



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Monday, 27 January 2020.

PRESENT

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

Mr. T. Barkley CC	Mr. J. Kaufman CC
Mr. G. A. Boulter CC	Mr. W. Liquorish JP CC
Dr. T. Eynon CC	Mrs. R. Page CC
Dr. R. K. A. Feltham CC	Mr. L. Phillimore CC
Mr. D. Harrison CC	Mr. T. J. Richardson CC

In attendance.

Mr N J Rushton CC
Mr J B Rhodes CC
Mrs L Richardson CC
Mr T J Pendleton CC

57. Minutes.

The minutes of the meeting held on 6 November 2019 were taken as read, confirmed and signed.

58. Question Time.

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

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 in respect of items on the agenda.

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 councils declared a personal interest in all items relating to the Medium Term Financial Strategy (minutes 64 – 67 refer)

Mr L Phillimore CC declared a personal interest in all items relating to the Medium Term Financial Strategy, as his wife worked in early years and to support children with Special Educational Needs and Disabilities (SEND) (minutes 64 – 67 refer). He also declared a personal interest in the report on HS2 through Leicestershire as the Regional Chairman of the Federation of Small Businesses (minute 69 refers).

Dr T Eynon CC declared a personal interest in the report on HS2 through Leicestershire as she was a member of the Leicestershire and Rutland Wildlife Trust (minute 69 refers).

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. Provisional Medium Term Financial Strategy 2020/21 - 2023/24.

The Commission considered a report of the Director of Corporate Resources which provided information on the proposed 2020/21 to 2023/24 Medium Term Financial Strategy (MTFS) as it related to Corporate and Central items, provided an update on changes to funding and other issues arising since the publication of the draft MTFS and provided details of a number of strategies and policies related to the MTFS. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed the Leader of the Council, Mr N J Rushton CC, the Deputy Leader and Cabinet Lead Member for Resources, Mr J B Rhodes CC, and the Cabinet Lead Member for Communities, Mrs L Richardson CC, to the meeting for this item

In his introduction to the report, the Director of Corporate Resources reminded members that the Council's financial position had been challenging since 2010. The key driver had been the reduction in funding. This was the first budget since 2010 where the Council had had a meaningful increase in funding from central Government. Despite this, the MTFS contained a number of challenges and risks, notably the SEND (Special Educational Needs and Disabilities) budget.

The Leader of the Council advised the Commission that increases in the National Living Wage would have a knock-on effect on pay differentials, particularly towards the bottom of the pay scale. The impact would need to be reviewed in future iterations of the MTFS. With regard to the forthcoming Devolution White Paper, the Leader felt that the Council's previous work on the business case for a unitary model of local government in Leicestershire had put it in a good position but that the business case might need amending in the light of the White Paper. However, he expected that any local government reorganisation would take a number of years and therefore the Comprehensive Spending Review and the Fair Funding Review were both needed to address the Council's short-term financial challenges. It was expected that an announcement regarding the Comprehensive Spending Review would be made at budget time.

The Deputy Leader and Cabinet Lead Member for Resources advised that the Ministry for Housing, Communities and Local Government was intending to provide more detail relating to the Fair Funding Review in the Spring. This was expected to include examples of what the review would mean for individual councils and some detail of the methodology that had been used.

The Deputy Leader confirmed that the following changes to the MTFS would be included in the report to the Cabinet in February 2020:

- SEND figures would need adjusting to reflect the most recent information that was available;
- £100,000 extra would be made available for Shire Grants;
- The scams intervention project, provided by Trading Standards, would receive £75,000 to enable it to continue;
- The £130,000 saving from the Recycling and Household Waste Sites, intended to be achieved through a reduction in opening hours, would be removed.

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

Revenue Budget

- (i) The Commission welcomed the report, which demonstrated the Council's good financial management. Members were also pleased to note that the opening hours of Recycling and Household Waste Sites would remain unchanged and that the £130,000 saving was no longer required.
- (ii) The additional funding for the scams intervention project and Shire Grants was welcomed. Members requested a written briefing on Shire Grants which could be shared with residents. The Cabinet Lead Member for Communities, Mrs L Richardson CC, confirmed that this would be made available and also advised members to look at the communities website.
- (iii) The growth set out in the MTFS would, in some areas, require additional staff to be employed. Children's Social Care was one such area.
- (iv) In response to a query regarding health and social care integration, it was confirmed that Leicestershire had a successful programme. However, the NHS also required integration to take place at system level, defined as Leicester, Leicestershire and Rutland, which was more difficult. To facilitate greater joint working, the local NHS was now engaging with Executive members as well as the Health Overview and Scrutiny Committee and some meetings which also involved the City Mayor and his Cabinet would take place. The Leader commented that he welcomed the introduction of these meetings and that the initial meeting had been positive.
- (v) Some concern was expressed that the Clinical Commissioning Groups (CCGs) were struggling to produce a balanced budget and that this could have an impact on the health and care integration programme. It was noted that the local response to the NHS Long Term Plan should be published in the Spring. This would give an indication of the extent of the financial difficulty faced by the CCGs.
- (vi) The New Homes Bonus was being phased out by the Government. It was not yet known whether it would be replaced by a new system or abolished and the funding

