



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 17 November 2021.

PRESENT

Mr. M. T. Mullaney CC (in the Chair)

Mr. T. Barkley CC
Mrs. H. J. Fryer CC
Mr. S. J. Galton CC
Mr. T. Gillard CC
Mr. Max Hunt CC

Mr. J. Morgan CC
Mrs. R. Page CC
Mr. T. J. Pendleton CC
Mr J. Poland CC
Mr. T. J. Richardson CC

40. Minutes

The minutes of the meeting held on 8 September 2021 were taken as read, confirmed and signed.

41. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

42. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that the following question had been received under Standing Order 7(3) and 7(5) from Mr Max Hunt CC:

“Could the Chairman provide me with a list of all non-transport related bids by the County Council (or shared by the County), annually over the last 5 years, of over £1million, indicating:

- (a) The funding pot;
- (b) Maximum bid;
- (c) LCC bid;
- (d) Date submitted (approx);
- (e) Scheme;
- (f) Date determined;
- (g) If successful or not.”

Reply by the Chairman

The table below details those non-highway related schemes for which funding bids have been made by the County Council (or in partnership) over the last 5 years, detailing the information requested in (a) to (g) above.

County Council bids					
<u>Funding Pot and Scheme</u>	<u>Maxm Bid</u>	<u>LCC Bid</u>	<u>Date of submission</u>	<u>Date determined</u>	<u>Success</u>
Dept for Education Holiday Activities and Food Programme	Funding awarded to all LAs based on FSM data – no bidding required. However, business plan required to be submitted.	Max funding award - £1,323,150 (for summer and Christmas provision)	2021		Yes
LEADER – Rural Payments Agency - Dept Environment Food Rural Affairs	Unknown	£1.5m	2015	Yes	Yes
Superfast Broadband Programme through Building Digital UK	Contract 1 £3.4 mill DCMS £1.23 mill ERDF £1.05 mill LLEP (LLEP Leicestershire Enterprise Partnership Local Growth Fund) £1.16 mill Districts Contract 2 £7.8 mill BDUK £3.1mill LLEP local growth fund £1.22 Districts	See other column- Amount was dependant on number of properties	2015 onwards		Yes
Dept for Education Holiday Activities and Food Programme	£2 million	Barnardo's (combined bid for city and county) – bid submitted for £1million	Oct-Dec 2019		No
Coalville Workspace Project - GD2 Grant	Not Known	£2,313,812	2016		Yes
LCC Public Sector Decarbonisation Scheme (PSDS)	1- BusinessEnergyIndustrial Strategy PSDS Grant	£3,561,950	2021		Yes
<u>Partnership bids</u>					
<u>Funding Pot and Scheme</u>	<u>Maxm Bid</u>	<u>LCC Bid</u>	<u>Date of submission</u>	<u>Date determined</u>	<u>Success</u>
Growth Hub – MHCLG Ministry Housing Communities and	£8 million led by the City Council	County Council receive £57k of ERDF	2016	Project extension	Yes

Local Government-ERDF Funding		funding towards the post. This will become 100% funded from Dec 2021-Dec 2023		approved 2021	
Employment Hub (ESF City led project)-MHCLG	£5.9 mill led by the City Council	County Council receive £115k for a business adviser	2016	Project extension approved 2021	Yes
WillProject-Work Live Leicestershire MHCLG	£2million – led by VISTA	County Council receive £169k for operation of Work clubs	2016		Yes
Digital Growth Programme – ERDF Funding	£4.7 million led by East Midlands Chamber	LCC contribute £170k over 5 years – Good fit to the Broadband Programme	2016	Project now complete	Yes

As can be seen from the table above, the County Council is a partner in a number of funding programmes. It is not always the accountable body for these projects and is not therefore in receipt of the whole funding allocated when bids are successful.

43. Urgent Items

There were no urgent items for consideration.

44. 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. The following declarations were made.

All Members of the Commission who were also members of a district and/or parish/town council declared a personal interest in all items on the agenda so far as this was relevant.

