



CABINET – FRIDAY 17 SEPTEMBER 2021

ORDER PAPER

ITEM DETAILS

APOLOGIES FOR ABSENCE

Mr. B. L. Pain CC

1. **MINUTES (Pages 5 - 16)**

Proposed motion

That the minutes of the meeting held on 20 July 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. **MEDIUM TERM FINANCIAL STRATEGY LATEST POSITION (Pages 17 - 58)**

The Scrutiny Commission considered a report at its meeting on 8 September and a draft minute extract is attached to this Order Paper, marked '4'.

Proposed motion

- (a) That the comments of the Scrutiny Commission be noted;
- (b) That the latest position regarding the 2021/22 revenue budget and capital programme as at the end of July 2021, period 4, be noted;
- (c) That the revised capital programme 2021/22 to 2024/25 as set out in Appendix C to the report be approved;
- (d) That the Director of Corporate Resources, following consultation with the Cabinet Lead Member for Corporate Resources, be authorised to agree the use of funding from the portfolio risk allocation to specific projects within the Environment and Transport Capital programme;
- (e) That the approach outlined in the report to updating the Medium Term Financial Strategy be noted.

5. MELTON MOWBRAY DISTRIBUTOR ROAD SOUTHERN SECTION - HOUSING INFRASTRUCTURE FUND GRANT. (Pages 59 – 64)

Due to there being no further substantial information to that already having been considered by the Cabinet in previous reports on the matter, the supplementary report referenced in the original Cabinet report was subsequently not required. Financial implications arising from the Melton Mowbray Distributor Road Southern Section were fully outlined in the report to the Cabinet on the 20 July.

Proposed motion

- a) That the County Council welcomes the decision of Melton Borough Council's Cabinet to approve a Draft Developer Contributions Supplementary Planning Document (SPD) for consultation, noting that the Borough Council's Cabinet on 21 September will be recommending that a final SPD is adopted and welcomes ongoing officer discussions, but notes that the Borough Council has yet to determine formally matters relating to
 - i) the completion of a legal agreement underwriting the cost of provision by the County Council in respect of infrastructure arising on the completion of the MMDR(S) at the capped sum of £1.75million to mitigate the financial risk to the County Council; and
 - ii) masterplans for the South and North Sustainable Neighbourhoods;

- b) That the negotiations with Homes England be noted and that the Directors of Law and Governance and Environment and Transport be requested to continue the dialogue in regard to the provisions of the Forward Funding Agreement (GDA) and additional funding required as a result of cost increases;

- c) That the progress to date with resolving the terms of the GDA be noted and that subject to
 - (i) completion of a legal agreement referred to in (a) above or an alternative means of mitigating the risk to the County Council at the same figure recently suggested by the Borough Council;
 - (ii) a successful outcome to the negotiations with Homes England referred to in (b) above;
 - (iii) resolution of the outstanding points in the GDA to the satisfaction of the County Council's statutory officers; and
 - (iv) The decision of Melton Borough Council following consultation on the SPD and written assurances from the Borough Council about its decisions on a legal agreement at the capped sum of £1.75million and on the two masterplans

the Housing Infrastructure Grant be accepted;

- d) That the Director of Law and Governance and Director of Corporate Resources be authorised to give the warranties and representations required and the Director of Law and Governance be authorised to complete and execute the GDA.

6. CORPORATE ASSET INVESTMENT FUND ANNUAL PERFORMANCE REPORT 2020-21. (Pages 65 - 96)

The Scrutiny Commission considered a report at its meeting on 8 September and a draft minute extract is attached to this Order Paper, marked '6'.

Proposed motion

- (a) That the comments of the Scrutiny Commission be noted;
- (b) That the performance of the Corporate Asset Investment Fund for the period April 2020 to March 2021 as set out in the Annual Report, be noted.

7. ASHBY CANAL MAINTENANCE FUNDING (Pages 97 – 102)

Proposed motion

- (a) That the allocation of £1.1m for funding the maintenance of the section of the Ashby Canal to be transferred to the Ashby Canal Association (ACA) in line with option b(ii) as set out in the report be approved, subject to Parliamentary approval of the proposed transfer of a section of the Transport and Works Act Order 2005 and associated land;
- (b) That the Director of Environment and Transport, in consultation with the Director of Law and Governance and the Director of Corporate Resources, be authorised to agree payment terms and enter into a funding agreement with the ACA to cover all future maintenance costs for the transferred section of canal referred to at (a) above.

