

Meeting: **Cabinet**

Date/Time: **Wednesday, 15 January 2014 at 11.00 am**

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

Contact: **Mr. B. M. Smith (Tel. 0116 305 6036)**

Email: **ben.smith@leics.gov.uk**

Membership

Mr. N. J. Rushton CC (Chairman)

Mr. R. Blunt CC Mr. B. L. Pain CC
Mr. Dave Houseman MBE, CC Mrs. P. Posnett CC
Mr. J. T. Orson JP CC Mr. J. B. Rhodes CC
Mr. P. C. Osborne CC Mr. E. F. White CC
Mr. I. D. Ould 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

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 13 December 2013.	(Pages 3 - 8)
2. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	
3. Declarations of interest in respect of items on the agenda.	
4. Provisional Medium Term Financial Strategy 2014/15 - 2017/18.	Director of Corporate Resources (Pages 9 - 59)



- | | | |
|--|---------------------------------------|-------------------|
| 5. High Speed Rail (HS2) Phase 2: West Midlands to Leeds HS2 Consultation: Proposed Response on Implications for Leicestershire. | Director of Environment and Transport | (Pages 61 - 99) |
| 6. Arrangements for the Authorising of Patient Group Directions for the use of Azithromycin in Chlamydia Screening - Urgent Action by the Chief Executive. | Chief Executive | (Pages 101 - 104) |
| 7. Items referred from Overview and Scrutiny. | | |
| 8. Any other items which the Chairman has decided to take as urgent. | | |



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Friday, 13 December 2013.

PRESENT

Mr. N. J. Rushton CC (in the Chair)

Mr. R. Blunt CC	Mr. B. L. Pain CC
Mr. Dave Houseman MBE, CC	Mrs. P. Posnett CC
Mr. J. T. Orson JP CC	Mr. J. B. Rhodes CC
Mr. P. C. Osborne CC	Mr. E. F. White CC
Mr. I. D. Ould CC	

In attendance

Mr. S. J. Galton CC, Mr. G. A. Hart CC, Mr. Max Hunt CC, Mr. R. J. Shepherd CC and Miss. H. Worman CC

75. Minutes.

The minutes of the meeting held on 20 November 2013 were taken as read, confirmed and signed subject to the third paragraph in Minute 69 being amended to read:

“Mr. Houseman added his thanks to Dr. Marks, noting that the County Council was seen as an exemplar with regard to public health.”

76. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

77. Declarations of interest in respect of items on the agenda.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. No declarations were made.

78. Leicestershire and Rutland Safeguarding Children Board and Safeguarding Adults Board Annual Report 2012/13.

The Cabinet considered a joint report of the Director of Adults and Communities and Director of Children and Families regarding the Annual Report of the Leicestershire and Rutland Local Safeguarding Children Board and Safeguarding Adults Board 2012/13. A copy of the report, marked 'Item 4' is filed with these minutes.

The Chairman welcomed Mr. Paul Burnett to the meeting. Mr. Burnett was the independent Chairman of both Boards, and he highlighted the key issues arising from an Overview Report to the Annual Report.

The Chairman thanked Mr. Burnett for his report and for the commitment and hard work he had shown in his role as Chairman of both Boards.

RESOLVED:

That the joint report, together with the Overview Report to the Leicestershire and Rutland Safeguarding Children Board and Safeguarding Adults Board Annual Report 2012/13 attached as Appendix A thereto, be noted.

REASON FOR DECISION:

Given the importance of safeguarding children and adults, it is essential that the Cabinet ensures that the Council's responsibilities are being met.

79. Choices for Children and Young People 2013: A Placement and Sufficiency Strategy for Children and Young People in Leicestershire's Care.

The Cabinet considered a report of the Director of Children and Families setting out proposals to improve the current placement arrangements for young people in care and to secure 'permanence' by, where possible, moving away from residential placements towards a family-based care approach. A copy of the report, marked 'Item 5' is filed with these minutes.

Members paid tribute to the work carried out by the Director and all the staff associated with looked after children.

RESOLVED:

- (a) That the Placement and Sufficiency Strategy for Children and Young People in Leicestershire's Care, attached as Appendix A to the report, be approved;
- (b) That the need to read the Strategy in conjunction with the Permanence Policy also being reported to this meeting (see Minute 80 below) be noted;
- (c) That it be agreed that the outcomes set out in the Strategy should be monitored through the relevant County Council Scrutiny arrangements.

(KEY DECISION)

REASONS FOR DECISION:

1. Children and young people in the care of the County Council are amongst the most vulnerable groups in the community. When these children and young people come into the Council's care it needs to ensure that it undertakes its parenting role with a passion and commitment that will keep them safe and ensure that they have the best possible support in life to enable them to reach their potential and become independent adults. The Placement and Sufficiency Strategy is a key enabler to securing this intention.

2. In July 2013 changes were made to the statutory framework for looked after children. This makes it timely for the County Council to review its current arrangements regarding the way that it will achieve permanence for all looked after children, whether it is through planned and supported return home, family and friends care (known as 'connected care'), long term foster care or through a legal order such as residence, special guardianship or adoption. Ensuring that there are sufficient high quality placements that offer a breadth of choice for children and young people is crucial, as is ensuring that the resource available is efficiently used.
3. In September 2013 the Department for Education released new data about looked after children and also launched a consultation about improving permanence. New guidance will be published early in 2014 that will require local authorities to publish a local policy that outlines how they will achieve permanence for all looked after children. The Policy will need to reflect the strategic ambitions of the County Council.

