



Leicester
City Council

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 1 FEBRUARY 2018 at 5:30 pm

P R E S E N T :

Councillor Singh (Chair)

Councillor Cank
Councillor Cleaver
Councillor Cutkelvin

Councillor Gugnani
Councillor Khote
Councillor Dr Moore

Councillor Porter
Councillor Unsworth

Also present:

Sir Peter Soulsby

City Mayor

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62. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Govind and Councillor Grant.

Councillor Newcombe had also submitted his apologies. Councillor Cleaver was his substitute for the meeting.

63. DECLARATIONS OF INTEREST

No declarations of interest were made.

64. CHAIR'S ANNOUNCEMENTS

The Chair made no announcements.

65. MINUTES OF THE PREVIOUS MEETING

AGREED:

that the minutes of the meeting of the Overview Select Committee held 14 December 2017 be confirmed as a correct record.

66. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

The Chair explained that a report on the Homeless Strategy had been considered at the Housing Scrutiny Commission, but because of its wide ranging implications, it had been agreed that it would also be considered at the Overview Select Committee. The Chair added that the issue of homelessness was a strong concern amongst Members.

The City Mayor responded that the problems experienced by the homeless, such as rough sleepers were very complex. He had recently been involved in meetings in Washington, U.S.A. where the problems of homelessness had been discussed. Central Government agencies there were looking to provide a roof over their heads, but many of the Mayors there, believed as he did that it was also necessary to work closely with the relevant partners to address mental health problems. The City Mayor added that the issues around homelessness that Leicester were experiencing also applied in many cities around the world.

67. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that there were no questions, representations or statements of case.

68. PROGRESS ON ACTIONS AGREED AT THE LAST MEETING

The Monitoring Officer reported that there were no petitions.

69. TRACKING OF PETITIONS - MONITORING REPORT

AGREED:

that the report be noted and petitions referenced 27/09/2017, 14/07/2017/1, 28/09/2017 marked 'petitions process complete' be removed from the monitoring report.

Action	By
To remove the petitions referenced 27/09/2017, 14/07/2017/1, 28/09/2017, marked 'petitions process complete' from the Monitoring Report.	Democratic Support Officer

70. QUESTIONS FOR THE CITY MAYOR

Government Funding for Adult Social Care

Councillor Cleaver asked the City Mayor if he would give his support to a letter that was going to be sent to the Secretary of State with responsibility for funding Adult Social Care. A recent report had stated that approximately 150

Directors for Adult Social Care had expressed strong concerns as to how Adult Social Care budgets could be managed with the level of funding provided.

The City Mayor responded that he would be pleased to read the letter and while he would need to see more detail, he anticipated that he would be able to give his support. Directors across the Country, from the different political persuasions were expressing their strong concerns as to the level of funding for Adult Social Care. The City Mayor added that the City Council's budget for this service was increasing despite the reduction in the overall Government Grant. The demand for support from the Adult Social Care Service was growing; there was an ageing population as well as a growing number of people of working age with complex issues who needed support.

Council Policy relating to suitability for Children at Leicester Theatres

Councillor Dr Moore asked the City Mayor if there was a general policy regarding the admittance of babies and young children to certain types of performances at Curve or De Montfort Hall. Not all performances were suitable for young children.

Councillor Dr Moore was advised that a response to this query would be sought from Curve and De Montfort Hall.

Action	By
For information to be sent to Councillor Dr Moore regarding a policy at Curve and De Montfort Hall regarding the admittance of babies and young children to performances.	Director of Finance to coordinate responses and forward to Councillor Dr Moore.

Funding Grant to a business in the Cultural Quarter

Councillor Porter stated that a significant grant had been given to a business in the Cultural Quarter, and subsequently it became know that the business involved a relation of the City Mayor. He questioned whether the grant should be given back to the council. The City Mayor responded that the grant had been approved by Councillor Waddington; he understood that the funding had been given to a third party. He added that it would be wrong of him to interfere with either the giving or negating of the funding grant and it was appropriate that he should not get involved in such decisions.

Leicester City Council's use of outsourcing

Councillor Cutkelvin referred to the current situation with Capita and Carillion and asked the City Mayor as to the extent that Leicester City Council used outsourcing companies.

The City Mayor responded that in general he preferred the council to provide services in house, though at times it was more appropriate to bring in specialist

services or consultants. The Director of Finance stated that there were some contracts with Capita which were part of their core business. The Director added that procurement was managed carefully and the risk with Capita was manageable.

