

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 30 October 2019.

PRESENT

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

Mr. T. Barkley CC	Mrs. H. J. Fryer CC
Mr. P. Bedford CC	Mr. D. Harrison CC
Mr. D. C. Bill MBE CC	Mrs. R. Page CC
Mr. G. A. Boulter CC	Mr. A. E. Pearson CC
Dr. T. Eynon CC	Mrs B. Seaton CC
Dr. R. K. A. Feltham CC	Mr. M. B. Wyatt CC

31. Minutes.

The minutes of the meeting held on 4 September 2019 were taken as read, confirmed and signed.

32. Question Time.

The following questions, received under Standing Order 35, were put to the Chairman of the Scrutiny Commission:

Questions asked by Mrs Sharon Scott

With reference to the proposed Stoney Stanton Strategic Development Area (SDA), please can the chairman confirm:

1. That the Stoney Stanton SDA is not in accordance with the Strategic Growth Plan and therefore cannot be pushed down into the local Blaby District plan because the Southern Gateway proposal (covering the area to the west of Stoney Stanton and Sapcote) which was included in the draft plan circulated for public comment was dropped from the final plan following public feedback and a press release was issued to this effect and to do otherwise would result in severe risk to the Council's reputation?
2. That the Stoney Stanton SDA contravenes Blaby District's Growth plan, which is to keep distinct areas of separation between the existing villages and to only build new villages away from existing settlements?
3. That the additional housing is not required since Sapcote and Stoney Stanton have already exceeded their forecast housing requirements and alternatives such as brown field sites and higher storey builds in the City of Leicester and its immediate environs have not been fully investigated?
4. That it is not appropriate to consider Hinckley National Rail Freight Interchange (HNRFI) as an employment area and finance for the proposed SDA because the

labour requirements of HNRFI do not match the local skillset and will likely result in workers being brought in by bus from as far away as Burton on Trent and Derby, as is currently the case with Magna Park?

5. That it is morally wrong to sell County Council farmland and deprive local farmers of their homes and livelihoods and that the County Council farms must be retained to give young farmers who cannot afford land of their own the opportunity to learn valuable farming skills?
6. That the Council should not use the Council tax of local residents to engage in highly risky and speculative property development proposals such as the proposed Stoney Stanton SDA because the financial and reputational risk to the Council is too great?

Reply by the Chairman:

1. The Strategic Growth Plan which focusses on delivering new housing, supporting the economy, identifying key infrastructure (including that brought forward by partner organisations, for example, Midlands Connect, and protecting the environment and built heritage recognises that significant new development cannot be accommodated within the City of Leicester and market towns and villages of Leicestershire without significant investment in infrastructure and services. It proposes:
  - a continued focus on Leicester, our 'Central City';
  - identifying key growth areas, these include the A46 Priority Growth Corridor, the Leicestershire International Gateway (focused around the northern parts of the A42 and the M1), A5 Improvement Corridor, Melton Mowbray (a key centre for regeneration and growth);
  - focusing growth in areas close to existing and future employment clusters and new infrastructure proposals;
  - focusing growth in strategic locations thereby reducing the impact on existing communities;
  - delivering strategic growth areas through the development of new communities / garden villages.

It is for Local Plans to make specific site allocations consistent with the policy framework set out in the SGP but on the basis of the above a development at M69 J2 would, it is considered, be compliant with the SGP.
2. It is intended that there would be an area of separation between the new settlement and the villages of Stoney Stanton and Sapcote similar to that which currently exists between the existing villages. The development would therefore meet the requirements of the Blaby Growth Plan.
3. The County Council is aware of the current housing supply situation in respect of both villages. However, there will be a future need for new housing across Blaby District, to be determined through the emerging local plan, which the proposed SDA would help to meet, thereby reducing the need to deliver large numbers of additional housing in rural centres and smaller villages. In respect of the unmet needs of Leicester City robust evidence of this need would form part of the consideration of housing needs to be considered by Blaby District Council as part of the emerging Local Plan process.

4. By co-locating new housing development with major employment hubs, the opportunity exists for workers to live in more sustainable locations close to their work thus maximising the opportunity to reduce the length and number of journeys.

