



Rutland County Council

Catmose Oakham Rutland LE15 6HP.

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Minutes of the Special **MEETING of the ADULTS AND HEALTH AND CHILDREN AND YOUNG PEOPLE SCRUTINY PANEL** held in the Council Chamber, Catmose, Oakham, Rutland, LE15 6HP on Wednesday, 24th January, 2018 at 7.00 pm

PRESENT:

Mrs L Stephenson	Mr E Baines
Mr N Begy	Mr K Bool
Miss R Burkitt	Mr G Conde
Mr W Cross	Mr M Oxley
Miss G Waller	

APOLOGIES:

Mr J Dale	Mrs J Fox
Mr R Foster	Mr A Menzies
Mr D Wilby	Mrs L Youngman

OFFICERS

PRESENT:

Mr M Andrews	Deputy Director for People
Mrs G Curtis	Head of Service – Learning & Skills
Mr S Della Rocca	Assistant Director - Finance
Miss D Greaves	Finance Manager
Dr T O'Neill	Director for People
Miss M Gamston	Corporate Support Officer

IN

ATTENDANCE:

Mr O Hemsley	Acting Leader of the Council
Mr A Walters	Portfolio Holder for Adult Social Care and Health
Mr G Brown	(Non Panel Member)

530 DECLARATIONS OF INTEREST

Mr Conde	Agenda Item 4 Report No. 8/2018 Revenue and Capital Budget 2018/19 and Medium Term Financial Plan	Mr Conde declared a personal interest as his granddaughter attended Oakham Church of England School and required assistance; resulting a new member of staff being appointed to support her.
Mrs Stephenson	Agenda Item 4 Report No. 8/2018 Revenue and Capital Budget 2018/19 and Medium Term Financial Plan	Mrs Stephenson declared on the grounds of probity as she was in full time employment at Leighfield Academy.

531 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions were received from members of the public.

532 QUESTIONS WITH NOTICE FROM MEMBERS

No questions were received from Members.

533 REVENUE AND CAPITAL BUDGET 2018/19 AND MEDIUM TERM FINANCIAL PLAN

Report No. 8/2018 from the Director for Resources was received.

The Acting Leader, Mr Hemsley, introduced the report advising Members that on 16 January 2016 Cabinet had approved the draft budget for consultation which the Scrutiny Panel had before them.

The context for the draft budget was one that the Council was now unfortunately used to: getting less Government funding at a time when it had significant pressure on the budget through greater demand for important services, such as providing care for adults and children.

Councillor Hemsley set out some of the key points:

- The Council was getting £1.5m less in Government funding this year. This came on the back of cuts in previous years. The best example was Revenue Support Grant – it was £4m in 15/16 and was now 0. Only 20% of the Council's funding per head came from Government compared to a national average of 40%. The Council continued to lobby on this point as it was unfair.
- The Government response to funding cuts was to allow Council to raise an additional 1% in council tax. If the Council did this (and the proposal from Cabinet was that Council raised council tax by 4.99%), the extra council tax of £1.6m would effectively replace the lost Government funding but it would not be enough to meet the pressures the Council was seeing on costs.
- Members would prefer to avoid raising council tax but the loss of funding put the Council in a difficult position. The report itself showed that the consequences of not raising council tax to the full amount were significant over the medium term.
- Like all councils Rutland did not want to spend more than it needed to and it prided itself on being low cost but it now faced uncontrollable costs of c£1m arising from increases in inflation and a proposed pay award (agreed nationally).
- On top of these pressures, there were service pressures of over £1m. £522k related to children's care services where the Council had seen costs increase over 100% since 11/12. Keeping children safe in Rutland is costing more than ever before but was something which was very important to all.
- So despite the fact that the Council had come up with savings of over £1.3m, it was still left with a budget that was increasing.
- This meant therefore that despite proposed council tax increases, the Council would still have to use its reserves to balance the budget.

The financial outlook over the coming years remained challenging – it looked like there would be no more funding but the Council would continue to lobby to get the best deal it could and do its utmost to protect front line services. The Council knew that it faced a financial gap in the future and this was something which it wanted to resolve. The Council's plan for this was to:

- Close the gap in a measured way – there was no need for drastic action · Continue to look for savings as it had always done.
- Invest in Rutland – it was proposing a £10m investment fund, if it could achieve say a 5% net return of say £500k which could be used to subsidise other services.

Once all the feedback from consultation had been received then Cabinet would consider any revisions to the budget before it was presented to Full Council in February for approval.

During discussion the following points were noted:

