

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Monday, 12 June 2023.

PRESENT

Mr. T. Barkley CC
Mr. M. Frisby CC
Mrs. H. J. Fryer CC
Mr. S. J. Galton CC
Mr. T. Gillard CC
Mrs. A. J. Hack CC

Mr. J. Morgan CC
Mr. M. T. Mullaney CC
Mrs. R. Page CC
Mr J. Poland CC
Mr. T. J. Richardson CC

1. Appointment of Chairman.

RESOLVED:

That it be noted that Mr. T. Mullaney CC has been appointed Chairman of the Scrutiny Commission for the period ending with the Annual Meeting of the County Council in 2024 in accordance with Article 6.05 of the County Council's Constitution.

2. Election of Vice Chairman

RESOLVED:

That Mrs R. Page CC be elected Vice-Chairman of the Scrutiny Commission for the period ending with the date of the Annual Meeting of the County Council in 2024.

3. Minutes.

The minutes of the meeting held on 12 April 2023 were taken as read, confirmed and signed.

4. Question Time.

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

5. 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).

6. Urgent items.

There were no urgent items for consideration.

7. 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.

No declarations were made.

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

There were no declarations of the party whip.

9. Presentation of Petitions under Standing Order 35.

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

10. Final report of the Scrutiny Review Panel on SHIRE Community Grant and SHIRE Environment Grant Schemes

The Commission considered a report of the Scrutiny Review Panel on SHIRE Community Grants and SHIRE Environment Grants. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Mr C. Smith CC, Chairman of the Scrutiny Review Panel, introduced the report. He reminded the Commission that the Panel had been established at its request following its consideration of the Medium Term Financial Strategy 2023/24 – 2026/27 in January 2023 which included the proposal to cease delivery of both SHIRE Grant programmes with immediate effect. Members noted that the aim of the review was to determine the impact and value for money achieved through both Grant programmes and to consider the likely effects of discontinuation.

In presenting the report the Chairman welcomed and thanked external witnesses that had contributed to the review.

Arising from discussion, the following points were made:

- (i) Whilst it was acknowledged that it was not unusual for organisations to seek repeat funding, the majority of the Panel had been concerned at the level of such applications, particularly as such organisations had no metrics to show the benefits and outcomes achieved with the grant provided which was sometimes substantial.
- (ii) The Council had a significant funding gap of over £80m that needed to be addressed and so it had to be recognised that its resources needed to be prioritised towards its core statutory duties such as child and adult social care.
- (iii) The situation was regrettable and a reflection of the current financial position of the Council which continued to be the lowest funded local authority in the country.
- (iv) A Member commented that the programmes had grown significantly over the years and were being provided to organisations that were not intended to be the original recipients of such financial support. The Grants had been

established to support small community groups and not to support organisations that already had other funding streams, were large enough to employ staff, or those able to raise money by way of a precept. Such organisations had rightly applied in line with the Council's criteria, but this could no longer be sustained.

- (v) All Members recognised that the organisations that sought either grant funding were undertaking valuable work and providing excellent support to communities and that the Panel's recommendations were regrettable. However, the majority commented that difficult financial decisions were necessary at the current time, though it was hoped this could be reviewed again at some future date.
- (vi) Members noted that there were other grant schemes available from organisations with significantly more funding, such as Lloyds Bank and the National Lottery Fund and welcomed plans to ensure officers were able to continue to provide advice, support and signpost to where such funding was still available.
- (vii) A Member expressed disappointment that a reduced grant programme could not be provided for and that the Panel's proposals would mean the Council went from a position of providing a broad Grants programme to providing nothing within a year.
- (viii) A Member further commented that the Grant Programmes had been expanded during the pandemic and suggested that rather than abolishing the programmes entirely, more could perhaps be done to return the scheme to pre-covid levels or for tighter rules to be imposed to prevent repeat applications.
- (ix) Another Member commented that to remove the grants entirely would inevitably impact communities as many of the organisations receiving funding provided services and support where the Council was already unable to do so due to limited resources. Some Members commented that a recommendation for smaller grant fund programmes that were more targeted so as to address the concerns raised by the Panel had been hoped for.
- (x) In response to the concerns raised, the Chairman of the Review Panel commented that by ensuring the Grant Programmes continued for a further year, though on a more targeted basis, this would ensure organisations would have time to seek advice and source alternative funding streams and that Council officers would be on hand to support them in that process. The Chairman further commented that no one wished to see the Grant Programmes brought to an end, but on balance, in the face of current financial pressures, this was considered the best approach. If circumstances improved, then it was hoped the matter could be revisited.