The County Council will be able to work with partners to develop a workforce with an appropriate skill set to support the employment located on this site. The site will be developed over a long period of time so there will be time to engage with schools, colleges, universities and other relevant providers who can develop a relevant Employment and Skills plan with the end users to be clear on the skills required.

5. The County Council through its Farms Estate makes a positive contribution to helping young people onto the farming ladder and would work with any tenant affected by the scheme to minimise any long term impact on their business; this could include their relocation to an alternative holding on the Estate. Further the County Council's Corporate Asset Investment Fund Strategy makes provision for the purchase of additional agricultural holdings to maintain the size of its rural portfolio and continue to offer opportunities for young farmers.
6. The County Council, in the management of its property portfolio, routinely brings forward potential development sites which on the grant of planning consent have been marketed, with the proceeds of sale being used to support the Council's capital programme essential to the delivery of services. By managing its assets in this way, it maximises those receipts and the benefit to the people of Leicestershire. In respect of the M69 Junction 2 Strategic Development Area the Council's approach will be determined by the further decision of Cabinet in accordance with the recommendation agreed on 13th September 2019. The Council is mindful of the fact that this is potentially a large and complex project and accordingly appropriate governance will be put in place to manage and mitigate risk.

Mrs Scott asked a supplementary question on the response to question 1, to query what the people of Stoney Stanton and Sapcote gained when there were told that their feedback had been listened to and the original Southern Gateway proposal had been dropped from the Strategic Growth Plan. Presumably, the County Council did not see Sapcote and Stoney Stanton as rural centres worth protecting.

The Chairman replied to indicate that a written response to this question would be provided to Mrs Scott.

Mrs Scott asked a supplementary question on the response to question 2, to the effect that, if it was intended that there would be an area of separation between the new settlement and the villages of Stoney Stanton and Sapcote, why had the County Council put forward into Blaby District Council's call for sites an area of farm land that currently lay in a green wedge between Stoney Stanton and Sapcote and why, in the plans submitted to support the Housing Infrastructure Fund bid, were the plans for the new development bolted directly onto Stoney Stanton, recognising that the size of the development would leave little green space on the eastern side of the M69? This seemed to contradict the Council's response to the Blaby Local Plan which indicated that the County Council supported the retention of green wedges and areas of separation.

At the invitation of the Chairman, the Head of Strategic Property replied to the effect that the area directly adjacent to Stoney Stanton and Sapcote had been included in response

to Blaby District Council's call for sites to ensure that the County Council land could be seen in conjunction with the land extended to Junction 2 of the M69. The intention was that the County Council could the separation and ensure that it was delivered. By including the County Council's land in the proposal, the County Council could deliver the residential scheme, should Blaby District Council bring it forward in its Local Plan review.

Mrs Scott asked a supplementary question on the response to question 3, to the effect that, as the County Council was aware that both villages had amply met their housing allocation, was the County Council also aware of letter from Alberto Costa MP which had queried the forecast the County Council was using for housing growth as to bolt 4500 homes onto two villages of approximately 1500 houses seemed like a very large amount.

The Chairman replied to the effect that the County Council was working to figures put forward nationally and agreed by the Member Advisory Group, which comprised representatives of all Leicestershire Councils. A written response to this query would also be provided to Mrs Scott.

Mrs Scott asked a supplementary question on the response to question 4, to the effect that the response contradicted the response to question 3, where it was stated that the additional housing would help to meet the unmet housing need of Leicester City. The Hinckley Rail Freight Interchange would actually meet the housing needs of Burton on Trent as this was where similar freight hubs in the area currently bussed their workers in from.

At the invitation of the Chairman, the Head of Strategic Property replied to the effect that, in discussion with Blaby District Council, the proposed Strategic Development Area was seen as commercial as well as residential. This made it a more sustainable development. It would also take into the underlying natural growth in the area, which Blaby District Council was look at as part of its Local Plan review.

Mrs Scott asked a supplementary question on the response to question 5, to the effect that, if the County Council was moving affected farmers or purchasing additional agriculture holdings, this appeared to be uprooting people and disrupting their business and home life for no particularly good reason.