80. Permanence Policy for Children and Young People in the Care of the County Council.

The Cabinet considered a report of the Director of Children and Families on the County Council's policy regarding permanent care arrangements for looked after children. A copy of the report, marked 'Item 6' is filed with these minutes.

RESOLVED:

- (a) That the Permanence Policy for Children and Young People in the Care of the County Council, attached as Appendix A to the report, be approved;
- (b) That the need to read the Permanence Policy in conjunction with the Placement and Sufficiency Strategy 'Choices for Children and Young People 2013' also being reported to this meeting (see Minute 79 above) be noted;
- (c) That it be agreed that the outcomes set out in the Permanence Policy should be monitored through the relevant County Council Scrutiny arrangements.

(KEY DECISION)

REASONS FOR DECISION:

1. In July 2013, changes were made to the statutory framework to say, for specified areas of decision-making, who has the authority to take the decision about a child's placement. This also required local authorities to have a published Policy on delegation of authority to foster carers and registered managers of children's homes.
2. The findings of the 2013 Care Enquiry: 'Making not Breaking – Building Relationships for our most Vulnerable Children' presents a strong evidence base for securing the right placement for the right child at the right time and for achieving permanence. These findings provide the foundation for this revised Leicestershire Policy.

81. The Future of Oakfield School - Recommendations.

The Cabinet considered a report of the Director of Children and Families concerning the future of Oakfield School, following consideration of the matter by the Cabinet at its previous meeting. A copy of the report, marked 'Item 7' is filed with these minutes.

RESOLVED:

- (a) That it be agreed that to the Behaviour Partnerships should assume responsibility for Key Stage 3 pupils attending Oakfield School (a Pupil Referral Unit) from Monday 28th April 2014, the start of the summer term for schools, subject to:
 - (i) the local authority receiving signed Service Level Agreements from the Behaviour Partnerships for current Key Stage 4 behaviour support arrangements by the end of the Winter term at the latest;
 - (ii) the local authority receiving signed Service Level Agreements from the Behaviour Partnerships for proposed Key Stage 3 provision by 31st January 2014 at the latest;
- (b) That the Department for Education be formally informed about the change of age range for Oakfield School from 5-16 years to 5-11 years, once the signed Service Level Agreements referred to in paragraph (a) (ii) above have been received;
- (c) That the change of age range be effective from midnight on Sunday 27th April 2014, the end of the Spring school term;
- (d) That the changes to the Equality Impact Assessment referred to in paragraphs 26 – 28 of the report, be noted.

(KEY DECISION)

REASONS FOR DECISION:

1. Oakfield School is a Pupil Referral Unit meeting the Education Act 1996 Section 19 duty on Local Authorities to provide education otherwise than at schools for young people who cannot attend mainstream school because of behaviour difficulties.
2. The future of Oakfield School was the subject of a public consultation for 14 weeks over the summer closing on 18 October 2013.
3. The reasons for considering change were threefold. First, the changing national policy framework resulting from the review of PRU and Alternative Provision published in March 2012, known as the Taylor Report second, concerns about the potential cost of the provision under new funding arrangements for high needs provision; and third, concerns about the quality of provision which was judged by Ofsted to require special measures in May 2012.
4. The next "Keeping in Touch" meeting with the Department for Education was scheduled for 10 December. DfE officials have asked to re-schedule, and a new date is being discussed. Previous meetings have provided regular updates for the DfE on this area of work.

5. Local Authority Officers met Behaviour Partnership chairs on Friday 22nd November and agreed broad terms for the transfer of funding and responsibility for pupils from Easter 2014. Details of the agreement are included in Appendix A. There is still some work to do to finalise the transfer arrangements.
6. The transfer to Behaviour Partnerships for Key Stage 4 behaviour support took effect in September 2013. Service Level Agreements were prepared setting out the expectations and funding arrangements. Whilst Behaviour Partnerships are carrying out the agreed functions they have not yet all signed and returned the Service Level Agreements. Clearly an extended arrangement needs to be predicated on a current and legally binding agreement and therefore the Key Stage 4 Service Level Agreements will need to be signed and returned before any further arrangement can be entered into to protect the local authority from risk. The proposed final date for receipt of the Key Stage 4 Service Level Agreements is 31st December 2013.

82. Regulation of Investigatory Powers Act 2000.

The Cabinet considered a report of the County Solicitor concerning the Authorities use of the Regulation of Investigatory Powers Act 2000. A copy of the report, marked 'Item 8' is filed with these minutes.

RESOLVED:

- (a) That use of the Regulation of Investigatory Powers Act 2000 (RIPA) for the period from 1 October 2012 to 30 September 2013, be noted;
- (b) That the outcome of an inspection by the Office of Surveillance Commissioners conducted on 13 August 2013, be noted;
- (c) That the proposed changes to the Policy Statement attached as an appendix to the report, made to reflect legislative changes and recommendations made by the Commissioner, be approved

REASON FOR DECISION:

The Policy Statement has been updated to reflect legislative changes and comments made by the OSC following an inspection on 13 August 2013.

83. Sale of Part of Lloyds Banking Group Shareholding by UK Government - Impact on List of Acceptable Counterparties.

The Cabinet considered a report of the Director of Corporate Resources about the impact that the sale of part of the Government's shareholding in Lloyds Banking Group has had on the list of acceptable loan counterparties for the Authority. A copy of the report, marked 'Item 9' is filed with these minutes.

