



CABINET – TUESDAY 22 JUNE 2021

ORDER PAPER

ITEM DETAILS

APOLOGIES FOR ABSENCE

None.

1. MINUTES (Pages 5 - 16)

Proposed motion

That the minutes of the meeting held on 23 March 2021 be taken as read, confirmed, and signed.

2. URGENT ITEMS

None.

3. DECLARATIONS OF INTEREST

Members of the Cabinet are asked to declare any interests in the business to be discussed.

4. 2020/21 PROVISIONAL REVENUE AND CAPITAL OUTTURN. (Pages 17 - 62)

Proposed motion

- (a) That the 2020/21 provisional revenue and capital outturn be noted;
- (b) That the prudential indicators for 2020/21 as shown in Appendix E to the report be noted;
- (c) That the net underspend is used for the additional commitments as specified in the report.

5. SPECIAL EDUCATIONAL NEEDS AND DISABILITIES - PROGRESS WITH THE DELIVERY OF THE HIGH NEEDS BLOCK. (Pages 63 - 76)

Proposed motion

- (a) That the Cabinet notes the financial position, in particular

- (i) the forecast overspend for High Needs Block of over £9.35m at the end of the current financial year and a potential deficit of £43m by 2024/25;

the effect of the High Needs Block overspend on the revised Special Educational Needs and Disabilities (SEND) capital programme 2021/22, as detailed in paragraphs 37 to 41 of this report;

- (b) That the Cabinet notes that Leicestershire Schools and the Schools Forum will be consulted in Autumn 2021 on a proposed transfer of 0.5% of Schools Block funding to the High Needs Block for 2022/23 to help manage the revenue position;
- (c) That the Cabinet considers if an application should be made to the Secretary of State to make the transfer at c) above should the Schools Forum refuse the request.

6. MELTON MOWBRAY DISTRIBUTOR ROAD SOUTHERN SECTION - HOUSING INFRASTRUCTURE FUND GRANT. (Pages 77 - 84)

7. NATIONAL BUS STRATEGY (Pages 85 - 100)

Proposed motion

- (a) That the overview of the National Bus Strategy (NBS) and Bus Service Improvement Plan Guidance (the guidance) and the immediate implications arising, as set out in paragraphs 17 to 36, be noted;
- (b) That the failure to comply with NBS and the guidance will result in the immediate loss of access to Government COVID-19 Bus Services Support Grant (CBSSG), worth in excess of £1m to date;
- (c) That of the two options available for improving bus services, approval be given to proceeding on the basis of establishing an Enhanced Partnership Scheme (EPS) for the reasons set out in paragraphs 33 to 36;
- (d) That subject to the approval of recommendation (c) above, the Director of Law and Governance be authorised to publish the requisite Statutory Notice stating that the Authority has chosen to progress on the basis of establishing an EPS to improve bus services in Leicestershire;
- (e) That the work already commenced to develop a Bus Service Improvement Plan (BSIP) for Leicestershire, including engagement with operators and the public be noted; and
- (f) That a further report be submitted to the Cabinet in the autumn, setting out proposals for an EPS and BSIP for Leicestershire, and identifying any implications for the Authority's previously adopted Passenger Transport Policy and Strategy.

8. MEMBERS HIGHWAY FUND - PROPOSALS (Pages 101 -106)

Proposed motion

- (a) That £1.4m be allocated from the additional Highways funding identified within the Medium Term Financial Strategy 2021/22 for the creation of a Member Highway Fund;
- (b) That the creation of Member Highway Fund as set out in paragraphs 13 to 26 of the report be approved;
- (c) That each Member [County Councillor] be authorised to agree the use of the £25,000 allocated to them from the Member Highway Fund for spending in their electoral division subject to this being in accordance with the principles for the Fund;
- (d) That it be noted that the aim is to continue the initiative in 2022/23 subject to the necessary funding being identified.

9. PROCUREMENT OF COMMUNITY LIFE CHOICES SERVICES. (Pages 107 - 120)

Proposed motion

- (a) That a procurement exercise to establish a new community life choices (CLC) provider Framework, with a view to the new service being implemented by the end of November 2021, be agreed;
- (b) That the Director of Adults and Communities be authorised to commence a consultation exercise on proposals to reduce the Council's in-house CLC services and help existing service users to move to appropriate alternative services;
- (c) That a further report be presented to the Cabinet in November 2021 on the outcome of the consultation with regard to in-house service provision.

10. ANNUAL REPORT OF THE COMMERCIAL STRATEGY. (Pages 121 - 140)

- *The Scrutiny Commission considered a report on this matter at its meeting on 7 June and a minute extract is attached to this Order Paper, marked '10'.*

Proposed motion

- (a) That the comments of the Scrutiny Commission be noted;
- (b) The performance against targets in the Commercial Strategy during 2020/21 be noted;
- (c) The future development of the Commercial Strategy as outlined in this report and the appended Leicestershire Traded Services Review and Outlook for 2021/22 be welcomed.