RESOLVED:

That the report of the Scrutiny Review Panel on SHIRE Community and SHIRE Environment Grants be recommended for consideration by the Cabinet at its meeting on 23 June 2023 for consideration.

(The Resolution was put and carried, 8 members voting in favour, 3 members voting against.)

11. Provisional Revenue and Capital Outturn 2022/23

The Commission considered a report of the Director of Corporate Resources which set out the provisional revenue and capital outturn for 2022/23. A copy of the report marked 'Agenda item 11' is filed with these minutes.

The Chairman welcomed Mr L. Breckon CC, Lead Member for Resources, who attended for this item.

Arising from discussion, the following points arose:

- (i) A Member raised concerns that whilst the meeting held between the Leader, Deputy Leader, Lead Member for Resources, Chief Executive, Director of Corporate Resources and the Chancellor, Jeremy Hunt MP, had been promoted to be a success, it was not clear what tangible outcomes had been achieved. The Lead Member for Resources confirmed that the discussions had been helpful and promising, but that there would not be an overnight fix. Officers would next be meeting with Government officials to discuss the Council's proposed solution in more detail.
- (ii) As the Government did not propose to look at Fair Funding for local government until 2025/26, the Council was seeking the early introduction of a funding floor (which was part of the overall solution for Fair Funding) as soon as possible. This had been done for schools and so was technically possible, but it was not yet clear if this would be practicable given national financial pressures. It could, however, make a significant difference to the Council's immediate financial position.
- (iii) Whilst many tourist attractions were bouncing back after the Pandemic, a Member commented that Beaumanor Hall still appeared to be lagging behind and questioned if the Council had the right skill set to perhaps diversify and maximise trading opportunities at this site. Members noted that advisers had been consulted on how best to drive this part of the Council's traded service forward, particularly in respect of weddings.
- (iv) Whilst Members were pleased to see business rates were being retained locally, concerns were raised about ongoing discussions as to how this would be split between the City, County and district councils. Members noted proposals for the income to be split by way of a third each, but that much of the growth coming into Leicester and Leicestershire would fall within the County and so would likely affect the County Council more than the City Council. The Lead Member commented that it was right for the Council to seek to ensure it received a fair split that would reflect where growth would fall. However, Members raised concerns that if an agreement could not be reached, there was a risk that the income would revert back to Government resulting in significant loss to all, although it would be in no local council's interest if this did happen. Members encouraged continued dialogue between the respective Council Leaders and for a resolution to be found as soon as possible.

