



Leicester
City Council

APPENDIX D

MINUTE EXTRACT

Minutes of the Meeting of the
OVERVIEW SELECT COMMITTEE

Held: THURSDAY, 14 SEPTEMBER 2017 at 5:30 pm

P R E S E N T :

Councillor Singh (Chair)
Councillor Govind (Vice Chair)

Councillor Cank	Councillor Malik
Councillor Cleaver	Councillor Dr Moore
Councillor Cutkelvin	Councillor Porter
Councillor Grant	Councillor Unsworth
Councillor Khote	

Also present:

Sir Peter Soulsby City Mayor

In attendance:

Councillor Kitterick
Councillor Willmott

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10. APOLOGIES FOR ABSENCE

It was noted that Councillor Cleaver was present as a substitute for Councillor Newcombe.

11. DECLARATIONS OF INTEREST

No declarations of interest were made.

21. CALL IN - REVENUE BUDGET MONITORING OUTTURN 2016-17

The Monitoring Officer reported that an Executive decision taken by the City

Mayor on 10 July 2017 regarding the Revenue Budget Monitoring Outturn 2016/17 had been called in by five Members in accordance with Procedure Rule 12 of Part 4D of the Council's Constitution, (City Mayor and Executive Procedure Rules).

The Chair reminded Members that, although the called-in decision related to the revenue budget underspend, there were links between this decision and one relating to the remodelling of the Youth Service, which also had been called in. The called-in decision on the Youth Service had been considered by the Children, Young People and Schools Scrutiny Commission and the minute relating to that discussion had been circulated to members of this Committee as supplementary information. A copy of that minute is attached at the end of these minutes for information.

Members were reminded that this Committee could only make a decision on what further action to take on the called-in decision relating to the revenue budget and not that relating to the remodelling of the Youth Service. However, although not taking a decision on what further action to take on it, this Committee could comment on the call-in relating to the Youth Service remodelling, and these comments would be reported to Council when that call in was considered by Council.

The Committee was further reminded that, at its meeting on 22 June 2017, it had supported the proposal to use the under-spend on corporate budgets, together with the housing benefit underspend, to make a contribution of £7.4million to the Economic Action Plan (EAP). (Minute 3, "Revenue Budget Monitoring Outturn 2016 / 2017", referred.)

In accordance with Procedure Rule 7 of Part 4E of the Council's Constitution, (Scrutiny Procedure Rules), the Chair invited Councillor Kitterick, as proposer of the call-in, to address the Committee for five minutes.

Councillor Kitterick addressed the Committee, noting that no details had been provided of what the £7.4million under discussion would be used for and suggested that it would be useful to receive this information. He questioned whether spending the £7.4million under the EAP was a higher priority for the Council than Youth Services, but stressed that until a list of projects on which the £7.4million was to be spent was available, it would not be possible to have a full debate on whether other services should take priority over investment through the EAP.

The City Mayor addressed the Committee at the invitation of the Chair, reminding Members that the Council had had to make large financial savings over the last seven years. Savings made had been put in reserves. Managing reserves in this way had enabled investment to be made in the economy of the city, such as through investment in high speed broadband, redeveloping the Haymarket Bus Station and supporting the food industry. However, as reserves reduced, so did the option of investing in this way.

The City Mayor reminded the Committee that a further £43million needed to be

saved over the next three years. If the £7.4million under discussion was put in to reserves, by 2020 it would fund the operation of the Council for less than three months, but using it now would enable the Council to invest in jobs and the general economy of the city. The explicit endorsement made by the Committee at its last meeting of the proposal to invest the £7.4million in the EAP therefore was welcomed as, with reserves reducing, there could be little opportunity to use underspends in this way in future years. The City Mayor therefore asked the Committee to reconfirm its support for investing the underspend through the EAP, thereby agreeing that the call-in should not proceed to Council for consideration.