RESOLVED:

That approval be given to the amendment of the relevant part of the Treasury Management Policy so that the previous requirement for 1/3rd Government ownership be replaced with a 20% ownership level, as follows:

“Banking groups that are at least 20% owned by the UK Government and maintain a support rating of ‘1’ on the Fitch ratings can be included on the list of acceptable counterparties for an amount of £40m for up to 1 year, as long as their short-term ratings do not fall below F1 (Fitch) and P-2 (Moody’s), and their long-term ratings are maintained at least at A (Fitch) and A2 (Moody’s).”

REASON FOR DECISION:

Under the counterparty policy, banks which are more than 1/3rd owned by the Government may have slightly lower credit ratings than other banks and still be acceptable counterparties. This is a reflection of the greater security afforded by the significant Government ownership, but the recent Lloyds share sale took them below the 1/3rd ownership limit to 32.7%. As a result they were immediately removed from the list of acceptable counterparties.

84. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.

11.00 - 11.40 am
13 December 2013

CHAIRMAN

**CABINET – 15TH JANUARY 2014****PROVISIONAL MEDIUM TERM FINANCIAL STRATEGY
2014/15 - 2017/18****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****PART A****Purpose of the Report**

1. This report sets out the proposed Medium Term Financial Strategy (MTFS) for 2014/15 to 2017/18, for consultation and scrutiny.

Recommendation

2. (a) That the proposed MTFS including the 2014/15 revenue budget and capital programme be approved for consultation and referred for consideration to the Overview and Scrutiny Committees and the Scrutiny Commission;
- (b) That the County Council's response to the Government's consultation on the 2014/15 Grant Settlement (as set out in Appendix B to this report) be approved;
- (c) To note the position (as set out in paragraphs 21 to 22) on business rate pooling.

Reasons for Recommendation

3. To enable the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept for 2014/15 and to provide a basis for the planning of services over the next four years.

Timetable for Decisions (including Scrutiny)

4. The MTFS will be considered by the County Council's Overview and Scrutiny bodies between 20th and 29th January. The Cabinet will then consider the comments of the Scrutiny bodies and responses from the wider consultation process at its meeting on 4th February. The County Council meets on 19th February to approve the MTFS.

Policy Framework and Previous Decisions

5. The MTFS is a rolling financial plan that is updated annually. A detailed budget consultation was undertaken over the summer in 2013 and reported to Cabinet in November 2013. The results of this consultation have been used to inform the proposals in this report.

Legal Implications

6. The County Solicitor has been consulted on this report.

Resource Implications

7. The MTFS is the key financial plan for the County Council.

Circulation under Local Issues Alert Procedure

8. A copy of this report has been circulated to all Members of the County Council under the Members Information Service.

Officers to Contact

Brian Roberts, Director of Corporate Resources, Corporate Resources Department
Tel: 0116 305 7830
E-mail: brian.roberts@leics.gov.uk

Chris Tambini, Assistant Director – Strategic Finance, Property, and Procurement,
Corporate Resources Department
Tel: 0116 305 6199
E-mail: chris.tambini@leics.gov.uk

Judith Spence, Head of Corporate Finance, Corporate Resources Department
Tel: 0116 305 5998
E-mail: judith.spence@leics.gov.uk

PART B

Background

9. The current economic backdrop continues to be extremely challenging, resulting in significant and on-going reductions in Government funding. This means it is essential to continue to focus on medium term service and financial planning.
10. The County Council undertook a detailed budget consultation over the summer. Surveys were launched online and through the Council's magazine, Leicestershire Matters. Focus groups were also conducted with residents at various locations across the County. In total, just under 7,150 residents, staff and stakeholders took part in the surveys. The results of this consultation were reported to Cabinet in November 2013.
11. The consultation was undertaken to understand which services Leicestershire residents believe could be reduced and the appetite for Council Tax increases. It also contained useful information on service transformation. The proposals in the draft MTFs are largely based on the results of the consultation and a summary of the results is included in Appendix A to this report.

The Autumn Statement and Finance Settlement

12. The Government's latest Autumn Statement was given on 5th December 2013 and it included the following key headlines:
 - Economic growth forecasts were increased from 0.6% to 1.4% for 2013/14 and from 1.8% to 2.4% for 2014/15.
 - Public sector net borrowing is not expected to be eliminated until after 2017/18 and the Office for Budget Responsibility predicts a small cash surplus in 2018/19.
 - In future, Local Government will have longer term settlements on the same basis as Government Departments.
 - The proposed New Homes Bonus transfer to the Local Growth Fund will not take place.
 - Business rates will be capped at 2% rather than linked to RPI inflation with some retail premises in England to get a discount on their business rates.
 - A commitment to supporting pooled funding for the health and social care system beyond 2015/16.
13. The Government issued a consultation on the provisional Local Government Finance Settlement on 18th December. This consultation closes on 15th January 2014. The County Council's response is set out in Appendix B.
14. The main proposals within the settlement are listed below: -
 - The Department for Communities and Local Government (DCLG) calculates that for the County Council there has been a reduction in spending power of 0.6% in 2014/15 and an increase of 1.7% in 2015/16. Spending power is calculated by Government and its purpose is to show

the change in overall income including Formula Grant, Council Tax and specific grants. The inclusion of the Better Care Fund is the main reason for the increase in 2015/16.

