

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 4 November 2020.

PRESENT

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

Mr. T. Barkley CC
Mr. P. Bedford CC
Mr. D. C. Bill MBE CC
Mr. G. A. Boulter CC
Dr. T. Eynon CC
Dr. R. K. A. Feltham CC

Mrs. H. J. Fryer CC
Mr. D. Harrison CC
Mrs. R. Page CC
Mr. A. E. Pearson CC
Mr. T. J. Richardson CC
Mr. M. B. Wyatt CC

In attendance

Mr J. B. Rhodes CC

27. Minutes

The minutes of the meeting held on 2nd and 14th September 2020 were taken as read, confirmed and signed.

28. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

29. 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).

30. Urgent items

There were no urgent items for consideration.

31. 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 a district and/or parish council declared a personal interest in the report on the Draft City of Leicester Local Plan (agenda item 8).

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

There were no declarations of the party whip.

33. Presentation of Petitions under Standing Order 35.

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

34. Draft City of Leicester Local Plan 2020 to 2036

The Commission considered a report of the Chief Executive regarding the draft City of Leicester Local Plan for 2020 to 2036 which sought its view on the draft County Council response to the proposals. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chair welcomed Mr Grant Butterworth, Head of Planning at Leicester City Council to the meeting. Mr Butterworth provided a presentation as part of this item and a copy of the slides is filed with these minutes.

Arising from discussion the following points were raised, and responses provided by Mr Butterworth on behalf of the City Council:

Redistribution of housing

- i. Whilst it was recognised that regeneration opportunities in the City were limited and capacity to meet all its housing need constrained, concern was expressed that 7,742 dwellings would need to be redistributed to the districts.
- ii. It was noted that the City Council had explored a number of options to use land in the City, and that this included some controversial sites which would result in the development of green open space which was already limited in the City. Mr Butterworth said it was recognised this would be a sensitive issue and every effort had been made to seek to minimise the number required to be redistributed, but it would be important for the City, County and district councils to work together to manage this.
- iii. A comparison was made to the approach adopted in Manchester which had undertaken significant regeneration of living accommodation in its City centre. Mr Butterworth responded that Leicester City was a smaller and more compact City which presented different challenges to those faced in other areas.

University accommodation

- iv. It was questioned whether there had been an overdevelopment of university accommodation in the City and whether this had affected its ability to now provide long term dwellings for permanent residents. Mr Butterworth reported that the City Council had been reliant on the University providing projections for its accommodation needs which had been forecasted over the next 5 – 10 years.

The City when compared to other University towns had been below the national average in terms of the level of its student accommodation, but this had increased in recent years and was no longer considered to be an issue. It was noted that there was now a move away from purpose built accommodation to private rented properties which was considered positive.

- v. The impact of Covid-19 on university accommodation was yet to be confirmed. It was acknowledged that some students now attended courses remotely. Feedback on this issue from the University would be considered as part of this consultation.

Employment

- vi. Members raised concerns about the distribution of employment developments and the proposal for offices (which generally attracted high paid jobs) to be primarily located in the City whilst warehousing (which attracted a lower paid workforce) as well as housing, would be pushed out to the County. It was emphasised that warehousing often generated heavy vehicular traffic and therefore had a negative impact on air quality and pollution levels. Further concerns were raised that this did not support the generation of a wide range of job opportunities for those leaving the three Universities in Leicester and Loughborough. It was suggested that more thought should be given to creating a more even distribution of employment facilities across the County and City.
- vii. Given the effects of Covid-19 and the number of people now working from home, it was queried whether there was or would continue to be the same level of demand for office space in the City. Mr Butterworth reported that steps had been taken to improve the quality of office provision in the City and this had been supported by developer confidence in this area. However, the impact of Covid-19 would be considered as the City developed its Local Plan into the next phase.
- viii. The allocation of land for employment purposes was challenged if this potentially pushed more houses in to the County. Particularly as this resulted in people having to commute back into the City and therefore risked increasing congestion levels which was already a problem. Mr Butterworth responded the allocation of warehousing in the City would be an inefficient use of land given its limited supply. The extent of land allocated for employment was also relatively small and competing demands for residential sites was not therefore an issue. He suggested that given the nature of the City, it would not be appropriate for the Plan to emphasise housing over other facilities, but acknowledged it was a difficult balance that needed to be struck.