returned to form part of the total amount of money that the Government made available for local government.

- (vii) It was not known when the review of business rates would be undertaken by the Government. It was noted that, through the 75% retention of business rates policy, the Government was already moving away from a system based purely on business rates to one based on the level of activity in an area.
- (viii) With regard to the plan to address overspends in the SEND budget, it was confirmed that the key part of the plan related to managing demand, including how applications for support were assessed, and part required the provision of additional places. 200 additional places had been created so far. However, increases in demand had meant that it had not been possible to move some children from expensive, independent sector provision. The number of children and young people with Education, Health and Care Plans increased by approximately eight percent each year. It was also noted that the system was designed to support parents and that the majority of appeals at tribunal went against the County Council, which further increased costs.

Capital Programme

- (ix) The Deputy Leader advised that the size of the Capital Programme reflected the proposed level of housing and economic growth in Leicestershire and associated requirements for infrastructure. Section 106 contributions would be essential, but the agreements were determined by the district councils as Local Planning Authorities and their decisions could reduce the level of funding available to the County Council in order to meet other local needs, in some cases significantly. This in turn would increase the pressure on the County Council's budget.
- (x) With regard to the proposal to share the risks relating to the forward funding of infrastructure for major developments with district councils, the Commission was advised that the scale of development proposed for Leicestershire would otherwise expose the County Council to too much risk. Risk sharing agreements would need to be developed on an individual basis, reflecting the degree of risk for each scheme.
- (xi) It was confirmed that the County Council submitted robust, evidence-based requests for Section 106 funding, not least for education provision in new housing developments, but that it was a matter for the Local Planning Authority to agree the requests.

In closing the debate, the Deputy Leader advised the Commission that, to date, the County Council had made sufficient savings to enable it to set a balanced budget. However, the opportunities to make savings in the future were limited. An outcome of the Fair Funding Review which ensured that the Council was funded adequately in the future was needed.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 7 February.

65. Medium Term Financial Strategy 2020/21 - 2023/24 - Chief Executive's Department.

The Commission considered a joint report of the Chief Executive and Director of Corporate Resources which provided information on the proposed 2020/21 MTFS as it related to the Chief Executive's Department. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

The Chairman welcomed Mr N J Rushton CC, Leader of the Council and Mrs L Richardson, Cabinet Lead Member for Communities, to the meeting for this item.

It was noted that in May 2019, the Cabinet had agreed to establish a Growth Unit to enable the Council to respond to the scale of growth in Leicestershire and its impact on the Capital Programme. To date, the Growth Unit had been obliged to focus its efforts on the development to the east of Lutterworth. Positive conversations had also taken place with Harborough and Blaby District Councils. The Unit was operating with a skeleton staff but the aim was for it to be fully operational by April 2020.

Officers undertook to provide a written response to a query regarding the timescales for phase 4 of the superfast broadband project.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 7 February.

66. Medium Term Financial Strategy 2020/21 - 2023/24 - Corporate Resources Department.

The Commission considered a report of the Director of Corporate Resources which provided information as it related to the proposed 2020/21 MTFS as it related to the Corporate Resources Department. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

The Chairman welcomed the Deputy Leader and Cabinet Lead Member for Resources, Mr J B Rhodes CC, to the meeting for this item.

Arising from discussion and questions the following points were raised:

- (i) With regard to the additional resources required to manage the increasing asset portfolio held by the authority (G35), the growth was felt to be modest, but reflected the extra demands placed on Strategic Property Services by the size of the Capital Programme, social care investment schemes and energy efficiency schemes.
- (ii) It was suggested that the growth required to improve complaints handling (G37) would not be needed if the right decision was made in the first place. However, the growth related to the fact that the County Council was receiving more complaints, as well as the increased complexity of complaints, particularly relating to SEND and SEND transport.
- (iii) It was felt that the resources allocated for environmental improvements during 2020/21 were small given the significance of the climate change agenda. It was explained that the funding had been split into departments and that in total £16 million had been allocated to carbon reduction. The largest allocation was the solar farm planned at Quorn. In future reports, consideration would be given to

presenting the total amount of funding available to address climate change given it would be a growing influence on the capital programme.

