



Meeting: **Scrutiny Commission**

Date/Time: **Wednesday, 6 November 2013 at 2.00 pm**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Mr. S. J. Weston (Tel: 0116 305 6226)**

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Membership

Mr. S. J. Galton CC (Chairman)

Mrs. R. Camamile CC Mr. A. M. Kershaw CC
Dr. R. K. A. Feltham CC Mr. P. G. Lewis CC
Mr. S. J. Hampson CC Mr. K. W. P. Lynch CC
Dr. S. Hill CC Mr. R. J. Shepherd CC
Mr. Max Hunt CC Mr. L. Spence CC

**Please note: this meeting will be filmed for live or subsequent broadcast via the Council's web site at <http://www.leics.gov.uk/webcast>
– Notices will be on display at the meeting explaining the arrangements.**

AGENDA

Item

Report by

1. Minutes of the meeting held on 4 September 2013. (Pages 5 to10)
2. Question Time.
3. Questions asked by members under Standing Order 7(3) and 7(5).
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.
5. Declarations of interest in respect of items on the agenda.



6. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.
7. Presentation of Petitions under Standing Order 36.
8. Police and Crime Panel - Update.

Mr. J. T. Orson JP CC, Chairman of the Leicester, Leicestershire and Rutland Police and Crime Panel (PCP), has been invited to the meeting to provide an update on the performance of the PCP during its first year in operation and to enable members to ask any questions.

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| 9. | 2013/14 Medium Term Financial Strategy Monitoring (Period 6). | Director of Corporate Resources | (Pages 11 to 30) |
| 10. | Medium Term Financial Strategy Consultation. | Director of Corporate Resources | |

A briefing on the Medium Term Financial Strategy Consultation Feedback was held for all members of the County Council on Tuesday 5 November.

This item represents an opportunity for members to ask any further questions arising from the Briefing.

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| 11. | Review of Earmarked Funds, Balances and Contingencies. | Director of Corporate Resources | (Pages 31 to 49) |
| 12. | Traded Services. | Director of Corporate Resources | (Pages 51 to 67) |
| 13. | Corporate Asset Management Plan. | Director of Corporate Resources | (Pages 69 to 119) |
| 14. | Leicestershire County Council and Leicestershire Together Annual Performance Report 2013. | Chief Executive | (Pages 121 to 192) |
| 15. | Date of next meeting. | | |

The next meeting of the Commission is scheduled to take place on 29 January 2014 at 2.00pm.

16. Any other items which the Chairman has decided to take as urgent.

QUESTIONING BY MEMBERS OF OVERVIEW AND SCRUTINY

Members serving on Overview and Scrutiny have a key role in providing constructive yet robust challenge to proposals put forward by the Cabinet and Officers. One of the most important skills is the ability to extract information by means of questions so that it can help inform comments and recommendations from Overview and Scrutiny bodies.

Members clearly cannot be expected to be experts in every topic under scrutiny and nor is there an expectation that they so be. Asking questions of 'experts' can be difficult and intimidating but often posing questions from a lay perspective would allow members to obtain a better perspective and understanding of the issue at hand.

Set out below are some key questions members may consider asking when considering reports on particular issues. The list of questions is not intended as a comprehensive list but as a general guide. Depending on the issue under consideration there may be specific questions members may wish to ask.

Key Questions:

- Why are we doing this?
- Why do we have to offer this service?
- How does this fit in with the Council's priorities?
- Which of our key partners are involved? Do they share the objectives and is the service to be joined up?
- Who is providing this service and why have we chosen this approach? What other options were considered and why were these discarded?
- Who has been consulted and what has the response been? How, if at all, have their views been taken into account in this proposal?

If it is a new service:

- Who are the main beneficiaries of the service? (could be a particular group or an area)
- What difference will providing this service make to them – What will be different and how will we know if we have succeeded?
- How much will it cost and how is it to be funded?
- What are the risks to the successful delivery of the service?

If it is a reduction in an existing service:

- Which groups are affected? Is the impact greater on any particular group and, if so, which group and what plans do you have to help mitigate the impact?
- When are the proposals to be implemented and do you have any transitional arrangements for those who will no longer receive the service?
- What savings do you expect to generate and what was expected in the budget? Are there any redundancies?
- What are the risks of not delivering as intended? If this happens, what contingency measures have you in place?



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 4 September 2013.

PRESENT

Mr. S. J. Galton CC (in the Chair)

Mrs. R. Camamile CC
 Dr. R. K. A. Feltham CC
 Mr. S. J. Hampson CC
 Dr. S. Hill CC
 Mr. Max Hunt CC

Mr. A. M. Kershaw CC
 Mr. P. G. Lewis CC
 Mr. K. W. P. Lynch CC
 Mr. R. J. Shepherd CC
 Mr. L. Spence CC

In Attendance:

Mr P. C. Osborne CC – Cabinet Lead Member for Economic Development (support to the Leader)

Mr B. L. Pain CC – Cabinet Lead Member Highways and Transportation (both members present for Minute 34)

26. Minutes.

The minutes of the meeting held on 5 July 2013 were taken as read, confirmed and signed.

27. Question Time.

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

28. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

29. Urgent Items.

There were no urgent items for consideration.

30. 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.

The following members declared personal interests in relation to monitoring report on the Medium Term Financial Strategy 2013/ as members of District Council's given that the report refers at various places to arrangements for the collection of local council tax:-

Mrs. R. Camamile CC
 Dr. R. K. A. Feltham CC
 Mr S. Galton CC
 Mr. S. J. Hampson CC
 Dr. S. Hill CC
 Mr. Max Hunt CC
 Mr. K. W. P. Lynch CC
 Mr. R. J. Shepherd CC
 Mr. L. Spence CC

31. Declarations of the Party Whip.

There were no declarations of the party whip.

32. Presentation of Petitions.

The Chief Executive reported that no petitions had been received under Standing Order 36.

33. 2013/14 Medium Term Financial Strategy Monitoring (Period 4).

The Commission considered a report of the Director of Corporate Resources which provided an update on the 2013/14 revenue budget and capital programme. The report also set out:-

- i) recommendations to be made to the Cabinet on 13th September regarding the use of projected revenue underspends to fund 'invest to save initiatives';
- ii) the outcome of a review of the deliverability of the capital programme and a revised capital programme for approval.

A copy of the report marked '1' is filed with these minutes.

Revenue Budget

In introducing the report the Director of Corporate Resources drew attention to Appendix 1 which set out the difference between the projected outturn and original budget. In particular he drew attention to a projected overspend of £3,000,000 in the Adults and Communities Department which was offset by underspends elsewhere the most significant of which were the following:-

Centrally Managed Schools Budget	-£530,000
Children and Young People's Services	-£580,000
Corporate Resources	-£610,000
Contingency for Efficiency Savings	-£4,460,000
Contingency for Inflation	-£1,500,000
Revenue Funding of Capital Spend	-£2,500,000
Business Rates Additional Income	-£370,000

The effect was a net underspend of £7,700,000. A report was due to be submitted to the next Cabinet meeting which would suggest that part of the underspend be utilised for the following purposes:-

- A potential contribution to the City of Culture if the bid was successful;
- A £60,000 contribution to the Bradgate trust to enable the purchase of some land adjacent to Swithland Wood;
- Funding for two highway projects namely bridge strengthening at Zouch and for further development of the Leicester and Leicestershire Integrated Transport Model (LLITM);
- Utilisation of outstanding underspends towards either the repayment of pension liabilities or to repay debt.

With regard to the proposed suggestions for utilising the underspends a number of members were of the view that this should be considered in the context of the responses to the consultation on the MTFs and the significant budgetary pressures faced in Adult Social Care. In this regard the following points were made:-

- Whilst recognising that the City of Culture bid would bring benefits to County the Cabinet needed to demonstrate the economic benefits to the County of any such investment;
- Some concern was expressed about further investment in the LLITM and members were of the view that a clear business case needed to be made before additional resources were made available.

On the issue of localisation of council tax collection, the Commission welcomed the additional investment of £50,000 to engage an external company to undertake checks on single person discounts. Whilst noting that risks to the collection fund balances were being monitored there remained some concern regarding future years when existing government support for the scheme was phased out.

The consultation currently underway regarding the New Homes Bonus was a concern as it could have a significant adverse effect on the County Council particularly if the Government were to opt for a 100% top slice from County Council.

The Commission was reassured that the underspends in the Early Years and Childcare, Short breaks for disabled children were as a result of lower demand and not a reduction in service. Similarly, the demand for Community Care and Crises Loans had been lower than anticipated and the £200,000 contingency that had been set aside would not be required.

The overspend in Adults Social Care was primarily as a result of significantly lower than expected savings being achieved in the 'Effective Support Efficiency Programme'. That programme had anticipated savings in the order of £6,500,000 resulting from a reassessment of client needs and investment in less expensive preventative services. To date savings of £1,500,000 had been achieved and it was now expected that the full year effect would be of the order of £2,500,000. Part of the overspend had been offset by utilising health transfer monies and the Department was looking at greater use of Assistive Technology to reduce spending pressures. It was acknowledged that the social care budget faced significant challenges and posed a risk particularly with likely changes as a result of the Dilnot proposals and the new Care Bill. It was noted that this was a national issue and that unless action was taken on improving joint working with the Health Service and greater integration there was a significant risk to the current social

care arrangements and other parts of the Council's budget. The Government had made some funding available and to date there had been good engagement with local health service partners.

Capital Programme

The Commission was advised that following a review of the current programme and its deliverability a revised capital programme was being put forward for approval to the Cabinet.

In response to questions the Commission was advised as follows:-

- the lower than expected level of funding from the Education Funding Agency affected a number of Authorities. It would appear that funding had been diverted to areas of the Country where there were particular pressures on primary school places. Whilst this was less of a problem in Leicestershire there were nevertheless some pressures in the Hinckley and Blaby areas. The Commission noted that the Children and Families Scrutiny Committee would be looking at the issue of school place planning at its next meeting;
- the County Council had a good track record of opportunity purchases of agricultural land which not only generated a revenue stream but had contributed significantly to the generation a capital receipts.

Members noted that the proposed development of a 25 place school for children with autism had proved financially unviable and were concerned about the impact that this may have on pupils and their families and also on the revenue budget if this were to result in increased number of out-county placements.

RESOLVED:

- (a) That update on the 2013/14 revenue budget and recommendations to be made regarding the use of projected revenue underspends to fund 'invest to save' initiatives, be noted and the views of the Commission be drawn to the attention of the Cabinet;
- (b) That the recommended revised Capital Programme, be noted;
- (c) That the Adults and Communities Scrutiny Committee be asked to look in detail at the reasons for the overspend in the budget and the risks posed for future years given the additional pressures that are likely to be faced by the Department from changes resulting from the Dilnot report and the Care Bill.

34. Workshop: Economic Development.

The Commission received a presentation which provided an update on economic development priorities and in particular progress in relation to the City Deal and the Local Transport Board. A copy of the presentation is filed with these minutes.

The Chairman welcomed to the meeting Messrs Osborne and Pain who had kindly agreed to attend the meeting and assist the Commission in its deliberations.

Arising from the discussion and questions the Commission was advised as follows:

City Deal

- The City Deal would be considered by the City Council, the County Council and the District Councils prior to the submission of a Draft Negotiation document to the Government in late October. The Leaders of each of these Councils had been involved in the preparation of the document and were supportive of the way forward. One of the key challenges was to get agreement to governance arrangements which conformed to the Government's requirements of a body which could deliver binding decision making;
- At this stage it was envisaged that the delegation to meet with the Deputy Prime Minister and other Ministers regarding the City Deal Negotiation Document would involve key political leaders (such as the City Mayor, the Leader of the County Council and a district council leader), the Chairman of the LEP, and senior representatives from the business and academic sectors. The final decision on City Deal was expected by the end of the year;
- The focus of the City Deal document had changed since its first iteration. It now focussed on supporting people into jobs and job creation through business growth as the issues around infrastructure were being dealt with through other mechanisms and funding streams;
- The EU Structural and Investment Fund opportunity for the sub-region included a requirement to invest in supporting the low carbon economy and this could be used to help and support businesses become more energy efficient and hence drive down costs;

Members welcomed the new focus of City Deal and in particular the focus on supporting people into employment and signposting/brokerage support for local businesses.

Local Transport Board

- The County and City Council as Local Transport Authorities were now major scheme sponsors and the role of the LTB would consider the business case for schemes put forward. The decision of the LTB needed to have regard to the DFT Assurance Framework if the LTB were to be successful in any future bid;
- The two schemes 'approved' by the LTB, namely improvements to the A50 and A6 corridors had been put forward by the County Council but had received full support from the City Council. The scope of the schemes would extend beyond the County boundary into the outskirts of the City. Section 106 Funding and mainstream County and City funds would also be used for the proposed schemes;
- Further work was currently underway to ensure that the LTB was supported in its decision making by officers of both Councils as well as having access to independent technical and financial advice.

RESOLVED:

That the update now provided on economic development priorities, the City Deal and the Local Transport Board, be noted.

35. Date of next meeting and Schedule of Meetings for 2014.

It was NOTED that the next meeting of the Commission would be held on 6th November at 2.00pm.

The following meeting dates were AGREED for 2014 (all meetings to commence at 2.00pm):-

- 29th January
- 26th February
- 26th March
- 30th April
- 4th June
- 3rd September
- 5th November

2.00 - 4.40 pm
04 September 2013

CHAIRMAN



SCRUTINY COMMISSION – 6 NOVEMBER 2013

REPORT BY THE DIRECTOR OF CORPORATE RESOURCES

**2013/14 MEDIUM TERM FINANCIAL STRATEGY
MONITORING (PERIOD 6)**

Purpose of Report

1. To provide members with an update on the 2013/14 revenue budget and capital programme monitoring position.

Policy Framework and Previous Decisions

2. The 2013/14 revenue budget and the capital programme for 2013/14 to 2016/17 were approved by the County Council at its budget meeting on 20 February 2013 as part of the Medium Term Financial Strategy (MTFS). The MTFS is monitored throughout the financial year.

Background

3. The 2013/14 revenue budget and the capital programme for 2013/14 to 2016/17 were approved by the County Council at its budget meeting on 20 February 2013 as part of the Medium Term Financial Strategy (MTFS).
4. The Cabinet on 13th September 2013 approved the following uses of the potential revenue underspend:
 - Contribution of £250,000 towards Leicester Cathedral Gardens recognising the Diocese covers the county and the links with Richard III.
 - Contribution to activity in the county to support the City of Culture bid (up to £2m).
 - Contribution to Bradgate Park Trust to purchase additional land (up to £60,000).
 - The balance of any underspend at the year-end is used towards repayment of pension liabilities on the pension fund, or if this is not possible, to use the balance of any underspend to repay debt.
5. The Cabinet on 13th September 2013 approved a revised 2013/14 capital programme.
6. The monitoring information contained within this report is based on the pattern of revenue and capital expenditure and income for the first six months of this financial year.
7. The latest revenue budget monitoring exercise shows a net projected underspend of £8.2m, as summarised in **Appendix 1**. This underspend will be used to fund the

issues approved by Cabinet on 13th September 2013, set out in paragraph 4. Details of major variances are set out in **Appendix 2**.

8. The latest capital programme monitoring exercise shows a net underspend of £1.0m against the revised budget. Details of major variances and changes in funding are shown in **Appendix 3**.

REVENUE BUDGET

9. The results of the latest 2013/14 revenue budget monitoring exercise are summarised in **Appendix 1**.

Children and Young People's Service

Dedicated Schools Grant

10. A net underspend of around £3.7m is currently forecast, mainly relating to Special Educational Needs. A contingency established to ensure capacity in the SEN budget as a result of uncertainties regarding the cost of the new LA responsibility for post 16 students with learning difficulties and disabilities, the transfer to a new funding framework for SEN in April and the impact of raising the participation age will not be required. Also additional income has been received for 16+ places at mainstream special schools.
11. This net underspend will not impact on the General County Fund as under the terms and conditions of Dedicated Schools Grant any underspend must be allocated to the following year's Schools Budget. The underspend will be used in 2014/15 to support the financial impact arising from the necessity to change the pupil number count for schools and academies affected by age range changes.

Local Authority Budget

12. A net underspend of £0.4m (0.7%) is forecast, mainly due to the early identification of savings, offset by overspends, particularly regarding legal costs in children's social care.

Adults and Communities

13. The Department are experiencing some financial pressures relating to increasing demographic pressures whilst delivering the £12.4m targeted level of savings in the current year, resulting in a projected overspend in the region of £3.4m (2.6%) for 2013/14.
14. The Effective Support efficiency project reviews client needs and considers alternative sources of support for service users with substantial and critical needs was expected to deliver savings of £6.5m in 2013/14. A shortfall of £4.9m is currently projected arising from a smaller backlog of outstanding reviews than originally anticipated reducing the scope to make savings as well as lower savings achieved per person. Health funding of £2.4m has been agreed for this year to

mitigate some of the shortfall in savings, reducing the overall shortfall to £2.5m. Alternative savings opportunities are being investigated to offset the balance.

Environment and Transportation

15. The Department is forecast to underspend by a net £0.51m (0.6%). Net underspends on transport and waste budgets are partly offset by an overspend on highways maintenance budgets.

Chief Executives

16. An underspend of £0.64m (4.2%) is forecast, mainly relating to an underspend on the Local Welfare Provision.

Corporate Resources

17. An underspend of £0.82m (2.4%) is forecast, mainly due to staff vacancies and increased income.

Public Health

18. The service is currently forecast to be underspent by £0.35m (35.3%). The cost of the Public Health programme can be met from ringfenced Public Health Grant which means that a County Council contribution of £0.35m is not required in 2013/14.

Contingencies

19. The 2013/14 budget includes a £1.2m contribution for investment in Loughborough Science Park. At this stage the contribution is forecast to be made in the current year, although there is a possibility that it may slip to 2014/15, in which case the sum will be carried forward.
20. A contingency of £4.5m was made against delays in the achievement of savings. No major problems have been identified at this stage, other than on the Effective Support saving (see paragraph 14 above).
21. A provision of £3m was made for severance / invest to save issues. If the requirement is less during the year, the balance will be transferred to the Invest to Save / Severance earmarked fund to meet costs in future years.
22. A contingency of £1.2m was made for council tax collection deficits following the implementation of the Government reforms on the Localisation of Council Tax Support. The situation is being monitored on a monthly basis in liaison with the District Councils and at this relatively early stage in the year there does not appear to be any significant risks to collection fund balances. Discussions have taken place with the District Councils regarding a contract with an external company to undertake checks on Single Person Discounts and the County Council will support that work with a financial contribution of around £50,000 which could be funded from this contingency. Given the relatively early stage in the year, the contingency is forecast to be spent but the position will be monitored as the year progresses.

23. A contingency of £9.0m was made for inflation, of which £5.7m has been allocated regarding residential care charge increases, the 2013 pay award, highways maintenance, street lighting energy and winter maintenance salt inflation. Pressures are expected on insurance, passenger transport, buildings maintenance, waste management and energy budgets.
24. The inflation contingency included £3m for general pay inflation based on an assumed increase of 2%. A pay increase of 1% has been agreed (excluding Grade 18 and above), leading to an underspend of around £1.6m.

Central Items

25. Bank and other interest is forecast to be £0.35m lower than the original budget, due to balances being lower than anticipated.
26. The original budget for the financing of capital assumed that £40m of external debt would be borrowed during the year, whereupon it would begin to earn interest. However, due to continued low interest rates and the level of internal balances it is highly unlikely that this money will now be borrowed during 2013/14. As a result, an underspend of £2.5m is forecast as a consequence of not incurring interest costs on the previously expected borrowing.
27. Local Services Support Grant includes grant funding for Extended Rights to Free Travel. The Department for Education released the 2013/14 and indicative 2014/15 allocations in July 2013 (£675,400 and £494,900 respectively) and these show significant cuts from the 2012/13 level used in the original 2013/14 budget (£795,500). It is not feasible at this stage for CYPs and E&T to reduce expenditure to offset the £120,000 cut in 2013/14 but the 2014/15 budget will be adjusted to reflect the reduced level of grant in that year.
28. The County Council agreed to contribute £125,000 for additional administrative costs and £250,000 towards Discretionary Discount Funds (DDF) following changes made under the Localisation of Council Tax Support reforms. The District Councils are providing monthly monitoring information on awards made from the DDFs and at this stage only relatively minor amounts have been granted. The situation will be kept under review as the year progresses. The LCTS schemes will need to be revised for 2014/15 as all the schemes, with the exception of Harborough, were based on the one-off transitional 8.5% cap. The County Council and other Preceptors are in dialogue with the District Councils on this issue.
29. From April 2013, the Department for Works and Pensions (DWP) transferred funding to the County Council (£1.08m) which had previously been used to provide Community Care Grants and Crisis Loan schemes. This funding is to provide short term support to families under exceptional pressure and to support individuals returning to their communities from institutional care. To meet the needs of the local community the County Council established the Leicestershire Welfare Provision (LWP). It was anticipated that additional funding would need to be allocated from County Council resources in light of the historic overspends experienced by DWP, the changes to benefits announced and the challenging economic climate. A £0.2m contingency was included in the 2013/14 revenue budget to allow excess demand to

be dealt with. Based on the monitoring of the LWP, it is unlikely that the £0.2m contingency will be required and it is therefore projected to be unspent.

30. The County Council will receive £1.7m New Homes Bonus Grant (NHBG) in 2013/14, of which £0.5m will be used within the Chief Executive's budget to provide support for the provision of new homes. The balance of £1.2m funds part of the £4m revenue contribution to the funding of capital and will be allocated to extra care schemes. NHBG is forecast to increase to around £3m in later years, although the Government has consulted on proposals to top-slice 35% of the grant from 2015/16 to redistribute money to Local Economic Partnerships. An alternative proposal involves a 100% top-slice from County Councils and a 19% top-slice from Districts.
31. The 2013/14 budget includes a forecast of £5.3m for Education Services Grant. The grant is subject to the level of Academy conversions during the financial year and the latest estimate of the grant to be received by the County Council is around £5.7m.

Business Rates

32. The Government introduced the Business Rates Retention system from April 2013. The County Council is liaising with the District Councils, Leicester City Council and Rutland County Council and monthly monitoring is being undertaken to assess the position of the Leicester and Leicestershire Pool. At this early stage, the County Council's "local share" is forecast to be around £0.1m higher than the "baseline" amount reflected in the original budget.
33. The Government granted a one year extension of the temporary increase in Small Business Rate Relief and is due to provide a separate grant to local authorities to compensate for the loss of their local share income. This may be around £0.4m in the case of the County Council. More details should be available from DCLG later in the autumn.
34. The Pool is projected to generate an additional £0.15m for the sub region in 2013/14, compared with £0.7m projected in January 2013 when the Pool was formally established. The position has worsened due to a number of factors including increased estimates for rateable value appeals, empty property exemptions and academies gaining charitable status leading to reduced business rates liability.

Local Authority Mortgage Scheme - update

35. The Local Authority Mortgage Scheme (LAMS) was launched within Leicestershire in September 2012. In brief, the Authority makes a loan to Lloyds TSB for a five year period, and these loans are used to indemnify the bank against any default (down to 75% of the purchase price) on loans within the scheme to first time buyers for a five year period. The buyers must pass the normal credit checking criteria used by Lloyds TSB and provide a minimum of a 5% deposit. The maximum loan available is for £142,500.

36. Within the present mortgage market, interest rates payable decrease quite significantly as the amount of deposit provided increases. On occasions first time buyers are in effect forced to save large deposits in order to be given a mortgage rate that is affordable to them but struggle to save while they are living in rented accommodation. LAMS allows them to have a 95% mortgage at a rate that is close to that which would normally be payable on a 75% mortgage, making it possible for them to enter the housing ladder at affordable mortgage rates much earlier than would otherwise have been the case. A house sale towards the bottom of the chain often has a significant knock-on impact, thereby providing a boost to the local housing market and the local economy.
37. Since LAMS was launched £7.4m of the agreed £10m funding has been lent to Lloyds TSB, with the loans being as follows:
- £2m for 5 years @ 2.72% on 5th September 2012
 - £1.4m for 5 years @ 2.19% on 27th November 2012
 - £2m for 5 years @ 2.24% on 12th February 2013
 - £2m for 5 years @ 2.31% on 1st August 2013
38. The first three loans have been fully committed to support mortgages, and £1.16m of the fourth loan has been committed at the latest date for which figures are available. 292 mortgage applications have been approved at a total mortgage value of £32.8m and 219 of these mortgages have been completed. At the current rate of utilisation the latest tranche will have been fully used by the end of November. The scheme is considered to have been a big success so far.
39. In his budget of March 2013, the Chancellor announced a Government Scheme (Help to Buy) which appeared to offer buyers a package that was very similar to LAMS, although details were quite sketchy at the time. Help to Buy was originally due to start in April 2014, but was then brought forward to January 2014 and it was recently announced that a number of banks would be processing Help to Buy mortgages with immediate effect, but with start dates of no earlier than January.
40. Help to Buy offers many of the same advantages as LAMS but is available for a much larger mortgage amount (house price of up to £600,000), it is not limited to first time buyers and the guarantee is only down to the first 80% of mortgages. First indications are that the mortgage rates payable will be higher than under LAMS, which is to be expected given the lower level of indemnity.
41. Lloyds Banking Group will be offering Help to Buy mortgages through its subsidiary, Halifax, and has suspended any further launches of LAMS while it assesses whether Help to Buy and LAMS are sufficiently different to warrant offering simultaneously. Although the latest £2m loan will be fully utilised by Lloyds, it is currently unclear whether they will be willing to take any further loans. Likewise, the County Council will need to assess whether the relatively small risks associated with LAMS are worthwhile taking if there is a similar Government scheme in place.

Revenue Summary / Invest To Save

42. A net revenue underspend of £8.2m has been identified. The approach to underspends during the period of austerity has been to use funds to reduce liabilities (and associated future costs), fund Invest to Save projects and provide resources for one-off investment for Council priorities. The Cabinet on 13th September 2013 approved that the underspend be used to fund the following:
- Contribution of £250,000 towards Leicester Cathedral Gardens recognising the Diocese covers the county and the links with Richard III.
 - Contribution to activity in the county to support the City of Culture bid (up to £2m).
 - Contribution to Bradgate Park Trust to purchase additional land (up to £60,000).
 - The balance of any underspend at the year-end is used towards repayment of pension liabilities on the pension fund, or if this is not possible, to use the balance of any underspend to repay debt.

CAPITAL PROGRAMME

43. The table below shows a revised budget of £66.8m. At this stage a net underspend of £1.0m is reported. The major variances are detailed in Appendix 3.
44. It is projected that spending will be 99% of the revised budget. Overall the aim is that 95% of available resources should be spent in year.
45. The revised budget includes changes in funding since Cabinet approved the revised programme in September, detailed in Appendix 3.

2013/14	Budget (Cabinet September 2013) £m	Changes in Funding £m	Revised Budget £m	Forecast £m	Variance £m
CYPS*	17.4	0.3	17.7	18.0	0.3
Adults and Communities	2.4	0.0	2.4	2.3	-0.1
E&T - Transportation	37.3	0.1	37.4	37.2	-0.2
E&T - Waste Management	3.9	0.0	3.9	3.8	-0.1
Chief Executive's	0.6	0.0	0.6	0.6	0.0
Corporate Resources	3.0	0.6	3.6	2.7	-0.9
Corporate Programme	1.2	0.0	1.2	1.2	0.0
Total	65.8	1.0	66.8	65.8	-1.0

*Excludes CYPS – Devolved Formula Capital (DFC)

46. The main variances are detailed below.

Children and Young People's Service

47. The latest forecast shows a net overspend of £0.3m. This mainly relates to the earlier than planned completion of the Loughborough Ashmount replacement school. The school is planned to open on 13th January 2014, 3 months ahead of schedule, leading to the acceleration of £0.4m from the 2014/15 programme.
48. Within the CYPS programme £0.7m relating to the Early Years (£0.6m) and Short Breaks (£0.1m) programmes has been identified as no longer being required. This is due to sufficient capacity to support the entitlement to free 2 year old places and no further spend on Short Breaks after approved bids from stakeholders and payments have been released. The funding released has been transferred to the School Accommodation programme to offset the reduction to the programme due to the lower than expected DfE capital settlement awarded late in March 2013.

Adults and Communities

49. The latest forecast shows a potential underspend of £50,000 on minor works.

Environment and Transportation – Transportation Programme

50. The latest forecast shows a net underspend of £0.2m compared with the revised budget.
51. The main areas of slippage relate to Ashby Canal (£0.31m); Integrated Transport Schemes (ITS) Safety allocation (£0.15m), Loughborough Town Centre (£0.17m) and unallocated carry forwards (£0.26m). These are offset by forecast acceleration of £0.56m on ITS active and sustainable travel schemes and also £0.23m on Transport Asset Management for roads and carriageways. These are detailed in Appendix 3

Environment and Transportation – Waste Management

52. Slippage of £0.1m is forecast relating to the retention payment for Whetstone Recycling Household and Waste Site which will be due in 2014/15.

Chief Executive's

53. Slippage of £50,000 is forecast on the Kegworth Community Centre scheme, due to delays in the procurement process.

Corporate Resources

54. An underspend of £0.9m is forecast. Resources available for the purchase of agricultural land (£0.5m) are unlikely to be spent in the current financial year while suitable sites are being identified. In addition, demolition of vacant buildings (£0.33m) will slip into 2014/15 as a result of the complex nature of the work.

Capital Receipts

55. The forecast level of general capital receipts is £13.5m compared with a revised requirement of £7.9m

Recommendation

56. The Scrutiny Commission is asked to note the contents of this report.

Background Papers

Report to County Council – 20 February 2013 – Medium Term Financial Strategy 2013/14–2016/17

Report to Cabinet – 13 September 2013 – 2013/14 Medium Term Financial Strategy Monitoring (Period 4)

Circulation under the Local Issues Alert Procedure

None.

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Appendices

Appendix 1 - Budget Monitoring Statement

Appendix 2 - Revenue Budget – forecast main variances

Appendix 3 – Capital Programme – changes in funding and main variances

Equal Opportunities Implications

No direct equal opportunities implications.

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REVENUE BUDGET MONITORING STATEMENT
FOR THE PERIOD : APRIL 2013 TO SEPTEMBER 2013

	Updated Budget	Projected Outturn	Difference from Updated Budget		
	£000	£000	£000	%	
<u>Schools Budget</u>					
Delegated	142,881	142,881	0	0.0	
Centrally Managed	55,614	51,939	-3,675	-6.6	
Dedicated Schools Grant (DSG)	-197,808	-197,808	0	0.0	
DSG Reserve	-687	-687	0	n/a	
	<u>0</u>	<u>-3,675</u>	<u>-3,675</u>	<u>n/a</u>	GREEN
<u>LA Budget</u>					
Children & Young People's Services - LA Budget	60,950	60,550	-400	-0.7	GREEN
Adults & Communities	132,918	136,318	3,400	2.6	RED
Environment & Transport	83,269	82,759	-510	-0.6	GREEN
Chief Executives	15,341	14,701	-640	-4.2	GREEN
Corporate Resources	34,471	33,651	-820	-2.4	GREEN
Public Health	991	641	-350	-35.3	GREEN
DSG (Central Dept recharges)	-1,077	-1,077	0	0.0	GREEN
Carbon Reduction Commitment	450	450	0	0.0	GREEN
Corporate Growth & Savings	-145	-145	0	0.0	GREEN
Loughborough Science Park	1,200	1,200	0	0.0	GREEN
Contingency for efficiency savings	4,460	0	-4,460	100.0	GREEN
Severance / Invest to Save	3,000	3,000	0	0.0	GREEN
Contingency for Council Tax collection deficits	1,200	1,200	0	0.0	GREEN
Contingency for inflation	3,262	1,662	-1,600	-49.0	GREEN
Total Services	<u>340,290</u>	<u>334,910</u>	<u>-5,380</u>	<u>-1.6</u>	
<u>Central Items</u>					
Bank & Other Interest	-1,750	-1,400	350	-20.0	RED
Financing of Capital	28,420	25,920	-2,500	-8.8	GREEN
Revenue funding of capital	4,000	4,000	0	0.0	GREEN
Financial Arrangements etc	72	72	0	0.0	GREEN
Members Exps & Support etc.	1,349	1,329	-20	-1.5	GREEN
Provision for future Elections	335	335	0	0.0	GREEN
Flood Defence Levies	270	270	0	0.0	GREEN
Pension Costs	2,000	1,980	-20	-1.0	GREEN

Council Tax Freeze Grant	-2,400	-2,430	-30	1.3	GREEN
Local Services Support Grant	-948	-828	120	-12.7	RED
Contribution to Discretionary Discounts & Admin	375	375	0	0.0	GREEN
LCTS Transitional Grant (one-off 13/14)	-537	-537	0	0.0	GREEN
Crisis Loans (net position)	200	0	-200	100.0	GREEN
New Homes Bonus Grant	-1,698	-1,698	0	0.0	GREEN
New Homes Bonus - element of top slice returned	-460	-460	0	0.0	GREEN
Education Services Grant	-5,300	-5,700	-400	7.5	GREEN
County Hall car park extension	344	344	0	0.0	GREEN
Total Central Items	24,272	21,572	-2,700	-11.1	
Total Spending	364,562	356,482	-8,080	-2.2	
Funding					
Revenue Support Grant	-81,249	-81,249	0	0.0	GREEN
Business Rates - Top Up	-35,073	-35,073	0	0.0	GREEN
Business Rates Baseline	-18,980	-19,100	-120	0.6	GREEN
Collection Fund net deficit / (surplus)	-377	-377	0	0.0	GREEN
Council Tax	-220,317	-220,317	0	0.0	GREEN
	-355,996	-356,116	-120	0.0	
Net Total	8,566	366	-8,200		

Forecast underspend to be used to fund Invest to Save and other issues - see paragraph 40 in Report

'Traffic lights' :

Underspending / on budget

GREEN

Overspending of 2% or less

AMBER

Overspending of more than 2%

RED

APPENDIX 2**Revenue Budget 2013/14 – forecast main variances****Children and Young People's Service****Schools**

A net underspend of £3.7m is forecast. The main areas are:

	£000	% of Budget	
Special Educational Needs	-2,480	n/a	<p>Relates to underspends on the 16+ budgets for High Needs students:</p> <ul style="list-style-type: none"> • A £1.5m contingency was included in the MTFS to ensure capacity to address any financial pressures arising from the new statutory responsibility for High Needs students aged 16 - 24 where volumes and costs could not be robustly identified at that time. Subsequent work with further education and Independent Specialist Providers now allows this contingency to be released as an underspend. • £0.98m unexpected additional income received from the Education Funding Agency for 16+ places at mainstream special schools; place costs already included in the MTFS budget. <p>The underspend will be retained for additional costs in 14/15 relating to age range changes in the schools funding formula.</p>
Early Years and Childcare	-610	-36%	<p>Demand lower than expected for the new Two Year Old Nursery Education project which is funding additional places for deprived two year olds where requested by parents.</p>
Dedicated Schools Grant – Early Years	-480	n/a	<p>The Early Years Block is the only one in the DSG settlement that is adjusted for changes in pupil numbers; additional 3 & 4 year olds have generated additional DSG, but additional expenditure can be contained within the 2013/14 budget.</p>
High Needs - Education of Vulnerable Groups	-100	-3%	<p>Underspend as result of turnover of staff across a number of different services within the group.</p>

Local Authority Budget

A net underspend of £0.4m (0.7%) is forecast. The main variances are:

	£000	% of Budget	
Children's social care Legal Costs	380	100%	Significant increases in court costs for care proceedings - some as much as 50%.
Placement Budget	150	2%	Increase in baby and mother placements and sibling groups. The sharp decline of connected carers as result of changes in legislation has further reduced the capacity of fostering in house placements.
Emergency Duty Team	100	29%	Leicester City has terminated the current arrangements for provision of the service. An interim in-house arrangement has been put in place from 1st October, and subsequently will incur additional cost.
Operational Placements - Social Care	-340	-22%	Retendering of a contract for residential placements has resulted in savings.
Targeted Early Help	-300	-53%	The development of early help services has allowed for early efficiencies to be made with no impact on services.
Directorate	-135	-17%	Staffing savings as a result of the departmental restructure.
Homecare - non disabled children	-120	-100%	This budget significantly underspent in 2012/13 and is now projected to deliver savings.
Independent Home Care Children's and Families	-80	-10%	Contract savings delivered through the Supporting people programme.
Short Breaks for Disabled Children	-50	-31%	Lower demand for financial support

Adults & Communities

At this stage the Department is forecasting an overspend of £3.4m (2.6%). The main variances are:

	£000	% of Budget	
Community based spend (Direct cash payments, homecare, supported living and community life choices)	4,600	14%	<ul style="list-style-type: none"> • Shortfall in Effective Support project savings of £4.9m out of £6.5m target savings, reduced to £2.5m after use of £2.4m Health funding. Further savings are being identified to offset reductions. • Direct payments (DP's) are projecting an overspend of £1.6m. £0.4m of the increased DP spend relates to LD Service users transitioning from the in-house day centre at Millfield onto

			<p>personal budgets. £0.7m relates to additional growth pressures in mental health and physical disabilities.</p> <ul style="list-style-type: none"> • Community Life Choices and Supported Living are also underspent by £0.5m due to the redistribution of budgets through the personalisation agenda. Further savings that would be expected in homecare for the same reason are not materialising, suggesting higher demographic pressures.
Homecare Assessment & Reablement Team (HART)	(460)	(9%)	Underspend relating to productivity gains and substituted health funding,
Housing related support services (HRSS)	(320)	(6%)	Anticipated savings through the acceleration of the review of these non statutory services. This saving comprises various smaller savings particularly in district warden schemes for the over 65's due to a change in funding. Additionally HRSS places have been identified for Mental Health service users avoiding more expensive residential placements, following the closure of the inhouse Ashcroft residential unit a couple of years ago.
Care Pathway Staff Vacancies	(300)	(3%)	Projected recruitment drag relating to labour turnover and delays recruiting to vacancies.

Environment and Transportation

At present the Department is forecast to underspend by £0.51m (0.6%). The main variances are:

	£000	% of Budget	
Highway Structural Maintenance	450	5%	Overspend mainly due to forecast increase in patching activity.
Contribution from Operations (Leicestershire Highways Operation)	200	-44%	The forecast contribution from LHO operations is estimated to be around £200k less than the budgeted figure of £460k. This is an early estimate based on the latest monitoring within LHO. LHO turnover is typically in excess of £20m and so variations of this order in terms of a surplus can easily occur and will depend on the exact balance of work undertaken during the year.
Highways Safety	130	7%	Potential overspend on the Gully Emptying

Maintenance			budget, due to the need to increase the frequency of emptying to help reduce the risk of flooding.
Highways Management	100	5%	Forecast overspend mainly due to the use of additional agency staff, to help deliver the planning and preparation of this year's and next year's capital programme.
Fleet Trading Account	155	42%	Mainly due to a reduction in income from the School Meals Service as a result of academies.
Social Services Transport	65	2%	Slight overspend currently forecast due to increased demand.
Concessionary Travel	-500	-8%	Forecast demand for journeys is less than budgeted, based on information for the year to date. The 2013/14 budget included growth of £90k.
Mainstream School Transport	-330	-5%	Saving expected as a result of E auctions and contract procurement.
Transport Policy & Strategy	-220	-32%	One-off growth included in budget for additional advance design of capital schemes unlikely to be utilised in 2013/14, but will be required in 2014/15 to cover work mainly around strategic junction schemes.
Community Transport	-170	-20%	DfT Grant for Community Transport Support carried forward from 2012/13 of £334k unlikely to be fully spent in 2013/14. Possible transfer into reserve for use in 2014/15.
MBT Contracts	670	14%	Additional tonnage of 8,000 (see note on Disposal Contracts below).
Haulage Contracts	115	20%	Additional haulage mainly due to a change in the treatment of wood waste following recent Environment Agency guidance.
Disposal Contracts	-995	-11%	A forecast reduction in tonnage of 8,500 mainly due to the redirection of waste to the MBT facility in order to secure a reduced gate fee £860k. In addition a reduction in street sweepings amounting to a saving of £135k
Recycling Credits	-200	-4%	Based on early indications from the returns received from the districts to date a saving of £200k is forecast. This is due to a number of factors including the wet weather during April and May but also that the budget is based on a tonnage estimate in excess of actual tonnages experienced last year.
Waste Initiatives	-65	-31%	Forecast underspend due to a re-focus on how initiatives are delivered.