Transport Infrastructure

- ix. A number of concerns were raised regarding transport connections in and out of the City and the level of congestion which it was suggested acted as a disincentive to visit. A member further suggested that targeting the use of cars in the City might have a negative impact on visitor numbers as whilst reducing congestion, there was not always suitable alternative public transport available and investment in bus services was not always the best alternative over the long term as services often changed and/or ceased. Mr Butterworth highlighted the City Mayor's programme to prioritise walking and cycling in the City which would improve the City environment to make it a place where people would be happy to live as well as visit. It was acknowledged that the City's growth plans needed to be supported by appropriate transport interventions, but unrestricted car use was not regarded

as the right way forward and alternatives would therefore be sought.

- x. It was highlighted that investment in public transport by the City and County Council working together to improve connectivity had been substantial but that resources were limited as both Council's continued to face increasing financial pressures. A reference was made to the potential benefit of further investment in the Park and Ride service. Mr Butterworth said he was optimistic about the future for public transport despite the effects of the Covid-19 pandemic and increasing the use of these options was not reliant on price, but significantly on reliability and quality. Reducing overall congestion in the City would therefore be key.
- xi. Concern was expressed that traffic moving into the City caused congestion and delays outside the City boundary which in turn affected pollution levels in the districts. The redistribution of housing out of the City it was argued would also further exacerbate these problems. Mr Butterworth explained that as part of the Local Plan process, the City Council would need to undertake detailed modelling to ensure the transport implications of its draft Plan could be accommodated. Details of this transport modelling would be published as part of the next stage of the local plan process. At present, there was confidence that the scale of development proposed could be met in transport terms. However, if there was less provision for transport improvements then consideration would need to be given to the capacity of the existing network. The transport implications arising from unmet housing needs redistributed to the districts would not be relevant in the short term but would need to be addressed over time as schemes arose.
- xii. It was questioned whether the Strategic Growth Plan (SGP) still provided the necessary strategic view of infrastructure requirements across the region. Reference was made to the suggestion that the Leicester A46 expressway might not go ahead though it was acknowledged that no announcement had been made to confirm whether or not this was the case. Mr Butterworth said that the Strategic Growth Plan had been invaluable as the City Council had developed its draft Plan. Planning for infrastructure over the long term meant it was easier to identify and plan for where investment was needed in a coordinated way. If a scheme included within the SGP was not to be taken forward, then the MAG would consider this along with any need to review the SGP itself.

Retail

- xiii. Members highlighted the impact of Covid-19 on the retail sector which had already been affected in the City by the development of out of town shopping areas such as at Fosse Park. It was emphasised that many district councils had sought to resist such shopping areas in the County to support the City area. It was questioned whether consideration had been given to reducing retail provision to support more housing. Mr Butterworth confirmed that the City Council had asked consultants to consider the potential for freeing up residential capacity and the outcome of that work was awaited. Pressure on the retail sector in the City, like in other cities, had been an increasing issue pre-Covid and it was likely that recent changes to the Planning Use Classes Order would continue to add to those pressures. Despite this, the City had been moving more towards leisure facilities and investment in that area had been and continued to be strong.

Government White Paper and Infrastructure Funding

- xiv. Members questioned how funding for infrastructure would be generated and what impact, if any, the Planning for the Future White Paper and proposals for a new

national infrastructure levy would have on the Plan. Mr Butterworth confirmed that the White Paper would impact the Local Plan. However, the details of this would not be known for some time and it was estimated that implementation of any new legislation could take 2 possibly 3 years. The City Council therefore proposed to press ahead with its draft Plan, but there would be sufficient flexibility in the process and as part of the requisite 5 year review to take account of future changes in the planning system. Section 106 funding would be sought for the infrastructure needed, but this would not fund all that was required, and further government funding would need to be sought. It was noted that government funding initiatives were often short lived and did not support longer term planning which increased pressure on local authorities to manage.

Member engagement

- xv. It was suggested that a more regular interchange between County and City Council members would be beneficial. The City was the hub of the area and it was important for all districts and the County as a whole to see it flourish. Joint working would therefore be important.

The Chairman thanked Mr Butterworth for attending and welcomed an officer to come back as part of the next stage of the local plan consultation process.

