



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 6 September 2023.

PRESENT

Mr M. Mullaney CC (in the Chair)

Mr. T. Barkley CC
Mr. M. Frisby CC
Mrs. H. J. Fryer CC
Mr. T. Gillard CC

Mrs. A. J. Hack CC
Mr. J. Morgan CC
Mrs. R. Page CC
Mr J. Poland CC

16. Minutes of the previous meeting.

The minutes of the meeting held on 12 June 2023 were taken as read, confirmed and signed.

17. Question Time.

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

18. 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).

19. Urgent items.

There were no urgent items for consideration.

20. 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.

No declarations were made.

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

There were no declarations of the party whip.

22. Presentation of Petitions under Standing Order 35.

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

23. Investing in Leicestershire Programme Annual Performance Report 2022-2023

The Commission considered a report of the Director of Corporate Resources which set out the performance of the Investing in Leicestershire Programme (IILP) in the 2022/23 financial year. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) Members noted that there had been no borrowing to fund any of the investments within the IILP. The Lead Member commented that the approach for the Programme had been sensible and prudent.
- (ii) Whilst generating an income would still be a priority, the revised approach of the IILP to prioritise investments in Leicestershire to support the local economy and local growth was welcomed. It was suggested that future performance reports should begin to capture the wider economic benefits being achieved alongside usual income performance. It was further suggested that consideration be given to the development of targets which identified the wider benefits to be achieved by the Programme and which might be incorporated into the next iteration of the IILP Strategy.
- (iii) A Member requested that in future reports the overall rate of return be set out more clearly, distinguishing between that arising from the Council's property investments and that arising from its financial non-property investments.
- (iv) In response to questions raised, the Director clarified that 7% was the target return for the overall fund once this reached the expected level of £260m. This was the total return it was expected would be achieved once the allocated capital had been fully invested and sites under development had been completed and let. As the Programme included land that was still under development, the overall target forecast had not yet been reached. The current rate of return had been around 5.8%. A Member requested that some explanation be provided on the terms used within the report (for example, yield, net yield, income return) and the different targets referenced in the Strategy.
- (v) Mr D. Bill CC requested that his objection to the future development of land between Earl Shilton and Stoney Stanton be recorded. The proposals if pursued by developers would, in his view, result in the loss of significant and valuable countryside around Junction 2 of the M69 which would not be of benefit to local residents living in that area.

RESOLVED:

- (a) That the Performance of the Investing in Leicestershire Programme during 2022/23 being noted;
- (b) That the Director be requested to:
 - (i) include in future performance reports details of the wider economic benefits being achieved by the Programme, alongside usual income performance;

- (ii) consider the development of targets for wider benefits to be achieved by the Programme which might be incorporated into the next iteration of the IILP Strategy;
- (iii) distinguish between the rate of return arising from the Council's property investments and financial non-property investments in future performance reports;
- (iv) include within future reports an explanation of the terms used (for example, yield, net yield, income return) and the different targets referenced in the Strategy.

24. Airfield Business Park Development Proposal - Final Phase

The Committee considered a report of the Director of Corporate Resources, which sought the Committee's views on development proposals for the final phase of Airfield Business Park in Market Harborough (Harborough District), prior to approval for the scheme being sought from the Cabinet at its meeting on 15th September 2023. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

It was noted that comments had been received from Mr P. King CC, the local member, regarding the proposals, a copy which had been circulated to all members of the Committee and is filed with these minutes.

In response, when presenting the report the Director highlighted the following:

- The proposed use of the drive thru units, if used by a coffee or other food and drink operator, had not been deemed to be in conflict with the Council's Public Health policies.
- Health implications were taken into account in respect of all Investing in Leicestershire Programme schemes and consideration given to how these might be improved to support better health choices, such as supporting walking and cycling provision to and from sites. The proposals for this scheme included both cycle shelters and a dedicated cycle route through to the adjacent residential scheme.
- The scheme overall, if approved by the Cabinet, would later be considered on its merits by the local planning authority. Highway impacts would be considered as part of that process by the County Council as the Highway Authority and its views would be reported to the local planning committee for consideration in accordance with normal planning processes.