In accordance with Procedure Rule 7 of Part 4E of the Council's Constitution, (Scrutiny Procedure Rules), the Chair invited Councillor Willmott, as proposer of the call-in of the decision regarding the remodelling of the Youth Services, to address the Committee for five minutes.

Councillor Willmott addressed the Committee, thanking Members for recognising the links between the two called-in decisions. He stressed that calling-in the decision on the remodelling of the Youth Services was not an attack on the EAP, but he called for all options to be considered. He suggested that, given the amount of the underspend being allocated to the EAP, Youth Services did not need to be cut in the way proposed. However, there had been no debate on options such as this.

Councillor Willmott stressed that he was not opposed to the expenditure that had already taken place through the EAP and did not disagree that investments already made had helped the city, but asked Members to consider the following points:

- No list of projects to be funded through the EAP had been produced, so using some of the money to fund Youth Services for three years, (the length of the current budget cycle), would leave a significant sum for use through the EAP;
- There had been underspends in each of the last five years. More had been saved than would be needed to continue funding Youth Services, so some of these savings could be used to maintain those services;
- Youth Services were very important to the city. Reducing the number of sessions available from over 40 to 12 would affect thousands of young people; and
- Youth Services were a professional service that needed to be properly funded, both in terms of providing sessions for young people to attend, but also in the preventative work they undertook. Members therefore were asked to consider the choices to be made.

Some support for the points raised by Councillor Kitterick and Councillor Willmott was expressed by some members of the Committee. It was questioned why no details of proposed investments had been provided, as the

EAP was considered to be a significant part of the Council's investment programme for the city. It also was suggested that, for a Council facing cuts to its budget, £7.4million was a significant amount of money to be putting in to the EAP.

In reply, the City Mayor reminded the Committee that this had been discussed in some detail at its last meeting, (minute 3, "Revenue Budget Monitoring Outturn 2016 / 2017", referred). He advised Members that, although the £7.4million underspend was not a small amount of money, it was not a large proportion of the savings the Council had had to make. Not using it for investment through the EAP therefore would not necessarily release funding for use on specific service areas.

It was recognised that Youth Services were being remodelled, not stopped, so would continue but, while expressing support for the EAP and what had been achieved through it, some members of the Committee felt that it would be useful to receive more specific information on what the £7.4million under discussion would be spent on. Some children in the city lived in very deprived circumstances and the Council should be supporting them. This raised the question of whether this was the best use of the money, when services such as those at Sure Start centres were being cut.

It was recognised that such investment would not on its own stop problems emerging, but it could help mitigate those issues. It therefore was suggested that the outcome of the remodelling of the Youth Services could be re-examined, to see if some of the underspend could be diverted to Youth Services, as it was recognised that social unrest amongst young people could arise from a lack of economic activity, as well as from a lack of Youth Services.

It also was suggested that more consideration should be given to budget issues, to prevent this situation from arising again. Other Members felt that sufficient consideration was given to this, as regular reports on the budget were received. However, government cuts had made a significant impact on Council services, making it harder to support those in need.

Some members of the Committee expressed the view that sufficient consideration had been given to alternative uses of the funding. Although it would be useful to receive detailed information on how it was proposed to spend the £7.4million under the EAP, the principle of the investment could still be supported. Consideration also had to be given to whether services were sustainable. On balance, it therefore was felt that it was appropriate to use the £7.4million to make a contribution to the EAP, it being recognised that this did not preclude future examination of how underspends should be used. In addition, it was possible that investment made now in the economy could help establish a situation where funding became available to be re-invested in youth services in the future.

RESOLVED:

That, in accordance with Procedure Rule 12(g)(ii) of Part 4D of the Council's Constitution (City Mayor and Executive Procedure

Rules), the call-in of the Executive decision taken by the City Mayor on 10 July 2017 regarding the Revenue Budget Monitoring Outturn 2016/17 be withdrawn by this Committee.

Action	By
The Executive decision taken by the City Mayor on 10 July 2017 regarding the Revenue Budget Monitoring Outturn 2016/17 to be implemented as set out in that decision	Director of Finance