

Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 29 October 2025.

PRESENT

Mrs D. Taylor CC (in the Chair)

Dr. J. Bloxham CC
Mrs. L. Danks CC
Dr. S. Hill CC
Mr. A. Innes CC
Mr. P. King CC
Mrs. K. Knight CC

Mr. P. Morris CC
Mr. M. T. Mullaney CC
Mr. O. O'Shea JP CC
Mr J. Poland CC
Mr. K. Robinson CC

In attendance.

Mr. D. Harrison CC - Leader
Mr. K. Crook CC – Deputy Leader
Mr. H. Fowler CC - Cabinet Lead Member for Resources
Mrs. N. Bottomley CC
Mr. J. Miah CC (via Teams)

31. Minutes.

The minutes of the meeting held on 8 September 2025 were taken as read, confirmed and signed.

32. 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.

It was noted that all members that were also district councillors would have an other registerable interest in agenda item 4: Local Government Reorganisation.

No other declarations were made.

33. Declarations of the Party Whip.

There were no declarations of the party whip in accordance with Overview and Scrutiny Procedure Rule 16.

34. Local Government Reorganisation

The Committee received a presentation from the Chief Executive and Director of Corporate Resources regarding Local Government Reorganisation (LGR) to allow the Commission to comment on the Council's proposals as part of the engagement exercise being undertaken. The presentation covered the government criteria for LGR, the options under consideration for Leicester, Leicestershire and Rutland, and the financial impacts of those options. A copy of the presentation slides is filed with these minutes.

The Chairman welcomed to the meeting Mrs. N. Bottomley CC who had been invited to attend for this item. She also welcomed Mr. J. Miah CC who was attending via Microsoft Teams. The Chairman explained that this was to ensure all political parties would be represented in the discussion. Mr. M. H. Charlesworth CC had been invited but had been unable to attend.

Arising from discussions the following points were noted:

- (i) The comments and feedback from the Scrutiny Commission would be taken into account when shaping the Council's business case for Local Government Reorganisation. The business case was in the process of being drafted.
- (ii) Members expressed disappointment that limited detail of the proposals had been provided at the meeting and requested the opportunity to scrutinise the business case prior to it being considered by the full Council on 12 November 2025. It was noted that the timeline for producing the business case had been challenging for officers, given that both Council meetings in July had taken negative decisions and did not come to a position on a preferred option. In addition, it had been necessary to wait for the outcome of the financial modelling in order for an informed proposal to be developed.
- (iii) The Leicestershire County Council administration was proposing one brand new Council for Leicestershire and Rutland, based on current boundaries, with Leicester City retaining its current boundaries. The County Council would also welcome a Strategic Authority with an elected Mayor sat above the local authorities in Leicester, Leicestershire and Rutland.
- (iv) An external consultancy had been jointly commissioned by Leicestershire County Council and Leicester City Council to produce financial modelling of the different options for LGR. An offer had been made to the District Councils for them to join in with the modelling, but they declined the offer and carried out their own modelling. PricewaterhouseCoopers (PwC) also carried out modelling of the financial impacts and came to similar outcomes across the options as the County and City Councils. Members were reassured by this, particularly as the two organisations that had carried out the modelling were independent. However, one member submitted that the presentation at the meeting was prejudiced towards the county council proposals rather than the district council proposals.
- (v) The Leader Mr. D. Harrison CC said he was confident that the modelling and assumptions were as accurate as they could be and it had been worth taking the extra time to put the proposals together.
- (vi) The District Councils had proposed a north/south split of the County. They had taken a different approach to the financial modelling for this proposal than that taken by the County and City Councils and included savings which were not dependent on reorganisation. There had been no clear instructions from government on the way the modelling should be carried out. However, it was not clear from the approach taken by the District Council that they fully appreciated the complexities of scaling up services to the extent proposed in their business case.
- (vii) Rutland County Council currently relied on Leicestershire County Council to carry out services for it, including Youth Offending and a range of social care services. It

was not cost effective to carry out those services solely within Rutland and there were economies of scale joining up with Leicestershire.