Whilst not under this item, during the meeting Mrs H. Fryer CC declared a personal interest in agenda item 9 (Draft Communities Strategy) as a member of the Rural Community Council.

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

There were no declarations of the party whip.

46. Presentation of Petitions under Standing Order 35.

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

47. Engagement on the Council's Strategic Plan

The Commission considered a report of the Chief Executive which presented the draft Strategic Plan for 2022 to 2026 for comment. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed the Lead Member for Communities, Mrs P Posnett CC, to the meeting for this item.

In presenting the report, the Assistant Chief Executive confirmed the following:

- The Plan set out the Council's ambitions and priorities for the next four years and outlined what the Authority would seek to achieve and how it intended to do that.
- The current Plan would expire next year, and this had therefore been refreshed to take account of recent developments including the current pandemic and exit from the EU.
- Once approved, the Plan would set the strategic aims of the County Council and so would underpin all future Council plans and strategies. Many actions were already captured through existing plans and strategies, but these would be developed in line with the new Plan.
- Scrutiny Committees would continue to receive performance updates against the Strategic Plan in line with current practice.

The Lead Member commented that the aims as set out in the Plan were aspirational and therefore high level and broad. Actions would be added and developed to support this. The consultation would provide a wealth of information from the public and partners to help shape those action and the way forward.

The Commission supported considered extracts from the minutes of the other Overview and Scrutiny Committees which had also looked at the Plan so far as it was relevant to each County Council department. A copy of these extracts is filed with these minutes.

Arising from discussion the following points were made:

- (i) Members commented that the Plan included several aspirations that were outside the Council's control. It was questioned whether the Plan should just focus on its own functions and specific areas of responsibility. Given the far-reaching nature of the Plan a member queried the Council's control over the deliverability of some aspects. By way of example, a member challenged the inclusion of the aim to increase the number of neighbourhood plans on the basis that this was not a County Council function (this being a function of (and therefore funded by) district councils). Recognising that the Council often had a broader role as a partner and as an enabler and facilitator, it was suggested that the Plan should more clearly differentiate between those aspirations for which Council would have lead responsibility, and those where it would have a contributing/partnership role; specifying in the commitments section, which partners it would work with.
- (ii) A member challenged the lack of reference in the Plan to district councils. Whilst parish and town councils were specifically referred to, it was highlighted that 25% of the population of the County did not live in a parished area. Members agreed that district councils had a stronger role to play in those areas, alongside other

third sector organisations, and so should also be referenced.

- (iii) A member commented that the Plan included some aspirations which were unattainable and therefore unrealistic, and some which were competitive or opposing. It was suggested that the document could be proofed to challenge the realism of some aspirations and to address where conflicts arose and how these might be addressed. It was noted that competing aims was reflective of the complex nature of the Council's role and the breadth of services it provided. Members acknowledged that having a Plan in place provided a framework to address those conflicts corporately.
- (iv) A Member challenged that whilst the Plan identified what success might look like, it did not adequately quantify this or include a benchmark against which that could be measured. Members noted that benchmarking data had not been included in the Plan itself as there was concern that this could make the Plan too long. However, comprehensive data was collected to show performance against the aims of the current Strategic Plan, and this was presented on a quarterly basis to each of the overview and scrutiny committees each year by way of a separate performance report. Members noted that this process would continue under the new Plan and would make clear the current position and progress being made.
- (v) Members noted that the Outcome Boards would have responsibility for overseeing progress against the Plan and this would be regularly reported back to relevant Lead Members. In addition to the quarterly reports to individual scrutiny committees, a comprehensive and detailed annual performance report was also produced, and this was shared with all members and presented to the Commission, the Cabinet and full Council. The Assistant Chief Executive confirmed that such reports were published on the Council's website and so were publicly available but undertook to consider how best to publicise this further to all members.
- (vi) Members commented that as a high-level, aspirational document the Plan was too long and that detail around the actions could be set out separately. Alternatively, an executive summary could be provided. A member further commented that as a public document, some of the wording could be confusing and it was suggested that the Plan be re-read with that in mind.
- (vii) A member commented that the statement included in paragraph 8.5 of the Plan (page 50) that Charnwood 'had an issue with a high rate of local authority owned homes which were 'non-decent'' was incorrect and that in fact Charnwood Borough Council had a higher standard than the national average called 'the Charnwood standard'. Officers undertook to review the wording on this point.
- (viii) A member questioned the significant increase in children being educated at home and whether this was an unexpected impact of the pandemic. The Assistant Chief Executive confirmed that Covid did appear to be a factor as some parents that had home schooled their children during the national and local lockdowns had chosen to continue to do so.
- (ix) The proposed increase in electrical vehicles would ultimately be limited by access to and the availability of charging points. A member questioned what the Council's response to this might be. Members noted that this could be a factor built into future considerations for land the Council directly owned or was seeking to develop. Members noted that addressing this through the planning process could