- (iv) With regard to County Farms, it was confirmed that staff and acquisition costs were charged to the Capital Programme whereas the ongoing maintenance and income generated both formed part of the revenue budget. In terms of revenue, the rate of return, from rental income, was low but there would be significant financial benefits if some of the land was made available for housing and infrastructure. More detail on the performance of County Farms and the amount of land made available for development would be included in the Corporate Asset Investment Fund Annual Report.
- (v) The Council was making good progress with its digital strategy. Key customer facing services were being digitised, for example the blue badge renewal process. However, it would take time for the digital initiatives to have an impact on the Customer Service Centre. A workplace strategy was also in place to support staff to make better use of digital technology and consideration was being given to improving the digital offer for elected members. A proposal for trialling paperless meetings would shortly be considered by the Group Leaders.
- (vi) It was confirmed that the Country Parks cost approximately £300,000. The café at Beacon Hill would broadly break even or make a small profit this year which was to be welcomed given that it had only been operating for six months, largely over the autumn and winter period. Officers undertook to provide a written note of where the Country Parks were accounted for in the departmental budget.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 7 February.

67. Medium Term Financial Strategy 2020/21 - 2023/24 - Consideration of Responses from Overview and Scrutiny Committees.

The Commission considered extracts from the minutes of the Overview and Scrutiny Committee meetings held to consider the Medium Term Financial Strategy (MTFS) 2020/21 to 2023/24 as it related to the County Council departments. A copy of the minute extracts is filed with these minutes.

Arising from discussion the following points were raised:-

Health Overview and Scrutiny Committee

The Chairman of the Health Overview and Scrutiny Committee drew members' attention to the uncertainty regarding the future funding of Public Health and the lack of clarity from central Government.

Environment and Transport Overview and Scrutiny Committee

Members commented on issues relating to temporary traffic management, in particular where grass verges were damaged during roadworks. It was confirmed that where this was the fault of the company undertaking the roadworks, this should be reported to the Customer Service Centre so the company could be asked to repair the damage. It was

not possible to recharge the company for damage caused by individual road users. The Leader of the Council confirmed the view of the administration that, if more funding became available, it needed to be invested in highways maintenance.

The Commission welcomed the decision previously announced by the Deputy Leader to remove the savings requirement from the Recycling and Household Waste Sites (ET5).

Adults and Communities Overview and Scrutiny Committee

The Chairman of the Adults and Communities Overview and Scrutiny Committee advised that the Committee was very impressed with the programme to introduce a new Target Operating Model into the department. Members were proud of the Cabinet's vision and the hard work of officers as this was expected to make a dramatic change to the department's budget.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 7 February.

68. Change to the Order of Business.

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

69. HS2 through Leicestershire.

The Commission considered a report of the Director of Environment and Transport which provided an update on the Government's proposals for high speed rail through Leicestershire, information on the Council's approach to achieving the maximum benefits for Leicestershire from HS2 and an overview of the Government hybrid Bill process. A copy of the report marked 'Agenda Item 13' is filed with these minutes.

The Commission also considered comments from Mr S D Sheahan CC, local member. A copy is filed with these minutes.

The Chairman welcomed the Leader of the Council, Mr N J Rushton CC and the Cabinet Lead Member, Mr T J Pendleton CC, to the meeting for this item.

Arising from discussion and questions the following points were raised:

- (i) A majority vote of all County Councillors was required to petition the hybrid Bill. The hybrid Bill was not expected to be deposited until Summer 2020 at the earliest, and the vote to petition could not happen before this. The County Council would not be able to submit its petition on the hybrid Bill until after its second reading. It was expected that the petitioning period would last for 28 days after the second reading. The total time between the hybrid Bill deposit and the close of the petitioning period could be as little as three months, though it was more likely to be four to five months. A meeting of the full Council would need to be held once the hybrid Bill had been deposited in Parliament to approve the approach. Given the timescales, it might be necessary to convene a special meeting of the full Council; members were supportive of this approach.