Chief Executives

An underspend of around £0.64m (4.2%) is forecast. The main variances are:

	£000	% of Budget	
Local Welfare Provision	-400	-37%	Forecast underspend is based on actual activity in the first six months of the financial year. There is a similar picture throughout the UK and is a result of a tightening of criteria and providing vouchers to buy specific items instead of cash payments.
Democratic Services	-95	-15%	Relates mainly to staffing vacancies and non-use of growth funding allocated for the establishment and support of the Police and Crime Panel. It was initially assumed that additional resources were required for implementation but to date this has been absorbed.

Corporate Resources

An underspend of around £0.82m (2.4%) is forecast. The main variances are:

	£000	% of Budget	
Strategic ICT	85	4%	Overspend relates to consultancy on essential ICT resilience work.
Accounting	-235	-9%	Underspend on staffing - planned vacancies continue to be held, plus additional vacancies during 2013/14 due to secondments. Early achievement of efficiency savings.
Health & Safety	-165	-33%	Additional trading income.
Operational Property: Industrial Properties and Farms	-120	-15%	Underspend relates to County Farms from reduced overhead costs and increased rental income arising from rent and investment reviews.
Corporate HR	-115	-11%	Underspend on staffing from posts held open to achieve future years efficiency savings.
Operational IT	-100	-1%	One off transitional savings in software licensing and unfilled vacant posts partially offset by one off recruitment costs and spend on contractors used for backfill while staff are seconded to projects.

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APPENDIX 3**Capital Budget – Revised budget and forecast main variances****Identified Variances**

The significant variances on schemes at period 6 are:

Department	Reasons	£000
CYPS – Loughborough Ashmount Replacement School	Good progress has been made and Ashmount replacement school will be completed in January 2014, 3 months earlier than first planned. It is estimated that £310,000 of work will be accelerated from the 2014/15 programme.	310
CYPS – Short Breaks for Disabled Children	The department are considering the use of uncommitted grant funding that has not been required. Slippage of £244,000 is forecast into 2014/15 to allow the development of spending plans.	-244
CYPS – Early Years	Uncommitted funding will be slipped to 2014/15 to support 2 year olds with Special Educational Needs and Disabilities.	-70
CYPS – School Accommodation programme	Schemes previously reprogrammed to 2014/15 are now able to be completed during 2013/14.	244
A&C – Minor Works	Potential underspends on several schemes	-50
E&T Transportation- Unallocated 2012/13 carry forward	Balance of uncommitted underspend brought forward from 2012/13. Potential use against other schemes.	-260
E&T Transportation- Ashby Canal (extension towards Illot Wharf)	Re-appraisal of the overall project and how best to utilise the Section 106 funding available in order to ensure value for money has led to a reduced forecast spend in 2013/14 and slippage to 2014/15.	-310
E&T Transportation- Integrated Transport Schemes - Safety	Slippage on a number of safety schemes in the Loughborough area. Unable to start while the Loughborough Inner Relief Road major scheme is on going. The department are considering possible reserve schemes instead.	-143
E&T Transportation- Integrated Transport Schemes – Active & Sustainable Travel	Programme contains a number of small schemes that were reprogrammed to 2014/15 as part of the revised capital programme at period 4. The latest forecast is that the schemes will now complete in 2013/14 resulting in acceleration on the revised programme.	556
E&T Transportation- Loughborough Town Centre	Based on the latest works profile from the main contractor and a schedule of land purchases from Property Dept. The completion date of October 2014 will not be affected.	-177
E&T Transportation- Transport Asset management – roads	A combination of reserve schemes being accelerated into the programme.	230

Department	Reasons	£000
and carriageways		
E&T Transportation-Waste Management-Whetstone site	Retention payment not due to be paid until 2014/15.	-73
Chief Executives – Kegworth Community Centre	Decision has been made to obtain competitive tenders rather than use the new East Midlands Property Alliance Framework (which will not be in place until mid November). This has caused delays in the procurement process and it is now unlikely that the full scheme costs will be incurred in 2013/14.	-50
Corporate Resources-Demolition of vacant buildings	Due to specialist reports, planned demolition works are more complex than initially expected. Works will now be undertaken in 2014/15.	-330
Corporate Resources-Farms – purchase of additional agricultural land	Resources available unlikely to be spent in the current financial year while suitable sites are being identified.	-500

Capital Programme – Changes in Funding

Changes in funding since Cabinet agreed the revised capital programme on 13th September 2013

Department	Reasons	£000
CYPS	Various School and Section 106 contributions	272
E&T - Transportation	Earl Shilton Bypass – S.106 funding	19
E&T - Transportation	Getting to Work and Training – revenue contribution	44
E&T - Transportation	Coalville Phoenix Green –land reclamation funding	21
E&T - Transportation	NCN Ratby-Groby Cycle Route – S.106 funding	10
E&T - Transportation	Various Primary Schools – cycle parking - revenue contributions	57
Corporate Resources	Industrial Properties replacement of roof – Earmarked capital receipts (previously to Lastolite)	422
Corporate Resources	Industrial Properties replacement of roof – industrial Properties Earmarked Fund	18
Corporate Resources	Eastern Annexe/Basement works (Storage Review Project) – Corporate Resources General earmarked Fund	125
Total		988



SCRUTINY COMMISSION – 6 NOVEMBER 2013

REVIEW OF EARMARKED FUNDS, BALANCES AND CONTINGENCIES

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of Report

1. To report to the Commission the findings of a detailed review of revenue earmarked funds.

Policy Framework and Previous Decisions

2. The earmarked funds strategy was approved by the County Council at its budget meeting on 20 February 2013 as part of the Medium Term Financial Strategy (MTFS). The earmarked funds are reviewed three times during the financial year.

Review of Earmarked Funds

3. The review covered all revenue earmarked funds, excluding schools. The main elements were to:
 - a) review if earmarked funds were required and the appropriate level,
 - b) review the spending and contribution profiles for the main earmarked funds over the next four years,
 - c) review the appropriate level of the General County Fund,
 - d) reallocate balances as required.

Earmarked Funds

4. Earmarked funds are held in accordance with the County Council's Earmarked Funds Policy that is approved annually by County Council as part of the Medium Term Financial Strategy (MTFS) (a copy is attached as **Appendix A**).
5. The level of earmarked funds excluding schools was £99.9m as at 31 March 2013, see Appendix B for details. The opening balances have been reviewed and updated as part of the review of earmarked funds. These amendments are shown as transfers in Appendix B.
6. Following the review of earmarked funds, the updated list of earmarked funds and forecast of balances for the next four years are detailed in **Appendix C**.

7. The following paragraphs consider each earmarked fund in detail and show a projection of the balances at 31st March 2014.

Renewals of Equipment and Vehicles (£5.5m)

8. Departments hold earmarked funds to provide funds for the future replacement of vehicles (the County Council has a fleet of around 500 vehicles) and equipment such as ICT.
9. The earmarked funds are;
- Adults and Communities (£0.6m). This earmarked fund provides finance for the future replacement of equipment and vehicles and to establish a fund to replace the Management Information System.
 - Environment and Transport (£2.4m). This is mainly used to fund replacement of vehicles and equipment, both those used for Highway Maintenance activity and also those used within the Passenger Fleet team for School and Social Care Transport. There is also a small element that will be utilised to fund replacement of departmental management information systems (such as STADS which is used within the Sustainable Transport Group). These earmarked funds are not built up from budgeted contributions (nor are any further contributions budgeted for in future years). Instead, when under spends have occurred within departmental budgets, these have been in part utilised to boost the balances on these earmarked funds. It is expected that the balance will reduce by about £0.6m in the current year and by a further £0.6m in 2014/15.
 - Corporate Resources (£2.5m). This will be used to fund renewal of the ICT infrastructure, the largest single item being the wide area network (£700k) in 2014/15. Within the reserve £180k has been transferred to the corporate resources other fund for use on other ICT projects not directly linked to renewals (see below).

Trading accounts (£0.5m)

10. Surpluses from the Industrial Properties trading account are transferred to an earmarked fund to provide funds for future capital investment, large maintenance items and to smooth volatility in revenue performance.

Insurance earmarked funds (£11.9m)

11. Earmarked funds of £6.1m are held to meet the estimated cost of future claims to enable the Council to meet excesses not covered by insurance policies. The levels are recommended by independent advisors. Excesses include:
- Fire £500,000
 - Public / Employers' liability £150,000
 - Professional indemnity £25,000

- Fidelity guarantee £100,000
 - Money – completely self-insured.
12. Schools LMS earmarked fund (£0.5m). To reduce the cost of contents insurance to schools the County Council arranges cover with an excess of £50,000. To protect schools from large losses the County Council retains a proportion of the saved premiums to pay claims that are above the level of excess that a school would normally expect (£200) up to the insured level (£50,000). A balance is built up in low claim years to allow the cost of high claim years to be met. The fund is also used to fund risk management initiatives to try and reduce claims in future years.
 13. The uninsured loss fund of £4.8m is required mainly to meet potential liabilities arising from Municipal Mutual Insurance Ltd (MMI) that is subject to a run-off of claims following liquidation in 1992. The run-off is regulated by a scheme of arrangement entered into by the creditors of MMI. The scheme of arrangement provides for a clawback against the creditors in the event that the assets of MMI at the time of liquidation prove insufficient to meet its liabilities.
 14. Following the Supreme Court Judgement in relation to the 'trigger point' litigation of March 2012, which was not in favour of MMI, the net estimated liabilities for the company are believed to be in the region of £85m. The County Council's share of this is based upon the value of its current paid and outstanding claims and is £2.2m. This sum has been set aside in a provision. However there is a contingent liability for any additional deficit due to the uncertainty of the value of incurred but not reported claims. Experience to date has been a worsening position with actual claims exceeding the forecast made by MMI's actuaries. Hence the level of this fund will be kept under review and transfers made, as necessary, from the uninsured loss fund, to take account of the latest MMI run-off position and other failed insurers such as The Independent Insurance Co. Limited.
 15. Other (£0.5m) is a similar contingency for the school staff absence and maternity schemes operated by the County Council. This will be spent as the schemes wind down (claims can come in after the financial year end, or claims that have started may extend beyond the end of the year).

Committed Balances (£1.8m)

16. Two earmarked funds are used as a mechanism to carry forward resources where expenditure has been committed to projects but the expenditure has not been incurred in that financial year. The two earmarked funds are the Central Maintenance Fund, £1.2m and the earmarked fund for community grants, £0.6m (includes shire grants, community forums and Big Society grants). Due to the on-going nature of maintenance it is expected that there will always be a large balance on these funds.

Children and Young People's Service

17. Youth Initiatives (nil). Projects have been agreed and the fund will be spent by 31/3/14.

18. Area special school (nil). This was a contingency held towards the cost of the Charnwood area special school. The project is almost completed and pending the final cost of the scheme the £2m contribution is not required. The funds have been transferred to the Invest to Save/ Severance earmarked fund.
19. Early Intervention Grant Transition (£3.2m). This is the balance of funding set aside in 2010/11 to ease the impact of significant reductions in government grants to Children and Young Peoples Services. The fund is earmarked to offset an overall shortfall in early intervention funding in 2014/15. An amount of £0.25m has been transferred to the Invest to Save/ Severance earmarked fund as part of the reallocation of balances at 1/4/13.
20. Other (£0.8m). Includes unused funding from former specific grants. The earmarked fund is being used to fund improvements to information management and performance management systems and completion of the current CYPS transformation programme.

Adults and Communities

21. Adults and Communities Development (£2.5m). This earmarked fund was established from revenue underspends and is used to fund a number of investments in maintaining social care service levels and improving in-house facilities over the next 4 years including;
 - £0.8m earmarked for replacing the SSIS care management and finance system (hardware, project resource and training). The replacement system is currently being implemented with go live scheduled for early 2014.
 - £0.4m is being used to ensure the review of all service users as part of the Effective Support efficiency saving and to support improvements in the customer journey through the Self-Directed Support project.
 - £0.2m is being used to support the Community Life Choices Personal Budget team which are increasing the number of service users on personal budgets.
 - £0.1m is being used to support the care pathway, currently employed in locality teams.
 - £1.0m of investment identified to modernise Community Life Choice in-house facilities. This investment will be considered alongside the Community Life Choices Strategy and efficiencies programme.
22. Health & Social Care earmarked fund (£8.8m). An earmarked fund was created in 2010/11 following agreement to substitute funding from the NHS for Winter Pressures and Post Discharge Reablement with expenditure already incurred by the County Council. Similar arrangements took place in 2011/12 and 2012/13. Members approved the use of the earmarked fund to improve health and social

care outcomes in Leicestershire including the prevention of admission and readmission into hospital as well as the prevention of other costly health and social care provision. The authority has undertaken a commitment to make decisions, relating to this funding, together with partners from the NHS and District Councils through the Integrated Commissioning Board (ICB) for Leicestershire.

23. The ICB are beginning the financial planning process for health transfer funding incorporating medium term planning. It is envisaged that £6.2m for health and social care outcomes will be allocated to projects to be spent over the medium term. There may be an opportunity to use any uncommitted reserves following this planning to support increasing demands and / or more effectively managed efficiencies in the short term
24. The other key spend priorities are:
 - £1.5m Migration of community alarms system for separate district provision to countywide service provision
 - £0.6m “Winter Pressures” spend over the next 4 years
 - £0.2m for developing integrated health and social care solutions such as an Integrated Crisis Response pilot
 - £0.2m Reablement scheduling system
 - £0.1m Funding of Integrated Commissioning Board (ICB) approved short term health and social care projects
25. Housing Related Support (formerly Supporting People) (£0.7m). The earmarked fund is being used to fund staff, 24 hour housing related support in the existing five extra care schemes and a contract extension for housing related support from April 2013 to March 2015.
26. Museums and Arts (£0.1m). This earmarked fund represents the income received from the sale of artefacts. The fund will be used to maintain the quality of existing collections.
27. Adults and Communities Extra Care (£0.6m). This earmarked fund was created in 2012/13 from an element of the New Homes Bonus grant. The fund will be used to provide finance for extra care schemes. A scheme is currently in development in Blaby. Further opportunities are also being scoped and developed.

Public Health

28. Public Health (£7.1m). The Public Health earmarked fund now incorporates the funding received from the PCT relating to the substance misuse pooled treatment budget (Primary Preventative Programme), to reflect the transfer of the responsibility to Public Health (£1.6m). The NHS grant for Public Health was above the level of historic expenditure, recognising the historic underfunding in Leicestershire. This has meant that the fund can be redirected from funding a budget shortfall in Public Health to be used for preventative activities. This is planned to be spent at a rate of £1.0m per annum to provide a stable service. The

fund could be higher than forecast at the end of the year (c.10%) depending upon how the Department of Health decides to allocate expenditure between LCC and the Clinical Commissioning Groups.

Environment and Transport

29. Commuted sums (£1.5m). This is used to cover future revenue costs arising from developer schemes, where the specifications are over and above standard developments (e.g. block paving, bollards or trees in the highway). These liabilities can arise many years in advance of when the funding is received and as such a link is not always made between work undertaken at these developments and the contributions received, and as such the balance on this earmarked fund has built up over time. The intention is to utilise the resources over the next few years (£150,000 per year) to help mitigate against the impact of the overall reductions in resources available for highways maintenance, although it is likely that additional amounts will be received which will boost the reserve balance over this period.
30. Civil Parking Enforcement (£140,000). This is a small earmarked fund that is held on behalf of the District and County Partnership which is responsible for the enforcement of on and off street parking in Leicestershire. It will be utilised for equipment and technology replacement in future years.
31. Waste Infrastructure (£1.3m). This is available to fund the improvement to the Recycling and Household Waste Site (RHWS) and Waste Transfer Station (WTS) at Whetstone, the replacement of the access bridge and development of a WTS at Loughborough RHWS and improvements to Kibworth RHWS. The majority of this fund is being used in 2013/14 and 2014/15.
32. Section 38 Income (£0.3m). This is income received from Developers paid in advance and used to cover County Council costs for design checking, on site inspection of works during construction and administration of the process to ensure newly built estate roads are to the required standard for adoption. The signing of the final certificate to agree the new roads are at the required level should be carried out within a 4 year period. Section 38 income is paid into the earmarked fund and brought into the accounts to offset the costs in the year in which they are incurred. The majority of the current fund balance will be utilised over the next three years. However, it should be noted that additional funding may become due and be received over this period which would increase the balance on this fund.
33. Section (106) (£0.3m). Funding received to meet developer related revenue expenditure (such as subsidised bus services and travel packs linked to new developments) and where there are no specific conditions for the funding to be repaid. The majority of the existing balance will be utilised over the next 4 years to offset relevant costs as they are incurred, but again, additional funding may become due which would lead to further contributions into this earmarked fund.

Chief Executive's

34. Supporting Leicestershire's Families (£3.6m). This funding is held for:
- Fund the new supporting Leicestershire's Families service (£3.3m).
 - Funding relating to the Youth Offending Service (£0.4m transferred from the Youth Justice and Safer Communities fund), covering money held on behalf of the Youth Justice Partnership and the balance of the transitional funding provided in the 2011/12 budget to ease the transition to reduced funding from the Home Office.
35. Placed Based activities (£2.9m). This funding will be used to fund the programme team that support the existing and developing placed based initiative, and provide the funding of the Substance Misuse and successor to the Aging Well projects and to provide leverage to attract additional funding from Government and external partners. Note this fund (£3.57m) has been separated from the Supporting Leicestershire Families fund as at 1/4/2013.
36. Community Planning (£0.7m). The main use of the earmarked fund is to support the roll-out of broadband for rural areas that are not supported by the main BT contract.
37. Leicestershire and Rutland Sport (£1m). The earmarked fund's main purpose is to hold partner contributions towards the service until expenditure on the agreed activities has been incurred. A significant part of the services funding from external agencies is uncertain in nature, so the earmarked fund also allows management of funding variations and a redundancy provision.
38. Economic Development (£2.8m). An earmarked fund established as part of the autumn 2012 review, to provide funding for economic development proposals. The largest single element is the establishment of a business loans scheme (£1m), which will provide a gradual return of funding to the County Council, unless it is reinvested.
39. Legal (£0.5m). The reserve is held to provide funding for temporary solicitor posts to cope with the current demand and to provide a contingency for unforeseen external legal and ombudsman claims.
40. Other (£1.1m). This earmarked fund holds funding towards a variety of projects and contingencies. The projects are phased over several years and include; efficiency projects, municipal waste development framework, and funding received from (and ring fenced to) crime fighting and prevention.

Corporate Resources

41. Corporate Resources Other (£1m). The main purpose of this earmarked fund is to provide funding to efficiency projects and one off initiatives in Corporate Resources. Examples of activities funded are; investigating asset management

changes/improvements, consultancy work for disposing of assets and ICT development work.

42. Leicestershire Social Care Development Group (LSCDG) (£0.3m). The earmarked fund is held on behalf of the LSCDG, a partnership with Leicester City Council. Funds are held on behalf of partners to meet the Director of Adults and Communities responsibility for workforce development in social care regardless of the sector. The monies are solely for the independent and voluntary sector across the sub region.

Corporate

43. Invest to Save / Severance (£18.2m). This has been set aside to fund transformation and invest to save projects to achieve efficiency savings. It will also be used to fund severance costs.
44. Change Management Programme (£1.5m). This earmarked fund is used to supplement the budget available for significant change projects. The largest elements are the capital and revenue expenditure required to support the planned developments in the capital programme, namely Online Technology and Property Management Information System.
45. East Midlands Shared Services (£0.7m). This is used to fund the Leicestershire County Council contribution to the establishment of EMSS. The fund is expected to be used in 2014/15.
46. Environmental / Energy Efficiency programme (£0.5m). This funding has been set aside to support various invest to save projects to reduce carbon emissions and generate future revenue savings.
47. Academies Programme (£0.2m). This earmarked fund was established to meet the one off legal, finance and other costs associated with academy conversion. The majority of the fund is anticipated to be used in 2013/14 and 2014/15.
48. Local Authority Mortgage Scheme (LAMS) (£-4.3m). This fund was established to part fund the LAMS scheme. Cabinet approved a £10m contribution. To date a total of £7.4m has been advanced to Lloyds TSB. £3.1m of this has been funded from revenue underspends in previous years and non-required earmarked funds. The balance of £4.3m has been temporarily funded by utilising other earmarked funds that are unlikely to be fully used over the next five years such as repairs and renewals or Insurance funds (the funding will be repaid to the County Council after 5 years). The first repayment (£5.4m) is payable in 2018/19 with the balance of £2.0m repayable in 2019/20.
49. Elections (£0.3m). The average cost of County Council elections is estimated to be £1m every four years, unless there are other elections on the same date that can share the cost. The earmarked fund is built between elections using budgeted annual contributions of £0.3m.

50. Broadband (£6m). The Council Tax freeze grant for 2012/13 was approved as part of the MTFS 2012 to be set aside to develop super-fast broadband to areas with poor service. A contract has been entered into with BT and they have commenced preparation work. There is a time lag in spending LCC funds due to grant conditions that required Central Government and European funding to be spent within a set period.
51. East Midlands Councils (£0.6m). This earmarked fund is used as a holding account for various grants that contain no formal conditions for repayment and span multiple years. It also contains unallocated balances to offset any future liabilities. The fund will be transferred to EMC in 2014/15 when the County Council withdraws from being the servicing authority.

Other

52. Potential Health transfers (£10m) – Estimate of year end transfer to the County Council.
53. City of Culture – Cabinet on 13th September 2013 approved the use of up to £2m of the 2013/14 projected net revenue underspend to contribute to activity in the county to support the City of Culture bid.
54. Dedicated Schools Grant (£3.9m) DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2012. Any underspend on services funded by DSG must be carried forward and ring fenced to those services.

Other Issues

55. There are real advantages to the County Council of having a strong balance sheet in a period of economic crisis. These are obvious such as a greater ability to weather financial shocks, but there are also advantages such as the ability to use this strength to implement policy decisions such as LAMS that offset, to an extent, the impact of the failure of banks to provide finance.

Schools earmarked funds

56. Schools and colleges are allowed to retain their accumulated balances in relation to delegated budgets. Schools balances have reduced significantly from £18.1m in 2011/12 to £8.4m at the end of 2012/13, as a result of academy conversions.

General County Fund

57. The General County Fund is held to meet any unexpected risks. The balance on the General County Fund has increased to £10.7m as at 31st March 2013 from £10.4m as at 31st March 2012.
58. The policy on the General County Fund has been to maintain balances in line with the inherent risks faced by the County Council. The required level of earmarked

funds is kept under review during the year and a more formal assessment is undertaken at the time the Medium Term Financial Strategy (MTFS) is rolled forward. The policy will be to continue to maintain a level of the General County Fund consistent with the overall financial environment. The level of the General County Fund is currently within the target range of 2 to 3% of net expenditure (excluding schools), the balance of £10.7m represents 3% of net expenditure for 2013/14. It has to be noted that additional risks now face the County Council including those that arise from local government funding changes such as the localisation of business rates and council tax support from 2013/14 and anticipated further funding reductions over the medium term.

59. As part of the earmarked funds review, the risk assessment was revisited given the rapidly changing financial environment. This shows that the risks faced by the County Council are increasing. The key risks are set out below;
- Public finances are deteriorating with the prospect of further cuts.
 - The localisation of business rates and changes to Council Tax Benefit mean that the income of the council will be less predictable and potentially subject to in year shocks
 - Environment including extreme weather.
 - Service pressures resulting in overspend. Although overall the Council is underspending, pressures within Adults and Children's social care are increasing. National funding changes could exacerbate these pressures.
 - Potential shortfalls in funding of transferred services, e.g. Public Health.
60. The current MTFS includes a contingency in the budget of £4.5m increasing to £8m over the four years of the MTFS. This needs to be considered alongside the General County Fund in relation to the risks faced by the County Council. At this stage it is not necessary to alter the level of the General County Fund given the contingency and that there is potentially some flexibility in some earmarked funds. However, this will be revisited as part of rolling forward the MTFS.

External Audit Review

61. PricewaterhouseCoopers (PWC), our external auditors, have recently reviewed the 2013/14 – 2016/17 MTFS. This was reported to the Corporate Governance Committee. This review covered a number of aspects including earmarked funds and contingencies. The review showed that the uncommitted General County Fund balance of £10.7m, which represents 3% of net spend, is lower than the benchmark group, where an average of 3.5% of net spend was held as a general fund. However, earmarked funds of £99.9m (excluding schools) at 28% of net spend were higher than the average data collected.

62. PWC concluded by stating, in the context of earmarked reserves and contingency, that, "Whilst these are larger than other similar local authorities, we believe that you have taken a prudent approach in setting your MTFS". The report goes on to give the County Council an unqualified value for money opinion but notes that risks continue to surround the delivery of the MTFS.

Management and Monitoring of earmarked funds

63. At present information on earmarked funds is provided in the following reports;
- February – MTFS reports to Cabinet, County Council and Scrutiny Commission. These reports contain the earmarked funds policy, forecast levels of funds and statement on the robustness of estimates, risks and funds.
 - June/July – Outturn report to Cabinet and Scrutiny Commission. These reports contain the key additions to earmarked funds from underspends.
 - September – Statement of Accounts report to Constitution Committee. This report sets out the earmarked funds in detail and includes a commentary and a statement showing all the transfers to and from the earmarked funds.
 - Autumn review of earmarked funds.

Conclusions

64. The review of earmarked funds has identified that;
- The risks faced by the County Council are increasing, particularly in 2013/14 and that the balance of the General County Fund is lower than other authorities.
 - £2.25m of earmarked reserves are no longer required and these have been released to the Invest to save/severance fund (see **Appendix B**).
 - At the time of agreeing the MTFS further information will be available that could mean further earmarked funds will be released.
 - That the level of earmarked funds is expected, excluding Dedicated Schools Grant, to fall to £96.4m by the end of 2013/14.

Recommendations

65. The Scrutiny Commission is asked to note the findings of this review.

Background Papers

None.

Circulation under Local Issues Alert Procedure

None.

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List of Appendices

Appendix A – Earmarked Funds Policy
Appendix B – Earmarked Funds Restated
Appendix C – Earmarked Funds Projection

Equal Opportunities Implications

There are no specific implications arising from this report.

EARMARKED FUNDS POLICY 2013/14**County Fund**

The level of county fund will be consistent with the overall financial environment and the key financial risks faced by the County Council. This risk assessment will be carried out at least annually and will take account of circumstances at the time and the Statement of Internal Control. Any funds in excess of the assessed amount will in the first instance be used to fund one off/time limited expenditure (capital and revenue including invest to save and pump priming initiatives) and secondly to support recurring revenue expenditure over the medium term, subject to the key consideration of sustainability.

The benefit of holding non earmarked funds is that the County Council can manage unforeseen financial events without the need to make immediate offsetting savings, with the potential real impact this could have on users of County Council services.

Based on an assessment of risk, the target level for the county fund is within the range of 2% to 3% of net expenditure (excluding schools). The forecast balance of £10.4m (2.9%) is also within that range. In reviewing the level of the County Fund and contributions to and from the fund, the Cabinet will take the advice of the Director of Corporate Resources.

Earmarked Funds

Earmarked Funds will be for six main reasons. The key factors that determine their level are set out below:-

- Insurance earmarked fund – to meet the estimate of future claims to enable the Council to meet the excesses not covered by insurance.
- Renewals – to enable services to plan and finance an effective programme of vehicle and equipment replacement. These earmarked funds are a mechanism to smooth expenditure on asset replacement so that a sensible replacement programme can be achieved without the need to vary budgets. It should be noted that those Departments which do not currently hold renewals funds will be encouraged to do so.
- Carry forward of underspend - some services commit expenditure to projects, but cannot spend the budget in year. Earmarked funds are used as a mechanism to carry forward these resources. An example of this type of reserve is the Central Maintenance Fund.
- Trading accounts - in some instances surpluses are retained by the traded service for future investment.
- Other earmarked funds will be set up from time to time to meet known or predicted liabilities or to meet capital or project based revenue expenditure.
- To support transformational change and internal restructuring.

The main benefits of holding these earmarked funds are set out above.

The Director of Corporate Resources has the authority to take decisions relating to the insurance and other earmarked funds. In terms of other earmarked funds they can only be established and managed with the agreement of the Director of Corporate Resources.

The renewals earmarked funds and those relating to the carry forward of underspends will be managed and operated by departments. However, they can only be established with the approval of the Director of Corporate Resources or the Executive, as set out in the Constitution.

Schools Earmarked Funds

The funding framework for schools requires them to carry forward any over or underspend. Schools retain balances firstly, as a contingency against financial risks and secondly, to enable them to establish effective strategic financial planning.

The local authority through the Schools Forum can adopt a scheme to control school balances but no longer are required to have such a mechanism. The Leicestershire Schools Forum approved a change to the Scheme for Financing of Schools which removed the balance control mechanism in June 2013 to be consistent with the policy for academies where no such mechanism is in place.

Monitoring Policy

The level of earmarked funds and balances are monitored quarterly throughout the year. Reports will be taken to members at the end of quarter 2, when the next MTFS budget is approved and when the outturn is reported.

EARMARKED FUNDS - RESTATED BALANCES

	Actual Balance 31/03/13 £000	Transfers within Funds 01/04/13 £000	Not Required 01/04/13 £000	Revised Balance 01/04/13 £000
Renewal of Equipment and Vehicles				
Adults & Communities	220	0	0	220
Environment & Transport	3,010	0	0	3,010
Corporate Resources	3,170	-180	0	2,990
Trading Accounts				
Industrial Properties	470	0	0	470
Insurance				
General	6,070	0	0	6,070
Schools LMS	540	0	0	540
Uninsured loss fund	4,820	0	0	4,820
Other	450	0	0	450
Committed Balances				
Central Maintenance Fund	1,230	0	0	1,230
Community Grants	580	0	0	580
Other				
Childrens & Young Peoples Service				
Youth Initiatives	400	0	0	400
Area Special School	2,000	0	-2,000	0
Early Intervention Grant Transition	3,450	0	-250	3,200
Other	1,110	0	0	1,110
Adults & Communities				
Adults & Communities Developments	6,190	0	0	6,190
Health & Social Care Outcomes	10,430	0	0	10,430
Housing Related Support	730	0	0	730
Museums & Arts	160	0	0	160
A&C Extra Care	580	0	0	580
Other	40	0	0	40
Public Health	5,470	1,630	0	7,100
Environment & Transport				
Commuted Sums	1,640	0	0	1,640
Civil Parking Enforcement	140	0	0	140
Waste Infrastructure	4,450	0	0	4,450
Section 38 Income	490	0	0	490
Section 106	360	0	0	360
Other	110	0	0	110
Chief Executive				
Youth Justice & Safer Communities	2,010	-2,010	0	0
Supporting Leicestershire Families	8,350	-3,150	0	5,200
Placed Based Activities	0	3,570	0	3,570
Community Planning	750	0	0	750
Leicestershire & Rutland Sport	980	0	0	980

Economic Development	3,200	0	0	3,200
Legal	560	0	0	560
Chief Executive Other	1,150	-40	0	1,110
Corporate Resources				
Corporate Resources Other	1,550	180	0	1,730
Leics Social Care Development Group	570	0	0	570
Corporate:				
Invest to Save / Severance	13,860	0	2,250	16,110
Change Management Programme	1,500	0	0	1,500
East Midlands Shared Services	1,360	0	0	1,360
Environmental/Energy Efficiency Programme	300	0	0	300
Academies Programme	460	0	0	460
Local Authority Mortgage Scheme (LAMS)	-2,300	0	0	-2,300
Elections	670	0	0	670
Broadband	6,000	0	0	6,000
East Midlands Council	610	0	0	610
TOTAL	99,890	0	0	99,890
Potential Health Transfers	0	0	0	0
City of Culture	0	0	0	0
TOTAL	99,890	0	0	99,890
Dedicated Schools Grant	6,580	0	0	6,580
	106,470	0	0	106,470

EARMARKED FUNDS BALANCES 31/3/13 AND PROJECTION TO 2017/18

	Revised Balance 01/04/13 £000	Forecast Balance 31/03/14 £000	Forecast Balance 31/03/15 £000	Forecast Balance 31/03/16 £000	Forecast Balance 31/03/17 £000	Forecast Balance 31/03/18 £000
Renewal of Equipment and Vehicles						
Adults & Communities	220	550	560	570	550	550
Environment & Transport	3,010	2,400	1,800	1,200	600	600
Corporate Resources	2,990	2,500	1,470	1,060	800	800
Trading Accounts						
Industrial Properties	470	470	470	470	470	470
Insurance						
General	6,070	6,070	6,070	6,070	6,070	6,070
Schools LMS	540	540	540	540	540	540
Uninsured loss fund	4,820	4,820	4,820	4,820	4,820	4,820
Other	450	450	450	450	450	450
Committed Balances						
Central Maintenance Fund	1,230	1,230	1,230	1,230	1,230	1,230
Community Grants	580	580	470	350	240	120
Other						
Childrens & Young Peoples Service						
Youth Initiatives	400	0	0	0	0	0
Early Intervention Grant Transition	3,200	3,200	0	0	0	0
Other	1,110	810	810	810	810	810
Adults & Communities						
Adults & Communities Developments	6,190	2,450	0	0	0	0
Health & Social Care Outcomes	10,430	8,790	6,570	6,140	4,140	2,140
Housing Related Support	730	730	540	360	360	360

Museums & Arts	160	60	0	0	0	0
A&C Extra Care	580	580	480	480	480	480
Other	40	0	0	0	0	0
Public Health	7,100	7,100	6,100	5,100	4,100	3,100
Environment & Transport						
Commuted Sums	1,640	1,490	1,340	1,190	1,040	890
Civil Parking Enforcement	140	140	70	0	0	0
Waste Infrastructure	4,450	1,320	140	20	20	20
Section 38 Income	490	300	200	100	100	100
Section 106	360	310	260	210	160	110
Other	110	0	0	0	0	0
Chief Executive						
Supporting Leicestershire Families	5,200	3,630	2,030	480	0	0
Placed Based Activities	3,570	2,860	2,140	1,410	700	0
Community Planning	750	700	650	400	50	0
Leicestershire & Rutland Sport	980	980	830	680	530	350
Economic Development	3,200	2,790	1,980	850	630	400
Legal	560	460	350	0	0	0
Chief Executive Other	1,110	1,110	910	710	610	510
Corporate Resources						
Corporate Resources Other	1,730	970	360	0	0	0
Leics Social Care Development Group	570	270	0	0	0	0
Corporate:						
Invest to Save / Severance	16,110	18,230	14,510	8,510	3,450	3,450
Change Management Programme	1,500	1,500	1,160	760	760	760
East Midlands Shared Services	1,360	660	0	0	0	0
Environmental/Energy Efficiency Programme	300	490	0	0	0	0
Academies Programme	460	190	20	20	20	20
Local Authority Mortgage Scheme (LAMS)	-2,300	-4,300	-4,300	-4,300	-4,300	-4,300
Elections	670	320	490	670	840	0
Broadband	6,000	6,000	6,000	2,550	1,700	450
East Midlands Council	610	610	0	0	0	0
TOTAL	99,890	84,360	61,520	43,910	31,970	25,300

Potential Health Transfers	0	10,000	10,000	10,000	10,000	10,000
City of Culture	0	2,000	2,000	2,000	2,000	0
TOTAL	<u>99,890</u>	<u>96,360</u>	<u>73,520</u>	<u>55,910</u>	<u>43,970</u>	<u>35,300</u>
Dedicated Schools Grant	6,580	3,880	3,880	3,880	3,880	3,880
	<u>106,470</u>	<u>100,240</u>	<u>77,400</u>	<u>59,790</u>	<u>47,850</u>	<u>39,180</u>

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SCRUTINY COMMISSION – 6 NOVEMBER 2013

TRADED SERVICES

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Introduction

1. The purpose of this report is to provide an update on the performance of Commercial Services within the County Council and to note progress, threats and challenges within an ever changing environment.

Background

2. In 2010, the Coalition Government announced plans to further expand the existing academies programme with the Academies Act 2010, encouraging entrepreneurial behaviour within schools to improve educational attainment. Schools that change to academy status are funded directly from Central Government and become autonomous entities, gaining independence from the control of the local authority. Under the Act, academies are free to choose support service providers and this poses a direct threat to income streams within the County Council.
3. The County Council has traditionally traded some of its services, but the legislation, the impact of increasing public expenditure reductions and changes to grant funding, means that more than ever, the Council needs to provide flexible and cost effective service offerings that will deliver annual efficiencies and increased income.
4. As the public sector landscape continues to transform and the area of education in particular sees some of the most significant changes, the marketplace around providing services to schools and academies continues to evolve. Consequently, a wide variety of approaches have been adopted by public sector organisations in deciding how they provide services to schools and academies, some of these solutions have been more radical than others.
5. Some organisations such as Kent County Council, Norfolk County Council and York City Council have used the Local Government (Best Value Authorities) Power to Trade Order 2009, to form traded companies. Adopting a different approach, Staffordshire County Council has formed a Joint Venture with Capita to deliver its support services.
6. The County Council has been mindful of a volatile and changing marketplace and thus has been proactive but measured in its approach. A Commercial Services Strategy has been developed (appended) based on achieving a positive return from the powers vested in the County Council by the Local Authorities (Goods and Services) Act 1970.

7. The Strategy also adheres to the Cabinet's review on 20 December 2011 of an interim report on the risks of the Medium Term Financial Strategy arising from the conversion of schools to academies, where the Cabinet agreed the report and specifically noted the points in section 28 which were:

"In respect of traded services the County Council will need to take steps to address the position. This will include:

- *Reviewing those services that are currently provided at no additional charge to schools as these will either need to reduce or be traded.*
- *Reviewing those services that currently trade with schools to ensure that continued trading is appropriate, services are priced appropriately and to include opportunities including trading outside of Leicestershire.*
- *Determining the most appropriate internal structures in which these services should operate so as to ensure the schools have streamlined access to high quality services."*

The County Council's Approach

8. In line with the Strategy, the overall aim for all traded services is that they should make a positive contribution to the overheads of the County Council in order that other costs can be reduced. The strategic approach to delivering services in a holistic way has built upon existing strengths. As an organisation the County Council has a sound track record of delivering these services to schools over a number of years and has strong professional relationships between Council staff and schools staff across Leicestershire. Moreover, the Council's commitment to achieving positive outcomes in education within Leicestershire is well known and acknowledged. It is felt that if individual parts of the whole are removed this could adversely affect the effectiveness of the Council's overall offering.
9. Currently, the only constant in the marketplace is change. Although the Council retains an open mind to the future shape of its service delivery model, it is important to ensure that it is fit for purpose to meet future challenges. The Council needs to develop a streamlined and flexible model that can adapt to a change in strategic direction, should this be necessitated by external pressures or changes in the economic environment. The existing approach has been to consolidate all commercial services under an Assistant Director within Corporate Resources either under a direct or dotted line. Under this approach we aspire to deliver best practice and benchmarking and explore synergies whilst also ensuring engagement with schools and academies in a unified way.
10. The Council is mindful of the fact that the marketplace is ever changing and will continually need to flexibly respond to changes and emerging challenges. Academies, in their own efforts to become commercial are ever more demanding, sometimes expecting services for less than it costs to provide them. They also continue to evolve and some are moving towards working in clusters which could ultimately mean that they look at alternative providers. The marketplace is itself evolving and is forever open to the possibility of new entrants both large and small.

Progress

11. The progress across services within the County Council remains positive overall albeit the marketplace remains volatile and over 80% of business transacted with schools has been maintained. There have been some service areas where academies have been lost, however in some instances to have retained the service under the demands that were being imposed could have been detrimental and at a cost to the County Council. Health and Safety and Facilities Management are proving to be growth areas and LEAMIS (Leicestershire Management Information Service) have secured the services of 26 Stoke on Trent schools.

Trading position

12. The figures contained within the table below are the amounts received in the Corporate Resources Department in the 2012-13 financial year and provide an up to date picture of our trading position. Where the customers are stated as School these will be a mix of Local Authority Schools and Academies. Other departments also receive income from schools and other organisations within the public sector.