In respect of the Council's draft response to the Consultation, officers were asked to specifically consider the following:

- Rewording of paragraph 25 of the report which suggested that areas such as Blaby, Charnwood and Harborough were 'located within the built framework of the City'.
- Strengthening of the position set out on pages 48 and 50 (consultation page nos.181, 187 and 190) of the appendix attached to the report regarding the adequacy of road and transport infrastructure.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration.

35. Annual Delivery Report and Performance Compendium 2020

The Commission considered a report of the Chief Executive which presented the draft Annual Delivery Report and Performance Compendium for 2020 and also set out the Council's performance so far this year, taking account of the impacts of Covid-19. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion and questions asked, the following points were made:

- (i) The Commission welcomed the broader approach taken to the Annual Delivery Report with the inclusion of wider information on comparative funding, service pressures and risks, as well as wider performance data in the Compendium.
- (ii) A member questioned current reliance on EU funding, namely the European Social Fund, which underpinned delivery in a number of areas including skills and inclusion work. It was noted that it was not yet clear how these areas would be carried forward and what funding streams might be introduced by the Government post-Brexit. Reference was made to the Government's proposed new national Shared Prosperity Fund and a member requested that further information on this be shared

once this became available.

- (iii) It was noted with concern that the Government's Fair Funding Review had been delayed and that the County Council therefore continued to be the lowest funded county authority in the country. Members highlighted that the Council and Leicestershire residents suffered a wide and unfair funding gap compared to other authorities particularly, but not just, the London Boroughs. Despite its low funding position, however, Members welcomed the achievement of the Council noting that its performance when compared against its statistical neighbours remained high. Members thanked staff that had continued to deliver services to such a high standard even during the Covid 19 pandemic.
- (iv) The Commission welcomed the work being undertaken to provide more average speed cameras across the County but agreed that the Treasury should continue to be pressed to enable local authorities to keep the proceeds arising from such cameras to support road safety schemes.
- (v) The importance of tackling obesity was highlighted, particularly in children, and it was agreed this was a much broader issue than just a physical activity offer. The role played by schools was emphasised.
- (vi) A Member highlighted that homelessness provision seemed to be focused in Loughborough and suggested that consideration should be given to improving provision in the south of the County.
- (vii) It was questioned whether the comparative data showed two tier or unitary authorities to be performing better. Members noted that the performance data for unitary counties needed to be carefully interpreted, due to the impact of demographic factors on outcomes, as a number of unitary counties were achieving higher performance than their demographic levels would suggest. The Commission said it would welcome clarity on the latest position with regard to the submission of unitary proposals for Leicestershire, once the Government's position was made clear.
- (viii) The need for continued transformation was noted and the importance of projects such as the recent Adult Social Care Target Operating Model. The support given by the Transformation Unit in enabling change across the Authority was welcomed, though concern was expressed about the additional use of consultants and whether this offered value for money. It was agreed that this would be something that required close monitoring. However, Members noted that the Adults and Communities Overview and Scrutiny Committee had recently received a detailed report on the outcomes delivered by the TOM and that that Committee had been pleased to see the outcomes and cost reductions delivered by the project which far outweighed the cost of appointing consultants to support this.
- (ix) Members sought further information on the criteria used by the County Council when considering applications for a business recovery grant which the County Council had introduced to support local businesses affected by the Covid 19 pandemic and sought assurance that this had been primarily allocated to businesses that were not receiving help from other sources.
- (x) The importance of country parks and green spaces was highlighted, something that had been particularly evident during the pandemic. Whilst investment in such parks was important and benefited residents beyond the area where they were located, it

was suggested that work should continue to ensure facilities in other areas were also considered, particularly those which might have less access to current facilities.

RESOLVED:

- (a) That the comments now made be submitted to the Cabinet for consideration at its meeting on 20th November 2020.
- (b) That details of the County Council's criteria for considering recovery business grant applications be provided to Commission members and assurance sought that such funds were primarily allocated to businesses which were not received support from other sources.

36. East Midlands Development Corporation 'Interim Vehicle (DEVCO)' and Freeport Proposals

The Commission considered a report of the Chief Executive which set out the background, progress to date and expected benefits of the East Midlands Development Corporation Programme, known as "The Alchemy Project". The report detailed proposals for the establishment of an Interim Vehicle to maintain momentum prior to a Statutory Development Corporation being created by Parliament, including the award of £1.5m in the form of a £0.5m annual grant (2021-2024) which will be considered by the Cabinet at its meeting on 15 December 2020, and outlined the latest position with regard to the East Midlands Airport 'Freeport' proposal which could form part of the Development Corporation's emerging proposition. A copy of the report marked 'Agenda Item 10' is filed with these notes.

