



OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE 30 JULY 2015

PRESENT: COUNCILLOR P J O'CONNOR (CHAIRMAN)

Councillors Mrs A M Newton (Vice-Chairman), C J T H Brewis, A Bridges, Mrs J Brockway, M Brookes, P M Dilks, A G Hagues, A J Jesson, C E D Mair, C E H Marfleet, Mrs M J Overton MBE, R B Parker, C L Strange, L Wootten and R Wootten.

Added Members

Church Representatives: Mr S C Rudman and Mr P Thompson.

Parent Governor Representatives: Mrs E Olivier-Townrow.

Officers in attendance:-

Simon Evans (Health Scrutiny Officer), David Forbes (County Finance Officer), Michelle Grady (Assistant Head of Finance), David Hair (Team Leader - Scrutiny and Member Support), Cheryl Hall (Democratic Services Officer), Tracy Johnson (Scrutiny Officer), Louise Tyers (Scrutiny Officer) and Richard Wills (Executive Director for Environment and Economy).

16 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillor R J Hunter-Clarke and Added Member: Mr C V Miller.

It was noted that the Chief Executive, having received notice under Regulation 13 of the Local Government (Committees and Political Groups) Regulations 1990, had appointed Councillors C E D Mair and L Wootten as replacement members on the Committee in place of Councillors R L Foulkes and Mrs C A Talbot respectively, for this meeting only.

17 DECLARATION OF MEMBERS' INTERESTS

There were no declarations of interests at this stage in the proceedings.

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RESOLVED

That the minutes of the meeting held on 18 June 2015 be approved and signed by the Chairman as a correct record.

19 CONSIDERATION OF CALL-INS

No Call-Ins had been received.

20 PROPOSAL FOR SCRUTINY REVIEWS

There were no proposals for scrutiny reviews.

21 CONSIDERATION OF COUNCILLOR CALL FOR ACTIONS

There were no Councillor Call for Actions received.

22 THE FINANCIAL CHALLENGE BEYOND 2015/16

Consideration was given to a report by David Forbes (County Finance Officer), which summarised the financial challenge faced by the County Council from April 2016 onwards in light of continuing restraint in government funding. The report outlined in broad terms the approach being taken to derive a balanced and sustainable budget over the medium term.

The County Finance Officer provided Members with a detailed presentation, which covered the following areas: -

- Background;
- UK Government department budgets and future public spending for 2014 and 2015;
- Summer Budget 2015;
- Spending Review 2015;
- Local Funding Position;
- The Financial Challenge – June and July 2015;
- Demand Led Services and The Consequences;
- Demographics in the County: and
- The Way Forward.

The County Finance Officer advised the Committee that the County Council faced a significant budgetary shortfall going forward in the light of the reductions in government grant combined with increased demand for certain services. A process had commenced to identify a sustainable budget for the County Council over the medium term taking into account the service priorities set by the County Council.

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Members were advised that the budget set by County Council in February 2015 for 2015/16 had required the use of £22m of the Council's Financial Volatility Reserve. This would leave a balance of around £31.5m in the Volatility Reserve to meet any future budget shortfall in 2016/17 and beyond.

Members were also advised that the budget projections had been updated and the budget shortfall was now projected as shown in the table below. It was noted that the figures could not be reliably modelled until, at the earliest, the Spending Review was published by Government towards the end of 2015.

Year	Additional In Year Shortfall	Annual shortfall
2015/16	£22.2m (funded by reserves)	£22.2m (funded by reserves)
2016/17	£27.4m	£49.6m
2017/18	£3.6m	£53.2m
2018/19	£12.9m	£66.1m
Total	£66.1m	£191.1m

Note: The £66.1m represents the additional savings that now had to be found in addition to the £65m already identified through the Council's Fundamental Budget Review.

The £191.1m annual shortfall would be the amount of reserves required to fund the budget deficit over the next 4 years without further savings initiatives being taken. However, the County Council only had available reserves of 16% of this sum.

It was also noted that in 2016/17 there would be a £49.6m shortfall in that year alone and only a maximum of £31.5m in reserves available.