Service	Income	Description	Clients/Customers
	£		
Food and catering Services	10,260,000	Income from catering services provided to Schools and in the staff restaurant and canteen	Schools & LCC staff
Property Services	1,660,000	Income derived from managing Property Construction projects and FM contracts	Schools & Other Public sector bodies
Professional and Administration	5,500,000	HR & Health and safety advice. Payroll and Financial services provided by the East Midlands Shared Service. Insurance contributions, Bursar services	Schools and other Local authorities
Rental income	3,560,000	Rental Income from Industrial Properties, County Farms and Office Accommodation	Private Sector business, General public and other public sector such as Health Protection agency & University Hospital Leicester

Service	Income	Description	Clients/Customers
	£		
ICT services	2,240,000	Reprographic and Other ICT Services including the LEAMIS service	Schools, District councils and other public bodies such as the Fire and Police Services
Leisure & recreation	2,670,000	Income from chargeable activities at Beaumanor, Quorn & Aberglasyn centre and car parking income from Country parks	General public, Schools and other public and private bodies
Total	25,890,000		

Conclusion

13. There is an inevitability that the continued evolution and development of academies will lead to some business being lost to the County Council but this also creates opportunities. It is expected that income levels will remain relatively stable within 2013-14 although new business will continue to be actively pursued. The conversion of some Leicestershire Schools to academies has resulted in some significant challenges to the way services (e.g. the Bursar service) are provided, but these are being managed to try and maintain income at existing levels.
14. The key driver for the traded services will be to operate on a more commercially viable basis, providing Leicestershire County Council with a significant contribution to overheads in terms of operating revenue. In order to achieve this, the commercial services of Leicestershire County Council will continue to streamline, be more efficient and provide a measureable service which is continually improved through customer engagement and developing new business
15. Flexibility will remain a core competence and the whole service will need to expand and contract as required in an increasingly competitive and volatile market.

Background Papers

Medium Term Financial Strategy Update – Cabinet 20th December 2011.

Circulation under the Local Issues Alert Procedure

None.

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Appendices

Appendix - Commercial Services Strategy

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Commercial Services Strategy 2013 - 2015

Services for Schools and Academies
Support Services | Business Services | Pupil Services

IMPORTANT:

The term 'trading' has a legal implication not intended to be established in this document. Use of the term trading is an internal abbreviation indicating provision of services for charge in accord with whichever powers enable them.

This document contains material that is considered commercial in confidence and includes commercial information on this authority and its competitors and as such may be exempt from the Freedom of Information Act 2000. Any external publication or supply of this document or its content requires authorisation from the County Solicitor.

Alasdair Peers
Commercial Services Programme Manager

Commercial Services Strategy 2013

The commercial services programme has the following objectives:

- To develop a sustainable business stream from services provided within the councils remit and legislature.
- To retain 90% of our current business over the next two years and, beyond that, increase our market share through exploiting opportunities outside of Leicestershire.

This strategy identifies the means to operate successfully where there is an appetite to use skills and capability within the council to meet a customer demand so as to generate financial returns that are of benefit to the council.

The strongest existing market place is that of schools and academies and this strategy uses that as a platform to develop the capability to enter and grow new markets, including gaining strong evidence and experience of the delivery model required for those ventures supported by quantifiable data regarding their likely performance and success. It develops a stepping stone to any future direction that emerges in a volatile market place and local authority environment.

It is highly likely that the opportunity to establish a successful outcome from these ventures may be short lived because:

- The education field is rapidly changing,
- The growth of private sector competitors continues and
- public sector competitors and ventures such as the Joint Venture Company established by Staffordshire County Council and Capita must develop and grow within this market place to secure the income required in their business plan.

Therefore this strategy:

- requires continued review and re-evaluation, especially if its launch is delayed to a point where the market, customer behaviours and appetite has altered from the opportunity identified at the end of 2012. It is expected that the education market will have changed markedly by Sept 2014 and significantly by Sept 2015. This strategy will need review from that point onwards, if performance and market indications do not prompt that sooner.
- is an approach that is highly likely to require new skills and a different approach to business, with:
 - existing staff having a wider focus and responding differently to situations and opportunities but also...
 - retaining a good level of knowledge and understanding of the LA duties in working with all schools so that
 - the reputation and relationship between the community and the council is sustained

The approach of having a central leadership team will support the identification, sharing and development of those skills where they are

required most, rather than a blanket development plan that all staff in all services develop 'commercial' skills.

- is based on achieving a positive return from the powers vested in the council in the Local Authorities(Good and Services) Act 1970 which enables the provision of administrative, professional or technical services to public bodies for charge and does not restrict the pricing or profits that can be secured.
- adheres to Cabinet's review in 20 December 2011 of an interim report on the risks to the Council's MTFS arising from conversion of schools to academies, where they agreed the report and specifically noted the points in section 28, which were...

In respect of traded services the County Council will need to take steps to address the position. This will include:

- *Reviewing those services that are currently provided at no additional charge to schools as these will either need to reduce or become traded.*
- *Reviewing those services that currently trade with schools to ensure that continued trading is appropriate, services are priced appropriately and to identify opportunities including trading outside Leicestershire.*
- *Determining the most appropriate internal structures in which these services should operate so as to ensure the schools have streamlined access to high quality services.*

Trading services to generate income is reflected as a key priority in the Corporate Resources Business Plan and identified in the departmental risk register.

The strategy also accords with central government's drive for Local Authorities to make most effective use of available funds and resources. DCLG's publication of December 2012 in support of this directive - '50 ways to save' includes item 46 'Sell services' and references Kent and Birmingham's commercial activities, both of which include proactive trading to schools and academies.¹

There are some dependencies to make this strategy effective and these are addressed in the proposed approach:

- the appetite to achieve these outcomes is demonstrated at leadership levels across the council,
- the pace of adoption is sufficient to seize the market initiative,
- the customer behaviours and buying habits do not rapidly change in the next 3 months producing immediate diminishing returns,

¹ <https://www.gov.uk/government/publications/50-ways-to-save-examples-of-sensible-savings-in-local-government>

- support and recognition for its matrix management element, from above and below service line management
- standards or principles of trading to be employed so that these activities do not conflict or compromise other council activities, especially those in the areas of duty being served by traded services
- and/or the councils approach to what it is prepared to fund or deliver changes so that a strategy for these activities becomes entirely moot.

Objective of this strategy

This strategy will seek to deliver a position where traded services operate in a way that:

- (i) Statutory duties cannot attract a charge, and are expected to be funded by the council. Services provided beyond the statutory requirement are expected to operate on a sound financial footing if provided for charge.
- (ii) Statutory ('core' services) or other non traded functions are managed outside of this strategy as part of departmental priorities, but in many cases are a mutually complimentary partner to traded activities and both should be seen, internally and externally as parts of an overall council operation.
- (iii) The overall aim for all traded services is that they should be a positive contributor to the council's finances so that other costs can be met or reduced.
- (iv) Income is derived from paying public body customers which meets, as a minimum, operating costs, which includes contingency funding for known investment needs, and to cover a reasonable level of unexpected contingency and service development.
- (v) Services should have income and growth targets that generate additional profits for use within wider council operations.
- (vi) Where such a financial footing is not feasible, closer scrutiny should be made to specific and identifiable non financial benefits that are derived from providing the service at a loss:
 - a. There may be a clear political commitment to providing the service – this should be stated and identifiable rather than perceived.
 - b. There could be a clear saving over other means of achieving specific council objectives,
 - c. More subjective benefits such as sustaining relationships or routes to achieve other objectives that would be clearly not achievable at the same cost or at all, if the service were not being provided.
 - d. The activities enable skills, staff flexibility or other aspects that enable other functions to be completed at lower cost.

However all these need to be qualifiable and quantifiable to accept that the council is better off providing a loss making service from its own funding than ceasing those activities.

- (vii) Where these are not present, and there is therefore no 'income generating' reason for the service to be offered, it should be a management judgement as to its continued value for the council, why it continues and how it should be funded, but with the expectation that it should cease. Such justification should consider the overall and external clarity to justify why some services are provided, in a way that is a drain on the public purse, and others are not. Services should not be continued out of loyalty or familiarity. Decision making should be, and seen to be, consistent across all traded activities.

This is not necessarily a comfortable approach for some current staff that provide services for other perceived purposes (Such as 'the public good') or based on motivations and beliefs that cannot be sustained within today's council funding models, continued reduction in statutory roles for the council and increasing customer choices.

Putting this ethos in place requires clear unambiguous leadership, consistently sustained through all line and departmental management decisions and statements.

Our service offering

The services must be customer centric – i.e. there is a clear offering for a target audience, shaped to their specific values and needs that can be tied into specific quantifiable customer benefits.

The service must be shaped by customer demand, with flexible offerings to reflect that there may be customer segments requiring different scales of activity of components of the service

The same internal delivery team may offer more than one such service into different target audiences, and clear attractive propositions for each are required. A one size fits all approach is unlikely to be attractive to diverse customer types in the education field, or other markets.

All services should be presented as part of a single council portfolio, not as isolated activities in individual teams. Services must consider their place in a wider offering to the customer – none are isolated or independent of the actions and performance of others and the customer should experience a collaborative and cohesive range of services from one supplier, with subject matter experts involved in the delivery of the specific service component. Services should understand how they are seen, and our full portfolio of services is seen, from a customer viewpoint. Customers should not be expected to have multiple, disparate or conflicting relationships with the council or understand our internal structural divisions.

The strongest existing market place is that of schools and academies ('schools') for the following range of services

Business Support

School Support

Pupil Support

School Support Services	Business Services	Pupil Services
<ul style="list-style-type: none"> • School Food Support Service • Managing Information and ICT • Property and Facilities Management • Transport • Print and Design • School Collaboration on Resource Efficiency (SCoRE) 	<ul style="list-style-type: none"> • HR and Staff Training • Payroll and HR Admin • Insurance Services • Health, Safety and Wellbeing • Governor Development Service • Performance and Business Intelligence Service • School Admission and Pupil Service • Finance • Audit • Legal Services 	<ul style="list-style-type: none"> • Library Services for Education • Museum Services • Outdoor and Residential Learning Service • School Music • Targeted Education Services <ul style="list-style-type: none"> • Early Years SEN Inclusion Service • Safeguarding and Anti-Bullying • Autism Outreach Service • Learning Support Services • Adult Learning Service • Psychology Service

Our strengths in this market are:

- The wide range of services we offer that enable schools to have services delivered by a single known quantity, rather than multiple different suppliers
- Our familiarity and experience in supplying maintained schools with these services over a number of years
- The strength of individual professional relationships between council staff and schools staff within Leicestershire
- Our commitment to positive outcomes for Children and Young People within Leicestershire
- The 'public sector' label which generates a real or perceived assumption that we will not be seeking to financially exploit our customer to a maximum return

If our offering is reduced to a few select services, our overall strength is reduced. It is important that decisions on individual services are not taken in isolation and bear in mind the whole proposition. A reduction of the number of services offered also offers greater opportunity for new suppliers to take and expand business with our customers. The delivery of the services through a limited company would distil the public sector offering and not pull as strongly on the strength of experience or relationships held by the council. This places us in more direct comparison with the commercial private sector suppliers but without their scale or financial flexibility, initially, to offer loss leading packages to secure position in the market.

There is reputational benefit in offering quality services to local schools and being seen to deliver the programme vision of ensuring that all schools within Leicestershire receive the best support services to enable them to deliver the

best outcomes for pupils. However there is also reputational damage if the same services are not fit for purpose or offer poor value for money.

As well as many pockets of positive individual approaches, there are aspects of current performance that require specific consideration and transformation:

- Our internal organisation, where each service operates as an isolated supplier, completing its own marketing, customer acquisition, relationship management, service delivery and invoicing
- A partisan focus at individual service level, not the wider performance of the full portfolio of services
- A low level of appreciation and analysis of full cost to serve, income potential and financial and customer targets beyond year on year allocated budget balancing
- A real or perceived lack of flexibility and imagination – ‘this is the way we do it’ and the customer fits into our service which may be derived from a belief that there is no remit to be creative and flexible or no avenues to develop that.
- A real or perceived lack of pace for response, change or flex in the service offering, problem resolution and decision making
- A lack of clarity on what we offer why that is of value to customers in their terms and why customer should buy a solution from us. Services have limited customer propositions, benefit statements, testimonials and case studies and a lack of flexibility in creating packaged offers and prices between multiple services.
- Multiple contact points, with no outgoing single customer acquisition approach and on-going single relationship or account manager representing our whole offering.
- No coordinated and single marketing and service delivery plan to ensure the customer hears what we, as a whole, want to say, when they need to hear it and our service delivery is not cluttered with items that are not our customer’s priorities at that time.
- We have yet to make the transition to where we sit in the customer’s world and fit our service delivery to that, having had a history where customers follow our direction on what they receive.

Other markets can emerge for professional services. These require consideration of the customer needs and values, as these will differ from within the education market, and gap analysis, competitor analysis and capability judgement (SWOT and PESTLE analysis) is required before significant entry to that market occurs, however individual customers may assist the development of a wider offering and approaches from new markets should be considered on their merits.

In the education field, these services are capable of being delivered to:

- Maintained schools, who can specify how the delegated budget is allocated by the council – either to its own services or to the school to spend elsewhere
- Academies – who also have control of their own expenditure and purchasing options

- As a single supplier of service or services to academy groups, sponsors or chains
- As a supplier to other local authorities seeking to outsource their own provision of education services
- In collaboration with third party suppliers who augment and supplement our offering with their own capability.

Internal structure:

The right framework needs to be in place to deliver:

- increased growth in current or new markets,
- a strong 'solution selling' proposition and sales approach
- a clear and effective marketing approach across all channels and activities.

This framework needs to provide:

- Clarity of purpose, the powers we rely on to achieve those and the breadth of potential customer base – so that residual hesitancy in growing markets or generating profit is removed
- Leadership – of financial results and trading approach, to reduce and manage costs and maximise profit and to demonstrate the appetite for success and establish a figurehead for this council activity
- Structure to reduce duplicated activities and costs such as back office planning and invoicing, and deliver focussed and effective marketing and customer relations (including acquisition and segmentation)
- When the framework is in place it is envisaged that the current programme board evolve as a Commercial Strategy and Assurance Board

It initially requires 3 functions/roles to be carried out:

- Financial and business leadership
- Customer and account management
- Marketing and web management

Business Development Leadership

This role will include:

- Being the advocate and passionate driver for this strategy – the figurehead and 'authority' for these activities
- Target setting for financial and customer growth objectives, with accountability from services where these are not achieved, and to the council for the overall success.
- Understanding and maintaining the interdependency with the delivery of LA statutory duties for schools
- Matrix management of these results with collaboration between service teams and their line management to ensure the objectives and customer experience are not damaged by internal structure and management lines
- Management of cost and service delivery, with rapid response where the performance of these are not meeting required results. Not each service may be able to deliver all their proposed levels of service at the

price that is offered, and so careful consideration of the minimum product offering that generates value for the customer is required, and waste or over-delivery managed out.

Costly elements should be considered carefully to assess their need and/or other means of delivery. We need to be aware of how to:

- meet customer need in the service,
- exceed customer expectation with our approach,
- minimise cost to serve
- ensure customers understand what can be delivered for the price we offer and readily accept it as providing value for money.

Customer and account management

This role will include:

- Customer acquisition and enquiry handling - a single activity to seek out new customers, individually or via groups, chains and sponsors, directly or through partnerships and other influencers in the market place. This should be a planned growth, targeting specific counties or customers so as to enable service costs and standards to be maintained during the transition to new areas. Savings can be made from this approach, alongside growth in the customer base from more focussed strategies for new customer targeting. This role would become the 'go to' person for customers, and internal staff for information about our traded services in this market, and as the single trusted feedback route from customers.
- Contract management and customer experience – so that customers see one relationship with the council and all component services deliver to the required standards in a consistent manner. They have a known single contact point who acts as the 'face' of this council strategy and activities. Savings can be achieved from a single approach to this work.

It will be very important that this role dovetails with the communications strategy and activities from CYPS, in executing their primary role and duties with schools. There cannot be, or perceived to be by customers, conflict or competition between different Council policies or departments and external messages need to be consistent and aware of the two areas of work so that customers experience 'one council', with clarity of purpose and self-awareness of its full range of activities.

- This role is ambassadorial and has a strong effect on reputation and perception of the council. This role can also work in an appropriate level of partnership with other council ventures such as EMSS and ESPO to achieve the maximum, market presence and returns for all.

Marketing and web management

This role will include:

- Marketing and Promotions – combined and targeted, planned and prioritised, across the whole service offering to the same target

audience. Working with the existing corporate design and marketing team to provide to them single sign off, authorship and design of our outward facing communications, channels and campaigns.

- A collaborative and combined events and communications calendar, which ensures our key messages are received appropriately and customers see a clear path and continuum from all our messages.
- A single evaluation of customer insight sourced from within the trading arm and collated from service managers. Working with the corporate research and insight team to ensure verifiable insight is at the heart of service planning.
- This includes specific overarching EIS and web management of content to the target audience, including upkeep and review of content, and making revision to the website as required. They should develop a focused and timetabled plan, promoting our brand strengths and providing a platform for services to reach their customer base and deliver service elements in the most efficient and cost effective means for customers and ourselves. This should seek to establish (where appropriate) online ordering, payments, promotions etc. Savings can be achieved from a single approach to this work.
- This will require a change in approach to the current LCC website which has not completely become customer focussed and remains partially structured around internal departments. The online services project will be a natural collaborator with this function, and should seek joint benefits in revising our web presence.

Delivering this Framework

These functions are most easily achieved through a central trading responsibility or 'arm' with staff in post to compete these duties, and coordinating service delivery teams that are either:

- (i) in direct line management of this central leadership (if activities are solely or significantly around this service) or
- (ii) retained within the existing council structure (because they have a range of other duties to complete) but with matrix management for the aspects of traded services.

These staff should therefore hold 'council' authority to direct service teams actions in all aspects of the above activities into this market place for these services (i.e. departmental authorities do not distract the trading arms direction on trading activities). They should work with recognition that teams and their line managers may have competing priorities and work to support the team's specialisms in delivering quality services within the overall trading offer.

This requires existing line managers and leaders to accept that this is an equally important aspect of council business and not a distraction to other duties so that all parts of the organisation pull together in one direction.

They should have a council and customer viewpoint not a single service specialism, although initially this may help establish communications with customers and validity of their position. As the predominant volume business is delivered by corporate resources service teams, the leadership role in the trading activity will be taken by Roderick O'Connor.

It is expected that the account management role may be drawn from existing service staff and budgets. It is expected that there is a need for 2 customer relationship posts.

The central trading arm requires these duties to be staffed with appropriately skilled staff from the outset, with the remit and capability to ensure they are cost neutral to our operations. They are initially funded centrally on an 'invest to save' basis but expected to pay for themselves within a reasonable start up period (12-18 months) and will feature as a cost in the proposed financial reports.

Given the changing nature of the market place and the council this strategy, the services supplied and their viability in the market place at the time and the structures the council employs to deliver them should be kept under continual review to ensure that this strategy delivers the maximum return for the council with acceptable cost and/or risk.

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SCRUTINY COMMISSION – 6 NOVEMBER 2013

CORPORATE ASSET MANAGEMENT PLAN 2013/14

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of report

1. To seek Scrutiny Commission's views on the Corporate Asset Management Plan (CAMP) 2013/14 prior to consideration by the Cabinet on 20 November 2013.

Policy Framework and Previous Decisions

2. The CAMP, together with the Capital Strategy and the Medium Term Financial Strategy (MTFS), sets out the proposals for using the Council's resources to support the County Council's corporate and service priorities. It is one of the plans which is identified in the County Council's Constitution as being part of the Policy Framework and therefore requires the approval of full Council.
3. Corporate business planning requires an integrated approach towards the planning of its resources. The links between financial and asset planning are particularly important and the CAMP is closely aligned with the Council's Capital Strategy and the MTFS 2013/14.
4. The CAMP sets out the strategic direction for the use, management and development of the County Council's corporate property resources over the financial year 2013/14. The CAMP identifies the key corporate and service drivers influencing the development of the Council's asset strategy, describes the asset base and reflects upon its performance, sets out the strategic vision for property and the implementation plan for 2013/14, and identifies the resources available to support the delivery of the CAMP.

Consultations

5. The CAMP 2013/14 has been consulted upon across all service departments of the County Council. It has been tabled, discussed and approved by the Asset Management Working Group and the Corporate Property Steering Group.

Resource Implications

6. The CAMP 2013/14 highlights the financial resources that have been allocated to the Council's corporate property resources in the Capital Strategy

and MTFS programmes/budgets. Delivery of individual projects detailed in the CAMP implementation plan will be considered against a clear business case methodology.

7. The CAMP 2013/14 also describes the HR and ICT resources engaged in delivering asset management.

Timetable for decisions

8. The comments of the Scrutiny Commission will be reported when the CAMP 2013/14 is considered by the Cabinet meeting on 20 November 2013.

Background Papers

9. CAMP 2013/14 slide presentation, SCG 6 November 2013.

Circulation under the Local Issues Alert Procedure

10. None.

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List of Appendices

Appendix – CAMP 2013/14


Equal Opportunities Implications

11. There are no specific equal opportunities issues within the CAMP 2013/14 although individual elements of the implementation plan may contain equal opportunity issues which will be addressed as they arise.



Leicestershire County Council
CAMP
2013 - 2014

Last Updated: 28/08/2013



Foreword

Our property assets are fundamental to the economic, social and environmental wellbeing of the people of Leicestershire especially during the current challenging economic times.

The way our assets are managed has a significant impact on the Council's ability to deliver a comprehensive range of quality services.

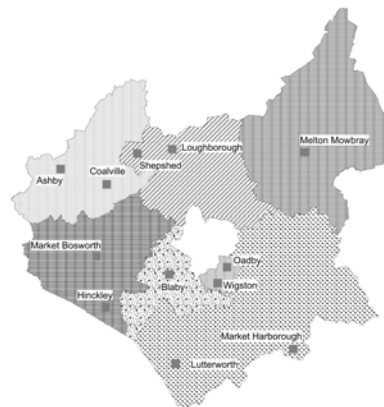
The approach adopted in recent years concentrates on understanding service needs, challenging the status quo and building strong relationships with partners resulting in the achievement of wide ranging benefits to the authority. Consequently we are now well placed to develop the contribution of the Council's property portfolio further in future years.

This role has now become crucial due to the need to respond to the challenges posed by the Government's spending review. It will be the focus for promoting transformation and a culture of innovation and co-operation.

No longer can councils work in isolation. Increasingly, in the delivery of both frontline and support services vital economies can be achieved by working with partners from the public, private and voluntary sector. We have already embarked on a programme of targeted partnership initiatives that will deliver improved value for money.

Our dedicated Asset Management Team will, through the Corporate Property Asset Management Plan (CAMP) continue to lead the process of transformation producing the most efficient, effective and sustainable outcomes for both tax payers and service users.

The plan looks in detail at how our property assets will be managed to ensure their contribution towards the achievement of Corporate Priorities is maximised and highlights the major new initiatives that will be pursued this year.



Contents

Executive Summary	1
Introduction	3
1. Corporate and Service Priorities.....	5
1.1 Leicestershire Together Outcome Framework 2012/13.....	5
1.2 Medium Term Financial Strategy 2013/14 – 2016/17	5
1.3 Capital Strategy 2013/14 – 2016/17.....	6
2. Existing Asset Base	9
2.1 Size of Asset Base	9
2.2 Value of Asset Base.....	10
2.3 Condition	11
2.4 Maintenance Backlog.....	13
2.5 Planned and Reactive Maintenance	14
2.6 Building Accessibility	14
2.7 Suitability.....	15
2.8 Energy, Water Consumption and CO2 Emissions	16
2.9 Capital Receipts, capital and revenue expenditure	17
2.9.1 Capital Receipts	17
2.9.2 Capital and Revenue Expenditure.....	17
2.10 Industrial and Farms Properties	18
2.11 Performance Management.....	18
2.11.1 Customer satisfaction	18
2.11.2 Benchmarking.....	19
2.11.3 Office portfolio	19
2.11.4 Industrial Development and County Farms	20
3. Strategic Vision for Property	23
3.1 Restructure.....	23
3.2 Vision Objectives and Outcomes	23
4. Asset Strategy Implementation	25
4.1 New area based Asset Strategy.....	25
4.2 Additional Asset Reviews and Strategies.....	28
5. Resource Implications	29
5.1 Finance – Capital	29
5.2 Capital Programme	29
5.3 Finance – Revenue	29
5.4 ICT	31
5.5 Human Resources	31
5.6 Procurement.....	31
Appendix 1 Summary of Assets and Values	33
Appendix 2 Performance Management	35
Appendix 3 Property Services Teams	39
Appendix 4 Capital Programme Schemes – 2013-2017.....	43

Executive Summary

The Corporate Asset Management Plan (CAMP) provides an overview of the ongoing development of the County Council's property assets and sets the strategic direction for the management of its portfolio for 2013 / 2014.

The 2013 CAMP details the targeted initiatives that will be driven forward to ensure that property assets make a full contribution to Corporate and Service Priorities whilst contributing to the objectives of the Leicestershire Together Outcome Framework, the Medium Term Financial Strategy and Capital Strategy and continuing to support the delivery of quality services on a day to day basis.

Important to the strategic asset vision is a co-ordinated approach to the programming of the capital receipts necessary to the delivery of policy initiatives. The CAMP has been developed with a view to achieving this balance which will then roll forward into the MTFs and service planning.

The County Council owns and controls 819 Operational and 99 Non-Operational property assets with a total value of over £676 million as at 1st April 2012. The Asset Base contains a diverse range of properties including County Hall, Offices, Schools, Libraries, Highways Depots, Museums and County Parks together with a portfolio of investment properties.

The total site area of the Council's property holdings has remained virtually constant in recent years however, due to academy conversions the floor area of directly managed premises has fallen by 42% to 672,555 sq.ft.

Whilst recognising improvements in the overall condition and suitability of the retained portfolio and its reduced future maintenance requirements (partly attributable to academy conversions) the urgent need to improve energy efficiency, reduce water consumption and achieve carbon reduction has been identified. To address these related issues an Energy Strategy is to be developed and funded through the 'Invest to Save' programme.

The restructuring of both the operational and investment portfolios has continued to deliver significant capital receipts from the disposal of surplus properties and development land and revenue savings by the delivery of initiatives such as the office strategy where ongoing annual savings of £700,000 are being achieved.

The completion and implementation of the Depot, Storage and Property Services Reviews have resulted in optimum delivery models being established and will enable further significant operational savings to be secured to assist in responding to the challenges of the Central Government's spending review. In addition, an early review of the investment portfolios will be concluded in 2013/2014 in order that continued capital and income growth are achieved together with an ongoing contribution to the Council's wider policy aspirations.

The ongoing rationalisation of the portfolio, the review of the delivery of property services and the service disruption caused through refurbishment projects, whilst enabling financial targets to be met, has resulted in fluctuating customer satisfaction figures, although the returns for both estate management services (91.2%) and the provision of capital projects (83.25%) have improved on 2012 levels.

The importance of improved performance has been the focus of the strategic vision of previous CAMPs, however, the challenges currently faced by the public sector require a more dynamic approach. Accordingly, the Strategic Vision for 2013/2014 focuses on providing a framework for the delivery of the Council's corporate aspirations in addition to pursuing further efficiencies and securing value for money.

Within this framework there are five main themes. The primary consideration is the delivery of Asset Strategies that compliment the four main Leicestershire Together priority outcomes by supporting the Leicestershire economy, recognising the challenges of an ageing population and enhancing community wellbeing. This linked to the maximisation of opportunities recognised through the concept of “total local public asset” and the provision of property services that are available to all public partners will provide a co-ordinated to service delivery.

Further, by developing policy through engagement with partners it is possible to more readily identify innovative procurement and commissioning models. In addition, it is recognised that in order to secure enduring partnership relationships Leicestershire needs to develop a reputation for delivering quality facilities and services that its people value and are proud to use and own.

This vision will be realised by the delivery of strategies informed by a renewed asset challenge and underpinned by the development of an Area Based Asset Strategy which will facilitate earlier and more constructive engagement with potential partners from all sectors. This process and day to day management functions will be underpinned by the planned replacement of the current PMIS property data base by investing in a new bespoke PAMS system which will go live through a phased roll out commencing April 2014.

The report continues by outlining the initial phase of work that it is proposed to achieve in the current year and providing a summary of the Resource Implications, including an overview of the MTFS and its impact on Council’s property assets.

Finally, the CAMP provides an overview of the performance of the Council’s principal property assets over recent years. Of particular note is the strong performance of the farms portfolio (financial returns of 39% being achieved in 2012/2013 to reinforce its excellent track record) underlining the value of proactive management and evidence based strategy development; an approach adopted in respect of all directly managed assets. This overview coupled with the statistical analysis of the underlying property information set out in the appendices will provide the evidence base necessary to focus strategic property objectives and CAMP proposals in future years.

Introduction

The Corporate Asset Management Plan (CAMP) sets the strategic direction for the use, management and development of Leicestershire County Council's (the Council) corporate property resources over the next financial year. The principal role for the asset base is the same as for all other corporate resources: to support and enable the delivery of the Council's corporate and service objectives.

During 2013 Property Services completed phase 2 of its restructure in line with the Corporate Operating Model with the new structure going live with effect from 1st January 2013. Property Services delivery is now a joint approach through Strategic Property Services and Operational Property Services – the Structure charts showing the roles and split of responsibilities is shown in Section 4

Strategic Property Services acts as the Council's strategic property advisor. It sets the strategic direction for planning, procuring, developing, utilising and managing the property resources that are used by the Council. It also ensures that the money spent on property and a property service is a sound and effective investment of the Council's resources and that all legal and statutory requirements are being met.

Strategic Property Services is responsible for getting the best out of existing property and supporting services, whether these are provided in-house or procured from external providers. The Service is also responsible for planning to ensure that the Council has the facilities it needs, and can afford, to deliver its future services and plans.

Corporate business planning requires an integrated approach towards the planning of its resources. The links between financial and asset planning are particularly important and the CAMP is closely aligned with the Leicestershire Together Outcome Framework and the Medium Term Financial Strategy 2013/14 – 2016/17.

The ability of property services to operate in the new environment is heavily reliant on IT and in particular to the depth and quality of the data it holds on its properties. A new Property Asset Management System (PAMS) is being procured and will be phased in during 2014. However; the need to divert resources from various areas of both the Strategic and Operations teams to enable the transfer of data and to train staff on the new system will impact on other property priorities and must not be underestimated.

The specific aims of this CAMP are to:

1. Identify the Council's future property and asset management requirements
2. Provide an overview of the Council's existing assets
3. Establish the Council's asset management aims and objectives
4. Set out the Council's asset management implementation plan
5. Link asset management planning with the Council's corporate and service delivery needs and with the Council's related resource planning
6. Set out the strategic direction for the management and planning of the Council's property resources
7. Set out the agreed implementation plan against which performance can be measured

1. Corporate and Service Priorities

1.1 Leicestershire Together Outcome Framework 2012/13

The overarching corporate priorities are drawn from the Leicestershire Together Outcome Framework. The strategic outcomes for 2012/13 were agreed by the Leicestershire Together Board in March 2012.

Leicestershire Together Outcome Framework sets out:-

- A cross-cutting principle which underpins each of the outcomes;
- Four priorities which represent the aspects that Leicestershire Together (LT) see as the most important issues for Leicestershire as a place which requires LT to work together to tackle them effectively;
- 28 outcomes which demonstrate what each of the Commissioning Hubs and cross cutting partnerships will be doing to achieve the strategic priorities.

Leicestershire Together underpinning principle

- A shift to prevention and early intervention in order to maximise the impact of limited resources – “spend now to save later”.

Priority Outcomes

- A reduction in the number of “troubled families” (previously known as families with complex needs) in Leicestershire;
- Services designed to mitigate the impacts of an ageing population and enable older people to live independently for longer;
- The growth of the Leicestershire economy;
- A healthier population with increased life expectancy, and a reduction in health inequalities.

It is recognised that there is a need to re-assess the priority outcomes on an annual basis in order to ensure that it reflects the current pace of change. There is a strong indication that there will be a need to broaden the priorities in 2013/14 to take account of the increased local government spend on Waste and to acknowledge the government focus on empowering Communities.

1.2 Medium Term Financial Strategy 2013/14 – 2016/17

The Medium Term Financial Strategy (MTFS) 2013/14 – 2016/17 has been drawn up during an extremely challenging economic backdrop. Lower than anticipated growth in the economy and the severe economic recession has resulted in significant and on-going reductions in Government funding. It is not expected that national public sector net borrowing will be significantly reduced until after 2017/18.

Leicestershire County Council continues to face excessive revenue pressures through the combined effects of:-

- Ongoing reductions in government funding;
- The government’s reform programme – such as the council tax freeze; the Academies programme where up to 80% of Leicestershire’s pupils and Dedicated School Funding (DSG) will transfer from LA control to Academies or Free Schools;
- On-going increase of costs for Children’s Services residential care;
- Demographic pressures leading to escalating demand from the ageing populations, worklessness and ‘troubled families’

- An increase in costs of waste disposal;
- Redirection of funding for Youth Justice and Safer Communities to the Police Commissioner;
- Predicted increase in public sector pay

The MTF5 describes Leicestershire County Council's approach for dealing with these pressures over the next four years:

Savings - a total of £79m savings and increased income is incorporated in the MTF5 over the next 4 years, which is in addition to the £25m savings in the current year.

It is anticipated that £38m will be achieved from efficiency savings generated in the following areas:-

- Reduction of senior management and admin support
- Reduction in the cost of support services
- Greater emphasis on commissioning and lowering costs of procurement
- Major service re-design facilitated by change management projects
- Partnership working / shared or single services

It has not been identified how the savings required will be achieved.

1.3 Capital Strategy 2013/14 – 2016/17

The capital strategy is derived from the priorities identified within the Leicestershire Together Outcome Framework, the MTF5 and the departmental strategic plans.

As detailed in the MTF5, funding to support the capital strategy is through a combination of Central Government grant, external grants, capital receipts, unsupported borrowing and contributions from revenue and reserves.

Grant funding remains to be the largest source of funding for the overall capital programme (derived from the capital strategy) totalling £42.8m for the 2013/14 period. The grants are awarded by central government departments including the Department for Education, the Department of Health and the Department for Transport. While central government grants are allocated by specific central government departments, they are not ring-fenced.

Capital receipts continue to supplement Government funding for the delivery of the capital programme. Capital receipts are estimated at c£9m for 2013/14, (primarily due to one large sale), c£3.5m in 2014/15 and £1m in 2015/16.

The capital programme also includes prudential (unsupported) borrowing of £9.6m for 'Invest to Save' schemes. Funds of this nature will only be released on the basis of a viable business case verifying that the financing costs of borrowing can be met from the savings and do not impact on the revenue budget.

Capital Strategy Priorities

The main priorities for capital investment over the medium term are expected to be:

Children and Young People

Children and young people in Leicestershire stay safe, achieve economic well being, and enjoy and achieve through developing a higher quality learning environment and increased attainment, by:-

- Ensuring the sufficiency and suitability of existing accommodation
- The provision of additional accommodation where extra pupil places are needed
- Improving the quality of accommodation in order to increase pupil attainment and achievement
- Replacement of temporary buildings with permanent accommodation as a consequence of planning requirements; especially those within conservation areas
- Completion of the Loughborough Ashmount Replacement School.

Environment & Transport

- Loughborough Town Centre transport scheme
- Transport assets such as roads and footways are well managed and maintained
- The impact of traffic on communities and individuals is reduced
- Reduce road congestion and improve air quality
- The number of road casualties are reduced
- Improved road network performance and reliability
- Bus and Cycle improvements
- Street lighting, bulk column replacements and invest to save programme
- Continuation of the Highways Depot Review strategy to rationalise and improve assets to deliver efficiency savings
- Ashby Canal Extension from Snarestone to Ilot Wharf and construct an additional off line nature reserve
- Illuminated Signs – Invest to Save project to, remove lighting units to traffic signs that no longer require illumination; convert illuminated traffic signs to LED light sources

Waste Management

- Less waste is produced and a reduced proportion of this goes to landfill by increasing recycling and composting
- Improve recycling and household waste sites (RHWS) to reduce our impact on the environment including modernisation of Whetstone RHWS and bulking/transfer station

Adults & Communities

- More older people are able to live independently by the replacement of day care facilities for the elderly and through the development of Extra Care Housing in Leicestershire
- Provision of adult mental health residential services based on a supported living model
- The replacement of the Social Services' Information System to ensure that the authority can meet its future challenges relating to adult social care such as the personalisation agenda
- The repair and maintenance of the scheduled ancient monument at Snibston to ensure that the Authority fulfils its statutory duty

Corporate Resources

- Investment in ICT - Ongoing replacement and development of the ICT infrastructure across the corporate estate
- Investment in the acquisition of agricultural land to allow the continual re-organisation of the County Farm estate and to improve financial performance
- Final phase to rebuild the amenities and improve drainage at Aston Firs travellers' site
- Implement invest to save schemes, subject to approved business cases, to reduce costs and create additional income. Projects include a waste and recycling project at County Hall to reduce disposal costs, conversion of a county farm into a business centre to increase rental income, and replacement of roofs at industrial property units which are at the end of their economic life and starting to impact upon rental income

Corporate Programme

- Purchase and refurbishment of the Fire Service headquarters located on the County Hall campus to reduce costs for external venue hire and increase external income
- Investment in energy efficiency programme to deliver reductions in energy consumption and carbon emissions
- Investment in a review of County Council wide storage
- Review options on leased premises and alternatives to leasing
- Investment in office accommodation in Loughborough to generate future revenue savings and replace its current time expired accommodation by 2017.

Other including Economic Development

The major programmes that are being developed over the medium term are:

- Development of Beaumanor Hall following the Outdoor and Residential Learning Service review
- Investment in broadband to rural communities
- Investment in schemes to aid local economic growth.

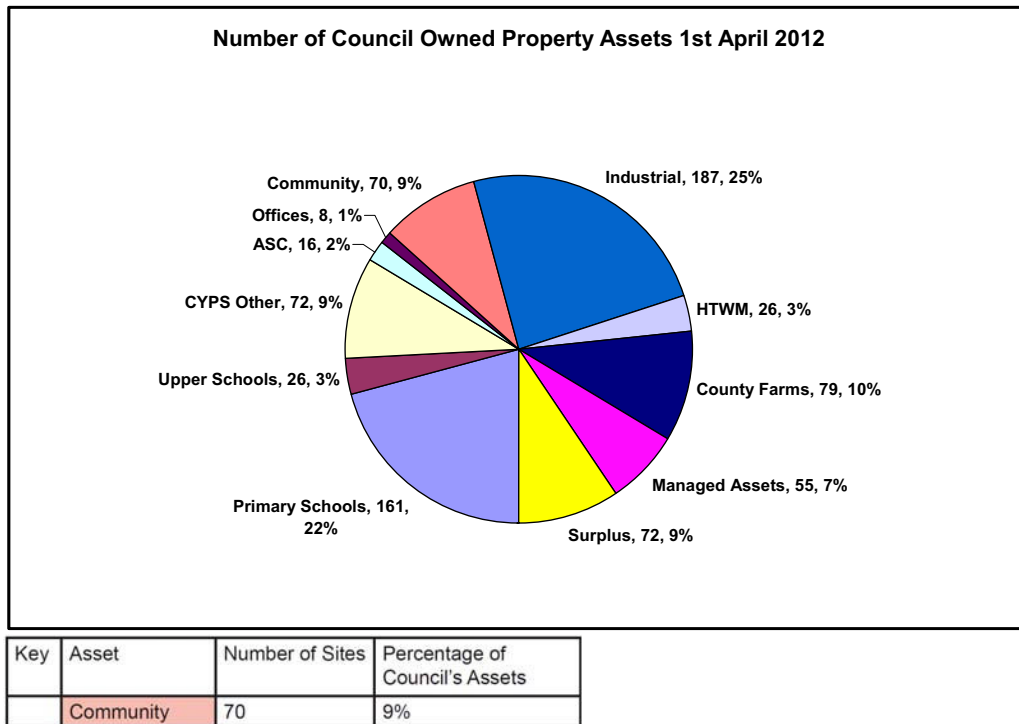
2. Existing Asset Base

This section provides a general overview of the County Council's asset base including its performance in areas such as physical condition, financial returns and suitability. Information is also provided about the amount of money expended on the Council's property resources. A summary of the County Council's assets is contained in Appendix 1

2.1 Size of Asset Base

The pie chart below shows the current split of freehold assets by service. The asset base has contracted slightly on previous years and this will continue in line with the disposal programme. In the past the dominant asset groups have been the CYPS Schools and Education estate. This will contract in its nature in the short term as the academy transfers programme continues through 2013/14 (see below)

Fig 2.1.1



Other services are also affected by financial constraints, changing legislation or ways of working resulting in a need to review and rationalise the portfolio i.e. the new operating model for Highways has resulted in a reduction in the need for smaller Highways Depots. The Adult Social Care personalisation agenda has resulted in changes in the ways that Community Opportunities service is provided resulting in the reduction of LCC Community Opportunities bases.

