

SCRUTINY COMMISSION: 30 OCTOBER 2019

MINUTE EXTRACT

A VISION FOR LOCAL GOVERNMENT IN LEICESTERSHIRE

The Commission considered a report which presented the draft strategic business case for the development of a unitary structure for Leicestershire together with findings of the review undertaken by Price Waterhouse Coopers (PwC) of the savings contained in the Financial Options Appraisal. A copy of the business case and PwC review marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed to the meeting the Leader and Deputy Leader and officers who were in attendance to present the report and answer questions.

At the invitation of the Chairman, the Leader advised members that it was his view and that of many others that two tier authorities had a limited future. He referred to recent comments made by the Secretary of State for the Ministry of Housing, Communities and Local Government who had indicated that his preferred vision was for unitary councils. In the Queen's Speech there was a commitment made to the publication of a Devolution White Paper and it was therefore important that the County Council came to a view on this matter so that it was position to respond quickly and positively to any new Government initiation on devolution or local government reform.

The Leader referred to the significant financial challenges facing local government and noted that this position was unlikely to improve over the short to medium term. Given this it was important to review the current structure and look to realise the significant efficiencies and savings that would flow from a single unitary structure; savings which could be reinvested in frontline services. With regard to services the Leader pointed out that the current two tier structure led to confusion amongst members and residents as to where responsibility for delivery lay and this was aptly demonstrated on page 17 of the business case.

The Cabinet on 22nd October 2019 had approved the draft strategic business case and was seeking the views of the Scrutiny Commission. The Cabinet would consider the business case further in the light of comments made at its meeting on 22nd November and the intention was to submit a report to the full Council on 4th December to enable the County Council to come to a settled position on the matter. The Leader recognised that there were differing views on the matter including within his own Group and had therefore indicated to his Group Members that there would be a free vote at the Council meeting.

The Deputy Leader added that the current draft of the strategic business case was significantly different to the version consulted upon earlier and that the comments and suggestions put forward during the scrutiny process and by the cross party working group had in large part been taken into consideration in the revised version. He and the Leader thanked members of the Scrutiny Commission for their work to date on this matter.

The Chairman opened the matter up for debate and questions. In the ensuing discussion and in response to questions the following points were made:-

- i) A letter had been received from all seven Leicestershire MPs opposing the proposals. Whilst noting this, the Leader advised that it was his view that the Council should proceed with the proposal so that there was a settled view on this matter. The letter from the MPs had been marked 'private and confidential' and as such it would be necessary to seek their agreement to its release. It was noted that a copy of the letter had also been sent to the Leaders of the District Councils.
- ii) The proposals being put forward were not as suggested about 'ego' but a genuine belief that these were in the best interest of the residents of the County.
- iii) The County Council had been advised by the District Leaders that they were not supportive of a unitary council for Leicestershire, but no alternative proposals had been put forward nor had there been any feedback about the work that they indicated was being undertaken on collaboration and joining up of services. In light of this the Leader was of the view that it was unlikely that a letter to District Leaders inviting them to comment or put forward alternative ideas at this stage would elicit much of a response, but he was willing to send such a letter should the Commission consider this appropriate. A number of members who were also members of district councils reported that there had been no opportunity for members of district councils to consider this matter and the views expressed in the letter were only those of the Leaders. The Leader restated his wish that the district councils engaged fully in the process and a number of members of the Commission agreed with this view.
- iv) In seeking to get to a settled view the Leader indicated that he hoped this could then be shared with the Secretary of State and if he was favourably inclined to the proposals District Councils could then be compelled to work with the County to develop the business case further.
- v) A number of members commended the report and welcomed the vision aimed at cutting bureaucracy, duplication and improving service delivery as these were the things residents and taxpayers were most concerned about.
- vi) The changes made to the document since the previous iteration and in particular the changes to role and function of Area Planning Committees were welcomed as they now provided the reassurance that planning decisions would be taken at locality level and by members who represented the local area. The Leader acknowledged that there had been occasions when local planning decisions on major issues were referred to the Planning Inspectorate and overturned. However, this was a national issue. He confirmed that the new unitary council would be able to develop a robust single Local Plan which, coupled with local neighbourhood plans and adequate provision for future housing supply, would enable it to

robustly defend against any development proposals which were not in line with the Local Plan.

- vii) With regard to devolution to Parish Councils the draft strategic business case made it clear that it would be up to Parish Councils to consider whether they wished to take on additional responsibility and there was no compulsion to do so. Where Parishes wished to take on additional powers this would need to be supported by a business case to ensure it was not just cost effective but that appropriate structures and governance arrangements were in place to ensure devolved services were delivered. In this regard it was also recognised that the new unitary would need to help and support Parishes to develop expertise to manage the additional responsibilities and members were referred to the Devolution Framework for Parishes set out on Page 51 of the business case.
- viii) The Leader acknowledged that the challenges of the MTFS had resulted in the Environment and Transport Department taking a disproportionate level of budget reductions as the Council sought to protect budgets for services to vulnerable adults and children and that this had adversely impacted on how the Department responded to requests from Parish Councils. He indicated that this would be looked at further in the next iteration of the MTFS.
- ix) Members were pleased to note the proposals for working with Town and Parish Councils (including the ability to set up new Councils in areas where they did not currently exist) as well as establishing Area Committees with powers and budgets to make a real difference in the localities. Currently, people did not engage at parish level as they could not see how this would improve services in the area but in future, through the devolution framework, parishes and local communities working with their local Area Committees would be able to drive forward improvements. Elected members would have a key role in this both as local representatives and community leaders in ensuring the voice and needs of their residents were heard. The business case recognised that there would need to be some officer support to members in helping discharge this new enhanced role.
- x) On the issue of staffing reductions members were advised that managers and back-office services would be affected to a greater degree than operational and frontline staff and the savings set out in the draft strategic business case reflected this. The business case proposed a transition and then transformation approach as this would minimise the risk of disruption to key front line services.
- xi) Comment was made that a number of academic studies appeared to suggest that larger authorities were remote and this led a lack of political trust. Whilst noting this it was pointed out that the proposals did not envisage any expansion to the current boundaries but rather a vertical integration. It was unclear whether the academic criticism was still valid under these circumstances. It was also pointed out that the proposals for Area Committees, comprising members elected for those areas with

executive powers as well as representatives of local groups and communities would make the new unitary council more accessible.

- xii) A member commented that he was not supportive of the proposals preferring instead an elected regional assembly covering the East Midlands (Leicestershire, Nottinghamshire, Derbyshire and Lincolnshire), with the abolition of the County Councils and the establishment of unitary authorities on the current district boundaries. The Leader disagreed.
- xiii) With regard to a suggestion that the role and responsibilities of members in the new authority be further refined with reference to relationships with officers it was pointed out that the business case sets this out in paragraphs 3.2.9 to 3.2.11 and that it should be a matter for the new Council to shape this further having regard to vision and ethos of the new organisation and reflected in their constitution and operating protocols.

The Chairman concluded the meeting by stating that there appeared to be a majority of members who were supportive of the business case, but a minority of members remained concerned or were opposed to the proposals. He noted that the Commission had not proposed any changes to the draft strategic business case.

The Chairman thanked the Leader and Deputy Leader, the officers who presented the report and answered questions and members of the Commission. He reminded members that the outcome of the meeting would be reported to the Commission on 6th November at which point the Commission would be asked to agree its formal response to the consultation which would then be considered by the Cabinet.

RESOLVED:

That the comments now made be submitted to the Commission on 6th November to seek approval for them to be submitted to the Cabinet on 22nd November 2019.