

Lancashire County Council

Cabinet

Minutes of the Meeting held on Thursday, 7th November, 2013 at 2.00 pm in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Present:

County Councillor Jennifer Mein

Leader of the Council
(in the Chair)

Cabinet Members

County Councillor Azhar Ali

County Councillor David Borrow

County Councillor John Fillis

County Councillor Janice Hanson

County Councillor Marcus Johnstone

County Councillor Tony Martin

County Councillor Matthew Tomlinson

County Councillor Geoff Driver CBE, County Councillor Albert Atkinson and County Councillor Bill Winlow were also in attendance under the provisions of Standing Order No. 19(4).

1. Apologies for Absence

None received.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

None declared.

3. Minutes of the Meeting held on 10 October 2013

Resolved: - That the minutes of the meeting held on 10 October 2013 be confirmed and signed by the Chair.

4. Executive Scrutiny Committee - Report of the Chair

County Councillor Bill Winlow, Chair of the Executive Scrutiny Committee, confirmed that the recommendations set out in the reports for consideration by Cabinet had been confirmed without modification or amendment at the meeting of the Executive Scrutiny Committee held on 5 November 2013.

In relation to forthcoming individual Key Decisions to be considered by Cabinet Members, County Councillor Bill Winlow reported that, in relation to the report on Affordable Warmth to be considered by the Cabinet Member for Health and Wellbeing, the Cabinet Member

had indicated that he would be taking the decision to allocate £30,000 to each District (in place of the £40,000 recommended in the report) and that the balance be used to establish a fund of £120,000 which would be available for bids to be submitted.

Resolved: - That the report of the Chair of the Executive Scrutiny Committee, now presented, be noted.

5. Introduction of the Living Wage for Lancashire County Council Employees

The Leader of the County Council presented a report setting out proposals for Lancashire County Council to become a "Living Wage" employer through a phased introduction of a Living Wage, currently set at £7.45 an hour.

All centrally employed employees would be subject to the change affecting 3,638 staff from 1 April. Negotiations were ongoing with schools through the Lancashire Schools Forum to encourage the adoption of the Living Wage by individual school governing bodies.

Resolved: - That:

- (i) The proposals for a phased introduction of the Living Wage as set out in the report, now presented, be agreed;
- (ii) Full Council be recommended to approve the proposals for the adoption by the County Council of the Living Wage as set out in the report, now presented, on the basis of the proposed phasing arrangements.

6. Money Matters - Update on the County Council's Financial Position for 2013/14

County Councillor David Borrow presented a report setting out details of the County Council's financial position for 2013/14 as at 30 September 2013.

Reference was made to the particular pressures faced by the Directorate for Children and Young People in relation to continuing demand in children's social care, and that there had been no change in the £5m overspend in relation to the Strategic Partnership. Overall, the potential overspend for the revenue budget had reduced from £6.4m to £4.3m since the previous report to Cabinet which was an improved position. The Capital Investment Programme was on track to deliver 87.6% of spending in 2013/14 with estimated slippage into future years of £22.3m. In terms of reserves, a further £4.35m in earmarked reserves and provisions had been identified as available for release in 2013/14, and which would be used to fund the in year costs of the Living Wage, if approved by Full Council.

Resolved: - That:

- (i) The forecast position for the 2013/14 revenue budget and capital investment programme, as set out in the report now presented, be noted;
- (ii) The forecast position on the County Council's reserves, as set out in the report now presented, be noted;
- (iii) The setting aside of £173,000 to fund the cost of the Living Wage in 2013/14 (subject to Full Council approval) and the transfer of additional one-off resources

- available of £4.177m to the County Council's downsizing reserve, as set out in the report now presented, be approved;
- (iv) The forecast position on the County Council's Voluntary Severance reserve, as set out in the report now presented, be noted.

7. Money Matters - The Financial Strategy 2014/15 to 2017/18

County Councillor David Borrow presented a report setting out details of the work undertaken to date by Cabinet and Management Team to develop budget proposals for 2014/15 to 2017/18. The report set out details of the savings required and the additional costs which would be incurred by the County Council going forward. The overall impact was that the County Council would be required to reduce its budget by £300m by 2017/18.

The report set out the outcome of the work to deliver savings through:

- The Review of cost pressures
- The 10% Challenge
- Reducing the cost of being in business

Details of the review of cost pressures which had been undertaken to ensure that the forecast is neither under forecast (and placing the County Council at risk of overspending) or over forecast (and at risk of reducing spend in services unnecessarily) was set out. The outcome of the review was to reduce costs by £17.430m by 2017/18.

In addition, the report also set out details of the work undertaken by staff across the County Council of the 10% challenge, i.e. to save 10% of costs by reducing costs and increasing efficiency. The outcome of the 10% challenge will be to deliver savings of £19.081m by 2015/16.