be a factor, but that this was managed by local planning authorities in line with national policy. The Assistant Chief Executive confirmed that the Council could, however, look to see what it might do in its role as the local Highway Authority as part of that process.

- (x) The commitment to support parish and town council leaders was challenged. A member raised concerns that their parish council clerk found it difficult to contact the County Council and had raised concerns about the length of time it took to deal with certain matters, e.g. permits to post on lamp posts. The Assistant Chief Executive reported that the Council supported the Leicestershire and Rutland County Association for Town and Parish Councils, which in turn supported parish and town councils who were their members. County Council officers also met with parish and town council chairs and clerks on an annual basis, and with clerks on a quarterly basis. It was noted that parish clerks had also been provided with a dedicated email address through which they could raise issues directly with the County Council. However, a member sought assurance regarding the response times for dealing with enquiries raised in this way, as feedback suggested that this was not always as quick as it should be. It was suggested that this might be because of the Council's internal, back office processes and that streamlining these could be considered as a means of improving support.
- (xi) A member reported that a few years ago a discussion had been held at the Leicestershire Safer Communities Strategy Board regarding the posting of signage and CCTV on lamp posts and that a comprehensive report had been produced in response to that, as there were concerns around safety which needed to be addressed. It was suggested that a copy of that report be circulated after the meeting for members information.
- (xii) In response to a comment about an increase in the cost of road closure applications for remembrance events, the Assistant Chief Executive reported that officers would contact the Environment & Transport Department for clarification as it was understood that these costs had been waived following a direction by HMCLG. Officers were further asked to provide members with details of the fees and charges information provided to parish and town councils for road closure events generally.

RESOLVED:

- (a) That officers be requested to consider the comments now made in respect of the draft Strategic Plan for 2022 – 2026, as well as those made by the other Overview and Scrutiny Committees which it supported;
- (b) That Officers be requested to provide/clarify the following:
 - Clarification of whether the cost of road closure applications for remembrance events had been waived in line with the direction of HMCLG. *[After the meeting it was confirmed that road closure application costs for remembrance events had been so waived.]*
 - Details of the fees and charges information provided to parish and town councils for road closure events generally.

- A copy of the report to the Leicestershire Safer Communities Strategy Board regarding the posting of signage and CCTV on lamp posts.
- Details of response times to dealing with enquiries raised by parish and town council clerks through the dedicated email provided.

48. Draft Communities Strategy - Leicestershire County Council Collaborating with our Communities - Our Communities Approach 2022 - 2026

The Commission considered a report of the Chief Executive which presented the draft Communities Strategy: Leicestershire County Council Collaborating with our Communities – Our Communities Approach for 2022 – 2026 for comment. A copy of the report marked ‘Agenda Item 9’, is filed with these minutes.

The Chairman welcomed Mrs Posnett, the Lead Member for Communities, to the meeting for this item.

