

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 28 January 2009.

PRESENT

Dr. M. O'Callaghan CC (in the Chair)

Mr. G. A. Boulter CC
Mr. D. R. Bown CC
Mr. R. Fraser CC
Mr. S. J. Galton CC
Mr. G. A. Hart CC

Mr. D. W. Houseman CC
Mr. John Legrys CC
Mr. P. G. Lewis CC
Mr. J. S. Moore CC
Mr. R. J. Shepherd CC

By Invitation

For issues relating to the Medium Term Financial Strategy

Mr. D. R. Parsons CBE, CC – Leader of the Council
Mr. M. B. Page CC – Lead Member for Resources, Finance and Performance Management

For the report on the Eco Town

Mr. P. A. Roffey CC – Chairman of the Review Panel
Mr. M. Griffiths CC – Review Panel Member
Mr. Frazer Robson – Independent Planning Consultant and Advisor to the Panel
Dr. R. K. A. Feltham CC – Member attending under the Local Issues Alerts Procedure
Mr. Ruairidh Jackson – The Co-operative Group.

173. Minutes.

The minutes of the meeting held on 17 December 2008 were taken as read, confirmed and signed.

174. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

175. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

176. Urgent Business.

There were no urgent items for consideration.

177. Declarations of interest in respect of items on the agenda.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Medium Term Financial Strategy

Mr Parsons CBE; CC and Mr Page CC declared personal prejudicial interest in respect of the reports on the 'Medium Term Financial Strategy (MTFS) 2009/10 to 2012/13' having been present at the Cabinet meeting when the MTFS was discussed.

Eco Town – Report of the Review Panel

Mr Galton declared a personal and non prejudicial interest as a member of the Campaign Against the Stoughton Eco Town (CASCET)

Mr Bown CC and Mr Fraser CC who were members of the County Council's Development Control and Regulatory Board indicated their intention to withdraw from the meeting when this issue was discussed.

Mr Legrys CC declared a personal non prejudicial interest as a member of the Panel. He indicated he intended to remain in the meeting and participate in the debate.

Dr Feltham CC declared a personal and non prejudicial interest as a member of the Campaign Against the Stoughton Eco Town (CASCET).

Mr Hart CC declared a personal and non prejudicial interest as a local County Councillor and a member of Harborough District Council whose electoral division would be affected by the proposal.

Mr Boulter CC declared a personal and non prejudicial interest as a local member of Oadby and Wigston Borough Council.

Mr Shepherd CC declared a personal and non prejudicial interest as a member of the Regional Assembly.

LAA Refresh

Mr Shepherd CC declared a personal and non prejudicial interest as a member of the Leicestershire Together.

178. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.

There were no declarations made under Overview and Scrutiny Procedure Rule 16.

179. Presentation of Petitions under Standing Order 36.

The Chief Executive reported that no petitions had been received under Standing Order 36.

180. Medium Term Financial Strategy 2009/10 to 2012/13 Chief Executive's Department.

The Commission considered a report of the Chief Executive and Director of Corporate Resources concerning the Medium Term Financial Strategy and the implications for the Chief Executive's Departmental budget. A copy of the report, marked 'B', is filed with these minutes.

In response to questions, the Commission was advised as follows:-

- i) the £150,000 growth for responding to the Pitt Report was to reflect the potential additional cost to the County Council for the management and drainage of surface water. The Pitt report recommends an increase in civil engineering capacity but the County Council was discussing with the other upper tier authorities in the region how additional resources could be shared in order to provide the most effective service. The County Council would continue to work with District Councils and other agencies in this connection;
- ii) the County Council and the Primary Care Trust had agreed to make up the anticipated shortfall in Government grant to District Councils to allow free swimming for under 16s and over 60s. It was now known that the Government's grant aid budget had been undersubscribed and it had been agreed with the District Councils, who were in receipt of additional grant, that funds not required at this time be earmarked with a view to maintaining the free swimming programme at the end of the current two year period;
- iii) it was too early to specify how the additional £100,000 increase in grant aid to Citizens Advice Bureaux and Credit Unions would be deployed but one key aim would be to reduce waiting times for debt counselling;
- iv) the additional £70,000 for legal services was to increase capacity for contracting and commercial work. The Legal Services Section would also be exploring opportunities to undertake work for other public sector bodies such as the Primary Care Trust.

