

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Monday, 10 March 2025.

PRESENT

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

Mr. N. D. Bannister CC
Mr. T. Barkley CC
Mrs. H. J. Fryer CC
Mr. S. J. Galton CC
Mr. T. Gillard CC

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

57. Minutes of the previous meeting.

The minutes of the meeting held on 27 January 2025 were taken as read, confirmed and signed.

58. Question Time.

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

59. 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).

60. Urgent Items.

There were no urgent items for consideration.

61. 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.

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

There were no declarations of the party whip.

63. Presentation of Petitions under Standing Order 35.

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

64. English Devolution White Paper: Local Government Reorganisation.

The Commission received a joint report and presentation of the Chief Executive, the Director of Corporate Resources, and the Director of Law and Governance which sought views on the proposed content of the interim plan for local government reorganisation. A copy of the report, marked 'Agenda Item 8', are filed with these minutes.

The Chairman welcomed the Acting Leader of the Council, Mrs D. Taylor CC (in remote attendance), and Cabinet Lead Member for Resources, Mr L. Brecon JP CC, to the meeting for this item.

In introducing the report and presentation, the Chief Executive reported that Mrs. Deborah Taylor, Acting Leader of the County Council, had attended a meeting with District Council Leaders, the City Mayor and the Leader of Rutland on 6 March. The expectation from this meeting was that three separate proposals would be submitted to the Government: one by the County Council; one by the City Council; and one by the District Councils. It was expected that Rutland Council would meet on 11 March to discuss its position. To date, Rutland Council had indicated its support for the proposal made by the District Councils.

The Director of Corporate Resources provided an overview of the funding position in relation to local government reorganisation. He stated that the financial position of the County Council reflected that of other local authorities nationally, including district councils. It was not clear whether the Government's expected funding reforms would have an impact on the Council's overall budget and the last local government settlement had not provided an increase in core spending power for district councils. Local government reorganisation was not expected to solve all of the financial challenges being faced by authorities, but it could lead to a significantly improved position. Discussions on the right solutions for Leicestershire would focus on finance, services and democracy. The Director emphasised that the three could not be considered in isolation. The investment in reorganisation would be significant and it would therefore be vital for reorganisation to focus on improving services and generating savings. Despite the fact that a number of financial challenges were outside of local government control, a single unitary option would put local government in the best possible position to deal with these challenges.

Arising from discussion, the following points were raised:

- (i) In response to a question asked regarding the interim plan, the Acting Leader stated that the Government's decision not to allow local government reorganisation in Leicester, Leicestershire and Rutland through the fast-track process, as jointly requested by the City Mayor, the Acting Leader of the County Council and the Leader of Rutland Council, meant that devolution to the area had been further delayed with any estimated date for devolution uncertain. In light of this, the County Council had focussed on revising and updating the 2019 business case, a 'Vision for Local Government in Leicestershire'. This business case would inform the interim plan.
- (ii) Concern was raised regarding the sustainability of service delivery within the proposed unitary model. The Acting Leader assured members that the proposal for a single unitary authority for Leicestershire would be focussed on delivering high quality and sustainable public services and that there would be benefits in bringing

services together. Further work would need to be undertaken in order to consider the future funding model and understand the impact of a reallocation of resources. This would not be possible until the Government had provided feedback on the interim plan.