In presenting the report the Assistant Chief Executive confirmed the following:

- The refreshed Strategy set out the Council’s planned approach to collaborating with communities. It built on the existing strategy that had been effective in guiding the Councils work in recent years to support, strengthen and empower communities, in particular shaping the Council’s approach through the ongoing pandemic.
- The new Strategy had been aligned with the Strategic Plan, covering the same period, and set out an approach that would aid delivery of that Plan.
- The proposed approach was intended to support communities to achieve their goals through coproduction and collaboration and to help communities build back after the pandemic. The Strategy had also therefore been aligned with the Council’s planned Covid recovery work.
- The Strategy reflected lessons learnt over the last 18 months and took account of feedback from communities, partners and members during that time.

Arising from discussion, the following points were made:

- (i) Overall members welcomed the Strategy and supported its proposed approach. Members felt the length of the Strategy was appropriate and found it easy to follow.
- (ii) Members agreed that the pandemic had taught the Council and residents a lot about how the Council connected with communities, and what support it offered. It also showed how communities themselves could come together without instruction to address issues locally. Communities had worked very hard during the pandemic and it was important to recognise this and ensure the Council continued to support that activity as much as possible.
- (iii) A member commented on the importance of the priority ‘prevention. As pressure on the Council’s resources continued, preventing and reducing demand would be critical.
- (iv) A member raised concern that much of what was set out in the Strategy was similar to the Government’s ‘Big Society’ approach which did not deliver on the grounds it was impractical. It was emphasised that the principal behind Big

Society was to look at what communities could do for themselves. However, the Strategy focused on and made clear what the County Council's role would be in supporting and engaging with communities to respond to local needs.

- (v) It was recognised that communities were now being asked to do things that previously the Council would have managed/provided, but reduced resources meant this was no longer possible. A member commented that whilst frustrating for many, until the Council's fair funding campaign was recognised and taken forward by the Government, the situation would not improve.
- (vi) A member expressed strong criticism of the Strategy and the Strategic Plan on the basis that, in their view, unparished areas and the issues affecting them were not being adequately represented. It was argued that much information on which the Council acted was skewed in favour of parished areas despite the fact that 38% of Leicestershire residents (noting that this percentage differed from that suggested by another member under consideration of the Strategic Plan), did not live in a parished area. By way of example, the member highlighted a recent County wide bus survey undertaken by the Council, the responses to which had been dominated by parish councils which the member argued distorted the issues drawn out from that consultation in favour of those affecting parished areas. Matters affecting unparished areas which were largely urban, with heavier traffic and with higher employment were different and the member expressed concern that these would not be adequately captured by the approach set out in the refreshed Communities Strategy and Strategic Plan, nor through the Councils consultation processes.

The Assistant Chief Executive undertook to consider if the balance in references to parish/town councils compared to other voluntary and community groups was correct, but commented that it would not be accurate to say unparished areas were not supported by this Strategy or the Strategic Plan. Members noted that it had never been the intention that the Council would just work with parish and town councils on community issues; the Council had always and would continue to work with a wide range of voluntary and other groups that operated in those areas. Further consideration would be given to making this clearer.

- (vii) The Commission sought reassurance that the Council's consultation processes were full and proper, in particular with regards to the cross section of those consulted. Members noted that the Council had an active consultation and engagement group that brought together officers from different departments, including legal services, to ensure consultations were undertaken in the right way, had the right capacity to ensure they would be effective, reached as many people as possible and specifically targeted those that might be most affected. The Assistant Chief Executive further confirmed that the Council also undertook significant engagement outside the formal consultation process to strengthen the breadth of information it received. The Head of Law also provided reassurance that the Council was well versed in its statutory responsibilities regarding consultations and there had been no legal challenge of the processes it had followed and the consultations it had undertaken.
- (viii) A member challenged how joined up departments were with the central Community Engagement Team when operational decisions were taken that might significantly impact an individual community, particularly given the disappointment and frustration these could generate. The member referenced as an example a

recent decision not to seek funding to support the extension of a footpath in their area which had caused some frustration locally. The Assistant Chief Executive undertook to consider how cross communication around such matters might be improved but commented that the Outcome Boards established to have oversight of delivery of the Strategic Plan should help pick up and address such matters in the future.

