

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 8 November 2023.

PRESENT

Mr. M. T. Mullaney CC (in the Chair)

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

Mr. P. King CC
Mr. J. Morgan CC
Mrs. R. Page CC
Mr J. Poland CC
Mr. T. J. Richardson CC

29. Minutes.

The minutes of the meeting held on 6th September 2023 were taken as read, confirmed and signed.

30. Question Time.

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

31. 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).

32. Urgent items.

There were no urgent items for consideration.

33. 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.

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

There were no declarations of the party whip.

35. Presentation of Petitions under Standing Order 35.

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

36. Change to the Order of Business

The Chairman sought and obtained the consent of the Commission to vary the order of business from that set out on the agenda for the meeting.

37. Place Marketing - Leicester and Leicestershire.

The Commission considered a report of the Chief Executive which provided an update on the work of the Place Marketing Team for Leicester and Leicestershire. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed Mr Mike Denby, Director of Inward Investment and Place Marketing (the Director), to the meeting.

Arising from discussion, the following points arose:

- (i) Members noted that the support provided by the Place Marketing team (the team) to both new and existing businesses coming to the area varied. The team might provide links with other local businesses, local colleges and universities, or work with job centre plus. It also worked with agents to help source properties in the area. The Director commented that the team added most value by providing support and helping to establish links across the locality to both grow and bring in new investment to the area.
- (ii) The MIPIM (the international market for real estate professionals) event had been held in March and whilst this had generated some interest in some local schemes, these had not yet come to fruition. The Director confirmed, however, that discussions were still ongoing to pursue opportunities which might lead to direct investment within the County.
- (iii) It was noted that the Head of Strategic Property Services had attended the event in March on behalf of the County Council. A Member questioned whether attending MIPIM was worthwhile given the costs involved. The Director advised that local private sector partners attended the event and so a presence, though on a very small scale, had been considered important. It was noted that more focus was given to UK based events such as REiIF. Members agreed this was a more appropriate use of resources and more likely to attract investment into the County.
- (iv) The campaign to promote the County was good and demonstrated local assets well and in a way that was refreshing and hopefully attractive to businesses. However, a Member commented that whilst the team clearly undertook good work, given its size, its level of influence was limited. The team consisted of 7 staff with a total annual budget of £650,000.
- (v) A Member commented that of the enquiries raised through the PM website, only a 6% conversion rate appeared to have been achieved. Members noted that as a small team its efforts had to be targeted towards large businesses that would bring in the most investment and create the most jobs. Smaller businesses that sought advice were able to use the automated web-support provided. Members noted that one member of the PM team had also been appointed to focus on such smaller business

contacts.

- (vi) A Member suggested it was not clear what direct outcomes had been achieved from the information provided. For example, whilst it had been reported that the team had helped to safeguard 47 jobs in the area, it was not clear how many opportunities had been lost, or what number of businesses had moved out of the area. It was further suggested that the businesses supported might in any event have come into the County. It was acknowledged tracking the direct value added by the team as a result of the work and marketing it undertook was difficult. However, the Director emphasised that it provided a centralised point of contact that worked hard to reach out to businesses and agents early on, to build connections across the area that hopefully tipped the balance in favour of Leicestershire over other areas a business might be considering. A member commented that the team appeared to do well within the resources it had and that to do more, more funding would be required which was unlikely given the financial pressures faced by local government.
- (vii) A Member commented that much investment in the County had been targeted towards logistics. This took up a lot of land but on a square metre basis generated fewer jobs and jobs at lower income levels. It was questioned what was being done to attract other types of business to the localities, such as creative or tech industries. Members noted that locality PM teams had been established to engage with district councils to understand what they had planned for their area through their Local Plan processes. This was, however, more difficult for commercial developments where there was no clear policy.
- (viii) A Member pointed out that cuts to local infrastructure such as busses, affected the connectivity of the County which likely reduced its attractiveness to businesses.
- (ix) It was noted that since the pandemic businesses were starting to seek to move to smaller but higher quality (grade A) premises. This was a challenge for Leicester and Leicestershire as other areas, such as Birmingham and Nottingham, had for many years sought to stimulate this area of the market. Grade A office space was limited in the County and the City. The team was therefore working with owners of grade B office space to encourage them to upgrade this to meet such demand.