A major change has been the way in which assets are held from freehold to leasehold in the office estate. The strategy roll out over a 4 year programme has reduced the number of offices from 56 down to 15 by mid 2014 – of these 60% are held on a leasehold basis to give a more flexible approach and to align with the partnership agenda.

The Academy transfer process also emphasises the change from freehold to leasehold as in fact although the school becomes independent on transfer to Academy Status, the freehold of the land and buildings is retained by LCC with the school holding the assets on a 125 yr lease.

LCC has also had to take a number of subleases back from the newly formed academies to enable it to continue to provide services such as Sure Start, Children's Centres and Libraries.

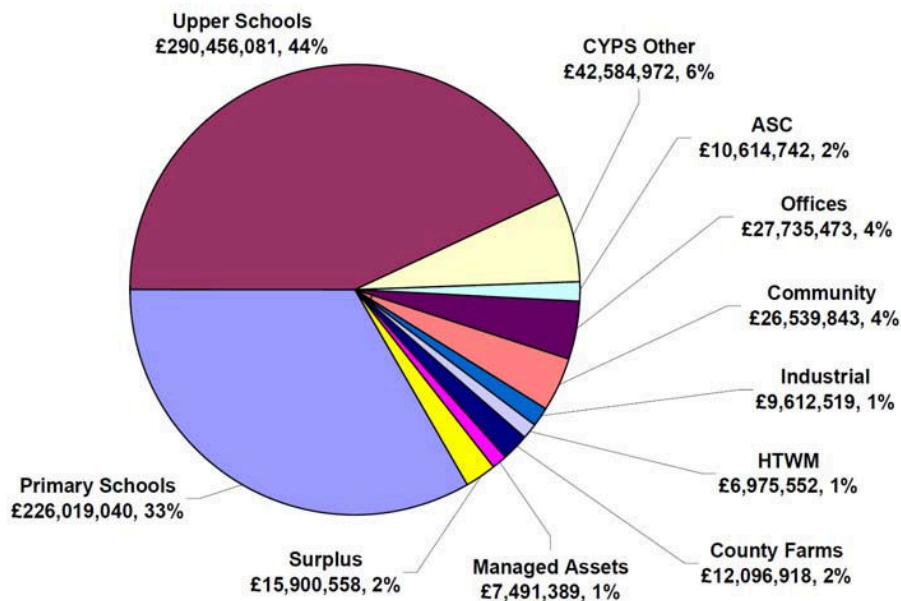
Fig 2.1.2

	CAMP 2009/10 (Based on 2009/10 accounts)	CAMP 2012/13 (Based on 2010/11 accounts)	CAMP 2013/14 (Based on 2011/12 accounts)	% Change on 2009/10 figures
Total Floor Area (as recorded for those assets that are occupied and maintained by LCC)	1,170,760m ²	1,079,570 m ²	672,555 m ²	- 42.5%
Total Land Area (of all freehold property owned by LCC)	4,696 ha	4,665 ha	4,539 ha	- 3.3%
Total Assets:				
• Freehold	828	774	745	-10%
• Leaseholds and Licences	148	154	173	+16.8%
Total: Assets	976	928	918	-5.9%

2.2 Value of Asset Base

Fig 2.2.1

Value of Council Property Assets 1st April 2012



Key	Asset	Value	Percentage of Council's Assets
	Upper Schools	£290,456,081	44%

Value of Council Property Assets 1st April 2013

The total value of the LCC estate has been falling steadily over the last few years reflecting not only the Asset Management Strategy of ensuring that only those assets required for service delivery are retained but also that a pro-active approach to the disposal of surplus assets is undertaken.

The substantial underlying reduction in values for 2013 results from the academy transfer process. The provisional property asset values indicate that upper schools will reduce to c£120,000,000 and primary schools to c£165,000,000 representing a proportion of the asset base of 27% and 36% respectively against the revised total asset value of c£450,000,000

These figures together with those for all other property assets will be reported in the 2014 CAMP on completion of the annual valuation process and confirmed within County Council accounts in later years. Provisionally it appears that the total value as at 1st April 2013 will reduce to a figure of circa £450,000,000 compared to the figure of £676,027,107 reported in the current years accounts which represent the audited figure for the 2012 valuation as detailed in the table below.

Fig 2.2.2

Valuation date	1 st April 2010	1 st April 2011	1 st April 2012	1 st April 2013
Total Asset Value	£695,764,132	£640,666,278	£676,027,107	c£450,000,000

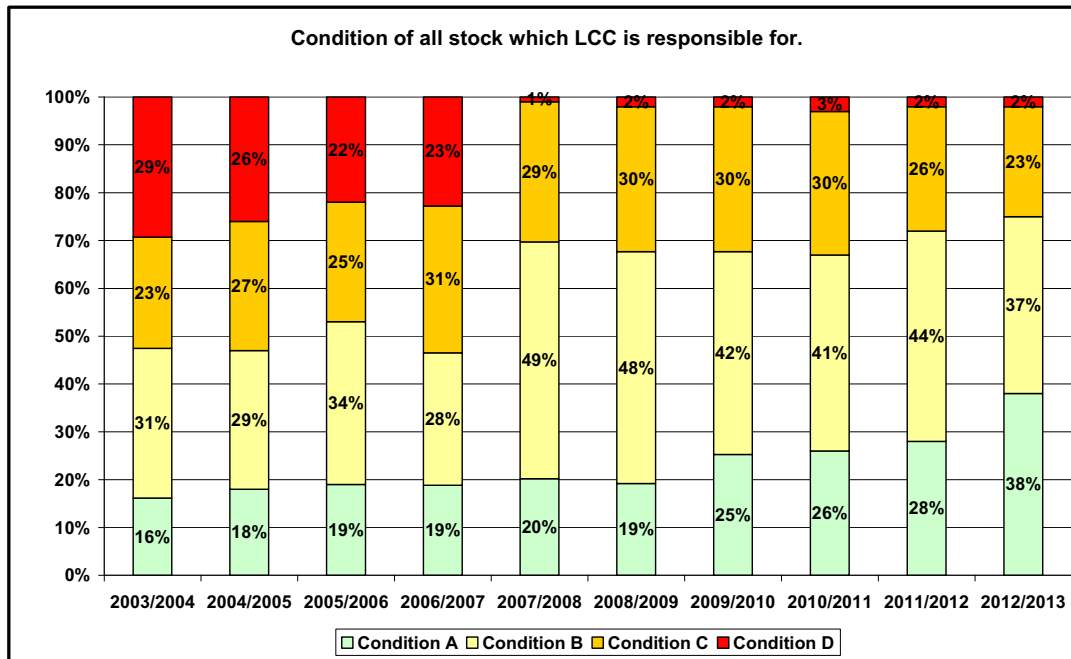
2.3 Condition

As part of the Councils performance monitoring system the performance of corporate property assets is evaluated against national benchmarking initiatives including CIPFA, local Performance Indicators (PI's) developed internally and the market.

The following summary information provides a performance profile of the existing asset base in the key areas of condition, maintenance backlog, building accessibility, suitability and reflecting the increasing importance of environmental issues. Work is currently underway to strengthen the emphasis in respect of energy water and CO2 emissions.

LCC uses CIPFA Performance Indicator PMI 1A Condition to monitor the condition performance of the Council's assets. The following diagram presents the trends for the condition of Council properties from 2003/04 to 2011/12.

Fig 2.3.1 Condition of Council Property Assets diagram as at 1/4/2013



Between its baseline in 2003/4 and now, LCC has made substantial efforts to target available resources to those assets that fell into Cat D (those assets that were life expired or had a serious risk of imminent failure) which could cause disruption of services to the public e.g. a school closure due to a boiler failure. Since 2007/8 there has also been an increase in the proportion of assets in category A & B. This is due in part to a programme for the replacement of time expired modular buildings on school sites and a proactive asset strategy supporting services through reviews to enable the release and disposal of buildings in poor condition or no longer suitable for service delivery.

The short term impact of the academies programme will show an increase in those buildings which will fall into cat A and B as the main area of condition backlog is in the school estate and the repairing liability for these assets transfers to the schools themselves. However, in the medium term the reduction in the Central Maintenance Fund (CMF) budget from 2011/12 will necessitate a reduction in programmed maintenance work resulting in an increased physical deterioration of the retained estate over the ensuing years.

2.4 Maintenance Backlog

Fig 2.4.1 Backlog Maintenance of County Council Assets as at 1/4/2013

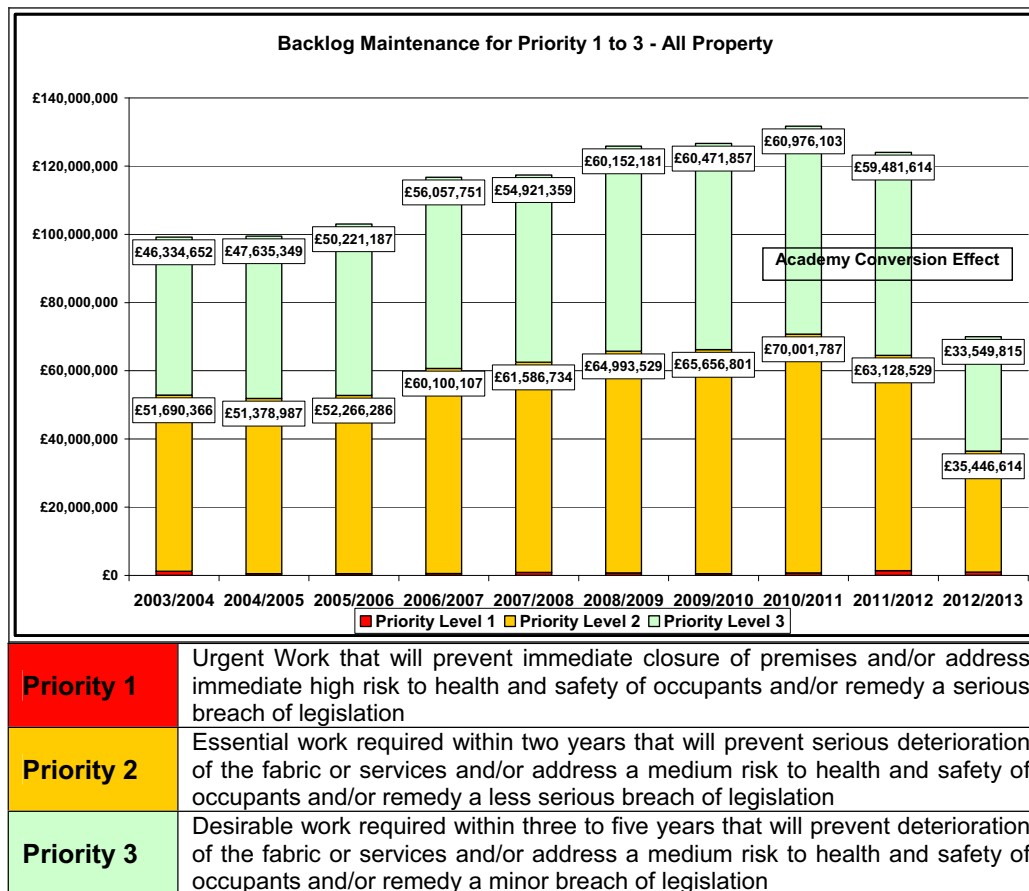


Fig 2.4.2 total cost of backlog maintenance of Council Property Assets over the last 5 years (Priority 1-3)

12/13 Actual	£69,997,073
01/04/13	£104 m2
11/12 Actual	£124,021,775
01/04/12	£121 m2
10/11 Actual	£127,574,376
01/04/11	£109 m ²
09/10 Actual	£128,848,513
01/04/10	£131 m ²
08/09 Actual	£125,866,640
01/04/09	£122 m ²

As shown through the diagram above, the Council has succeeded in keeping Priority 1 backlog maintenance to a nominal level. However the overall backlog amount has continued to increase steadily to a maximum of £130,977,890m in 2010/11. Then for the reasons given on Condition above, the council has started to make inroads into this amount due to its reducing assets base and targeted disposal of those in poorest condition. The biggest single shift has been the academy programme which started following the Academies Act 2011 and the rolling programme resulting in the transfer of 100 schools to academy status by 1/4/2013 has had a very dramatic effect reducing the backlog to £68,996,429 (as at 1/4/2013). The majority of the remaining backlog sits with the retained LCC maintained school estate (i.e. Excludes Catholic,

Grant Maintained, Voluntary Aided and Academies). Although this will continue to reduce if further schools opt for Academy status.

Efforts to reduce the total backlog maintenance cost will inevitably be limited by the Council's reducing number of assets and revenue budget; there are also new maintenance additions. Examples include the county-wide network of Children Centres and the Scheduled Ancient Monuments at Snibston Discovery Park, Coalville. It is important to keep maintenance funding at a level that will maintain the quality and condition of retained buildings.

2.5 Planned and Reactive Maintenance

The Building Maintenance programme is held by Property Services as the Central Maintenance Fund (CMF), the funding is divided between Corporate Buildings and Schools.

Including all properties – During 2012/13 a total of £5.9m was spent on repairs and maintenance of which £4.5 m (69.3%) was day to day reactive repairs and £1.3m (30.7%) was planned preventive maintenance. This compares favourably with best practice recommended 70/30 split.

Reactive maintenance is generated by the client end user becoming aware of an issue and reporting it through the Property Help Desk which will generate a response and remedial action.

Planned maintenance is generated from condition surveys where priorities and a program of maintenance work is created from the data base.

Planned maintenance for schools has been identified in the same way. Over recent years the Department of Education (DfE) Capital Maintenance Fund has been available to greatly assist in the delivery of necessary work. Reactive maintenance has been delegated to schools that have the facility of maintenance buy back scheme from the council, known as the Schools Fund. This fund is used to deal with service contracts and reactive repairs as and when required. This area of work will change significantly over the next few years as schools transfer to academy status. DfE capital maintenance for academies will go into the Education Funding Agency (EFA) maintenance fund and not to the Local Education Authority. This will mean a reduction in funding as more schools transfer out of LA control.

The EFA are in the process of completing their School Property Data Survey, which will identify the condition of all UK schools. It is likely that the EFA will use this information for the future allocation of capital maintenance funding and therefore lead to a further reduction in the funding we receive due to schools in Leicestershire generally being in good condition. N.B. For Academies the responsibility for repairs and maintenance, together with all statutory compliance issues, falls to the Academy head teacher and governors although Property Services can continue to provide those services to Academies on a contract basis.

2.6 Building Accessibility

CIPFA previously operated indicators covering accessibility into public buildings, however, as most Local Authorities have completed such works the indicator has been deleted although, CIPFA advise that Local Authorities should give prominence to accessibility considerations when classifying and reporting upon property suitability. This Asset Management plan will revise the need for an Asset Challenge process as part of Section 5.1 and will refresh the suitability assessments of the retained asset base.

LCC continues to undertake accessibility audits on an ad-hoc inspection basis and also at the point of appraising proposed schemes. There are no routine inspection arrangements in place to continue benchmarking the accessibility of LCC's buildings.

The situation affecting schools is different. Local Authorities are required to prepare accessibility strategies under the Equality Act 2010. The need to make reasonable adjustments to the building for school pupils to access mainstream education is still a requirement and LCC currently have a programme of work in the 2013/14 capital programme of £200K for meeting Schools Access Initiative needs. The funding is used to cover pupil targeted physical adaptations and provision of hearing and visually impaired equipment in both maintained schools and Academies.

2.7 Suitability

Corporate Assets

The Asset Challenge (October 09) revealed that 73% of the Council's asset base at that time is classified as 'green' i.e It was suitable for its current use and there were no significant causes for concern. The remaining 27% of the asset base was shown as 'red' i.e not fit for purpose and recommendations were agreed either for disposal or for actions to improve under-performance.

The Asset Challenge identified a number of reviews Examples include the Outdoor and Residential Learning Service (ORLS) review; the Highways Depot Review; reviews of various properties occupied for Adults and Communities purposes; and the Industrial and Farms Review.

LCC Maintained Schools

Although not a requirement of the EFA any more LCC will complete Suitability surveys for all schools on a two year rolling programme. With the increasing numbers of academies it also provides LCC as landlord, in the majority of cases, the opportunity to look at changes to the property undertaken by the tenant.

The surveys collect and analyse data to evaluate how well a school/academy's learning environment meets the educational needs and its 'fitness for purpose' for delivering a modern curriculum. Information is collected about the physical quality of the accommodation, restrictions on curriculum delivery and health and safety issues. This helps schools with their school premises development planning and identifying future accommodation needs. It also gives the opportunity to ensure that plans of all buildings are up to date which is provided as a part of the schools buy back service.

Schools Sufficiency

Sufficiency surveys are a current statutory requirement and are undertaken on an annual basis for maintained schools in consultation with the CYPS Admissions Team and schools, Academies now have to only inform the LA of their admission number Sufficiency surveys enable the calculation of the net capacity of a school and the number of pupil places available. The information is used for a number of purposes, in particular school place planning. This piece of work takes the majority of the Spring term to complete with the final Net Capacity figures being submitted by the end of April.

As more schools convert to academy status, the amount of work required will decrease. However, Property will continue to provide support and data in conjunction with the CYPS Pupil Place Planning to assist in estimating possible Net Capacity changes.

2.8 Energy, Water Consumption and CO2 Emissions

The Council's Environment Policy 2011 includes a target to reduce Carbon Dioxide emissions by 34% compared to the 2008/09 baseline by the end of 2020/21. The Council's Carbon Management Plan 2009-2020 sets out a framework for achieving the target and a suite of three year Carbon Management Delivery Plans identify the short-term projects which will deliver reductions for Transport, Street lighting, ICT and Buildings.

Fig 2.8.1

LCC's Carbon Emission Targets against 2008/09 baseline	All Assets 2012/13	LCC property 2012/13
	Reduced by 14%	Reduced by 12%
	69,817 tCO ₂	11,364 tCO ₂
		tCO ₂ = tonnes of Carbon Dioxide

Through asset rationalisation the Council has delivered significant carbon savings which will deliver the first full year of reductions in 2013/14. The Council requires maximum efficiency from the remaining portfolio to manage revenue costs in the future and to deliver the additional carbon savings to meet the 2020/21 target.

A project has been initiated within Strategic Property Services to develop an energy strategy which will set out the targets for energy, carbon and water use reduction specifically in relation to the Council's estate for 2020 and how these targets will be met. The project's is due to be completed by the end of 2013 and its objectives are to:-

- Review existing arrangements for planning and managing energy and water consumption across the County Council's asset base and
- Produce recommendations in the form of the Council's future Property Related Energy and Water Planning and Management Strategy
- Produce a detailed Action Plan and Programme of Works which aligns with the Carbon Management Delivery Plan for years 1 to 3 of the strategy which will set out how the 2020 targets for buildings will be achieved

The Carbon Reduction Commitment (CRC) is a mandatory emissions trading scheme introduced to improve energy efficiency and reduce the amount of Carbon Dioxide (CO₂) emitted. Against the base year of 2008 the cost to the County Council has reduced but not as fast as had been hoped due to a number of factors

Fig 2.8.2

Year	Tonnes of CO₂	Tax £
2008 Base Year	57,000	£684,000
2011/12	48,272	£579,000
2012/13	53,528	£642,000

The principle reason for the increase for 2012/13 had been the transfer of responsibility for data collection to Strategic Property Services Information Team and the considerable effort that has been put into cleansing of data and obtaining data from academy school.

In addition the lower figure in 2011/12 was due to the need to only report 90% of CO₂ output during that year (now increased to 100%) and finally, 2012/13 was a much colder year than the previous year.

The Council recognises the rising cost of energy, and as such has identified specific financial targets associated with the Property - Energy and Water Strategy, which are incorporated in

the Medium Term Financial Strategy. Equally, resiliency of the organisation to interruptions of supply is also a key future driver and will be addressed in the Energy Strategy.

Climate Change Resilience

Allied to the above is the potential impact on property from climate change. Property Services work in conjunction with colleagues in the Environment Team to ensure that climate change resilience is considered in Asset Management Strategy development and that thermal efficiency and a building's resilience to climate change is considered when refurbishing or taking new buildings.

2.9 Capital Receipts, capital and revenue expenditure

2.9.1 Capital Receipts

The MTFS 2013/14 – 2016/17 takes into account the current downturn in both central government funding and the reduced capital receipts from the recessionary property market in assessing the overall capital resources that will be available to LCC. However capital receipts will continue to have an important role within the overall financial resources available.

For 2012/13 the total capital receipts totalled £5.7m. The projected capital receipts for the forthcoming five years are detailed below in Fig 2.9.1.

Fig 2.9.1 – Capital Receipts (based on the net targets that need to be achieved from property disposals to fund the MTFS capital program)

Receipt	2013/14 £m	2014/15 £m	2015/16 £m	2016/17
General	£9.000	£2.000	£1.000	£1.000
Earmarked	£0.320	£1.455	£0	£0
Total	£9.32	£3.455	£1.000	£1.000

These targets are currently being reviewed through the joint Asset management and Finance initiative which will look to achieve increased Capital Receipt and Revenue Generation.

2.9.2 Capital and Revenue Expenditure

For 2013/14 LCC's original capital programme is budgeted to be £59.4m and total gross revenue expenditure (excluding schools) is budgeted at £562m - refer also to Section 5 Resource Implications.

From these totals, the total capital spend on property is budgeted to be £24.58m in 2013/14 (41.4% of total capital expenditure).

Total revenue spend on property for 2013/14 (excluding schools) is budgeted to be £13.2m (2.3% of total revenue expenditure).

2.10 Industrial and Farms Properties

The industrial and farms portfolios were reviewed and strategies were updated in 2010, action plans and performance measures developed and an implementation plan put in place with a view to undertaking a further major review in 2015. However, in view of rapidly changing financial and socio-economic conditions a further interim review has been initiated to review performance since 2010 and make recommendations to enable the two portfolios to meet current challenges. This is due to be completed before the end of 2013/14.

The performance of the two portfolios for 2012/2013 measured against the local indicators is set out in the performance management section below and Appendix 2

2.11 Performance Management

2.11.1 Customer satisfaction

Since 2010 LCC have undertaken customer satisfaction benchmarking through COPROP (The Association of Chief Corporate Property Officers in Local Government) to cover the following areas of Property Services against a National Comparator group

Estate Management (annual)

Building Maintenance Services (July and November annually)

Capital Works Post Project Review (annual)

The table below compares the overall average customer satisfaction rate for the three areas.

Fig 2.11.1

Customer satisfaction rate	2010/11	2011/12	2012/13	National Comparators
ESTATES MANAGEMENT	87.75%	86.22%	91.20%	LCC is in upper quartile of national results
BUILDING MAINTENANCE	88.67%	83.60%	82.40%	Currently average results against comparators
POST PROJECT REVIEW (Major Capital Works)	88.64%	80.25%	83.25%	LCC is in the mid range against the national results

The scores for Estates Management and the Post Project Review work have increased slightly over the period demonstrating that Property Services have shown good signs of improvement and the implementation of lessons learnt in the previous year have been successful.

The Building Maintenance score, although still at 82%, has dropped over the period therefore, we will need to monitor this downward trend but it is at least partially attributable to a combination of:-

- The variety of the projects and the complications and issues involved on different sites may have been more complicated on average than previous years.
- Property Services may have used different contractors to previous years depending on the type of work required.
- Property Services phased restructure has meant a period of changing staff, roles and responsibilities.

It is apparent from the results that LCC customers are generally very satisfied with the current level of service that they are receiving Property Services although there are areas that can still be improved upon particularly maintenance.

2.11.2 Benchmarking

The County Council participates in a national benchmarking scheme operated in conjunction with CIPFA and those relating to the condition and maintenance of the estate are already covered in earlier parts of Section 2. This service is currently undergoing a review and the relevance of some data sets reconsidered. The County will consider its involvement in this scheme when it has greater clarity of the proposals going forward.

2.11.3 Office portfolio

The Office Strategy was prepared and approved in October 2008. The project to implement the strategy commenced in the last quarter of 2009 and was officially closed in March 2013. Follow on projects in Market Harborough and Hinckley, identified in project closure and relating to the original business case, will be completed during 2013/14.

The project has delivered beyond the original project scope; at the outset of the project it was intended that the office estate would be reduced from 53 properties to 22. With additions to the project scope and increased financial constraints, a reduction from 55 properties to 19 by project closure and to 15 upon completion of the follow on work identified above will have been achieved.

The space utilisation target (GIA/FTE) in the strategy documentation was 10.81m² per FTE, which presently stands at 10.94m² per FTE, and will fall to 10.18m² per FTE in 2014, again exceeding strategic targets.

Fig 2.11.3

Total GIA			
01/04/08	01/04/11	01/04/13	TARGET (01/04/14)
40,166	36,019	33,902	31,554
Total FTE			
3,220	3,100*	3,100	3,100
GIA/FTE			
12.47	11.62	10.94	10.18

*NB. Since 2011, it has not been possible to validate change in FTE, in part due the continuing flux in organisational size, in part due to external rental of office buildings by partners, who do not supply FTE information. The result above is a conservative estimate.

Gross revenue running costs of the office estate have been reduced from £4,972,000 in 2009/10 to £3,262,000 in 2013/14.

The capital expended in delivering the change to the estate was £18.7m, compared to a forecast of £21.7m in the strategy.

Net financial savings of £700,000 per annum have been delivered in 2012/13, taking into account the cost of borrowing capital, and offsetting capital receipts. The remaining £100,000 savings contribution towards the MTFs has been transferred as a target for the Strategic Storage Review (relating to functional use of the Eastern Annex warehouse at County Hall).

Asset Management will continue to monitor office space utilisation and identify further opportunities for improvement.

2.11.4 Industrial Development and County Farms

The following summarises the Local and National Indicators used in for the Industrial and Farms portfolios and their performance against targets. The detail is shown in appendix 2

Industrial Properties Trading Account

Industrial Performance has exceeded the targets set for the following local performance indicators:

LP1 Investment rate of return (IRR)
LP7 Unsecured 90 day debt < 5% gross portfolio income

Performance has failed to meet the remaining 7 targets, namely:

LP2 Market return on capital over the whole portfolio
LP3 Market net income rate of return over whole portfolio
LP4 Market yearly capital growth over whole portfolio
LP5 increase rent per square foot over the whole portfolio year on year
LP6 Keep voids < 5% income
LP8 Increase revenue surplus per square foot year on year
LP9 maintain management costs <15%

These results are disappointing and reflect the on-going challenging economic conditions that existed throughout 2012/13. LP4 and its impact on LP2 show the impact of high market yields and voids on the underlying asset value of the portfolio. Overall the results highlight the need to prioritise the re-structuring of the portfolio in order that it better meets market expectations and demand.

County Farms Estate

The County Farms Estate continued to perform exceptionally through 2012/2013 and has met or exceeded all of its key performance indicators, comprising:-

LP10 Investment rate of return > 6%
LP11 Market return on capital over the whole portfolio
LP12 Market net income rate of return over the whole portfolio
LP13 Market yearly capital growth over whole portfolio
LP14 Increase rent per acre over the whole portfolio year on year
LP15 Keep voids < 5% income
LP16 Unsecured 90 day debt < 5% gross portfolio income
LP18 Increase revenue surplus per acre year on year
LP17 Attain the County Farms average for lettings to new entrants
LP19 Maintain management costs < 15%

The strong financial performance of the Estate is a direct result of the early implementation of an evidence based management system. This has provided a strategic direction to the on-going restructuring process and has enabled the Estate to make an increasing contribution to the Council's wider policy aspirations.

The 2010 Review reinforced the previous strategic direction of both portfolios re-emphasising the previously identified need to work with partners to meet the wider social and economic objectives of the County Council in addition to delivering ongoing financial benefits.

Whilst, the development of the Farms portfolio has maintained good progress the performance of the Industrial portfolio reflects the fact that although action plans have been put in place, no significant progress has been made in the areas of partnership working, the development of future strategies to further assist the local economy or, the initiation of a strategic investment

plan to enable premises to match the needs of new businesses and deliver the desired outcomes. However, opportunities to address these issues have now been identified and work progressed to secure their implementation.

In addition, the further interim review currently being undertaken will provide a further focus for the achievement of policy goals and a sound financial performance from both portfolios in the medium term.

3. Strategic Vision for Property

3.1 Restructure

During 2012 Property Services underwent a review which resulted in the implementation of a new smaller organisational structure that splits Operational and Strategic functions in line with the corporate Target Operating Model. – The structure and details of the split is given in Appendix 3

3.2 Vision Objectives and Outcomes

Leicestershire County Council Strategic Vision for Property (2013/14)

In previous years the Strategic Vision has focused upon the need to secure improvements in the performance of the County Council's own property resources. This continues to be important but there is a significant shift from a focus that has been narrowed upon the Council's own estate to one that now takes into account the wider perspective of maximising the opportunities that are available through the local public sector estate. This mirrors the same shift in focus that is occurring throughout all aspects of the County Council's corporate and service delivery areas.

Leicestershire County Council's Strategic Vision for Property is based upon the following aspirations:

1. Delivering Asset Strategies that support the delivery of Leicestershire Together's four priority outcomes:

- Supporting Leicestershire's families
- Supporting the Leicestershire Economy
- Ageing Well
- Contributing to the Health and Wellbeing of Leicestershire and reducing health inequality

These Asset Strategies will:

- Be developed in conjunction with other public services' providers
- Be locality based
- Consider all public sector assets in that locality

2. Maximising the opportunities that are available through the 'total local public estate'

Plans for County Council assets will take into account the potential that may be available through the collective public sector asset base in a geographic area to enable the delivery of:

- Leicestershire Together's four priority outcomes
- Locality based requirements – for example, to address specific local service needs; to support local economic development or regeneration requirements
- Improved and better integrated public services – for example, shared facilities for back office or customer facing services

3. Providing county wide property services that are available for all public services' partners

The aim is to maximise the benefits that may exist through pooling the needs and provision of property services across public sector partners as a means for securing efficiency and revenue

savings and for providing more joined-up property solutions through more joined-up property services.

4. Making good use of innovative procurement and commissioning models

Alternative models (such as JVC's, Trusts and public private sector models) are to be explored and developed to enable the successful delivery of new and continuing public services that would otherwise not be able to be supported through traditional funding, procurement or service delivery approaches.

5. Providing public sector facilities that the Leicestershire public are proud to use and own

The County Council has a strong role to play in providing public sector facilities that:

- Are known and recognised by the Leicestershire public
- Are of an appropriate quality
- Are assets, not liabilities
- Are well managed and maintained
- Are environmentally friendly
- Include some facilities that inspire and excite
- Provide facilities and services that are considered to be important by the Leicestershire public, but would otherwise not be available
- Enhance the locality as a place to live, work, learn and play in
- Send a positive message about Leicestershire and its people

4. Asset Strategy Implementation

Two fundamentals underpin the management and planning of LCC's corporate property resources:

- LCC must always be able to give a sound reason for LCC owning or using a property asset, and
- LCC's corporate resources are essential for the delivery of the council's corporate and service delivery plans

Therefore every asset owned or used by LCC has a specified purpose and will have an action plan which demonstrates how it is contributing towards service delivery in accordance with the performance requirements defined for that asset.

To do this we will be embarking on a new asset challenge process which will help us evolve a new Area Based Asset Strategy. The first outcomes will be reported in CAMP 2014/15 and will primarily focus on LCC's assets but during 2014/15 itself Asset Management will be seeking to consult and engage with other key partners to expand the strategies to embrace other local public sector assets.

The Area Based Asset Strategy will also reflect the corporate and service priorities as summarised in Section 2 and the Strategic Property Vision as outlined in Section 4

There are two component parts to this new approach:

4.1 New area based Asset Strategy

Asset Management will produce Area Based Asset Strategies for all areas of the county using the following approach.

Step 1: Identify existing LCC assets in the area (and to build up a database of potential partner property interests)

Step 2: Clarify the key strategic public services' drivers for this area i.e.

- Leics Together Outcomes ; LCC's Medium Term Financial Strategy
- Consultation – within LCC services and with relevant partners

Step 3: Overview of performance of existing assets from a methodical Asset Challenge. This will be based on a re-focus the Asset Challenge completed in 2008 with a question based approach (incorporating lessons learnt from the previous exercise) in order to appraise the performance of current assets held and allocate them into one of the following categories:

1. Surplus to requirements
2. Retain for existing purposes
3. Improve financial and/or energy performance
4. Promote partnership working
5. Develop opportunities for improved service delivery

E.g. supporting Leics Together Priorities and addressing specific local need

Asset Management will then prepare a brief Action Plan for each asset, addressing any identified weaknesses and maximising any potential opportunities. These will then be used to develop step 4

Step 4: Develop an Area Based Asset Strategy (in consultation with other key partners)

To comprise:

- Strategic Public Services Vision for the area
- Supporting Strategic Property Vision for the area
- Action Plan – identifying timetabled programme of actions in relation to area asset base

During 2013/14 this methodology will be put in place and the Asset Challenge review process commenced on an areas basis. This will take some time to develop and so the implementation plan in Fig 4.1.1 below sets out the current asset strategies being progressed on an area by area basis during 2013/14

Fig 4.1.1 Area Based Asset Strategy Implementation 2013/14

NB Key projects noted below only and day to day management and disposal work on agreed disposals etc

Harborough District	
Harborough District Council – Refurbished offices at Adam & Eve Street	Work with partners to complete project for locality based office accommodation including new library, museum and registrars facility
Explore development opportunities	Promotion of additional potential sites for Housing and Commercial
Extra Care	Investigate potential for establishing Extra care with partners to support delivery in:- <ul style="list-style-type: none"> • Market Harborough • Lutterworth and • Broughton Astley
Gypsy and Travellers	Pursue new site at Gilmorton under Head lease scheme with Framework Housing
Melton District	
Former King Edward VII Site Burton Road, Melton	Development of master plan and disposal potential including :- <ul style="list-style-type: none"> • Residential development • Community facilities • Extra care
Sysonby Farm	Promote housing development and potential relocation of council services
Area Offices and The Mount Leicester Road, Melton	Dispose of site for commercial development
Library Wilton Road	<ul style="list-style-type: none"> • Ongoing discussions with Brooksby Melton College re redevelopment options • Continue investigations into feasibility of potential library relocation
Charnwood Borough	
Pool Farm site Quorn	Promote development for rural offices or workshops
Explore development opportunities	Promotion of additional potential sites for Housing and Commercial
Technology Centre	Promote joint working with the university to progress a scheme for further accommodation to support technological innovation

Locality based Office Accommodation	Work with partners to provide office space in Loughborough town centre for locality based LCC staff as a replacement for Pennine House
Beaumanor Hall Woodhouse Eaves Extra Care	Develop and deliver long term strategy Develop opportunities for Extra Care in the District principally Loughborough, Shepshed and the principal urban area (Birstall or Barkby)
North West Leicester District	
Ibstock and Ravenstone	Promotion of additional potential sites for Housing and Commercial
Undertake joint review of county and District industrial portfolios	Develop strategy for rationalisation and realignment of accommodation to:- <ul style="list-style-type: none"> • Meet current market trends. • Promote regeneration of town centre • Address training and worklessness.
HS2 – impact on units at Westminster Industrial Estate	Progress redevelopment opportunities in the locality to replace units that will be demolished (Part of wider industrial; strategy above)
Hill Street, Donisthorpe	Promote exception site with District and framework provider for affordable housing
Extra care	Develop opportunities for Extra Care in the District principally Coalville and Ashby
Hinckley and Bosworth Borough	
The Hub, Hawley Road Hinckley	Completion of joint working with District on co-location of locality based office teams into new HBBC building
Extra care	Develop opportunities for Extra Care in the District principally Hinckley, Barwell and Market Bosworth
Blaby District	
Highways Depot, Arbor Road, Croft	Support consolidation onto single site including refurbishment of accommodation.
Explore development opportunities in Fosse Villages	Work with Fosse Villages to investigate opportunities for achieving residential development, developing community benefits in Croft, Stoney Stanton and Sapcote
Hall Farm, Blaby	Progress development opportunities for residential
Crematorium site for South Leicestershire	Promote LCC site as potential location for facility
Extra care	Working with partners to promote extra care at Winchester Road Blaby
Explore development opportunities	Promotion of additional potential sites for Housing and Commercial

Glenfield Park, Kirby Road, Glenfield	Investigate potential joint workspace scheme with partner
County Hall Glenfield	Develop a County Hall Masterplan and to deliver an interim storage solution to deal with short term Records Office storage
Oadby/Wigston Borough	
Improved Registrars facility	Progress with partner the provision of new registration facility and wedding venue
Leicester City Council	
Franklyn Road Leicester	Joint promotion and disposal of site for residential development

4.2 Additional Asset Reviews and Strategies

Extra Care

As part of the realignment of older persons care facilities the County Council is seeking to deliver up to 500 units of Extra care accommodation within 10 locations within a 5 year period. This will require a mix of both LCC identified sites and working with third parties to achieve this target.

The identified areas for provision are shown in Fig 4.1.1 above

Storage Review Strategy

Deliver recommendations and agreed strategy

Energy Strategy

Development of strategy to be completed Oct 2013 – delivery to commence through 2013 onwards and aiming to secure the substantial energy savings and to be on course to meet its required target of 30% carbon reduction savings by 2015 (pump priming monies for this initiatives has already been allocated in the MTFs)

Economic and Regeneration Development Schemes

Joint working with Economic Development and Environment and Transport to support 'enabling development initiative'

County Hall Campus

Develop a Masterplan for the whole County Council campus including the annexe buildings and the former Fire and Rescue HQ building which will be acquired by LCC later this year.

County Record Office

Commence a project in conjunction with Partners to identify a long term sustainable solution to meet the Record Office's future service delivery and storage requirements

Commissioning Review

Undertake reviews into current property commissioning and procurement practices and commence delivery of recommendations through 13/14 to 14/15.

PAMS

Progress the procurement programme to secure the implementation of the new PAMS system and go live date of 1st April 2014.

5. Resource Implications

This section highlights the resource implications associated with the delivery of the Asset Management Implementation Plan.

5.1 Finance – Capital

Sections 2.2 and 2.3 summarise the Medium Term Financial Strategy (MTFS) and the Capital Strategy for 2013/14 – 2016/17. Section 3.8 sets out the capital receipts, capital and revenue expenditure proposals for the council's property resources in keeping with the MTFS 2013/14 – 2016/17.

This CAMP has been developed and produced in conjunction with the financial plans, programmes and budgets for the Council. This ensures that the planning for financial and property resources are directly linked and connected.

5.2 Capital Programme

A Service Based summary of the property elements of the Capital Programme is set out below and in greater detail in Appendix 4

Fig 5.2.1 Capital Programme Schemes – 2013 - 2017 (Property related projects)

Capital Budget	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
CYPS	18,990	989	0	0	19,979
ENVIRONMENT & TRANSPORT - TRANSPORTATION	250	0	0	0	250
ADULTS & COMMUNITIES	1,645	1,140	60	60	2,905
CORPORATE RESOURCES	2,134	2,500	1,900	650	7,184
CORPORATE PROGRAMME	1,520	4,995	4,000	50	10,565
Grand Total	24,539	9,624	5,960	760	40,883

5.3 Finance – Revenue

The following table relates to the total revenue fund managed by Property Services for the repair and maintenance of the Children & Young People's Service (CYPS) (including schools) and the corporate estate for 2010/2011, 2011/2012 and for 2012/2013. Looking forward these figures will change significantly as schools convert to academies and become responsible for their own property maintenance and budgets.

Maintenance programmes are put together using information obtained from the five yearly condition surveys which are undertaken for all properties used by the Authority. All programmes are compiled by Asset Management and approved against the wider corporate asset management context prior to the final programme being approved.

Fig 5.3.1 Central Maintenance and Schools Fund Budgets 2010/11, 2011/12 and 2012/13.