In relation to reducing the cost of being in business, it was reported that, in 2014/15 alone, £6.523m was expected to be saved by reducing areas of cost with no impact on the level, or quality, of services provided, rising to £17.366m by 2017/18.

In summary, it was reported that savings of £53.9m had been identified, with no impact on services, over the next four year financial period and that, of the remaining £246.1m gap, £46.9m fell in 2014/15.

In order to meet this gap, details of Cabinet's initial proposals to reshape the way services are delivered, including policy options identified by each Directorate, were then tabled at the meeting. It was recognised that the downsizing of the County Council would have a significant impact on staff, and a voluntary redundancy offer is to be developed for all staff. At this point, clarification was given that the offer for all staff to take voluntary redundancy be made available to those staff seconded from the County Council to other organisations.

In preparing policy options for consideration officers have been reminded of the Council's duty under s.149 of the Equality Act 2010 to have due regard to the need to:

- eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act;

- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing at each step of formulating, deciding upon and implementing policy, what the effect of that policy is, or may be, upon groups who share protected characteristics defined by the Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity, and, in some circumstances, marriage and civil partnership status.

Where the duty under s.149 is engaged (and taking account of the response to consultation) officers will consider the possible negative impact of implementing policy options and consider whether any steps can be taken to mitigate or reduce the potential adverse effects. Where necessary, an Equality Analysis will be prepared for each policy option proposed and will reported to Cabinet and Full Council before final decisions are made.

Resolved: - That:

- (i) The reductions in cost of £5.590m in 2014/15 rising to £16.671m in 2017/18, as set out in Annex 1 to these resolutions now presented, be noted;
- (ii) The efficiency savings identified through the 10% challenge of £16.272m in 2014/15 rising to £19.081m in 2015/16, as set out in Annex 1 to these resolutions now presented be endorsed, and thanks be extended to the Council's staff for their efforts in identifying these savings;
- (iii) The savings that can be delivered by reductions in the cost of running the business of £6.523m in 2014/15 rising to £17.366m in 2017/18, as set out in Annex 1 to these resolutions now presented, be endorsed;
- (iv) The County Council's Management Team be tasked with maintaining an ongoing review of operations in order to identify opportunities for further savings to be brought back to cabinet in future meetings;
- (v) The options for reducing costs through reshaping the way services are delivered totalling £5.560m in 2014/15 rising to £32.350m in 2017/18, as set out in Annex 2 to these resolutions, now presented, be proposed for consultation;
- (vi) The policy options for reductions in service and for increasing income through charging options totalling £15.204m rising to £29.982m in 2017/18, as set out in Annex 3 to these resolutions now presented, be proposed for consultation;
- (vii) The potential calls on the council's downsizing reserve of up to £9.6m in total to deliver the proposals contained in these resolutions, now presented, be noted;
- (viii) That the views of the Budget Scrutiny Working Group on all the proposals set out in these resolutions, now presented, be requested for consideration at future Cabinet meetings;
- (ix) That the Cabinet recognises that at a reduction of almost 40%, the challenge facing the County Council over the next four years is unprecedented. To deliver this level

of saving whilst seeking to deliver effective services will require a radically different approach which focuses on service delivery within a budget envelope of £642m by 2017/18. The Cabinet requested the Interim Chief Executive to bring a report back to a future meeting of Cabinet, setting out the approach to reshaping the County Council's organisation and services to secure effective services for our communities and ensure a sustainable future;

(x) It is clear that the fundamental downsizing to deliver £300m of savings will have a significant impact on all staff across the organisation. In order to manage this in the fairest way, and to enable the County Council to plan effectively the Cabinet asked the Interim Chief Executive:

- To publish an offer for all staff, including those who have been seconded to other organisations, interested in taking voluntary redundancy on the current terms before April 2014.
- To ask for expressions of interest from staff interested in taking voluntary redundancy between April 2014 and April 2016, and to
- Develop a proposal for a voluntary severance package which would ensure a fair approach for all staff over the next four years.

