



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Thursday, 6 December 2018.

PRESENT

Mr. S. J. Galton CC (in the Chair)

Mr. D. C. Bill MBE CC
Mr. G. A. Boulter CC
Dr. T. Eynon CC
Mrs. H. J. Fryer CC
Mr. D. Harrison CC

Mr. J. Morgan CC
Mrs. R. Page CC
Mr T. Parton CC
Mr. T. J. Richardson CC
Mrs. M. Wright CC

62. Question Time.

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

63. 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).

64. Urgent Items.

There were no urgent items for consideration.

65. 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.

All members of the Commission who were also members of district or parish councils declared a personal interest in the report on proposals for a unitary structure of local government in Leicestershire (minute 68 refers).

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

There were no declarations of the party whip.

67. Presentation of Petitions under Standing Order 36.

The Chief Executive reported that no petitions had been received under Standing Order 36.

68. The Development of a Unitary Structure for Local Government in Leicestershire.

The Chairman welcomed Councillor Bannister, Leader of Harborough District Council, Councillor Hall, Leader of Hinckley and Bosworth Borough Council and the Leader of the County Council, Mr N J Rushton CC, to the meeting for this item.

At the invitation of the Chairman, the Leader of the Council reminded members of the statement he had made at the meeting of the County Council held on the previous day. The Commission would be expected to conclude its work during the following month and then produce a report for consideration by the Cabinet. A full business case for a unitary structure of local government in Leicestershire would then be produced. This would be shared with the Scrutiny Commission and would ultimately be submitted to the full Council. If accepted by the full Council, it would become the County Council's agreed policy. The Leader acknowledged that there was currently little chance of the proposal being taken forward by the Secretary of State but felt that it was important to be ready for any changes of national policy or government.

The Chairman invited Councillor Neil Bannister to make a statement. Councillor Bannister highlighted the following points:-

- He was not going to defend the status quo regarding the delivery of services to residents. This changed continuously and the district councils had undergone transformation programmes and identified some opportunities to share services.
- The District Council Leaders were constructively engaged together to look at functional, rather than structural, reform and identify savings. A scoping document to this effect had recently been issued to consultants. The scope included services provided by the Police, Fire, Schools, GPs, Clinical Commissioning Groups, the County Council, District Councils and Parish Councils and would be commissioned shortly. Councillor Bannister noted that the County Council had consistently been invited to work by the district councils to work collaboratively with them.
- It was a matter of regret that the district councils had not been involved at the start of the County Council's process. He felt that this was a matter of courtesy, especially as it had caused concern for district council staff. He suggested that the Commission should seek the views of the Trade Unions on the County Council's proposals.
- Councillor Bannister felt that the County Council should also have engaged with Leicestershire MPs at the start of the process. It was now accepted that the MPs did not support the County Council's proposals.
- Councillor Bannister suggested that the Commission should ensure that it heard from unitary authorities such as those in Shropshire and Cheshire which were facing difficulties and challenges.
- Councillor Bannister noted that a single unitary authority for Leicestershire would be the largest county unitary in England and would serve some rural, disparate communities. It could therefore be perceived as too large and remote. He suggested that the Commission should hear from Birmingham City Council regarding the issues of scale that it faced.

- Councillor Bannister felt that the Area Committee structure proposed by the County Council was unnecessary as the district councils already performed this function. He also suggested that it was unnecessary to establish new parish and town councils as those that he had heard from were overwhelmingly against the proposal and had concerns regarding their time, qualifications and resources to take on additional responsibilities.
- Councillor Bannister was of the view that more careful consideration should be given to the proposed Strategic Alliance for the East Midlands; this could not just replicate the model used in the West Midlands.

Councillor Bannister concluded by urging the County Council to work with the district councils on functional reform.