- (v) Post the Covid-19 pandemic it was clear that more resources were needed in adult social care services. The Department had done a lot of innovative work over the last four years to reduce costs but not the quality of service and that it had performed well despite the challenges faced during that period. However, a Member commented that more needed to be done by the NHS locally as Leicestershire had the fewest number of nursing places funded within the community. A Member commented that this was a key issue that needed to be addressed.
- (vi) Members raised concerns about the continued level of slippage within the capital programme and the impact this had on overall costs incurred. A Member commented that large schemes cost a lot in officer time which also increased with delay. The Director commented that slippage would always be incurred, and in part was due to the single cut-off date at the end of the financial year. Slippage was also more likely in time of high inflation as investments needed to be regularly reassessed in light of the latest information available. Members noted that the quarterly budget monitoring reports presented to the Commission identified where slippage would likely be incurred to keep Members informed throughout the year.
- (vii) A member questioned the likely impact of slippage on the provision of additional school places and the SEND Programme. The Director commented that ultimately most of the slipped scheme would be delivered eventually. Whilst there would inevitably be some impact on delivery of required school places, much of the slippage was due to revised timelines for developer funded housing development.
- (viii) The costs of repairing Zouch bridge continued to rise and delays in being able to secure government funding for the project had been an issue as the Council's initial levelling up bid had been unsuccessful. Options were being considered.
- (ix) Consideration was being given to all options to pursue the Lutterworth East SDA now that the judicial review case had been resolved. Members noted that the scheme would need to be reviewed as much had changed since this had first been put together both in terms of cost estimates, and in terms of the need for office space post Covid. This was being worked on by officers and an update would be provided in due course. Members requested that a detailed update on all Investing in Leicestershire Programme projects be provided as part of the planned annual performance report on the Programme which it was due to receive in September.
- (x) A Member questioned the reasons for delay in the Council, as the Highway Authority, being able to agree road schemes which were developer led. Delays resulted in costs increasing over time which in turn risked developers choosing to no longer build on the basis these schemes became unviable. A member commented that this posed a risk to residents that needed this infrastructure, and to the County Council that might then have to provide alternative highway solutions. It was questioned to what extent delays were balanced against these kinds of risks. It was suggested that this should be the subject of a separate report to the Highway and

Transport Overview and Scrutiny Committee.

- (xi) A Member sought more clarity on the current position regarding delivery of the Melton Mowbray Distributor Road (MMDR). It was noted that whilst the North and Eastern section of the road had been approved and funding secured, the southern section was currently in the design and testing stage. It was suggested that a briefing for relevant local members be provided regarding current progress.

RESOLVED:

- (a) That the provisional Revenue and Capital Outturn for 2022/23 be noted;
- (b) That a detailed update on all Investing in Leicestershire Programme projects be provided as part of the planned annual performance report on the Programme which it was due to consider in September.
- (c) That a report be presented to a future meeting of the Highway and Transport Overview and Scrutiny Committee regarding the process and balance of risk undertaken by the Council as the highway Authority in respect of developer led road schemes.
- (d) That relevant local Members be updated regarding current progress on delivery of the MMDR.

12. Commercial Strategy Annual Update and Performance Review

The Commission considered a report of the Director of Corporate Resources which provided an update on the performance of Leicestershire Traded Services (LTS) during 2022/23. The report also sought the Commission's views on the revised Traded Services Strategy (previously titled the Commercial Strategy) for 2023-28. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) Whilst all traded services had recovered well over the last 12 months, wage inflation and rising energy costs had unfortunately eroded these improvements and so overall contribution was still down compared to target.
- (ii) Members were particularly interested in the performance of Beaumanor Hall. Whilst it had performed well, the changes having been made to address the deficits in previous years arising from Covid now coming to fruition, its financial performance had been affected by increased energy costs given the age and size of the building, and other inflationary pressures.
- (iii) The school meals service had continued to face significant challenges, but these were also being experienced by other similar organisations providing such services and so the Council's position was not unusual.
- (iv) Whilst it was clear that every effort was being made by officers in the face of some very significant and unexpected challenges, a Member commented

that a very significant increase in turnover would be needed to address the gap in contribution versus the MTFs figure. A Member further highlighted that before Covid, the Council's traded services were making a profit and contributing to the Council's budget, avoiding the need for more cuts. Further consideration of the planned approach to return to such a position would be beneficial.