- Revenue Support Grant will fall by 15.4% to £70.8m in 2014/15 and by 25% to £53m in 2015/16.
- The New Homes Bonus (NHB) would continue to be allocated to County Councils, although there would be a review of its effectiveness in 2014. Leicestershire's allocation is £2.4m for 2014/15.
- It was confirmed that the Chancellor would build the 2013/14 Council Tax freeze grant of £2.4m into the base in later years. It had been assumed that this grant would cease in 2016/17.
- A 1% Freeze Grant will be available for 2014/15 and 2015/16 which will be built into the base.
- Extra capital funding has been announced for schools' basic need and the County Council will receive £55m over the next three years.
- Funding of £38.3m should be available in 2015/16 for the NHS and social care Better Care Fund.

Revenue Support Grant

15. The Government has announced the figures for 2014/15 and 2015/16. The 25% funding reduction in 2015/16 is forecast to be repeated in 2016/17 and 2017/18. The Government has not announced the funding settlement for these years, but the Autumn Statement shows that austerity budgets will continue to at least 2018/19.
16. The overall impact of the settlement on the forecast revenue support grant is set out below;

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Revenue Support Grant	70.8	53.0	39.8	29.8
% reduction	15.4%	25.0%	25.0%	25.0%

Business Rates Retention Scheme

17. The 2014/15 and 2015/16 Provisional Settlement includes uplifts to Business Rates "Top-Up" and "Baseline" figures of 2% and 2.8% respectively. The baseline is the County Council's share (9%) of business rates generated locally and the top up is allocated to the County Council to compensate for the small baseline allocation. The increase in 2014/15 reflects the Chancellor's decision to cap the rise in the business rates multiplier at 2%, rather than applying the September 2013 RPI increase of 3.2%.
18. DCLG are to compensate for the loss of funding to Local Authorities arising from the Chancellor's announcements to:
- Cap the 2014/15 increase in the business rates multiplier at 2%

- Grant a further extension to the doubling of Small Business Rates Relief
 - Grant relief to new occupiers of previously empty shops
 - Give a £1,000 discount where rateable values are below £50,000
19. DCLG will provide a Section 31 grant but details of how the compensating grant will be calculated have not been published. It is therefore difficult to predict the value of this grant however, it is not expected to be significant and is not included in the MTFS at this stage.
20. There are uncertainties resulting in difficulties to predict retained business rates. Much of the uncertainty surrounds appeals and is explained more fully below. Given this uncertainty the draft MTFS includes a projected business rates “baseline” which is £1m less than the Government’s “baseline” figures for 2014/15 and 2015/16, and also £1m less than the projected “baseline” for 2016/17 and 2017/18, which is based on 3% rates increases in both years. The forecasts used in the draft MTFS are set out below;

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m
Business Rates ‘Top up’	35.8	36.7	37.8	39.0
Business Rate Baseline	18.3	18.9	19.5	20.1
Total	54.1	55.6	57.3	59.1

Business Rates Pooling

21. The Government introduced the Business Rates Retention system from April 2013. The County Council along with Leicester City Council, the Combined Fire Authority and all Leicestershire District Councils agreed to operate a pooling agreement for business rates for 2013/14, the ‘Leicester and Leicestershire Pool’.
22. Modelling is currently underway to forecast the position for 2014/15. The County Council and its partners will need to advise DCLG by 15th January 2014 if they wish to continue with the Pool for 2014/15. The position will be impacted by the work of the Valuation Office, as announced in the Autumn Statement, which is working to clear a significant number of outstanding appeals by July 2015. If these were to be incurred in 2014/15 this would equate to a significant loss on the Pool. The Cabinet will be updated at the meeting of the outcome of this further work.

Council Tax

23. The draft MTFS is based on a 1.5% per annum increase in Council Tax over the period 2014/15 to 2017/18.
24. When asked about Council Tax in the recent consultation, 69% of residents said that they would be prepared to pay an increase. An increase of 1.5% was preferred, with 50% of residents selecting this option. Some were prepared to pay more, with 14% saying they would pay a 3% increase, and 5% indicating they would be prepared to pay more. No increase was preferred by 31%.

25. During the resident focus groups, the majority of participants (53%) favoured a 1.5% Council Tax increase. However, they had been briefed of the requirement for a referendum for increases of 2% or above. If it was not for the referendum, the discussions indicated that many would have selected a higher increase.
26. The Government has stated that a grant equivalent to a 1% increase in Council Tax would be available in 2014/15 and 2015/16 to those authorities which freeze Council Tax and this grant would be built into the base. The Localism Act 2011 makes provision to give residents the power to instigate local referendums on any local issue and the power to veto excessive Council Tax increases. Council Tax referendum threshold rules will be announced in the New Year.
27. The written ministerial statement accompanying the provisional settlement states that ministers are "particularly open to representations suggesting that some lower threshold be applied to all or some categories of authorities, given the strong need to protect taxpayers wherever possible from unreasonable increases in bills, and given next year's elections on 22 May across the country allow for referendums to be held at minimal cost." The threshold in 2013/14 was 2%.
28. Figures on the Council Tax base have been received from all District Councils. Based on the information received to date the tax base is expected to increase by 1.7% in 2014/15.
29. The District Councils are providing monthly monitoring information on the forecast Collection Funds surpluses. At the end of November 2013 a surplus of c.£2m for the County Council has been reported. This is built into the 2014/15 budget.

