



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Monday, 10 November 2025.

PRESENT

Mrs D. Taylor CC (in the Chair)

Dr. J. Bloxham CC
Mr. M. Bools CC
Mrs. L. Danks CC
Dr. S. Hill CC
Mr. A. Innes CC
Mr. P. King CC

Mrs. K. Knight CC
Mr. M. T. Mullaney CC
Mrs. R. Page CC
Mr. B. Piper CC
Mr J. Poland CC
Mr. K. Robinson CC

36. Question Time.

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

37. 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).

38. Urgent items.

There were no urgent items for consideration.

39. 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.

All Members who were also district councillors declared an Other Registerable Interest in agenda item 7 (Local Government Reorganisation).

There were no other declarations.

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

There were no declarations of the party whip.

41. Presentation of Petitions under Standing Order 36.

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

42. Change to the Order of Business

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

43. Local Government Reorganisation - Draft Business Case.

The Commission considered a joint report of the Chief Executive, the Director of Corporate Resources and the Director of Law and Governance, the purpose of which was to present the Council's draft business case for local government reorganisation in Leicester, Leicestershire and Rutland. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

The Chairman welcomed to the meeting Mr J. Miah CC and Mrs N. Bottomley CC who had been invited to attend for this item. The Chairman explained that this was to ensure all political parties would be represented in the discussion. Mr Charlesworth CC had also been invited but had been unable to attend.

At the invitation of the Chairman, in introducing the Council's draft business case, the Leader made the following comments:

"I'd like to thank all officers for their hard work in getting the business case ready, in a very short timescale. It is testament to their professionalism that they have achieved this.

The business case presents our preferred option: creating a single unitary council for Leicestershire and Rutland. We have considered feedback from residents, and this proposal avoids splitting communities or changing city boundaries, which could affect our local heritage. We plan to use area committees and keep parish and town councils involved, so local identity and representation are maintained.

Our approach also aims to involve communities in shaping local services. Through local area committees and area planning committees, the new unitary council for Leicestershire and Rutland will ensure that local people are involved in the decisions that affect them and their local areas.

Combining services across county, district, and Rutland will reduce duplication, improve coordination, and provide consistent, high-quality services. This model avoids the problems that come with breaking up working teams, especially in critical areas like children's social care, and helps smaller communities like Rutland remain resilient.

Financially, this proposal is strong. Independent analysis estimates annual savings of about £40 million, mainly from management and back-office efficiencies. These savings can be put back into frontline services, helping to protect them in the long term. Our approach is expected to deliver savings more quickly and with less risk than other options.

We have consulted with residents, businesses, voluntary groups, parish and town councils, and staff. Nearly half of survey responses supported a single unitary authority, while over two thirds were against expanding city boundaries and three quarters were against any change at all.

In regard to a City boundary extension and as discussed at the last meeting of the Commission, my view and the view of my Group, is that we need to recognise the City

Council's proposals, even though we do not agree with them. It is not enough, however, to say that we do not agree with them. So, our business case sets out an analysis of the different options and in particular what the impact of a City boundary extension would be on the surrounding County.

We believe this option meets all the criteria set by the Ministry of Housing, Communities and Local Government. It is based on strong evidence, provides real financial benefits, and protects our heritage.

It is the only option that keeps the boundaries of the historic counties of Leicestershire and Rutland intact. Other options, such as creating smaller authorities or expanding city boundaries, don't offer the same benefits and carry more risks- such as financially unviable councils- and fewer savings.

I hope members of the Commission will be supportive of this proposal and I'm happy to take any questions."

Arising from discussion the following points were made:

- (i) Members welcomed receipt of the draft business case for comment and reiterated the Leader's remarks regarding the hard work of officers in preparing this. It was noted that the final version would be more visually appealing, including images that would make the document feel more place based.
- (ii) Concerns were raised that too many options were currently included in the options appraisal section of the report. It was suggested that those no longer considered viable following the modelling work undertaken, be removed. Whilst it was helpful to recognise all the options considered, focus should be given to those 'shortlisted' as being most relevant to the Council's preferred approach.
- (iii) A Member commented that the scoring of Option 7 (Three unitary councils for LLR) was overly negative regarding democratic governance and neighbourhood empowerment. It was suggested these could be reconsidered whilst still emphasising the strengths of the County Council's preferred option.
- (iv) Members agreed that the 'Case for Change' section (page 22) of the business case should be strengthened further, particularly the need to focus on those proposals that did not require administrative changes to boundaries, but which linked directly to service improvements. Members recognised that any change to boundaries would cause added delays.
- (v) Regarding the recent inclusion of Harborough, with Blaby and Oadby and Wigston, in the City Council's base model the Director advised that this resulted in projected savings which were broadly comparable to other models it had put forward, albeit slightly lower due to disaggregation costs. It was noted that the City Council had been advised by MHCLG to adhere to Government guidance that districts be accounted for in their entirety. It was noted that the County Council's business case would take account of this additional option once the data had been confirmed.
- (vi) Members strongly and unanimously agreed that there should be no expansion of the City's current boundary and asked that this be emphasised within the business case more clearly. It was further suggested that, if the Government was minded to implement such an option, that a request be made to hold a referendum on that