RESOLVED:

- (a) That the proposals for the final phase of Airfield Business Park in Market Harborough be noted.
- (b) That the information now provided by the Director in response to the comments made by the local Member, Mr King CC, be forwarded to the Cabinet at its meeting on 15th September 2023 for consideration.

25. Corporate Asset Management Plan 2022 - 2026 Annual Performance and Strategy Update 2022 - 2023

The Commission considered a report by the Director of Corporate Resources which set out the performance achieved against the County Council's Corporate Asset Management Plan during 2022-23, outlined changes in strategy and provided detail of

the work programmed for 2023-24. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) A Member questioned who was responsible for the maintenance of school buildings and whether any RAAC (reinforced autoclaved aerated concrete) had been identified in Leicestershire Schools. The Director confirmed that the Council was only responsible for maintained schools and that academies were the responsibility of their multi academy trust.
- (ii) The Chair of the Children and Families Overview and Scrutiny Committee advised that this Committee had received a report on this very issue at its meeting the previous day and had received assurances from the Director of Children and Family Services and the Head of Operational Property that no RAAC had been identified in any Leicestershire maintained schools. Members further noted that, Canon Carolyn Lewis, the Church of England co-opted member on this Committee, had also attended that meeting and provided similar assurances regarding church schools that fell within its remit. It was suggested that a copy of this report and the minute of the discussion that took place at this meeting be circulated to all Commission Members for information.
- (iii) As the County Council leased school buildings to academies on a 125 year lease, a member questioned what repair and maintenance provisions were included within this and what the Council might do if an academy was found not to be compliant. The Director undertook to provide a briefing note to Commission Members setting out the position after the meeting.
- (iv) Progress was being made to move from a reactive to a more planned approach to the maintenance of the Council's property assets. Members noted that part of the asset review would be to collect survey data which could then be used to better plan and prioritise works needed and to budget for these over a 3 to 5 year period. This would include maintained schools for which the Council had responsibility. In response to questions raised the Director confirmed that if maintenance costs for a particular property were deemed to be too expensive then consideration would be given to the possible sale of that asset.

RESOLVED:

- (a) That the performance achieved against the County Council's Corporate Asset Management Plan during 2022-23 be noted;
- (b) That a copy of the report considered by the Children and Families Overview and Scrutiny Committee on 5th September 2023 titled 'Leicestershire School Buildings' be circulated to members of the Commission for information along with the minute relating to that item;
- (c) That the Director be requested to provide a briefing note for circulation to Commission Members alongside (b) clarifying the position regarding outstanding maintenance of maintained school premises, the obligations placed on academies under their 125 year lease, and the Council's ability to take action when those

provisions were not being complied with.

26. MTFS Monitoring and Strategy Update

The Commission considered a report of the Director of Corporate Resources which set out the worsening short and medium term financial position caused by the current economic climate and service demand. The report also detailed the changes to be made to the previously agreed 2022-2026 capital programme following the latest review and covered the specific revenue budget monitoring position as at the end of period 4 (the end of July). A copy of the report marked 'Agenda Item 13' is filed with these minutes.

The Lead Member for Resources commented that the overspends were as expected given the high demand for adults and children's social care services. The Council's efforts had and would continue to be targeted to reduce the level of demand in these areas, but this continued to outstrip growth added to those budgets. He said the Council had never been complacent in trying to achieve a balanced budget, but the position was becoming more and more difficult.

The Leader, Mr N. J. Rushton CC, further commented that the Cabinet had demonstrated good leadership and made difficult decisions. Essentially residents were being asked to pay more in council tax, in return for reduced services. However, it had and would continue to ensure it focused on protecting and delivering those services needed by the most vulnerable, in the most efficient way possible.