Members were provided with an opportunity to ask questions, where the following points were noted: -

- Members were advised that the Government's funding formula, the method to local government, had been frozen until 2020. Therefore, lobbying for Lincolnshire County Council's funding to be increased was likely to be difficult. However, the County Council continued to lobby local Members of Parliament to raise awareness. It was noted that Lincolnshire Police was also disadvantaged, owing to the nationally set funding formula;
- Members were advised that as part of the Government's Summer Budget 2015, the National Living Wage would increase to £7.20 from April 2016 and increase to £9 by 2020. This would have a major impact on local authorities. For Lincolnshire County Council, this would see an increase of approximately £30m per annum by 2020 on contract prices;
- It was anticipated that the Government's Spending Review 2015 would be announced by 25 November 2015, followed by the Local Government Finance Settlement by Christmas 2015;
- It was suggested that all Lincolnshire MPs should be encouraged to sit on the Rural Fair Share Campaign Group in order to best represent the interests of the people of Lincolnshire;

- It was noted that the Leader of the Council had met with the Lincolnshire Members of Parliament and presented them with a 'Lobbying Pack', which provided detail of the County Council's budgetary position, highlighting all potential pressures in service delivery. The document also sought support for potential solutions to identified issues. Members were advised that the County's demographic pressures and its impact on the County Council were also included;
- It was reiterated that it was predicted that the total resources available to the County Council was likely to fall by 12% (approximately £60m by 2018/19). To address the shortfall, the County Council was currently examining what statutory services must be provided and to what level, as a starting point in the budget setting process. Members were assured that the impacts, including those on the wider Lincolnshire economy, of any reductions were taken into consideration at this stage;
- Reference was made to the 'new burdens funding'. Concern was raised over the use of the term 'burden' and the importance of not referring to individuals or groups as a burden. The Committee was assured that this was a term introduced by central government in relation to councils and was not a reference to any part of the community;
- The prospect of future devolution was discussed and it was recognised that any financial savings realised through the change of approach would probably not be released during the time period under discussion;
- It would be an advantage to local authorities if the Government relaxed the rules around income generation;
- Consideration was also being given to the future need for the County Council's assets;
- The Committee was advised of the Council's various reserves, which included: £30m in respect of schools reserved for their sole use; approximately £30m in the Volatility Reserve; and a further £30m covering the Winter Maintenance, Insurance and other matters;
- In terms of future spending indications from HM Treasury, some doubt was cast on the likelihood of a public spending increase in 2020-21 and it was queried whether it was a coincidence that this was also the year of the next General Election;
- The importance of economic growth was recognised but there was a note of caution around the encouragement of uncontrolled growth which might not ultimately be sustainable. This was particularly a concern for some in the context of new housing developments, their location and provision of supporting infrastructure;
- The impact of adoption of the living wage by the Council and its providers was discussed and the additional pressure this would place on the Council's finances. It was observed that adoption of the living wage would not necessarily mean a net inflow of money into the economy as there could be an equal reduction in benefits to low wage earners;
- It was reiterated by the Committee that continued lobbying of central government for a fairer funding deal for Lincolnshire was supported and for this to be done in conjunction with other public sector bodies in the County.

RESOLVED

That the comments of the Committee be presented to the Executive for its consideration.

23 OVERVIEW AND SCRUTINY WORK PROGRAMME

Consideration was given to a report by David Hair (Team Leader – Scrutiny and Member Support), which provided the Committee with an opportunity to consider its work programme and the work programmes of the Council's other Scrutiny Committees. Copies of the individual work programmes were appended to the report and the following updates were received: -

i) Overview and Scrutiny Management Committee

It was noted that an update on the Lincolnshire Broadband Programme would be added to the work programme for the meeting on 26 November 2015.

Members were advised that the Scrutiny Review Group was progressing well and a report would be presented to the meeting of the County Council on 18 September 2015. Further to this, mention was made of the Consultation Meeting taking place on 10 August 2015 for any Councillor wishing to contribute to the review.

ii) Adults Scrutiny Committee

The Chairman advised the Committee that an item on 'Adult Care Market Position Statement' had been added to the work programme for 9 September 2015, which the Council was going to prepare to help it fulfil its duties under the Care Act 2014. The Adult Care Market Position Statement would include information on needs, demand and trends for adult care. It would also include an indication of current and future resourcing; a summary of supply and demand; and the authority's ambitions for quality improvements and new types of services and innovations.

The Chairman highlighted that the Committee would be considering an item on 9 September 2015 from the Care Quality Commission, an update on Inspections in Lincolnshire. This would provide the Committee with an overview of the outcomes of inspections of residential and care homes in Lincolnshire.

iii) Children and Young People Scrutiny Committee

The Vice-Chairman advised the Committee that a report on 'The Lincolnshire Safeguarding Children Board's Audit of Early Help Provision' had been added to the agenda for 11 September 2015.

A report on 'Member Feedback from Visits to Children's Social Work Teams' had been added to the agenda for the meeting on 16 October 2015. It was noted that Committee Members had been visiting different social work teams across the county since February 2015 and this item was to allow Members to feedback from their visits and highlight any issues identified.

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It was also noted that Ofsted's Inspections of Schools was changing and a report on those changes would be presented to the meeting on 27 November 2015.