proposal.

- (vii) It was commented that the current draft of the business case might be read to suggest that the County Council would assume control of Rutland and district council functions, rather than outlining the intention to create a new, independent local authority for Leicestershire and Rutland. It was suggested that a simple change to the language used throughout the report would address this.
- (viii) The Leader emphasised that the preferred single unitary approach would be a union of current council structures, not a takeover. It was acknowledged that the business case should acknowledge and respect distinct localities and would, for example, recognise Rutland's civic responsibilities. The Leader further commented that whilst Rutland Council might look to join other unitary proposals, in his view, Leicestershire was the best fit and the Commission agreed this should be reflected in the Council's business case.
- (ix) Some members commented on the potential impact a single unitary approach could have on local identity and representation and queried whether service points and satellite offices would be maintained. The Director of Corporate Resources confirmed that while changes might occur, key local access points would remain.
- (x) A member challenged claims that the restructure would unlock sufficient resources to address current financial challenges, as well as increase support to front line services. The Director of Corporate Resources explained that a single unitary authority would have reduced overheads and would free up resources currently tied up in delivering multiple back-office services across the County and seven district councils which could be diverted to front line services. It was acknowledged this would not be a 'silver bullet' and further actions would still be needed. It was suggested that the language used in the business case be amended to make this argument clearer.
- (xi) Members welcomed references to community grants but requested clearer detail on safeguarding these within the proposals.
- (xii) Whilst the business case aimed to set out the high-level approach planned, how this would operate in practice would be determined by the political administration elected to the new authority once established. Recognising this, some of the proposals had not been specified in detail, for example, the operation of area committees and aims to increase community involvement.
- (xiii) Members were assured that in determining the approach to area committees and area committee boundaries, local views and needs would be sought and considered as part of this process. The Chief Executive reported that such committees would most likely match parliamentary constituency boundaries and so align with the newly elected members' divisions which could be more clearly reflected in the draft report.
- (xiv) Members highlighted capacity concerns within parish and town councils noting that not all areas had one, and of those that did, some were understaffed, relying on volunteers with little resources or experience in delivering services. Members emphasised that any devolution of services must be voluntary and supported by appropriate standards and governance arrangements.

- (xv) The proposal for single member wards was welcomed by some on the basis this would be much simpler for residents, having one elected representative as a point of contact. A criticism of current local government structures was that residents did not always know whether to contact their parish, district or county councillors. This approach together with joined up county and district services would reduce confusion and duplication within the system. It was requested that this be positively reflected in business case.
- (xvi) Some members challenged the adequacy of 90 councillors to manage projected workloads under a single unitary structure and commented that capacity could be an issue. It was noted that the figure was close to the upper limit (99) set by the Boundary Commission. The Chief Executive advised that arrangements would be reviewed to ensure effective representation by the Boundary Commission should it view this to be inadequate. It was suggested that workload would not necessarily increase, as 90 councillors was much higher than the 55 seats currently allocated to the County Council. There would therefore be capacity for newly elected members to take on current County Council functions and the wider community role currently fulfilled by district councillors.
- (xvii) A key consideration for the Government would be how sustainable a proposal would be over the long term. To demonstrate this account needed to be taken of projected population growth. This would unlikely affect the City Council's proposals but could have a significant impact on the County's approach over the next decade. It was suggested that this was a gap in the current draft submission and risked the Council not meeting the Government's criteria in this regard.
- (xviii) Members voiced concern regarding the operation and powers of planning committees under a single unitary structure, including the balance between strategic and local decision making and ensuring local representation. The Chief Executive advised that strategic planning decisions (such as major developments that will have a wider impact on the area) would be taken by a central committee, with area planning committees established to consider local planning applications. This approach would ensure alignment with the new single Local Plan for the area which would need to be developed and allow for broader consideration and coordination of strategic infrastructure. Whilst it was recognised that much would depend on the Government's approach, currently set out in the Planning and Infrastructure Bill, Members requested greater clarity be included within the business case on this issue.
- (xix) Concerns were raised that creating a single unitary council would have a negative impact on the varied nature of some services currently delivered by district councils. The Director for Corporate Resources suggested that conversely one Council for Leicestershire and Rutland would bring consistency, for example regarding the retention of housing stock and in the delivery of services generally across the County which would avoid what was currently a post code lottery approach.
- (xx) Members noted that whilst the return rate for the online survey had been limited, this was not the only source of feedback relied upon. A breadth of engagement activities had been undertaken and the responses received had provided a valuable steer on the public's views. This included feedback provided to the consultation undertaken in March 2025. It was noted that the Government would