- (iii) In response to a question relating to population size, the Chief Executive stated that the interim plan for a proposed single unitary council for Leicestershire would be developed according to the Government's stated aim that the population size for new councils should exceed 500,000 residents. It was expected that any proposal for a unitary authority which did not exceed this size would need to include a justification for this.
- (iv) Concern was raised relating to extension of Leicester City Council's boundaries in terms of the impact this would have on residents in those localities, as well as the impact on the remaining council/s in the County. The Acting Leader acknowledged these concerns and confirmed her view that, if the Government were to seek to progress any proposal for an extension of the City's boundaries, it would not be in the interests of Leicestershire's residents.
- (v) With regards to the role of town and parish councils under the proposals model, the Chief Executive stated that town and parish councils would be empowered to represent local groups and would be invited to deliver services within their communities. Concern was raised that some parish councils would not have the necessary resource in place in order to undertake this role. The Chief Executive assured members that a framework would be developed whereby parish and town councils would be offered the opportunity to deliver certain services, and that funding arrangements would be considered. The proposed unitary authority would be the responsible body for ensuring that services were delivered, in line with statutory responsibilities and its priorities. Governance and monitoring arrangements would be developed for working with town and parish councils, and Community Governance Reviews would be undertaken in unparished areas such as Loughborough, Market Harborough, and other such areas across the County.
- (vi) The Interim Plan would outline the proposal for a Cabinet and Strong Leader model, with Area Committees and Area Planning Committees for local decision making. It was expected that the number of Area Committees would either be 10, based on a population of roughly 70k, in order to address issues around sense of community and common sense of place, or seven, based on parliamentary constituency areas. Concern was raised that additional committees could lead to increased costs. Members were assured that Area Committees would aim to support the necessary governance and decision-making arrangements of the proposed unitary authority. Details relating to the proposed governance and decision-making model would be developed following feedback from the Government on the interim plan.
- (vii) Concern was raised relating to the performance of local authorities which had been through a process of reorganisation. The Chief Executive and the Director of Corporate resources stated that it would not be beneficial to make comparison due to differences in financial circumstances, local issues, and geography. The interim plan would focus on outlining the benefits of single unitary council for Leicestershire.
- (viii) In response to a question regarding the next steps, the Chief Executive outlined that the interim plan would be submitted to the Government before 21 March 2025. A new business case would then be developed based on latest information, as well as

the views of local residents. These views would be obtained through focus groups, extensive internal and external communications, online consultation, and through engagement with targeted stakeholders and groups. This business case would fully reflect the Government's criteria and would also take on board any feedback on the interim plan provided by the Government. The deadline for the submission of a final plan to the Government would be 28 November 2025. It was acknowledged that following feedback from Government, it would be important for local authorities across the County to work together to deliver reorganisation for the residents of Leicestershire.

RESOLVED:

That the Commission's views now made on the option for a single unitary Council for Leicestershire, excluding Leicester City, be forwarded to the Cabinet for consideration at its meeting on 18 March 2025.

65. Leicester and Leicestershire Business and Skills Partnership.

The Commission considered a report of the Chief Executive which provided an update on the work of the Business and Skills Partnership for Leicester and Leicestershire. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

The Chairman welcomed Phoebe Dawson, Director of Business and Skills of the Leicester & Leicestershire Business and Skills Partnership (LLBSP) and Mrs D. Taylor CC Acting Leader, for this item.

Arising from discussion, the following points were raised:

- (i) A question was asked relating to the establishment of a Business Board for the LLBSP and how its outcomes would be measured. Members noted that the Board was made up of representatives from Leicestershire County Council, District Councils, Federation of Small Businesses, East Midlands Chamber, Make UK, the Voluntary, Community and Social Enterprise Sector, the Higher Education and Further Education Sectors, Institute of Directors, and a senior officer observer from Rutland Council. In addition to this, private sector representatives from Everards of Leicestershire, Caterpillar Inc., Mighty Creatives, and HORIBA MIRA. The Board was responsible for representing local business perspectives in regional decision-making and working with local leaders to develop a comprehensive economic strategy for the area. As the Board had only been established in 2024, its key priorities and a business plan for delivery of these priorities were yet to be determined. It was expected that these priorities would become clear as discussions relating to shaping economic strategy for Leicester and Leicestershire developed.
- (ii) In response to a question relating to business rates and how the LLBSP would ensure a fair distribution of funding, members were informed that the LLBSP had no role relating to business rates distribution. Members noted that government guidance on the governance model for funding allocations was not clear. Before considering potential projects, the Board would be clear that governance was in place and that this aligned with both upper-tier authorities' governance models. The Board would work with legal representatives from the authorities to ensure that its decision making did not undermine existing governance models. Engagement with district councils would continue to be undertaken through established local groups, economic development groups and business networking groups. Members

emphasised the importance for providing clear evidence that public money was being invested fairly and transparently.

- (iii) In light of members concerns relating to uncertainties regarding board priorities and the governance model for funding allocations, it was agreed that a further report would be presented at a future meeting, once a clear business plan had been developed.
- (iv) A question was raised relating to Growing Places Funding for Desford Crossroads, including expenditure and the backstop date to return any unspent funds. The Growing Places Fund was a loan scheme put in place specifically to assist stalled transport and infrastructure projects in order to boost the local economy. It was agreed that the Chief Executive would provide information relating to this matter following the meeting.
- (v) Members noted that the Leicestershire Innovation Festival would take place in 2025. The annual festival would launch on Monday 31 March and was part of a programme of innovation-related activities across Leicester and Leicestershire.

