



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 4 September 2024.

PRESENT

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

Mr. N. D. Bannister CC
Mr. T. Barkley CC
Mr. M. Frisby CC
Mrs. H. J. Fryer CC
Mr. S. J. Galton CC

Mr. T. Gillard CC
Mr. M. Hunt CC
Mr. J. Morgan CC
Mrs. R. Page CC

16. Minutes.

The minutes of the meeting held on 10 June 2024 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 at this point.

Later in the meeting, during consideration of agenda item 15 (Proposed M69 Junction 2 / Stoney Stanton Strategic Development Area) Mr L. Breckon CC, Lead Member for Resources, declared an Other Registerable Interest in that item as he was a member of Blaby District Council (minute 29 refers).

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. Medium Term Financial Strategy - Budget Monitoring and MTFS Refresh

The Commission considered a report of the Director of Corporate Resources the purpose of which was to provide an update on the County Council's short and medium term financial position in light of the current economic climate. The report also detailed the changes to the previously agreed 2024-2028 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 8' is filed with these minutes.

Arising from discussion, the following points were made:

Revenue

- (i) Appendix E to the report outlined those savings which were under development and which had not yet been included in the current MTFS. Members noted that in some cases, departments had been able to identify an estimated saving and where there was sufficient assurance over delivery, they had been rated green. However, not all had been fully costed. The savings had been RAG rated to demonstrate the current level of confidence regarding delivery and most were currently amber or red rated. These were the areas that required more work before they could be included in the MTFS as savings to be delivered.
- (ii) The Lead Member commented that the Council had made significant savings over the last decade and its choices on where further savings could be made was very limited. Only 10 of the 59 savings under development identified had been rated green which demonstrated the level of work still required to address the potential forecasted £100m funding gap.
- (iii) Escalated spending controls put in place last year including recruitment controls and the introduction of a new procurement board to consider contract matters, would remain in place for the foreseeable future. These had worked well and whilst the current years position had improved, it was considered prudent for these to continue to help manage future budget pressures.
- (iv) The Council's dedicated schools grant deficit continued to rise despite its involvement in the Department for Education's (DfEs) Delivering Better Value (DBV) programme. In response to questions raised, the Director confirmed that whilst savings have been identified, these were not sufficient to close the deficit completely and were largely as a result of the Council's Transforming SEND programme rather than as a direct result of the DBV programme. However, given the level of data now submitted to the DfE, there was a growing sense of acceptance of the difficult position many local authority SEND services were in. In particular the need for greater inclusion within mainstream schools and therefore the need for adequate school funding to accommodate this. Inclusion did not currently form part of the Ofsted inspection programme, but this might change in future years which could have a positive impact.

- (v) The Council had received £1m in funding from the Government as part of the DBV programme. This had been used to support the diagnostic work undertaken with Newton Europe as part of the Transforming SEND in Leicestershire Programme.
- (vi) If the Council DSG deficit continued to rise there was a risk it would be moved into the DfE Safety Valve programme which was reserved for those authorities with the highest deficit. The Director confirmed that at current levels, the Council was likely to be two years away from entering this programme.
- (vii) It was noted that there was still much uncertainty regarding future grant funding levels. This would be made clearer following the Governments Spending Review in October 2024. However, until completion of the Governments more in depth multi-year spending review which was due to be completed in Spring 2025, it was likely that revenue grant and capital funding allocations would only be confirmed for the 2025/26 financial year. A Member suggested that it would be helpful for the Director to provide an all member briefing following the Government Spending Review, outlining its impact on the Council's budget. Members noted that an MTFS training session had also been planned for November for all Members in preparation for the next MTFS refresh.

Capital

- (viii) Members noted that action was being taken to mitigate and reduce the rising costs relating to the delivery of the Melton Mowbray Distributor Road. A contingency had been included within the capital programme, but this did not cover all of the forecasted overspend. Discussions with the contractor were ongoing and the position would be monitored. In response to questions raised the Director provided assurance that the scheme would continue to be delivered.
- (ix) Bus Service Improvement Plan (BSIP) grant funding had been received for 2023/24 and 2024/25 and this was being spent in line with agreed plans.
- (x) The Council had two allocations of network north funding which had been accounted for within the MTFS. Future years funding which had been expected had been removed from the budget as this was now considered more uncertain. Whilst the funding could still be allocated, it was not clear when and how this would be received or what conditions might apply. The Council had therefore taken a prudent approach until the new Government's position regarding the funding had been made clear. This was expected as part of the Spending Review in October 2024 but could be delayed until completion of the Governments more in depth in year spending review due in Spring 2025.

RESOLVED:

- (a) That the Council short and medium term financial position in light of the current economic climate, and the specific revenue budget monitoring position as at the end of period 4 (end of July) be noted;
- (b) That the proposed changes to the previously agreed 2024-28 capital programme following the latest review be noted;

- (c) That the Director be requested to provide an update by way of an all member briefing following the Government Spending Review, when it would be clearer what impact this might have on the Council's MTFS.

