

SCRUTINY COMMISSION

Minutes of a meeting held at the Council Offices, Narborough

TUESDAY, 28 OCTOBER 2025

Present:-

Cllr. Nick Brown (Chairman - Scrutiny Commissioner)
Cllr. Neil Wright (Vice-Chairman - Scrutiny Commissioner)

Cllr. Luke Cousin

Cllr. Antony Moseley

Cllr. Maggie Wright

Substitutes:-

Cllr. Shabbir Aslam (In place of Cllr. Tracey Shepherd)

Officers present:-

Julia Smith	- Chief Executive
Louisa Horton	- Executive Director - Communities
Katie Hollis	- Finance Group Manager
Julie Hutchinson	- Communications, Consultation and Digital Services Manager
Katie Shevas	- Elections and Governance Manager
Avisa Birchenough	- Democratic & Scrutiny Services Officer
Nicole Cramp	- Democratic & Scrutiny Services Officer

Invitees:-

Councillor Dr. John Bloxham, Councillor Lee Breckon JP, Councillor Mark Jackson,
Councillor Cheryl Cashmore, Finance, People and Transformation Portfolio Holder
(and Deputy Leader)
Councillor Ben Taylor, Leader of the Council (and Cabinet Executive)
Andy Wood – Consultant

Apologies:-

Cllr. Royston Bayliss, Cllr. Adrian Clifford, Cllr. Stuart Coar, Cllr. Roy Denney,
Cllr. Susan Findlay, Cllr. Janet Forey, Cllr. Tracey Shepherd and Cllr. Matt Tomeo

1. **DISCLOSURES OF INTERESTS FROM MEMBERS**

No disclosures were received.

2. **MINUTES**

The minutes of the meeting held on 10 September 2025, as circulated, were approved and signed as a correct record.

3. LOCAL GOVERNMENT REORGANISATION AND DEVOLUTION

The Chairman, Cllr. Nick Brown welcomed Members, Officers and Andy Wood, a consultant appointed to support the North City South proposal, who joined the meeting virtually to answer technical questions on the financial projections. An invitation had been extended to non-executive Members to attend the meeting to allow the proposal to be fully examined.

The Chief Executive led on the presentation which highlighted the following:

- Tight timescales to work on the proposal – the proposal will be submitted on the 28 November 2025.
- Engagement has taken place in the form of Member workshops and consultation with residents and stakeholders.
- Officers from the Council have been instrumental in the development and writing of the proposal, leading on:
 - Devolution
 - Data
 - Economic Growth (alongside HBBC)
 - Neighbourhood Partnerships and Prevention (alongside Melton and HBBC)
 - Governance – report templates and structures
 - Public and stakeholder engagement
 - Proof reading and finalisation
- Leicester City Council boundary extension
 - Discussion with City and County initially
 - Discussions with the City but could not identify a way forward
 - Revised guidance letter from MHCLG strongly identifies district boundaries as building blocks
 - Public feedback
 - Revised funding arrangements for city under fairer funding based on deprivation
 - Our modelling shows a sustainable city
 - Housing needs and room to grow addressed through Mayoral Strategic Authority.
- Options Appraisal
 - Option 1: Two unitary councils, with existing city and county boundaries. Rutland included in county unitary
 - Option 2: Two unitary councils with expanded Leicester City and reduced county unitary including Rutland
 - Option 3: Two unitary councils. An expanded Leicester City including Oadby & Wigston and Blaby districts, and a second made up of the rest of Leicestershire and Rutland
 - Option 4: Three unitary councils with no boundary change. County split into north with Rutland, and south
 - Option 5: Three unitary councils with expanded Leicester City with modest boundary changes and county split into north with Rutland, and south
- Devolution requirements – the power to force an upper tier authority to

have a devolution power does not currently exist. The English Devolution White Paper outlined how the Government will legislate for a ministerial directive to enable the Government to create strategic authorities. The English Devolution and Empowerment Bill introduces a new route for the Secretary of State to establish and modify a combined authority without requiring the consent of the local authorities in the area covered.

- Data, Evidence, Assumptions and Limitations
 - Used specialist finance consultants for finance modelling – approved by all s151 officers.
 - Agreed shared data sets with County and City including population figures, adults and children's social care data
 - Population as predicted by ONS on 1 April 2028 using 2022 base data (recent update)
 - Used the Oxford Model for Economic Data predictions and a specialist consultant for the report
 - ORS organised our consultation so statistically significant, independent and non-biased.
 - Financial assumptions made as future government funding unknown
- Financial Impact of LGR

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Savings (all recurring)								
Employees	-1,400	-3,300	-11,086	-3,536				-19,322
Procurement			-4,000	-4,700				-8,700
Income Equalisation			-9,500					-9,500
Democracy			-1,263					-1,263
Asset Rationalisation (Phase 1)				-1,300	-1,400	-2,000	-800	-5,500
Total Savings	-1,400	-3,300	-25,849	-9,536	-1,400	-2,000	-800	-44,285
Costs (all one-off)								
Asset Review Project	500	500						1,000
Transition	950	3,800	10,725	4,150	475			20,100
Total Costs	1,450	4,300	10,725	4,150	475	0	0	21,100
Net Cash Flow	50	1,000	-15,124	-5,386	-925	-2,000	-800	-23,185