- (ix) A member asked that consideration be given to how best to share more information with members, so they were aware of what was being put out to their communities. As community leaders, it was highlighted that they too had an important role to play in building communication links with and signposting their constituents to the support available.
- (x) A member suggested that there was some confusion around what services the Rural Community Council (RCC) provided for parish and town councils and how this compared to the support provided by the LRALC (Leicestershire and Rutland County Association for Town and Parish Councils). It was noted that the Council provided grants to the RCC and LRALC and therefore access to some RCC services was available to all. A member suggested this did not appear to be well understood and that greater clarity was needed.
- (xi) A member commented that volunteers played a vital role in communities and suggested that the Council could have a more 'can-do' approach to support them, noting that there might be risks and insurance implications that needed to be managed.

RESOLVED:

That the comments now made be considered a part of the consultation on the refreshed Communities Strategy for 2022 to 2026.

49. Leicestershire Domestic Abuse Reduction Strategy 2022 - 2025

The Commission considered a report of the Director of Children and Family Services, which advised of new duties placed on the County Council by the Domestic Abuse Act 2021 which recently came into force and to seek its views on the draft new Leicestershire Domestic Abuse Reduction Strategy 2022-2025, as required by this new piece of legislation. A copy of the report marked 'Agenda Item 10', is filed with these minutes.

Arising from discussion, the following matters arose:

- (i) Members welcomed the new funding which had been allocated to the County and district council's and supported the proposed approach as set out in the draft Strategy. Members commented that the additional funding would enable greater support to be provided to victims of domestic abuse at what was a very critical time, given the impacts of the Covid-19 pandemic and the national and local lockdowns. Members noted that once the Strategy had been agreed, an action plan would be developed with partners and overseen by the required new Domestic Abuse Partnership Board. A Member highlighted that current partnership arrangements in this area were already well established and worked very well and building on those existing arrangements would be the right approach.

- (ii) Members noted that the new funding would be used to provide services such as advocacy support, and specialist support for victims with protected characteristics or complex needs once they were in safe accommodation. Consideration would be given to how best to add capacity and build on existing services mainly through greater support for the voluntary sector which provided almost all services to victims of domestic abuse. There would also be some services that would be entirely new, and these would be developed to reflect the needs of underrepresented groups such as males, and LGBT and Gypsy, Roma and Traveller victims.
- (iii) A member emphasised that uncertainty around the level of demand for services, given the impact of the pandemic, and ensuring this could be adequately met would be a key issue. The Director advised that the new funding would certainly help over the next year, perhaps couple of years, to respond to the expected increased demand, but said that sustainability would be a risk. This would be managed through commissioning plans for new and revised services so far as possible, but Members acknowledged that there would inevitably be some reliance on further Government funding coming forward.
- (iv) Members noted that the new responsibilities placed on the County Council did not require it to provide accommodation and that the funding allocated could not be used to purchase or rent properties for victims of domestic abuse. The Director reported that district councils would receive funding of approximately £33,000 and each proposed to use this to appoint new domestic abuse housing officers that would act as a conduit between private housing providers, district councils, the County Council and victims. A Member highlighted that this would be especially important for those district councils that did not have their own council housing supply.
- (v) Members were pleased to hear that victims were now given priority status when they presented as being homeless to a district council. However, it was acknowledged that, despite this and the planned appointment of new domestic abuse housing officers, the provision of suitable accommodation for victims would continue to be a very difficult issue to resolve. The Needs Assessment had confirmed there was a general lack of accommodation for victims of domestic abuse in the area and this was a problem being seen nationally.
- (vi) Enabling victims to stay in their own homes would be a priority where this was considered appropriate and safe to do so, particularly when children were involved. However, circumstances were often complex and there were instances when it would be necessary to move the victim from the property and even the locality for their own safety. It was acknowledged that each case needed to be addressed on its own circumstances. A Member shared her personal experience in this regard which was commended by the Commission.
- (vii) In response to a question raised, the Director confirmed that therapeutic support for children and young people would include young carers when abuse was perpetrated in the home. It was recognised that they might be under specific pressures and this was something being investigated further by the Department and partners given the impacts of the pandemic throughout 2020. The Lead Member emphasised that the County Council provided significant support to young carers that were known to it. However, it was recognised that there were likely more living in the area that were not known to any services, including schools.