11. ANNUAL TREASURY MANAGEMENT REPORT 2020/21. (Pages 141 - 156)

Proposed motion

That the report be noted

12. NATIONAL YOUTH AGENCY - TRANSFER OF PENSION FUND ASSETS AND LIABILITIES. (Pages 157 - 164)

Proposed motion

That the transfer of the National Youth Agency's pension fund assets and liabilities to Leicestershire County Council, be approved.

13. LEICESTER AND LEICESTERSHIRE ECONOMIC GROWTH STRATEGY (Pages 165 – 168 and Supplementary Pack pages 3-8)

Proposed motion

- (a) The development of the Economic Growth Strategy for Leicester and Leicestershire be supported;
- (b) The Cabinet notes the initial comments made by officers, as set out in paragraph 23 of the report, for consideration of the Leicester and Leicestershire Enterprise Partnership in the development of the draft Strategy;
- (c) That it be noted that the draft Economic Growth Strategy will be considered by the Scrutiny Commission and Cabinet in July.

14. EAST MIDLANDS GLOBAL GATEWAY FREEPORT - INCLUDING URGENT ACTION TAKEN. (Pages 169 - 176)

Proposed motion

- (a) That the latest position and next steps in establishing the Freeport; to be known as the East Midlands Global Gateway, be noted;
- (b) That it be noted that the Council is a member of the Freeport interim Board with the Leader of the Council as the nominated representative; and
- (c) That it be noted that urgent action was taken by the Chief Executive under delegated authority for the Council to assume the role of lead authority and accountable body and incur expenditure to support progression of the Freeport proposal in the form of a business case.

- 15. URGENT ACTION TAKEN BY THE CHIEF EXECUTIVE IN RELATION TO THE LEICESTER AND LEICESTERSHIRE STATEMENT OF COMMON GROUND RELATING TO HOUSING AND EMPLOYMENT LAND NEEDS (MARCH 2021)**
(Pages 177 - 216)

Proposed motion

- (a) That the content of Leicester and Leicestershire Statement of Common Ground Relating to Housing and Employment Land Needs (March 2021), appended to the report, be noted;
- (b) That the urgent action taken by the Chief Executive to agree for the County Council to become a signatory to the Statement of Common Ground, as a factual statement, be noted.

- 16. EXCEPTION TO CONTRACT PROCEDURE RULES - URGENT ACTION TAKEN BY THE CHIEF EXECUTIVE IN RELATION TO THE APPOINTMENT OF A SUPPLIER TO PROVIDE SHORT TERM HIRE VEHICLES** (Pages 217 - 220)

Proposed motion

That the urgent action taken by the Chief Executive to agree an exception to the Contract Procedure Rules to enable the appointment of Enterprise Flex E Rent to supply all of the Council's short term hired vehicles, up to a two year period from 1st April 2020, be noted.

- 17. ITEMS REFERRED FROM OVERVIEW AND SCRUTINY**

None.

- 18. ANY OTHER ITEMS WHICH THE CHAIRMAN HAS DECIDED TO TAKE AS URGENT**

None.

- 19. EXCLUSION OF THE PRESS AND PUBLIC**

The public are likely to be excluded during the following items of business in accordance with Section 100(A) of the Local Government Act 1972:-

- *Ashby Canal Restoration– Extension to Option Agreement with Measham Land Company for Proposed Measham Development*
- *Urgent Action Taken by the Chief Executive - Procurement for a Contract for the Treatment of Post- 2020 Residual Waste.*
- *Proposed Purchase of Property for Additional Special Educational Needs and Disability Provision.*

Officer to contact

Matthew Hand
Democratic Services
Tel: (0116) 305 6038
Email: matthew.hand@leics.gov.uk



SCRUTINY COMMISSION – 9 JUNE 2021

ANNUAL REPORT ON THE COMMERCIAL STRATEGY

MINUTE EXTRACT

The Commission considered a report of the Director of Corporate Resources which provided an update on the performance of Leicestershire Traded Services during 2020/21 taking account of the impact that Covid 19 restrictions have had on these services. The report also sought the views of the Commission on future plans for recovery and growth. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

The Chairman welcomed Mr L. Breckon CC, the new Cabinet Lead Member for Resources, to the meeting.

In presenting the report the Director highlighted that:

- Last year had been unprecedented in the challenges faced by LTS. Staff had, however, been excellent in managing and mitigating the impacts of Covid 19 so far as this was possible. Services had been reshaped to reduce costs and to make them more resilient to respond to changing circumstances. This and the prudent use of furlough had helped ensure an almost cost neutral position for 2020/21.
- The Council had sought to redeploy staff where possible. Some had been redeployed to support work critical to the fight against Covid, such as test and trace activities.
- The provision of school meals had continued though in an adapted form. The Service had managed the provision of food vouchers and food parcels and had provided other services to schools, such as IT support, to ensure they could continue to operate safely and effectively.
- The Service had operated the Covid Winter Grants Scheme with over 47,000 grants having been issued to people in need during the winter period.
- 2021/22 would be a recovery year and whilst some improvements were already being seen, there were still challenges ahead as restrictions remained in place.