Arising from discussion the following points were noted:

- (i) The principal of looking at and coordinating growth developments across county boundaries was welcomed, as was the proposal that spending of government funds allocated for such projects would be controlled locally through the planned Development Corporation. The Commission agreed this was an important issue and the Council and its partners would be treading new ground which could reap significant benefits in the long term.
- (ii) Concern was expressed that given current national spending pressures and the current pause of the eastern leg of HS2 there was a risk that funding for the programme could be withdrawn by Government and it was questioned whether, given the Council's financial investment to the project, an exit strategy had been put in place. It was acknowledged that the project was not without risk. However, Members were reassured that if, for example, Government funding was withdrawn or reduced, or the eastern leg of HS2 did not take place, Midlands Engine would need to reassess the scope of the development corporation and what benefits could still be achieved.
- (iii) It was acknowledged that there was still much uncertainty regarding the proposals at this time, but it was hoped further detail would be known to enable a report to be presented to the Cabinet come December.
- (iv) A Member queried whether housing and employment allocated as part of the development corporation would go towards achieving North West Leicestershire District Council's requirement. Officer's undertook to provide further clarification on this after the meeting.

- (v) A member queried whether it was now accepted that HS2 would be a passenger line and that freight would therefore be serviced by the midland mainline. It was suggested that if this was the case, this supported proposals for the electrification of that line.

RESOLVED:

- (a) That proposals to establish an East Midlands Development Corporation be noted;
- (b) That further clarification be provided on whether the housing and employment allocated as part of the development corporation would go towards achieving North West Leicestershire District Council's requirements.

37. 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) during the past 12 months. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

The Chairman welcomed the Lead Member for Resources, Mr J. B. Rhodes CC to the meeting.

Arising from discussion, the following points were made:

- (i) EMSS provided critical services and had performed exceptionally well despite difficult circumstances during both the national and local lockdown. Services had continued to be delivered despite officers being located at home, including payroll and the payment of suppliers and contractors which had all gone ahead as normal. It was acknowledged that the County Council's ICT Service had played a significant role in ensuring staff were provided with appropriate kit which enabled business as usual to continue in the way it did.
- (ii) Whilst disappointing given the work that had been undertaken, the Commission agreed that delaying the implementation of the new system 'Oracle Cloud' had been the right approach. It was noted that implementation would instead now go ahead later this month, first within Leicestershire County Council, followed shortly by Nottingham City Council.
- (iii) It was noted that the effect of Covid-19 had presented some opportunities to review the Services current ways of working. The Service currently employed 200 people who were located in offices split across two sites. Whilst staff were offered the opportunity to work from home this had rarely been taken up. It was likely that this would now change. Many were grateful for the flexibility and improved work/life balance remote working provided. Productivity had also remained high. However, many still felt for work and wellbeing reasons, attending the office part of the time would be beneficial. A balance between the two would likely therefore be struck for the long term.
- (iv) It was acknowledged that the Service was heavily dependent on IT and it was queried what measures had been put in place for if the system failed. Members were reassured that Oracle was regarded as a world leading application which gave confidence that total system failure was unlikely. As the Service was hosted by the County Council's IT systems it also benefited from all the usual IT

safeguards it put in place.

- (v) A Member queried the need for efficiencies, as was suggested in paragraph 28 of the report, if the Service was generating sufficient income. It was explained that, rather than efficiencies, the Service sought continuous improvement in its operations and regularly looked at and challenged current ways of working.
- (vi) The presentation of the cost of the Service against the income generated and how this fared against the cost of the County Council providing the same service in house was challenged. The Director confirmed that the figures set out in the report perhaps did not show the position clearly, but that he was confident the Service offered good value for money and that future reports would set this out more clearly.

RESOLVED:

That the update now provided regarding the operation of the EMSS during the last 12 months and in particular during the Covid 19 pandemic, be noted.

38. Financial Resilience

The Commission considered the Cabinet report of the Director of Corporate Resources which provided an overview of the County Council's current level of financial resilience, considering the significant increase in financial pressure created by Covid-19, and its latest position on earmarked funds. A copy of the report marked 'Agenda Item 12', is filed with these minutes.