- (v) In response to concerns raised, Members were reassured that in considering the profitability and future improvement of each traded service, all aspects of the business were considered as well as different types of operating models, including outsourcing. In respect of country park cafes, for example, the cost of car parking was considered to ensure this was not prohibitive. In respect of Beaumanor Hall, external advisors had been engaged to provide advice on future improvements to both its external activities and wedding services.
- (vi) A Member commented that as the Council was facing some stark decisions regarding its future spending it would be necessary to shine a spotlight on all services provided, particularly those that were discretionary, like traded services.
- (vii) Members requested that a Scrutiny Commission workshop be held to discuss in more depth the service action plans and the costs and income generated by all traded services noting the need to manage some commercially sensitive information. A Member further suggested that after the workshop, in approximately six months' time, a further performance update report be presented to a future Scrutiny Commission meeting.
- (viii) Efforts had been made to encourage schools that had missed out on residential activities at Beaumanor Hall as a result of Covid-19, to now take these up, this being beneficial for the business but in particular the children that were otherwise missing out. However, increased transport costs were challenging for some schools. In any event, the service was actively working with head teachers to try and expand and adapt the offer to encourage more visits in future.
- (ix) It was suggested that the proposed workshop would be helpful to demonstrate the journey the Council had been on over the last year and following the pandemic, as well as providing an opportunity to share the input of external advisors on how to make services like Beaumanor Hall more effective for the future.
- (x) It was recognised that some organisations which the Council traded with were also going through difficult times. For example, school budgets were also being squeezed which was affecting both the school meals service and Beaumanor Hall. It was anticipated that the school meals business would be smaller going forward as schools and multi-academy trusts sought to retender their catering operations. As the ethos of the Council's school meal service is to offer food which is both affordable, but also healthy and locally sourced, where possible, a fall in customers was expected if schools valued cheap provision ahead of a quality offer. A degree of flexibility had been built into the service to respond as necessary.

- (xi) A Member commented that, in terms of country parks and cafes etc. it was not entirely clear what assets the Council owned and from which it operated a traded service/generated an income and suggested that more clarity could be provided on this within future reports.
- (xii) The previous Strategy had set both the strategic direction for the service and included an overall action plan of outcomes to be achieved. Such a centralised, prescriptive approach was no longer considered appropriate given the varied nature of the Council's traded services. The new Strategy had been revised to set the overall strategic principles which would guide the Council's approach to traded activity in the future. Action Plans would then be produced and included within service plans, ensuring alignment to the Council's Medium Term Financial Strategy. A Member commented that sight of those service plans would enable more detailed scrutiny to be undertaken on how well each traded service was recovering and the Director undertook to share details with Members outside the meeting.

RESOLVED:

- (a) That the performance update on Leicestershire Traded Services (LTS) during 2022/23 and the revised Traded Services Strategy (previously titled the Commercial Strategy) for 2023-28 be noted;
- (b) That the comments now made by the Scrutiny Commission be presented to the Cabinet at its meeting on 23 June 2023 for consideration.
- (c) That a Scrutiny Commission workshop be held to consider in more depth the Council's traded services, related action plans and the costs (including capital costs) and income being generated.
- (d) That following the workshop referred to in (c) above, a further report be presented to the Scrutiny Commission in six months' time providing a further update on performance.

13. Corporate Complaints and Compliments 2022/23

The Commission received a report of the Director of Corporate Resources, which presented the Corporate Complaints and Compliments Annual report, covering the period from 1 April 2022 to 31 March 2023. A copy of the report marked 'Agenda Item 14' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) A Member questioned if complaints regarding the delayed allocation of school places was in part due to parents not applying on time. It was noted that whilst this was an issue in some cases, this was not the cause for many complaints received.
- (ii) There had been challenges with some parents not putting a catchment school within their top three choices which came with risk and resulted in appeals and subsequent delay. Members were reassured that changes in the process had been made to address this and now all parents were offered their next nearest school so as to avoid having to go through this

process. Greater clarity had also been added to the guidance provided to parents.

