

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Friday, 30 November 2018.

PRESENT

Mr. S. J. Galton CC (in the Chair)

Mr. D. C. Bill MBE CC
Mr. G. A. Boulter CC
Dr. T. Eynon CC
Dr. R. K. A. Feltham CC
Mr. D. Harrison CC
Mr. J. Morgan CC

Mrs. R. Page CC
Mr. A. E. Pearson CC
Mr. T. J. Pendleton CC
Mr. T. J. Richardson CC
Mrs B. Seaton CC

53. Minutes.

The minutes of the meeting held on 14 November 2018 were taken as read, confirmed and signed.

54. Question Time.

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

55. 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).

56. Urgent Items.

There were no urgent items for consideration.

57. Declarations of Interest.

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

All members of the Commission who were also members of district or parish councils declared a personal interest in the report on proposals for a unitary structure of local government in Leicestershire (minute 60 refers).

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

There were no declarations of the party whip.

59. Presentation of Petitions under Standing Order 36.

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

60. The Development of a Unitary Structure for Local Government in Leicestershire.

The Commission considered a report of the Chief Executive which had been submitted to the Cabinet on 16 October in response to the Cabinet resolution of 6 July 2018 to enable the Cabinet to consider outline proposals for the development of a unitary structure for local government in Leicestershire. This report had also been considered by the Commission at its meeting on 14 November and a copy is filed with the minutes of that meeting.

The Chairman welcomed the Leader and Deputy Leader of the County Council to the meeting. In introducing the report, the Leader of the Council, Mr N J Rushton CC, confirmed that, should the proposal for a unitary structure of local government for Leicestershire be taken forward, there would first be a period of transition, to ensure that all services were incorporated successfully into the new organisation. This would be followed by a period of transformation to develop services that were fit for the future. The proposed timetable for delivery of savings would be reconsidered in this light.

The Deputy Leader and Cabinet Lead Member for Resources, Mr J B Rhodes CC, confirmed that the evidence given by Baroness Scott, Leader of Wiltshire Council, at the previous meeting of the Scrutiny Commission, had caused the County Council to develop its thinking, particularly with regard to Planning. The proposals would now include seven Development Management Sub Boards to take into account the fact that there were currently seven Local Plans setting the planning policy for Leicestershire and that it would take several years to transition to a situation where these were replaced by a single Local Plan.

(a) Model Unitary Structure

Arising from discussion the following points were raised:-

- (i) It was suggested that the Chairmen of some of the existing Parish and Town Councils should be invited to give evidence to a future meeting of the Scrutiny Commission, particularly regarding their appetite for additional devolved responsibilities. It was acknowledged that an understanding of the views of Parish and Town Councils was useful, particularly to inform the development of the offer to them. A steering group had been set up for that purpose and it might be more appropriate for the Commission to hear from Parish and Town Councils once that work had completed and the vision and business case had been developed.
- (ii) Members suggested that the incentives for Parish Councils to take on additional responsibilities should be economically viable for those Councils. The Commission was reminded that the proposal was to provide funding where powers and responsibilities were devolved. Devolution would not be imposed on Parish Councils. However, for those that wished to, they could take on services which were better provided locally, provided that they were within the unitary council's policy.

- (iii) It was queried whether the expected level of savings to be achieved through Members' Allowances was deliverable. It was confirmed that this point would be addressed when the financial model was scrutinised. The Commission was reminded that the County Council had a good track record in delivering savings and efficiencies. However, the level of back office savings put forward in the proposals could only be achieved through a unitary structure of local government.
- (iv) Some concern was expressed that, although the proposal to retain planning committees at a local level was welcome, the powers available to local authority planning committees were being eroded through the National Planning Policy Framework and the National Infrastructure Committee, which was able to determine matters of national importance. The Commission was reminded that the national context was the same for all local authorities, regardless of their structure. The benefit of a unitary structure, as Baroness Scott had previously outlined to the Commission, was that it could facilitate more effective strategic planning and had a greater capacity to respond to regional and national proposals.
- (v) It was confirmed that the Local Area Committees and the Development Management Sub Boards would be separate bodies, taking into account the evidence from Baroness Scott that to merge the two would result in the Committee being dominated by planning matters. These Committees, and the devolution of decision-making and budgets to local areas, were a key part of the proposals. It was acknowledged that they represented a departure from the current culture of the County Council.
- (vi) The outline proposals did not address the strategic plan that a new unitary council would have for open spaces and leisure facilities. It was queried whether this would form part of the business case. The Commission was advised that significant financial savings were envisaged through moving to a unitary structure. This would enable the new unitary council to invest in services and to ensure consistency in provision across the county. There would also be benefits in terms of integrating county and district services and policy, such as housing and social care; and public health and leisure. This would be articulated in the business case; however strategic policies were ultimately a matter for the new unitary council to determine.
- (vii) It was confirmed that the new unitary council would be responsible for setting its own constitution and determining at what level decisions should be taken.