8. INTERIM COALVILLE TRANSPORT STRATEGY (Pages 103 - 142)

Proposed motion

- (a) That the responses to the engagement on the draft Interim Coalville Transport Strategy (ICTS), as set out in paragraphs 57 to 60 and summarised in Appendix A of the report, be noted;
- (b) That the ICTS, attached as Appendix B to the report, be approved.

9. LEICESTER CITY COUNCIL DRAFT LOCAL TRANSPORT PLAN 4 AND WORK PLACE PARKING LEVY CONSULTATIONS. (Pages 143 – 152 and supplementary pack pages 3 - 8)

Comments have been received from Mr. Max Hunt CC and are attached to this Order Paper, marked '9'.

Proposed motion

That the comments in response to Leicester City Council's consultation on its draft Local Transport Plan 4 as set out in paragraphs 23 to 36 of the original Cabinet report and those relating to the Workplace Parking Levy, as set out in paragraphs 14 to 17 of the supplementary report, be submitted to Leicester City Council in response to their consultation as the views of the County Council.

10. EXCEPTION TO CONTRACT PROCEDURE RULES - URGENT ACTION TAKEN BY THE CHIEF EXECUTIVE IN RELATION TO THE APPOINTMENT OF A SUPPLIER TO PROVIDE THE PUBLISHERMENT OF LEGAL TRAFFIC ORDERS. (Pages 153 – 156)

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 Reach Publishing Plc, to continue with the publication of Road Traffic Orders in local press for a six-month period ending on the 31 March 2022, be noted.

11. RESPONSE TO CHARNWOOD BOROUGH COUNCIL'S EMERGING NEW LOCAL PLAN: THE PRE-SUBMISSION CHARNWOOD LOCAL PLAN (2021 TO 2037) CONSULTATION. (Pages 157 - 218)

Proposed motion

- (a) That the comments set out in the Appendix to the report be forwarded to Charnwood Borough Council (Charnwood BC) as the views of the County Council on the Draft Charnwood BC Local Plan 2021 to 2037;
- (b) That Charnwood BC be advised that the County Council considers that partnership working arrangements between the Borough Council, the County Council and other partners, notably National Highways, need to be formalised at the earliest opportunity;
- (c) That it be noted that
 - (i) the initial cost of the further work required to identify the transport mitigation strategies to support the Draft Charnwood BC Local Plan at Examination in Public, estimated at £150,000 to £200,000, will be shared between the County Council, Charnwood BC and other partners as appropriate;

- (ii) given the distribution strategy proposed by Charnwood BC, it is likely that much of the transport mitigation will be achieved via Section 106 (developer) funding arising from multiple developments, securing which will require continued close working between the County and Borough Councils.

12. RESPONSE TO HINCKLEY AND BOSWORTH BOROUGH COUNCIL'S DRAFT LOCAL PLAN (REGULATION 18) CONSULTATION. (Pages 219 - 280)

Proposed motion

- (a) The comments set out in the Appendix to the report be forwarded to Hinckley and Bosworth Borough Council as the views of the County Council on the Draft Hinckley and Bosworth Local Plan 2020 to 2039;
- (b) That Hinckley and Bosworth Borough Council be advised that the County Council
 - (i) considers that partnership working arrangements between the Borough Council, the County Council and other partners, notably National Highways, need to be formalised as a matter of urgency;
 - (ii) will need to secure substantial funds from the Borough Council and other partners in order to meet the (as yet unidentified) cost of the work to identify transport mitigation measures and strategy required to support delivery of the Draft Hinckley and Bosworth Local Plan;
 - (iii) accordingly, requests the Borough Council to delay progressing to Regulation 19 stage of the Local Plan in order for the Draft to be fully informed by transport evidence.

13. PUBLIC ENGAGEMENT PRINCIPLES (Pages 281 - 298)

Proposed motion

- (a) That the Council's Consultation and Engagement Principles be approved;
- (b) That the Council becomes a signatory to the Consultation Charter.

14. LEICESTERSHIRE SCHOOL TERM-TIME PATTERNS FROM AUTUMN 2022 TO SUMMER 2027 (Pages 299 - 330)

Proposed motion

- (a) That the outcome of the public consultation on the proposed term-time options be noted;
- (b) That the current Leicestershire term-time pattern that includes an earlier autumn and summer holiday and longer autumn term (Proposal 1) be approved.

15. LEICESTERSHIRE AND RUTLAND SAFEGUARDING CHILDREN BOARD PARTNERSHIP ANNUAL REPORT 2020/21 (Pages 331 – 360)

Proposed motion

That the Leicestershire and Rutland Safeguarding Children Partnership Annual Report for 2020/21 be noted.

