



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 4 September 2019.

PRESENT

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

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

Mrs. R. Page CC
 Mr. A. E. Pearson CC
 Mr. T. J. Richardson CC
 Mrs. M. Wright CC
 Mr. M. B. Wyatt CC

17. Minutes.

The minutes of the meeting held on 12 June 2019 were taken as read, confirmed and signed.

18. Question Time.

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

19. 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).

20. Urgent Items.

There were no urgent items for consideration.

21. 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 district councillors declared a personal interest in all items on the agenda.

Mr T Richardson CC declared a personal interest in the report on the Local Industrial Strategy (minute 24 refers) as he was a Director of the Leicester and Leicestershire Enterprise Partnership.

Mr D C Bill CC declared a personal interest in the report on the Local Industrial Strategy (minute 24 refers) as he was a member of the Coventry and Warwickshire Local Enterprise Partnership.

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

There were no declarations of the party whip.

23. Presentation of Petitions under Standing Order 36.

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

24. Local Industrial Strategy.

The Commission considered a presentation from the Chief Executive of the Leicester and Leicestershire Enterprise Partnership (LLEP) which provided an overview of the content of the Local Industrial Strategy (LIS). A copy of the slides forming the presentation is filed with these minutes.

Arising from discussion and questions, the following points were raised:-

- (i) The LLEP had received £200,000 capacity funding from the Government to develop the LIS. Funding for implementation would come from local stakeholders and it was intended that the actions arising from the LIS would be aligned with existing funding streams, particularly where local partners were also able to bid for national funding. There was no certainty surrounding the availability of specific funding from the Government for implementing the LIS.
- (ii) Once the draft LIS had been submitted to the Government, the LLEP would need to have individual conversations with the relevant Government departments. A further draft of the LIS would be co-authored with the Government over the next few months. The Commission could receive a further report once the co-authored draft had been finalised. The final version of the LIS would have a performance framework so that outcomes could be measured.
- (iii) The Commission supported the LIS and the policy areas that had been chosen for it to focus on. In terms of infrastructure, it was suggested that consideration be given to arrangements for charging electric vehicles in residential areas, particularly terraced streets with on-street parking. The importance of digital connectivity was also emphasised, including in new developments. This was an area which the LLEP would highlight with the Government.
- (iv) A member expressed concern regarding the focus on sport. Anecdotal evidence suggested that the industry was already overloaded and that Sports Science graduates were finding it difficult to gain employment. However, the Commission was assured that the inclusion of this strand within the LIS was intended to be promotional and to raise the profile of the work done by Loughborough University and the new SportPark.
- (v) It was felt that the LIS needed to make a case to the Government to improving further education in Leicester and Leicestershire. It was acknowledged that graduate retention had always been a problem in the area and that the LIS needed to give graduates a reason to stay. Take up of apprenticeships was also poor and it

would be important to both support small businesses but also to encourage parents and young people to see this as a career path.

- (vi) It was confirmed that the LIS would highlight the need to improve road and rail connectivity as a key priority. Members were pleased to note that the Chief Executive of the LLEP was meeting with the chairman of the campaign to re-open the Leicester to Burton railway line. However, there were also concerns regarding a lack of public transport to enable people to get to work at areas such as the East Midlands Gateway. It was confirmed that the Development Corporation for the Gateway would address this specific issue and had received set-up funding. Member suggested that the LIS should also highlight the need for investment in cycleways, particularly in rural areas.
- (vii) Members asked to see evidence that population growth in Leicester and Leicestershire was slowing and queried where Leicestershire ranked in terms of deprivation. Officers undertook to provide the evidence that had been requested and advised that there were pockets of deprivation in Leicestershire. Programmes would be designed to address these.
- (viii) It was noted that the Energy Infrastructure Strategy for Coventry and Warwickshire had highlighted concerns that in future the energy supply might be insufficient. The Leicestershire Strategy highlighted similar issues and for areas such as East Midlands Airport where major growth was expected, discussions were taking place with Western Power to ensure that the energy supply was available before development took place.
- (ix) Some concern was raised regarding the number of warehouses in parts of the county and the fact that these tended to offer lower value employment. It was acknowledged that increased use of robotics was changing the skill-mix required in the industry; however, it was suggested that the LLEP should lobby the government to provide incentives for attracting knowledge-based businesses into the area.

RESOLVED:

- (a) That the LLEP be requested to take the Commission's comments into account when revising the Local Industrial Strategy;
- (b) That a further report on the Local Industrial Strategy be submitted to the Commission in due course.