(b) Evidence from Durham County Council

The Chairman welcomed Councillor Simon Henig, Leader of Durham County Council, to the meeting. Councillor Henig gave a presentation outlining Durham's journey to becoming a unitary authority and the changes that had occurred as a result of structural reform. A copy of the slides forming the presentation is filed with these minutes.

During his presentation, Councillor Henig highlighted the following points:-

- Durham County Council set up a cross party working group in 2008 to help develop the constitution of the new council and define the role of elected members. This group had been successful and still existed to this day.

- Durham County Council had held a public consultation to determine its name. It had been important to give local people an opportunity to help mould the new council.
- As a result of the Government's drive for austerity, the local government reorganisation programme had merged into Durham County Council's own austerity programme. It was therefore difficult to determine where all the savings had come from. Nonetheless, Durham County Council had saved £200 million over the last eight years. This had been easier in a unitary structure where officers were already used to bringing services together to achieve efficiencies, although some difficult decisions had still had to be taken.
- Durham County Council had 14 Area Action Partnerships (AAPs). Local areas had been allowed to decide which AAP they wanted to join. Each AAP comprised seven local councillors, of which one was a parish councillor, seven representatives of local partner organisations and seven local people. They were well supported locally and had a budget to support local issues and projects. They were also the principle vehicle for local consultation. However, due to their composition they had no devolved powers to take executive decisions. This was different to the Local Area Committee structure in Wiltshire.
- The task of determining how fees and charges should be harmonised across the county had been given to the scrutiny function.
- In terms of economic development, as a unitary authority Durham County Council had greater capacity to respond to regional and national proposals and for example had been awarded a national tender for building railway carriages. Similarly, by bringing key staff from the former county and district councils together, Durham County Council found it easier to put on events at scale.

Arising from discussion the following points were raised:-

- (i) Reference was made to a report commissioned by Durham County Council from the Centre for Regional Economic and Social Research at Sheffield Hallam University. The report had found that data at the level of the former district councils had been discontinued and this could have led to areas previously identified as disadvantaged being masked by the use of average figures across the larger unitary area. Councillor Henig confirmed that this had been the case; however data was still collected at Lower Super Output Area as well as for the county as a whole.
- (ii) Five of the seven district councils in County Durham had transferred their housing stock to a housing association prior to the reorganisation of local government in the area. The new unitary authority had taken the decision to transfer the remainder of the housing stock. It was held by a single, standalone organisation called Durham Housing. Tenants had been involved in the decision making and the financial advantages and subsequent investment in the housing stock had made it worthwhile. It was recognised that this might not always be the case and, should Leicestershire have a unitary authority, it would need to careful consideration to all options for housing stock before making a decision.
- (iii) Durham County Council had been fortunate in being able to hold on to the reserves of its predecessor organisation and in not really needing to use them to meet

savings requirements. The Council had reserves of over £100 million, of which all but £20 million was earmarked for specific purposes.

- (iv) All members of Durham County Council were very protective of the area structures and felt that they were an essential part of the Council's governance arrangements. This had largely protected them from budget cuts. It was acknowledged that the devolution of power and responsibility to parish councils was not always possible as some areas were unparished and others chose not to take on additional services. The area structure was therefore key in terms of ensuring all areas of the county had access to local decision-making and funding for local priorities.
- (v) The Area Action Partnerships had a wider membership than just unitary councillors so it was not possible to devolve executive decision-making powers to them. The advantage of Durham's structure was the level of public involvement, which led to increased public satisfaction.
- (vi) Durham County Council had Area Planning Committees. Membership of these committees reflected the political balance of the Council. It had been felt that there was a tension between the impact of developments on the locality and the need for consistent outcomes across the county. A mix of local members, and members who did not represent electoral division in the area covered by the committee had been the best way to resolve that tension.

(c) Evidence from Cornwall Council

The Chairman welcomed Councillor Adam Paynter, Leader of Cornwall Council, to the meeting. Councillor Paynter was attending the meeting via skype and gave a presentation outlining Cornwall's journey to becoming a unitary authority and the changes that had occurred as a result of structural reform. A copy of the slides forming the presentation is filed with these minutes.

During his presentation Councillor Paynter highlighted the following points:-

- Cornwall Council had harmonised council tax to the middle of the levels set by the former district councils.
- There had been issues with decisions taken by district councils just prior to their abolition. For example, one had chosen to halve all parking costs in the district.
- Cornwall Council had 123 elected members serving on it. It had originally set up 10 Policy Advisory Committees. Each comprised 10 members and was closely matched to a Cabinet portfolio. This had ensured that all councillors felt involved in the work of the new council.
- Cornwall's former county and district councils had set up a separate implementation team to establish the new unitary authority. This had not been successful as it had created a disconnect between the implementation team and the rest of the staff.
- The new structure had been more efficient than expected.