16. LEICESTERSHIRE AND RUTLAND SAFEGUARDING ADULT BOARD ANNUAL REPORT 2020/21. (Pages 361 – 378)

Proposed motion

That the Leicestershire and Rutland Safeguarding Adult Board Annual Report for 2020/21 be noted.

17. EAST MIDLANDS FREEPORT - INCLUDING URGENT ACTION TAKEN BY THE CHIEF EXECUTIVE. (Pages 379 – 384)

Proposed motion

- (a) That the latest position and next steps in establishing the East Midlands Freeport, including the financial implications for the County Council, be noted;
- (b) That the urgent action taken by the Chief Executive under delegated authority to support the submission to Government of an Outline Business Case ahead of the submission deadline of 10 September be noted;
- (c) That the Chief Executive, following consultation with the Leader of the Council, be authorised to submit the Full Business Case for the East Midlands Freeport to the Government on behalf of the County Council as the lead authority and accountable body for the East Midlands Freeport Interim Board;
- (d) That the Chief Executive, in consultation with the Director of Corporate Resources and Director of Law and Governance, be authorised to enter into such governance and other agreements as may be required to progress the Freeport designation.

18. ITEMS REFERRED FROM OVERVIEW AND SCRUTINY

None.

19. ANY OTHER ITEMS WHICH THE CHAIRMAN HAS DECIDED TO TAKE AS URGENT

None.

Officer to contact

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SCRUTINY COMMISSION – 8 SEPTEMBER 2021

MEDIUM TERM FINANCIAL STRATEGY – LATEST POSITION

MINUTE EXTRACT

The Commission considered a report of the Director of Corporate Resources which would be presented to the Cabinet at its meeting on 17th September 2021 regarding the 2021/22 revenue budget and capital programme monitoring position as at the end of July (period 4), and which sought approval to change to the previously agreed 2021-2025 capital programme and the approach to updating the Medium Term Financial Strategy (MTFS) for 2022 – 2026. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

In presenting the report, the Director highlighted the following:

- The current revenue position was £6m better than previously reported to Cabinet at the end of period 2, but there remained a £12m overspend, primarily due to 2 key areas: the High Needs Block (Children & Family Services) and Adult Social Care (Adults & Communities).
- High Needs Block – A £6m overspend above the grant had been accounted for. However, the overspend had now increased from £3m to £9m. Whilst additional capacity had been and continued to be added to address the problem, use of costly, independent settings continued to increase. This was a historical problem and whilst grant levels had risen, this did not match the pace of rising demand.
- Adult Social Care – There had been little change to the £13m overspend previously reported. The level of demand and the cost of services required both in home and residential care settings continued to rise. As a result of Covid, some patients were being discharged earlier from hospital often with more complex needs placing additional pressure on the service. Also, whilst less people were being placed in residential care homes in line with Council policy, providers were increasing their fees to compensate for falling numbers which added to the current position. For home care services, during the last year additional Covid funding had been received from the NHS which had helped, but this was time limited. Discussions with Health partners to secure additional income for the longer term continued, though this would not be sufficient to address the current overspend and pressure on this budget would likely continue in 2022.
- The main change to the Capital Programme was the increase in expenditure for the two Melton road schemes. This included establishment of a portfolio risk allocation to help manage the unavoidable risks associated with large

complex schemes. This also provided a greater level of transparency than including all the contingency within individual schemes.

Arising from discussion, the following points were made:

Revenue budget

- (i) It was questioned whether the Adult Social Care Target Operating Model (TOM) continued to be the right approach given the significant overspend in this area and the recent impacts of Covid on the social care sector. Members noted that the transition of care to support more people in their own home was being managed gradually to allow the market time to adapt. However, Covid had significantly increased the number of people immediately wishing to remain at home and this had driven the speed of change over the last year. The Director confirmed that the TOM was still considered the right approach, this being preferred by residents and ultimately reducing the Services accommodation costs. However, time was now needed to allow the market to catch up, as originally forecast. The position would be monitored.
- (ii) Significant concerns were raised about the continued rise in SEND costs and the increasing High Needs Block (HNB) deficit. The Council's approach to build locally based SEND provision aimed to reduce reliance on expensive independent provision had been successful. However, demand had continued to outstrip supply, meaning the use of such expensive independent provision had in reality remained unchanged and costs had therefore continued to rise.

A member commented that whilst ensuring children had their needs met should be a priority, it was necessary for these costs to be brought under control given that any deficit on the HNB had to be met from the Council's own resources. Members challenged what the Council's strategy to address this was given that a cumulative High Needs funding gap of £26m had been forecast.

