



Leicester
City Council

DRAFT MINUTE EXTRACT

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.

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