RESOLVED

That the proposed budget for the Chief Executive's Department be noted.

181. Medium Term Financial Strategy 2009/10 to 2012/13 - Corporate Resources Department.

The Commission considered a report of the Director of Corporate Resources concerning the Medium Term Financial Strategy and the implications for his department's budget. A copy of the report, marked 'C', is filed with these minutes.

In response to questions, the Commission was advised as follows:-

- i) the consolidation and externalisation of the Facilities Management function would result in the transfer, under TUPE, of some 200 staff. Consultation was currently taking place with staff and unions;
- ii) savings of £100,000 would be achieved in the general maintenance budget primarily through better procurement practices. It was hoped that as the office accommodation strategy was rolled forward further savings could be achieved.

RESOLVED

That the proposed budget for the Corporate Resources Department be noted.

182. Medium Term Financial Strategy 2009/10 to 2012/13 - Overall Position.

The Commission considered a report of the Chief Executive and Director of Corporate Resources concerning the overall position on the Medium Term Financial Strategy for 2009/10 to 2012/13. A copy of the report marked 'D' is filed with these minutes. Appended to the report were the following documents:-

- i) the Medium Term Financial Strategy 2009/10 to 2012/13 which had been approved by the Cabinet on 5th January as a basis for consultation;
- ii) the comments of the following Overview and Scrutiny Committees:-
 - Community Services;
 - Adult Social Care and Health;
 - Children and Young People's Service;
 - Environment.

The Commission also considered a letter received from Mr Wilson CC requesting capital support for the proposed Palmer-Tomkinson Centre at Longslade Community College. A copy of the letter is filed with these minutes.

The Director of Resources advised the Commission that given the current economic uncertainties a number of items in the proposed budget were still being monitored and evaluated including in particular:-

- Interest on balances;
- Financing capital expenditure including possible debt rescheduling;

- The general and specific provisions made for inflation.

The Chairman of the Commission endorsed comments made by Messrs Legrys and Lewis concerning the important role played by the Chairmen and Spokesmen of Scrutiny Committees in leading the process of scrutinising the budget proposals and suggested that this should be drawn to the attention of the Independent Remuneration Panel.

Concern was expressed by a number of members that the lateness of the request for capital funding submitted by Mr Wilson CC on behalf of Longslade Community College and that it had not been referred to the Children and Young People's Service Scrutiny Committee.

The Leader advised the Commission that he welcomed the comments that had been made by the various scrutiny committees and would ensure these were considered further by the Cabinet.

RESOLVED:

- a) That the report and information now provided on the Medium Term Financial Strategy be noted and that the comments now made including those of the Scrutiny Committees be forwarded to the Cabinet.
- b) That the letter received from Mr Wilson CC requesting capital support for the proposed Palmer - Tomkinson Centre at Lonsdale Community College be noted and that Mr Wilson be advised to pursue the matter directly with the Cabinet or in consultation with the Chairman and Spokespersons of the Children and Young People's Service Scrutiny Committee.

183. Eco Town in Leicestershire.

The Commission considered a report of the Scrutiny Review Panel established to consider the implications of the Co-Operative Group bid to develop an Eco-Town to the south east of Leicester. A copy of the report, marked 'E', is filed with these minutes.

Mr Bown CC and Mr Fraser CC who served as members of the Development Control and Regulatory Board withdrew from the meeting.

The Chairman welcomed to the meeting:-

- Mr P. A. Roffey CC, the Chairman of the Review Panel
- Mr Ruairidh Jackson of the Co-operative Group.
- Dr R. K. A. Feltham CC who was attending the meeting as a local member under the Local Issues Alert Procedure.

The Chairman advised that he proposed to deal with this item as follows:-

- A brief Introduction to the report by Mr Peter Roffey CC;

- Invite brief comments from Dr Kevin Feltham CC and Mr S. Galton CC as the local members for the area;
- Invite the representative of the Co-op (Mr Jackson) to make a brief statement;
- Invite Mr Roffey CC or a member of the Review Team to make any final remarks in response to points raised by the Co-op;
- Open the debate to members and invite Mr Roffey CC and Mr Jackson to respond to questions.