REVENUE BUDGET	2010/2011 (£)	2011/2012 (£)	2012/13 (£)	2013/14 (£)
Schools Fund	5,598,738	5,620,915	6,241,335	6,375,864
□ Buy Back	<u>(3,165,753)</u>	<u>(3,144,890)</u>	<u>(2,866,372)</u>	<u>(1,905,521)</u>
□ Non Buy Back – funds retained by schools.	(2,432,985)	(2,476,025)	(3,374,963)	(4,470,343)
Central Fund LEA Retained	<u>1,194,345</u>	<u>1,192,557</u>	<u>543,000</u>	Nil
Corporate Tenant Budget	<u>1,229,000</u>	<u>1,229,000</u>	Nil	Nil
Central Fund Corporate	<u>2,043,650</u>	<u>2,368,963</u>	<u>3,017,520</u>	<u>2,809,336</u>
Total Revenue Budget managed by Property Services	<u>7,632,748</u>	<u>7,935,410</u>	<u>6,426,892</u>	<u>4,714,857</u>

Definitions: -

- **Schools Fund** – Funding available to undertake smaller planned jobs and day to day repairs. This funding has been delegated to schools, but a Buy Back facility is in place where schools can put the funds into a scheme administered by Property Services. The funds are used to deal with these issues across the portfolio of schools in the scheme.
- **Central Fund LEA retained** – Funding available to undertake major repairs to all schools (excluding Voluntary Aided) has been significantly reduced and will no longer be available in 2013/14 onwards due to the school conversion programme to academy status. The authority will no longer be responsible for maintenance issues on academy schools.
- **Corporate Tenant Budget** – As part of the change to a Corporate Landlord model maintenance budgets previously held by departments were transferred to Property Services, and is used for internal decorations, floor coverings, etc.
- **Central Fund Corporate** – This budget is used for undertaking all types of maintenance and repair for all other buildings (excluding Schools). This budget also includes the former tenant maintenance funds which were incorporated into CMF a number of years ago.

5.4 ICT

The Property Asset Management System (PAMS) project is underway to procure and implement an off-the-shelf property asset management system. A tender document has been produced and issued in collaboration with ESPO. The timescales for the return of the tender is mid July 2013. Evaluation and supplier demonstrations are scheduled throughout July and August with Contract award at the end of September 2013.

Engagement and the commencement of the implementation project with the chosen supplier is expected to start in November 2013. It is envisaged that the implementation go live will be phased from April 2014.

The new system will replace several of the existing property information management systems including PMIS, KEYMIS and Horizon.

A project team is in place to support the implementation that includes ICT, Finance and both Strategic and Operational Property Services experts. Where further specialist functional knowledge is required on the project other resources will be involved.

The project will ensure the continuity of good quality asset management and provide further efficiencies with integration to the Oracle financial systems.

5.5 Human Resources

The Property Services review and the introduction of the councils Target Operating Model has been successfully completed. The new Strategic and Operational Property Services structures came into place from 1st January 2013. Refer to Appendix 3 for Structure Diagrams

5.6 Procurement

The Property Services Programme of Commissioning and Procurement Reviews has been initiated in June 2013 to ensure that the council's future property services commissioning and procurement arrangements are effective, efficient, sustainable and provide value for money. The review will also evaluate the introduction of new e-tendering methods of procurement.

The review covers:-

- Minor Works and the Reactive maintenance frameworks
- Major works frameworks
- Facilities Management framework
- Estates Management Commissioning
- Specialist consultancy services commissioning.

Options appraisal and recommendations will be made be in place be the end of the 2013-2014 financial year.

The Energy Strategy as previously referred to in Section 3 incorporates the review of energy procurement.

Appendix 1 Summary of Assets and Values

2011/2012				
Land (excludes Highways land) Principal and Other Roads				4539 Ha. 4145 km
Operational Assets	F/H	Other	Total	VALUE
Land and Buildings				
Nursery Schools	1	0	1	£167,229
Primary Schools	190	33	223	£226,019,040
Secondary Schools	28	25	53	£290,456,081
Special Schools	4	3	7	£23,413,383
Other Education	21	4	25	£10,853,064
Housing (Caretakers)	30	0	30	£3,525,163
Libraries (3 Public Libraries within Schools)	45	9	54	£13,238,345
Children and Family Centres	3	6	9	£3,525,060
Children's Community Homes	2	0	2	£1,101,073
Day Care - Elderly Persons	0	4	4	£0
Day Care - Learning Difficulties	4	9	13	£8,191,511
Day Care - Mental Health	2	3	5	£614,065
Day Care - Physical Difficulties	0	2	2	£0
Residential - Learning Difficulties	5	0	5	£1,104,140
Residential - Mental Health	1	0	1	£531,087
Properties in Support of Residential Services	1	0	1	£173,959
C.C. Admin Offices and Registrars	8	27	35	£27,735,473
Museums	6	1	7	£12,926,505
Industrial (UNITS) (In 20 Estates)	187	29	216	£9,612,519
Civic Amenity and Waste	14	0	14	£3,500,264
Highways Depots	9	1	10	£3,475,288
Traveller's Sites	2	1	3	£519,526
Community Assets				
Country Park landholdings	18	2	20	£374,993
Farms and Smallholdings (in 38 estates)	79		79	£12,096,918
TOTAL OPERATIONAL	660	159	819	£653,154,686
Non-Operational (general)				
Land in Advance	35	11	46	£3,943,949
Corporately managed	14	1	15	£3,027,914
Surplus Property				
Land and Buildings declared surplus	36	2	38	£15,900,558
TOTAL NON OPERATIONAL	85	14	99	£22,872,421
OVERALL TOTALS	745	173	918	£676,027,107

N B Data and Values based on LCC Asset Register @ 01/04/2012

Appendix 2 Performance Management

COPROP PROPERTY MANAGEMENT INITIATIVE PROPERTY PERFORMANCE INDICATORS (PMI'S) -

PMI 1A - D Condition and Maintenance Indicators (All property classes)

1A - Percentage of portfolio (m²) that falls into Condition Categories A - D

	A	B	C	D
12/13 Actual	38	37	23	2
11/12 Actual	28	44	26	2
10/11 Actual	26	41	30	3
09/10 Actual	25	42	30	2
08/09 Actual	19	48	30	2

Based on properties which are categorised A - D x GIA Drivers.

1B(i) & 1B(ii) - Backlog Maintenance by cost as a total value in priority levels 1 - 3

	1	2	3
12/13 Actual	£1,000,644 (1%)	£35,446,614 (51%)	£33,549,815 (48%)
11/12 Actual	£1,411,632 (1%)	£63,128,529 (51%)	£59,481,614 (48%)
10/11 Actual	£733,419 (1%)	£70,001,787 (53%)	£60,976,103 (46%)
09/10 Actual	£666,306 (1%)	£67,791,912 (53%)	£60,390,295 (47%)
08/09 Actual	£720,930 (1%)	£64,993,529 (52%)	£60,152,181 (48%)

1B(iii) - Total cost of required maintenance

12/13 Actual 01/04/13	£69,997,073 £104 £36,833,916 (53%) Schools
11/12 Actual 01/04/12	£124,021,775 £120.92 m ² £94,684,583 (76%) Schools
10/11 Actual 01/04/11	£127,574,376 £109 m ² £99,896,553 (78%) Schools
09/10 Actual 01/04/10	£128,848,513 £131 m ² £103,778,650 (80%) Schools
08/09 Actual 01/04/09	£125,866,640 £122 m ² £103,327,643 (82%) Schools

Building Cost Inflation
Year on Year

12/13	+2.9%
11/12	+0.07% (1,025,629 m ²)
10/11	+2.5%
09/10	+1.5%
08/09	+4.8%

Building Cost Year on Year (BCI Index Period 2 Current year) – (Period 2 Previous year) divided by previous year

1C - Annual percentage change to total required maintenance figure over previous year:

12/13 Actual	-£54,024,702	-43%	Academy Conversions
11/12 Actual	-£7,689,534	-5.8%	
10/11 Actual	+£941,545	+0.7%	
09/10 Actual	+£766,191	+0.6%	
08/09 Actual	+£8,442,623	+7.2%	

1D (i) – Total Transactions on maintenance in previous financial year.

£6,612,993	(All transaction from R. & M.(R+P+SC) Codes from FIS from 1/4/12 - 31/3/13)
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1D (ii) – Total spend on maintenance per sq.m GIA.

Total spend £9.83 /sq m where LCC has M & R responsibility	Total 672,555 sq.m. GIA
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1D (iii) Percentage split of total spend on maintenance between planned and reactive maintenance.

30.7 % Planned 69.3 % Reactive	2013 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £225,521.62
46.7% Planned 53.4% Reactive	2012 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £85,203.08
47.7% Planned 52.3% Reactive	2011 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £126,623
55.3% Planned 44.7% Reactive	2010 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £103,581
50.7% Planned 49.3% Reactive	2009 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £237,361

PMI 2 A - C Energy and Water Consumption and CO₂ Emissions

2A - Energy (to be reported for all operational properties including Schools, but excluding housing) (Only includes Electricity & Gas)

	2011/2012	2012/2013
Energy Cost Total Spend	£10,055,064	£11,763,690
Energy Total Consumption (Kwh)	181,387,101	203,820,013
Energy cost per sq.m.	£ 10.98/m ²	£13.00/ m ²
Energy Consumption per m ²	198.07 Kwh/m ²	225.24 Kwh/m ²

2C - CO₂ Emissions (to be reported for all operational properties including Schools, but excluding housing)

	2011/2012	2012/2013
CO ₂ Total Emissions	48,272 Tonnes CO ₂	53,528 Tonnes CO ₂
CO ₂ Total Emissions/m ²	0.05 Tonnes CO ₂ /m ²	0.06 Tonnes CO ₂ /m ²

NB The lower figure for 2011/2012 is due to only being required to report 90% of the CO₂ output.

2012/2013 was a much colder year than the previous year.

Data cleansing, only 28 reports missing so no approximation of data based on a previous year

Only Gas and Electricity supplies qualify for CRC purposes in 2012/2013, in previous years it covered oil, kerosene, coal etc

PMI 3 A & B Suitability No longer in use – no challenge but will be refreshed as part of the new Area Based Asset Challenge during 2013/14

PMI		Actual 10/11	Actual 11/12	Target 12/13 set by Dept Service Plan
3A	Percentage of operational buildings by GIA (Excluding Schools and Housing) for which a suitability survey has been undertaken in the last five years	100%	100%	100%
3B	Number of properties for which a suitability survey has been undertaken within the last five years			100%

Local Indicators: Industrial Estate

LPI Ref No	PI Description	Leicestershire Industrial Portfolio			Target 13/14
		10/11 Actual (Target)	11/12 Actual (Target)	12/13 Actual (Target)	
LPI 1	Attain Target Investment Rate of Return	v (> 6%)	14.28% v (6%)	9.58% v (6%)	> 6%
LPI 2	Attain the average market return on capital over the whole portfolio	18.27% v (14.4%)	2.82% v (13.5%)	-2.7% v (13.3%)	>13.3% *
LPI 3	Attain the average market net income return target	6.7% v (4.21%)	6.78% v (7.1%)	4.7% v (7.1%)	>7.1% *
LPI 4	Attain the average market yearly capital growth target	14.06% v (7.7%)	-3.96% v (6.3%)	-7.4% v (7.7%)	>7.7% *
LPI 5	Increase the average rent per square foot over the whole portfolio year on year.	£4.19 v (£4.83)	£4.79 v (£4.19)	£4.06 v (£4.79)	>£4.06
LPI 6	Attain agreed voids target for Area and Rent. Area & Rent < 5%	A 11.35% R 12.21% v (< 5%)	A 15.9% R 17.04% v (< 5%)	A 14.8% R 13.7% v (< 5%)	A < 5% R < 5%
LPI 7	Attain unsecured 90 day debt target of < 5% Gross Income	<1% v (< 5%)	3.36% v (< 5%)	3.53% v (< 5%)	< 5%
LPI 8	Increase revenue surplus per square foot year on year over the whole portfolio	£1.03 v (£1.56)	£1.81 v (£1.53)	£1.12 v (£1.81)	>£1.12
LPI 9	Maintain management cost target below 15%	15.75% v (< 15%)	14.88% v <15%	16.13% v <15%	< 15%

* National Average derived from bench marking survey results

Local Indicators: County Farms

PI Ref No	PI Description	Leicestershire County Farms			Target 13/14
		10/11 Actual (Target)	11/12 Actual (Target)	12/13 Actual (Target)	
LPI 10	Attain Target Investment Rate of Return > 6%	10.44% v (> 6%)	12.74% v (> 6%)	11.88% v (> 6%)	> 6%
LPI 11	Attain Savills average return on capital target over the whole portfolio	37.2% v (12.6%)	48.3% v (9.1%)	34.0% v (9.0%)	>9.0% *
LPI 12	Attain Savills average net income return target	5.3% v (> 1.9%)	4.3% v (> 1.8%)	6.8% v (> 1.3%)	>1.3% *
LPI 13	Attain Savills average yearly growth target	32.0% v (> 10.6%)	44% v (> 7.3%)	27.3% v (> 7.3%)	>7.3% *
LPI 14	Increase the average rent per acre over the whole of the portfolio year on year	£96.94 v (£93.24)	£101.4 v (£96.94)	£107.74 v (£101.40)	£101.40
LPI 15	Attain agreed voids target for Area and Rent.	A 0.002% R 0.024% v (< 5%)	A 0.023% R 2.56% v (< 5%)	A 0.004% R 0.003% v (< 5%)	Area <5% Rent <5%
LPI 16	Attain unsecured 90 day debt target of < 5% Gross Income	4.09% v (< 5%)	3.09% v (< 5%)	2.19% v (< 5%)	< 5%
LPI 17	Attain target level of re-lettings to new entrants	0% v (2.6%)	0% v (0.96%)	1.3% v (0.96%)	1.3%
LPI 18	Increase revenue surplus per acre, year on year, over the whole portfolio	£38.74 v (£34.25)	£41.49 v (£38.74)	£52.14 v (£41.49)	£41.49 **
LPI 19	Maintain management cost target below 15%	10.9% v (< 15%)	9.4% v (< 15%)	6.58% v (< 15%)	< 15%

LCC is a member of the Savills Benchmarking Services. Savills, a national property surveying and land agency firm, collates, analyses and publishes performance benchmarking information from 175 participating agricultural estates. Referred to as the 'comparator group', these estates total more than 850,000 acres and are owned by a mix of private landowners, institutional landowners and public sector bodies.

* National Average derived from benchmarking survey results.

** Exclusive of surplus from environmental schemes.

Appendix 3 Property Services Teams

Strategic Property Services acts as the Council's strategic property advisor.

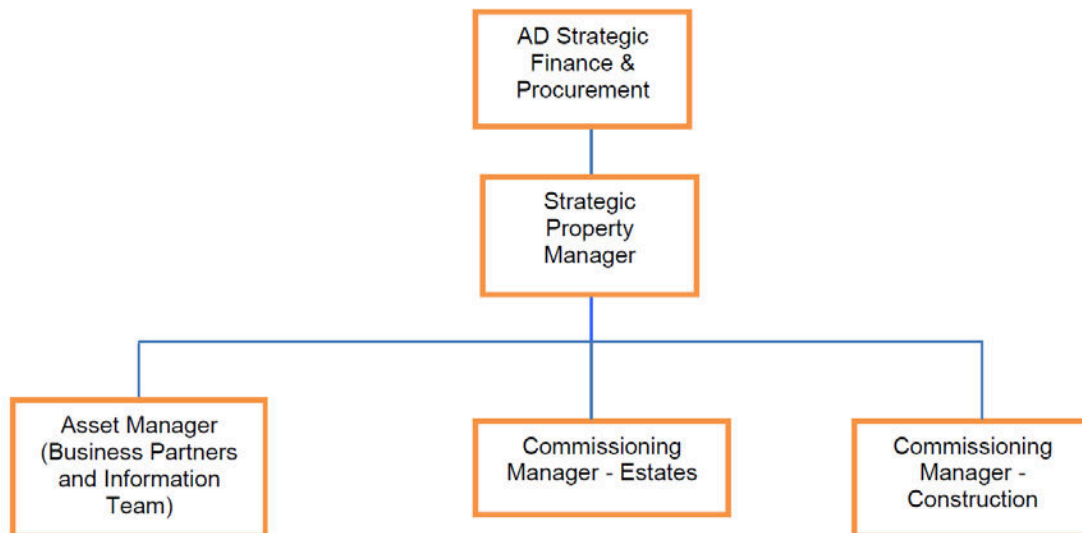
It sets the strategic direction for planning, procuring, developing, utilising and managing the property resources that are used by the Council.

It ensures that money spent on property and property services is a sound and effective investment; that the Council has the facilities it needs and can afford; and that all legal and statutory requirements are met.

It is responsible for getting the best out of existing property and supporting services, whether these are provided in-house or procured from external providers.

The Service is also responsible for planning to ensure that the Council has the facilities it needs, and can afford, to deliver its future services and plans.

Fig 1: Strategic Property Services Management Structure



Note: summary description of the three SPS teams is contained in Appendix 3

Asset Management Team

Business Partners are the first point of contact for all internal and external clients on property related matters affecting their service. The team reviews and evaluates all property related requests before passing them for delivery and commissioning.

The Information Team control all property related information including an extensive database of all council land ownerships and property interests together with detailed CAD and site plans, operating costs and performance measures.

The Asset Management Team have a strong customer focus, providing the strategic direction for the use, management, development, planning and procurement of all the Council's property needs to ensure that its clients can provide the most cost effective and efficient services possible.

Commissioning Manager – Estates

The Commissioning Manager for Estates is responsible for delivery of proactive management of the Council's land and property assets through efficient disposal and acquisition of property holdings ensuring best value, timely implementation of lease events and lease restructuring in order to mitigate liability and reduce costs.

An effective and efficiently run service is achieved through the management of the Estates Framework Agreement, Service Level Agreements and Partnership arrangements. Commissioning Estates is also responsible for advice and recommendations given to elected members and service areas.

Strategic Commissioning – Construction

Strategic Construction acts to provide the Authorities commissioning service for all building construction works ranging from feasibility to practical completion, together with project management and financial monitoring. Major works are Project Managed within the team, with minor works /maintenance being commissioned to Operational Property Services (OPS) and monitored by the Strategic team.

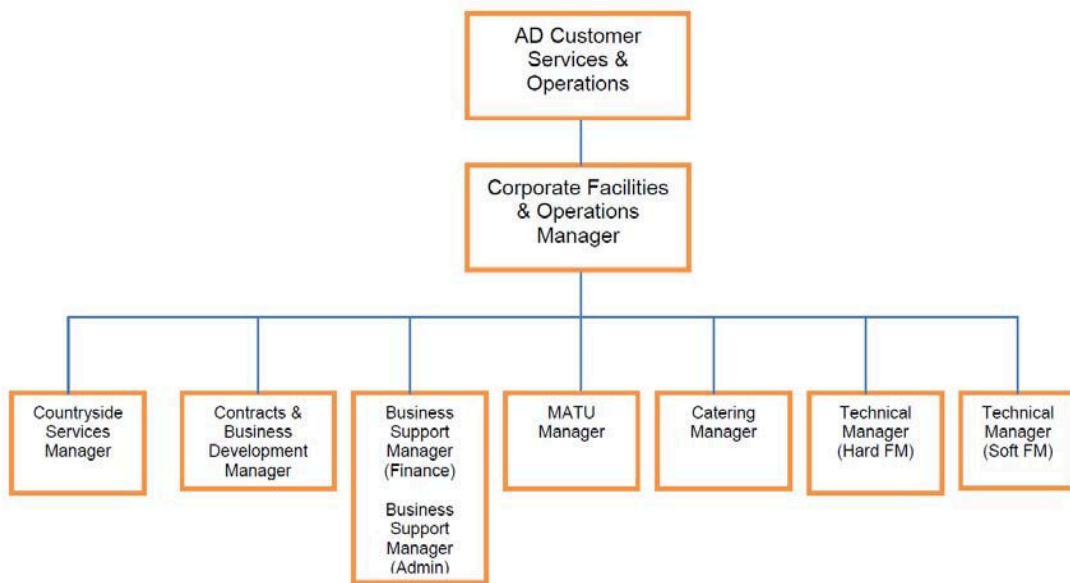
All day to day building compliance and health and safety issues are commissioned to OPS but overseen by Strategic Construction. Other significant areas of responsibility are the monitoring of energy usage and CO2 output including planning how to achieve carbon reduction targets by 2020.

Operational Property Services provides Facilities and Property Management, to support LCC's corporate estate and those of its customers including Schools, Academies, Leicestershire Constabulary, LFRS, district councils, parishes, and other external customers.

The service ensures assets are fit for purpose, legally compliant and create an environment suitable to encourage existing and new business enterprise throughout Leicestershire. Many of its services are also provided to external customers attracting additional income to Leicestershire County Council.

Services are delivered by both in-house teams and established outsourced suppliers, which supports its aim to promote customer focus, value for money, sustainability and inward investment.

Fig 2: Operational Property Services Management Structure



MATU – Multi Agency Travellers Unit

Appendix 4 Capital Programme Schemes – 2013-2017

Fig 1:

Capital Programme Schemes - 2013-2017 (Property related projects)

Capital Budget	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
<u>CYPS</u>					
<u>Commitments</u>					
Short Breaks for Children - Aiming High	380	0	0	0	380
Development of SEN Provision	451	489	0	0	940
Loughborough Ashmount Replacement School	4,800	500	0	0	5,300
<u>New Starts</u>					0
School Accommodation Programme	10,159	0	0	0	10,159
Strategic Capital Maintenance	3,000	0	0	0	3,000
Replacement Playing Field - Croft Primary School	200	0	0	0	200
Overall Total	18,990	989	0	0	19,979
<u>ENVIRONMENT AND TRANSPORT - TRANSPORTATION</u>					
Highways Depot Review	250	0	0	0	250
Total	250	0	0	0	250
<u>ADULTS & COMMUNITIES</u>					
Snibston Discovery park - refurbishment of scheduled monument	1,465	0	0	0	1,465
Extracare Provision in Blaby	120	1,080	0	0	1,200
Minor Capital Works	60	60	60	60	240
Total	1,645	1,140	60	60	2,905
<u>CORPORATE RESOURCES</u>					
Aston Firs Travellers Site - major refurb	384	0	0	0	384
County Hall Refurbishment - Phase 2 Works	500	0	0	0	500
Property Management Information System	50	300	0	0	350
Demolition of Vacant Buildings	500	0	0	0	500
County Farms - Disposal Facilities & General Improvements	150	150	150	150	600
Purchase of additional agricultural land	500	500	500	500	2,000
<u>Invest to Save Programme (subject to approved business cases)</u>					
Poole Farm, Quorn - redevelopment	0	550	250	0	800
Ind Properties - Replacement of roofs	0	1,000	1,000	0	2,000
County Hall - Waste and Recycling Project	50	0	0	0	50
Total	2,134	2,500	1,900	650	7,184
<u>CORPORATE PROGRAMME</u>					
<u>Commitments</u>					
Property Services: Acquisition of Fire HQ	1,500	495	0	0	1,995
<u>New Starts</u>					
<u>Invest to Save Programme (subject to approved business cases)</u>					
Energy Efficiency Measures	0	2,000	2,000	0	4,000
Storage Review	0	1,000	1,000	0	2,000
Replacement Loughborough Pennine House	20	1,500	1,000	50	2,570
Total	1,520	4,995	4,000	50	10,565
Grand Total	24,539	9,624	5,960	760	40,883



SCRUTINY COMMISSION – 6 NOVEMBER 2013

LEICESTERSHIRE COUNTY COUNCIL AND LEICESTERSHIRE TOGETHER ANNUAL PERFORMANCE REPORT 2013

REPORT OF THE CHIEF EXECUTIVE

Purpose of Report

1. The purpose of this report is to present the draft Annual Performance Report for 2013. The views of Scrutiny Commission are sought on the Annual Report prior to submission to the Cabinet and full County Council.

Policy Framework and Previous Decisions

2. The Annual Performance Report forms part of the County Council's Policy Framework. Quarterly reports on performance are submitted to the Scrutiny Commission and other Overview and Scrutiny committees. The information outlined in the year end performance report will help the County Council and its partners to improve services so they are of a high quality and give value for money by providing it with performance data on which it can make more informed decisions.

Background

3. It is best practice in performance management to undertake a wider review of overall progress on key performance areas at the end of the year and to benchmark performance against comparable authorities. The (local authority) sector led performance arrangements strongly suggest that a good quality annual performance report continue to be produced and that this is scrutinised, transparent and made publicly available.
4. The Annual Performance Report (**Appendix 1**) covers the performance of the County Council and Leicestershire Together Partnership over the last 12 months or so. It draws largely on 2012/13 comparative data.
5. The Report is in two parts – the first part is narrative describing delivery, progress on plans and achievements over the last 12 months. It largely focuses on performance against the priority outcomes of the County Council and its partners within the Sustainable Community Strategy (SCS) and other main service strategies.
6. The second part contains hard comparative performance data showing current service and theme performance. Comparative data is sourced from

a range of acknowledged data sources including the LGA LG Inform national data system, Public Health and Adults Social Care Outcomes Frameworks data, OfSTED and DFE data sets and CIPFA. There is some comparative data still to be published - notably children's social care data.

7. The report is presented as a draft document, and will continue to be improved to incorporate points made by the Scrutiny Committees and Cabinet (November) prior to finalisation at full Council (December).
8. The final Annual Report will be properly formatted and published online via the County Council (<http://www.leics.gov.uk>) and Leicestershire Together (<http://www.leicestershiretogether.org>) websites. Discussions are underway with the Communications Unit on producing a shorter and more user friendly public version.
9. Overall analysis of the narrative shows strong examples of delivery across the theme areas. There are good plans and governance in place supporting delivery and improvement. Overall analysis of the available comparative performance data shows that Leicestershire continues to be a high performing county – provisional figures suggest we remain in the top two counties for aggregate performance. There has been improvement on 74 indicators (57%) out of the 131 reportable indicators this year – with around 33 (25%) showing similar performance levels and 24 (18%) showing lower levels of performance.
10. Leicestershire has a range of areas of top quartile performance including young people not in education, employment and training (NEETs); child protection plans; road accidents, maintenance and satisfaction; waste recycling and composting; many aspects of public health; many aspects of crime and reoffending; satisfaction with care and care safety; and library visits and issues and museum visits. Other areas of strong relative performance include low unemployment, child obesity, school place choices, teenage pregnancies and equality and diversity.
11. Particular areas of improved performance over the past year include the following:
 - **Economic** - The unemployment rate, which fell from 2.5% to 2% over the year to June 2013; skill levels; and the economic value of tourism which is now the second fastest growing industry in the county.
 - **Roads** - the number of people killed or seriously injured in road traffic accidents, as well as total casualties, show year-on-year reductions over recent years. Carbon emissions related to transport have fallen.
 - **Health** - adults participating in sports for 30 minutes or more reached a new peak. Life expectancy has improved, and death rates from the main killers (cardiovascular disease and cancer) have reduced. The teenage pregnancy rate has shown a sustained reduction over recent years, including a significant fall over the past year.

- **Children's Social Care** - substantial improvements in the timeliness of assessments. For the first time in 3 years, 100% of child protection cases were reviewed within required timescales, marking a significant improvement. Regarding looked after children, key indicators for the stability of placements have all improved.
- **Schools** - The proportion of schools assessed as good or outstanding by OfSTED improved to 83% over the year – above the national average and an improvement of 9% from the previous academic year. Also, two of the most important educational attainment measures showed marked improvements: achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths; and the achievement of 'A' levels at A-C.
- **Adult Social Care** - overall satisfaction of people with their care and support improved from 58.4% to 67.9% over the past year. There have been significant improvements to the proportion of service users feeling that they have control over their daily life and the proportion of people who say that services have made them feel safe and secure. The percentage of people who receive self-directed support has also improved significantly.
- **Crime** - Most types of crime, including violent crime and acquisitive crime have reduced during 2012/13. In addition, the proportion of people stating that they have been a victim of antisocial behaviour reduced during the year.
- **Climate Change** - total CO2 emissions in the county area reduced, NOx emissions from County Council operations fell. There was also a reduction in business miles driven by the council workforce, less waste being produced from council sites and a greater percentage of waste from council sites being recycled.

12. A number of areas have seen a reduction in performance figures last year.

- **Adult Social Care** - Permanent admissions to residential care has largely been high performing in the past, but slipped last year to third quartile.
- **Libraries** – significant reductions in visitors and borrowing, although the 2012/13 results may well remain top quartile compared to other counties.
- **Youth Service** – whilst there have been reduced numbers supported, this is in the context of a more targeted service offer and development of the wider Early Help Service.
- **Waste** – generally a high performing area and still top quartile, although there was a slight reduction in performance figures last year.

- **First Time Youth Offending** – has been a high performing area, but numbers increased last year and the comparative position slipped to 4th quartile as other areas continued to reduce.

13. A number of areas requiring a continued delivery focus are highlighted below:-

- **Educational Attainment / Excellence** – Latest figures show that whilst many schools have good or outstanding OfSTED ratings, Leicestershire has some areas that remain below average. It is important that the Leicestershire Educational Excellence Partnership (LEEP) and children's champion role is now progressed with some vigour to put in place clear improvement targets and plans in conjunction with schools.
- **Public Health** – many aspects of local public health are good though data suggests that the following areas require a continued focus: breastfeeding prevalence, take up of NHS health checks, self reported anxiety, Chlamydia diagnosis, flu vaccination, preventable sight loss certifications and excess winter deaths.
- **Acute Health** - a range of areas have been flagged to the Health and Wellbeing Board related to acute health performance, and a variety of improvement plans and actions are in place.
- **Adult Social Care Personalisation** – continues to increase in number although comparative performance remains 3rd quartile and still short of the target.
- **Staff Sickness Absence** – had seen a positive progress in recent years but slipped back last year missing the target.

LG Inform Latest

14. The LG Inform system was launched to officers and members in August and will be launched to the public at the end of November. Residents will be able access any reports that have been flagged for public sharing. This includes basic reports on each of the metrics that data is held for in LG Inform, but could also include customised reports produced locally if these are made publicly accessible. In relation to Leicestershire, the LGA's standard headline report displays a selection of pre-chosen indicators for county councils. The report indicates that of 17 indicators, the County Council is rated top quartile for 8 indicators, second quartile for 5 indicators, third quartile for 1 indicator and bottom quartile for 3 indicators. Timeliness of data publication remains an issue.

Resource Implications

15. The report has no direct resource implications.

Timetable for Decisions

16. The Cabinet will be updated on the views of the Scrutiny Commission at its meeting on 20 November. The Annual Report is then scheduled for consideration by the County Council at its meeting on 4 December.

Background Papers

The Leicestershire Together Sustainable Community Strategy

Circulation under Local Issues Alert Procedure

None

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Appendices

Appendix 1- Draft Leicestershire County Council and Leicestershire Together Annual Performance Report 2013 (incorporating the full Report and Performance Data Dashboards).

Relevant Impact Assessments:**Equal Opportunities Implications**

17. The Annual Performance Report incorporates progress of the County Council against key equalities commitments and indicators.

Crime and Disorder Implications

18. The Performance Report highlights progress against key community safety priorities and targets. This year has seen good delivery on crime reduction.

Environmental Impact

19. The Performance Report includes progress against a number of environmental priority areas and reports progress against the Environment Strategy.

Partnership Working and associated issues

20. The Performance Report considers progress in relation to the Leicestershire Together Partnership's key priorities.

LEICESTERSHIRE
TOGETHER AND
LEICESTERSHIRE
COUNTY COUNCIL

ANNUAL PERFORMANCE
REPORT

2013

ANNUAL REPORT CONTENTS**PART A**

	Page
Introduction and Overall Summary.....	1
Economy.....	4
Highways and Transport.....	9
Health and Wellbeing.....	14
Children and Young People.....	20
Vulnerable Adults and Older People.....	26
Culture.....	31
Safer Communities.....	33
Communities in Charge, Volunteering and Community Cohesion....	35
Climate Change, Environment and Waste.....	37
Better Services and Value for Money.....	41

PART B - Performance Data Dashboards

Introduction and Overall Performance Summary

During the last few months we have been consulting widely on the implications of the significant reductions which are being made by the Government to the County Council's funding, as a result of the austerity drive to help reduce the national debt.

As a result of the funding reductions we are looking hard at all aspects of our operations, and at all services, to ensure that we can target our reducing resources on the key issues facing the county and its population.

Following the County Council elections in May, in collaboration with our public, private and voluntary sector partners, we have agreed a new set of 'priority outcomes' to guide the targeting of resources across agencies. The outcomes are set out under our 12 overarching priorities of:-

1. Protecting, supporting and valuing the most vulnerable in communities;
2. Helping older people to live independently for longer;
3. A healthier population and reducing health inequalities;
4. Ensuring communities are resilient and can take charge;
5. Increasing economic growth;
6. Ensuring Leicestershire's workforce is diverse, capable, flexible and mobile;
7. Managing resources and waste effectively;
8. Ensuring our transport system is efficient, effective and safe;
9. Children and Young People achieve and enjoy high morale and self esteem;
10. Safer communities with reduced offending and re-offending;
11. A high quality, accessible environment and resilience to climate change; and
12. High quality, affordable housing and reduced homelessness.

Despite the funding reductions, we have so far been able to prioritise a range of activities to help meet these aims, as well as provide a range of other related public services. This annual report sets out some of our key progress areas and achievements over the last year.

Performance Summary

Overall the report shows strong examples of delivery across the theme areas. A separate section of the report sets out our comparative performance against a number of key performance indicators relating to the priorities in the report. Overall analysis of the available comparative performance data shows that Leicestershire continues to be a high performing county – remaining in the top two counties for aggregate performance.

Leicestershire has a range of areas of top quartile performance including young people not in education, employment and training (NEETs); child protection plans; road accidents, maintenance and satisfaction; waste recycling and composting; many aspects of public health; many aspects of crime and reoffending; satisfaction with care and care safety; and library visits and issues and museum visits. Other areas of strong relative performance include low unemployment, child obesity, school place choices, teenage pregnancies and equality and diversity.

Performance has improved across a range of council services over the past year. In many cases this can be demonstrated through key performance measures, many of which are nationally validated. Particular improvements include the following:

The unemployment rate fell from 2.5% to 2% over the year to June 2013. The proportion of working age population with at least NVQ level 2 and 4 qualifications improved over the past year, both of which are critical to the future of the local economy. The economic impact value of tourism increased over the past year, and tourism is now the second fastest growing industry in the county.

With regard to our roads, the number of people killed or seriously injured in road traffic accidents, as well as total casualties, show year-on-year reductions over recent years. At the same time, carbon emissions related to transport have fallen.

The proportion of the adult population participating in one or more sports a week for 30 minutes or more has improved very significantly over the past year, reaching a new peak. Life expectancy has improved, and death rates from the main killers (cardiovascular disease and cancer) have reduced. The teenage pregnancy rate has shown a sustained reduction over recent years including a significant fall over the past year.

There have been substantial improvements in the timeliness of children's social care assessments. For the first time in 3 years, 100% of child protection cases were reviewed within required timescales, marking a significant improvement. Regarding looked after children, key indicators for the stability of placements have all improved.

The proportion of schools assessed as good or outstanding by OfSTED improved from 74% to 83% over the year. Also, two of the most important educational attainment measures showed marked improvements: achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths; and the achievement of 'A' levels at A-C.

Adult social care services are judged partly on the satisfaction of those receiving the services. Overall satisfaction of people with their care and support improved from 58.4% to 67.9% over the past year. Significant improvements were also noted with the proportion of service users feeling that they have control over their daily life and the proportion of people who say that services have made them feel safe and secure. In terms of the delivery of adult social care services, the percentage of people who receive self-directed support also improved significantly.

Most types of crime, including violent crime and acquisitive crime have reduced during 2012/13. In addition, the proportion of people stating that they have been a victim of antisocial behaviour reduced during the year.

In terms of climate change, the total CO2 emissions in the county area reduced over the most recent measurement period, as did the NOx emissions from County Council operations. Further evidence of the authority's reduced impact on the environment include a reduction in business miles driven by the council workforce, less waste being produced from council sites and a greater percentage of waste from council sites being recycled.

Timeliness of complaints handling improved markedly with the introduction of a new complaints management system. Also, the number of complaints handled by the Local Government Ombudsman relating to the County Council dropped markedly over the year.

As a result of the funding reductions, we are also looking hard at all aspects of our performance, and improvement targets, to ensure that they are focused on the key issues and the limited funding now available.

Economy

In response to challenging economic conditions the Council agreed Economic Growth Priorities in November 2012 which set out how the Council will use its resources, knowledge and expertise to support delivery of the Economic Growth Plan 2012-20 of the Leicester and Leicestershire Enterprise Partnership (LLEP). The Council's priorities focus on supporting enterprise growth, enhancing capital availability, increasing the availability of employment land and buildings and improving infrastructure (especially for the distribution and logistics sector), and tackling worklessness through matching skills demand with supply.

The Council is also working closely with partners, including the business community, district councils and the City Council, to respond to opportunities provided nationally and to changes to economic development arrangements introduced by the Government in response to Lord Heseltine's review of economic growth. Of particular significance are:

- The establishment nationally of a £2bn per annum Single Local Growth Fund (SLGF) from 2015, which will be allocated to Local Enterprise Partnership (LEP) areas on a part formula; part competitive basis;
- The need for LEPs to put in place new Strategic Economic Plans (SEP) by early 2014. The SEP will form the basis for the negotiation of a Growth Deal with Government which will determine the overall amount of the SLGF that the area is able to access;
- The separate but related requirement for LEPs to agree a EU Structural and Investment Funds (SIF) Strategy to allocated EU funds notionally allocated to Leicester and Leicestershire for the period 2014-20 (126m euros);
- In the immediate term the need to negotiate a City Deal with Government;
- The need for new governance arrangements to oversee these new arrangements. An Economic Growth Board made up of the County Council Leader, City Mayor and seven district council leaders. Has been established to work alongside the LLEP Board and oversee development of the SEP, EU SIF Strategy and City/ Growth Deals.

Economic interventions are increasingly being grouped into three main thematic areas; private sector growth (including business support and capital availability), labour market (including skills and worklessness), and infrastructure provision.

Private sector growth

Capital Availability - Last year the Leicestershire Business Survey showed that a third of companies were concerned about cash flow and access to finance. In Spring 2013 the Cabinet agreed to invest £1m of reserves to launch a Leicestershire Local Enterprise Fund to help support small businesses struggling to obtain capital by making loans available. At the time of writing a process to procure an external agency to manage and deliver the Fund was nearing completion and it is anticipated that it will be launched in November or December 2013.

A Rural Capital Programme, totalling £300,000 over a three year period, to support small rural businesses was launched by the County Council led Rural Partnership in

2012. In its first year seven businesses have been supported with grants totalling £76,000. A scheme has also been run to help village shops and Post Offices survive the downturn and compete more effectively with larger retailers. Specialist advice is provided as well as grants of up to £3,000. 40 advice visits were undertaken and £10,000 of grants approved.

County Council investments complement initiatives being led by the LLEP for the wider sub-region. The LLEP secured £7.8m through a successful bid to the third round of the Regional Growth Fund (RGF3) to establish a grants fund targeted at SME manufacturing businesses. The fund provides 25% capital investment grants of between £25,000 and £150,000 and has generated over 150 expressions of interest worth a combined value of over £11m. The total number of new jobs associated with these applications is over 1,830.

Business support - Leicestershire has a high level of self-employment (10.4%), suggesting good early stages of enterprise activity. There has also been an increase in the business creation rate. Three year business survival rates are better in Leicestershire than nationally. Businesses do report, however, that they find it difficult to identify and access advice and support which will help them expand more quickly. In order to further promote strong enterprise growth and investment, the LLEP and local partners are giving priority to improving business support and advice arrangements. Both the City Deal and draft EU SIF Strategy include ambitious proposals to establish a single, co-ordinated business support hub covering Leicester and Leicestershire. This hub will provide a single portal which will enable effective signposting to the full range of support, advice and funding available, and will also commission tailored interventions to meet specific local business needs.

Tourism - Following a review of tourism the Council has contracted Leicester Shire Promotions Limited for a three year period to deliver tourism support services and to ensure that the sector continues to expand and provide a high quality experience for visitors. A new Leicestershire Tourism Partnership has been established to oversee the contract which focuses on delivering economic benefits to the county. In 2012 the value of tourism to the county's economy was £911m and the aim is to increase this by 8% to £983m by 2016, accompanied by a 10% increase in employment, and improvements to visitor satisfaction levels. There will be a particular focus on increasing leisure and business tourism visitor numbers, especially overnight stay, and improving the quality of the county's tourism offer.