A member suggested that reliance on increased funding from the Government at some future point would not be sufficient. Another Member commented that increasing provision whilst part of the answer, would not provide a solution to the whole problem and continuing to focus on upfront demand, as well as considering appropriate levels of eligibility criteria would be important.

The Lead Member for Resources, Mr L. Breckon CC, provided assurance that work was underway within the Department to address this issue. The Director confirmed that this was a key priority for the Authority and given the work being undertaken by the Department, this might benefit from further scrutiny by the Children and Family's Overview and Scrutiny Committee.

The Chairman of the Children and Family's Overview and Scrutiny Committee advised the Commission that it had received reports on this issue and so was aware of the difficulties faced by the Department, but it would take on board the comments now made.

Capital programme

- (iii) The approach adopted in identifying capital projects was challenged and a member questioned whether a joint view was taken across departments about which capital schemes to prioritise based on those which might generate the best and quickest revenue return. For example, was account taken of those road schemes which would facilitate the speedier delivery of larger housing developments, which would in turn generate increased income from council tax.

Members noted that targeting resources whilst taking account of wider impacts on the Council was an approach being adopted more often and the Melton Mowbray Distributor Road scheme was an example of this. However, there were risks to the Council when forward funding such infrastructure projects, with the Council being dependent on developers delivering housing in a timely manner to recoup its costs via section 106 developer contributions. It was also often reliant on the availability of Government grants. The Director agreed that taking a holistic view of development needs in an area, rather than a scheme by scheme view, was necessary and of benefit to the Council.

- (iv) Members sought an update regarding the Melton Mowbray Distributor Road scheme given the escalating costs of £85m detailed in the capital programme. It was questioned whether formal commitment had now been given by the Cabinet to deliver both parts of the scheme and whether a risk sharing agreement had been agreed with the Borough Council. The Head of Law confirmed that there would be a further report to the Cabinet regarding the proposed scheme and that legal discussions regarding the risk sharing agreement were continuing. The Director undertook to clarify what decisions had been taken by the Cabinet outside the meeting.
- (v) A Member questioned the Council's wider approach to sharing the risks it faced in delivering infrastructure necessary to support local plan commitments with district councils and sought further information on how it planned to manage this for the future.

The Lead Member for Resources highlighted that several district councils were currently reviewing their local plans and as part of that process the County Council's Growth Service and other Departments were liaising with those district partners regarding their infrastructure needs. He referred to the report on strategic planning matters to be considered by the Commission later on the agenda which provided details of this work.

RESOLVED:

- (a) That the update on the 2021/22 revenue budget and capital programme monitoring position as at the end of period 4 be noted;
- (b) That the proposed change to the previously agreed 2021-2025 capital programme and the approach to updating the Medium Term Financial Strategy (MTFS) for 2022 – 2026 be noted;
- (c) That the Chairman of the Children and Family's Overview and Scrutiny Committee be asked to take account of the comments now made in respect of the High Needs Block overspend and the potential need for closer scrutiny of work taking place in the Department to address this;
- (d) That a further report be provided at an appropriate time on the work being undertaken by the Council to address the risks, in particular financial risks, it faced in delivering infrastructure across the County.



SCRUTINY COMMISSION – 8 SEPTEMBER 2021

CORPORATE ASSET INVESTMENT FUND
ANNUAL REPORT 2020/21

MINUTE EXTRACT

The Commission considered a report of the Director of Corporate Resources which set out the performance of the Corporate Asset Investment Fund (CAIF) for 2020/21. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

In response to questions raised, the Head of Strategic Property Services confirmed the following:

- The gross income across the Corporate Asset Investment Fund portfolio was £7.46m.
- No substantial developments on Council owned farmland had been accounted for in the current financial year. Planning gain on such land had been shown in the previous years accounts and so had already been transferred into the 'development land' category.
- The Council acquired most of the farmland it currently owned in the 1920's. New land was currently acquired on a 'one in – one out' basis i.e. if the Council were to sell land for residential or development use it would seek to replace that within the portfolio. The purchase of further land would also be considered where this adjoined an existing farm holding.
- The Council currently owned 7,700 acres of farmland. Each holding was let and lettings were managed by the Strategic Property Services team.
- Office premises owned by the Council tended to be let on a 10 year lease with a 5 year break clause, or on a 15 year lease with a 10 year break clause. The Lease of the new premises built at LUSEP was for a 15 year period with a break clause at 10 years. Income from LUSEP would be reported next year, as this financial year the tenant had the benefit of a rent free period.
- A full review and valuation exercise was undertaken of every property asset owned by the Council every year. This was undertaken by the Department's in house valuers, taking account of national comparables and other bench marks.