He reminded the Commission that the Cabinet would be considering and determining its response to the Draft Planning Policy Statement for submission to the Department of Communities and Local Government at its next meeting on 10th February and that its consideration of the issues would include the report of the Five Member Panel.

Mr Roffey, in his introduction to the report of the Panel, reminded members that the remit of the Panel was to review the Pennbury proposal and report areas of particular concern. It was not its task to make decisions on behalf of Council.

With regard to the recent press coverage, he advised that that it was coincidental that the Co-op published its critique of the Halcrow report (a report commissioned by the County Council and other local authorities to review the Pennbury proposal) at the same time as the Panel Report. This appeared to have caused some confusion in the media reporting of this issue. He highlighted the following four areas where this had happened and indicated he would wish to address these in turn.

The first issue related to housing need. In an interview the Minister, Margaret Beckett had said that she understood why people had concerns but that these houses were needed for 'our children and grandchildren'. Mr Roffey CC drew attention to findings in the report which indicated that:-

- the proposed changes to the East Midland Regional Plan included a requirement to provide just over 4,000 dwellings annually in the City and County for the period 2006 to 2026. Sufficient land had already been allocated to meet virtually all of this need without Pennbury (paragraph 82 of the Panel Report). Future requirements after 2026 needed to be reviewed (paragraphs 83 and 84).
- Harborough District Council could more than meet its Structure Plan housing targets for the period to 2016 (paragraph 20) and should be able to meet future needs identified through the Regional Plan without the need to develop Pennbury.
- At the more local level, evidence presented to the Panel suggested that the greatest demand for social housing was in the City and Market Harborough and not in the Pennbury area (paragraph 88). The report recognised that there was a need for social housing and suggested that the Council should do all it could to support provision in the areas of need.

The second issue related to the validity of the Panel Report.

In an interview the Co-op representative had stated that the Halcrow Report had based its finding on obsolete plans and hearsay and he sought to discredit the validity of the Halcrow report. In subsequent discussions it had become clear that such disparaging comments by the Co-op did not apply to the Panel Report. Mr Roffey CC assured members that at all stages of the examination of the Pennbury proposal, the Panel sought to ensure that the evidence considered was given by professional experts in their field of knowledge and experience with specific knowledge of the Leicester and Leicestershire context.

He assured members that all the points of concern raised in the Panel Report could be substantiated by evidence, some of which was contained within the appendices to the report.

The third area of confusion concerned the transport plan proposed for Pennbury and particularly the route for a bus rapid transit link. The Co-op had stated that Halcrow had considered the wrong route yet had confirmed that the route reviewed by the Panel was correct. (A map showing the route considered by the Panel was circulated to all members.)

He went on to advise members that the Panel had travelled the route given in the Co-op's published plan. The concerns drawn out in the Panel Report reflected the very genuine difficulties that would arise from the Co-op's proposed transport plan for Pennbury. Some of these difficulties the Panel concluded might be impossible to resolve satisfactorily.

The fourth issue related to comments made by the Co-op which accused the Panel of failing to understand what eco-towns were about and being unable to visualise the new style of community life that Pennbury would offer. Mr Roffey challenged this view and advised that, in his view, the Panel did have an understanding the eco-town concept, having delved deeply into the huge change in attitude that would be required of its citizens – something which some would say would require a high a degree of social engineering.

The Panel report also acknowledged the potential benefit to a community living in a Utopian vision of low cost self-sufficiency with 60% working within the town; nourished by locally grown food perhaps by their own hand; overseen by an inclusive and benevolent system of self-governance providing for all their needs.

Mr Roffey then highlighted for members some of the key concerns of the proposed Pennbury development as follows:-

- on the evidence received the proposal fell short of the Government's definition of an eco-town i.e. "being well linked to, but distinct from, existing settlements".
- in view of its immediate proximity to Oadby and closeness to Leicester, Pennbury should in reality be considered a proposal for a Sustainable Urban Extension.(SUE)

- as a SUE it was an inappropriate location since the Co-op Stoughton Estate had been considered in the past but eliminated from the current Regional Plan as not being a suitable development area. Paragraph 17 of the Panel Report refers.
- the proposal had not emerged through the accepted 'plan-led' approach to development but instead was being 'developer-led'.
- the lack of an economic strategy together with compelling evidence received, indicated that Pennbury would struggle to attract the 14,000 jobs the Co-op envisaged (paragraph 126 of the report). If this important eco-town standard of providing one job per dwelling was not met it would result in more people having to travel out of Pennbury for work. This would have serious implications for the transport strategy leading to increased congestion.