Arising from discussion, the following points were made:

- (i) Members welcomed the report and the analysis provided within the Appendix. However, the Commission requested that in future reports, to help Members understanding of how each service was performing, a breakdown of income across geographical locations be provided. Members suggested this would

help identify where improvements might be needed or where closer scrutiny might be required.

Members further raised concerns about the lack of detail regarding forecasted returns. Focus on the Services' overall turnover was not regarded as sufficient to fully understand how the Service was performing given that profitability was a key factor. Particularly as the figures within the report also did not take account of capital finance costs. Whilst it was acknowledged that most services, such as school meals, had low capital costs, these were higher for services like Beaumanor Hall. Without these figures, Members felt it was not clear which services were profitable and performing well, and which were not.

The Director reported that managers information was being improved for operational purposes, acknowledging that more detail was necessary to support both them and members in overseeing the Services' performance. He undertook to provide further financial detail and a breakdown in terms of geographical location in the next annual report.

- (ii) An annual report had understandably not been provided last year. However, a member expressed disappointment that the performance figures for 2019 had not been included in the current update. It was suggested that the inclusion of such figures would have provided a more holistic picture of where the Service was pre-Covid compared to now.
- (iii) Members asked for clarification of the amount of money received from the Government to offset some of the costs of the Service during the year. The Director confirmed that several million pounds had been received through the Government's fees and charges scheme and its furlough scheme. It also received a cultural recovery grant of £250,000 which was used to carry out works to the Century Theatre whilst closed. The Director undertook to provide more detail on the amount received after the meeting.
- (iv) The catering contract secured with several schools in Luton had been entered into with caution, following appropriate due diligence and with an exit strategy put in place. The focus when entering into that contract had been on profitability. The Director confirmed the contract was making a profit as forecasted and the projection was that this would continue.
- (v) Members noted that the Council's Commercial Strategy included plans to seek growth not only in Leicestershire but also out of County to ensure the long-term sustainability and profitability of the Service. In terms of school meals, areas where it was known the profit margins would be sufficient (i.e. likely meet the target of an 8% return) were targeted. This generally meant city areas where there were high pupil numbers and a cluster of schools which would reduce overhead costs such as transport costs. The Director confirmed that generally, focus had been given to Leicester City and areas on the County's borders, though the Service would look more widely where

appropriate.

- (vi) Whilst competition was increasing, the County Council's school meal service was doing well; in the region of £1m in income had been generated over the last three years. The Director emphasised, however, that whilst the County Council sought to generate a good return, it also sought to provide a high quality service and highlighted that the LTS School Food Team had been one of only two providers awarded gold standard by the Soil Association.
- (vii) Members were reminded that traded services and school meals had been the subject of two separate scrutiny review panels. Since then, with the support of Members, the Service had grown and, despite the set back of last year, had generated significant income for the County Council which had reduced the level of savings to be found elsewhere. The scrutiny review panel on school meals had identified that these were generally regarded as unsatisfactory, and the Service had since vastly improved its offer with satisfaction levels now being high. Members agreed that whilst the Service needed to be commercially competitive and generate profit, quality would also be important as a public sector provider.
- (viii) The business plan for Beacon Hill had been produced some years ago based on data available at that time. Since then, despite the café having been closed for part of the year, it had been busier than expected. Use of the facility had also altered with many people now preferring takeaway food, rather than eating in. The intention was to review the offer to better match current and expected future customer demand.
- (ix) A member enquired if increased use of take away rather than eat in services meant there had been an increase in waste and litter issues in country parks such as Beacon Hill. The Director reported that there had been an increase in litter last summer. However, park rangers and other volunteers had worked with the County Council and carried out litter picking in those areas affected which had addressed the issue.
- (x) A member commented on the disparity in the location of country parks across Leicestershire and urged the County Council to look at its land holdings to see if it could secure a more equitable spread across the County. The member suggested that this had become a more evident issue during the pandemic as people's ability to travel outside their area meant not everyone had been able to enjoy these outdoor spaces. The Director agreed that country parks were predominantly located in the North West and middle of Leicestershire with little being located in the North or South. However, he emphasised that this was a historical issue outside of the control of the County Council and to open a new country park would be a very big undertaking. The Council would, however, look at any opportunities that came to light to redress the imbalance.

RESOLVED:

- (a) That the update now provided on the performance of Leicestershire Traded Services during 2020/21 taking account of the impact that Covid 19

restrictions have had on these services, be noted;

- (b) That future annual reports include more detail on capital costs and forecasted returns and provide a breakdown of income across geographical areas;
- (c) That the Director of Corporate Resource provide more detail on the specific amount received from Government which had offset some of LTS costs and loss of income.