The Chairman then invited Councillor Mike Hall to make a statement. He highlighted the following points:-

- He echoed Councillor Bannister's disappointment that the district councils were not consulted on the proposals before they were made public, particularly as the development of the Strategic Growth Plan had demonstrated that the County and district councils could work together. He criticised the County Council for working on its proposals in isolation.
- Councillor Hall confirmed that the district councils had stopped working on structural reform but were committed to working together on functional reform and invited the County Council to join this work. He criticised the lack of reference to collaborative working in the outline proposals and cited examples of where the district councils worked together, such as IT services and Revenue and Benefits.
- Councillor Hall suggested that the Commission should give detailed consideration to the County Council's financial model for a unitary structure of local government, particularly how the £30 million annual savings would be achieved. He felt that analysis of issues such as the harmonisation of pay and benefits was missing, along with clarity around how fees and charges had been calculated.
- Councillor Hall compared the salaries of directors employed by the County Council with those of directors employed by the district councils and suggested that the County Council could save money by reducing director's salaries. In his view, savings could otherwise be achieved by freezing staff salaries for two years or by "closing" the County Council and asking staff to reapply for their jobs at a lower salary.
- Councillor Hall advised that Hinckley and Bosworth Borough Council had recently surveyed residents and found that 85% would like to see the Borough Council retained.
- Councillor Hall suggested that the current iteration of the proposals did not analyse whether a unitary council would deliver improved outcomes for service users, particularly where it was proposed that services would be merged. He cited Regulatory Services as an example of where further consideration could be given to the detail of how Trading Standards and Environmental Health Officers would work together, perhaps with reference to the model used by Leicester City Council.

- The proposal for a Strategic Alliance in the East Midlands would rely on a strong governance model. Councillor Hall suggested that a further debate was needed across the East Midlands to determine what this might look like.

Councillor Hall concluded by expressing concern that a single unitary council for Leicestershire would be too large and would not reflect local communities. He felt that the County Council should have considered more options than a single or two unitary model and also suggested that the County Council should look for other ways to save money.

The Chairman then opened the meeting up for discussion and questions, arising from which the following points were raised:-

- (i) Members of the Commission felt that it was important for District Council Leaders to understand the County Council's difficult financial position. The unitary proposals were intended to make sure that local government in Leicestershire was financially sustainable and to protect services which could otherwise be at risk. The District Council Leaders indicated that they understood the County Council's position and suggested that it gave impetus to the need to discuss collaborative working across the County and District Councils.
- (ii) In response to a query about the appropriate size for a unitary authority, the District Council Leaders suggested that communities should be the building block for any council. However, consideration should be given to devolving services to district councils, where this was more efficient, to take costs out of the system without changing existing structures. Similarly, they suggested consideration should be given to regional collaboration for services such as children's and adult social care.
- (iii) Harborough District Council had previously been involved in commissioning Grant Thornton to undertake some work on a unitary structure of local government for Leicestershire. This had identified several options including two unitary councils, splitting the county into either east and west or north and south, and seven unitary councils. The work had concluded that a single unitary council for the county would be too large and remote. However, it was recognised that there was a need to be open-minded and that residents would prefer a single point of contact. Given the lack of parliamentary support for a unitary council in Leicestershire, it was hoped that this could be achieved through functional reform.
- (iv) Members of the Commission queried what was currently preventing the County and District Councils from working collaboratively. Although the Lightbulb Programme was a good example of county and district collaboration, it had been extremely hard to achieve. The District Council Leaders suggested that there was currently an aspiration from the County Council to have a single body delivering services and the district councils were keen for functional reform. They felt that now was therefore the right time to debate which services could be devolved to district councils, where they could be delivered more efficiently at a local level. It was noted that the District Leaders were unable to provide examples of such a model being used elsewhere in the country.
- (v) It was noted that the Leader of the County Council had accepted an invitation to meet with District Council Leaders on 21 December. Such a meeting had not taken place since early in 2018. The District Council Leaders would welcome more regular meetings. However, it would now be important to focus on next steps and

identifying areas where there could be collaborative working between authorities. The Commission felt that this was particularly important given the lack of support for a unitary authority from Leicestershire MPs and District Council Leaders.

