

Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Friday, 16 December 2022.

PRESENT

Mrs D. Taylor CC (in the Chair)

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| Mr. B. L. Pain CC | Mrs H. L. Richardson CC |
| Mrs. C. M. Radford CC | Mrs. P. Posnett MBE CC |
| Mr. O. O'Shea JP CC | Mr. R. J. Shepherd CC |
| Mr. L. Breckon JP CC | Mr. P. Bedford CC |

In attendance (including via Teams)

Mrs B. Seaton CC, Mrs M. Wright CC, Mr. M. T. Mullaney CC

Apologies for absence.

Apologies for absence were reported on behalf of Mr. N. J. Rushton CC.

197. Minutes of the previous meeting.

The minutes of the meeting held on 25 November 2022 were taken as read, confirmed and signed.

198. Urgent items.

There were no urgent items for consideration.

199. 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. Mrs. P. Posnett MBE, CC declared an Other Registerable Interest in agenda item 5 (North and East Melton Mowbray Distributor Road - Cost Implications) as a member of Melton Borough Council.

200. Medium Term Financial Strategy 2023/24 to 2026/27 Proposals for Consultation.

The Cabinet considered a report of the Director of Corporate Resources regarding the proposed Medium Term Financial Strategy for 2023/24 to 2026/27. A copy of the report, marked 'Agenda Item 4', and a supplementary report with the detailed proposals, which was circulated separately, are filed with these minutes.

Mr. Breckon CC commented on the national context and the Authority's worsening financial position. He thanked Leicestershire MPs for their support for the Council's fairer funding campaign.

RESOLVED:

- a) That the proposed Medium Term Financial Strategy (MTFS), including the 2023/24 revenue budget and capital programme, be approved for consultation and referred to the Overview and Scrutiny Committees and the Scrutiny Commission for consideration;
- b) That the Director of Corporate Resources, following consultation with the Cabinet Lead Member for Resources, be authorised to -
 - i. agree a response to the draft Local Government Finance Settlement;
 - ii. decide on the appropriate course of action with regard to the Leicester and Leicestershire Business Rates Pool in 2023/24 and subject to agreement by all member authorities, to implement this;
- c) That each Chief Officer in consultation with the Director of Corporate Resources and following consultation with the relevant Lead Member(s), undertake preparatory work as considered appropriate to develop the savings set out in the draft MTFS, including preparing for consultation, to enable the Cabinet and Council to consider further those savings to be taken forward as part of the MTFS and implemented in a timely manner;
- d) That a further report be submitted to the Cabinet on 10 February 2023.

(KEY DECISION)

REASONS FOR DECISION:

To enable the Council to meet its statutory requirements with respect to setting a balanced budget and Council Tax precept for 2023/24 and to provide a basis for the planning of services over the next four years.

To ensure that the Council's views on the Local Government Finance Settlement are made known to the Government.

To enable the Council (alongside the pooling partners) to respond to the Department for Levelling Up, Housing and Communities in respect of the Business Rates Pool within 28 days from the draft Local Government Finance Settlement.

To enable early work to be undertaken on the development of new savings to address the worsening financial position.

Feedback from consultation on the draft MTFS and the views of the Overview and Scrutiny bodies will be considered by the Cabinet before final recommendations are made to the Council.

201. North and East Melton Mowbray Distributor Road - Cost Implications.

The Cabinet considered a report of the Director of Environment and Transport regarding progress with the North and East Melton Mowbray Distributor Road (NE MMDR) scheme, including cost implications, and seeking a decision as to whether to progress with the next steps in the delivery of the scheme. A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

Members noted comments from a member of the public, Mr. J. Marriott.

Mr. O'Shea CC thanked officers for their work on the scheme and endorsed the recommendations in the report to proceed with construction of the Road.

RESOLVED:

- a) That the latest position regarding progress with and costs of the North and East Melton Mowbray Distributor Road (NE MMDR) scheme be noted;
- b) That the three options for the Council, all of which have significant financial consequences, be noted;
- c) That Option 1, to progress to delivery, is approved subject to confirmation by the Department for Transport that the Full Business Case for the NE MMDR is approved, and that the Large Local Majors funding for the scheme will be released;
- d) That subject to c) above, the Director of Environment and Transport, in consultation with the Director of Corporate Resources and following consultation with the relevant Cabinet Lead Member, be authorised to undertake the necessary actions to construct the NE MMDR;
- e) That in the light of the Council's extremely serious financial position set out in the report, the Directors of Environment and Transport and the Director of Corporate Resources, following consultation with the relevant Cabinet Lead Members, be authorised to prioritise current available developer funding towards the delivery of the scheme and pursue additional funding, including with Melton Borough Council, the local Member of Parliament, the Department of Transport, and developers;
- f) That the Director of Corporate Resources be authorised to manage the financial arrangements for the funding of the scheme using the range of treasury management options available to minimise the cost of providing gap funding for the project.

(KEY DECISION)

REASONS FOR DECISION:

The NE MMDR is a key piece of infrastructure (identified as part of Melton's Local Plan) that is designed to facilitate sustainable growth in the Borough and economic growth in Leicestershire and the East Midlands.

Despite the increase in costs the scheme still represents value for money. Given the Council's current financial challenges and cost escalations on the scheme it has been faced with a difficult decision: whether to proceed with delivery of the NE MMDR, to withdraw from the scheme, or to pause work on the scheme. However, based on current information the decision to proceed with the scheme will provide most benefit for the investment and meet the objectives outlined above.

