directors had worked hard to keep spending within budget and in some areas they had managed to keep spending under budget, due to the early delivery of efficiency savings.

Members considered the report and raised comments and queries which included the following:

### **Delivery, Communications and Political Governance**

- It was noted that as part of the saving of £1.09m achieved by the Delivery, Communications and Political Governance Division, there was a transfer of £107k to the elections reserve. The transfer was due to the implementation and timing of the June General Election.
- A Member commented that £250k from the Financial Services underspend was being transferred to the channel shift reserve and it was questioned as to how the project was going. The City Mayor responded that the council were trying to make it easier for members of the public to make contact with them, but investment was needed to implement the programme.

### **Adult Social Care**

- A Member pointed out that approximately 93% of the Adult Social Care (ASC) budget related to expenditure on independent sector service user care package costs and questioned the predicted forecast for 2017/18 and whether this was likely to increase. The Director of Finance responded that when setting the budget, officers looked at trends in national figures, while also forecasting around people's individual circumstances. In Leicester, people younger than the national average, were receiving care packages and people were deteriorating faster than the national average. The budget was a prediction based on the best information to hand, and it was believed to be sufficient. The City Mayor added that there were pressures on ASC throughout the country, with people living longer and needing more support. The measures that the Government were taking were insufficient and provided a temporary rather than a long term solution to the funding problems.
- In respect of the council's future funding, the Director of Finance explained that Leicester had signed up for a four year settlement up to 2020, as had many other local authorities. The business rate retention scheme had not been included in the Queen's Speech and there were uncertainties around the funding mechanism for local authorities. The City Mayor stated that he would continue to strive for better funding for local authorities and in respect of funding for ASC, Councillors and Local

Authorities had made many representations to the Government telling them at the funding provided was unsustainable.

- A Member queried that money from the ASC budget 2016-17 was being transferred to reserves. The Director of Finance explained there had been some underspend in that particular budget because some of the initiatives implemented to improve efficiency, had been delivered earlier than planned. This had led to a one off saving, some of which would be transferred into managed reserves.

### **Public Health and Sports Services**

- A Member questioned whether there would be a budget in a few years' time to deliver services and to provide the physical and mental stimulation to help people to care for themselves. The City Mayor responded that the Council had been working to enable this and for example, the Deputy City Mayor had that afternoon been working on issues around tackling obesity. The Director of Finance reported that some Local Authorities were calling for a lessening of the mandatory services that they were obliged to provide, as issues varied according to the demography. Views were being expressed that each Local Authority was better placed to decide what issues it needed to address.
- The Chair of the Heritage, Culture, Leisure and Sport (HCLS) Scrutiny Commission expressed concern that without appropriate facilities, people would not be able to explore opportunities for improving their health and wellbeing. Although the HCLS Scrutiny Commission did not have a remit for public health, it would look at this issue as part of the sports remit of the Commission.

### **Education and Children's Services**

- Concerns were expressed relating to the costs of external placements for looked after children (LAC), and it was questioned whether the most effective way of helping children and young people, was by sending them out of the city. The City Mayor responded that he had spoken to officers about the out of city placements and suggested that it would be very helpful if the Children, Young People and School's Scrutiny Commission explored this issue to see whether it was in the best interests of the child and also the City Council budget.
- Queries were raised relating to the costs of agency social workers and whether actions could be taken to minimise those costs. Members heard that this problem was not unique to Leicester as not everyone wanted permanent employment. There could also be fewer pressures on agency staff than those compared to permanent staff, as it was easier to leave and seek alternative placements. The Director of Finance commented that she had been assured that agency numbers were decreasing. Leicester had a strong commitment to 'growing their own' social workers and was recruiting newly qualified social workers from local universities.

Those who were newly qualified were working alongside very experienced colleagues. The Director of Finance said that she would ask the Strategic Director, Children's Services to provide a briefing note for Members, on the issue.

### Corporate Items

- The Chair reported that the Finance Task Group had supported the proposal to make a contribution of £7.4m from the under-spend on corporate budgets and housing benefits, to the Economic Action Plan. (EAP) This was to develop and promote the assets of the City. He questioned the possible schemes the funding would be used for.

The City Mayor responded that this proposal would enable economic development in the City, in a way that would not disrupt the capital and revenue budget while at the same time, utilising savings achieved from the under-spend. Schemes had included the Haymarket bus station and the New Walk Centre project. Several hundred jobs had been created from such economic development and projects had led to private sector investment. The City Mayor offered to bring a presentation to a future meeting of the Committee. The Economic Development, Transport and Tourism Scrutiny Commission had received several presentations on the EAP had been very supportive.