24. East Midlands Shared Service Annual Performance Update 2023/24

The Commission considered a report of the Director of Corporate Resources the purpose of which was to provide a summary of the performance reported to the Joint Committee of East Midlands Shared Services (EMSS) for 2023/24 and an update on progress against strategic priorities in 2024. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion the following points were made:

- (i) The 2023/24 Audit by Nottingham City Council's Internal Audit Service had been completed and would be reported to the County Council's Corporate Governance Committee in September. Assurance was being sought regarding completion of the 2024/25 audit.
- (ii) Mr Barkley, who was also Chairman of the Corporate Governance Committee, reported that Nottingham City Council's Group Assurance and Audit Governance Manager had attended a meeting of that Committee in May and that in response to questions, unfortunately, at that time the position had not been reassuring. Mr Barkley confirmed that, as agreed by the Corporate Governance Committee he wrote to his counterpart at Nottingham City Council seeking further assurance that the ongoing audit delays would be addressed as a matter of urgency. A response had been received some two months after writing and that unfortunately the position was still not clear. However, a further update would be received by the Committee's at its meeting on 16 September.
- (iii) The Lead Member for Resources emphasised that Nottingham City Council had declared itself bankrupt and that all operations had been affected, including its internal audit service which it was trying to address. The Lead Member confirmed that County Council officers were in regular contact with Nottingham City Council and working with its officers to secure the level of audit assurance needed.
- (iv) In response to questions raised, the Director clarified that the Assure system was a reporting system that connected to Egress and linked into Oracle, feeding in information around staff leave and absences that was relevant for payroll purposes. The system had been tested to identify any issues before this went live and was working effectively.
- (v) The Oracle system was supported by an external provider called Mastek. This company carried out all due diligence around updates on behalf of the Council, dealt with any technical issues that arose and generally ensured that the day to day functionality of the system operated effectively. Members noted that regular meetings were held with Mastek to check progress and to discuss any future developments or improvements that the Council might wish to consider.
- (vi) The Committee noted that since the report had been circulated, the second health check regarding Oracle Cloud had now been completed successfully with zero risks identified.

RESOLVED:

That the performance updated regarding East Midlands Shared Services for 2023/24 and progress against strategic priorities for 2024 be noted.

25. Annual Report on the Traded Services Strategy 2023/24

The Commission considered a report of the Director of Corporate Resources the purpose of which was to provide an update on the performance of Leicestershire Traded Services during 2023/24. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Whilst there had been some overall improvement across Traded Services, a Member suggested that a further Scrutiny Commission workshop specifically to look at School Food and Beaumanor Hall performance would be beneficial;
- (ii) A Member questioned if moving the Registrars Service to be located at Beaumanor Hall had affected residents using the service given that the location of the Hall would be less accessible for some. The Director undertook to refer this question to the Registrars Service for a response to be provided after the meeting.

RESOLVED:

- (a) That the update provided be noted;
- (b) That the Director be requested to hold a further Scrutiny Commission workshop to more closely consider School Food and Beaumanor Hall performance.

26. Corporate Asset Management Plan 2022-26 - Annual Performance and Strategy Update 2023 - 2024

The Commission considered a report of the Director of Corporate Resources the purpose of which was to set out the performance achieved against the Council's Corporate Asset Management Plan during 2023/24, outline changes in strategy and provide details of the work programmed for 2024-25. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Members welcomed the report noting that this was very accessible and clearly demonstrated the in-year performance achieved.
- (ii) The Council held approximately 70 farm holdings covering land totalling over 7,000 acres across Leicestershire. The size of individual farms ranged from approximately 46 acres to 180 acres and these were mostly used for livestock farming. Members noted that whilst these might be considered relatively small farm holdings, they all provided a fully viable business which was particularly attractive to those that wished to enter into an agricultural profession.
- (iii) The valuation of the Council's rural estate would be subject to external audit. This would be carried out by the Council's external auditors, Grant Thornton UK, as part of its usual annual audit work which would be reported to the Council's Corporate Governance Committee.

RESOLVED:

That performance against the Council's Corporate Asset Management Plan during 2023-24, changes in strategy and work programmed for 2024-25 be noted.

27. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on Wednesday, 6th November 2024 at 10.00 am.

28. Exclusion of the Press and Public

RESOLVED:

That under Section 100A of the Local Government Act 1972, the public be excluded for the remaining item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 3 and 10 of Part 1 of Schedule 12A of the Act and that, in all circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

29. Proposed M69 Junction 2 / Stoney Stanton Strategic Development Area

The Commission considered an exempt report of the Director of Corporate Resources, the purpose of which was to advise of the current planning position regarding the M69 Junction 2 / Stoney Stanton Strategic Development Area (SDA), including proposals to commit additional County Council-owned land to the scheme to support the delivery of the infrastructure necessary to mitigate the impacts of the scheme and provide benefits to local communities. A copy of the report marked 'Agenda Item 15' is filed with these minutes.

The report was not for publication as it contained information relating to the financial or business affairs of a particular person (including the authority holding that information).

At this point in the meeting Mr Breckon CC, Lead Member for Resources, declared an Other Registerable Interest in this item as a member of Blaby District Council.

The Chairman reported that the division member, Mrs Wright CC, had submitted comments to the Commission for consideration as part of this item. Details had been circulated to all members and copy of her comments is filed with these minutes.

Members commented on the risks associated with the future viability of large-scale, long-term projects but noted that the Council already owned the land included in the scheme and that it was only a minor partner within the consortium seeking to develop the area.

A Member requested that the Director provide briefing notes for all members of the County Council for information advising of the up-to-date position regarding this scheme, and on the outcome of the Secretary of State's decision in respect of the Hinkley National Rail Freight Interchange, when this was known.

RESOLVED:

- (a) That the current planning position regarding the M69 Junction 2 / Stoney Stanton Strategic Development Area (SDA), including proposals to commit additional County Council-owned land to the scheme to support the delivery of the infrastructure necessary to mitigate the impacts of the scheme and provide benefits to local communities, be supported;
- (b) That the Director be requested to provide briefing notes for all members of the County Council for information advising of the up-to-date position regarding this scheme, and on the outcome of the Secretary of State's decision in respect of the Hinkley National Rail Freight Interchange, when this was known.

10.00am - 11.16 am
04 September 2024

CHAIRMAN

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