Arising from discussion, the following points arose:

- (i) A Member commented that it was concerning that Birmingham City Council could become bankrupt given its size and the level of resources it received and questioned what this meant for the County Council as the lowest funded Authority; would the Government now address its low funding position? The Director advised that unfortunately the position in Birmingham had been, in part, as a result of poor governance and a failure to deal with financial pressures early. This would not therefore encourage the Government to address the overall funding position of local government generally.
- (ii) The Council was not in the same position as Birmingham City Council, but circumstances were becoming more difficult. The Council sought to be as efficient as possible but given the £230m savings already delivered since 2010, there were now limited choices from where to make the savings now required to ensure a balance budget.
- (iii) Members agreed that it was necessary for local government to be funded properly if it was to continue to deliver public services and meet local resident's needs. However, given the current economic and political climate, it was felt unlikely that funding arrangements would change in the foreseeable future.
- (iv) Members commented that local government had drifted along at the same level of income for a number of years but that the demand for its services had increased year on year. For example, people lived longer but needed more care and therefore required greater adult social care support. The number of children with special educational needs continued to rise, but the Council faced huge difficulties in the recruitment and retention of children's

social workers, as many left to work for agencies which paid higher salaries the Council could not compete with. Also, economic growth in the private sector increased the demand for infrastructure, the cost of which had increased in line with inflation.

- (v) A Member commented that the position was frustrating. The Council had been well run financially which was important. However, due to a lack of adequate Government funding, gaps in being able to support the most vulnerable residents in Leicestershire were increasing. The pressures identified were national issues and the Government therefore needed to address these centrally to ensure local authorities could continue to meet their statutory obligations. Increases in council tax alone could not continue to meet the increases in costs and demand.
- (vi) Increasing council tax during a cost of living crisis would be challenging for residents and this would still not fully meet the shortfall currently identified.
- (vii) In response to questions raised, the Leader reported that a meeting had been held with the Chancellor and a solution presented that would help address some of the funding pressures the County Council faced. Whilst accepted as a good solution, no agreement to deliver this had been secured and it was unlikely that further progress would be made before the election. The Leader and Lead Member for Resources reassured the Commission that despite this, they would continue to pursue fairer funding for Leicestershire.

RESOLVED:

- (a) That the revenue budget monitoring position as at the end of period 4 (the end of July) and the changes to be made to the previously agreed 2022-2026 capital programme be noted;
- (b) That the update provided on the worsening short and medium term financial position in light of the current economic climate be noted with concern;
- (c) That the comments and concerns raised by the Commission be presented to the Cabinet at its meeting on 15 September 2023.

27. East Midlands Shared Services Annual Performance Update 2022-2023

The Commission considered a report of the Director of Corporate Resources which provided a summary of the performance of the East Midlands Shared Services for 2022/23 and an update on progress against strategic priorities in 2023. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) The financial outturn position for EMSS in 2022/23 was as a result of underspends had been collated across the three EMSS service areas (HR, Payroll and Finance). These had been achieved through efficiencies and by holding vacancies where appropriate.

- (ii) Performance was monitored by the County Council sponsor (i.e. the Director of Corporate Resources) on a monthly basis and reported to the Joint Committee by the Head of Service. This covered a range of targets and KPIs. Where any underperformance was identified this would be the subject of an improvement plan which could be service wide, or more likely focused towards a particular process or task.
- (iii) The audit of the service by Nottingham City Council's Internal Audit team had been delayed, but this had been reported within the Council's own Annual Governance Statement and to the Council's Corporate Governance Committee. It was hoped that the audit would be finalised shortly though the position was being monitored.

RESOLVED:

That the performance of the East Midlands Shared Service during 2022 – 2023 be noted.

28. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on 8th November 2023 at 10.00 am.

10.00 - 11.33 am
06 September 2023

CHAIRMAN

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