Arising from discussion, the following points were made:

- (i) A strong balance sheet had ensured that the County Council had been able to be responsive and support Leicestershire residents during the Covid 19 pandemic despite the significant increase in financial pressures this had caused. The County Council had been able to provide grants for local businesses and support free school meals as well as invest in IT equipment to support staff working from home, ensuring Council services could continue to be provided during the national and local lockdown.
- (ii) Members noted that the County Council had a debt level of £265 million and that this generated a cost in interest at 3.9%. However, it was welcomed that this was significantly lower than other authorities such as Nottingham, Kent and Leeds. Avoiding borrowing in recent years, despite low funding had put the Council in a relatively strong financial position. The Lead Member for Resources confirmed that the Council had not borrowed any money since 2009 and provided assurance that there was currently no intention to borrow for the foreseeable future.
- (iii) The Government's failure to take forward the County Council's fair funding proposals was disappointing. The current 'unfair' formula had been used to calculate the Council's share of the Covid -19 funding allocated by the government, which meant again, the County Council had not received an adequate share compared to other authorities. It was agreed that this should continue to be pursued with Government.
- (iv) It was noted that a review of the Council's assets was being undertaken but was at a very early stage. The Director confirmed that it had been recognised for some time that the number of staff needing to be permanently office based was reducing

and the pandemic had driven this change forward at pace. It was not clear what the longer term implications of the Covid 19-pandemic would be. It was likely that a number of staff currently working from home would, at least in part, prefer to come back into the office in time and so a balance would need to be struck. In response to questions raised, the Director said it would be likely that renting and or selling surplus accommodation would be considered where appropriate and this would be done alongside partner organisations who may also be undertaking a similar exercise.

RESOLVED:

- (a) That the contents of the report and the update now provided be noted;
- (b) That the comments made by the Commission be reported to the Cabinet for consideration at its meeting on 20th November 2020.

39. Revenue Budget and Capital Programme Monitoring - Period 6

The Commission considered a report of the Director of Corporate Resources which provided an update on the 2020/21 revenue budget and capital programme monitoring position as at the end of period 6 (the end of September). A copy of the report marked 'Agenda Item 13', is attached to this report.

Arising from discussion the following points were made:

- (i) The Commission reiterated its disappointment that the Government did not currently plan to take forward the Council's fair funding proposals and agreed that the Council should continue with its campaign to redress the position.
- (ii) It was noted that despite being the lowest funded local authority in the country the County Council had managed to continue to provide good services for residents and aimed to still deliver a balanced budget at the end of the financial year. Members thanked officers and the Lead Member for Resources for their hard work in managing the Council's finances particularly during this difficult period.
- (iii) A member expressed concern that the Government had set out an incorrect and misleading position in respect of funding allocated to local authorities during the Covid 19 pandemic and the suggestion that this could be used to fund free school meals during the October half term. Members noted that the Government had allocated £63m to upper tier authorities and that the County Council's share of this had been £541,860. The Director confirmed that whilst the grant had not been ringfenced the Government had stipulated certain conditions including a requirement that interventions be targeted from July with the majority of spend within 12 weeks (i.e. by September). The County Council had complied with those requirements and this funding had now been spent with most of this having been allocated to foodbanks.
- (iv) The Director reported that, whilst not set out in the report, the Leader had announced that the County Council would allocate funding for free school meals until the end of March 2021. These costs would be met out of the additional allowance set aside in the budget for further Covid costs that had not yet been committed. The Commission noted that this had only been made possible because the Council had significantly reduced its forecasted overspend and therefore had a degree of flexibility in the short term.

- (v) Proposals to develop land in Snibston were still being considered. The proposals to build a residential extra care home and private housing on the site remained unchanged. The business case would need to be developed and consideration given to land contamination that would require action and whether this affected the viability of the proposals. Potential funding being made available by Homes England would also be a determining factor.
- (vi) The cost of SEN Transport was not funded by the Dedicated School Grant received by the Council but from the Council's revenue budget which meant any additional spend in this area needed to be supported by savings elsewhere. The number of children attending placements out of County remained high and continued to rise. Covid 19 had further increased costs in this area as many children needed to be transported individually to allow for social distancing.

RESOLVED:

That the revenue budget and capital programme monitoring position as at the end of September 2020 be noted.

40. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on Monday, 25th January 2020 at 10.30 am.

1010.00 am - 3.40 pm
04 4 November 2020

CHAIRMAN