The discovery of the remains of Richard III has the potential to have a long term positive impact on the visitor economy. The replica head of the King took pride of place at Bosworth Battlefield Heritage Centre last summer and contributed to substantial increases in visitor numbers. 4,500 people attending the battle re-enactment event in August, significantly higher than in 2012.

Food and drink businesses have been supported through the Leicester and Leicestershire Food Fortnight 2013, providing an opportunity for local businesses to showcase local produce. Fifty-three businesses took part, holding 75 events across the county.

Labour market – skills and worklessness

Leicestershire continues to have a high employment rate (74.4%) compared to national results. The unemployment rate of 2% (JSA) is the lowest it has been for four years (June 2013), with performance better than national figures (3.4%). The county has a relatively well qualified workforce in terms of entry level skills, with 72.7% of the working age population qualified to NVQ2 level, better than the England average of 71.8%. Intermediate level skills, with an estimated 54.7% of the working age population qualified to NVQ3 level (equivalent to 2 A levels) is close to the national figure of 55%. In terms of higher level skills, 30.4% of Leicestershire's workforce is qualified to at least NVQ4 level (equivalent to a first degree), which is below the national figure of 34.2%.

In addition to having a well-qualified workforce, it is vitally important that people have the right skills to meet the needs of local businesses, in other words that there is a good match between skills supply and demand. The LLEP has carried out a Skills Needs Assessment which will influence future education and training provision in the area and was used to inform the development of a skills plan for the LLEP's Enterprise Zone at the MIRA Technology Park. This focuses on developing and maintaining the supply of Science, Technology, Engineering and Mathematics skills that will be required at the Technology Park.

The LLEP and local partners also supported new labour market entrants by running a 'Have a Go' Campaign, linked to the Skills Show held at the NEC, Birmingham, providing opportunities for local young people to try a new vocational skill and see what careers and types of jobs are available in the area. Local businesses pledged their support to the campaign by opening their doors for visits by schools and holding talks and demonstrations. Around 500 young people were able to try a new skill or take part in an event.

The County Council has recognised the importance of supporting young people in gaining employment experience and skills by providing 80 work placements. The Council also runs a Highways Trainee Technician Scheme and a Graduate Trainee Transport Planner Scheme.

A County Council-led Work and Skills Board has been set up to bring together key partners, including training providers, FE colleges and Job Centre Plus, to deliver practical solutions to help people find appropriate employment and training. The Board's consideration of barriers to employment and possible solutions has led to the development and scaling up of a number of interventions. These have included the expansion of the Wheels to Work project and supporting enhanced work readiness and awareness of job and training opportunities through the provision of volunteering, jobs fairs and Work Clubs.

The Wheels to Work programme, designed to help people access employment and training, now has over 60 bikes and has supported over 100 clients in the last year. The scheme is being expanded through the provision of an additional £175,000 from the County Council with the additional funding enabling a specific focus on people furthest from the labour market, including those who are part of the Supporting Leicestershire families programme.

Four jobs fairs were staged by the County Council to help people access new careers and training. The events were aimed at the 8,400 county residents who are currently unemployed – half of them jobless for more than a year. The events gave people an opportunity to meet employers, training providers and agencies such as Job Centre Plus, district councils and further education colleges. They also featured business seminars, offering employers support and guidance on issues such as recruitment and taking on apprentices.

The Council has also contributed to the development of ambitious proposals to put in place a single, coordinated sub-regional employment and skills gateway which will improve the services provided to those out of work and needing support. The gateway is being proposed initially through the City Deal and will have a preliminary focus on the young unemployed and adults furthest from the labour market. This will, for example, build on work which has improved the provision of employment support and advice as part of the supporting Leicestershire Families initiative.

Infrastructure

Key strategic development opportunities in the county include the Loughborough University Science and Enterprise Park and the Enterprise Zone at MIRA near Hinckley.

The Council agreed to invest £1.5m in the expansion of the Loughborough University Science and Enterprise Park (with Charnwood BC agreeing to invest £500,000). Initial opportunities include the development of an Advanced Technology Innovation Centre and expansion space for existing science park occupiers. Discussions about how the investment can best be deployed are ongoing. When fully developed, the Park will provide up to 200,000m² of floor space and house businesses employing as many as 6,000 people (approximately 4,000 of them new jobs) as well as securing Loughborough's future as a centre for knowledge-based high growth industry.

Progress has been made with the expansion of MIRA Technology Park Enterprise Zone, with six businesses investing in and locating to the site. The businesses operate in the aerospace, automotive and advanced engineering sectors, with 188 jobs being created at the site since 2010. A further 145 will be created by end of 2013. The Zone is benefiting from allocations from the Regional Growth Fund to improve the A5 and from the Local Infrastructure Fund to improve on-site infrastructure.

A loan of £3.2m has been made by the County Council to North West Leicestershire District Council to enable highway improvements and to facilitate housing and commercial property development in North West Leicestershire. It is expected that the required infrastructure improvement will be fully paid for by Section 106 and Community Infrastructure Levy (CIL) funding, but due to the current economic climate it is necessary for the work to be carried out in advance.

A substantial proportion of the LLEP's £13.6m Growing Places Fund (GPF) has been allocated to unlock stalled development sites and stimulate economic growth. Five

schemes across the sub-region were approved as part of the Growing Places Fund Round 1, with a value of £4.4m, expected to generate 3,200 jobs. A further six schemes were approved in April 2013 as part of Round 2, with a combined value of £8.8m. Improvements to junctions on the A46 are being funded by GPF and will facilitate development of the Glenfield Park development.

The provision of superfast broadband is expected to bring £92m of economic benefit in Leicestershire over seven years. It will also improve access to services and help transform public service delivery. The Council is working with a range of partners to reduce the Digital Divide. Suppliers are investing in next generation fibre broadband to deliver to 75% of Leicestershire premises over the next few years. It is expected that investment from the Council and districts of £8.6m will enable this to be extended to over 90%. Connections will go live from summer 2014, with the full build expected to take two years.

Housing - Helping people to buy their first home is crucial in achieving and maintaining a sustainable housing market. With this in mind, in September 2012, the Council launched a scheme to support first time house buyers to access the property market. The Council agreed to lend Lloyds TSB £10m to offer low-cost mortgages to up to 400 first-time buyers. Under the scheme, buyers have to find a deposit of just five per cent. The scheme helps first time buyers struggling to get on the property ladder, boosts the economy and enables the council to get its money back, with interest, from the bank. By August 2013, more than 180 homes had been bought thanks to this support. The Council has been able to support 242 low-cost mortgages, totalling £26.9m.

The Council is also committed to increasing the stock of affordable and extra care housing. In January 2013 the Cabinet agreed to allocate a further £1 million to provide homes for the elderly and affordable homes in rural communities. The funding aims to boost the number of affordable homes available to buy, rent, or for shared ownership schemes in villages. A further £495,000 was committed in June 2013. The Council's investment since 2011 has enabled the provision of homes at Sapcote, Somerby, Husbands Bosworth, Tilton, Breedon, Bitteswell, Elmesthorpe, Carlton, Market Harborough, Sharnford, North Kilworth, Asfordby, and Melton Mowbray.

Highways and Transportation

Our priority is to ensure that our transport system is efficient, effective, safe and that it prioritises economic growth. Our third Local Transport Plan was refreshed during the year and a new Implementation Plan (2011-2014) developed. It sets out the work we intend to carry out to help achieve this.

Congestion – We continue to make improvements aimed at reducing congestion in hot spot areas. This year we secured £4.5m from the Government’s Local Sustainable Transport Fund to deliver sustainable transport improvement programmes for Loughborough and Coalville. Work to reduce congestion in Loughborough has involved the construction of a new inner relief road, work to pedestrianise the A6 section in the town centre and improve the Epinal way/Forest road junction. The programmes are designed to support economic growth and reduce carbon emissions from local transport, and will complement similar work being delivered with the City Council in central Leicester.

We are implementing a £1.6m scheme to reduce congestion at a busy junction - the A50/A46 roundabout (Glenfield/Groby) to improve traffic flow and safety. A new road layout was also trialed at the Hinckley Fields industrial estate in a bid to reduce congestion.

Major Road improvements - Work on our major transport scheme in Loughborough Town Centre is progressing well and we have already started some preparatory work ready for formal start of works in 2013/14. The scheme, which includes completion of an Inner Relief Road for the town, will provide a number of benefits including supporting the economic regeneration of Loughborough, delivering improvements to public transport, and reducing pollution and accidents. Also in Loughborough, we have implemented two new residents parking zones and an extension to one of the existing zones.

Around £2m is also being invested to improve safety and traffic flow at the Fosse Park/Asda roundabout. The junction is one of the busiest in the county and has seen 42 people injured in accidents over a three year period. The scheme involves a number of measures including the construction of additional traffic lanes, new cycle links and improved pedestrian/cycle crossing facilities.

In addition to our major network improvements we have improved our existing road network. This year we carried out a £170,000 road improvement scheme on a major route through the centre of Market Harborough. We also adopted a Strategy for the A5 for 2011-2026. This Strategy will inform the development of Local Plans and Local Transport Plans and also inform negotiations with developers and potential bids for infrastructure funding.

Bus Use - Working with Leicester City Council and bus operator, Arriva, we attracted £2.5m from the Government’s Better Bus Area Fund to help deliver improvements to the A426 corridor between Glen Parva and Leicester City centre. The scheme will improve bus journey times and reduce congestion on this major route into and out of Leicester. It includes a number of measures designed to promote and encourage greater bus use and construction will be completed by the end of the year.

A new scheme has boosted bus reliability and frequency by construction of a “bus gate” at the junction of The Brantings (Groby Road) and the A50 to reduce journey times towards Leicester. This will enable Arriva to increase services to the area from four buses an hour to a bus every 10 minutes. Access for pedestrians and cyclists is also improved thanks to the construction of a controlled crossing on the A50, as part of the new traffic signal junction.

Park and Ride - We have changed Park and Ride bus services to cut out the need for buses to cross the city centre, improving service reliability. Shoppers, commuters, residents and visitors have also been able to save up to 15 per cent on park and ride journeys through a voucher scheme to encourage greater use. We also issued vouchers covering 12 routes servicing places such as Loughborough, Melton, Coalville, Market Harborough and Hinckley – enabling passengers to travel on any single journey for just 50p.

Sustainable travel - We continue to invest in more sustainable travel options. Schemes and initiatives include expanding our current Advanced Wheels to Work scheme which now includes an additional 60 vehicles (such as petrol powered scooters and electric bicycles) to serve our targeted areas of Loughborough and Coalville. The Wheels to Work scheme aims to overcome transport barriers that limit people’s ability to access work or training. As part of our programme, we have provided significantly enhanced levels of information provision and marketing support to bus companies and transport providers in our target areas, and have implemented an additional personalised travel planning scheme in Loughborough.

This year we improved our existing Sustainable Travel Grant schemes to provide £5,000 grants for businesses for specific travel solutions. So far 10 grants have been awarded worth a total of £40,000 plus match funding of £45,000. Projects included an area travel plan, enhanced provision for cycling to work and the installation of electric vehicle charging points.

Car sharing – We re-launched a free car sharing website to help users save fuel costs, reduce their carbon emissions and ease congestion. Run by the County Council and City Council, the website allows people to search for other potential car share partners across the county and beyond. Depending on the commute or journey, car sharing potentially can help participants save hundreds of pounds a year on both fuel and the cost of vehicle wear-and-tear.

Cycling - Our £2m cycle network in Coalville is nearing completion. Once finalised, the new network will span a total of nine miles, connecting existing tracks in the town and improving access for cyclists, including to key employment areas. Combined with other investment in the town, this ambitious scheme is intended to help ease congestion by encouraging more people to leave their cars at home.

We supported a range of other initiatives to encourage people to cycle more, for example, more than 350 people used our free adult cycling courses. We have also completed a new cycle route between Syston’s Hobby Horse estate and Wreake Valley Community College. Our Connect 2 project was completed during 2012/13 and now provides a sustainable walking and cycling transport corridor from

Cossington to Leicester. The new on-road and off-road cycle facilities link Syston with Watermead boosting access for walkers and cyclists between Cossington, Birstall, Thurmaston and Leicester. The £67,000 scheme was delivered and funded by the council in partnership with Sustrans. This year also saw the approval of the A511 Coalville, Bardon Road cycleway scheme.

The Council supported a series of led-rides from Glenfield for cyclists taking part in Leicester's Sky Ride event. A 'welcome hub' involved trained ride leaders to escort cyclists towards the centre on 'show me the way' rides. Sky Ride high visibility vests, cycling maps, festival programmes and draw string bags for children were also available as well as staff providing information about local cycling initiatives. A free Big Family Bike Ride was also held in Loughborough in the summer.

Road Safety - Through the Leicester, Leicestershire and Rutland Road Safety Partnership, we work with partners to plan and coordinate road safety programmes. As well as safety camera enforcement, the partnership runs a comprehensive programme of publicity and training. During 2012/13 this included safer driving advice to avoid speeding, drink driving, using a mobile phone while driving, and changing driving style in winter weather and other key valuable safety tips for drivers. We continue to identify road improvements that could cut the number of crashes by studying accident records.

Our priority to ensure our roads are as safe as possible has also resulted in a wide range of road safety initiatives being completed in the last year. These included a £97,000 scheme of improvements to the junction of the B4114 and Croft Road, Narborough, which included the installation of traffic lights and the installation of a speed camera on the A6 approaching Loughborough from Quorn. The new speed camera has been responsible for a significant reduction in traffic speeds which should, over time, lead to a substantial reduction in accident numbers.

In 2012, 13,000 drivers opted to attend speed awareness courses in Leicestershire as an alternative to receiving points on their licence. The education courses provide drivers with clear information and advice on speed and speed limits and help change attitudes and encourage safer behaviour. Nearly 400 young people took part in pre-driver days at Mallory Park, where they learned about safe driving and were able to take part in driving sessions with instructors. In addition we run Enhanced Rider and Bike safe motorcycle training schemes, and made road safety improvements outside Brocks Hill Primary, Gartree High and Beauchamp College benefitting pedestrians and cyclists. 5,000 school children participated in cyclist training to the nationally recognised Bikeability Standard and 350 teenagers took part in special pre-driver days. The Junior Road Safety Officer scheme celebrated its 25th birthday this year, and since inception has recruited more than 10,000 primary school pupils to teach their peers about road safety.

In August "lollipop" men and women took part in a special event to celebrate 60 years of the School Crossing Patrol Service. Patrols from across Leicestershire were presented with a commemorative badge and certificate at the diamond jubilee event. 114 Patrollers are currently employed by the County Council to help thousands of children cross the roads safely every school day. Two youngsters were named as Junior Road Safety Officers of the year to acknowledge their work to educate

schoolmates about the importance of road safety. Each year, two Leicestershire primary school pupils are selected to take up the role of Junior Road Safety Officers on behalf of their school.

Road Accidents - Last year the number of people killed or injured on Leicestershire's roads reached a record low. In 2012, 27 people lost their lives – the lowest since records began in 1979. This is less than the previous low total of 36 fatalities in 2009 and considerably less than a high figure of 67 fatalities in 2002 and the previous highest total of 91 in 1981. 196 people were killed or seriously injured in accidents – a drop from 237 in 2011 and considerably less than the 878 recorded in 1979. There has also been a reduction in the number of slight injuries.

Winter Conditions - We are committed to ensuring Leicestershire's road network is open during icy weather and roads are as safe as possible. During the year we replenished our grit barns to 16,000 tonnes and treated 45% of the road network including most A roads, some B and C class roads, major commuter and bus routes and as far as is possible at least one route through all Leicestershire villages. We deployed 17 gritters, 80 drivers and a network of snow wardens, farmers and 4x4 drivers. In heavy snow we deploy a team of 40 volunteer 4x4 drivers to deliver hot meals and shopping to the elderly, and help carers and health visitors to reach their patients.

This year difficult weather conditions saw highways officers working around the clock to manage conditions including responding to fallen trees, 50 blocked roadside drains and nearly 200 flooding situations. This heavy rainfall meant that rivers and other watercourses were either running at full capacity or overflowing. As a result there were 20 flood warnings and 14 flood alerts issued by the Environment Agency. With many surface water sewers unable to discharge into those watercourses, rainwater was unable to enter the drainage system at road gullies and, for a while, at least 40 roads had to close to traffic. Through its duty officers and working with the Local Resilience Forum, Leicestershire Highways Operations deployed its supervisors, out-of-hours emergency gangs, gritter crews and gully emptiers to provide as comprehensive a response as possible across the entire County.

Road Maintenance and Pot Holes - Leicestershire's roads and transport fared well in the last national satisfaction survey – with Leicestershire ranked as the best County Council for the third year running. The survey covered various aspects of provision, including the condition of roads and pavements and the quality of local bus services. Leicestershire was the top performing County Council for highway maintenance and the condition of our highways, pavements and footways, securing top ten rankings nationally.

Street Lights - Our scheme to save money and energy was extended to the Hinckley area during the year. We will save nearly £800,000 per year in energy bills once the scheme to reduce Leicestershire's carbon footprint by dimming, switching off in the early hours and, in some cases, turning street lights off is fully implemented. It is anticipated that by 2014, three quarters of the county's 68,000 street lights will have been altered in a bid to save money and around 3,000 tonnes of carbon. So far, around 26,000 lamps in 131 towns and villages across

Leicestershire have been switched off between midnight and 5.30am. A further 1,000 have been dimmed between 7pm and 7am and 831 switched off permanently.

Trains - HS2 - The Council has expressed concerns about the potential short and long-term impact on Leicestershire of the Government's published proposals for a high speed rail link through the East Midlands. In particular, the Council has concerns over the potential loss of jobs, road investment, including the Kegworth bypass, and business rates uplift if the proposed line precludes the development of the Strategic Rail Freight Interchange next to East Midlands Airport. The blight over a long period of time on homes, business and any other potential developments along the published line of route and the difficulties presented to designing an effective long-term solution to traffic problems at Junction 13 of the A42 have also been raised. The Council also felt that the parkway station at Toton is the wrong option for the East Midlands station and that a city centre station in Derby would offer far greater regeneration benefits, whilst retaining good connectivity for Leicestershire to the north. We have set up a web page to direct people to the right information, a dedicated e-mail enquiry line, an on-line survey and facilitated public discussions at the Ashby, Measham and Moira Community Forum as well as arranged for HS2 Ltd to give a factual presentation and continue to press the Department for Transport and HS2 Ltd to consider alternative routes.

Health and Wellbeing

The health system in England changed significantly on 1st April 2013, with the formal creation of Clinical Commissioning Groups (CCGs), the establishment of Health and Wellbeing Boards and the transfer of public health to the County Council. The Health and Wellbeing Board published our Joint Health and Wellbeing Strategy in December 2012, based on evidence and analysis from our Joint Strategic Needs Assessment. Our key aim is to “add quality and years to life” by improving health throughout people’s lives, reducing health inequalities and focusing on the needs of the local population. To implement the strategy we are focusing efforts on improving outcomes related to 4 priorities - childhood health, early intervention and prevention, the ageing population, and mental health and wellbeing.

Our **Health and Wellbeing Board** has addressed a number of important topics during the year including: Clinical Commissioning Group (CCG) commissioning strategies and authorisation; the vision for local Healthwatch; cancer mortality rates in Leicestershire and the Better Care Together changes in healthcare services across the sub-region and the introduction of the NHS 111 telephone number.

Health and Social Care Integration - The Board recognises the benefits of greater integration of health and social care provision. The LGA and NHS England published a vision for how the pooling of £3.8 billion of funding will ensure a transformation in integrated health and social care from 2015/16. Our local plans for integration and our Better Care Together Programme have been looking at experiences in Christchurch, New Zealand, where demand on acute care has been reduced by 13% over a ten year period. The Integrated Commissioning Board has instigated a range of service improvements aimed at greater integration and helping relieve pressures on Health Services (see separate section on vulnerable adults). The Board has also held a development session on plans for greater integration between health and social care and has established an Integration Executive to take this forward.

Francis Report and Acute Health Service – The Board has been fully appraising lessons learned from the Francis Report into failings at the Mid-Staffordshire Hospital Trust and the arrangements being established locally to ensure similar problems are avoided in our health system. The Board, in consultation with partners, has established new arrangements to oversee health quality and performance locally and a number of action plans have been established to improve various aspects of acute health care. In January, the Council appointed Voluntary Action LeicesterShire (VAL) as the new consumer champion for health and social care issues in Leicestershire. **Healthwatch Leicestershire** which started in April 2013 helps ensure that the voice of health and social care service users and carers in the county has a real impact on the services they receive.

Public Health - Contracts for a range of public health services successfully transferred to the Council including contracts for clinical services such as sexual health and substance misuse treatment, through to a wide range of services commissioned from GP practices and community pharmacies to small contracts with voluntary sector organisations. The new public health grant has enabled additional investment into public health services, to tackle obesity, promote positive mental health and to tackle health inequalities through empowering communities.

Early Intervention - NHS Health Checks - The Health Check prevention programme aims to identify people at risk of developing vascular diseases: heart disease, stroke, diabetes, kidney disease or vascular dementia. Everyone between 40 to 74 years will be invited for a NHS Health Check once every five years, if they do not already have a diagnosis of vascular disease. The checks will assess the patient's risk of developing these health problems and give personalised advice on how to reduce it. There are over 230,000 residents of Leicestershire and Rutland who are eligible to be invited for a NHS Healthcheck once in the next five years. In 2012/13, 56,000 people were invited and approximately half of these people actually had an NHS Healthcheck. 3,457 people were identified as 'High Risk' for cardiovascular diseases (CVD) through the checks.

Longer Lives - Public Health England's Longer Lives website shows differences in premature mortality across the Country and provides statistics relating to the most common causes of premature mortality: cancer, heart disease and stroke, lung disease and liver disease. Compared with the national average, Leicestershire is performing well - with life expectancy of 79.8 years for men and 84.1 years for women, compared with England averages of 78.5 and 82.6 respectively. We are ranked 30th best out of 150 local authorities and our premature mortality rate is significantly lower than the national rate for England. However, compared with areas of similar socio-economic status, which is a key driver of health, there is room for improvement.

Reducing Health Inequalities – Despite performing well overall, there is considerable inequality in life expectancy across Leicestershire. Life expectancy is around 6 years lower for men and women in the most deprived areas compared with the least deprived areas and we are focusing work to try to close this gap. Increasing life expectancy is driven by reducing death rates from the major killers. In the last 12 years there has been a 53% reduction in premature deaths from cardiovascular disease in Leicestershire and a 17% reduction for cancer. These improvements have been slower in socially disadvantaged groups and we are implementing work to achieve further reductions. Further progress is planned through work on smoking cessation and tobacco control, work with GPs to improve secondary prevention in patients with cardiovascular disease and diabetes, continued redesign of the stroke care pathway, alcohol harm initiatives, and supporting GP's to address later presentation of patients with cancer including tackling barriers to uptake of screening.

The Health and Wellbeing Board considered a report on **cancer mortality** in Leicestershire and incorporated the recommendations into the Joint Health and Wellbeing Strategy. The Strategy, supported by the commissioning plans of Public Health and the Clinical Commissioning Groups, also includes significant intervention that will contribute to further reductions in mortality in the other disease areas.

Reducing Smoking - Despite Leicestershire having the second lowest smoking-related illness rates in the region, around 17.1% of adults still smoke and we are working to reduce this further. Smoking remains the greatest cause of preventable deaths in Leicestershire with over 880 smoking related deaths per year. We have therefore maintained our stop smoking service, which helped 5,200 smokers to quit

in 2012/13. This has included targeting of vulnerable groups of smokers, such as manual workers and pregnant women. Tobacco-free Leicestershire and Rutland (TLR), our tobacco control alliance has been in existence since 2011 and in May 2012 was CLear (Challenge, Leadership and Results) accredited. Examples of the projects include work with schools and the Youth Offending Service to help change perceptions and reduce the number of young people using tobacco, Step Right Out – a smoke-free homes and cars campaign, and work by our Trading Standards to clamp down on under-age and illegal sales of tobacco products. New figures last year showed that smoking-related deaths in Leicestershire were falling, with fewer related hospital admissions.

Alcohol and Drugs - Substance misuse has a far reaching impact on individuals, families and communities. Our Substance Misuse Partnership Board has been tasked with reducing the harm and inequalities caused by substance misuse. Key actions include substance misuse prevention; early intervention with children and families; and training programmes to support frontline staff in key organisations to deliver brief interventions, particularly relating to alcohol. Our December 2012 *Legal/Highs Lethal Lows* campaign aimed at young people and adults highlighted the risks and harm these substances can cause. Over 3,000 individuals visited the campaign website and there were a number of direct requests for help for legal high use directed to our services.

A key priority relating to alcohol misuse is to reduce the number of people admitted to hospital for alcohol related causes. Initiatives include the delivery of brief alcohol interventions in primary care settings, increasing the capacity of the alcohol specialist nurses within hospital emergency departments, and reducing the number of alcohol-related frequent attenders.

Last year saw a continued rise in the number of people with substance misuse problems accessing treatment and support. To reflect local need, we have also shifted the balance of drug and alcohol users in treatment (1 in 5 users in treatment for alcohol in 2009/10 to 2 in 5 currently). In 2012/13 1470 adults in Leicestershire were in effective alcohol treatment and 1180 adults were in effective drug treatment. Our focus is to ensure people recover from their dependency and successfully move out of treatment and over the last two years we have seen some increase in the numbers of people successfully completing their treatment and reintegrating into their communities.

Reducing the prevalence of obesity - Following the development of a new healthy weight pathway for adults (and a maternal healthy weight pathway for pregnant women) 2012/13 saw continued expansion of Tier 2, specialist led weight management programmes Family Lifestyle Club (FLiC) and Lifestyle, Eating and Activity Programme (LEAP), and improvements in the quality and scale of the district wide exercise referral programme. A new maternal weight management programme was piloted and a new targeted basic cookery skills course delivered by the Adult Learning Team.

Reducing **child obesity** also continues to be a high priority. Obesity in reception year children is now 8.2% (compared to the England average of 9.5%) and in year 6 it is now 16.2% - significantly lower than the England average of 19.2%). From

autumn 2013, a number of school based interventions will be delivered including the FSA 'Food Routes' project, Big Cook Little Cook where parents and children learn to cook together and the Food for Life programme. These projects are complemented by increased physical activity opportunities funded through the Olympic legacy funding. There has been an increased focus on physical literacy in early years settings which is delivered in the context of the 'Healthy Tots' programme.

The School Food Support Service is continuing to sustain school meal uptake. The Service has been awarded the "bronze medal" certification endorsed by the Soil Association working with the Food for Life Partnership for the quality, provenance and locally sourced food provided as standard to children and young people in Leicestershire.

Improving sexual health - From April 2013 we became responsible for a range of sexual health services and are commissioning a new integrated sexual health service to improve access and allow more people to visit one clinic for all of their sexual health needs. The new service will commence on 1 January 2014. Work also continues to provide women with accessible contraceptive choices by improving provision of long acting reversible contraception from GP and specialist sexual health services. A variety of prevention programmes and services are also delivered to hard-to-reach populations at higher risk of poor sexual health, including commercial sex workers and people affected by HIV.

Mental health and wellbeing - One of our top priorities is to promote positive mental health and the early detection of mental health problems across all age groups. We are working on a multiagency Mental Health Strategy. We are also working with stakeholders to address wider social determinants of mental health e.g. housing, social exclusion and income inequality and to mitigate the negative impact of benefit and other economic changes linked to the economic downturn. We also continue to work to improve the management of people with common and severe and enduring mental health problems through identifying their needs and addressing risk factors for their premature mortality. Suicide prevention remains a priority and our 2013-16 Suicide Prevention Strategy is being progressed by a group made up of partners across the NHS, local authority, police and voluntary sector.

Workplace health - Our Workplace Health Group has developed a new "integrated pathway" to encourage universal adoption of workplace charter standards and systematic cross referral of clients between programmes and coordination of activity across specialist provider services. As part of this, commissioners have extended the remit of the Healthy Workplaces programme to develop an expert hub for Leicestershire workplace programmes. The Council and the two Clinical Commissioning Groups invested £120,000 to help fund extension of the Leicestershire Fit for Work programme into 2014. Leicestershire Fit for Work is a not-for-profit service that works with local GPs and patients, to support people with illnesses to remain in or return to work. The scheme was so successful that more than 70% of people who used it over the last year returned to work. It was seen as a national exemplar and the basis for the creation of a national service, which is due to launch next year.

Maternal health - Initiatives to improve maternal health include campaigns on breast-feeding, nutrition and smoking prevention. Women accessing maternity services at an early stage is close to the aspiration set locally, although breastfeeding rates remain below aspiration. Rates of women smoking at the time of delivery are low and well-within local aspirations.

Healthy schools - Schools in Leicestershire remain committed to improving the health and wellbeing of children and young people. To this end, 98% of schools in the county are continuing to participate in the Leicestershire Healthy Schools Programme. 95% of schools have the 'foundation of health and wellbeing' in place by having achieved national healthy school status. In addition, in the last academic year, a total of 41 schools have achieved 'Enhanced Healthy School' status by achieving meaningful health and wellbeing outcomes for key priorities including Healthy Weight, Substance Misuse, Teenage Pregnancy and Sexual Health, and Emotional Health and Wellbeing.

Teenage Pregnancy - New figures last year revealed a further drop in Leicestershire's teenage pregnancies. Latest statistics show that the rate is the second best in the East Midlands. Leicestershire's figures remain significantly lower than the national average at 26 per 1,000, and reveal a drop of over 30 per cent in under-18 conception rates compared to 1998. The rates are the lowest seen in Leicestershire for nine years and represent a 1% drop compared to the previous year. Leicestershire's Teenage Pregnancy Partnership works with young people to reduce conception rates and provide support for teenage parents. Over the past 24 months, it has launched a new toolkit for the delivery of relationships and sex education in further education colleges and encouraged young people to contribute to a new book designed to showcase being a teenage mum or dad in the 21st century. The 'pop' text service for young people provides anonymous advice and information to over 50 young people per month. Work has continued towards the target of 60% of young mothers being in education, employment or training (EET) and overall progress is positive.

Sport and Physical Activity - Our Leicester-Shire and Rutland Sports partnership (LRS) with schools, National Governing Bodies of Sport clubs, coaches and volunteers aims to make Leicestershire the most sporting and physically active place by 2025. We have established a number of clear ambitions through a new Strategy for Sport and Physical Activity 2013-17 - including that there is a year-on-year increase in participation by children and young people in high quality PE, Sport and Physical Activity; the number of adults regularly taking part in sport and activity increases year on year; sports facilities are high quality and accessible; the London 2012 games and other events continue to inspire everyone to be involved in sport; there are high quality volunteers, coaches and officials and participants fulfil their potential by accessing high quality sporting pathways.

In 2012/13 the partnership invested over £2m through local sports alliances and over 87,000 people benefited from £1m into locality sport and physical activity plans, generating 426,220 attendances. 37.4% of people are participating once a week in sport – an increase since the 2005 people survey. 15 clubs received £780,000 of funding from Sport England's Inspired Facilities Fund and over £1.5m agreed with housing developers for future sports facility infrastructure. 125 clubs were supported

to access funding. We invested £148,200 to deliver Sportivate projects, attracting £94,000 of partner funding and resulting in 4,738 participants aged 14-25. Over 170,000 individuals benefitted from LRS organised events.

We invested £220,000 to maintain and develop our School Sport and Physical Activity Networks (SSPANs), and trained 207 teachers in Key Stage 1 to assess physical literacy. We invested £50,000 in trainee sport coaches and £135,000 to employ 11 legacy makers to support development of physical activity. 55 coaches accessed level 1 and 2 bursaries and 765 coaches were supported online. 107 athletes were supported through the Go Gold Talented Athlete fund.

Olympic Legacy for Leicestershire - We approved funds to support a number of initiatives designed to provide a lasting Olympic legacy - to capitalise on the spirit evoked by the Olympic and Paralympic Games and the unique opportunity to increase the number of people being physically active. Nearly 10,000 people engaged in 45 athlete visits to schools, clubs and community settings as part of the LRS Olympic and Paralympic Roadshow. 20 sports projects across the county and city were granted the prestigious London 2012 Inspire Mark which recognises exceptional and innovative projects inspired by the 2012 games. 104 clubs also received financial support through the Olympic Legacy Programme. In addition, LOCOG Chairman Sebastian Coe visited the county and attended an event to celebrate our legacy achievements – attended by Games Makers, torchbearers and schools.

Children and Young People

Government policy is significantly affecting the way in which services for children and young people and their families are now organised and delivered. The primary focus of the Council's role for children's services is on vulnerable children, young people and their families, with an emphasis on early help. The majority of services for children and young people are regulated and subject to regular inspection by OfSTED.

Education Sufficiency - Good quality **early learning and childcare provision** gives young children the best possible start. The County Council met its sufficiency duty in 2012/13 and there were 1,056 childcare settings at the end of March 2013 of which 73% achieved an OfSTED rating of good or outstanding. The County Council used £2.7m of government money to pay for extra places for two-year-olds to help benefit low-income families and help parents return to work. Around 1,800 extra young children can now access child care - the money is designed to assist around 20% of all two-year-olds in England. At June 2013, 83% of schools had been judged by Ofsted to be good or better – this is above the national average and an improvement of 9% from the previous academic year.

Figures for the 2012/13 academic year show that there were sufficient **school places** available across the county and that record numbers of children secured places at their first-choice primary, infant or junior school. A total of 92% secured their number one option – 2% higher than last year - almost 7,000 parents. The proportion of children offered a place at one of their top three choices is 96%, 0.5% more than 2012. Almost 11,000 young people achieved places at their first-choice secondary school, 97.4% of children.

Education Quality - In 2012/13 at Foundation Stage, a new set of achievement measures were introduced for a Good Level of Development. 46.4% of children in Leicestershire achieved the new benchmark. National averages are likely to be higher when published but indications are that Leicestershire has narrowed the equality gap between the lowest scoring 20% of children and the median.

Key Stage 1 results for 7 year olds were excellent and Leicestershire is in the top 20% of all local authorities. The Average Points Score in end of year tests in summer 2012 was above the national average and performance in each subject area – Reading, Writing, Maths, Speaking and Listening, Science – was also above the national average. Results for 11 year olds at **Key Stage 2** were broadly in line with national average but have declined slightly since 2012. Expected Levels of progress were below national averages but actual achievement was generally above. This was especially the case at Level 5, which exceeds the government's achievement target. Level 5 achievement in Maths, Science, Reading, Writing and English all exceeded national averages.

In 2012/13 pupils in Leicestershire schools performed well at all secondary school Key Stages. For 14 year olds at **Key Stage 3** results continue to be above the national average and have further improved since 2012. Leicestershire is ranked top amongst statistical neighbours and in the top 5% of all Local Authorities. At **Key Stage 4**, Leicestershire saw a 2.4% rise in pupils achieving 5 GCSEs A*-C (including

Maths and English), a more rapid improvement than the national rate. Improvement was especially marked in Maths and Leicestershire is now in the top half of local authorities for the percentage of pupils passing GCSEs A-G. At post-16 **Key Stage 5**, Leicestershire bucked the national trend of failing standards and is ranked in the top half of all local authorities for pupil achievement. Leicestershire pupils recorded the counties highest point score per pupil since the measure was introduced in 2006, despite a national dip. 'A' level results for 2013 have improved with A*-C grades achieved for 74% of subjects entered, an increase from 69% in 2012 and average points per entry have increased from 204 in 2012 to 209 in 2013

The local authority is responsible for ensuring good education, employment and training provision for all young people up to the age of 19, including schools, FE Colleges and Apprenticeship Providers. There are 2,200 young people on an Apprenticeship and 73% completed a framework which matches the national average. This is an increase of 2% from 2012. The number of 16 – 19 year olds **not in education, training or employment (NEET)** remains below the national average at 3.6% in January 2013, with the county ranked first compared to statistical neighbours. New initiatives include multi-agency job clubs operated in partnership with Prospects, the Adult Learning Service, District and Borough Council Housing staff, Further Education establishments and Job Centre Plus.

Education Excellence - OfSTED has introduced a new inspection framework against which to measure the Council's approach to school improvement. A self-supporting schools system that will secure high standards has been developed through the creation of the **Leicestershire Educational Excellence Partnership (LEEP)**. The Children and Young People's Service has actively engaged in a number of national research projects to test the approach and has received good feedback and encouragement from the DfE and OfSTED on the model. There were an unprecedented number of school inspections in the Spring and Summer Terms 2013.

Education of Vulnerable Children - The five Secondary School **Behaviour Partnerships** manage funding for alternative education placements in addition to making sure that vulnerable children out of school get a place in a school quickly. Over the last few years, partnership work has reduced permanent exclusions at county schools by over 80% from 144 to 27. We are also progressing plans to boost the achievements of young people who are permanently excluded from school through changes to Oakfield School, a pupil referral unit catering for up to 50 children not in mainstream education.

Ensuring good **educational outcomes for looked after children** continues to be a priority. The most recent OfSTED report found that, "The education team provides a one-to-one support arrangement for GCSE exams as well as additional support for younger pupils on maths and English, should they wish to sign up for this; this has helped many young people to achieve greater success in education." A range of support is available for older students, including a GCSE support programme and mentoring scheme which was highlighted by OfSTED in their report. There is an improving trend in outcomes for children in care at Key Stages 1, 2 and 3. In 2012, 5 A*-C GCSE (including equivalent) results of 36.7% were in line with national results

for looked after children of 37%. School attendance of all children in care also continues to improve, rising from 92.8% in 2012 to 94% in 2013.

Special educational needs services have been at the forefront of new developments this year including starting construction work on a new, ultra-modern £9.35m special school in Charnwood that will provide a new home for Ashmount School and improve facilities for disability and special needs sport in the area. The School will offer places for 125 children and young people aged between 4 and 19. The new school is due to open in spring 2014 and will be the fourth area special school to be developed in Leicestershire. The opening of Bungalow 66 in Braunstone has provided new local specialist support for up to 10 young people with autism and will enable children who find school challenging to receive tailored support from experienced staff. Creating the facility means that children can be supported closer to home and saves the council money by reducing its spend on out-of-county placements – saving more than £35,000. The Abingdon Academy in Wigston has also opened its new Autism Spectrum Disorder (ASD) base called Excel and accepted its first pupils in September.

Early Help - Early Help describes the type of support given to families by a range of agencies to stop problems happening and to tackle them as soon as possible. A single integrated approach to meeting need through prevention and early intervention has been developed and this is now aligned across services for children and young people, and families. Early help is provided through a range of services as described below:

a) Sure Start Children's Centres – the children's centre programme brings together a range of council services with health, Jobcentre Plus, early education and childcare providers, voluntary, private and community organisations. The programme makes contact with all families with children under five and the majority of services are targeted towards families with specific needs. Activities include healthy eating advice, breastfeeding support, parenting advice, speech and language development and training and employment support. In August 2013, our Children's Centres in Melton secured a 'good' OfSTED rating. OfSTED reported that the centres provide all of the information that parents and the wider community may need to improve their lives, praised the commitment of staff and commended the joint-working between the two councils. In 2012/13, 89% of parents were 'very satisfied' or 'satisfied' with their children's centre, and 91% said that they would recommend it to other parents.

b) 5-11 Services provide early help support to families where there are children of primary school age and focus on the developmental stage of these children. Support is focused on the most vulnerable. These, and the other early help services, will be subject to new OfSTED inspection arrangements from November 2013.

c) Youth Provision – early help work with older children has primarily focused on the most vulnerable young people. Last year, 225 young people gained nationally recognised certificates as a result of their involvement with early help services. The commissioning of Voluntary Community Service (VCS) projects also led to a further 4,070 young people being worked with.

d) Supporting Leicestershire Families - a new service to support vulnerable families and to save money was also launched in April 2013. A team of 50 family support workers is helping vulnerable families to turn their lives around, reducing the need for them to deal with several different agencies. Known as Supporting Leicestershire Families (SLF), the service brings together the county and district councils, the police, the NHS and other agencies, to help 500 families each year. In Leicestershire, vulnerable families currently cost the taxpayer £158m per year, through benefits, health problems, care cases and other interventions from national and local agencies. It is estimated that SLF will eventually save £50m, or more than £20,000 per family, by providing better, more targeted services. The Prime Minister has praised the success of the Leicestershire scheme which is turning around the lives of vulnerable families. The work in Leicestershire was instrumental in the Government's decision to extend the programme.

e) Strengthening Families - this service provides the bridge between early help and intervention services (child protection and children in care) and keeps children safe from the risk of significant harm whilst they continue to live with their families. This service is relatively new but is already having a significant impact on reducing the number of children that need to come into the care of the local authority.