- a) The increase in spending in the People Directorate in 18/19 is the result of using reserves from money previously received to fund one-off items. There are three main areas where one off investment is being made: a) Better Care Fund – a two year programme is in place with most expenditure being incurred in 18/19 (year 2); b) Public Health, ring-fenced reserves that had built up over a number of years will be used to fund prevention work; and c), additional investment is being made in fostering and adoption placements in 18/19, with that investment reducing in 19/20 as children are placed in county or 'return home' .
- b) The forecast spending profile of the Council from 2020/21 to 2022/23 assumed a continuation of existing services with allowances for service pressures, pay awards, inflation, etc.
- c) The pay award contingency is a cumulative figure
- d) That the Council continued to keep its savings programme under review. It is also looking to become more commercial to maximise its income with a £10m investment fund, the return on which would subsidise services.
- e) The Government funding position beyond 19/20 is unclear. Figures are included in the Medium Term Financial Plan (MTFP) but were indicative.
- f) The St George's Barracks project. The report noted this project may have a positive impact on the Council's financial position; however it was not included in the MTFP as it was too early for the Council to be in a position to make assumptions regarding any financial impact. Members were advised that house building had made a positive impact on the MTFP in the past.
- g) Members were advised that closure of St George's Barracks did not expose the Council to a large financial risk. There is only one business on site in addition to the rates paid by the Ministry of Defence (MOD) so business rates loss would be low in the context of our collected rates and the MOD paid only a small contribution in lieu of council tax (c£25k) for properties on the site. Most MOD properties were outside of the site and therefore would be eligible for council tax whoever occupied them.
- h) SEN Transport costs: Members were advised that work on the Personal Budget Model was being undertaken by the Council working in conjunction with Leicester City to look at further savings for both councils.

- i) Cost Centre RC5336: School Officer and Cost Centre: RC5360: School Improvement Consultancy – Officers advised that the vast majority of schools in Rutland were academies and that it was likely that further schools would become academies soon. This was a small team supporting schools to work more effectively; it was school led and worked well; resulting in school inspections being more positive. It was reported on to Council on a regular basis regarding the direction of travel. Staffing in the Learning and Skills Service was aligned to statutory obligations, for example, admissions, early years and school improvement. Through the Schools Forum looking to use resources collectively.
- j) Cost Centre RC4208: Aiming High; Cost Centre RC5371: Children's Centre Revenue and Cost Centre RC5268: Early Intervention Team Staffing – Members noted that it had previously been highlighted that there were 16 service users and that per capita cost was very high and referenced the closure of day care centres on high per capita cost. Officers undertook to provide a written response on the number of current service users, and at the request of Members, to advise if any of the service users were from outside of Oakham. It was noted that not all staff in the Early Intervention Team were Youth Service staff.
- k) Cost Centre RC4112: Crime and Disorder – (+)£82,300 related to the transfer of budget responsibility from the Places Directorate. This was not additional investment.
- l) Cost Centre RC1012: Wellbeing Advisors – (-)£93,000 was the adjustment for closing down the Better Care Fund programme of Advisors in GP Surgeries as this was not continuing into a second year.
- m) Cost Centre RC4501: ASC New Burdens – (-)£136,300 had been a one-off Government grant to deal with additional burdens. This was not continuing.
- n) Cost Centre RC4285: Day-care Income – showing as nil. Officers to look at in more detail.
- o) Cost Centre RC4551: Hospital & Reablement Staffing – (+)£41,800 investment in increasing staff level.
- p) Early Intervention – Universal and Partnership: Actively looking to engage with young people in all aspects including representatives of the Rutland Youth Council attending the Children and Young People's Scrutiny Panel.
- q) The Rutland Hub (page 29): it would be helpful to name some of the partners.
- r) The increase in demand for statutory services for children with disabilities continued at the 2017/18 level and the budget had been rebased. Due to the low numbers it was difficult to look for trends, with many of the children having moved into the area. Services accessed through the Children's centre had been developed as a result of the received live birth data. The two-year assessment through the Children's Centre looked at the needs of the child and was an early indicator for services that would be required. The birth rate for children with disabilities remained fairly static.
- s) There were currently no savings targets in short or medium term plans in terms of front line delivery.
- t) A number of savings had been made in the residential budget (Appendix 6 to Report No. 8/2018).
- u) Officers held regular meetings with Portfolio Holders to give an oversight of service and with the regular performance reports produced were able to address budget pressures.
- v) Social Care did not build perceived demand into its budget; reference was made in the assumptions/predictions for the next quarter. Social Care Reserves allowed for time if there was a pattern in increase of demand as this

- was a better way of responding to need and pre-empting future packages of care.
- w) Members voiced their concerns over the budget and assumptions made going forward; whether as Members they doing enough now to start questioning spending and how could they do things differently; that Scrutiny should be looking at value for money and ways of working; that there needed to be renewed vigour to bring costs down and that Members needed to put pressure on central government for more funding to relieve some of the burden.
 - x) That SPARSE was one of the most effective ways to lobby with other local authorities. Mr Hemsley was asked to provide details of the number of SPARSE meetings attended by Mr Mathias, the previous Leader of the Council. It was also noted that previously reports of SPARSE meetings were received at Council and that it would be useful if this practice was reintroduced.

534 TREASURY MANAGEMENT STRATEGY AND CAPITAL INVESTMENT STRATEGY 2018/19

Report No. 6/2018 from the Director for Resources was received.

The Assistant Director for Finance, Mr Della Rocca introduced the report. Mr Della Rocca explained that the item was to be considered as part of the budget package and that the substantive debate would be held at the special meeting of the Growth, Infrastructure and Resources Scrutiny Panel to be held on 25 January 2018.

Members were informed that the key change was the new Commercial Investment Policy (Appendix 2, Annexe B1 to Report No. 6/2018). Rutland County Council (RCC) was seeking Cabinet's recommendation to Council to establish a £10m fund for commercial investments to generate income to contribute towards RCC sustaining the current level of service delivery. All suitable opportunities would be reviewed by Cabinet/and or Council in accordance with existing Finance Procedure Rules.

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The Chairman declared the meeting closed at 8.41 pm.

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