The Council and partners were seeking to identify and support such people generally and in particular where domestic abuse was an issue.

- (viii) What was regarded as domestic abuse was not always clearly understood by perpetrators or victims and a key piece of work would be ensuring the public understood what was and what was not appropriate behaviour. The complexity of domestic abuse cases made it difficult to always assess and identify the correct support required. For example, family conflicts did not always result in domestic abuse, but the impact of that conflict could be damaging and far reaching, especially for children. A Member emphasised that the threat to predominantly male victims of not being able to see their children was also a key factor that domestic abuse charities were aware of. Members were reassured that the Children and Family Services Department was working to support families and to help identify when domestic abuse was an issue. Members were also pleased to hear that communications work and training could be improved with the use of the additional funding now allocated which would ensure the right support was being provided to both individuals and their families.
- (ix) The Lead Member highlighted that the Police and Crime Commissioner had allocated funding for a Perpetrators Programme which aimed to help people who have been abusive to change their behaviour and to develop respectful, non-abusive relationships. This was a key piece of work that helped to break the cycle of abuse and worked well alongside the programme of work aimed at supporting the victims of that abuse.
- (x) Assurance was provided that Police representatives had been involved in discussions regarding the development of the draft Strategy. Domestic abuse was a strategic priority for the Police and one they took very seriously. Members noted that new recruits undertook comprehensive training around domestic abuse and completed a domestic abuse dash risk assessment in every case they attended. The Police also led the Leicestershire Multi Agency Risk Assessment Conference to which high risk cases were referred for consideration with partners.
- (xi) Members noted that Clare's Law was now in force on a statutory footing and this gave any member of the public the right to make a Domestic Violence Disclosure Scheme application asking the police if their partner may pose a risk to them. This could include an enquiry into the partner of a close friend or a family member.
- (xii) A Member highlighted that a key problem in domestic abuse cases was the need to obtain evidence to support police and subsequently court action and that cases could become protracted which was extremely distressing for victims. The Director emphasised that whilst this was an issue, training and improved data had vastly improved to address this, though it was recognised that more needed to be done. The Lead Member further emphasised that whilst a lack of evidence might affect the pursuit of a case by the Crown Prosecution Service, this did not affect the County Council and its partners providing support to victims which was based on need, not evidence.

RESOLVED

That the comments now made be report to the Cabinet at its meeting on 14th December 2021.

50. Annual Delivery Report and Performance Compendium 2021

The Commission considered a report of the Chief Executive which presented the draft Annual Delivery Report and Performance Compendium for 2021 and which set out some of the impact, significant work and reorientation required to support the Council's major response to the coronavirus pandemic and planning for recovery, which remained ongoing. A copy for the report marked 'Agenda Item 11' is filed with these minutes.

Arising from discussion and questions asked, the following points were made:

- (i) A member highlighted the stark contrast in funding received by local authorities and that those located in London/to the South west were generally far better funded than some other areas particularly in the midlands and to the north. It was recognised that the calculation of local government funding had become increasingly complex over the years and it was suggested that a simplified explanation of this would be useful. The Chief Executive confirmed that the Director of Corporate Resources would be able to provide such an explanation.
- (ii) A member commented that the Council had performed well despite its low funded position and had done so year on year for some time. It was suggested that this painted a picture that did not perhaps support the Council's Fair Funding campaign. The Chief Executive emphasised that looking at just the currently available performance data in isolation did not provide the whole picture and highlighted that the report included details of the pressures, risks and demands faced by the Council going forward. The Council had done well despite its low funded position, but it was recognised that this was very unlikely to continue with the demand and funding pressures now emerging and the level of cuts still required.
- (iii) It was suggested that the Covid-19 pandemic had potentially been a tipping point for Leicestershire and it was clear that the County Council could not continue to meet all the demands put on it by Government, other stakeholders and service users, as well as make the savings required to achieve a balanced budget. Members recognised that the Council was becoming increasingly stretched and this would inevitably start to impact service delivery. Members acknowledged that the County Council had established strong financial foundations over a number of years and had so far been able to respond to pressures, but that it could not continue to meet all the new future demands identified around adult social care and the environment agenda, for example, on the funding currently allocated.
- (iv) A Member emphasised that recent reports had suggested that the County Council would be unlikely to benefit from the levelling up agenda despite being one of the lowest funded county councils in the country. The identified and growing funding gap in the Council's Medium Term Financial Strategy would likely therefore have to be addressed locally which would inevitably affect both service delivery and council tax rates, unless the Fair Funding campaign was successful.
- (v) Some members expressed frustration at the length of the main report, particularly as this was a public facing document, and suggested that it risked obscuring those key issues both members and the public should concentrate on. It was noted that the Council was obliged to report and include certain performance information to meet its regulatory requirements and that this had increased this year due to new Covid guidance being introduced. However, the Chief Executive recognised that

the scale of the information provided was significant and undertook to consider how best to present this in future.

- (vi) The Commission was concerned about the extent to which the report covered wider national issues and pressures rather than focusing on Leicestershire pressures and the County Council's direct areas of responsibility and identified outputs. Whilst informative in providing an overall local and national picture, it was suggested that the lack of focus on County Council activities made effective scrutiny of the Authority's overall performance difficult.
- (vii) The Commission indicated that in future years, it would like for the report, at least for the benefit of scrutiny, to be linked to the direct work of the County Council in order that it could see more clearly where the Council had made an impact and where performance might be below expectation. This would enable the Commission to better identify those areas that may benefit from closer scrutiny in the future.
- (viii) A member suggested that the inclusion of some comparison figures would be helpful to provide some context of what the Council had done in the last year to deliver, for example, sustainable transport options (e.g. to what extent had it had extended or introduced new cycleways and footpaths). It was further suggested that this would better demonstrate some of the negative consequences of the financial pressures faced by the Council e.g. showing how dry waste recycling rates had reduced due to less favourable contract arrangements having to be agreed by the Council in line with Government policy.
- (ix) A member suggested that the use of percentages within the report could be misleading and requested that instead, the actual figures might provide for a better understanding of the data by members and the public.

RESOLVED:

That the comments now made by the Scrutiny Commission be presented to the Cabinet at its meeting 19th November 2021.

51. Recommended Investment into Partners Group Private Debt Fund and JP Morgan Infrastructure Investment Fund

The Commission considered a report of the Director of Corporate Resources which would be presented to the Cabinet at its meeting on 19th November 2021 regarding proposed investment by the Council's Corporate Asset Investment Fund (CAIF) into Partners Group multi asset credit 6 (MAC 6) private debt, and JP Morgan Infrastructure Investment Fund (IIF). A copy of the report marked 'Agenda Item 12', is filed with these minutes.

During discussion, the following matters were raised:

- (i) It was highlighted that the proposed investment in the IIF managed by JP Morgan would be a step away from the traditional types of investment made by the Council through the CAIF (i.e. the purchase of land and property). It was noted that the IIF was generally focused on companies that provided essential services, such as energy, water and transportation, such companies being primarily located in the US.