- (viii) The Local Government Boundary Commission for England (LGBCE) had indicated that a full boundary review would not have to be carried out in time for the shadow unitary council elections due to take place in May 2027. An interim review would be sufficient. The existing council boundaries would be used as building blocks.
- (ix) The LGBCE was also responsible for deciding the number of Councillors for each authority. It was unlikely that the LGBCE would accept more than 100 Councillors for the Leicestershire and Rutland area. The district councils were proposing 70 councillors for the south unitary and 72 councillors for the north unitary. The County proposal was expected to comprise less councillors and would therefore be more cost effective.
- (x) Leicester City Council was proposing to expand its boundary which would mean taking territory away from Leicestershire County Council. The City Council felt that this was necessary for the City Council's financial stability and housing needs. In response to concerns raised by a member that this could in turn affect the sustainability of the Leicestershire and Rutland Council area, the Director of Corporate Resources explained that the smaller the Leicestershire Council area was, the less economies of scale there would be.
- (xi) Whilst the Leicestershire County Council administration was not in favour of City Council expansion, the Government had already indicated that this was something they would consider, and therefore it was important that the final submission from the County Council addressed the issue and set out what the impact would be.
- (xii) In response to a suggestion that as the County and District Councils appeared to all be against Leicester City expansion they should work together on opposing it, it was explained that the County Council had made an offer to the district councils in this regard but no response had been received from the Districts.
- (xiii) After Local Government Organisation, Council Tax would have to be harmonised across the whole area covered by a unitary council. This could mean that residents in some areas would have to pay more Council Tax compared to before whereas some residents might be able to pay less. Members raised concerns that there was currently insufficient information on what this could look like. In response it was explained that Council Tax was a political decision to be made by the members of the new authorities, and it had not been taken into account when calculating the possible savings as a result of local government reorganisation.
- (xiv) The Government had announced that in Surrey the County's 12 existing Councils would be replaced by two unitary authorities, East Surrey and West Surrey. However, this did not mean that the government would take a similar approach in Leicestershire because Surrey had unique features which had been taken into account.
- (xv) In response to a suggestion that the County Council needed a detailed understanding of the district councils' finances to ascertain what risks and liabilities there were, reassurance was given that the Medium Term Financial Strategies of the districts had been analysed and no major issues had been found. None of the Districts in Leicestershire had taken on a significant amount of debt.

- (xvi) In response to a concern raised that a single, large unitary authority would not protect funding for services currently provided by district councils, members were advised that this proposal would instead enable smaller budgets to be better protected. It was more likely that in a smaller unitary authority, areas of significant spend such as Children with Special Educational Needs and Disabilities (SEND) would affect the budget available for discretionary services.
- (xvii) One of the advantages of having one Council for Leicestershire and Rutland was that customers would not have to be passed from one authority to another with regards to services.
- (xviii) The areas of Environment and Transport, Children and Families, Adults and Communities, and Public Health currently formed part of the County Council. Were the District Council proposal of splitting Leicestershire and Rutland into 'North' and 'South' to be implemented, those services would have to be disaggregated into two separate councils, creating duplication in senior management roles. Recruiting qualified staff could become more difficult due to competition between councils.
- (xix) In Children and Families, specialist teams efficiently supported small groups of children under the current model; duplicating these teams across two authorities would be inefficient and costly. The North/South proposal also risked reducing school choices for pupils. Service demand in the north of the county was higher, which could create challenges if funding was distributed evenly. Smaller authorities would be less able to prioritise and target funding where it was needed. Similar issues existed in Adults and Communities; higher demand and uneven care home distribution in the north meant splitting teams would reduce efficiencies.
- (xx) In response to a query as to whether two unitary authorities could share a Director of Children and Family Services it was confirmed that this was not permitted and each unitary would have to have its own Director.
- (xxi) Members questioned what the public considered to be 'local' in the context of Council services. It was suggested that people tended to focus on the hyper local level such as towns and villages rather than larger areas. With the Districts North/South proposal some areas within the footprint of those new authorities would be very far apart from each other.
- (xxii) The County Council proposals included strong community engagement and the use of Area Committees to make decisions about local issues. It was proposed to use parish councils as the building blocks and parish councils would have representatives on the Area Committees. Members raised concerns that not all areas of Leicestershire were parished. There was no intention to force areas to become parished but if they wished to do so then they would be supported. The precise makeup of these local structures had deliberately been kept loose at this stage. However, it was emphasised that these structures would be based around the wishes of communities rather than be imposed from the centre.
- (xxiii) A member suggested that the County Council proposals needed to be more customer focused and demonstrate how the public would see improvements in services.

- (xxiv) Traditionally one local authority would manage a pension scheme on behalf of other local authorities, and it was expected that this would remain the case after LGR had taken place.
- (xxv) The County Council's business case would cover the fact that partners such as the fire service and the health service would have to attend less local authority meetings under the one Leicestershire proposal.
- (xxvi) In response to a request from a member for the figure of savings per head of population that would be gained from the LGR proposals, it was explained that this information was not currently available.
- (xxvii) Concerns were raised that the timescales for LGR work to be carried out were very short.
- (xxviii) It was hoped to hold another meeting of the Scrutiny Commission on 10 November 2025 to enable the Commission to consider the business case before it went to the County Council meeting on 12 November 2025. Officers would confirm this as soon as they knew whether the business case would be ready.

RESOLVED:

- (a) That the comments now made regarding the Local Government Reorganisation proposals be forwarded to Cabinet for consideration at its meeting on 25 November 2025.
- (b) That the draft business case be considered at the meeting of the Scrutiny Commission on 10 November 2025.

35. Date of next meeting.

RESOLVED:

That the next meeting of the Commission be held on Monday 10 November 2025 at 10.00am.

2.00 - 5.00 pm
29 October 2025

CHAIRMAN