Annex 1
Reduction in Costs

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Impact of the proposal to implement the Living Wage	-3.000	-0.090	-0.093	-0.095	-3.278
Impact of revised forecast of the level of procurement savings to be delivered in 2013/14	-5.000				-5.000
The full year effect of savings agreed as part of the current financial strategy but not included within the financial forecast	3.600	1.900	1.300	0.800	7.600
Review of inflation for social care providers; providing 1.75% within the 2014/15 forecast	3.245				3.245
Review of the level of demand incorporated within the forecast of costs for the concessionary travel budget	0.645	0.180	0.197	0.190	1.212
Revised forecast of the employers contribution to the local government pension fund as a result of the triennial valuation	1.500	1.553	1.541	1.538	6.132
Reflection of the government commitment to a 1% pay cap for local government in 2014/15	2.600				2.600
Revised forecast of council tax income arising from the previously approved review of the single persons discount and the impact of the City Deal	2.000	0.250	0.730	1.180	4.160
Reduction in costs	5.590	3.793	3.675	3.613	16.671

Efficiency Savings from the 10% Challenge

	2014/15 £m	2015/16 £m	Total £m
Adult Services, Health and Well-being Directorate	6.266	2.005	8.271
Children and Young Peoples Directorate	2.931	-	2.931
Environment Directorate	5.156	0.779	5.935
County Treasurer's Directorate	0.307	0.025	0.332
Lancashire County Commercial Group	0.573	-	0.573
The Office of the Chief Executive	1.039	-	1.039
Efficiency savings from 10% Challenge	16.272	2.809	19.081

Reducing the cost of being in business

	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m
Increase Public Health Contribution to Overheads	1.050	---	---	---	1.050
Asset management within highways and property	---	---	---	0.900	0.900
Printing/Postage/Council Infrastructure	1.000	---	---	---	1.000
Managing Business Mileage	1.000	---	---	---	1.000
Accommodation	---	---	---	5.000	5.000
Review of business intelligence	0.400	0.400	0.100	0.100	1.000
Right Sizing the County Treasurer's Directorate	0.303	0.180	0.707	0.229	1.419
Right Sizing the Corporate Expenditure Budget	0.210	---	---	---	0.210
Treasury Management Strategy	1.675	0.600	---	---	2.275
Reduction in the cost of waste	---	0.500	0.500	0.500	1.500
Energy Management (Price)	0.885	0.121	1.006	---	2.012
Total	6.523	1.801	2.313	6.729	17.366

Reshaping the Way Services are delivered

No.	Proposal	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
401	Reshaping and Recommissioning of Domiciliary Care	---	2.000	---	---	2.000
403	Recommissioning Telecare	---	0.500	1.000	2.500	4.000
404	Learning Disability Remodelling Supported Living	4.000	4.000	4.000	---	12.000
405	Recommissioning of Mental Health Services	0.060	0.970	0.160	0.160	1.350
407	Integration of health and care services in Lancashire	1.000	1.900	3.800	4.300	11.000
409	Review of skills provision - using it differently and contributing to overheads	0.500	0.500	1.000	---	2.000
Total		5.560	9.870	9.960	6.960	32.350

Further detail for each of the options in Annex 2 is provided in Appendix A to these resolutions which can be viewed at:
<http://council.lancashire.gov.uk/documents/s30985/Cabinet%20Resolutions%20-%20Appendix%20A.pdf>

Policy Options

No.	Policy Option	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Adults Services, Health and Well-Being Directorate						
601	Supporting People	1.000	3.000	---	---	4.000
602	Fairer Charging	1.250	1.500	---	---	2.750
604	Review and re-design of residential substance misuse services	0.250	0.250	---	---	0.500
607	Arts Development service	0.020	---	---	---	0.020
609	Leisure Link (providing additional respite to Unpaid Carers)	0.275	---	---	---	0.275
610	Remodelling workforce in former NHS operated learning disability (LD) supported living schemes	3.430	0.500	0.400	---	4.330
611	Older people day time support	0.300	0.300	0.400	---	1.000
612	Self Directed Supports	0.100	0.150	0.150	0.150	0.550
Total		6.625	5.700	0.950	0.150	13.425
Children and Young Peoples Directorate						
702	Youth Services	0.600	1.000	1.400	---	3.000
703	Discretionary Mainstream Home to School Transport (including unsuitable routes)	0.616	0.482	0.041	0.020	1.159
704	Parent participation and engagement for children and young people with Special Educational Needs and Disability (SEND) and their families	0.078	---	---	---	0.078
705	Charging for post 16 Special Educational Needs and Disabilities (SEND) transport	0.088	0.096	0.096	---	0.280
707	Review of CYP traded services	0.063	---	---	---	0.063
708	Review of Lancashire Outdoor Education Provision	0.039	0.068	0.050	---	0.157