- (ii) The Commission recognised that the report focused on the benefits that could be achieved from HS2 by petitioning, as this enabled the County Council to engage proactively in the process. It was recognised that HS2 would also bring disadvantages to the County. The benefits of a proactive approach, based on learning from other authorities, included support to STEM (science, technology, engineering and maths) subjects in schools, improved traffic management and reductions in the length of road closures. Small and medium sized business would also be encouraged to tender for contracts and the Leicester and Leicestershire Enterprise Partnership was already working to provide them with relevant support.
- (iii) It would be possible for trains with classic compatibility to run on HS2 lines, but this depended on the views of HS2 Limited. Another challenge to be addressed was the risk that, if all fast routes went through the station at Toton, Leicestershire and the East Midlands Mainline could be left with a worse and slower service.
- (iv) Officers were working closely with a range of partners, including ecological organisations, to develop a list of issues to be addressed through the hybrid Bill or petitioning process. The intention was that all parties that were 'specially or particularly affected' by the proposal, and therefore able to petition, would be petitioning for the same things. Conversations with parish and district councils were also ongoing to ensure that the County Council would be able to represent their views in its petition and to provide parishes with knowledge, so they could submit their own petitions. The Leader of the Council undertook to discuss the matter at his next meeting with Leicestershire MPs. It was suggested that engagement should also take place with other interested community groups.
- (v) The restoration of the Ivanhoe Line would depend on how the HS2 line was built and whether various parts of the existing rail network would need reinforcing. Members supported the inclusion of the Ivanhoe Line in the list of issues to be addressed through the hybrid Bill and petitioning process as it would help to relieve pressure on the road network.
- (vi) An example of the benefits of a proactive approach related to Ashby Canal. In the 2018 consultation HS2 Limited had indicated that the canal restoration would require locks to pass under the new railway. The draft design now suggested that it would be allowed free passage. However, officers were working to encourage HS2 to build part of the canal and leave a positive, lasting legacy.

RESOLVED:

- (a) That the update on the Government's proposals for high speed rail through Leicestershire including the forward programme, subject to the Government review of the HS2 rail project, be noted;
- (b) That the Council's approach to achieving the maximum benefits for Leicestershire from HS2 be noted;
- (c) That the Government hybrid Bill process, and the importance of the County Council having a voice in the development and delivery of HS2 to realise its benefits, be noted.

70. Country Parks and Open Spaces Strategy 2019 - 2020.

The Commission considered a report of the Director of Corporate Resources which set out the approach for the management of the County Council's Country Parks including the Country Parks Action Plan. 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 Commission welcomed the report, in particular the assurance that all Country Parks and open spaces were valuable assets that would be looked after. It was felt that the level of housing and economic growth proposed for Leicestershire emphasised the importance of parks and open spaces, which could form a key part of local communities and were available for everyone to enjoy. It was also noted that there was enthusiasm in some parts of the county for Friends groups to work with Country Parks.
- (ii) Although members felt that people should not be excluded from visiting the parks through increased car parking charges, there was also a need to consider green initiatives such as sustainable travel schemes. It was suggested that County Council could work with community groups and litter-producing businesses in this area. Officers already worked across County Council departments such as Environment and Transport and Public Health and used their expertise but undertook to follow these suggestions up. Members were reminded that the Country Parks also needed to have reasonable parking available and that charges covered wear and tear of the car parks.
- (iii) Some disappointment was expressed that there were very few Country Parks in the south and east of the County. However, members were reminded that some parks had been gifted to the Council, or had been acquired as the opportunity arose, for example from reclaimed former coalfields. There were also a number of parks and green spaces across the county owned by district councils. As part of new developments such as Lutterworth East, consideration would be given to establishing new Country Parks or open spaces and the Strategy would be amended to include this aspiration. It was also suggested that a comprehensive list of publicly owned parks and open spaces in Leicestershire should be compiled, including the County Council owned site of special scientific interest (SSSI) at Misterton Marshes.
- (iv) The Commission was pleased to note that the County Council was making the most of opportunities to work with local businesses that were focused on social responsibility. For example, Beacon Hill Country Park had a labyrinth and a series of wooden sculptures. The need to balance commercial activity with providing a service for local communities was recognised, as was the aim for the Country Parks to be cost neutral.
- (v) It was suggested that one of the priorities for the Country Parks and Open Spaces Strategy should be carbon neutrality or offsetting the County Council's carbon footprint, for example through tree planting. This also needed to be reflected in the Strategic Outcomes.

RESOLVED:

(a) That the draft Country Parks and Open Spaces Strategy 2019 – 2020 be welcomed and amended in the light of the comments now made;

(b) That the Cabinet be advised of the views of the Scrutiny Commission at its meeting in March 2020.

(c)

71. Date of next meeting.

It was noted that the next meeting of the Commission would be held on 11 March 2020 at 10.30am.

10.30 am - 1.05 pm
27 January 2020

CHAIRMAN