- Ten Year Financial Sustainability, the high level messages are:
 - Three years of 5% Council Tax increases, then 3%. Referendum level assumed to remain at 5%. Significant impact, new Councils may harmonise over more than one year
 - First three or four years is about closing inherited budget gaps and investing heavily in the Neighbourhood prevention model (approx £18.0m on the base)
 - Return on that investment; £1 invested = £3.50-£4.00 return in children's and adults' services
 - Allowed for capital investment as well as the revenue investment above -
 - Assumed £100m of prudential borrowing to make our estate fit for

- purpose in the new world, and to bring together our IT applications, systems and hardware
 - Merging of the Housing Revenue Accounts will allow an additional 1,150 new environmentally friendly affordable social rental family homes to be built/purchased.
- Financial Risks
 - Unmitigated demand is higher
 - Inflation stays higher for longer (3%)
 - SEND deficits
 - Savings from LGR deliver only at 80%
 - Transition costs are 50% higher
 - Disaggregation
 - Pay Harmonisation
 - Prevention model delivers only 50% of the expected return
 - Council tax increases at 3% for first 3 years
- Financial Opportunities
 - Employees savings from LGR deliver to GT quoted average of 7%
 - Net benefit from additional 1%pa housing growth
 - Business Rates net benefit on 1% growth
 - Higher investment in prevention model (net benefit)
 - Budget gaps from existing councils closed with only 25% use of reserves
 - Flex Capital Receipts
 - Council Tax increases at 5% for final 7 years

Scrutiny questioned Officers, Andy Wood, the Leader, Cllr. Ben Taylor and Deputy Leader, Cllr. Cheryl Cashmore on the draft proposals. Questions were raised on the following matters:

- Financial modelling – members queried the assumptions made in the proposal on inflation and how decisions would be made on Council tax levels. While long term savings may be possible the initial costs of reorganisation (IT systems, restructuring) can be high.
- Members queried the risks if future political leaders and members did not favour or implement the proposals – this would significantly impact the financial modelling.
- The savings listed in the proposal differed and needed to be consistent throughout.
- Decision-making – members queried Neighbourhood and Community Plans – what decision-making powers would these have? Does it create another level of decision making and how does this impact Parish/Town Councils?
- The success of local government reorganisation depends on how well it is planned and implemented – it is vital that Scrutiny are kept informed and is consulted early on reorganisation plans. Members acknowledged the tight timescales but echoed earlier comments to the Leader and Officers that not enough time or information had been provided to Scrutiny to allow it to fully examine the proposal's impact.

Scrutiny Commission's response to Blaby District Council's draft Local Government Reorganisation Proposal:

Scrutiny would like to thank the Leader Cllr. Ben Taylor, the Chief Executive and Officers for attending the meeting and responding to its questions.

Scrutiny Commission remains in principle supportive of the North City South Proposal. However, it wishes to highlight that the Commission has not had sufficient time or information to fully understand the detail of the proposal and therefore its ability to properly scrutinise has been limited.

Scrutiny Commission wishes to place on record the following comments and concerns:

- The Financial modelling in the proposal is based heavily on assumptions and lacks detail. For example, the assumption that inflation will remain at or below 2% introduces considerable risk should this be wrong. The sensitivity of these assumptions creates significant risk to delivery should an assumption prove to be incorrect.
- The proposal is based on political assumptions that the suggested method of implementation and delivery will be favoured by the future political structures. There is significant risk that should this assumption be wrong, delivery will not be made in line with the proposal.
- Scrutiny recognises that the success of the next steps of LGR are contingent on significant cooperation between councils and partners. This cooperation cannot be assumed and ways to secure this should be considered.
- The success of implementing the proposal is contingent on moving at pace. Local Government does not have a strong record of this, and further consideration should be given as to how this will be enabled.
- The proposal mentions savings associated with LGR. However, the figure varies throughout the document from £44 million, £44.3 million, over £44 million. Scrutiny requests that the figure be made consistent throughout the proposal.
- The anticipated savings are significant. The proposal should more clearly highlight why such savings are not being achieved now if this is possible in the future.
- The Neighbourhood and Community Plans in the proposal lack detail. Scrutiny requests that clarity be given as to the decision-making powers this would create.

Scrutiny requests that the Leader consider its comments above before making the final decision at the Cabinet Executive meeting on 20 November 2025.

Scrutiny also requests early involvement in the next stage of Local Government Reorganisation and Devolution to ensure it can make a meaningful contribution to the development of future plans and implementation.

DECISION

That Scrutiny Commission reviews the final draft proposal and provide comments which will be considered by Cabinet prior to final endorsement and submission of the proposal to the Ministry of Housing, Communities and Local Government.

Reason:

To ensure that all Members have had the opportunity to comment upon and contribute to the final proposal.

4. FURTHER ACTIONS FOR SCRUTINY ARISING FROM MEETING

There were no further actions arising.

THE MEETING CONCLUDED AT 7.40 P.M.