Child Safeguarding - The safety of children in Leicestershire remains a top priority. Our Central Duty Desk has re-launched as 'First Response'. It offers one single point of contact for anyone with concerns about a child, and dealt with over 15,000 enquiries relating to vulnerable children last year. The service makes it easy for anyone with concerns about a child's welfare to get in touch and provides the best and most immediate response we can. It also frees up social workers to spend more time in communities working with children and their families. All calls about a child's welfare are dealt with by a social worker who makes an assessment and acts immediately if necessary. There is a dedicated support service for schools. Over 6,000 of the concerns resulted in actual referrals to the Council's children's social care team. The number of referrals to Children's Social Care rose by 12.3% last year, in line with what is happening nationally. A Peer Review carried out by our regional neighbouring local authorities in 2013 commended the quality of work carried out by Our First Response Children's Duty Team.

Child Protection - On 1st April 2013 there were 393 children who were the subject of a child protection plan as a result of emotional abuse, physical abuse, neglect or sexual abuse. There are good arrangements to ensure children in immediate need of protection are responded to in a timely and thorough manner. All child protection cases are responded to promptly and mostly within 24 hours of the concerns being raised. The voice of children and young people subject to child protection procedures are a priority and an additional Children's Rights Officer has been recruited to enable young people aged 10 years and over to participate in meetings held about them. All our child protection cases were reviewed within statutory timescales.

Child Sexual Exploitation - The strong working relationship between partners on the Local Safeguarding Children's Board has increased our focus on safeguarding children from sexual exploitation. The Leicestershire and Rutland Local Safeguarding Children Board (LSCB) has overseen the establishment of a multi-

agency strategy and devised tailored multi-agency training to raise awareness amongst teachers, social workers, police officers and other practitioners, and to enable them to spot any signs of exploitation.

Fostering – In January 2013 the County Council's work to place vulnerable children in secure and loving foster homes was praised by OfSTED following an inspection that rated the service as 'good'. This is the second highest grade and one better than the previous inspection outcome five years ago. OfSTED described the service as 'high quality' and report that children and young people make real progress in terms of their physical, emotional and mental health, and receive support and advice to help them make the transition into adulthood. Inspectors also praised recent improvements made, including a re-shaping of the service.

Adoption - Adoption transforms the lives of vulnerable children. In July 2013, OfSTED judged the current service to be adequate. During the last year we have significantly increased the number of children finding stable and loving homes with adoptive parents. The Council was able to find new family homes for 42 young people - an increase of 50% compared to the previous 12 months. We are also aware of the importance of ensuring that children coming into care are placed in the right family setting as soon as possible. Figures in November 2012 showed that adopted children in Leicestershire find family homes faster than the national average. The Council places children within 18 months - six weeks quicker than in 2012 and better than the England average of 21 months. Following changes in the adoption process, the Council now aims to assess potential adopters in 6 to 8 months - the process used to take around 18 months. We have brought in new social workers to focus on finding families for children and a more flexible and straightforward approach to approving adopters. We are also recruiting an extra 50 adopters this year.

Children Looked After – For a small number of children, the authority looks after their welfare by bringing them into care. In 2013 we agreed to invest an extra £1.7m in protecting vulnerable children following the ongoing rise in the number of children in care. Currently there are 439 children in care, a rise of 24% compared to 2011.

We support children in care and 250 care leavers through a combination of one-to-one tuition, mentoring, youth work, social work support and a wide range of participation and engagement events. This encourages and supports them to raise aspirations, be more confident and strive to get their best outcomes. As their corporate parents, the council works hard to ensure that they don't miss out and enriches lives by providing young people with a range of opportunities including work experience, apprenticeships, access to computers as well as cultural, leisure and social experiences. A new scheme has been introduced to give children in care an apprenticeship opportunity with every department in the County Council. This supports the County Council's pledge to ensure that children leave care prepared and sufficiently independent for adulthood and offers these apprenticeships within the 'family business' of Leicestershire County Council.

Disabled children - Through the Scrutiny Review Panel process we have agreed a new **Transitions** Strategy and action plan to improve arrangements that support the transition of young people with disabilities as they move to adult social care services.

Children's Health – The County Council, NHS, public health services and schools work closely together to ensure that children are healthy. During the year we established a new partnership approach and commissioning plan to focus on children's health improvements. Details of actions taken and planned, and overall health figures are set out in the separate section on health.

School Sport - In recognition of the importance we place on school sport, additional funding has been provided to support the County Sports Partnership to retain and develop seven School Sport and Physical Activity Networks (SSPAN), including one representing disabled young people through our special schools. This helps all children and young people to have the best opportunity to take part not only in PE within the curriculum, but sport and physical activity beyond the school. This integrated school sport model begins with learning and teaching outcomes in the school, but is deliberately linked to a wider community sport, physical activity and health offer. Alongside this there is a fully inclusive school sport competition framework that starts with pupils participating in festivals and sport days in schools, continues with County sport finals and concludes with a 'School Games' sub-regional final for our most gifted young people.

High Morale and Self-esteem - The active participation of children, young people and their families contributes to developing high morale and good self-esteem. There are now a wide range of opportunities for young people to get involved in decision making. This year saw a number of developments including:

- young people trained to be inspectors, helping to evaluate services provided;
- the Children In Care Council developed to include a wider range of young people;
- a stand-alone interactive website called The Beacon designed by and for children in care with students at Loughborough University;
- UK Youth Parliament representatives attending regional and national sittings; and
- "Unheard voice" projects (older young people) have been delivered across the county.

Bullying - Changes in national legislation mean that the responsibility for anti-bullying has now shifted to schools. However, the Council's anti-bullying team continues to support schools by focusing on preventing bullying at an early stage. Special awards were also presented to a number of schools to mark their commitment to tackling bullying. The Chartermark is given to schools who demonstrate that anti-bullying work is carried out throughout the year. Since the Beyond Bullying Awards were launched three years ago, 55 schools across Leicestershire have received the accreditation.

Vulnerable Adults and Older People

In order to meet the rising demand for social care services there is an increasing focus on improving the health and wellbeing of the population through prevention and early intervention. Services increasingly concentrate on helping people live independently, reach personal goals, improve quality of life and build social networks of support. Services are becoming more holistic, supporting the whole person in their living and working environment and are helping people to help themselves.

Alongside the increased focus on enhancing quality of life and preventing need, providing quality services which protect vulnerable people from avoidable harm are critical success factors.

Personal budgets – Personal Budgets give people more choice and control of the ways in which they are supported, and who provides that support. Fifty per cent of social care customers, including carers, are using Personal Budgets which represents a steady increase from last year (2011/12 = 39%). From a customer perspective, Leicestershire's Adult Social Care Survey told us that 74% of people feel that they have control over their daily life, a significant improvement since 2011/12 (66%).

ChooseMySupport – The ChooseMySupport website offers people an electronic market place to choose which social care support services and products will enable them to lead independent lives. The Council's Customer Service Centre acts as a first point of contact for the majority of service users and during the last year dealt with 100,000 in bound calls.

The Social Care Market - Providers are being supported to utilise cash payments by being provided with templates of good tools (for example, suggested contracts with service users). In addition, the Market Development Team has undertaken extensive work with independent and voluntary sector providers to encourage a meaningful and targeted market place, including hosting regular forums, networking events, and targeted work with groups of service users to establish their needs and match them with suitable providers.

Person centred services - A review of Hinckley Community Life Choices (previously known as day services) has helped a large number of people to access more person centred community based services using Personal Budgets. This project is now being extended to give other people in Leicestershire the same opportunity.

Locality planning - Locality Managers are developing Locality Plans focussed on the needs of a particular area, tapping into local expertise, and developing relationships with partners and organisations in the community. The plans are a tool for stimulating collaborative work to improve outcomes for service users and the wider community.

The Council has a range of self supported assessment forms (SSAFs) throughout the customer Self Directed Support (SDS) pathway which are outcome focussed. Service users can complete them independently or via support of their choice. The

'My Outcomes' Tool is a recent development which allows people being assessed and reviewed for care and support to set their own goals and check their progress.

Extra Care Housing - We have progressed delivery of our Leicestershire Extra Care Housing Strategy 2010-15. During 2013 we agreed to invest £495,000 on a 53-place extra care scheme at Brooklands Gardens, Market Harborough and up to £1.3m in the extra care scheme at Winchester Road, Blaby.

Carers quality of life - The Carers Survey shows that 27% of carers feel that they have control over their life. We are performing below average in this area which is addressed through the implementation of the *Joint Carers Strategy: Supporting the Health and Wellbeing of Carers*. A Project Officer has been appointed to ensure actions within the strategy are delivered by all partner agencies.

Activities have included the design and implementation of a new Pilot Carer Health & Wellbeing Service in partnership with carers and Clinical Commissioning Groups. An innovative model of service delivery has been developed which allows for Carers to be identified early in their caring role. Early identification provides an opportunity to give timely information, advice and signposting to carers identified through GP practices.

Integrated commissioning - The Adults and Communities Department has supported the development of the local Health and Wellbeing Board and formed an Integrated Commissioning Board (ICB), which includes partners from local NHS services and district councils.

This arrangement has supported a partnership approach to the commissioning of health and social care services. An action plan continues to be developed, focussing on personalisation (integrated personal health and social care budgets); preventing avoidable hospital admissions and improving hospital discharge processes; providing care closer to home and enabling people to remain independent in their own homes for longer; learning disabilities commissioning; and integrated approaches to service quality.

Hospital admissions and discharges - In Leicestershire in 2012/13 there were 11 admissions to residential and nursing care per 100,000 of the 18-64 population and 798 admissions per 100,000 of the population for adults aged over 64. We are performing well in relation to people aged 18-64 years. However, making further reductions in admissions through improved community support for the older population is now a priority.

The number of older people who were discharged from hospital to re-ablement services and are still at home after 90 days is one method of examining effectiveness of the intervention (re-ablement is the short term support given to someone in their own home, designed to help them to regain their independence; for instance after a period of illness or a stay in hospital).

Seventy nine percent of older people who were discharged from hospital who accessed re-ablement services were still at home 90 days after discharge. The service has received positive customer feedback through recorded compliments (39

were made in the period 1st January – 31st March 2013). In addition, we are performing better than the national average in relation to the low number of delayed discharges attributed to Adult Social Care.

The Hospital2Home Service commenced in April 2012 which is aimed at people leaving hospital who may need low level support to return home. The service also includes a Hamper Scheme providing a basic food parcel for people and aims to reduce hospital re-admissions.

Assistive technology and Telecare provide a cost effective method of meeting the care and health needs of older and disabled people, and can help people to maintain their independence. It also helps to support and reassure carers. An interim countywide Telecare Service commenced in April 2012 and the Assistive Technology Service has been developed alongside this, providing staff support with assessment of need and the fitting of both monitored and stand alone equipment. Leicestershire's Telecare and Community alarm service will be expanded from 2014 to include people living in all types of tenure to prevent need for social care support.

A "Books on Prescription" scheme was introduced in 2012 in partnership with the library service. "Books on Prescription" is an early self-help intervention that targets those with emerging or low level mental health issues. Quality approved books dealing with a range of mental health issues are available from selected libraries across the county. These can be prescribed by health professionals or self selected through the library.

The First Contact Scheme was initially available to people over the age of 65 but has now been extended and is available to all adults. The scheme is a partnership of services who work together in co-ordination to ensure vulnerable people are able to access the right support and information. The aim of the scheme is to help adults remain independent. In 2012/13 a survey showed that 80% of customers, who had accessed First Contact in the previous 12 months, were still living independently in their own homes with no increase in support needs.

Experience of care and support - the percentage of people satisfied with their care and support increased in 2012/13 to 66.2% with only 1% feeling very or extremely dissatisfied. We are performing in the top 25 per cent of authorities in England on this measure. The overall satisfaction of carers with social services was better than the national average at 43%. The number of carers who were consulted in discussions has improved considerably since 2011/12 and we are performing well in this area.

We also know it is important for carers to find the information they need to assist them in their caring role. 70% of carers surveyed found it easy to find information, which is lower than the national average.

Information and Advice Strategy- The Strategy was produced in March 2011 and a dedicated Project Officer is in post to deliver it. Engagement with information and advice providers and customers has shaped a new model for information and advice delivery, aiming to improve access routes, quality and consistency of provision.

Dementia – Significant progress has been achieved in this priority area by working in partnership with health colleagues and providers. Achievements have included the implementation of a Memory Adviser service; aiming to help people with dementia to stay at home for longer, be able to foresee and plan for things before they get to crisis point and to live a happier and more social life.

In addition, three residential care homes in Leicestershire were supported to apply for Department of Health funding to make them more 'dementia friendly'. The homes at Melton, Shepshed and Ashby all successfully bid for a proportion of the £50m offered by the Department of Health to improve the environment for people with dementia. The Council worked closely with the homes throughout the submission process and is continuing to support them in the delivery of the improvements.

Memory Plus is a new service in partnership with museums, providing training to residential care home staff in engaging residents in meaningful activities and providing stimulating contexts for conversation and social interaction. In addition museums have, over the last two years, commissioned small works of art designed especially for people with dementia. These items may now be borrowed by care homes and community groups.

Safeguarding - The Adult Social Care Survey shows that the percentage of people who use services who feel safe is lower than the national average at 60%. However the percentage of people who said that services have made them feel safe was higher than the national average (89%), an increase since 2011/12.

A Safeguarding Team is established, with an excellent record of ensuring the best interests of people without capacity are protected. This team reduce the levels and types of restrictions on a person's liberty and promote good practice in care homes and hospitals.

The Quality Assessment Framework has demonstrated our commitment to supporting and recognising high quality care. During 2013, more than 40 care homes throughout Leicestershire were recognised (an increase from 12 in 2012), some of which also gained Dignity in Care awards. This approach ensures that the homes exceed the standard quality of service while successful 'Dignity in Care' recipients have zero tolerance on all forms of abuse.

The Dignity in Care principles ensure each person is treated as an individual, maintain the maximum possible level of independence and engage with family members and carers.

A Quality Improvement Team (QIT) has also been implemented, working with residential and nursing care providers who are performing unsatisfactorily. The QIT support providers to develop and implement improvement plans.

The 'Keep Safe Card' is an initiative for people with learning disabilities where important information about the individual such as emergency contact numbers, medication and how they prefer to communicate can be captured. The card has been adapted locally for use with older people and those with a hearing impairment and has been shared nationally as an example of excellence.

A total of 178 “**Keep Safe Places**” have been established in busy shopping areas across Leicester, Leicestershire and Rutland and include libraries. Staff in Keep Safe Places can offer immediate reassurances to people who are feeling vulnerable, upset, scared or distressed, and call for a relative or friend, or the emergency services if required.

The ‘**4 Ways 2 Warmth**’ scheme (4W2W) is a partnership across Leicester and Leicestershire (including local communities, the voluntary sector and statutory organisations) which aims to proactively reduce the number of deaths and ill health amongst vulnerable people, families and carers associated with the winter and severe weather conditions.

Culture and Wellbeing

During the last year the County Council's Community and Wellbeing services have carried out a range of work to support delivery of the Leicestershire Together priorities, with a particular focus on the economy, ageing population and vulnerable people.

City of Culture Bid - The County Council is fully supporting the Leicester UK City of Culture 2017 bid. This has included making a £2m contribution to underwrite a successful bid and specifically to support the complementary cultural activity in the County, to maximise economic and other benefits for Leicestershire. The focus for the county would be around the market towns and tourist attractions in the county, building on the themes of Richard III, transport such as railways, aviation and canals, industry and post-industrial settings, and illumination projects for communities in local parks and community spaces. A successful bid is forecast to bring a 10% growth in visitor expenditure over the next four years and a continued rise on the back of hosting the event. Employment in the arts, entertainment and recreation sector could double from 7,000 to 14,000 by 2020 and a return of £9 for each £1 invested based on previous evidence.

Richard III and Cathedral Gardens - We have also continued to support and collaborate with the City Council in recognition of Richard III, the King who died in the County and who will be reinterred in the City. We have contributed £250,000 to the Cathedral Gardens scheme to recognise the role of the Diocese and Leicester Cathedral across the County and City, and the positive links between Bosworth Battlefield, the Cathedral and the new Richard III Visitor Centre, including an artwork specifically commissioned to recognise Richard and Bosworth Battlefield which will be in place by spring 2014. **A Green Plaque Scheme** in Leicestershire to recognise and promote notable local individuals and the buildings associated with them is being introduced and will be launched in the New Year. **Creative Leicestershire** continues to encourage economic growth through fostering new small businesses in the creative sector and mentoring the new entrepreneurs and promoting their products.

In partnership with a range of work and skills stakeholders, the County's Library Service levered in £100,000 to enable weekly **Work Clubs** to take place across our Market Towns. These take advantage of the libraries' neutral space to offer informal help and advice to unemployed people and guide them to learning and employment opportunities. A shadow pilot at Hinckley has seen nearly 2,000 visits.

Adult Learning – The Leicestershire Adult Learning Service offered a range of inspiring courses as well as a 20% discount on fees if learners enrolled early. Many of the courses were free to learners receiving certain benefits with extra support for those on low incomes. During the year our work with adult learners was commended by OfSTED. Inspectors praised the continually improving work being done by the Service, which provides programmes for more than 7,300 part-time learners. The service, which targets the most disadvantaged groups, received an overall effectiveness rating of "good" following an inspection. The OfSTED report praised the very strong support given to learners who have significant personal and learning needs and highlighted that learners successfully improve their personal and

employability skills, which also benefits their economic well-being. An action plan and future direction for the service has been agreed to make further improvements.

Over 1,000 **volunteers have** supported libraries and museums over the last year, with over 100 of these having mental health and other disability challenges. Major achievements have been the **Summer Reading Challenge** work with young volunteers and the development of a **work readiness** scheme for young people to gain experience in the council work place. Volunteers contributed over **42,000 hours** to the service during 2012/13 delivering a value of over **£460,200**.

The County Council, in partnership with health bodies and the Reading Agency, has played a leading role in the national **Reading Well: Books on Prescription Scheme** - highlighting the important role that libraries can play in mental health. The scheme provides early intervention through self-help books for adults experiencing a variety of low level mental health conditions. The **Memory Plus** training and resource package delivered by the Museums Service enables care staff to deliver a series of facilitated activities to people with dementia, utilising museum resources and sensory stimulation. The **Wellbeing Wednesday's** cultural wellbeing events during October 2012 used the 5 ways to wellbeing as its central theme, supported by the Public Health Service. Over 2,000 people attended over 35 events.

Libraries - Last year we opened our £1.3m extended and refurbished Loughborough library to provide social care, adult learning and other services from one site. The new facility includes services to promote the independence of people with disabilities including a state-of-the-art interactive multi-sensory area. Also on offer are community activities, new adult learning facilities, including free English and Maths tuition, information technology classes, plus a range of health, leisure and confidence-building courses and the re-location of local history material bringing it together with genealogy resources for people who want to trace their family tree.

Communities and Wellbeing services continue to be commissioned to deliver targeted literacy, language and learning services through Leicestershire's children's centres. Through libraries and museums services over 12,000 young people and their families took part in the annual Summer Reading Challenge, a free literacy intervention that maintains literacy levels during the school holiday break.

Museums - Local museums received three regional awards last year. The first "Heart of the Community award" went to Ashby museum for their work recording the closure of the Standard soap factory in the town. The County Council's Melton Carnegie Museum won the award for its after school work with teenagers digitising the collections. A special award was given to the County Council for museum work with people with special educational needs, autism and older people with mental health challenges, and working with the siblings of young disabled people.

The Charnwood Museum was awarded the Small Visitor Attraction of the year award at the Leicester and Leicestershire Excellence in Tourism awards ceremony. This meant that the attraction would go on to compete in the National Visit England Award Finals. Charnwood Museum is run as a partnership between the County Council and Charnwood Borough Council and the award recognises the hard work of staff. During the year we agreed a new arrangement for the management and delivery of

the Harborough Museum, in partnership with Harborough District Council and Market Harborough Historical Society. Over 30,000 young people visited the County Council's Museums for learning and educational activity and targeted services for young people using museum loans and artworks in schools reached over 100,000.

Safer Communities

There have been a number of changes to the way in which community safety services are delivered during the last year. Leicestershire's first Police and Crime Commissioner was elected in November 2012. The role of the Police and Crime Commissioner is to ensure that the policing needs of communities are met as effectively as possible and to give the public the ability to ensure the police are accountable.

The Leicester City, Leicestershire and Rutland Police and Crime Panel is responsible for publicly scrutinising the actions and decisions of the Police and Crime Commissioner and holding him to account. The Panel also acts as a support for the Commissioner in carrying out his responsibilities. The Panel is hosted by Leicestershire County Council and is made up of representatives of each local authority in Leicester, Leicestershire and Rutland, as well as two independent members.

Crime and Offending - Most types of **crime**, including violent crime and acquisitive crime have reduced during 2012/13. After a large increase in domestic burglary at the start of the year, police and local community safety partnerships worked across the county and helped to reduce burglaries later in the year.

Adult re-offending rates remain among the lowest in the country, with just over 20% of offenders going on to re-offend within 12 months. Adult offenders on the Drug Intervention Programme show a 71% reduction in volume of offending following their involvement on the programme. Organisations and projects addressing re-offending have been set up to work alongside the Supporting Leicestershire Families service, and prevent offending by individuals in these families.

Youth Offending - A smaller proportion of young offenders re-offended in 2012/13 compared to the previous year. Our **Youth Offending Service** delivers a range of targeted group work programmes for young people who are at risk of offending, or who have entered the Criminal Justice System. 81 young people attended group work programmes focussing on their specific needs such as positive relationships, internet safety, victim awareness and fire-setting. A new 'Out of Court Disposal' panel has been set up to respond to changes in sentencing from April 2013. The panel has the choice of a community resolution, youth caution, Youth Conditional Caution or charge. Since the introduction of this process a quarter of matters have been returned to the police for consideration for a community resolution, with the other matters being disposed of by means of cautions, conditional cautions or charge.

Domestic Abuse - A new helpline providing support and advice to women and men affected by domestic abuse has been commissioned for the County. Alongside this, support services for adults and families affected by domestic abuse have been

reviewed to ensure that they are meeting need across the County. Domestic abuse services supported over 900 people in their journey out of abuse in 2012/13.

Hate Crime – Our Hate Incident Monitoring Project ran a successful campaign in February raising awareness of hate incidents against lesbian, gay, bisexual and transgender people. The campaign had significant traditional and social media coverage. Visitors to the project’s website increased by four times compared to the previous month and a number of incidents were reported to the project as a direct result of the media coverage and events.

Anti-social Behaviour - During the last year criminal damage has reduced across the county. In addition fewer people reported having been a victim of ASB during the year. The Safer Communities Strategy Board funded the countywide roll-out of the Charnwood TwentyTwenty Mentoring Project, which supported 76 young people at risk of involvement in antisocial behaviour this year. To the end of February, 91% of these have not been involved in crime or ASB since the mentoring started. The IMPACT project has worked in 32 communities with 492 young people to address youth-related anti-social behaviour and encourage engagement in positive activities.

Vulnerable People - The ‘Safe Inside Safe Outside’ Project has been set up to work with vulnerable people affected by ASB, supporting them to build their confidence and resilience. Though in its early stages, those the project has worked with show signs of improved well-being, community engagement and other positive outcomes.

Safe Trading - Eighteen cases involving unfair trading practices were brought before the courts by Leicestershire Trading Standards. All resulted in convictions, nine defendants received a community punishment order, suspended sentence or imprisonment. Fines and costs awarded totalled £28,650. In addition, formal agreements were obtained from a further 22 businesses to stop a variety of unfair trading practices and £170,000 was confiscated from offenders under the Proceeds of Crime Act. Over 40,000 items of counterfeit goods were seized valued at £728,845. Where possible these illegal goods, particularly clothing, have been ‘de-branded’ by ‘approved’ charities and distributed to those in most need within the UK and abroad. Other items such as DVDs are destroyed and the materials recycled. Five cases involving the sale of alcohol to under-18s have resulted in more stringent alcohol licensing conditions being applied following enforcement action.

The Trading Standards service also provided free advice and guidance to 1,195 local and national businesses trading within the County, to help them comply with their legal responsibilities. Our Trading Standards service has also been weighing and measuring all sorts of equipment to ensure consumers and businesses get a fair deal. In the last 12 months Council officers have checked more than 300 petrol pumps, over 400 pieces of weighing equipment such as shop scales, 31 weighbridges and packages sold by quantity at 220 businesses. Out of the petrol pumps tested only 1.2 per cent were found to have a problem while around 13 per cent of weighbridges - equipment used to weigh lorries carrying bulk goods - were found to be faulty. Warnings were given to the businesses concerned, requiring them to make adjustments to the equipment so that it would weigh or measure accurately.

Communities in Charge, Volunteering and Community Cohesion

We have developed our **Communities in Charge** approach (the Leicestershire response to Big Society) during the year. This sets out how the Council will work with communities to respond to the current challenging financial environment, including service changes and withdrawals, by building community capacity to contribute to tackling four identified priorities. The approach includes specific tools and resources to help communities to support the vulnerable and disadvantaged and play a more direct role in service delivery. Our Big Society Survey 2013 informed the review of the programme and provided valuable information about the best way to overcome potential barriers to making it work in Leicestershire.

Volunteering - Work done by volunteers makes a crucial contribution towards bringing communities together and making places better to live and work in. Through Leicestershire Together a new volunteering strategy has been developed setting out how public sector partners will work together to recruit, support and celebrate volunteers in Leicestershire. Voluntary Action Leicestershire (VAL), as the support service for community and voluntary groups, has supported and built voluntary sector capacity and engagement in developing and delivering approaches across the key priority areas. VAL has also supported local Leicestershire groups in attracting a total of over £1m in **new finance** this year and organisations have been able to recruit over 1,500 **new suitable volunteers** with VAL's support.

The Council offers a variety of opportunities to help people get involved in their local community including volunteering with young offenders, supporting older people with learning difficulties and disabilities, and helping out with various community projects and conservation volunteering. Community coach volunteers can get involved with a wide variety of activities, putting their problem-solving skills into practice to help others to achieve their goals. We have developed a training programme to support those who volunteer in Council-run services and now advertise all **volunteering opportunities** in one place on the Council website.

The **Community Forum Budget** process for 2013 continued the success of previous years, with more than 1,500 residents attending the 25 Decision Nights. Levels of satisfaction with the process continued to be high and have improved further. The quality of funding bids has been improving over the years. 176 community projects were funded to support local groups and organisations across the county to meet the needs of their community.

Community forums have supported people across the County to contribute to key decisions regarding local services. Residents were asked for their views on options for the future of the Libraries and Museums service at 25 Community Forum meetings in the light of government grant reductions. This has helped the Libraries service to gauge opinion about those options and develop them further.

Think Leicestershire was launched to encourage and empower community members to support their communities. A network of Community Coaches and Thinking Action Group (TAG) Leaders is now emerging around the County and there are a range of on-line resources available to support people in making a difference

We continued to support communities and voluntary groups in Leicestershire through our £340,000 grant fund. Our **Big Society Grant Fund** offers groups and organisations the chance to bid for up to £15,000 to develop ideas and initiatives. Last year the fund helped 18 projects, including providing community defibrillators, a youth café, assistance towards the development of a recreation ground, an arts educational heritage centre and the Storehouse project to provide food parcels, clothing, and baby goods as well as household and electrical items to the vulnerable in Melton. 49 projects were supported with grants from the fund particularly focussed on our four priorities of economic growth, families, older people and health inequalities/healthy lifestyles. Many exciting, innovative projects were supported, including a community healthy eating project in Melton, a youth café in Anstey and a personal development programme for young people in North West Leicestershire.

Community buildings such as village halls and community centres are highly valued facilities at the heart of communities. They provide local people with a place to meet where news, information and ideas can be exchanged, views expressed and actions discussed and agreed. They also provide the base from which services for the local community are offered, often by local community groups, and where people meet for social, recreational and educational events and activities. We have therefore agreed proposals for a SHIRE Community Buildings Grant scheme including capital expenditure of £100,000 per annum and revenue expenditure of £24,000 per annum. A £300,000 investment in Kegworth's village hall was also agreed to help relocate youth services and other groups there following changes to the community centre.

We have taken an active role in promoting **Neighbourhood Planning**. A practical Neighbourhood Planning toolkit has been developed in collaboration with district councils and the City Council and regular Neighbourhood Planning network meetings are being held to bring together all those involved in or interested. The work on neighbourhood planning has been highlighted nationally as an example of good practice.

Cohesion - The results of recent resident survey work indicates that since 2009, the percentage of people that think local public services treat all types of people fairly has risen by 10% to 84.9% in 2012/13. The Council is strengthening the link between community cohesion work and the PREVENT agenda, to ensure a holistic and positive approach to both these areas.

Climate Change, Environment and Waste

Our key environmental priority is to reduce our contribution to climate change and to ensure that there is a high resilience to its effects. Our focus last year remained on reducing greenhouse gas emissions from the public sector estate and taking steps to improve the resilience of services to future climate change.

Carbon Emissions - Our primary focus in the past year has been on reducing carbon emissions from Council activity. This has included targeted building disposals, continued delivery of the street lighting programme including turn off, dimming and part-night lighting, and by engaging with staff on behaviours to reduce consumption within existing buildings. Progress has also been made on reducing emissions from vehicles, in particular by reducing business mileage.

A programme of work with schools has been undertaken to address carbon emissions from the school estate and those schools participating in the programme have experienced a much smaller rise in carbon emissions in the last year compared to the rest of the school estate. Since 2008/09 carbon emissions from school buildings fell by 8.3%.

Despite this positive progress the exceptionally cold spring increased the need for fossil fuel consumption for heating in council properties and we have yet to fully achieve our ambitions for carbon reduction. Nevertheless, a reduction of carbon emissions from County Council buildings (excluding schools) of 1% was achieved compared to 2011/12. The carbon emissions reduction from all council activities (excluding schools) was 3.2% compared to 2011/12 and emissions have been reduced by 11.4% since 2008/09. School emissions rose during 2012/13 compared to the previous year, but remain 8.3% below the 2008/09 baseline figure. In February we launched a Draft Carbon Reduction Strategy for Leicestershire as a whole, with a target to reduce carbon emissions by 34% in 2020 compared to 1990, and have developed a supporting delivery plan. In addition Leicestershire Together has agreed a Climate Ready Plan setting out key actions to reduce the impact of climate change in the coming years.

Energy Efficiency - The County Council offered Shire Community Climate Change Grants of up to £5,000 to improve energy efficiency in community buildings in Leicestershire. Charities, faith groups, village halls, sport/community buildings, committees and parish councils can apply for the grants to enable them to reduce their energy bills. The grants could cover practical projects such as the installation of energy efficiency measures including new heating systems, roof or cavity wall insulation, solar panels and improved lighting systems. They are also available for community events or projects that promote awareness of the issues of climate change, and training courses relating to energy efficiency and climate change.

Nine schools across Leicestershire took part in the County Council's 'How Low Can You Go?' energy saving competition. The contest saw schools vying to see who could save the most energy per pupil. It took place during 'Switch Off Fortnight' in November and the winners were: Brookside Primary School in Oadby and Latimer Primary in Anstey. If the savings demonstrated by the winning schools during Switch Off Fortnight were sustained for a year, the two schools would save more than

£2,000 a year in energy bills between them and also save around 12 tonnes of carbon.

Household Waste Management

Our priority is that less waste is produced and a reduced proportion goes to landfill. We achieved a reuse, recycling and composting rate of 55.4% during 2012/13, just short of our target of 56%, although we remain one of the best performing waste partnerships in the country. The amount of residual household waste not sent for reuse, recycling or composting has increased slightly to 493kg per household, but met our target of 500kg. The percentage of municipal waste sent to landfill has decreased, with only 31.5% landfilled, better than our target of 32%.

Recycling - Last year Leicestershire remained one of the top recyclers in the country. It is important we all carry on with this work and we will continue to look for ways to increase recycling in the future, with residents' help. A number of roadshows were held during National Recycle Week where experts provided various recycling tips.

Limiting Landfill - These achievements have contributed to us more than meeting our Landfill Allowance Trading Scheme compliance target for 2012/13, a figure set by the Government to limit the amount of biodegradable waste we can send to landfill. In 2012/13, our target was 92,000 tonnes and we successfully achieved this with only 52,870 tonnes going to landfill.

Waste Sites - We operate 14 recycling and household waste sites across Leicestershire where residents can recycle a large variety of items. During 2012/13, we diverted 73.9% of waste from landfill at our sites. We also commenced a major redevelopment of the Whetstone site which will be completed in autumn 2013. We continue to see a high level of customer satisfaction with our Recycling and waste sites.

Initiatives - A wide range of campaigns and activities contributed to these achievements including Freeuse, which celebrated a milestone this year after diverting 100 tonnes of waste from landfill. The online site hit the landmark figure which is equivalent to 60 family cars. Since it was introduced by the Leicestershire Waste Partnership in 2009, over 3,000 people have signed up as Freeusers and found new homes for unwanted items, giving them a second chance.

Nearly 12 tonnes of old and broken small electrical items were collected by county school children in a special recycling initiative. The initiative, known as an Eco Day, was organised by the Council, Sims Recycling Solutions and DHL EnviroSolutions. A total of 49 county schools took part with children bringing along unwanted Waste Electrical and Electronic Equipment (WEEE) such as old irons, toasters, remote controls, kettles, unwanted computer equipment, hairdryers and battery powered toys. The WEEE collected has now been recycled and the precious metals and plastics have been recovered and sent to manufacturers to re-use in making new products.

The Leicestershire Waste Partnership, made up of the county, district and borough councils, has offered subsidised food waste digesters to county residents since 2008. They proved to be very popular with over 4,500 units purchased.

Council Recycling - Waste from County Council offices has reduced by 16% during the year and the recycling rate has continued to improve, reaching 53%. The purchase of office paper has reduced by 14% in 2012/13 compared to 2011/12 through different printers/photocopiers and actions by staff. These improvements have been supported by a network of Green Champions across the Council and activities to engage staff in greener behaviour. This work has been supported by embedding the Council's Environmental Management System. All of the Council's activities have been subject to environmental risk assessments, identifying opportunities to improve environmental performance and developing action plans to address them. This has enabled our Print Service to secure ISO140001 certification and will allow other services to do the same in the future. Collectively these activities are contributing to reducing the Council's environmental impact and to reducing costs.

Leicestershire's natural and historic landscapes and environment

Green Infrastructure - The maintenance and development of green infrastructure across the county is important to deliver a range of social, health and biodiversity benefits. Through our Green Infrastructure Strategy and action plan we have delivered work with local district partners to position Green Infrastructure requirements in Local Plans as well as in on-the-ground projects. Partnership working on **rivers and canals** and their immediate surrounds is an important component of this work. Strong links are being forged with the Canal and River Trust as well as through the River Soar/Grand Union Canal Partnership and the Authority's work on the Ashby Canal.

The **Charnwood Forest Regional Park** Steering Group is now well established. With the Steering Group's support a Round 1 Landscape Partnership application was submitted to the Heritage Lottery at the end of May. It was developed with the support of a specially constituted Landscape Partnership Board and, if successful, will lead to the production of a more detailed Round 2 application. If successful, money will then become available in 2016, to support a wide range of Charnwood Forest based projects.

The Council **Stepping Stones Project** celebrates its 21st birthday this year and in recognition of reaching this milestone has launched two new grants – "Plugs for Bugs" and "Trees make hedges." The former is aimed at local communities wanting to introduce wildflower and bulbs to public open spaces. The Project's rural craft training programme covering hedge-laying, dry stone walling and coppicing continued to be popular.

Landowners are being given the opportunity to add to Leicestershire's **hedgerows** by applying for free packs of trees and hedging plants. The County Hall based Stepping Stones Project has teamed up with the Woodland Trust to encourage farmers and community groups to provide much-needed habitats for wildlife by planting hedges and hedgerow trees. Applicants can apply for packs containing 100

metres of native hedging and 25 trees for planting on publicly accessible land or land that is visible from a public right of way or highway.

Funding was made available for Leicestershire communities keen to boost green spaces for people and wildlife. Up to £2,500 was available for schemes to help improve parks, nature reserves and other green areas. Now in its third year, the **Connecting People and Wildlife fund** is open to parish or town councils and community groups within the Stepping Stones Project area who want to encourage community action and involvement in their local green space. It provides a great opportunity for communities to help make their neighbourhoods greener.

An ambitious Council project which turned former coalfields into a vibrant and prosperous woodland landscape scooped a prestigious prize last year. The County Council was presented with a top planning award - the **Diamond Jubilee cup** - by the Royal Town Planning Institute for spearheading work to transform the Ashby Woulds. The regeneration saw 12 square kilometres of old pits, tips and derelict land turned into a **new woodland landscape** with leisure facilities, housing and employment. The project involved local councils, community groups, landowners and mining companies working together as the Ashby Woulds Regeneration Forum. The transformation included redeveloping 10 hectares of land for new employment - reclaiming over 100 hectares of derelict land, planting around 300,000 trees and creating 20km of public access trails. It also helped to reduce unemployment in the Ashby Woulds from over 8% in 1991 to 2.6%.

Country Parks - The County Council's country parks retained coveted awards for three beauty spots in August. This involved the awarding of prestigious Green Flags by Keep Britain Tidy to the country parks at Bosworth, Beacon Hill and Watermead (jointly managed with the City Council). Green Flags are the mark of quality green space in the United Kingdom and a sign to visitors that the park is well maintained, well managed and has excellent facilities.

A £1.4m project to improve the walking and cycling network in and around **Watermead Country Park** was officially opened last year. The Sustrans Connect2 scheme won a share of £50m Big Lottery Funding following a public vote. During the five year project the Council created surfaced paths between Birstall, Thurmaston, Syston and Cossington via Watermead Country Park. The project has seen new bridges installed, new paths constructed and safe road crossings created, making the routes accessible to everyone including wheelchair and mobility scooter users. The complete off-road cycleway between Cossington and Leicester, which incorporates the Connect2 routes, is now signposted as 'Green Route One'. The Connect2 route, which includes four miles of newly constructed surfaced paths, was officially opened at an event in July.

Better Services and Value for Money

Scrutinising Local Services - In order to ensure better outcomes and value for local people, our Scrutiny Function has been actively involved in a number of major reviews in 2012/13 including:

Older People: reviewing progress with the delivery of the Extra Care Housing Strategy – which aims to improve outcomes and choice for older people by providing an alternative to residential care.

Libraries, Heritage and Arts Review: reviewing progress on the libraries, heritage and arts review which aims to use libraries and museums as community spaces.

Transition of Young People with Disabilities from Children's to Adult's Services: recommending improvements including tailoring services to meet individual needs and identifying a key worker to support each service user through the process.

Children's Centres: reviewing the existing model against the changed policy and inspection environment. A partnership approach and partner funding through reduced demand was deemed essential to ensure the best start in life for young children.

Accident and Emergency Services: scrutinising Leicester Royal Infirmary (LRI) four hour wait performance. As a result of concerns about the transfer of patients brought to A&E because of mental health problems, a new protocol for the transfer of these patients from the LRI to Glenfield Hospital has now been put in place.

East Midlands Ambulance Service: whilst recognising the need for changes to station locations, we expressed concern at the original proposals and were pleased to see revisions which addressed the needs of rural communities.

Leicestershire Partnership Trust: In response to concerns identified about the safeguarding of mental health patients, we queried LPT's risk management and the robustness of its record keeping. We were pleased with the positive response from LPT.

Joint Health Scrutiny: Glenfield Children's Heart Unit: Scrutiny councillors felt that the Government announcement that services would be moved to Birmingham was not in the best interests of the local population. For the first time we used our statutory power of referral to the Secretary of State for Health, who asked the Independent Reconfiguration Panel (IRP) to review the decision. Scrutiny councillors gave evidence to the IRP. The IRP endorsed our view that the process was flawed and the Secretary of State has now set aside the decision and commissioned a new review.