There are a number of processes and contractual arrangements necessary to deliver a major transport infrastructure scheme that it is now appropriate to delegate to the

relevant Directors to implement in accordance with the arrangements set out in the Council's Constitution.

The ongoing financial challenges facing the Council necessitate the need to maximise external funding where possible. This will reduce the detrimental impact that would result from redirecting resources from other services. The Council's capital programme borrowing requirement will increase as a result of the scheme.

OTHER OPTIONS CONSIDERED:

(Detailed in the report and summarised below)

Option 2 - do not proceed to delivery

Benefits included a very limited reduction of upfront costs to the Council and the related borrowing requirement (£4.3m in total), and that there would be potential to use the Council's limited capital funds for other schemes or priorities.

Disbenefits included significant negative strategic planning implications, notably in relation to Melton BC's Local Plan and housing development in the Borough but also relating to wider strategic planning activity in the Leicester and Leicestershire Housing Market Area. Other adverse implications included reputational damage, potential negative impact on future funding bids, the need to re-design the MMDR South, and an added financial burden in providing school places if remaining development was not brought forward as envisaged in the Melton BC Local Plan. The £14m spent by the Council to date on the scheme would not be recoverable.

Option 3 - pause the scheme

Benefits included the potential to seek additional funding and the possible review or restructure of Melton BC's Local Plan.

Disbenefits included the likelihood that costs would rise further whilst the scheme was paused, thus offsetting the benefit of any extra funding. There were costs associated with a delay: the current scheme forecast was based on a target price agreed with the contractor and would not remain valid if the scheme did not proceed in line with the current programme. A new costing exercise would take at least 6 months. Existing developer funding agreements were likely to be linked to generic inflation rates. A pause would mean uncertainty for planning-related activity, outlined in Option 2. The project team would need to be reallocated to other work and the expertise/knowledge of the NE MMDR project lost. If in the short to medium term additional funding was not secured the pause would in effect become a withdrawal.

202. Leicestershire Highway Design Guide Refresh: Approval to Undertake Engagement.

The Cabinet considered a report of the Director of Environment and Transport regarding a refresh of the Leicestershire Highway Design Guide and seeking approval to undertake engagement on various matters including the overarching policy and principles. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

RESOLVED:

- a) That the key influencing factors on the development of the new Leicestershire Highway Design Guide (LHDG) as set out in Part B of the report, with particular reference to matters that need to be addressed in respect of the potential for increased maintenance liabilities on the Authority, be noted;
- b) That the early work undertaken to date as part of the full refresh of the LHDG, particularly in respect of commuted sums and existing LHDG principles and policies, be noted;
- c) That an engagement exercise be undertaken on the Draft LHDG Principles and any other policy, technical and procedural matters necessary for the development of a new LHDG.

(KEY DECISION)

REASONS FOR DECISION:

Although the LHDG has undergone a recent light update (which made no material changes to the Authority's overall approach to dealing with the design and adoption of new developments), the content is essentially over 15 years old and needs a substantial refresh to ensure that it reflects the latest national policies, standards, regulations and guidance, and the Council's priorities, as well as a much changed financial position.

The additional burdens placed on the Council's already stretched maintenance budgets through the creation of new highway assets as part of development must be effectively managed and mitigated; the current design guide is no longer sufficiently robust and up-to-date in this respect.

Engagement with stakeholders on the policy and principles to be applied in future, considerations such as commuted sums and future adoption of highway assets, and other technical and procedural matters will help to inform the development of the content of the new LHDG.

203. Review of the Leicestershire Minerals and Waste Local Plan.

The Cabinet considered a report of the Chief Executive regarding the outcome of the Review of the Leicestershire Minerals and Waste Local Plan which took place between April and October 2022. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

RESOLVED:

That the findings of the Report of the Review of the Leicestershire Minerals and Waste Local Plan (LMWLP), and that the LMWLP does not need to be updated, be noted.

REASONS FOR DECISION:

County Councils are required to prepare, publish and maintain a Minerals and Waste Local Plan. It is a legal requirement for planning authorities to review their plans every 5 years. The Review concluded that the LMWLP Vision and Strategic Objectives remain up to date, that it is in accordance with national policy and guidance, and that policies are performing effectively. As such, the LMWLP does not require updating at present.

204. Recommissioning of Sexual Health Services - Proposal for Consultation.

The Cabinet considered a report of the Director of Public Health regarding planned consultation on the proposed model for sexual health services to be commissioned across Leicestershire and Rutland. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

Mrs Richardson CC said that the Council was seeking to improve the service for residents and she was pleased to support the consultation.

RESOLVED:

- a) That the draft model for the delivery of sexual health services as outlined in the report be agreed for consultation;
- b) That a further report be submitted to the Cabinet in April 2023, providing a summary of the consultation findings and presenting the final service model for approval.

REASONS FOR DECISION:

Upper tier local authorities have a statutory responsibility to provide comprehensive open access sexual health services.

The current contracts for the provision of sexual health services across Leicestershire and Rutland end on 31 March 2024.

Following a review of the current service model and a review of need, a revised delivery model is proposed across the Leicestershire and Rutland area.

205. Items referred from Overview and Scrutiny.

There were no items referred from the Overview and Scrutiny bodies.

11.00 - 11.48 am
16 December 2022

CHAIRMAN