Mr Roffey then drew attention to a typographic error at page 52 of the report. The fourth bullet point stated that the Co-op owned 50,000 hectares of land in the County – it should have read Country. This amendment did not alter the essence of the point which was that as a percentage of its land holding, which is mostly farmland, Pennbury would have an insignificant impact on the Co-op's contribution to UK farming. The Panel had also concluded that the loss of farmland was not a serious impediment to the Pennbury proposal.

Mr Roffey concluded by thanking the officers who had supported the Panel, particularly Frazer Robson, Sam Weston and Ben Smith, for their professionalism. He also thanked Panel members for their objective and impartial participation and to the witnesses who gave their time to discuss the areas of their knowledge and expertise. He also thanked Ruairidh Jackson and the Co-op team who attended several meetings with both the Panel and officers supporting the Panel, for their frank contribution which had greatly assisted the Panel in getting a fuller understanding of the Pennbury proposal.

The Chairman then invited Mr Galton and Dr Feltham as local members to address the meeting. In their comments both thanked the Panel for their comprehensive report on the matter and indicated that the report highlighted some of the key concerns held by residents in the area surrounding the proposed eco-town. There was a request that the Co-op and CLG should do more to talk directly to the local community. A concern was also raised that, as this proposal was outside the plan-led process there was a risk that Harborough District Council, having identified land to meet the requirements of the Regional Spatial Strategy for an additional 4000 homes could be faced with a further development in the Borough of 15,000 homes which would lead to an over-supply of housing land and an undermining of efforts to provide homes and secure regeneration elsewhere.

The Chairman then invited Mr Jackson of the Co-operative group to comment.

Mr Jackson began by expressing his appreciation for the work undertaken by the Panel and for the process which enabled the Co-op to present its views to the Panel. The members of the Panel were robust yet fair in their questioning and, whilst the Co-op did not necessarily agree with all of the conclusions of the Panel the process had been useful in developing a better understanding of

the proposal.

The Co-op wished not to question the views of the expert witnesses but, with regard to the findings and conclusions reached, Mr Jackson advised the Commission as follows:-

- the criticism that the proposals were flawed as they were ‘developer-led’ rather than ‘plan-led’ and that there was a lack of meaningful consultation had been the subject of a High Court hearing. The Court had not supported this view. It should also be noted that the plan-led process required Councils to invite landowners and developers to put forward potential sites for assessment.
- the level of information now provided for the Pennbury development was significantly greater than that which informed the proposals for sustainable urban extensions in the Regional Plan.
- the East Midland Regional Plan Proposed Changes had not ruled out the Pennbury site but had stated that more work, particularly on the transport infrastructure, was required. The report from Hyder Consulting had concluded that the Pennbury site was equal to, or better than some of the sustainable extensions proposed. The Roger Tym report had also suggested that the site had potential to accommodate between 500 – 1,000 homes.
- the current economic downturn had impacted on house prices and sales. However, there was general agreement that there was a medium to long-term undersupply of housing, particularly affordable housing, and that the market would catch up.
- on the issue of “being well linked to, but distinct from, existing settlements” the House of Commons Environmental Audit Committee had recognised the need for eco towns to be close to existing commercial centres to ensure sustainability.
- The Co-op disagreed with the description provided in the panel report of the sequential test for selecting housing sites and referred members to PPS 3 where the approach was clearly outlined.
- The accepted approach was to consider housing need on a HMA basis (i.e. the wider Leicester area) and not at such a local level as Pennbury.

In conclusion, Mr Jackson assured the Commission that the Co-op were committed to work within the existing planning framework. If Pennbury were to be ‘approved’ the Co-op would not be seeking to ‘fast-track’ the process and would be seeking to have the proposal considered in the normal way through the Regional Plan Review and LDF processes.