Homelessness and Social Impact Bonds

Councillor Cutkelvin stated that Andy Burnham, the Mayor of Greater Manchester Mayor had previously announced news of a social impact bond for £2m which would be put towards their homeless strategy. She asked whether the council had considered the use of such bonds.

The Director explained that the Council had previously given consideration to a model of social impact bonds in relation to Children's Services; but instead they had opted for Multi Systemic Therapy, whereby the Council made the investment but benefited by the avoidance of children going into care. With social impact bonds, the investment came from a different source and money from the savings made was re-paid over a number of years. Social impact bonds needed to be considered very carefully but the Director said she would be happy to look into the Greater Manchester model.

Councillor Cutkelvin stated that in Greater Manchester, an inter-agency workforce had been working to engage with rough sleepers and others who were hard to reach, and as part of this initiative were providing free accommodation for a year. The aim was to give them some stability in their lives, which was particularly helpful for people with problems around substance misuse. Councillor Cutkelvin commented that she recognised that Leicester did not have the financial resources to offer the same but she thought it would be useful to watch what was happening there.

The Chair commented that Leicester had the highest rate of people of working age who claimed social welfare, yet the Government kept cutting funding to the city which impacted on services to the most vulnerable.

The City Mayor replied that some colleagues had been to London to look at what was happening at St Mungo's and the experiences from that charity, Greater Manchester and from his own visit to Washington would help inform Leicester's own homeless review.

Empty Shops in the City Centre

Councillor Cank stated that members of the public had expressed concerns as to the number of empty shops in the city centre and she asked whether the reasons for this were known.

The City Mayor responded that while online shopping was becoming increasingly popular, the City Centre Director had reported that the town centre was vibrant and the overall picture was very encouraging. A copy of this report would be circulated to Commission Members. Feedback from shop owners demonstrated their confidence arising from investment and improvements in

public space. Additionally, retailing was only part of the city centre offer, as coffee shops, restaurants and cinemas were all thriving. Councillor Porter expressed a view that the policy was not working because empty shops were evident in the town centre. The City Mayor disagreed and responded that the evidence showed that the city centre was thriving and this could be seen by the success in the Lanes where there were specialist independent shops and people willing to invest.

Councillor Cank asked whether some of the empty shops could be used for start-up retail units to enable people such as graduates to start a business at reduced rates. The City Mayor responded that the Council had limited ability to reduce rates, but it had some ability to reduce rents on properties they owned. He would be happy to explore this issue and invited Councillor Cank to be involved in future discussions.

Action	By
To circulate a report on Leicester City Centre to Commission Members	The Director of Tourism, Culture and Inward Investment
For Councillor Cank to meet up with the City Mayor and the Director of Tourism, Culture and Inward Investment for discussions as to the possibility of offering empty retail units for start-up retail units.	The Director of Tourism, Culture and Inward Investment

Outer City Estates

Councillor Unsworth expressed concern about the situation in the outer estates where he said there were people who lacked the confidence to gain new employment skills. He said that there were not always the opportunities to enable them to retrain.

The City Mayor responded that there were various ways in which the Council intervened to provide employment or enabled people to acquire the employment skills they needed. However he found it particularly frustrating in relation to skills provision, that there was a lack of coordination. The Council were not in a position to work with employers and skills providers to ensure that the skills taught were tailored to meet the needs of the individuals and the needs of the employers.

The City Mayor added that the Council had a proud record in creating jobs; since he had been elected over 4300 jobs had been created through investment and schemes such as Leicester to Work. This was a tangible result and a good record although there was still more that could be done. He would shortly be announcing details about the Five Cities Project in which he and four other Mayors would be participating. The project was a Government initiative to support people from under- represented groups to become apprentices.

City Mayor's announcement - Government funding of £10m

With the sanction of the Chair, the City Mayor announced that he had met earlier that day with the Chancellor of the Exchequer and the Secretary of State for Housing and Local Government. The Government had given approval for an award of £10m for infrastructure (predominately for highways) to unlock further development at 60 acres of land at Ashton Green.

The City Mayor had received the endorsement of the Government to break up the area into manageable parcels of land, which with the funding for infrastructure would be much more commercially viable for developers. Previously, developers had been unwilling to take on the whole area of land which would also have involved building the infrastructure such as highways before any housing could be built.