With regards to the Grammar School Transport Task and Finish Group, the membership had now been confirmed and would consist of Councillors R Wootten; C J T H Brewis; Mrs J Brockway; C E D Mair; D C Morgan; Mrs M J Overton MBE; Mrs C A Talbot; W S Webb; and P Wood. The first meeting of the Task and Finish Group was scheduled to take place on 15 September 2015.

iv) Community and Public Safety Scrutiny Committee

The Chairman advised Members that the Committee would be receiving a visit from a local PCSO, who would be talking to Members about their role in supporting local communities.

The Committee would also be looking at the Government's Consultation Paper on the provision of court and tribunal estate in England, which proposed the closure of Grantham and Skegness Magistrates Courts, leaving courts in only Lincoln and Boston.

At this stage in the proceedings, Councillor R B Parker declared an interest as the former Chairman of the Lincolnshire Courts Board Service.

Members of the Committee expressed their dissatisfaction with the proposed closures of Grantham and Skegness Magistrates Courts.

v) Economic Scrutiny Committee

The Chairman advised the Committee that a report on the 'Role of Lincolnshire County Council in Planning Applications and as the Highways Authority' had been added to the agenda for the meeting on 20 October 2015.

It was noted that the report on 'EU Funding Update and Place Marketing – Involving the Private Sector' had been moved from 20 October to 8 December 2015.

It was queried which scrutiny committee would consider the Central Lincolnshire Local Plan, as it was of a cross-cutting nature and it was agreed that officers would consider how to take this forward.

vi) Environmental Scrutiny Committee / Flood and Drainage Management Scrutiny Committee

The Chairman advised the Committee that there would be a report explaining the role of Lincolnshire County Council when being consulted on planning applications by District Councils at the meeting of Environmental Scrutiny Committee on 23 October 2015. There would also be a report on 'Planning Enforcement and Monitoring Processes' considered at this meeting.

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It was hoped that the meeting on 23 October 2015 would be held at the Carbon Neutral Business Zone (CaNeBuZo), followed by a visit to see the flood defences at Sutton Bridge.

A discussion took place regarding waste disposal in Lincolnshire and in particular, the relationship between the County Council and District Councils.

vii) Health Scrutiny Committee for Lincolnshire

The Vice-Chairman referred to the agenda for 16 September 2015. A key item for the Committee was the consideration of the Strategic Outline Case and Consultation Plan for the Lincolnshire Health and Care Programme, which was an important stage before the publication of the formal public consultation document later on in 2015.

It was noted that the Committee would be holding a training session on the afternoon of 18 November 2015, which was aimed at all Members of the Committee and would focus on the role of the Committee and how it engages with the NHS.

There was a request for clarification when the consultation for Lincolnshire Health and Care would commence.

The Vice-Chairman reported that there had been no decision to close the East Midlands Congenital Heart Centre, currently based at Glenfield Hospital. The Committee recorded its gratitude for the Chairman's efforts for supporting the retention of Congenital Heart Disease Surgery services in Leicester.

viii) Highways and Transport Scrutiny Committee

The Chairman advised that a report explaining the role of Lincolnshire County Council when being consulted on planning applications by the district councils, particularly as the Highways Authority had been added to the Agenda for 26 October 2015.

At a request by a Member of the Committee, it was agreed that the item on 'Sponsorship of Roundabouts' scheduled for 26 October 2015 would be deferred to 14 December 2015.

ix) Value for Money Scrutiny Committee

The Chairman advised the Committee that Members of the Value for Money Scrutiny Committee had been invited to attend the meeting of the Audit Committee on 21 September 2015, to consider an item on Serco and Agresso. Furthermore, it was planned to move the meeting of the Value for Money Scrutiny Committee from the morning of 22 September 2015 to the afternoon of 21 September 2015 and this would include reflection on the morning's discussion with the Audit Committee.

It was suggested that statements from individuals who had been adversely affected by the transition could be presented to the Audit Committee, for consideration.

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Further to this, it was suggested that representatives from schools which had been affected were invited to attend to reflect on their experiences.

It was suggested that the 'Property Update' became a broader item to enable the Committee to reflect on the County Council's property portfolio.

RESOLVED

- (1) That the content of the Overview and Scrutiny Management Committee work programme, as detailed at Appendix A to the report, be approved.
- (2) That the work programmes from the Council's other Overview and Scrutiny Committees, as detailed at Appendix B to the report, be approved.
- (3) That the Working Group activity, as detailed at Appendix C to the report, be noted.
- (4) That the Forward Plan of Key Decisions from 3 August 2015, as detailed at Appendix D to the report, be noted.

The meeting closed at 11.55 am.