Value for Money and Efficiency - In February 2013 we agreed to freeze Council Tax for the third year running. This means that the average Council Taxpayer in Leicestershire would have saved more than £250 over three years, compared to an inflation increase. As part of the financial plans we agreed to make savings and raise extra income worth £79 million over the next four years. The plans also provide for investment in priority areas including £1.7m extra for children's social care, £15.4m extra for adult social care over the next four years, £3m extra for highway maintenance and £1.2m to develop extra care accommodation in Blaby. In 2012/13 we also invested £61.4m in capital projects. The most significant items of expenditure were new classrooms, a replacement for Charnwood Area Special School, Loughborough Inner Relief Road, general highways maintenance and office accommodation on an 'invest to save' basis. In 2012/13 £5.2m was allocated for Capital Schools Maintenance. The Capital spend on school accommodation projects was valued at £13.83m achieving 90.4% spend in year.

The Government continues to cut expenditure across the public sector in order to reduce government borrowing. Over the next four years we expect a significant reduction in Government funding of around 30%. This follows a 22% reduction over 2011/12 and 2012/13. The Council also faces potentially large increases in expenditure due to the need to provide care to the increasing numbers of older and other vulnerable people. The cost of landfill tax and alternative methods of waste disposal are also significant cost pressures. Spending pressures including inflation are £54m (15%) over the next four years.

Efficiency Savings - We have proposals in place to generate £49m in savings in the form of £38m of efficiency savings, which include reductions in management and administration, more effective purchasing of goods and services and changes to the way services operate. Areas for savings include £2.5 million from restructuring the children and young people's service, £3 million from reducing senior management and administration, and £16 million from reducing overheads and simplifying processes.

A further £8m of service reductions and £3m in increased charges are planned. Examples of savings include: review of Libraries, Heritage and Arts; reduced highways maintenance; switching off or dimming street lights after local consultation; reduction in bus subsidies for uneconomic bus routes and review of transport policies including home to school transport. Over the last two years, spend on communications has been reduced by £2m – representing savings of 65%. £1.2m savings were achieved through the re-structuring of Property and Asset Management Services during 2012/13. Further savings will be required in 2015/16 and 2016/17 and are being developed following a major public and stakeholder consultation exercise.

Better Procurement - During 2012/13, £2.19m procurement savings were achieved to assist delivery of the Council's Medium Term Financial Strategy. Approximately 50% of the Council's total procurement expenditure of £302m was with small and medium size enterprises (SMEs), consistent with the Council's corporate social responsibility objectives. There has also been a further increase in expenditure transacted electronically, up to £56.2m from £30.3m last year, creating further process efficiencies.

Better Buildings, Assets and Service Points - The Council's four year office accommodation strategy was completed in 2012/13. The total number of buildings reduced from 55 (2009) to 19 (2013) which exceeded the original planned target. An additional 3 buildings will be disposed in 2013/14. The programme has resulted in an overall 21.3% reduction in the office floor space occupied by the Council. This is saving £850,000 per year, by having fewer but better offices and sharing space, where possible, with district councils. The council is already sharing space with Melton Borough Council and will operate a museum, library and register office within Harborough District Council's refurbished HQ, which is due to open next year. County Council care services moved to Hinckley and Bosworth Borough Council's new HQ in July.

100 health staff have also moved to County Hall to help save money. A total of 80 staff from the University of Leicester Hospitals Trust (UHL) have taken up office space at County Hall, joining around 20 staff from the Health Protection Agency (HPA), who have already moved in. The deal with UHL and the HPA is raising around £100,000 per year.

Annual National Customer Satisfaction surveys were undertaken for three areas of Property Services work: Estates Management, Building Maintenance and Major Projects. All areas scored well in excess of 80% customer satisfaction for 2012/13 and compare well with national comparators.

In November 2012 we unveiled a unique 21st century tribute honouring Leicestershire troops. Armed Forces Minister Andrew Robathan officially launched the memorial at County Hall featuring four life-size bronze comrades, depicting young navy, army and RAF recruits taking part in a military drill 'standing easy'. The County Council contributed £75,000 to the tribute to commemorate local regular and reserve servicemen and women who have lost their lives around the world since 1945.

The **County Farms Estate** continues to support new start farmers and the trading account produced a net surplus of £442,142 during 2012/13, inclusive of £66,382 net grant funding towards a National Forest planting scheme, compared to £299,050 in 2011/12. The Estate continues to significantly exceeded average return on capital, net income return and capital growth rates derived from the industry-wide Savills Rural Estates Benchmarking Survey. The performance of the County Council's **industrial units** remains sound despite challenging market conditions, producing a net surplus of £398,499 during 2012/13. The structure of the portfolio is currently being reviewed to ensure that it continues to meet the needs of new start businesses and generates economic growth.

Better Customer Service – Our Customer Service Centre (CSC) was re-accredited in March 2013 with the Customer Service Excellence Standard, along with other services across Customer Services and Operations. To support the (CSC) programme of continuous improvement, a detailed telephone satisfaction survey was carried out independently in spring 2013 with a sample of 600 organisations, carers, potential and current service users who had made contact with the CSC. Overall the results showed that 80% of respondents were satisfied or 'very satisfied' with the

service they received and nearly all participants said they had understood the information provided to them. The main area for improvement identified was in relation to call wait time and this is also now being addressed.

The Service Centre has, over the last 12 months, made good progress in answering more calls and answering them more quickly. Planning for, and management of peak periods (such as school admissions) has also improved. The Service Centre is expanding customer self service over the next few years. It has made a start by enabling customers to apply online for Waste Permits and places on Home-to-School transport at any time of the day or week.

School Food Support Service – school meal uptake continues to increase. Uptake levels were running at 37% for 2012-13 which is a 32% increase since the service transferred back in-house. The Service has also been awarded the “bronze accreditation” certification endorsed by the Soil Association for working with the Food for Life Partnership for the quality, provenance and locally sourced food provided as standard to children and young people in Leicestershire.

Improved Complaints Handling - During 2012/13, 234 corporate complaints were received, up from 208 the previous year. However, the number of complaints to the Local Government Ombudsman fell from 55 to 38. In 2012/13, 45% of complaints were upheld, broadly the same proportion as in the previous year. Complaint response time improved further, with 83% receiving a response within 10 days. In April 2013, a new complaints management system was introduced which has greatly enhanced administration and monitoring of complaints.

Better Digital Services - During 2012/13, as part of a drive to widen opportunities for customer self-service, we piloted new ways of accessing services through the Council’s website. These pilots have enabled customers to use services 24 hours a day, whilst reducing the cost of service delivery to the Council. Alongside this pilot, we are developing a new Council website using a new technology platform. The project, which will go live in 2014, will create a simpler, more customer focussed and mobile friendly website and will provide a strong foundation from which to increase customer self service and channel shift.

A corporately-agreed communications strategy has enabled the council to increase how informed residents feel to a peak of 80.4% this year. Using low-cost, digital and social media has been a focus during 2012/13. The number of people we are reaching via social media channel, Twitter, has increased by 183% year-on-year.

The County Council’s ICT service Desk was awarded a coveted ‘Four Star Accreditation’ by the Service Desk Institute (SDI) following a six month programme of service improvements. The award is internationally recognised and held by only a few bodies. It demonstrates that the service is ‘business led’ and makes a valuable contribution to the Council’s ICT provision

Improved Resident Satisfaction - Information on customer feedback and satisfaction with specific services is included in the individual sections of this report. However the County Council and Police and Crime Commissioner jointly commission a resident’s survey. Since 2009, resident satisfaction with how the County Council

runs things has increased by 8.6% to 51.5% in 2012/13. Overall satisfaction with the local area has increased by 7.3% to 91.8% in 2012/13. The percentage of residents who feel the council offers value for money has been maintained.

Better Staff Management - Key achievements during 2012/13 have included the delivery of the Leading for High Performance programme to 360 middle and first line managers; contributing to the creation and implementation of the East Midlands Shared Service in partnership with Nottingham City Council to provide low cost, resilient, and high quality transactional HR services; implementing key actions at a corporate and departmental level as a result of the 2012 Staff Survey and gaining the internationally recognised Occupational Health & Safety Assessment Series (OHSAS) 18001 accreditation for the Health, Safety and Wellbeing Service. Other achievements include the introduction of an innovative scheme for Mental Health First Aid, and the training of over 400 Mental Health First Aiders across the Council.

Areas for focus during 2013/14 include: providing strategic support for the Council's next phase of transformation; managing the development and maintenance of Oracle (HR) in order to meet external demands and manage the business more effectively; creating and implementing a pilot Talent Management Scheme; reducing sickness levels towards the corporate target of 7.5 days lost per employee; continuing to promote the Flexible Working Policy in order to ensure that managers create a culture within their teams of flexible working; and developing apprentices and internships.

Equality and Diversity - Our Equality Strategy for 2013-2016 was approved in June 2013 and includes a greater focus on our ten priority equality objectives, strengthening community cohesion and human rights. We have revised our workforce equalities targets to ensure we work towards a workforce that is representative of the communities of Leicestershire. In 2013 the County Council was named 20th in Stonewall's list of the most gay-friendly places to work in the UK - showcasing Britain's best employers for lesbian, gay and bisexual staff. We have climbed the ranking for the fourth consecutive year, moving from 166th in 2009, to the current top 20 position. This recognises how the Council values its diverse employees and delivers services which recognise the needs of all its residents.

The Council continues to assess the impact of changes in policy and service on the breadth of the diverse population of the county through Equality Impact Assessments. These have resulted in improvements across a range of services. For example, the Adult Learning Service now requires Local Engagement Officers to focus on learners who have difficulty accessing the service, through one-to-one sessions. A further example is improvements to the consultation on the Loughborough Town Centre Scheme, ensuring access and input by a diverse range of people. The scheme was displayed and explained in a public exhibition that was held in a vacant shop in The Rushes shopping centre and all stakeholders including disability groups were invited to the exhibition. We are continuing to ensure that equalities issues are comprehensively embedded within our procurement processes. Our Learning and Development equality plan has further been updated to provide staff with a wealth of equalities related training, from general awareness raising to targeted training for particular front line roles.

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ANNUAL PERFORMANCE REPORT 2013

Part B

Performance Data Dashboards

Theme Dashboard	Page
Economy	1
Transport	3
Health	4
Children and Young People	6
Vulnerable Adults and Older People	8
Culture	10
Safer Communities	11
Climate Change, Environment and Waste	12
Efficient & Effective Services	13

Introduction

In order to measure our progress against our priority outcomes, we are tracking a number of key performance measures for each of the outcomes. These are summarised in a set of theme dashboards with ratings that show how our performance compares with other areas where known, whether we have seen any improvement in performance since the previous year and whether we have achieved any target set for that outcome.

As well as this annual report we also publish theme dashboards on our website on a quarterly basis so that our overall performance progress is transparent.

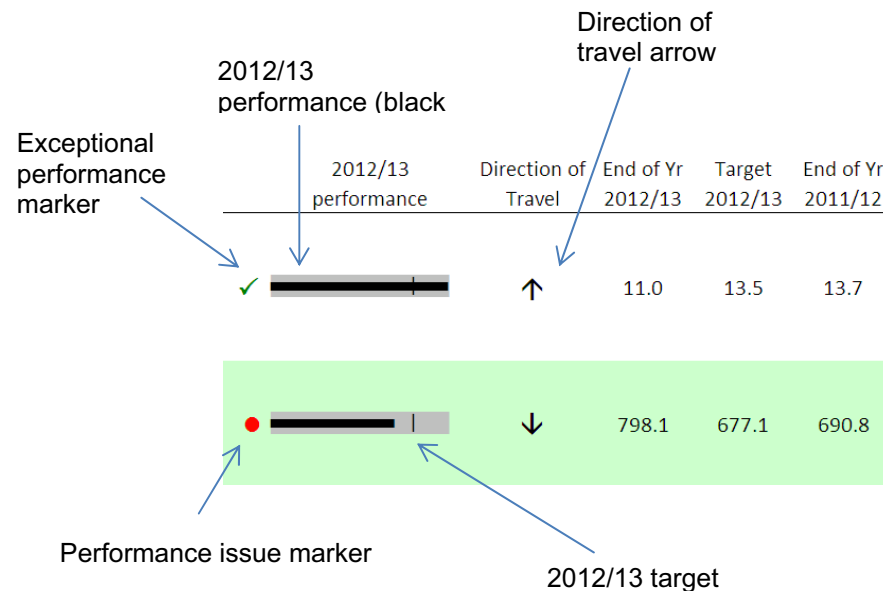
Overall the report shows continued good progress by the County Council and partners in delivering on local outcome priorities. We have seen improvement on 74 indicators (57%) out of the 131 reportable indicators this year – with around 33 (25%) showing similar performance levels.

Comparative analysis shows that Leicestershire continues to be one of the top performing areas in the Country with a number of top performing services. More information on service performance and progress is set out in the individual theme sections of the report.

Explanation of Performance Indicator Dashboards

The performance dashboards set out year end results for a number of the performance indicators (PIs) that are used to help us monitor whether we are achieving our priority outcomes. These outcomes have been identified with our partners, as part of the Sustainable Community Strategy or general service planning. Many indicators relate to more than one theme, but in this report, each indicator has been assigned to just one theme. Where relevant, the performance sections show 2012/13 year end outturn against performance targets or indicators (where applicable), together with comparative performance information where available and commentary on performance. Where it is available, the dashboards indicate which quartile Leicestershire's performance falls into. The 1st quartile is defined as performance that falls within the top 25% of relevant comparators. The 4th quartile is defined as performance that falls within the bottom 25% of relevant comparators. Each dashboard uses different comparator groups and these are explained at the bottom of each dashboard. The polarity column indicates whether a high or low figure represents good performance.

The report uses performance dashboards for each theme to display performance data so that important information and risks can be identified more readily. A dashboard is a visual display of the most important information so that it can be monitored at a glance. The report uses 'bullet charts' to display performance against targets as shown below.



The vertical black line shows our target for 2012/13 (or the 2011/12 result where no target has been set).

- The black bar shows our end of year figure for 2012/13. Where the black bar extends beyond the vertical line, the target has been met.
- A red circle indicates a performance issue.
- A green tick indicates exceptional performance.
- The direction of travel arrows indicate an improvement or deterioration in performance compared to the previous result.

Economic

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2020	End of Yr 2011/12	Commentary	Quartile position [#]	Polarity
Private Sector Growth								
Productivity and competitiveness (GVA per head)		↑	£ 19,032	£23,500*	£ 18,837	Figures relate to 2011 and 2010.*	2nd	High
Number of new enterprises per 10,000 population		↑	64.2	67.7	55.1	Figures relate to 2011 and 2010.	67.7 [#]	High
% self-employed	✓	↑	10.4%	9.7%	10.1%	Target achieved, better than national average	9.7% [#]	High
3 year business survival rates		↓	62.4%	70.0%	65.90%	Figures relate to 2011 and 2010.	2nd	High
% of local businesses report increased turnover		↑	43%	50%	40.0%		N/A	High
% of local businesses report increased profits		↑	35%	40%	34.0%		N/A	High
% of businesses reporting problems with access to finance		↑	15%	12%	21%		N/A	Low
Tourism								
Visitor numbers in the county			N/A	N/A	20.9m	Data for 2012/13 should be available by November	N/A	High
Economic impact value of tourism			N/A	£983m	£911m	Target is for 2016. Tourism is the second fastest growing industry.	N/A	High
Labour Market - Skills and Worklessness								
% of working age population with at least NVQ2 level qualifications	✓	↑	72.7%	75%	71.4%	Equivalent to 5 GCSEs at A* to C - considered labour market entry qualification. Nat Avg 71.8%	2nd	High
% of working age population with at least NVQ3 level qualifications+		↑	54.7%	N/A	53.8%	Latest data shows an improvement.	2nd	High
% of working age population with at least NVQ4 level qualifications		↑	30.4%	35%	29.8%	Latest data shows an improvement.	3rd	High
% of businesses reporting skills shortages		↓	22%	18%	21%	Through the skills needs assessment the LLEP has identified key sectors where there are skills shortages. Plans to encourage increasing skills in these areas are being identified.	N/A	Low
Unemployment rate (JSA claimant count)	✓	↑	2%*	2.5%	2.5%	This is the lowest rate for four years (June 2013)	2nd	Low

Economic

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2020	End of Yr 2011/12	Commentary	Quartile position [#]	Polarity
Employment rate		↓	74.4%	75%	74.8%	Of the 88,800 economically inactive we know that 16.4% want a job and 83.6% does not; 22.4% are students; 25.2% are looking after home/family; 18.8% are long term sick and 21.8% are retired.	71.1% [#]	High
Unfilled jobcentre vacancies (numbers)		↓	6,103	N/A	4620	There are 1.3 JSA claimants per unfilled job centre vacancy.		Low
Infrastructure (see separate Transport dashboard)								
% of population with access to high speed broadband		↑	67.9%	75%	50%	These are indicative figures from national sources.	3rd	High
Housing								
Net additional homes provided		↓	1,836	N/A	2,045		N/A	High
Number of affordable homes delivered		↓	386	N/A	548		N/A	High
Number of affordable homes delivered on Rural Exception Sites		↑	19	19	0	Target is for 2012/13. These include Sapcote (Blaby DC) 9 rent + 3 Shared Ownership and Somerby (Melton BC) 5 rent + 2 Rent to Home Buy.	N/A	High

Notes

Comparators are other county council areas unless marked (#) as comparison against the national average

* This is the latest data available, June 2013

Transport

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity
Total casualties on our roads.	✓	↑	1,878	2,089	1,964	Continuous year-on-year reductions since baseline year.	N/A	Low
People killed or seriously injured in road traffic accidents	✓	↑	196	237	237	Demonstrating a trend of improved performance since the baseline year. Top quartile based on 2009-11 comparative data (LG Inform)	1st	Low
% of the classified road network (A, B and C class roads) where structural maintenance should be considered (SCANNER)	✓	→	5%	6%	5%	Top quartile based on 2011/12 comparative data (LG Inform)	1st	Low
Average vehicle speeds during the weekday morning peak (7am-10am) on locally managed 'A' roads in Leicestershire (mph)		→	31.3	30.8	31.4	Latest data is for period 2011/12, previous data is for period 2010/11 - target is for 2016. Continuing to target congestion hotspots through various schemes and initiatives	N/A	Low
Total CO2 emissions in the local authority area originating from road transport (DECC) (kilotonnes).	✓	↑	1,824	1,867	1,853	Latest data is for period 2011, previous data is for period 2010. Target is for 2011	N/A	Low
Carbon emissions from County Council Roads (Exc. Motorways) (ktonnes)	✓	↑	1,103	1,134	1,123	Latest data is for period 2011, previous data is for period 2010 - Target is for 2011	N/A	Low
Overall satisfaction with transport and highway services		↓	57.1%	N/A	59.5%	We have the highest overall customer satisfaction rating compared to all other County Councils taking part in the survey.	1st	High
% of network gritted		→	45%	45%	45%	We expect to grit all of our priority routes 1 and 2 (which cover 45% of the network).		High
% of the street lighting network with part night lighting		↑	27.3%	58.8%	22.1%		N/A	High

Notes

Comparators are other county areas

Much of the transport data has a long time lag

Public Health

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity
Life Expectancy – Males (Leics)		↑	79.8	79.71	79.7	Latest data is for the period 2009-11. Males in Leicestershire can expect to live 0.9 years longer than the average for England.	2nd (Eng.)	High
Life Expectancy – Females (Leics)	✓	↑	84.1	82.97	83.5	Latest data is for the period 2009-11. Females in Leicestershire can expect to live 1.2 years longer than the average for England.	1st (Eng.)	High
Slope Index of Inequalities – Males (Leics)		↓	6.2	5.8	5.8	The gap in life expectancy between the best-off and worst-off males in Leicestershire for 2006-10 is 6.2 years. This is significantly better than the median gap in life expectancy for all upper tier local authorities in England (8.9 years).	1st	Low
Slope Index of Inequalities – Females (Leics)		↓	5.7	4.8	4.9	The gap in life expectancy between the best-off and worst-off females in Leicestershire for 2006-10 is 5.7 years. This is not significantly different to the median gap in life expectancy for all upper tier local authorities in England (5.9 years).	3rd	Low
CVD Mortality (per 100,000 population) (Health Profiles)		↑	52.3	57.1	54.3	Latest data is for the period 2009-11.	2nd (Eng.)	Low
Cancer Mortality (per 100,000 population) (Health Profiles)		↑	99.4	94.6	100.8	Latest data is for the period 2009-11.	2nd (Eng.)	Low
Self reported smoking quitters aged 16 or over per 100,000 pop (LCR)		↓	915	913	946	Leicestershire County and Rutland have met their challenging 4 week smoking quitter targets.		High
Rate of hospital admissions for alcohol related harm (per 100,000 population - Leics)		↓	1,488	1,638	1,374	Leicestershire remains top quartile. Target set to minimise the rate of increase in admissions, which is a national trend.	1st (Eng.)	Low
Proportion who successfully completed drug treatment and did not represent (all treatment)		↑	9.8%	10%	7%	Data presented is from 1st July 2012 to 30th June 2013. Successful completions and non representations of opiates have risen slightly by 1.3% whilst non opiates have fallen by 5.9%. Overall there is an improvement in performance in line with national trends.		High

Public Health

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity
Obesity in primary school age children in Reception (Leics)		↓	8.24%	8.05%	7.10%	Latest data is 2011/12 academic year. Slight decline in performance reflects a national trend towards increasing child obesity.	2nd (Eng.)	Low
Obesity in primary school age children in Year 6 (Leics)		↓	16.16%	15.35%	14.97%	Latest data is 2011/12 academic year. Slight decline in performance reflects a national trend towards increasing child obesity.	2nd (Eng.)	Low
Percentage of Leicestershire population (16+) participating in one or more sports a week for 30 minutes or more.	✓	↑	37.40%	>35.1%	32.10%	Data relates to the 2011/12 Active People Survey. Performance is greater than the previous highest result of 35.1% in the 2005/06 survey.		High
Smoking at time of delivery (LCR)		→	11.34%	12.10%	11.34%		1st	Low
% Mothers initiating breastfeeding (where status is known)		↑	73.64%		73.30%	Initiating breastfeeding is currently just below the England average of 74.8%. England best is 96%	3rd (Eng.)	High
Prevalence of breastfeeding at 6–8 weeks from birth (Leics)		↓	43.7%	45.7%	44.5%		2nd	High
Incidence of malignant melanoma (per 100,000 population) (Leics)		↓	16.0		14.8	Data is for 2008-10. This is worse than the national average of 14.5. The best in England is 3.2.	3rd (Eng.)	Low
Under 18 conception (rate per 1,000 females aged 15-17) (Leics)		↑	26	25	26.5	Latest data is for the period 2011.	2nd (Eng.)	Low
Percentage of people offered a health check annually that have received a health check (uptake)	●	↓	51.0%	73.0%	59.6%	Work to improve uptake across the eligible population is underway for 2013/14.		High

Notes:

Comparators are other County Council areas unless marked as All England (Eng.)

Due to Health service transition, there are still some historical targets in use that will be superseded in 2013/14

Children and Young People

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity
Safeguarding								
Initial assessments for children's social care carried out within 10 working days of referral	✓	↑	57.2%	48.8%		Improved result despite significant increase in the number of referrals.	Avail. Dec	High
Core assessments for children's social care that were carried out within 35 working days of their commencement	✓	↑	79.5%	70.4%		Improved result despite significant increase in the number of referrals.	Avail. Dec	High
Child protection cases which were reviewed within required timescales	✓	↑	100.0%	97.8%		100% reached for the first time in 3 years	n/a	High
Children becoming the subject of a Child Protection Plan for a second or subsequent time		↑	11.8%	14.0%			Avail. Dec	Low
Looked after Children								
Stability of placements of looked after children: number of moves		↑	5.7%	8.3%			n/a	Low
Stability of placements of looked after children: length of placement		↑	65.5%	62.5%			Avail. Dec	High
Looked after children cases which were reviewed within required timescales		↑	91.8%	88.9%			n/a	High
Children in care reaching level 4 in English at Key Stage 2		n/a	6/9	8/14		New measure - those reaching L4 in both reading and writing.	n/a	High
Children in care reaching level 4 in Maths at Key Stage 2		n/a	6/9	9/14			n/a	High
Children in care achieving 5 A*-C GCSEs (or equivalent) at Key Stage 4		n/a			36.7%	Data available November	n/a	High
Total average time in days to place with prospective adopters		↑	549	590		Data is 3 year averages for 2008-11 and 2009-12. The Leicestershire 3 year average is second best of statistical neighbours. During 2012/13 there was a 50% increase in numbers found homes.	1st	Low
Average time in days to find adoptive family post court decision		↓	143	110		Data is 3 year averages for 2008-11 and 2009-12. The Leicestershire 3 year average is second best of statistical neighbours. During 2012/13 there was a 50% increase in numbers found homes.	1st	Low
Care leavers in employment, education or training		↓	54.0%	78%	60.8%	The care leaver cohort is typically around 40 young people, which means that results can vary significantly each year.	Avail. Dec	High
Care leavers in suitable accommodation		↓	87.2%	92.2%		The care leaver cohort is typically around 40 young people, which means that results can vary significantly each year.	Avail. Dec	High

Children and Young People


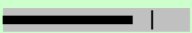




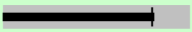

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity
Schools and attainment								
% of pupils offered first choice primary school	✓	↑	92.0%		90%			High
% of pupils offered first choice secondary school		→	97.4%		98%			High
Good Level of Development (early years)			46.4%			This was formerly "Achievement of at least 78 points at Early Years Foundation Stage" but now has a new framework. Comparative information available in November.		High
Key Stage 1 Average Points Score (APS)		↑	16.1		15.9			High
Achievement at level 4 or above in Reading, Writing and Maths at Key Stage 2			74.2%			This is a new indicator replacing 'English and Maths'. Pupils are now required to reach a threshold in both Reading and Writing. Attainment is broadly in line with the national average.		High
2 levels progress in Reading between Key Stage 1 and Key Stage 2		↓	86.0%		88.0%			High
2 levels progress in Writing between Key Stage 1 and Key Stage 2		→	88.0%		88.0%			High
2 levels progress in Maths between Key Stage 1 and Key Stage 2		→	85.0%		85.0%			High
Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths		↑	59.3%		56.8%	Significant improvement on previous year. 13 out of 20 schools are now above the national average compared with 8 schools in 2012.	3rd	High
A Levels A-C		↑	74.0%		69.0%	The average point score per pupil has also increased and places Leicestershire in the top 50% of local authorities.		High
Proportion of schools assessed as good or outstanding		↑	83.0%		74.0%	2011/12 result is for August 2012. 2012/13 results is for June 2013.		High
Secondary school persistent absence rate		→	8.2%		8.3%	Previous year's figures.	3rd	Low
Number of permanent exclusions		↓	27		23	A small rise but large fall from 144 over last 7 years		Low
16 to 18 year olds who are not in education employment or training (NEET)	✓	→	3.6%	4%	3.5%	The NEET rate continues to be low and Leicestershire is ranked first compared to statistical neighbours.	1st	Low

Notes

Comparators are children's services statistical neighbours

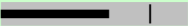



Vulnerable and Older People

Note: 'ASCOF' refers to the Department of Health Adult Social Care Outcomes Framework

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity
Permanent admissions to residential or nursing care of service users aged 18-64 per 100,000 pop (ASCOF 2a Pt I)	✓ 	↑	11.0	13.5	13.7	During 2012/13 there were 45 people aged 18-64 admitted to permanent care in either a residential or nursing setting. This is ten less than 55 during the previous year and not far off the top quartile nationally	2nd	Low
Permanent admissions of service users aged >65 per 100,000 pop (ASCOF 2A Pt II)	● 	↓	798.1	677.1	690.8	During 2012/13 there were 930 people aged 65 or older admitted to permanent care in either a residential or nursing setting. This is over 100 (16%) higher than 805 during the previous year	3rd	Low
Delayed transfers of care (NHS/Social care / NHS & social care) per 100,000 pop (ASCOF 2C Pt I)	● 	↓	10.9	<=6.5	6.5	Part I of this measure relates to <i>all</i> delayed transfers of care i.e. those attributable to the NHS or joint NHS and social care or just social care. The increase shown during the year was predominantly NHS only delays.	3rd	Low
Delayed transfers of care (Social care / NHS & social care) per 100,000 pop (ASCOF 2C Pt II)		↓	2.1	<=1.9	1.9	Part II of this measure relates to delayed transfers of care attributable to the NHS and social care or just social care i.e. it does not include those attributable to the NHS only. Within this the average number of delays attributable to social care-only reduced from the previous year.	2nd	Low
% of people who use services and carers who find it easy to find information about services (ASCOF 3D)		N/A	70.3%	N/A	N/A	Previous results of this survey question related to service users only. For 2012/13 the results related to service users <i>and</i> carers	3rd	High
Overall satisfaction of people who use services with their care and support (ASCOF 3A)	✓ 	↑	67.9%	N/A	58.4%	Improvement with the level of respondents stating satisfaction with services has been significant. Performance in 2012/13 is now in the top quartile.	1st	High
Number of people receiving home care reablement services		↑	4% increase	4% increase	4.1% increase	This is a local measure of the number of people receiving home care reablement services. In 2012/13 the number of people increased by 4% for the second year in succession.	N/A	High
% of older people discharged from hospital to reablement at home 91 days later (ASCOF 2B Pt I)		↑	78.6%	N/A	77.9%	There was a small improvement in performance in 2011-12 compared to the previous year.	3rd	High
% of older people discharged from hospital to reablement services (ASCOF 2B Pt II)		→	2.9%	N/A	2.9%	This indicator relates to the proportion of hospital discharges going through reablement.	3rd	

Vulnerable and Older People

Note: 'ASCOF' refers to the Department of Health Adult Social Care Outcomes Framework

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity
% of people using social care who receive self-directed support (national, ASCOF 1C Pt I)		↑	50.5%	70%	39.2%	The proportion of people receiving care via self-directed support during 2012-13 was 51%, a significant increase from 39% the previous year. However, this remained some way short of the 70% target.	3rd	High
% of users and carers receiving support via cash payments (ASCOF 1C Pt II)		↑	15.3%	N/A	13.6%	The proportion of people receiving services via a cash payment increased from 13.6% in 2011/12 to 15.3% in 2012/13. This is in line with the change seen nationally.	3rd	High
% of people who use services who have control over their daily life (ASCOF 1B)	✓ 	↑	74.4%	N/A	66.1%	The proportion of service users stating that they have control over their daily life has increased significantly from the previous year despite remaining lower than the national average.	3rd	High
% of people who say that services have made them feel safe and secure (ASCOF 4B)	✓ 	↑	89.3%	N/A	81.8%	Nine out of ten respondents of the adult social care survey stated that services they received helped them to feel safe and secure. This is a significant improvement on the previous year and is in the top quartile.	1st	High
ASCOF 1D – Carer reported quality of life		N/A	7.9	N/A	N/A	2012/13 was the first year the carers survey was conducted. This quality of life measure is the amalgamation of a number of questions in the survey. The figure of 7.9 is in the third quartile just short of the national average (8.1)	3rd	High
ASCOF 3B – Overall satisfaction of carers with social services		N/A	43.3%	N/A	N/A	Taken from the carers survey, 43% of respondents stated they were extremely or very satisfied with services which is slightly above the national average	2nd	High
ASCOF 3C - Percentage of carers who have been included or consulted in discussions about the person they care for		N/A	75.6%	N/A	N/A	Three quarters of respondents to the carers survey stated that they had been included or consulted in discussions about the person they care for. This is above the national average of 73%.	2nd	High

Notes

ASCOF benchmarks are compared to all social services authorities

Big Society and Culture

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position	Polarity
Big Society								
Number of volunteer enquiries (VAL)		↑	3,509	3,394	3,394			High
% of volunteers that take up volunteering opportunities (VAL)		→	44%	45%	45%	Numbers of volunteers taking up opportunities remained level.		High
Satisfaction with community forums budgets		→	82%	82%	82%	A smaller proportion were dissatisfied with the process than last year.		High
Number of people taking part in the voting at community forum decision nights		↑	1,374	1370	1,370			High
% feel belong to immediate neighbourhood		→	82.4%	83.1%	83.1%			High
% agree people from different backgrounds get on well together		↑	92.7%	92.3%	92.3%			High
Culture								
Library total visits per 1,000 pop'n		↓	5,353.1		5,879.9	Leicestershire remains a top quartile performer. Market Harborough and Loughborough libraries closed for refurbishment in quarter 4.	1st*	High
Library total issues		↓	3,247,791	3,814,141	3,846,432	Leicestershire remains a top quartile performer. Market Harborough and Loughborough libraries closed for refurbishment in Q4	1st*	High
% completing the Summer Reading Challenge		↑	68.50%	n/a	63.30%			High
Visits to / usage of museums per 1,000 pop'n		↑	1,831	n/a	1,786	Includes all visits and usages e.g. via web		High
Visits to Record Office		↓	19,137	n/a	20,226	Reflects national trends as more information is available online . ROLLR figures remain busiest in the East Midlands region.		High
Adult Learning								
Adult Learning Service - success rate		↑	87%	85%	84%			High

Notes

* Comparison is with other county council (2011/12 per 1,000 population)

Safer Communities

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity
Anti-social behaviour and confidence								
% of people stating that they have been a victim of anti-social behaviour		↑	9.0%	9.5%	9.5%	Fewer people surveyed report that they have been a victim of ASB		Low
Criminal damage rate (per 1,000 population)	✓	↑	7.74	9.62	9.62	A continued reduction in criminal damage offences	1st	Low
% of people stating that they feel that the police and other local public services are successfully dealing with ASB and crime in their local area		→	69.2%	68.5%	68.5%			High
Crime								
Total Crime rate (per 1,000 pop.)	✓	↑	45.56	52.37	52.37	Continued reduction in overall crime	1st	Low
Acquisitive crime rate - includes burglary and vehicle crime (per 1,000 pop.)		↑	24.37	26.69	26.69	A significant rise in Burglary in the first part of the year was countered by effective partnership working to protect victims and target offenders.	4th	Low
Assault rate (Assault without injury and with less serious injury per 1,000 pop.)	✓	↑	6.21	6.92	6.92	A continued reduction in violent crime	1st	Low
Offending and re-offending								
% of adult offenders re-offending within 12 months		→	20.2%	20.3%	20.3%		1st	Low
% of juvenile offenders re-offending within 12 months		→	28.1%	29.2%	29.2%		1st	Low
Number of first time entrants to the criminal justice system aged 10 - 17	●	↓	407	328	328	Increase on previous year identified following partnership audit, but remains lower than 2010/11 and previous years. Although other areas of the country have seen a continued reduction.	4th	Low
Vulnerable people								
% of domestic violence cases reviewed at MARAC that are repeat incidents		→	19%	28%	19%			Low
Reported hate incidents (per 1,000 population)		-	0.97	1.12	1.12	Continued reduction in reports of hate incidents		High
Reported domestic abuse incident rate (per 1,000 population)		-	11.19	11.32	11.32	Slight reduction in reports of domestic abuse. Revised services and plans for more awareness raising in place for 2013/14.		High

Notes

Comparators are other county areas

Environment									
Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position - quartile	Polarity	
Climate change									
Total CO2 emissions in the LA area (DECC) (kilotonnes)	✓ 	↑	4,745	5,326	5,133	Latest data is for period 2011, previous data is for period 2010	N/A	Low	
Carbon Emissions from LCC (excluding suppliers) (tonnes)	● 	↓	72,961	66,249	69,817	Consumption from buildings has been the main reason for the rise since 2011/12	N/A	Low	
Carbon emissions from LCC stationary sources (tonnes)	● 	↓	66,969	60,063	63,450	The cold spring had a big impact on energy consumption for heating which has resulted in significant increases in the last year. School emissions rose. Emissions from corporate buildings and street lighting fell due to disposal of sites.	N/A	Low	
NOx emissions Leicestershire County Council estate and operations (tonnes)		↑	128.0	120.4	131.0	Reduction last year primarily as the result of decreases from transport emissions due to cleaner vehicles	N/A	Low	
Total Business miles claimed ('000s of miles)	✓ 	↑	7,319	9,337	7,823	Continued reduction with flexible working and new technology.	N/A	Low	
NI 188 Planning to adapt to Climate Change	✓ 	↑	Level 4	Level 4	Level 3		N/A	High	
Waste									
Residual waste; any collected household waste that is not sent for re-use, recycling, or composting per household (kg)		↓	493	500	483	Whilst this has risen slightly since the previous year we still met our target and are ranked second in comparison to other authorities nationally.	1st*	Low	
% of household waste sent by local authorities across Leicestershire for reuse, recycling, composting etc.		↓	55.46%	56%	56.20%	Contributory factors include weather conditions affecting green waste tonnages and changes in national guidance relating to composting of street sweepings.	1st*	High	
% municipal waste landfilled	✓ 	↑	31.5%	32%	32%	This is very close to first quartile performance.	2nd	Low	
Waste produced from LCC sites (tonnes) (rolling 12 month total)	✓ 	↑	894	1033	1,070	We have seen a reduction of 176 tonnes of waste produced since the previous year.	N/A	Low	
% waste from LCC sites recycled (running rate over past 12 months)	✓ 	↑	53%	45%	52%	Further internal promotions planned to encourage recycling	N/A	High	
Environment									
Local wildlife sites and Regionally Important geological sites in Leicestershire County Council ownership to have a management plan for their long term survival (% of sites)	✓ 	↑	86%	75%	62%	Latest data is for period 2012/13, previous data is for period 2011/12.	N/A	High	
SSSI's in our own ownership in target condition (% land area of SSSI's)	✓ 	→	100%	96%	100%		N/A	High	

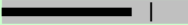

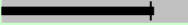

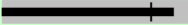
Notes

Comparators are all county areas

Efficient and Effective Services

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position	Polarity
Customer access and satisfaction								
% feel well informed about local public services	✓	↑	80.40%		78.20%			High
Satisfaction with the Customer Service Centre			80%			Figures derived from independent telephone survey of recent users. Overall satisfaction levels rated as high compared to similar organisations by the organisation undertaking the survey.		High
Number of complaints received		→	234		208	Strengthened complaints management and reporting during 2012/13.		Low
Number of complaints responded to within 10 days	✓	↑	83%		76%	Significant improvement on previous year.		High
Number of complaints responded to within 20 days	✓	↑	98%		93%	Significant improvement on previous year.		High
Number of Local Government Ombudsman decisions		↑	38		55	Top quartile performance.	1st	Low
Finance and procurement								
% Invoices paid on time		→	93%		93%			High
Net expenditure per head of population		↑	1,462.05		1,493.19	Leicestershire remains an efficient, low spending authority compared to others. Latest data relates to 2011/12.	2nd	Low
County Council procurement spend with SMEs		↓	50%	45%	52%	The Council is a member of the LLEP Procurement Taskforce, which aims to make successful procurement achievable for SME businesses based within the LLEP area.		High
County Council procurement savings		↑	£2.19m	£1.47m	£3.88m	Figure excludes savings projects which may have a procurement element but which are not exclusively the results of procurement activity.		High
Equalities and staffing								
Working days lost to sickness	●	↓	9.22	7.5	7.46	Dedicated resource identified to work with managers to improve staff attendance and reduce sickness. Quartile ranking is based on 2011/12 data including schools support staff.	4th	Low
Equality framework for local government	✓	→	Excellent	Excellent	Excellent	A new Equality Strategy 2013-16 has been adopted to maintain our strong focus on equality and diversity.		High

Efficient and Effective Services

Description	2012/13 performance	Direction of Travel	End of Yr 2012/13	Target 2012/13	End of Yr 2011/12	Commentary	Comparative position	Polarity
% of whole workforce from a BME background		↓	8.64%	10%	9.42%	Performance slightly lower than 2011/12. Targets and approach reviewed summer 2013. Quartile ranking is based on 2011/12 data including schools support staff.	1st	High
% of whole workforce that is Disabled		↑	4.61%	5%	4.46%			High
% of employees graded 13 and above that are women		↑	52.83%	52%	50.62%	Quartile ranking is based on 2011/12 data for % of women in top 5% of earners including schools support staff.	2nd	High
% of the workforce that feels that LCC is committed to equality & diversity	✓ 	→	91%		91%	No new data since Spring 2012 staff survey.		High
Stonewall Workplace Equality Index Ranking	✓ 	↑	20		23		1st*	Low

Notes

Comparators are other county councils

* Comparators are all entrants in the Stonewall Workplace Equality Index