At the invitation of the Chairman, the Head of Strategic Property replied to the effect that each lease for a County Farm included the opportunity for the County Council to revoke the lease as part of the portfolio management of the Investment that the rural estate sat within. It was right that the Corporate Asset Investment Fund looked for new opportunities to increase its rural estate. The County Council would not let farmers end up with an unviable business so would either relocate them or provide compensation.

Mrs Scott asked a supplementary question on the response to question 6, to the effect that the proposal had little regard for the residents of Stoney Stanton and Sapcote who were seeing their council tax used to steam-roller through a large development which did not have local support and would be to the detriment of local residents who placed a high value on living in a rural location. Why did the County Council not consider these villages as rural centres which were worth protecting?

The Chairman replied to the effect that this would be for the Cabinet to take into account when it made a decision on the matter.

33. 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).

34. Urgent Items.

There were no urgent items for consideration.

35. 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 'A Vision for Local Government in Leicestershire' (minute 38 refers).

Dr T Eynon CC declared a personal interest in the Annual Delivery Report and Performance Compendium 2019 (minute 41 refers) as it referred to the Carillon Radio Wellbeing where she was a volunteer.

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

There were no declarations of the party whip.

37. Presentation of Petitions under Standing Order 36.

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

38. A Vision for Local Government in Leicestershire.

The Commission considered a report which presented the draft strategic business case for the development of a unitary structure for Leicestershire together with findings of the review undertaken by Price Waterhouse Coopers (PwC) of the savings contained in the Financial Options Appraisal. A copy of the business case and PwC review marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed to the meeting the Leader and Deputy Leader and officers who were in attendance to present the report and answer questions.

At the invitation of the Chairman, the Leader advised members that it was his view and that of many others that two tier authorities had a limited future. He referred to recent comments made by the Secretary of State for the Ministry of Housing, Communities and Local Government who had indicated that his preferred vision was for unitary councils<sup>1</sup>. In the Queen's Speech there was a commitment made to the publication of a Devolution

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<sup>1</sup> At the Commission meeting on 6 November 2019 Mr Richardson asked that the minute be amended to record in full the comment made by the Secretary of State. This is set out below

'Two tier local government does not feel like it has a long-term future and the mayoral model in conjunction with unitary councils is strongly preferred by government when considering devolution deals, the housing, communities and local government secretary has said'.

White Paper and it was therefore important that the County Council came to a view on this matter so that it was position to respond quickly and positively to any new Government initiation on devolution or local government reform.

The Leader referred to the significant financial challenges facing local government and noted that this position was unlikely to improve over the short to medium term. Given this it was important to review the current structure and look to realise the significant efficiencies and savings that would flow from a single unitary structure; savings which could be reinvested in frontline services. With regard to services the Leader pointed out that the current two-tier structure led to confusion amongst members and residents as to where responsibility for delivery lay and this was aptly demonstrated on page 17 of the business case.

The Cabinet on 22<sup>nd</sup> October 2019 had approved the draft strategic business case and was seeking the views of the Scrutiny Commission. The Cabinet would consider the business case further in the light of comments made at its meeting on 22<sup>nd</sup> November and the intention was to submit a report to the full Council on 4<sup>th</sup> December to enable the County Council to come to a settled position on the matter. The Leader recognised that there were differing views on the matter including within his own Group and had therefore indicated to his Group Members that there would be a free vote at the Council meeting.

The Deputy Leader added that the current draft of the strategic business case was significantly different to the version consulted upon earlier and that the comments and suggestions put forward during the scrutiny process and by the cross party working group had in large part been taken into consideration in the revised version. He and the Leader thanked members of the Scrutiny Commission for their work to date on this matter.