The Chairman then invited Mr Roffey and officers on his review team to respond to the comments now made by the Co-op. The Commission was advised as follows:-

- the Regional Planning process had effectively ruled out Pennbury due to

poor road links. The Roger Tym report suggested a possible small development but this was conditional on significant improvements to the transport infrastructure.

- whilst it was acknowledged that under the plan-led process developers were asked to put forward sites for consideration the concern about the eco town process was that it did not follow normal democratic processes, did not allow for proper community involvement and did not allow for Pennbury to be assessed against other potential sites.
- the issue of housing need was still open to debate particularly due to the forecast level of economic activity and growth and significant downturn in housebuilding and there was merit in re-examining this issue. On this basis, the Panel were calling for a review of housing need.

The Chairman then opened the debate to members of the Committee.

In the ensuing discussion the following points were made:-

- The comprehensiveness of the report and the work put in by Panel members and officers was to be commended.
- The report would have benefited from an assessment of the impact on the whole of the surrounding area should the proposed development go ahead. In this regard members were advised that the Halcrow report had been commissioned to do this and, as such, the Panel considered it to be inappropriate for it to duplicate the effort.
- The proposed development would have a significant impact on the health resources required to service a population which would probably be in excess of 30,000. Given the increasing synergies between health and social care this was an issue of great concern;
- There would be merit, if possible, in advising the Cabinet, to obtain details of any recent housing needs surveys and details of housing waiting lists.
- Concerns remained that the eco-town and the Local Development Framework process were running in parallel and, as such, risked Harborough District Council being faced with an oversupply of potential sites which may result in more appropriate, brownfield sites not being developed due to costs. There was a very real concern that the inclusion of Pennbury in the final PPS would give it a status which substantially enhanced the chance of it happening.

The Chairman thanked Mr Roffey and his officers and Mr Jackson for their attendance and the comments made.

RESOLVED:-

That the report of the Review Panel together with the comments now made be forwarded to the Cabinet for their consideration.

184. Revenue Budget 2008/09 - Monitoring Report.

The Commission considered a report of the Director of Resources providing information on the 2008/09 budget based on the pattern of income and expenditure for the first seven months of the financial year. A copy of the report, marked 'F', is filed with these minutes.

RESOLVED:-

That the outcome of the latest budget monitoring exercise be noted.

185. Third Review of the 2008/09 Capital Programme.

The Commission considered a report of the Director of Corporate Resources on progress in the delivery of the annual capital programme. A copy of the report, marked 'G', is filed with these minutes.

RESOLVED:-

That the progress on the delivery of the Annual Capital Programme be noted.

186. Treasury Management - Review of Counter-party List.

The Commission considered a report of the Director of Corporate Resources a review of the list of counterparties to whom the Council can lend money as part of its Treasury management activities. A copy of the report, marked 'H', is filed with these minutes.

RESOLVED:-

- a) That the report be noted and that the Cabinet be advised that the Commission supports the matrix set out in Appendix A to the report as the criteria for the acceptability of individual counterparties as well as the maximum loan length and total sum outstanding to any counterparty at any one time;
- b) That the contents of the report be drawn to the attention of all members of the Council and posted on the Council's website.

187. Local Area Agreement 2 - Refresh and Progress.

The Committee considered a report of the Chief Executive concerning the progress in finalising and refreshing targets in the Local Area Agreement (LAA2) . A copy of the report, marked 'I', is filed with these minutes.

RESOLVED:-

That the progress made in refreshing the targets in the Local Area Agreement 2 be noted.

188. Budget Monitoring and Performance.

The Committee considered a report of the Chief Executive concerning proposals put forward at a meeting of the Chairman and Spokesmen concerning the role of scrutiny in budget monitoring and performance. A copy of the report, marked 'J', is filed with these minutes.

RESOLVED:-

That a five member Panel to be established to meet on quarterly basis with responsibility for receiving and considering in depth the quarterly reports on:-

- a) The revenue budget
- b) The capital programme
- c) Performance against key targets in the Local Area Agreement and Sustainable Community Strategy.

and to identify issues which might merit further consideration and refer these to the relevant Overview and Scrutiny Committee (or Scrutiny Commission) to decide whether it would be appropriate to examine the issues in further detail and how this could best be done.

189. Date of next meeting.

RESOLVED:

That the next meeting of the Commission be held at 2.00pm on Wednesday 4th March 2009.