The Chair concluded the discussion on the Revenue Budget Monitoring Outturn and asked Members to note the recommendations. The City Mayor suggested that it would be helpful to seek a view on the proposal to use the under-spend as discussed to make a contribution of £7.4m to the EAP. This proposal was moved by the Chair and seconded by the Vice Chair and subsequently agreed by Members.

AGREED:

that it be agreed:

- 1) that the proposal to use the under-spend on corporate budgets together with the housing benefit under-spend to make a contribution of £7.4m to the Economic Action Plan be supported; and
- 2) that the overall position presented within the report be noted.

Action	By
For a briefing note to be provided for Members, on issues relating to agency social workers in Children's Services.	Strategic Director, Children's Services.

## 4. CAPITAL BUDGET MONITORING OUTTURN 2016 /2017

The Director of Finance submitted a report that showed the position of the Capital Programme at the end of 2016/17 financial year.

Members considered the report and raised comments and queries, which included the following:

- Disappointment was expressed that the proposals for the extra care flats had been put on hold because of the announcement in the November 2015 budget about a cap to local housing allowance payments for supported living schemes. It was questioned when this problem might be resolved. The Director of Finance informed Members that there might be more information on this in the autumn. However, in the meantime the Director was part of a group that assisted the National Audit Office in holding the government to account, and this was one of the issues they would be looking at.
- The Chair commented that the Council had conducted its capital programme very efficiently and that it had been boosted by the Economic Action Plan.
- The year-end figures for slippage were noted. The City Mayor stated that there were sometimes projects where considerable amounts of spend were invoiced at the end of the project, and spend was not necessarily an indicator of whether the project was being delivered on time. Consideration was being given to find a better way of judging whether progress was timely.

AGREED:

that the overall position presented within the report be noted.

## **5. INCOME COLLECTION APRIL 2016 - MARCH 2017**

The Director of Finance submitted a report that detailed progress made in collecting debts raised by the Council during 2016-17, together with debts outstanding and brought forward from the previous year.

The Chair reported that the Finance Task Group had expressed concerns that the level of outstanding debt for council tax at 31 March 2017 was £13m and questioned whether all possible action was being taken to collect that money. The City Mayor suggested that rather than looking at a figure of what was outstanding on a particular date, a better measure was what was uncollectable and written off. The City Mayor referred to a graph which showed the written off figure and its percentage of the total of outstanding debt and asked that this graph be included in future Income Collection Reports.

The Director of Finance stated that the Council would continue to pursue the debt that was carried forward at the end of the financial year. In some cases, there were outstanding debts carried forward from previous years as payment arrangements were calculated on what would be affordable and could be spread over several years.

The Chair expressed strong concern that between 1 April 2016 and 31 March 2017, £7.1m of new overpayments of housing benefit had been identified. The

City Mayor explained that the obligation was on the claimant to inform the authority of any changes in their circumstances, but this did not always happen. In some cases, people chose not to inform the authority of a change of circumstances but often people did not realise that a change might affect their housing benefit, and the matter only came to light when a new claim was submitted. This was a failure of the system. The City Mayor offered to provide Members with comparisons between Leicester and other Local Authorities.

Councillor Khote expressed concern that some of her constituents had complained that they had notified the Council of a change of circumstances but officers at the Council had taken a year or more, to action the change. The Director of Finance responded that there was a target to process a change of circumstance within 13 days. She was not aware of any such issue as reported by Councillor Khote, but asked for the details of those cases to be forwarded onto her and she would investigate each case.

Councillor Khote further reported that her constituents had complained that they had been into Customer Services but there were no staff there who spoke the same language. The Director responded that this should not have been a problem as the customer service hubs had translation lines. The City Mayor asked for the names and details of the constituents who had reported these problems; he would treat the issues with sensitivity and look into their concerns. A suggestion was made that prompts and reminders be given to recipients of housing benefit, reminding them of their responsibility to contact the Council when there was a change of circumstances. Members heard that in the near future, this was unlikely to be such an issue because housing benefit would only be given to senior citizens in receipt of a pension. This was because the universal credit programme would soon be fully implemented in Leicester and would be administered by the Department of Work and Pensions.

A Member referred to the amount of insolvent, bankrupt and liquidated debts that had been written off and sought further information on those businesses. He asked whether the Council provided any marketing or tutoring support to help those businesses to thrive. He also questioned how this figure compared to that in other comparable Local Authorities. The Director of Finance responded that this probably related to small and medium type businesses and she would ask the Revenue and Benefits Business Manager to respond.

AGREED:

that the overall position presented in the report be noted.