No.	Policy Option	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
709	Review of Quality & Continuous Improvement - Lancashire Schools Effectiveness Service (QCI-LSES) services provided to schools	0.025	0.119	0.088	---	0.232
710	Review of school attendance responsibilities.	0.065	0.099	0.031	---	0.195
711	Virtual School Review	0.250	---	---	---	0.250
712	Review of Early Years services and responsibilities	1.507	1.451	---	---	2.958
717	Improve efficiency of Adoption Service	0.117	---	---	---	0.117
719	Increase efficiency in Fostering Service	0.150	---	---	---	0.150
722	To develop and reshape services to children, young people and families to ensure the services are aligned efficiently and effectively	2.800	0.861	---	---	3.661
723	Right-size Children's Trust Budget	0.100	---	---	---	0.100
	Total	6.499	4.176	1.706	0.020	12.401
	Environment Directorate					
804	Street Lighting Energy	0.170	0.100	0.230	---	0.500
805	Highway infrastructure sponsorship	0.050	0.050	---	---	0.100
809	Members priority contingency	0.042	0.100	0.078	---	0.220
813	Targeted Parking Enforcement	0.050	---	---	---	0.050
815	Environment & Community Projects and Forest of Bowland Area of Outstanding Natural Beauty	0.118	---	0.612	---	0.730
817	Public Rights of Way & Countryside Service Reductions	0.094	---	0.454	---	0.548
821	Winter Service	0.447	---	---	---	0.447
822	Close waste transfer stations and landfill sites on bank holidays	---	0.030	---	---	0.030
823	Sustainable Drainage Consenting & Enforcement	0.150	---	---	---	0.150
824	Joint Production of Local Transport Plan	---	0.030	---	---	0.030
828	Withdrawal of Adult Cycle Training	0.014	0.015	0.006	---	0.035
829	Safer Travel Unit training	0.018	0.024	0.020	---	0.062
831	Business Travel Planning	0.003	---	0.017	---	0.020

No.	Policy Option	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
832	Speed management provision	0.040	---	---	---	0.040
833	Operational Learning and Development within Highways Services	0.025	0.040	---	---	0.065
834	New Traffic Systems Maintenance Contract	0.100	---	---	---	0.100
836	Transfer of Parking Services front line call handling into Parking Services	0.075	---	---	---	0.075
837	District/Parish Public Realm Agreements - Highway - Green Space maintenance	0.144	0.137	0.123	---	0.404
841	Bus Shelter Maintenance	0.015	0.010	---	---	0.025
842	Vehicle and associated checks carried out on subsidised services	0.025	---	---	---	0.025
Total		1.580	0.536	1.540	---	3.656
Services within the Office of the Chief Executive						
921	Review of Voluntary, Community and Faith Sector (VCFS) Grants	0.500	---	---	---	0.500
		0.500	---	---	---	0.500
Total Policy Options		15.204	10.412	4.196	0.170	29.982

Further detail for each of the options in Annex 3 is provided in Appendix A to these resolutions which can be viewed at: <http://council.lancashire.gov.uk/documents/s30985/Cabinet%20Resolutions%20-%20Appendix%20A.pdf>

8. Lancashire County Council's Armed Forces Community Covenant

County Councillor Darren Clifford, Champion for Armed Forces Veterans, attended and presented a report setting out proposals for an Armed Forces Community Covenant between the County Council, representatives of the municipal, public, private, charitable and voluntary sectors of Lancashire, the civilian community and the armed forces community.

County Councillor Clifford paid tribute to the work of former County Councillor Mike France, his predecessor as Champion for Armed Forces Veterans, and to officers for the work undertaken to date to support the armed forces community in Lancashire.

Approval to the Community Covenant would open up a number of opportunities including access to the Community Covenant Grant Scheme, a £30m fund to provide financial support to local projects which strengthen ties between the Armed Forces and the wider community.

Subject to Cabinet approval, an official signing ceremony would take place on 29 November 2013 at County Hall with representatives attending to sign the Covenant on behalf of their respective local authorities and organisations.

County Councillor Keith Iddon expressed thanks on behalf of former County Councillor Mike France for the work done to bring a Lancashire County Council Armed Forces Covenant to fruition and County Councillor David Borrow referred to the support the County Council had given to Preston City Council in respect of support for the Armed Forces Community.

Resolved: - That:

- (i) The development of Community Covenants in Lancashire, as set out in the report now presented, be noted and the work done by the Champion for Armed Forces Veterans, the County Council and its partners to support the Armed Forces community be welcomed;
- (ii) The Community Covenant, set out at Appendix 'A' to the report now presented, be approved.

9. Report of Key Decisions taken by the Leader and Deputy Leader of the County Council, Cabinet Members and the Interim Executive Director for Environment

Resolved: - That the report, now presented, on Key Decisions taken by the Deputy Leader of the County Council, the Cabinet Member for Highways and Transport, the Cabinet Member for Children, Young People and Schools, the Cabinet Member for Public Protection and Waste, the Cabinet Member for Environment, Planning and Cultural Services and the Interim Executive Director for Environment, respectively, be noted.

10. Urgent Business

There was no urgent business to be considered.

11. Date of Next Meeting

The Cabinet noted that the next meeting would be held on Thursday 5 December 2013 at 2.00pm at County Hall, Preston.

Jo Turton
Interim Chief Executive

County Hall
Preston