Localisation of Council Tax Support (LCTS)

30. The Government reformed the national Council Tax Benefit (CTB) scheme, abolishing Council Tax Benefits from 1 April 2013 and replacing it with a grant (incorporated within Formula Grant) based on 90% of the projected CTB costs in 2013/14. This 10% reduction equated to £3.6m across Leicestershire (£2.6m for the County Council).
31. For 2013/14, District Councils, working with major preceptors, implemented a new scheme around a common framework of discounts and exemptions that offset the 10% cut in Government funding. This took account of a transitional grant for schemes that met certain criteria, the main one being that all recipients of the discount will only have to pay a maximum of 8.5% of their Council Tax liability. This depends on the District and equates to c.£125 per annum (Band D). All Districts implemented an 8.5% cap except Harborough who implemented a 15% cap. The County Council received transitional grant of £537,000.
32. The County Council contributed £125,000 to the Districts to offset the increased administrative costs and £250,000 to establish a county wide local discretionary discount hardship fund (DDF) to reduce Council Tax bills for qualifying claimants on a case by case basis. At the end of November 2013, only 12% of the DDF had been allocated.

33. For 2014/15 the Districts have written to the County Council to propose changes to the schemes to offset the loss of the transitional grant. In summary:
- All Districts will implement schemes with a 15% cap, except Melton Borough Council and Hinckley & Bosworth Borough Council who propose a 12% cap
 - No changes to other rebates and allowances
34. Modelling indicates that the increase in benefit caps will generate additional Council Tax of £645,000 to the County Council which would offset the loss of the transitional grant of £537,000.
35. The draft MTFS is on the basis that the County Council will:
- continue to contribute £125,000 per annum for administrative costs
 - allow the carry forward of unspent DDF to 2014/15
 - consider providing additional DDF funding for 2014/15 if increased demand means this is appropriate.

Health and Social Care Integration

36. Health and social care integration is a priority both for the County Council and the NHS. Developing effective ways to coordinate care and integrate services around the person is seen nationally and locally as key to improving outcomes and ensuring high quality and sustainable services in the future.
37. The vehicle for incentivising this new approach of integrated health and social care services by 2018 is the Better Care Fund. Joint discussions are taking place between the County Council, NHS organisations and other key partners, to develop the Leicestershire Better Care Fund plan, which must be approved by the Clinical Commissioning Group Boards and the Health and Wellbeing Board prior to submission in February 2014.
38. Initial modelling work includes financial assumptions to meet the national conditions which need to be addressed in the plan, and an element of protection for social care services. These initial assumptions are shown in the Adults and Communities savings schedule for 2014/15 in relation to additional health transfer funding and for 2015/16 in relation to the Better Care Fund. They are significant sums of money which are still to be finally agreed. The total fund in 2015/16 is expected to be £38.3m.

Public Health

39. From April 2013 the County Council took over some of the responsibilities for Public Health previously undertaken by the Primary Care Trust (PCT). The new responsibilities included:
- improve significantly the health and wellbeing of the local population

- carry out health protection functions delegated from the Secretary of State
 - reduce health inequalities across the life course, including within hard to reach groups
 - ensure the provision of population healthcare advice.
40. Funding for the new responsibilities is through a ring-fenced grant from the Department of Health. The level of grant awarded is based upon the population of the area weighted according to relative need. The 2014/15 allocation is £21.9m. Although details of future allocations have not yet been announced, this draft MTFs assumes that they continue at a similar level.

Inflation

41. The Government's preferred measure of inflation is the Consumer Price Index (CPI). In November 2013 this was 2.1% and the Office for Budget Responsibility (OBR) predicts it will remain around 2% throughout the period of the MTFs. The OBR predicts that the Retail Prices Index will increase from its current level of 2.6% to around 3.3% by 2015/16. However, uncertainty surrounds the likely level of inflation in future years with some commentators predicting higher levels of inflation. The draft MTFs assumes 3% per annum inflation over the period 2014/15 to 2017/18.
42. Local Government employee pay was frozen for the three years 2010/11 to 2012/13. This was followed by a 1% increase in 2013/14 and a proposed 1% increase in 2014/15. Future levels of pay settlement will be determined by national negotiation between the Local Government Employers and the Trade Unions. A prudent contingency of 2% has been included in 2014/15 and 2015/16 and 2.5% in later years.
43. Although detailed budgets for 2014/15 have been compiled on the basis of no pay or price increases, a central contingency for inflation will be held which will be allocated to services as necessary.
44. The budget also includes provision for an increase in the employer's pension contributions based on the results of the 2013 triennial actuarial revaluation of the Pension Fund. This increase is 1% of pay in the three years 2014/15 to 2016/17 and is required to address the deficit on the Fund and to meet future liabilities. The same increase is assumed in 2017/18.

Growth

45. Over the period of the MTFs, growth of £25m is required to meet demand and cost pressures. The main elements of growth are:
- Adult Social Care (£21.3m). Largely the result of increasing numbers of people with Learning Disabilities and an ageing population with increasing care needs.
 - The cost of waste disposal (£2.7m), which is mainly attributable to landfill tax.