The Chairman opened the matter up for debate and questions. In the ensuing discussion and in response to questions the following points were made:-

- (i) A letter had been received from all seven Leicestershire MPs opposing the proposals. Whilst noting this, the Leader advised that it was his view that the Council should proceed with the proposal so that there was a settled view on this matter. The letter from the MPs had been marked 'private and confidential' and as such it would be necessary to seek their agreement to its release. It was noted that a copy of the letter had also been sent to the Leaders of the District Councils.
- (ii) The proposals being put forward were not as suggested about 'ego' but a genuine belief that these were in the best interest of the residents of the County.
- (iii) The County Council had been advised by the District Leaders that they were not supportive of a unitary council for Leicestershire, but no alternative proposals had been put forward nor had there been any feedback about the work that they indicated was being undertaken on collaboration and joining up of services. In light of this the Leader was of the view that it was unlikely that a letter to District Leaders inviting them to comment or put forward alternative ideas at this stage would elicit much of a response, but he was willing to send such a letter should the Commission consider this appropriate. A number of members who were also members of district councils reported that there had been no opportunity for members of district councils to consider this matter and the views expressed in the letter were only those of the Leaders. The Leader restated his wish that the district councils

engaged fully in the process and a number of members of the Commission agreed with this view.

- (iv) In seeking to get to a settled view the Leader indicated that he hoped this could then be shared with the Secretary of State and if he was favourably inclined to the proposals District Councils could then be compelled to work with the County to develop the business case further.
- (v) A number of members commended the report and welcomed the vision aimed at cutting bureaucracy, duplication and improving service delivery as these were the things residents and taxpayers were most concerned about.
- (vi) The changes made to the document since the previous iteration and in particular the changes to role and function of Area Planning Committees were welcomed as they now provided the reassurance that planning decisions would be taken at locality level and by members who represented the local area. The Leader acknowledged that there had been occasions when local planning decisions on major issues were referred to the Planning Inspectorate and overturned. However, this was a national issue. He confirmed that the new unitary council would be able to develop a robust single Local Plan which, coupled with local neighbourhood plans and adequate provision for future housing supply, would enable it to robustly defend against any development proposals which were not in line with the Local Plan.
- (vii) With regard to devolution to Parish Councils the draft strategic business case made it clear that it would be up to Parish Councils to consider whether they wished to take on additional responsibility and there was no compulsion to do so. Where Parishes wished to take on additional powers this would need to be supported by a business case to ensure it was not just cost effective but that appropriate structures and governance arrangements were in place to ensure devolved services were delivered. In this regard it was also recognised that the new unitary would need to help and support Parishes to develop expertise to manage the additional responsibilities and members were referred to the Devolution Framework for Parishes set out on Page 51 of the business case.
- (viii) The Leader acknowledged that the challenges of the MTFs had resulted in the Environment and Transport Department taking a disproportionate level of budget reductions as the Council sought to protect budgets for services to vulnerable adults and children and that this had adversely impacted on how the Department responded to requests from Parish Councils. He indicated that this would be looked at further in the next iteration of the MTFs.
- (ix) Members were pleased to note the proposals for working with Town and Parish Councils (including the ability to set up new Councils in areas where they did not currently exist) as well as establishing Area Committees with powers and budgets to make a real difference in the localities. Currently, people did not engage at parish level as they could not see how this would improve services in the area but in future, through the devolution framework, parishes and local communities working with their local Area Committees would be able to drive forward improvements. Elected members would have a key role in this both as local representatives and community leaders in ensuring the voice and needs of their residents were heard.

The business case recognised that there would need to be some officer support to members in helping discharge this new enhanced role.

- (x) On the issue of staffing reductions members were advised that managers and back-office services would be affected to a greater degree than operational and frontline staff and the savings set out in the draft strategic business case reflected this. The business case proposed a transition and then transformation approach as this would minimise the risk of disruption to key front line services.
- (xi) Comment was made that a number of academic studies appeared to suggest that larger authorities were remote and this led a lack of political trust. Whilst noting this it was pointed out that the proposals did not envisage any expansion to the current boundaries but rather a vertical integration. It was unclear whether the academic criticism was still valid under these circumstances. It was also pointed out that the proposals for Area Committees, comprising members elected for those areas with executive powers as well as representatives of local groups and communities would make the new unitary council more accessible.
- (xii) A member commented that he was not supportive of the proposals preferring instead an elected regional assembly covering the East Midlands (Leicestershire, Nottinghamshire, Derbyshire and Lincolnshire), with the abolition of the County Councils and the establishment of unitary authorities on the current district boundaries. The Leader disagreed.
- (xiii) With regard to a suggestion that the role and responsibilities of members in the new authority be further refined with reference to relationships with officers it was pointed out that the business case sets this out in paragraphs 3.2.9 to 3.2.11 and that it should be a matter for the new Council to shape this further having regard to vision and ethos of the new organisation and reflected in their constitution and operating protocols.