- (ii) A member highlighted that this would essentially be an investment in non-tangible funds similar to those made by the Leicestershire Pension Fund and questioned whether assurance had been sought to ensure such investments would align with the Council's environment and social policies. The Director confirmed that a key part of the Council's own due diligence (separate from that of the Leicestershire Pension Fund) included consideration of whether JP Morgan would be a responsible investor both from a human and environmental perspective, particularly given that it would manage these investments over a long period of 20-30 years.
- (iii) Members welcomed the fact that the IIF had just turned carbon neutral and noted that this had been a key factor when considering the merits of the potential investment. Members noted that a quarter of the IFF portfolio was invested in renewable energy and included companies which were proactively implementing climate change adaptation, harnessing new opportunities in clean energy and involved in wind, solar and natural gas generation projects.
- (iv) The proposed investments were considered sensible, providing the necessary diversification recommended by the Hymans Review and a reasonable return. A Member suggested, however, that the biggest risk would be the exchange risk as the investments would be reliant on the strength and value of the US dollar (for the JP Morgan IIF) and the Euro and sterling (for the Partners MAC 6 private debt investment). It was questioned whether there would be any forward hedging to protect against this. It was suggested that the purchase of low cost forward options should perhaps be considered.

The Director acknowledged that whilst there was some risk, forward hedging was not being considered at the current time given that the investments would be held for such a long term. The Director confirmed that whilst there would likely be fluctuations in the market, overall, the risk was considered manageable. The Director, however, undertook to consider this further and seek advice on the cost and benefit of the suggested approach from the Council's independent advisors.

RESOLVED:

That the comments now made be reported to the Cabinet at its meeting on 19th November 2021.

52. 2021/22 Medium Term Financial Strategy Monitoring (Period 6)

The Commission considered a report of the Director of Corporate Resources the purpose of which provided an update on the 2021/22 revenue budget and capital programme monitoring position as at the end of period 6 (the end of September). A copy of the report marked 'Agenda Item 13' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Concerns were raised regarding the forecasted increase in overspend for SEND from £5.7m to £10.5m despite steps having been taken to build capacity in the system. It was recognised that this was a national issue with no easy answer as demand continued to increase year on year. The Director reported that the national deficit for all county and unitary authorities around SEND was approximately £700m. The Director advised that it was not yet clear what funding would come out of the Department for Education (DfE) to help tackle the problem, but it was thought it would likely extend its 'safety net'

programme. Through this the DfE had worked with those authorities with the largest deficit, paying some of this off but also setting requirements for that authority to reduce costs going forward which the Director said would be welcomed.

- (ii) Members were pleased to note that the government's spending review had been better than expected, and the Council had received a small increase in funding. However, it was recognised that there were huge demands on the Authority, with SEND being one of the largest, and there would therefore continue to be significant pressures ahead.
- (iii) It was not yet clear whether the Council would benefit from the Government's levelling up agenda. Whilst low funded, Leicestershire did not have a low tax base which seemed to be the key consideration for identifying those areas that would benefit.
- (iv) The SEND capital programme had been a success and it was questioned whether there might be revenue benefits to be had in accelerating the programme. The Director advised that the programme had been funded from the Council's own resources (not DfE funding) and given other pressures already on the capital programme generally, there was no capacity to push this forward at this time. Members recognised that even with additional resources to build more capacity, the continued rise in demand meant reducing this would also have to be addressed.
- (v) Acknowledging the need to address demand, a member questioned whether the Council had the right expertise to defend decisions when these were challenged. It was noted that the reforms introduced in 2014 rightly put children at the heart of decisions around SEND support needs, but as a result, decisions challenged at a Tribunal were largely overturned and this in turn risked having a further negative cost impact on the Council's resources.
- (vi) In response to a question, members noted that the concessionary travel underspend resulted from a reduced number of journeys being taken and if these stayed low then the underspend would persist. However, the Director highlighted that these savings were being counter balanced resulting pressures on bus services which the Council subsidised.
- (vii) Members noted that the decision regarding HS2 had not yet been confirmed. The Director advised that money allocated to make the most of HS2 for the benefit of Leicestershire may still be used, but this depended on whether HS2 would go ahead and if not, what might replace it.

RESOLVED:

That the update on the 2021/22 revenue budget and capital programme monitoring position as at the end of period 6 (end of September) be noted.

53. Dates of future meetings.

RESOLVED:

That meetings in 2022 be held on the following dates starting at 10.00am:

31st January
9th March
6th April
8th June
7th September
9th November

10.00 am - 2.25 pm
17 November 2021

CHAIRMAN