also undertake a full consultation when final proposals were put forward.

- (xxi) It was agreed that the Business Case should include a table of gross expenditure and staffing levels for all Leicestershire authorities that would be impacted.
- (xxii) A Member suggested that the Annual Delivery Report and Performance Compendium provided a wealth of performance data and demonstrated the County Council's strong track record in delivering good services. It was suggested that this could be referenced within or appended to the business case.
- (xxiii) Concerns were expressed about public statements made regarding data sharing within the district councils business case which were inaccurate. Members agreed that these should be addressed and the County Council's response referenced in the executive summary of the business case. Members further agreed that whilst the two rebuttals within the agenda pack were on public record, these should be sent to district councils to make clear the County Council's position on these issues.

RESOLVED:

- (a) That the Council's draft business case for local government reorganisation be noted;
- (b) That the comments now made by the Scrutiny Commission and suggestions for improvement, be presented to the Cabinet for consideration at its meeting on 25th November 2025;
- (c) That the Cabinet be requested to address and respond to each of the comments and suggested amendments now put forward for consideration and to provide reasons if these were not accepted.

44. Medium Term Financial Strategy Monitoring (Period 6).

The Commission considered a report and a supplementary report of the Director of Corporate Resources, the purpose of which was to provide an update on the 2025/26 revenue budget and capital programme monitoring position as at the end of Period 6 (the end of September 2025). A copy of both reports marked 'Agenda Item 10' is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Members expressed deep concern that the sharp rise in the High Needs Block deficit which had almost doubled in less than a year now created a real financial risk to the Council, particularly given the £34m cost avoidance delivered through Newton Europe's work with the Department in recent years. Whilst the scale of the increase since May 2025 had been unprecedented, Members noted that the Council was not an outlier, and a similar trend was being reported by other authorities.
- (ii) The Assistant Director of Children and Family Services reported that the increase stemmed from uncertainty around the government's SEND White Paper and media speculation about Education, Health and Care Plan (EHCP) rights which had undermined parental confidence and prompted early applications for an

EHCP. It was noted that parental requests for an EHCP had risen from 19% to 48% since January 2025, meaning the Council had reached its three-year EHCP projection levels early.

- (iii) Members noted that mitigation measures were in place to address this focusing on reducing EHCP requests through strengthened mainstream provision, address reliance on Independent Specialist Providers which remained a key cost driver nationally, supporting schools to manage exclusions and adopt flexible teaching approaches, and expanding local specialist provision, with 90 additional places planned for 2026 and further expansion thereafter. Members acknowledged the scale of the challenge and urged a collaborative approach with schools and providers to manage demand effectively.
- (iv) The engagement of Newton to carry out an efficiency review and to identify savings across the Council would cost £1.4m. This was a fixed fee for the investigatory work now being undertaken (phase 1) and any further work to implement recommendations would be a separate decision at a later point. There was the potential that the Council could receive a rebate of £250,000 if it later decided to proceed to implement Newton's recommendations and engage them further to support that next phase.
- (v) Members acknowledged that no commitment had been made beyond phase 1. Although an upper cost estimate of £30m had been provided, the cost of engaging Newton to assist with phase 2 implementation would be subject to a later decision. This would depend on which recommendations the Council chose to pursue after completing the initial review and what support was required to do this. The Director reassured Members that any decision to proceed with potentially costly recommendations would require the resulting savings to justify the additional expenditure. For phase 2, a performance-based model would be used, meaning some of the fees paid to Newton would be dependent on successful delivery of savings.
- (vi) Concerns were raised regarding timescales and the visibility of planned savings in time for the MTFS to be considered in the New Year. The Leader emphasised the need for patience while contractual work was completed with Newton who had only been instructed to conduct the review in October. The Leader commented that early indications were that the process would be positive and he reiterated his commitment to continue to seek to avoid service cuts where possible, focusing instead on efficiency and improvement.
- (vii) The Council does not have a vacancy freeze in place, but financial controls continued to be in place that provided an added layer of management oversight. Vacancies held for a time tended to be as a result of recruitment difficulties as the Authority struggled to be competitive against the private sector.
- (viii) The further reduction in the Council's debt was welcomed and some members commented on how this had been as a result of the approach taken by the previous administration that had come to fruition.