RESOLVED:

That the update now provided on the work of the Place Marketing Team for Leicester and Leicestershire be noted.

38. Medium Term Financial Strategy Monitoring.

The Commission considered a report of the Director of Corporate Resources the purpose of which was to provide members with an update on the 2023/24 revenue budget and capital programme monitoring position as at the end of period 6 (the end of September 2023). A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) A Member raised concerns that the Council was struggling in its negotiations with the ICB (Integrated Care Board) regarding payments for social care which would normally be made, and were made, by the NHS in other areas. The Member urged Cabinet Lead Members to put pressure on the ICB to ensure the County Council was funded in line with other social care authorities, noting that the current position disadvantaged Leicestershire residents.
- (ii) It was noted that under the Council's Vehicle Replacement Programme the vehicles being purchased were traditionally fuelled (diesel), not electric. The Council did, however, have a future capital scheme to look at more energy efficient alternatives. A Member questioned if the warranties on the new vehicles would preclude them from being adapted to use other, cleaner fuels. The Director undertook to consider the warranty provisions on the new vehicles being purchased.
- (iii) A Member questioned if the rental income generated by letting parts of County Hall was significant against the capital cost of delivering the Workplace Strategy. It was suggested that more detail was needed to understand if the Strategy was still the correct approach. The Director confirmed that an update on progress to deliver the Ways of Working Programme had been scheduled for April 2024 and undertook to include more financial information regarding capital costs balanced against revenue income within that update. It was suggested that this update could be done by way of a formal report or briefing for the Commission.
- (iv) It was noted that the introduction of spending controls was being considered across all areas given the funding gap of £10m which was currently forecast for the year end. These might include recruitment controls (requiring senior approval to recruit), expenditure and procurement controls (for example where new tendering opportunities arose), and stronger controls over non-essential spend. Members noted that this would be a matter considered by the Council's Corporate Management Team for implementation imminently. The Lead Member provided assurance that all Members would be updated as appropriate.
- (v) A Member commented that the two budget areas consistently overspending were Children's and Adult's Social Care Services. It was noted that some spending controls had already been put in place across these service areas with panels now established to look at new social care packages and reviews of existing packages to more closely assess if these met an identified need. The Director assured Members that spend across both Departments was being monitored very closely.
- (vi) A Member questioned the indirect property investments held within the Investing in Leicestershire Programme (IILP), noting that these appeared to have generated a low level of return (2.3%). The Director advised that there was an error in the report and that the overall return on such holdings had been 4%.

- (vii) Members noted that indirect property investments were held to spread the Council's risk across a number of different asset types within the IILP. This had followed advice received from independent financial consultants some years ago. The Director commented that whilst there were always risks, the Council targeted those types of investment that were at the lower end of the risk scale. The Council also benefited from the added assurance and due diligence undertaken by the Pension Fund which also invested in these asset types.
- (viii) In response to a question regarding where the funds to invest in the IILP came from the Director advised that this was the working capital of the Council and investing in indirect property was essentially a treasury management investment. It was noted that if these funds were used to deliver local infrastructure, this would create a hole in the revenue budget of approximately £3m through loss of income.
- (ix) Social Care was a demand led service and much had been done in recent years to address and reduce this across Adult's and Children's services. Growth was beginning to plateau. However, the cost of care, particularly given private sector competition, had increased, as had the complexity of care needed. These were national issues affecting all local authorities.
- (x) A Member commented that there had been a significant uplift in residential care need. The private sector dominated this area pushing up prices. It was questioned whether the IILP could be used to build more in house capacity and if it would be cost effective for the Council to borrow money to deliver that capacity more quickly, noting the saving this might generate in revenue costs. The Director confirmed that the Council had a social care investment programme focused towards increasing internal provision in partnership with the private sector. This was a priority for the Council and had been included in the capital programme. However, a key challenge would be recruiting the staff needed to support this.
- (xi) The recruitment and retention of staff continued to be an issue across all service areas. A Member commented on the use of agency staff at great expense to the Council. It was noted that this was a risk included on the Council's Corporate risk Register which was considered on a quarterly basis by the Council's Corporate Governance Committee. It was suggested that an update on work taking place to manage this risk would be beneficial either to the Commission or the Corporate Governance Committee as the Director considered appropriate.
- (xii) A Member commented that local authorities were in a dire situation financially. The County Council had been well managed financially and so was in a better place than many. It was noted that for the current financial year, money set aside for risk contingencies could be used to bridge the funding gap. However, this would be used as a last resort. For the future, early planning for the delivery of savings would be key to facing the challenges ahead.
- (xiii) In response to questions raised, the Director confirmed that responsibility to issue a section 114 notice rested with him as the Council's designated Section 151 officer. There were no formal mechanisms in place except the