The funding for the infrastructure could result in the building of 300 new homes; 30% of which it was anticipated would be affordable homes. As the Council owned the land, would be doing the planning and providing the infrastructure, they could be more certain that those affordable homes would be built.

Councillor Porter stated that the development was originally intended to be environmentally friendly and sustainable and he questioned whether there would be any dilution of those targets. He also asked whether there would be opportunities for self-build. The City Mayor responded that the Deputy City Mayor would be very keen that the development would be sustainable and that the development would achieve the highest standards that were reasonably achievable. The City Mayor expressed doubts that the parcels of land on Ashton Green would be appropriate for self-build but thought there were more manageable inner city sites which may be more suitable. He said that he would talk to colleagues and update Councillor Porter on this issue.

Councillor Unsworth commented that the Council might be able to learn from Bristol as they had used brown field sites for high quality build at an economic price.

The Chair concluded the discussion and commented that the news was excellent and fully endorsed by the Commission.

Action	By
For further information on possible sites for self-build to be sent to Councillor Porter	The Director of Planning, Development and Transportation.

71. DRAFT GENERAL FUND REVENUE BUDGET 2018/19 TO 2020/21

The Director of Finance submitted the Draft General Fund Revenue Budget 2018/19 to 2020/21. Members were asked to comment on the budget prior to

its consideration at the meeting of Council on 21 February 2018. The budget had been considered by different Scrutiny Commissions and minute extracts of those meetings had also been presented to the Committee for consideration.

The Chair referred to the significant reductions in government grant and stated that the considerable pressure arising from the numbers of older people requiring care and increases in looked after children meant that between 2010/11 and 2019/20 spending on all other services would fall from £192m to an estimated £85m. This was a cut of 62% in real terms. It would therefore be necessary to use some of the reserves and carry out a further round of spending reviews in order to balance the budget.

The City Mayor reported that the level of cuts the Government had made in the Revenue Support Grant was unprecedented and had led to the Council having to make extremely difficult decisions. The City Mayor added that there were four separate budgets:

- 1) The Schools' Budget, funded by grant, is paid to the Council and then paid out to schools.
- 2) The Housing Revenue Account – this is funded from tenants' rents and can only be used for their benefit.
- 3) The Capital Budget that is spent on tangible projects. The majority of the capital budget will be spent on school places but also on projects around the city and on highways and transportation.
- 4) The General Fund Revenue Budget which is spent on all other running costs of the Council.

The City Mayor stated that he would be recommending to Council that they adopted the maximum amount of Council Tax increase that was allowed, i.e. 6%. He took no pleasure in making this recommendation but it was an increase that was necessary in order to lessen the impact of the cuts the Council needed to make. This increase would raise approximately £6m. There was also a cost associated with the council workers' pay award; but this was not yet settled and the Unions have recommended rejection of the offer made. The City Mayor added that he was of the firm belief that the Government had a responsibility to ensure that local authorities could pay their workforce a living wage; and this was the point that Leicester and other authorities of different political persuasions would be making to the Government.

Councillor Dr Moore commented that the Children, Young People and Schools Scrutiny Commission had given careful attention to the budget and the Members felt that there were provisions there to protect children and vulnerable people. Many of Leicester's population were deprived and there were over 600 looked after children and also over 600 children at risk, who needed care plans. Councillor Dr Moore commented that she believed that this was a result of austerity and the significant pressure that parents were under when struggling to manage on a limited budget. Councillor Dr Moore referred to the highways budget and asked for a more detailed breakdown to see whether there was some flexibility there, as there were concerns that the Children's Services budget might not meet demand. The Director commented that highways budget

included money for highways maintenance and concessionary fares, which the Council were obliged to provide. Further details were included in the appendices to the report but she would be happy to provide a breakdown for Councillor Dr Moore and any other Councillor as requested.

Councillor Porter stated that from 2013, the Coalition Government changed some procedures to allow local authorities to choose how it spent its Revenue Budget. The City Mayor confirmed that this was the case, though some areas such as Public Health, within the Revenue Budget were ring-fenced.

Councillor Porter asked whether there were any incentives for staff if they could suggest ways of saving money. The Director responded that there was an active staff suggestion scheme, but financial rewards were not given as staff were driven by the desire to make economies which in turn saved jobs. The Director added however that she would forward this suggestion to the Director of Delivery, Communications and Political Governance.