- (vi) Councillor Bannister advised that Parish Councillors in the Harborough District area were already raising concerns regarding their capacity and were not keen to take on additional responsibilities. It was also suggested that only the larger parish councils would be in a position to do this.
- (vii) With regard to Councillor Hall's earlier suggestion that County Council staff could be made redundant and then asked to reapply for their own jobs on a lower salary, Commission members advised that the Hay Job Evaluation was used to determine levels of salary. In addition, concern was expressed that such a statement would cause concern to County Council staff.
- (viii) Disappointment was expressed that the District Councils had chosen to criticise the County Council's proposals rather than identify alternative solutions. There was a lack of confidence, based on past experience, that collaborative working between authorities would be successful and generate the level of savings comparable to structural reform. The unitary authorities that the Commission had heard from had all confirmed that a significant level of financial savings was possible and had also illustrated that there were opportunities to improve local engagement with the council and democracy.

At the request of the Chairman, the Head of Law confirmed the position with regard to the transfer of staff to a new authority. The three statutory posts, the Head of Paid Service, Monitoring Officer and Chief Financial Officer, would be subject to open competition. TUPE applied to all other posts within the new authority. Staff from all eight organisations would be treated the same and those not required under the new structure would be eligible for redundancy payments in the normal way.

The Chairman invited the District Council Leaders to each make a closing statement. Councillor Hall queried the validity of referring to the 2014 EY report in the proposal, given that the County Council had made significant savings since then. He sought clarity on how calculations for charges such as garden waste had been made and queried the assumptions around income from social housing. He felt that there would be concern if any governance model for planning was proposed which was not locality based and finally reminded the Commission of the need to find a compelling solution for the East Midlands which would enable the Government to devolve powers and funding.

Councillor Bannister reminded members that the unitary proposals would result in some staff being made redundant and again suggested that the Commission should seek the views of the Trade Unions. He suggested that, without parliamentary support the proposal for a unitary structure of local government in Leicestershire would not proceed and that there was the ability and desire to undertake functional reform. This work should start now. Councillor Bannister believed that there would be a unitary structure of local government for Leicestershire at some point in the future and that work on functional reform would provide a good framework for developing future unitary proposals.

The Chairman invited Mr Rushton CC to respond to the comments now made. Mr Rushton thanked the District Council Leaders for their attendance and confirmed that he was willing to meet with them and did so when invited. The County Council was pursuing

structural reform because it was believed to be in the best interests of Leicestershire residents, given the County Council's financial situation.

Mr Rushton expected the Secretary of State to produce new criteria for unitary proposals and felt that the County Council should develop a business case for a unitary council with a clear vision of how this would be better for residents so it would be able to make a bid to the Government if there was an opportunity to do so. He was disappointed that the district councils had ceased work in this area.

Mr Rushton confirmed that the County Council had no intention of sacking staff and reappointing them at a lower salary. He also reminded the Commission that parish councils would not be forced to take on additional responsibilities. In terms of district councils services, under a unitary council there would be no change to the current provision until consideration had been given to the best way to deliver them as consistent services across the county. Finally, he reminded members that a single unitary authority would deliver the greatest level of financial savings and that no one felt that the current structure was the best way of delivering services.

RESOLVED:

That the information now provided be noted.

69. Housing Infrastructure Fund Bids.

The Commission considered a presentation and report from the Director of Environment and Transport which outlined proposals for two Housing Infrastructure Fund (HIF) bids, one relating to the southern section of the Melton Mowbray Distributor Road and a second for a South West Leicestershire Growth Area. The report would be considered by the Cabinet on 18 December. A copy of the report and the slides forming the presentation, marked 'Agenda Item 8', is filed with these minutes.

In introducing the report, the Director of Environment and Transport and the Leader of the Council, Mr N J Rushton CC, advised members of the Commission that the HIF bids sought funding for infrastructure to support housing development. The details of both housing development and the routes for proposed new roads would be determined through the Local Plan processes of the relevant district councils and would be subject to the usual consultation processes. However, if the bids were not submitted, there was a risk that housing developments would still go ahead but that they would be unsupported by infrastructure.