RESOLVED:

That the update on the 2025/26 revenue budget and capital programme monitoring position as at the end of Period 6 (the end of September 2025) and progress made with regard to the efficiency review be noted.

45. Annual Delivery Report and Performance Compendium 2025.

The Commission considered a report of the Chief Executive the purpose of which was to present the draft Annual Delivery Report and Performance Compendium for 2025 which set out the Council's progress and performance over the past year and which would be presented to full Council on 3 December 2025. A copy of the report, marked Agenda Item 8 is filed with these minutes.

Arising from discussion, the following points were made:

- (i) Members welcomed the report as well as the Council's performance which remained strong despite its low funded position.
- (ii) Noting the fall in performance for park and ride journeys, it was questioned why this service did not appear to perform as well in Leicestershire as it did in other areas. It was suggested this was due to lower parking costs and improved bus services into the City. It was noted that the Council currently subsidised this service jointly with the City Council.
- (iii) Survey results regarding adult social care satisfaction and quality of life continued to be disappointing, the Council performing marginally lower than other comparative authorities. It was not entirely clear why this was the case as the survey did not allow for the collection of wider feedback. However, some of the issues raised in the CQC Inspection report relating to the complexity of navigating the health and social care system, finding information, waiting times, care staff turnover and tight criteria for access to some services were likely to be factors. It was noted that due to the Council's low funding position the threshold to access some of its services had had to be increased over previous years. Members noted that a new Improvement Plan was being progressed following the inspection and aimed to secure increased overall satisfaction levels.
- (iv) A Member questioned what performance data was available regarding the Council's Multi Agency Travellers Unit, in particular regarding the education of children from that community. The Chief Executive undertook to provide more information on this outside the meeting.

RESOLVED:

That the Annual Delivery Report and Performance Compendium for 2025 be noted and welcomed.

46. Annual Traded Services Strategy update and Performance Review.

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 (LTS) during 2024/25. The report also sought the Commission's views on the future

direction of Beaumanor Hall and Park, as part of the Council's engagement process. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion, the following comments were made:

- (i) Members acknowledged the reasons for ending the School Food Service. However, recognising the importance of food quality for school children, an area on which the Service had focused, some expressed disappointment that this had been necessary, particularly as the Service had generated a small profit this year.
- (ii) Whilst positive outcomes had been observed over the current financial year, Members expressed satisfaction that the Council was moving away from operating cafés given high costs and stronger private sector competition.
- (iii) Whilst the proposal to sell Beaumanor Hall had not been taken forward by the current administration some expressed concerns about taxpayers continuing to subsidise a facility that was not widely used by residents in their areas. Members commented that whilst a small profit could be achieved from continuing to run the Hall, this would require significant and ongoing investment. Given this was an aging listed building, this was felt to be unsustainable in the long term. It was recognised that the Council had to balance financial considerations against cultural heritage. However, as the lowest funded County Council and in light of the £90m deficit in the Medium Term Financial Strategy, some Members commented that this might need to be revisited again in the future.
- (iv) It was questioned whether running the Century Theatre could be regarded as a strategic fit for the Council and its core business. A Member suggested that the theatre could be better run by the community noting that theatres brought wider health and social benefits. It was noted that this was the only theatre owned and run by the Council. Members further noted that efforts were being made by the theatre to make it more outward facing, aligning some shows with the school curriculum.

RESOLVED:

That the performance of Leicestershire Traded Services (LTS) during 2024/25 be noted and the Commission's views on the future direction of Beaumanor Hall and Park be forwarded to the Cabinet for consideration as part of the Council's ongoing engagement process.

47. Date of future meetings.

RESOLVED:

It was noted that future meetings of the Commission would be held on the following dates and times:

Wednesday, 28th January 2026 at 10.00am
 Wednesday, 11th March 2026 at 10.00am
 Wednesday, 15th April 2026 at 10.00am

Wednesday 10th June 2026 at 10.00am
Wednesday, 2nd September at 10.00am
Wednesday, 11th November at 10.00am

10.00 am - 12.52 pm
10 November 2025

CHAIRMAN