need for the Director to first consult the Chief Executive and the Monitoring Officer before issues the notice. The Director said it was imperative that the Council sought to avoid issuing such a notice as it delivered no benefits to the Council's financial position, but instead added a layer of cost and restrictions which would result in a loss of control for the Council to determine where best to make savings.

RESOLVED:

- (a) That the update now provided be noted;
- (b) That the Director of Corporate Resources be requested to:
 - (i) Check if the warranty provisions on new vehicles purchased under the Council's Vehicle Replacement Programme would prevent them being adapted to use cleaner alternative fuels.
 - (ii) Include in the planned update on progress to deliver the Ways of Working Programme in April 2024 more detailed financial information regarding capital costs balanced against revenue income and that this update be provided by way of a formal report or a briefing for Commission Members, as considered appropriate by the Director.
 - (iii) Provide an update on work taking place to manage risks relating to the use of costly agency staff across the Authority either to the Scrutiny Commission or the Corporate Governance Committee, as the Director considered appropriate.

39. Leicestershire County Council Community Safety Update.

The Committee considered a report of the Director of Children and Family Services regarding work being undertaken by the Council's Community Safety Team to deliver the Council's Community Safety Strategy 2022-26 and in undertaking the duties placed on the Authority in relation to crime and disorder in partnership with other statutory responsible agencies. The Commission received the report in its capacity as the County Council's designated crime and disorder committee. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

Arising from discussion, the following points arose:

- (i) A member commented that the Service did valuable work and that this was a good example of how the County and district councils worked well together to deliver outcomes for vulnerable residents.
- (ii) It was noted that the Authority was not required to provide housing, but to provide accommodation-based support such as advocacy advice. Providing housing and addressing homelessness remained the responsibility of district councils. The Service worked closely with district housing officers and attended locality housing officer group meetings to ensure a co-ordinated approach. Members noted that district councils had received a proportion of the funding allocated to support their housing function in this regard. Most had used this to employ housing link workers that worked closely with the Council's Community Safety Team.
- (iii) There had been an increase in the numbers of people presenting to district councils as homeless. Of those that were victims of domestic abuse, work

was being planned to ensure, where it was safe to do so, the victims were able to stay at home and the perpetrator rehoused. This avoided having to rehouse whole families. The Council was using some of the funding it received from the Department for Levelling Up, Housing and Communities (DLUHC) to support this work.

- (iv) Support and commissioning of domestic abuse services was fragmented; a proportion being provided by the Police and Crime Commissioner, and a proportion by the County Council through the Public Health and the Children and Family Services Departments. All held data around those being supported and work was being undertaken to bring this together to provide a more holistic view of those receiving support across the County. It was hoped that this would be available when the service next reported to the Commission.
- (v) The Ask for Angela campaign started small but had been rolled out quickly across Leicestershire with training having been provided. This was now a large national campaign and the Team sought to ensure that staff across establishments were aware of this and so were able to respond should they be approached by a member of the public asking for 'Angela'.
- (vi) A lot was being done to engage with and educate young people. The Team liaised with schools through the Violence Reduction Network which ran a mentors in Violence Prevention Programme being rolled out across Leicester, Leicestershire and Rutland. This provided a forum for partners to discuss and coordinate the support available to young people. It also ran a campaign about the use of appropriate language and how to challenge that and a new website had been established with young people and carers to ensure they were signposted to support available. Partners were also working together to train young people to be peer mentors which was proving to be very impactful.
- (vii) It was noted that the report included details of spend across individual projects but did not include details of the costs of those contracts not yet in place. Members therefore requested a more detailed summary of cost against the DLUHC funding received. The Director undertook to provide this after the meeting.