- (iii) Members noted that most complaints around school admissions focused on people moving in and out of County and changing school. There had been delays in processing these applications and this was largely due to resource issues within the school placement team. Schools being oversubscribed was also a factor. In areas such as Oadby and Wigston and Blaby schools were heavily oversubscribed, and it was therefore difficult for officers to find and allocated a school place mid-school year.
- (iv) Whilst the amount paid in the settlement of complaints had risen, this was largely due to one case relating to adult social care reviews being missed during the pandemic when lock down restrictions had been eased. This case, which had been determined by the Ombudsmen, had resulted in a payment of £11,000 to the complainant. This had been the subject of a report to the Cabinet. Payments otherwise remained consistent with previous years.
- (v) There had been a significant number of complaints regarding SEND and the timely conduct of EHCPs (Education and Health Care Plans). A Member questioned when it was likely that improvements in the system would be seen which would in turn reduce the number of complaints received. It was noted that the Children and Family Services Department had in place an accelerated progress plan which forecasted improvements by the Autumn. The Chair of the Children and Families Overview and Scrutiny Committee commented that performance against the delivery of this plan was being regularly monitored by that Committee, as was performance against delivery of the Department's TSIL (Transforming SEND in Leicestershire) Programme. It would also be looking in more detail at the complaints report in respect of these areas at its meeting in September. The Chair reminded Members that the papers for the Children and Family Services Overview and Scrutiny Committee were available to view on the Council's website and Members comments on the items it considered were welcomed.
- (vi) Of those complaints that were not dealt with in time, the Director confirmed that most of these related to SEND issues, rather than school admissions. Significant improvements had been made over the last 12 months to improve links with senior manages to resolve admissions complaints swiftly. It was recognised, however, that SEND complaints were often complex and so by their very nature, were less easy to resolve quickly.
- (vii) It was acknowledged that whilst complaints were often received when things did not go to plan, compliments were not usually submitted when things were going well. Much was done to try and capture compliments received and advice and guidance was provided to managers on what could be recorded for the purpose of this report. For example, the compliment had to be unsolicited (i.e., not a response to a survey) and more than a simple 'thank you'. Whilst it was noted that there were likely more compliments being received than captured, it was reassuring that levels had remained relatively consistent despite the challenges faced and

rise in the number of complaints.

- (viii) A Member commented that it would be useful to better quantify the data being presented if figures as well as percentages were included in future reports.

RESOLVED:

- (a) That the Corporate Complaints and Compliments Annual report, covering the period from 1 April 2022 to 31 March 2023, be noted.
- (b) That reports in future provide figures alongside the percentages to enable Members to better quantify the data presented.

14. Overview and Scrutiny Annual Report

The Commission considered the draft Overview and Scrutiny Annual Report which summarised some of the key highlights of scrutiny work undertaken during 2022/23. A copy of the report marked 'Agenda Item 15' is filed with these minutes.

Members supported the content of the report and welcomed the increase in the numbers of people viewing meetings webcast online.

A Member requested that a minor change be made to the report to add reference to the Health Overview and Scrutiny Committee to the contents page.

Members requested that following consideration of the report by the full County Council at its meeting in July a link to the report, which would be published on the Council's website, be provided to all Members for wider circulation. It was noted that this would also be publicised through Leicestershire Matters.

RESOLVED:

- (a) That the draft Overview and Scrutiny Annual Report 2022/23 be approved for submission to the County Council on 5 July 2023 subject to the comment now made;
- (b) That, following its consideration by the full County Council in July, a copy of the Annual Report be provided to all Members for wider circulation.

15. Dates of future meetings.

RESOLVED:

It was noted that the next meeting of the Commission would be held on the following dates:

Wednesday, 6 September 2023
 Wednesday, 8 November 2023
 Monday, 29 January 2024
 Wednesday, 13 March 2024
 Wednesday 10 April 2024
 Monday 10 June 2024

Wednesday, 4 September 2024
Wednesday, 6 November 2024

10.00 am - 12.16 pm
12 June 2023

CHAIRMAN