Mrs Maggie Wright CC, local member for the Stoney Stanton and Croft Electoral Division, emphasised the overwhelming concern in the local area with regard to the massive size of proposed developments. It would be important to stress to local people that these proposals represented potential opportunities and nothing had yet been determined. However, should developments such as the proposed Hinckley Strategic Rail Freight Interchange go ahead, the survival of nearby villages would depend on the provision of appropriate infrastructure. The existing road network was already struggling, there were traffic enforcement cameras in Sharnford and most villages had traffic monitoring groups. Mrs Wright felt that it was frustrating that the Strategic Rail Freight Interchange application would be determined by the Secretary of State rather than the local authority and urged the County Council to support nearby villages with the best option.

Arising from discussion the following points were raised:-

- (i) It was acknowledged that the timing for submission of the bids was difficult, as not all district councils had signed up to the Strategic Growth Plan yet. However, it was emphasised that the submission of bids did not represent the final decision on whether the proposed infrastructure should be developed. If the bids to the HIF were successful, a further report would be submitted to the Cabinet to seek approval for the developments to proceed.
- (ii) In the event that funding was awarded to the County Council, this would be conditional on successful planning applications to deliver the anticipated housing growth. The bid process could not override local planning processes. It was also noted that any funding awarded from the HIF would have to be drawn down by 2022/23.
- (iii) Concern was expressed that addition of south facing slip roads at Junction 2 of the M69 had previously been discounted because of the impact on traffic through local villages. Clarity was also sought regarding the location of the link improvement around Stoney Stanton and Sapcote. It was confirmed that a link road was required to mitigate the impact of the south facing slip roads and to prevent excessive amounts of traffic going through villages near Junction 2 of the M69. The exact location of the road had not yet been determined and would be subject to public consultation.
- (iv) Clarity regarding the size and scope of the South West Leicestershire Growth Area was sought. The Commission was advised that the Growth Area was not a firm proposal being put forward by the County Council but an illustration that there was market interest in developing this area. Without an indication of market support a bid would not be successful.
- (v) It was confirmed that the Southern Gateway proposal had been removed from the Strategic Growth Plan. This terminology would be removed from future iterations of the HIF bid.
- (vi) The proposal for a spine road linked to a proposed new development reflected the local desire in south west Leicestershire for improved rail connections. This was a potential opportunity, dependent upon the success of the application for the Strategic Rail Freight Interchange near Hinckley, rather than a definite proposal.
- (vii) There was some support for the principle of developing infrastructure before housing development took place. However, it would be important to ensure that housing reflected the economic opportunities in the local area to reduce the risk of increased commuting and congestion. The Commission was assured that the Strategic Growth Plan and HIF bid process gave the County and District Councils the best opportunity to influence housing development in this way. Local authorities could add value to the process by ensuring developments were in line with affordable homes policies.
- (viii) Member suggested that the HIF bid process would enable appropriate mitigations to be put in place in response to housing development. For example if the proposed Strategic Rail Freight Interchange was taken forward, infrastructure would be needed to help control air quality and reduce traffic congestion in nearby villages. In addition, large developments would have an impact on the wider area which would also need to be addressed.

Mr D C Bill CC asked to place on record his opposition to the HIF Bid for the South West Leicestershire Growth Area and his concerns about the cumulative impact of the proposal, along with the proposed Hinckley Strategic Rail Freight Interchange and A46 Expressway, on the local area. He was also disappointed in the lack of clarity relating to the proposal, particularly the map that had been provided in the report. Mr Bill felt that the proposals were likely to result in an over-provision of housing, based on the latest population estimates. He would prefer the county to develop in a way that suited its residents.

RESOLVED:

- (a) That the comments now made be submitted to the Cabinet for consideration at its meeting on 18 December;
- (b) That, should the HIF bids be successful, a further report be submitted to the Scrutiny Commission outlining the next steps in the process.

70. Date of next meeting.

It was noted that the next meeting of the Commission would be held on 28 January 2019 at 10.00am.

[It was subsequently confirmed that there would be a meeting of the Commission on 15 January at 10.30am.]

10.00 am - 1.00 pm
06 December 2018

CHAIRMAN