Arising from subsequent discussion, the following matters arose:

- (i) A member queried whether legislation relating to the delivery of large scale infrastructure sites which prevented large housing developments within a certain distance would apply to the Hinckley National Rail Freight Interchange proposals and therefore affect the development proposed at

the M69 J2 Stoney Stanton site. The Head of Strategic Property Services reported that this would not affect proposals and no issues had been raised during discussions with the National Infrastructure Commission which envisaged housing being delivered on the adjoining site. Nor had issues been raised by the district council or Tritax who were bringing forward the rail freight proposals.

- (ii) Members challenged the approach to invest extra capital into the Fund to support long term projects considering the immediate short-term financial pressures faced by the Council, as detailed in the Medium Term Financial Strategy monitoring report considered elsewhere on the agenda.

The Lead Member, Mr L. Breckon CC, agreed it was important for him and Scrutiny to test the current approach to invest in CAIF projects. However, he provided assurance that he and officers looked at each commercial investment proposal critically to ensure its long-term benefits outweighed any potential short term gain. He confirmed that where this was not the case then consideration would be given to selling an asset to realise its value to offset other budget pressures.

The Director confirmed that performance of the Fund had been exceptional, it having generated significant additional income for the Council for several years. This had been allocated to support front-line services and reduce the need for savings which might have otherwise been necessary. On balance, the current approach was considered still to be the right way forward.

A member commented that the ongoing long-term revenue benefit currently outweighed any short term, one off benefits that could be realised by the sale of an asset. This was despite the economic pressures faced by the Council during 2020 when the Fund had still managed to generate an overall return of 6.1% which was excellent in the circumstances.

RESOLVED:

- (a) That the performance of the Corporate Asset Investment Fund during 2020/21 be noted and welcomed;
- (b) That the current approach to invest in CAIF projects be supported but that this continue to be monitored and kept under review.

Submission to Cabinet17th September 2021

From Max Hunt CC

Item 9: LEICESTER CITY COUNCIL DRAFT LOCAL TRANSPORT PLAN AND WORK PLACE PARKING LEVY CONSULTATION

This is a solid document identifying various measures proposed in the City's LTP4 and as such will no doubt eventually inform our LTP4. The document spells out the County's response in a professional manner with the exception of one or two one statements which are petulant and unsupported by evidence or the reasons quoted in paragraphs 3 and 4.

Close working between the County Council and City Council is of paramount importance in the delivery of transport infrastructure and related proposals. In the recent past our two councils developed a joint Local Transport Plan but we unfortunately departed from that practice which brings us to the situation we now find ourselves - running to keep up. On this occasion, our residents could have been more fully consulted on the city plan where it has such close bearing on their transport needs.

In November 2020 the Cabinet itself approved the [Leicester and Leicestershire Strategic Transport Priorities \(2020-2050\)](#) which put Workplace Parking Levy in the frame for 2025-2036, giving us plenty of time for serious consideration of the complicated issues involved, but absent in this document.

What is the problem the City is trying to solve?

The obvious problem is congestion which causes air pollution, frustration and a net cost to the economy when we can least afford it. Ask an HGV driver or talk to any of our motorists who can spend over an hour crossing the city at peak hours. A secondary problem is that we don't have the resources to fund the needed infrastructure, whatever that may be.

Does it affect County motorists?

Undoubtedly.

What is the County's solution?

We don't appear to have a solution.

The fact is that both County and City share the same problems: congestion and funding.

Both authorities face the common challenges and the wider 'Leicester urban area' suffers more than most. Where WPL is concerned the risk of displaced parking to areas adjoining the City, such as Anstey, Glenfield, and Braunstone as the paper cites, should certainly be avoided. We also need to understand the future role of Park and Ride and the planning and ownership issues for county residents by the Connecting Communities programme.

The last time I discussed Work Place Parking Levy with an officer of the County it was with a former Director of Transport, Bruce Jamieson. His preference was to put Congestion charging before Workplace parking levy. Perhaps that would be the Cabinet's preference too. He explained that WPL was effective when it came to funding new infrastructure (famously Nottingham trams), but was weak when it came to reducing traffic volumes. Congestion charging on the other hand, he claimed, did both. However, that was a long time ago and Jonathan Burchill's [paper from Loughborough University](#) discusses WPL in the light of that previous experience.

There is serious work to do to tackle congestion in the interests of our residents. The Labour Group looks forward to further work on the matter and better consultation with motorists, cyclists and pedestrians as well as public transport users travelling in and out of the city.