25. Tourism Growth Strategy

The Commission considered a report of the Chief Executive which sought the views of the Commission on a draft of the Tourism Growth Plan for Leicester and Leicestershire as part of the formal consultation process. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion and questions the following points were raised:-

- (i) Concern was expressed that the Tourism Growth Plan did not sufficiently reflect the industrial heritage of Leicestershire. Officers acknowledged the lack of specific reference but clarified that stories from each area could be built into specific campaigns. Each destination would have itineraries which could include historic

industrial sites. Members requested that Leicestershire's industrial heritage be made more explicit within the Plan.

- (ii) Members considered that the Plan focused disproportionately on Richard III and attractions within the city of Leicester and expressed disappointment with this. It was felt that Bosworth Battlefield deserved a higher status within the Plan and suggested that it could be linked to the Shakespeare experience at Stratford-upon-Avon which attracted visitors from around the world.
- (iii) It was felt that the Plan lacked detail and was missing reference to a variety of smaller museums and tourist attractions. These included Taylor's Bell Foundry in Loughborough, the transport and gas museums and the microbrewery sector, particularly the Trappist beer which had recently featured in the national press. In addition, although the Plan referred to football, it did not mention rugby and the attraction of the Leicester Tigers. Officers advised that the Plan had been intended to act as a framework which would inform detailed action plans and individual campaigns and that it could not therefore be expected to include reference to all attractions and tourism-related opportunities in the sub-region.
- (iv) It was suggested that footfall in markets, including Melton Mowbray, was decreasing and that the Plan needed to take into account the ways in which tourism was changing. Once completed, the extension to Fosse Park would be a major tourist attraction and consideration should be given to how its visitors could be directed to other tourist attractions in the area. This should include issues such as accessibility for coaches and the promotion of hotels.

Officers welcomed the comments from the Scrutiny Commission and committed to considering at how the Plan could be amended to take account of the suggestions made, either in the next draft of the Plan or the detailed action plans which would subsequently be developed.

RESOLVED:

- (a) That, once the next draft of the Tourism Growth Plan has been agreed by the Tourism Advisory Board, it be circulated to members of the Commission to enable them to make further comments;
- (b) That the comments now made be submitted to the Cabinet for consideration at its meeting on 22 October;
- (c) That the Commissioners be asked to give consideration to ways to improve the effectiveness of the scrutiny process.

26. Leicester, Leicestershire and Rutland Resilience Preparedness.

The Commission considered a presentation from the Chief Executive regarding the work of the Leicester, Leicestershire and Rutland (LLR) Resilience Partnership and the Local Resilience Forum. A copy of the slides forming the presentation is filed with these minutes.

It was noted that, if military assistance was required, the Strategic Co-ordinating Group would make a request. The Local Resilience Forum had a local military contact who would provide support with producing and processing any requests for aid.

Concern was expressed that information relating to Brexit was not being shared with elected members. It was confirmed that this was because of Government restrictions. There would be a private briefing for members on 25 September and officers undertook to liaise with the Government regarding the level of information that could be shared there.

All members were urged to ensure that they had a copy of the Elected Members Incident Response and Community Resilience Handbook and, if possible, to attend a resilience training event.

RESOLVED:

That the work of the Leicester, Leicestershire and Rutland Resilience Partnership be noted.

[The meeting adjourned between 12.50pm and 1.48pm]

27. Corporate Asset Investment Fund Annual Performance 2018/19 and Strategy 2019 to 2023.

The Commission considered a report of the Director of Corporate Resources which set out the annual performance of the Corporate Asset Investment Fund (CAIF) for the 2018/19 financial year and sought the Commission's views on the revised CAIF Strategy for 2019 to 2023 which set out the Council's approach to future asset investments using the CAIF. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Arising from discussion and questions the following points were made:-

- (i) Members welcomed the performance of the CAIF and the major contribution that it made to the County Council finances. The cautious approach, including not borrowing to fund capital investments, was also supported.
- (ii) It was confirmed that the budget for each project comprised build costs and development costs, including all associated costs. The yield for projects was 'all risk' which gave security across the terms of the lease and took into account the risk of voids.
- (iii) Value could be added to County Council land through gaining planning consent, developing the land or acquiring new assets such as the Citroen Dealership in Leicester. The performance of the Dealership, which was generating a 6.5% rental yield, was welcomed.
- (iv) Developers working with the County Council would need to sign up to the principles in the CAIF Strategy. The intention was that housing developments would be a higher standard than building regulations currently required and, where possible, promote biodiversity, to ensure that developments were as sustainable and energy efficient as possible.
- (v) The County Council would consider establishing a property company on a needs-driven basis. A housing or development company could enable delivery of the Lutterworth East Strategic Development Area and could also support the social care investment programme. However, it was not currently possible for the County

Council to have a Housing Revenue Account. It was suggested that officers should lobby the Government on this issue.