The Chairman concluded the meeting by stating that there appeared to be a majority of members who were supportive of the business case, but a minority of members remained concerned or were opposed to the proposals. He noted that the Commission had not proposed any changes to the draft strategic business case.

The Chairman thanked the Leader and Deputy Leader, the officers who presented the report and answered questions and members of the Commission. He reminded members that the outcome of the meeting would be reported to the Commission on 6<sup>th</sup> November at which point the Commission would be asked to agree its formal response to the consultation which would then be considered by the Cabinet.

#### RESOLVED:

That the comments now made be submitted to the Commission on 6<sup>th</sup> November to seek approval for them to be submitted to the Cabinet on 22<sup>nd</sup> November 2019.

#### 39. Consultation on the County Council's Priorities.

The Commission considered a report of the Director of Corporate Resources which set out the outcome of the recent consultation exercise on the County Council's priorities and outlined how it would be used to inform decisions taken as part of the refresh of the



Medium Term Financial Strategy (MTFS). The Commission also received a presentation on the matter. A copy of the report and slides forming the presentation marked 'Agenda Item 8' is filed with these minutes.

In his introduction to the report, the Director of Corporate Resources explained that despite the positive tone of recent national announcements, the financial outlook for local government was still expected to be challenging. The funding announcement only covered a one-year period, there was fiscal constraint at a national level and the implementation of the National Living Wage created a significant cost pressure.

Arising from questions and discussion, the following points were raised:

- (i) The outcome of both the survey and the focus groups showed that respondents were less supportive of further cuts than they had been previously and were therefore more willing to accept measures such as council tax increases. A member suggested that this might not be the view of the majority of Leicestershire's residents.
- (ii) Statutory services had been included in the consultation as there tended to be some flexibility regarding how they were delivered. In addition, it was useful to understand the priorities of local residents and be able to reflect them back to central Government.
- (iii) It was noted that respondents would welcome greater investment in highways. The Commission hoped that this view would be taken into account by the Cabinet when refreshing the MTFS.
- (iv) The support for reorganising local government was noted, with 81% of respondents agreeing. It was clarified that 92 people had also chosen to mention specifically their support for a unitary council in the free text box, making it one of the top ten issues mentioned. This response was in addition to completing the survey and respondents could comment on anything they wished, therefore the number of responses was expected to be smaller.
- (v) It was suggested that 4371 was a low number of responses, representing only a small proportion of Leicestershire residents. More than 7000 people had responded to the previous consultation, undertaken in 2013. The Director acknowledged that it was more difficult to engage with people, but he was pleased with the level of response. Advice had been sought from an independent research company who welcomed the response rate for a consultation of this nature. The Commission was also assured that the survey was just one of a number of different exercises, including the use of deliberative focus groups, that informed the MTFS refresh. However, a member suggested that a different approach rather than the use of a survey, such as the narrative approach, should have been used.
- (vi) The consultation exercise had included meeting with focus groups; this provided a more detailed insight into the view of residents. Due to the small size of the groups it was difficult to draw conclusions based on demographics, but in general the younger attendants had been more supportive of services for younger people and had promoted the concept of personal accountability. The older attendants had generally been more concerned with safety and services for older people. It was confirmed that the focus groups had been carefully recruited to in order to ensure that they were representative with regard to age, sex, disability, social grade, work-

status, geographical location and ethnicity. Different locations had been used throughout the county which were accessible by public transport. There had been a £60 incentive for attendance and refreshments were provided.

- (vii) It was suggested that the outcome of the consultation should be used by departments to consider whether messages about the value of their services were reaching the public.

## RESOLVED

- (a) That the outcome of the consultation on the County Council's priorities be noted;
- (b) That the comments now made be submitted to the Cabinet for consideration at its meeting on 22 November.