Councillor Porter questioned whether it was time the City Council stopped subsidising the Park and Ride Scheme as it provided more benefit to the County residents than to the City residents. He said that the money saved could be better used for the benefit of children. The City Mayor replied that the Park and Ride Scheme predated his appointment as City Mayor so he did not know why certain sites were chosen, but he had concerns that, for example, the Birstall site was not located on the most appropriate site. The department is trying to reduce the subsidy on both the Birstall and Meynells' Gorse site to zero but he believed that the park and ride schemes not only benefitted the user, but the reduction in the number of cars on the road, benefitted other road users too.

Councillor Cutkelvin commented that the biggest revenue spends were within Adult Social Care and Children's Services, and within Children's Services a significant cost related to Looked After Children. She felt that it would be prudent for the Corporate Parenting Forum to be scrutinising this issue further. It was an issue that spanned different scrutiny commissions and it was important to understand the issues better. The City Mayor responded that the Corporate Parenting Forum had an important role but it did not have a scrutiny function. It was however an area that was worth additional consideration; as the costs of taking children into care were a significant part of the budget, particularly when they were placed out of area. There was also a question to be asked as to whether the right children were being taken into care. Councillor Dr Moore stated that this issue had been robustly scrutinised by the Children, Young People and Schools Scrutiny Commission and Members had been reassured that the right children were being placed into care and that the Courts supported those decisions. The Chair suggested that this should be discussed at a Scrutiny Chair's meeting to seek a consensus on the way forward.

Councillor Cutkelvin expressed concerns at budget pressures within the City Development and Neighbourhoods department. It was noted that one of the biggest costs arose from waste management, where the cost per ton of waste had increased because the Council were no longer meeting their environmental

targets. Councillor Cutkelvin explained that concerns about this had previously been raised at the Neighbourhood Services and Community Involvement Scrutiny Commission and she asked whether solutions to the problem could be expedited. Members heard that the increased charges for landfill had arisen because DEFRA had changed the regulations. Landfill waste that used to be compliant, was now incurring a significant higher charge because it was no longer compliant (by a very small percentage) with the new specifications. In response to a question, the Director explained that the landfill tax was a fixed price rather than a competitive market. The Council is working with Biffa to find a solution; investment might be required to deal with the processing of the landfill waste to reduce the organic content.

Councillor Khote asked about the service reviews of Parks and Open Spaces and Tourism, Culture and Investment; the Director responded that the reviews in those areas were completed and it was agreed to send the relevant decision reports to Councillor Khote.

The Chair drew the discussion to a close. He commended the report and stated that the budget was the best sustainable forward position for the Council.

AGREED:

that the report be noted and for the comments made to be forwarded to the meeting of Council on 21 February 2018

72. TREASURY MANAGEMENT STRATEGY 2018/19

The Director of Finance submitted a report that proposed a strategy for managing the Council's borrowing and cash balances during 2018/19 and for the remainder of 2017/18.

The Chair introduced the report and stated that Treasury Management Strategy was a well-established strategy which had proved to be robust and effective.

AGREED:

that the Treasury Management Strategy 2018/19 be noted

73. SCRUTINY COMMISSIONS' WORK PROGRAMMES

The Chair of the Children, Young People and Schools Scrutiny Commission presented the scoping document for a review into Persistent Pupil Absence (secondary school pupils).

As part of the review, the Chair said that the task group would initially talk to head teachers and then focus groups to try to better understand why students at secondary school went absent.

AGREED:

that the Committee endorse the scoping document for a review into Persistent Pupil Absence.

The Chair of the Children, Young People and Schools Scrutiny Commission presented the review report into Literacy Teaching at Key Stage 1 and explained that the Commission had been concerned at the poor results of literacy and maths at Key Stage 1 and 2. The subject matter would have been too large for a task group review and it was agreed to narrow down the topic and focus on literacy at Key Stage 1. Members decided to look at five schools that were achieving very good results despite factors such as social deprivation and high numbers of children with English as a second language. Members found a real commitment in those schools in teaching the written word and all were using phonics in the curriculum.

A Member thanked Councillor Dr Moore for the report and commented that as a parent of school age children, she had found the use of phonics really helpful.

AGREED:

that the Committee endorse the review into Literacy Teaching at Key Stage 1

74. OVERVIEW SELECT COMMITTEE WORK PROGRAMME

AGREED:

that the Overview Select Committee work programme be noted.

75. PLAN OF KEY DECISIONS

The Chair asked Members to be mindful of any items on the Plan of Key Decisions that related to their own Commission's work programme.

76. CLOSE OF MEETING

The meeting closed at 7.58 pm.