46. Details of proposed growth to meet spending pressures are shown in Appendix C.

Savings

47. Over the summer, the County Council announced a five year savings requirement of £110m. Whilst some figures and assumptions have been updated, the overall position is broadly unchanged. Savings of £23m are forecast to be made in the current year, with further savings of £68.4m required over the next four years, 2014/15 to 2017/18 (of which £28m is accounted for by efficiency savings). A budget shortfall of £12.5m is also forecast in 2017/18, although the new homes bonus income of £3.4m is now expected to continue. The balance of required savings (£2.7m) is made up of a number of other movements, including a £1m contribution from Public Health reserves. Details for savings are shown in Appendix D.
48. One of the key principles on which the MTFs is based is the maximisation and contribution of efficiency savings. The Council has already realised many efficiency savings, making it harder to identify even further savings. However, through continued action, the £28m efficiency savings accounted for (within the £69m) will be grouped into four main types:
- a) Reductions in senior management and administration (£4m)
 - b) Better commissioning and procurement (£9m)
 - c) Service transformation/change management projects (£11m)
 - d) Collaboration/shared or single services (£4m)
49. The service reductions contained in the draft MTFs draw heavily on the budget consultation results. For those services where the public has shown a greater appetite for savings a higher percentage reduction is proposed. This includes services such as street lighting and grants to agencies and community groups. Where the public wishes to protect services such as social care for vulnerable adults, gritting and maintaining road and pathways, service reductions have been minimised. However, given the scale of the challenge it has not always been possible to exempt all these services from savings. In addition, because of the statutory nature of some services (such as concessionary travel and home to school transport), even when there is a public appetite for savings it has only been possible to consider the removal of discretionary elements of the schemes. Further detail of all savings will be set out in Scrutiny reports.
50. It is estimated that the proposals would lead to a reduction of up to 700 posts (Full Time Equivalents) over the four-year period. However, it is anticipated that the number of compulsory redundancies will be lower, given the scope to manage the position over the period through staff turnover, natural wastage, and vacancy control.

Central Items

51. Bank and other interest is budgeted at £1m during the period of the MTFs. Capital financing costs are expected to decrease to £25m in 2017/18 from

£28.4m in 2013/14 as a result of the County Council's strategy to use revenue balances to reduce debt. In 2012/13 the County Council voluntarily overpaid the minimum revenue provision by £25.6m which had the effect of generating annual revenue savings of £2.2m.

52. The MTFs continues the strategy of reducing the cost of debt by including revenue contributions of £4.8m in 2014/15, £7.1m in 2015/16, and £0.2m in 2016/17 which will generate a further saving of c.£1m per annum.
53. The budget also includes time limited provision for the following:
- Invest to save/severance costs.
 - Revenue funding of capital expenditure.

Medium Term Financial Strategy

2014/15 Budget

54. The provisional four-year MTFs excluding Dedicated Schools Grant (DSG) is set out in Appendix E. The provisional 2014/15 budget excluding DSG is set out below and is detailed in Appendix F.

2014/15 Provisional Budget	2014/15 £m
Services including inflation	337.1
Add growth	9.0
Less savings	<u>-18.3</u>
	327.8
Add Central Items	29.7
Contribution from earmarked funds	<u>-3.2</u>
Total Expenditure	<u>354.3</u>
Funding	
Revenue Support Grant	70.8
Business Rates	54.1
Council Tax	<u>229.4</u>
Total Funding	<u>354.3</u>

Medium Term Position

55. The MTFs shows a balanced position over the next three years based upon existing savings and growth estimates. There is a requirement for further savings (over those already identified in the MTFs) of £12.5m in 2017/18. Given that funding is likely to continue to decrease after 2017/18, and that demand for services for the most vulnerable people will rise, this challenging financial position is likely to continue for at least a further year into 2018/19.

Transformation

56. Significant change is required within the County Council to both, balance the books over the medium term and be in a position to meet the continued financial challenge. Ultimately this will result in the need to reduce some services as well as provision of other services in different ways. To this effect work has begun on the transformation of services, which has included the development of a new vision and strategic imperatives.

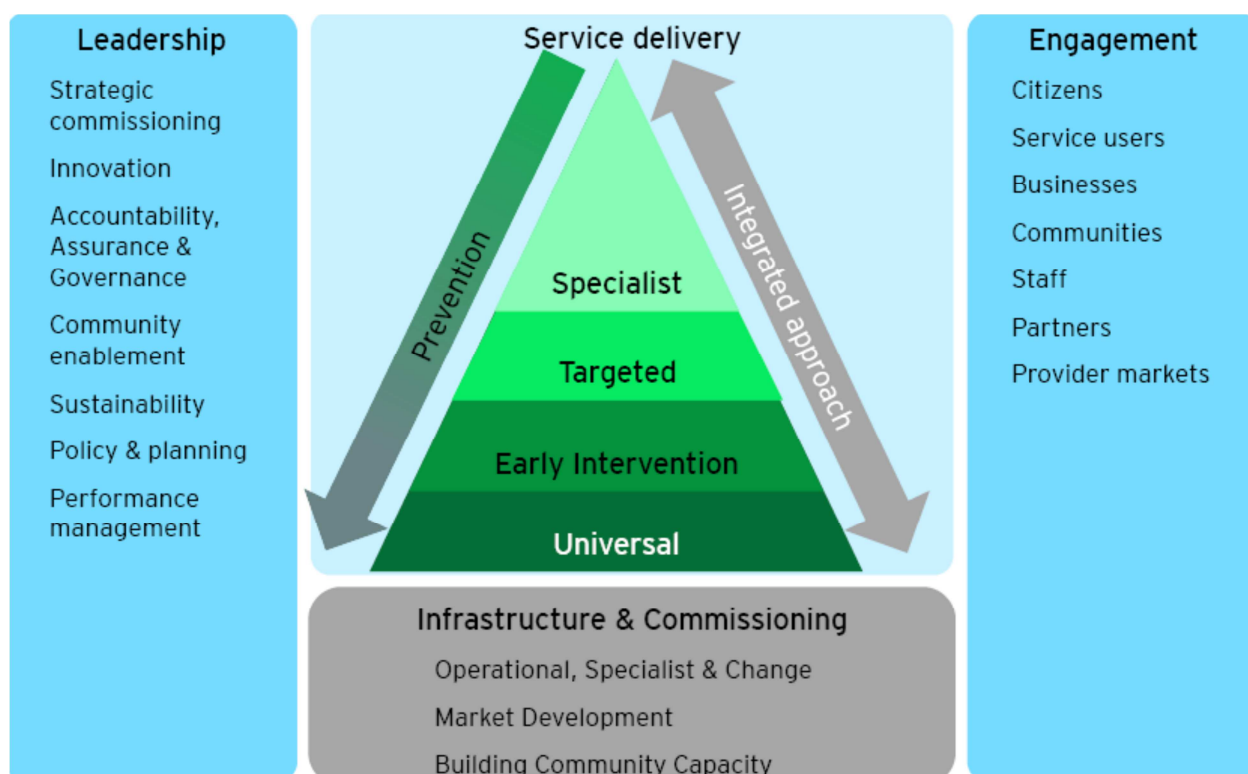
57. A new vision states:

“THE COUNTY COUNCIL WILL LEAD LEICESTERSHIRE BY WORKING WITH OUR COMMUNITIES AND PARTNERS FOR THE BENEFIT OF EVERYONE.”

58. This vision is underpinned by the following strategic imperatives;

- Leading Leicestershire
- Supporting and protecting the most vulnerable people and communities
- Offering local communities the opportunities to be in charge
- Making Leicestershire a better place
- Managing public sector resources effectively
- Having the right organisational structures and behaviours to deliver this approach.

59. These strategic imperatives will shape both the transformation and a new target operating model (TOM). The current version of the TOM is set out below.



60. Key features of the new ways of working are:

- A focus on prevention and early intervention to reduce demand for services
- A focus on the customer/service user
- Integration that reflects both an emphasis on the services provided by County Council, rather than by each department, and the integration and co-ordination of services across partner organisations
- More community involvement in the delivery of appropriate services
- A streamlined, concentrated and coordinated support service function

61. Internal governance arrangements have been scoped into the work undertaken to ensure transformation is successfully delivered. Resources will need to be allocated to support the transformation and funding will be made available from the earmarked funds. Further information will be provided in the February Cabinet report.

Budget Consultation

62. A further consultation will be undertaken on this MTFS and the results will be reported to the next Cabinet meeting. The proposals can be commented upon by visiting www.leics.gov.uk/budgetconsultation from 7th January 2014 until 20th January 2014.

Earmarked Funds and Contingency

63. The forecast balance on the County Fund (non-earmarked fund) at the end of 2013/14 is £10.7m which represents 3.0% of the net budget (excluding schools' delegated budgets). To put the level of resources into context: with the exclusion of schools, the County Council spends nearly £50m a month. The current policy is to hold a balance on the County Fund in the range of 2% - 3%.

64. The County Fund is available for unforeseen risks (e.g. extreme flooding). The current MTFS also includes a contingency of £4m in 2014/15 and £8m from 2015/16 to the end of the MTFS for other specific key risks. These risks include:

- Non-achievement of savings - the requirement for savings and additional income totals £81.5m over the next four years.
- Savings where detailed plans remain to be finalised
- Final impact of other significant public sector reforms over the life of MTFS such as Dilnot and Welfare Reform.

65. Other earmarked funds estimated at £100m (excluding schools' balances) by March 2014 are held for specific purposes including insurance, change initiatives, severance costs, invest to save schemes and renewals of vehicles and equipment.

66. The budget in 2014/15 includes a one-off contribution from earmarked funds of £3.2m to offset the reduction in the Early Intervention Grant announced by the Government last year.

67. There is a £1m contribution from the Public Health earmarked fund to support health related projects.
68. A full risk assessment is being undertaken and will be reported to the Cabinet in February 2014.

2014/15 Education Funding Settlement

Dedicated Schools Grant

69. The Dedicated Schools Grant (DSG) settlement retains a settlement in three separate blocks for 2014/15 and is detailed below;

Funding block	Areas Funded	Baseline for Settlement
Schools Block £339.3m	Funds delegated budgets for maintained primary and secondary schools and centrally maintained budgets held with the approval of the Schools Forum or statutory functions of the local authority The national settlement includes funding for Leicestershire academies which is then recouped and paid directly to academies by the Education Funding Agency (EFA).	Settlement determined by a flat rate per pupil of £3,994.63 based upon the October school census. This places Leicestershire 3 rd bottom of the funding table (out of 151 authorities) and compares to an England average of £4,675.11 per pupil The unit rate of funding is unchanged from that in 2013/14
High Needs Block £51.4m (provisional allocation, to be confirmed by the EFA in March 2014)	Funds special schools and other specialist providers for high needs pupils and students, the pupil referral unit and other support services for high needs pupils. Data on high needs learners was submitted to the EFA in December, which will be used to confirm the level of funding for 2014/15.	The baseline is unchanged from 2013/14 and is based upon expenditure for 2012/13 with the exception of the full year impact of the transferred responsibility for Post 16 learners with learning difficulties and disabilities. The settlement is not on a per pupil basis but conversion to that basis places Leicestershire 15 th lowest funded at £569.69 per pupil against an average of £761.92.