*[The meeting adjourned at 1.22pm and reconvened at 2.15pm.]*

### 40. East Midlands Shared Services Performance Update.

The Commission considered a report of the Director of Corporate Resources which provided an update on the performance of East Midlands Shared Services (EMSS) and its strategic priorities during 2018-19. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Arising from discussion and questions the following points were raised:

- (i) EMSS was based in two different locations because each Council had wanted part of the service on their premises. Leicestershire County Council was the employer for all staff and the programme was overseen by a joint committee comprising two elected members from each authority. Responsibility for chairing the meetings rotated every two years.
- (ii) There were examples elsewhere in the country of shared services arrangements which had not been successful. However, a lot of effort had been put into ensuring the success of EMSS. Strong governance arrangements had helped in this regard; this view was supported by the Head of Audit at Nottingham City Council.
- (iii) The Deputy Leader advised that EMSS was looking for opportunities to expand its business, although this was constrained by the corresponding need for capital investment. The partnership with Nottingham University Hospitals had led to two further commercial opportunities within the NHS.
- (iv) Members were pleased to note that four percent of staff in the Employee Service Centre were apprentices and that almost all apprentices had gone on to be appointed in full time roles. The revise of the scheme to extend it full across the business into the Finance Service Centre was also welcomed.
- (v) With regard to debt recovery, it was noted that a pragmatic decision had previously been made, that EMSS did not have the skills to pursue debt. Work was now being undertaken on a debt strategy, which would differentiate between different types of debt and seek to manage their recovery sensitively.

The Chairman concluded by confirming that the Commission was generally supportive of EMSS and welcomed the savings and efficiencies that had been achieved to date.

RESOLVED:

That the report be noted.

41. Annual Delivery Report and Performance Compendium 2019.

The Commission considered a report of the Chief Executive which presented the draft Annual Delivery Report and Performance Compendium for 2019 and sought the Commission's views on its content. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Arising from discussion and questions the following points were raised:

- (i) The Commission welcomed the report and commented on its usefulness, especially in terms of tracking progress with issues and identifying areas for possible Scrutiny attention. Having a single overview of key delivery items during the year was particularly helpful and the broadening of the range of information provided on service funding, pressures and risks was felt to provide a more balanced overview of service delivery and performance issues.
- (ii) It was noted with concern that 17 percent of local adult social care providers had been rated as requiring improvements by the Care Quality Commission; officers undertook to provide more detail regarding this. Officers also undertook to provide an explanation of why there was only one hostel to support people at risk of becoming homeless in Leicestershire, to confirm the arrangements for Disabled Facilities Grant funding in future years and to provide the locations of Changing Places toilets in the Oadby and Wigston area.
- (iii) It was noted that, if a service user in receipt of social care chose to have a personal budget, they would become the employer of their carer(s) and be required to make national insurance and pension contributions for their employee(s). It was acknowledged that this could be seen as a disadvantage, however there were a number of benefits to the policy such as greater choice and control over the care received.
- (iv) There was continued uncertainty around how the European Regional Development Funds would be replaced following the UK's exit from the European Union. It was confirmed that the current funding arrangements would be in place until at least January 2020. Discussions were taking place at a national level to determine future arrangements.
- (v) It was suggested that some of the items in the report, particularly some of the major infrastructure projects, were currently aspirational and did not have delivery plans in place. There should be greater clarity regarding the status of projects. This point was acknowledged, although it was explained that the report aimed to cover work that had already been delivered, that which was planned and those major projects that the Council wanted to see delivered.

RESOLVED:

- (a) That the comments now made be submitted to the Cabinet for consideration at its meeting on 22 November 2019;
- (b) That officers be requested to provide the Commission with information relating to the number of adult social care providers rated as inadequate, services to support people at risk of becoming homeless, arrangements for Disabled Facilities Grant funding and the location of Changing Places toilets in Oadby and Wigston.

42. Date of next meeting.

It was noted that the next meeting of the Commission would be held on 6 November 2019 at 10.00am.

10.00 am - 3.17 pm  
30 October 2019

CHAIRMAN