Arising from discussion the following points were raised:-

- (i) Cornwall had negotiated a devolution deal with central Government which did not require a directly elected mayor for the area. This had initially been a requirement but it had been removed during the negotiation process.
- (ii) Cornwall was a large, diverse area and for this reason the Council had not stipulated how its Community Network Panels should work. The networks were resources and supported by senior members of staff. The Council had also devolved responsibilities either to the Community Networks or to the Town and Parish Councils.
- (iii) It had taken a while for the Community Network Panels to work as originally envisaged. They had a £50,000 per year budget for highways matters and were able to determine some Traffic Regulation Orders. Each had different charring arrangements and was able to set its own agendas and determine which themes it focused on. Each unitary councillor and parish councillor was able to vote although decisions were usually taken by consensus.
- (iv) Cornwall was currently undergoing a boundary review to reduce the number of councillors. Cornwall Council had initially proposed a reduction to 99 councillors to the Boundary Commission; this figure had then been reduced still further to 87. The final boundaries would be released the following Tuesday and would be put into place for the 2021 elections.
- (v) Cornwall Council had a Strategic Planning Committee and three Area Planning Committees covering the East, Central and West areas. Given the expected reduction in the number of councillors following the Boundary Review, this structure was currently being reviewed to ensure there would continue to be sufficient capacity for it.
- (vi) Support from MPs during the process of becoming a unitary council had been variable. Most MPs had been supportive but not advocates as they had also been lobbied by the former district councils who were against the proposals.
- (vii) Part of Cornwall's devolution deal had focused on public transport powers and had enabled an investment of £17 million in live timetabling and 40 new buses which were Wi-Fi enabled. This had resulted in a significant increase in usage. A Leicestershire unitary authority would need to work with Leicester City Council if it had similar ambitions in this area, for example through a Combined Authority or a Sub Regional Transport Board. It would not be possible to hold the relevant powers without a formal governance structure in place.
- (viii) Cornwall had benefited from ongoing EU funding and had worked with MPs and the Government regarding the proposed Shared Prosperity Fund. The Council had been assured that funding would still be available.

(d) General Discussion

The Chairman then opened the discussion so members could ask questions of Mr Rushton, Councillor Henig or Councillor Paynter. The following points were raised:-

- (i) The City of Durham was small, with a population of only around 50,000. The larger city in historic County Durham was Darlington which had become a unitary authority in 1997. This was an issue for Children's Services and Health, where cross-

boundary working was required. A Combined Authority had been set up for the North East, which had initially had powers around buses. However, this had not been successful and the power had been devolved back to the constituent councils.

- (ii) The Leader of the Council, Mr Rushton, confirmed that the Leicestershire unitary proposal was based entirely on the existing county boundaries and this was accepted by the City Mayor. The Leader felt that bus powers would be useful, especially in terms of protecting rural bus services. However, all major transport issues were considered by either Transport for the East Midlands, Midlands Connect or the Midlands Engine. The County Council was represented on all these bodies.
- (iii) Councillor Henig confirmed that being a unitary council helped with economic growth and regeneration. There had previously been disputes between councils over major schemes. The position was now clearer, there was a single voice for the county and the direction of travel did not change once it had been approved. Businesses had also reacted favourably and appreciated having all local government services in the same place.
- (iv) Managing the tension between urban and rural areas in County Durham continued to be a challenge. However, it was recognised that it was important to provide services across the county, and not to centralise them even in response to the challenges of austerity. There was also consistency in the area structure and each area had the same amount of money available to it.

The Chairman thanked Councillor Henig and Councillor Paynter for their contributions.

(e) Views from Local County Councillors.

At the invitation of the Chairman, Mr J Kaufman CC, who represented the Oadby electoral division, expressed his concern regarding parish councils and the plan to devolve additional powers and responsibilities to them. He felt that, as many parish councillors were elected unopposed, this would create a democratic deficit.

Mr Kaufman was also of the view that the County Council had a tendency to centralise, for example its involvement in local meetings such as Highway Forums and Town Forums had ceased. He therefore expressed a lack of confidence in the Area Committee proposals. He also suggested that the Commission should hear from a struggling unitary council.

In response to Mr Kaufman, Councillor Henig advised that the challenges facing parish council elections were a national problem and that County Durham had similar issues.

Mr Rushton reminded the Commission that the new Council would not be Leicestershire County Council taking over district council responsibilities, but an entirely new organisation. It would be up to the members of the new Council to ensure that the Area Committee structure was properly supported.

Mr Rushton also advised the Commission that it had heard from three different unitary councils, with different political leadership. They had all had a similar experience and had put similar arrangement in place.

The Chairman confirmed that he and the Commissioners would consider further requests for speakers at the Commission and finalise the work programme for scrutiny of the County Council's unitary proposals.

RESOLVED:

(a) That the report and information now provided be noted;

(b) That any issues arising from the Cabinet report not addressed at this meeting be considered at a further meeting of the Commission in January 2019.

61. Date of next meeting.

It was noted that the next meeting of the Commission would be held on 6 December at 10.00am.

10.00 am - 12.55 pm
30 November 2018

CHAIRMAN