Action	By
For future Income Collection Reports to include a graph showing the amount of written off debt and as a percentage of the total of outstanding debt	Director of Finance
For Councillor Khote to liaise with the	Councillor Khote / Director of Finance

Director of Finance concerning the complaints received from constituents regarding the processing of change of circumstances and housing benefit	
For details showing the comparisons between Leicester and other Local Authorities relating to the over payment of housing benefit.	The Director of Finance
For further details relating to the insolvent, bankrupt and liquidated debts that had been written off.	The Director of Finance / Revenue and Benefits Manager

## **6. REVIEW OF TREASURY MANAGEMENT ACTIVITIES 2016 / 17**

The Director of Finance submitted a report that reviewed how the Council conducted its borrowing and investments during 2016 /17.

The Chair referred to measures being taken by the largest world economies, including the UK, to make banks less likely to fail and thereby reduce the impact on the financial system and tax payers. The Council's assessment of risk was based both on the risk that banks might fail and also on the level of losses the Council might face should the bank fail. The Chair questioned whether there were ramifications for the Council and the Director confirmed that there were implications, which was why there were very robust procedures when considering who to invest with. Members heard that the Council's priority was about ensuring money was safe, as opposed to earning a higher rate of interest in a risky investment.

AGREED:

that the report be noted.

## **7. ANY OTHER URGENT BUSINESS**

Under Scrutiny Rule 4E (Rule14) The Chair agreed that Members could raise questions for the City Mayor as an item of urgent business, as this item would usually be on the agenda and he believed that it was in the general interest to ask the questions at this meeting, rather than wait for the next schedule meeting.

## **8. QUESTIONS FOR THE CITY MAYOR**

### **The Fire at Grenfell Tower**

A number of questions were raised relating to the recent fire at the Grenfell Tower Block, in West London which led to a tragic loss of life. Members expressed concerns about the safety of residents and asked about external

cladding on council properties, on student accommodation and some houses in Rushey Mead. A Member also commented that there were reports that the insulation at Grenfell Tower had given off cyanide gas.

The City Mayor thanked Members for the questions in the light of the terrible tragedy at the Grenfell Tower Block. He reported that Leicester City Council had six high rise flats, one of which had 22 floors and five were 17 storeys high. There was also a further building with 11 storeys. None of those had external wall insulation but neither did they have sprinkler systems. It had been agreed to install sprinklers but work was needed on their specification to ensure they were appropriate. All of the blocks had a current fire risk assessment and weekly fire safety inspections, and none of the blocks had gas in them. The City Mayor acknowledged that this did not answer all questions that had been raised by Members, particularly with regard to those properties that were not in the ownership of the Council.

The City Mayor stated that he had spoken to the Chief Fire Officer who had said that he would prioritise initially all tower blocks that were over 8 storeys high as well as those with cladding. He was not aware that cyanide gas was being attributed as being part of the issue, but more information about the fire was gradually emerging.

In relation to the conventional advice to stay put in a fire, there was a question that was emerging as to whether this was still the right advice. The City Mayor commented that he believed that the Chief Fire Officer considered this still to be the correct advice as it had been in the past. It was advice though that was dependent on the integrity and compartmentalisation of the building not being compromised. This advice would need to be checked, but there was no reason to believe that for the time being, this advice should be changed.

With regard to the concerns relating to individual houses with external cladding, the City Mayor commented that he had no reasons to believe that what happened at Grenfell Tower related to those properties, but they would be checked. This however would be after those issues that had already been identified as a main priority.

A Member suggested that there should be lights at a low level on stairways to help people exit in the event of a fire and subsequent smoke. The City Mayor responded that he would talk to the Chief Fire Officer again and raise this suggestion.

A Member asked about residents with impaired mobility that lived in council owned properties. He questioned whether those residents had been identified, and if there were a lot of residents with impaired mobility in one block, whether the Fire Authority was aware. Members also raised the need for a robust action plan to be in place. At the City Mayor's suggestion, Members agreed to receive a briefing on the emergency plan, at a future meeting of the Committee.

A Member stated that there were concerns about the safety of citizens because of the impact of spending cuts on the Police and Fire Authority. The City Mayor



was asked if he could do everything in his powers to make sure the safety of residents was not compromised. The City Mayor responded that Willy Bach, the Police and Crime Commissioner had made representations about the budget and he would continue to support the Commissioner in his recommendations. The City Mayor added that he believed that the Fire and Rescue Service was in a better position that it had been two years ago, in terms of budget and personnel.

The Chair concluded the discussion and thanked the City Mayor, Councillors and Officers for attending.

Action	By
For a briefing on the Emergency Plan to be brought to a future meeting of the Overview Select Committee	The Director of Delivery, Communications and Political Governance

## 9. CLOSE OF MEETING

The meeting closed at 8.11 pm