RESOLVED:

- (a) That the update provided on the work of the Business and Skills Partnership for Leicester and Leicestershire, be noted.
- (b) That a further report be provided at a future meeting regarding key priorities for the Business Board and an agreed governance model for funding allocations at a future meeting, once a clear business plan had been developed.
- (c) That the Chief Executive be requested to provide members with information relating to Growing Places Funding for Desford crossroads, including expenditure and the backstop date to return any unspent funds.

66. Medium Term Financial Strategy Monitoring.

The Commission considered a report of the Director of Corporate Resources which provided an update on the 2024/25 revenue budget and capital programme monitoring position as at the end of Period 10 (the end of January 2025). A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

The Chairman welcomed Mr. L. Breckon JP CC for this item.

Arising from discussion, the following points were raised:

- (i) With regards to forecasted slippage of £23m within the Capital Programme, a member asked whether cost analysis work had been undertaken in order to evaluate the impact of delays to particular long-term projects, such as the Zouch Bridge scheme. The Director of Corporate Resources assured members that although no specific work had been undertaken to evaluate the cost of delay, work had been undertaken to understand what had caused delays and to minimise the risk in the future. Delays had often been a result of additional procurement requirements and to accommodate for weather events. The Director stated that although costs had increased as a result of high levels of inflation, this needed to be balanced against the fact that unspent funds had accumulated interest.

- (ii) A question was raised in relation to a forecasted underspend of £16.5m within the Adults and Communities revenue budget. The Director of Corporate Resources stated the Department had established a wide-ranging demand management programme, and a review of care packages, which had started to have an impact on all commissioned services. Members were assured that although the Department had delivered an approach for controlled growth and improved commissioning, it continued to deliver the required level of support in order to meet demand and the needs of service users. The Chairman of the Adults and Communities Overview and Scrutiny Committee stated that the work undertaken had allowed a larger number of residents to be supported within their own homes and that this had led to benefits in terms of improvements to quality of life.
- (iii) Concern was raised in relation to overspend across Children and Family Services budgets. The Director of Corporate Resources stated that overspend in the High Needs Block was as a result of increased demand and a higher than budgeted number of High Needs students in both independent schools and mainstream schools. There had also been a change in demand in relation to children in residential provision, in comparison to budgeted assumptions. The Department continued to experience financial pressures as a result of increasing costs and rising demand for residential social care and placements for supporting children with complex needs. In addition to this, Unaccompanied Asylum-Seeking Children (UASC) continued to present a significant growth pressure in terms of demand and costs. Members noted that the Council was responsible for providing care to UASC up to the age of 18, at which point UASC received care-leaver status and required Council support to the age of 25. The Council received limited funding from Government for supporting care-leavers. Members were assured that government guidance was being applied whilst supporting UASC. The Department was part of a regional partnership working in consultation with the Government regarding the challenges and funding pressures relating to UASC.
- (iv) In response to a question regarding whether the Children and Family Services Department had experienced an increase in demand as a result of the removal of VAT exemption for education services provided by private schools, the Director of Corporate Resources said that there had been no impact to date. However, a phased impact was expected. The Council had undertaken work in order to evaluate the level of demand which could arise as a result of the Government's policy change.
- (v) In relation to the Quorn Solar Project, members noted that a preferred bidder had been identified and that negotiations were taking place with a view for an outright sale of the site.

RESOLVED:

That the update on the 2024/25 revenue budget and capital programme monitoring position as at the end of Period 10 (the end of January 2025), be noted.

67. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on Monday, 9th June 2025 at 10.00am.

68. Exclusion of the Press and Public

RESOLVED:

That under Section 100(A) of the Local Government Act 1972 the public be excluded from the meeting for the remaining items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 3 and 10 of Part 1 of Schedule 12(A) of the Act.

69. Leicestershire Traded Services Update.

The Commission considered an exempt report of the Director of Corporate Resources relating to Leicestershire Traded Services. A copy of the report, marked 'Agenda Item 14', is filed with these minutes.

The report was not for publication as it contained information relating to the financial or business affairs of a particular person (including the authority holding that information).

The Chairman welcomed Mr. L. Breckon JP CC for this item.

Members raised questions regarding the options for delivery for Leicestershire Traded Services, following a private workshop which had been held on 26th November 2024 which looked in detail at the position of traded services.

RESOLVED:

That the comments now made be presented to the Cabinet for consideration at a future meeting.

10.00 am - 1.35 pm
10 March 2025

CHAIRMAN