- (vi) The CAIF included County Farms and Industrial Properties. It did not include operational properties such as offices and museums. The rural sector of the CAIF had increased in value through acquisitions, grants of planning permission and investment in properties.
- (vii) The County Council did not yet have the grant of planning permission for the Lutterworth East Strategic Development Area but had now acquired the majority of the land required for the delivery of the scheme. The valuation of the assets in the Lutterworth East project was expected to increase next year to take into account the acquisition of the outstanding parcels of land and the granting of planning permission. A proportion of the development would be affordable housing and consideration was being given to whether some of this could be for key workers. However, it was intended that the County Council would sell the freehold of the land to house owners, including in the case of affordable housing to a Registered Housing Landlord, rather than letting the land on long leaseholds. It was envisaged that the majority of the freeholds of the commercial elements would be retained within the Fund as income producing assets.

RESOLVED:

- (a) That the performance of the Corporate Asset Investment Fund and revised Strategy for 2019 to 2023 be welcomed;
- (b) That that comments now made be submitted to the Cabinet for consideration at its meeting on 13 September.

28. 2019/20 Medium Term Financial Strategy Monitoring (Period 4).

The Commission considered a report of the Director of Corporate Resources which provided an update on the key issues having an impact on the 2019/20 revenue budget and capital programme monitoring position. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from discussion and questions the following points were raised:-

- (i) The County Council was currently projecting an overspend in its revenue budget. Officers would continue to work to limit the level of overspend and consideration would also be given to de-prioritising reserves so they could be released. If the overspend remained at the end of the year, it would be accounted for in the following year's refresh of the MTFS. One of the reasons for the overspend could be that it was becoming more difficult to make savings; current proposals tended to require more fundamental reviews of service areas to generate efficiencies.
- (ii) It was confirmed that the Records Office Relocation project within the Capital Programme did not include the development of a Collections Hub. This would now form the second phase of the project. The partner workshop scheduled for later in September would comprise the County Council, Leicester City Council and Rutland Council. However, it was not expected that the City Council and Rutland Council would contribute to the capital costs of the project; the workshop related to the level of revenue contributions that they would make.

- (iii) Following the relocation of Birkett House Special School, the freehold of the vacated site had returned to the County Council and it was being used by the catering service. Proposals for the future use of the site were under development.

RESOLVED:

That the key issues affecting the 2019/20 Revenue Budget and Capital Programme Monitoring Position be noted.

29. Medium Term Financial Strategy Update.

The Commissioned a report of the Director of Corporate Resources which explained the approach to updating the current Medium Term Financial Strategy (MTFS). A copy of the report marked 'Agenda Item 13' is filed with these minutes.

In his introduction to the report, the Director advised that, whilst officers had not yet had the opportunity to analyse the Spending Review which had been announced earlier that day, his first impression was that it was positive and put the County Council in a better than anticipated position. The roll forward of one-off monies, such as the improved Better Care Fund and Troubled Families Grant, was particularly welcome. However, the Spending Review only covered the next financial year so did not provide any long-term certainty. In addition, the commitments were funded by increased borrowing which increased the risk of recession.

Arising from discussion and questions the following points were raised:-

- (i) A decision regarding the future of funding allocated to deal with the development of HS2 in Leicestershire would be taken until the outcome of the Government's review was known.
- (ii) It was not yet known whether the County Council's bid for funding from the Housing Infrastructure Fund had been successful. It was confirmed that information would be shared via the Members' Weekly Digest once the outcome was known.
- (iii) The review of single person council tax discounts was being carried by the district councils to ensure that people receiving the discount were doing so legitimately. It was hoped that the review would result in additional levels of council tax being collected.
- (iv) Members noted that commercial services were generating an income of over £1 million but expressed some disappointment that they were not delivering the anticipated level of savings. However, members were reminded of the positive performance of the Corporate Asset Investment Fund, which was part of the same agenda. The recently opened café at Beacon Hill was also exceeding expectations. It was acknowledged that the national living wage had had a negative impact on the service.
- (v) The County Council had established a Growth Unit to strengthen the internal co-ordination and management of growth projects. It was expected that the Unity would also generate additional income for the County Council. The Director undertook to consider how the work of the Growth Unit was reported to the Commission.

RESOLVED:

- (a) That the comments now made be reported to the Cabinet at its meeting on 13 September;
- (b) That the Director be asked to consider how to report the work of the Growth Unit to the Scrutiny Commission.

30. Dates of future meetings:

RESOLVED:

It was noted that future meetings of the Commission would be held at 10.30am on the following dates, unless it was indicated otherwise:-

30 October 2019, starting at 10.00am
6 November 2019, starting at 10.00am
27 January 2020
11 March 2020
8 April 2020
10 June 2020
2 September 2020
4 November 2020.

10.30 am - 2.55 pm
04 September 2019

CHAIRMAN