RESOLVED:

- (a) That the update now provided on the work being undertaken by the Council's Community Safety Team to deliver the Council's Community Safety Strategy 2022-26 and in undertaking the duties placed on the Authority in relation to crime and disorder in partnership with other statutory responsible agencies, be noted;
- (b) That the Director be requested to provide a detailed summary of the cost of domestic abuse services commissioned against the DLUHC funding received, for Members of the commission after the meeting.

40. Annual Delivery Report and Performance Compendium 2023.

The Committee considered a report of the Chief Executive regarding the draft Annual Delivery Report and Performance Compendium for 2023 which set out the Council's progress and performance over the past year. The views of the Scrutiny Commission

were sought on the report and compendium prior to its submission to the Cabinet and Full Council on 24 November and 6 December 2023 respectively. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) Leicestershire's economy had performed reasonably well compared to other areas. However, feedback suggested that people's perceptions about the economy were more negative and less optimistic. It was noted that such feedback was obtained through telephone polling undertaken over a 12 month rolling period (around 100 randomly selected residents were contacted each month) and took account of over 1,600 comments received. This provided an overall picture of people's views on a number of issues during the period that could be compared to previous years. Whilst it was noted that the data was triangulated against other sources, some Members suggested that undertaking polls in this way was no longer beneficial and that such data should be used with caution. As many residents, particularly younger people, no longer had telephone land lines a Member further questioned whether those contacted, despite random sampling, could be regarded as truly representative.
- (ii) The delivery of affordable housing was a responsibility of district councils. However, the report highlighted that as a County, Leicestershire was one of the best in terms of delivery. A Member suggested this was not the case across all districts and some areas delivered more than others in line with allocated targets.
- (iii) It was noted that the percentage figures regarding physically activity in adults had been omitted from page 80 of the report. The Chief Executive undertook to confirm this information after the meeting. It was noted that more detail regarding outcomes and performance of public health activities would be included in the annual report of the Director of Public Health to be presented to full Council later in the year.
- (iv) Whilst average A level results were below the counties average in 2022, it was suggested that this was not unexpected given such children's education had been severely disrupted by the Covid 19 pandemic. A Member suggested that this should be reflected in the commentary, as those children had still done very well despite difficult circumstances.
- (v) A Member challenged the red rating of Adult Social Care (expenditure per head of population) and suggested that despite spending less than other authorities the Council still managed to deliver better outcomes for its residents in respect of those services.
- (vi) Members noted that whilst Leicestershire was an efficient Council that continued to deliver good outcomes across many areas despite it being the lowest funded Council in the country, it was now at a tipping point, whereby outcomes might begin to reduce if fair funding was not addressed by the Government.
- (vii) Members noted the larger proportion of indicators that had deteriorated this year and whilst this was, in part, still due to the impacts of the Covid 19

pandemic, other factors were also having an effect, including the Council's low funded position which was changing the level of service it could continue to provide.

- (viii) A Member commented that the Council could no longer deliver some services provided by other, better funded authorities. However, the core services it did provide it did so very well and it was an exemplar in some areas which should be recognised. It was suggested that future reports might need to reflect how well the Council performed in respect of the services it was able to fund, whilst recognising that there were some services it could no longer deliver and to demonstrate separately the impact this had on residents.
- (ix) Members noted that the Council's Strategic Plan would shortly be subject to review and it would be necessary for the Council to consider what as a local authority it could realistically deliver going forward, and how this might affect the pledges, ambitions and timescales set out in the current iteration of the Plan.

RESOLVED:

- (a) That the draft Annual Delivery Report and Performance Compendium for 2023 which set out the Council's progress and performance over the past year be noted;
- (b) That the comments now made be reported to the Cabinet for consideration at its meeting on 24th November 2023.

41. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on 29 January 2024 at 10.00 am.

10.00am – 12.46pm
08 November 2023

CHAIRMAN