<p>Early Years Block £22.9m</p> <p>(Indicative allocation is £17.5m for 3 & 4 year olds and £5.4m for disadvantaged 2 year olds.)</p>	<p>Funds the provision of nursery education for 3 and 4 year olds plus an element of the early learning and childcare service.</p> <p>For 2014/15 this block now includes funding for the extension of nursery education to 40% of disadvantaged two year olds which becomes a statutory duty from September 2014.</p>	<p>The settlement for 3 & 4 year olds is based upon the January 2013 school census and will be updated by the January 2014 early years census and January 2015 census and is £3,363.36 per pupil. This places Leicestershire 10th bottom of the funding table and compares to an England average of £4,314.28 per pupil</p> <p>The settlement for 2 year old disadvantaged children is based upon expected eligibility for places and paid at a rate of £4.85 per hour</p>
<p>£413.6m</p>	<p>2014/15 Provisional DSG Settlement</p>	

70. Not all blocks are pupil related however, taking all three elements of the settlement and pupil numbers used within it, Leicestershire receives DSG of £4,583.37 per pupil and is the lowest funded authority in England.
71. The Department of Energy and Climate Change (DECC) announced in December 2012 that all state funded schools would be withdrawn from the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) participation from April 2014 and the EFA and the Exchequer have required this change to be cost neutral. This results in the removal of £0.53m from DSG. However, the financial provision for Leicestershire schools and academies was £0.45m and results in a loss of funding.

School Budgets

72. The school funding formula allocates budgets to both maintained schools and academies. Significant changes were made to the 2013/14 school funding formula in order to respond to the first phase of the introduction of the national funding formula. Following a review of local authority funding formulae the EFA issued further changes to the allowable factors for 2014/15. These factors were considered alongside a local review which identified that no changes were necessary.
73. Whilst the 2014/15 school funding formula is unchanged from that in 2013/14, there are changes in the methodology for the pupil count for schools and academies undertaking or being affected by age range changes in other schools. Following permission from the Secretary of State for Education, the pupil number

count for the year group affected by age range changes will be based on the October 2013 actual numbers and estimated October 2014 numbers rather than fully based on October 2013 pupils. This will ensure that for expanding schools and academies funding will be received at the point that pupils are admitted. Schools with falling rolls will see reduced budgets but protection for year one of the changes is factored into the formula.

74. The next phase of implementation of the National Fair Funding Formula (NFFF) is expected for 2015/16. The EFA is expected to launch a further consultation on the proposals early in 2014. The 2013/14 changes only affected the distribution of funding from local authority to schools. It is expected that the 2015/16 proposals will consider moving to a formulaic basis from the current position of historic spend which will have a distributional impact. It should be noted that the movement to the NFFF will not result in all authorities receiving an equal amount of funding for each pupil but that pupils with the same characteristics will be funded equally regardless of the Authority the school is located in.
75. The Minimum Funding Guarantee remains at minus 1.5% per pupil for 2014/15. The EFA has confirmed that some level of funding guarantee will be present for 2015/16 onwards, but has given no indication of what that level will be. The level of protection will be dependent upon the speed at which the Department for Education wish to move to the NFFF and what level of turbulence in school budgets Ministers deem to be acceptable.

Pupil Premium

76. Nationally the pupil premium increases by 33% in 2014/15 and the estimated total for all Leicestershire schools and academies is £17.3m. This figure will be revised by the EFA with pupil data from the January school census. Funding for maintained schools is made through the local authority, the EFA makes direct payments to academies.
77. Eligibility for the pupil premium has been extended to children who have been in care for one day or more and for children registered on the school census as being adopted from care or left care under a special guardianship or residence order. Individual values for the pupil premium are:

Pupil Premium payable for:	2013/14 £	2014/15 £
Primary Free School Meals during previous 6 years	953	1,300
Secondary Free School Meals during previous 6 years	900	935
Children from Service Families	300	300

Children adopted from care, special guardianship or residence order	0	1,900
Looked After Children	900	1,900

Academies

78. Currently in Leicestershire 123 schools have converted to academy status, 13 schools are within the conversion process and 18 are consulting on conversion.
79. Within the conversion process are 8 schools converting to a sponsored academy arrangement as a result of an OfSTED judgement of requiring special measures. In this situation any deficit budget reverts to the local authority. The current financial exposure is estimated to be c£1.5m. A contingency of £2.5m is set aside within the DSG to meet these costs. The allocation of additional funding from the 2013/14 Schools Budget underspend will be required to maintain the fund at a level to ensure that future costs can be met.
80. The Education Services Grant (ESG) provides funding to local authorities for:
- the services it provides to all schools and academies such as strategic planning of the education service, development and maintenance of the school funding formula and strategic capital planning of £15 per pupil. This is unchanged from 2013/14.
 - the services it provides only to maintained schools such as ICT infrastructure, finance and HR of £113.17 per pupil, which is reduced from £116 per pupil in 2013/14.
81. The provisional grant allocation for 2014/15 is £5.6m; this allocation is based upon October 2013 pupil numbers and will be adjusted on a quarterly basis as a result of schools converting to academies and is expected to reduce to c£5m during 2014/15. The MTFS includes a provisional estimate of £2m in 2015/16 and later years.
82. The DfE intends to consult early in 2014 on the delivery of a 20% reduction in ESG in 2015/16. This consultation will be based upon the findings of a review of how the grant is used and how much local authorities spend on the areas of expenditure covered by the grant.

Capital Programme 2014/15 to 2017/18

83. Capital programme schemes are funded by a combination of Government grants, external grants, capital receipts, prudential (unsupported by Government) borrowing, external contributions and earmarked funds.
84. All Government funding will be through capital grants and the majority of funding is non-ring-fenced. Resources awarded by Central Government for specific services, principally schools and transportation, are prioritised through Government determined mechanisms.

85. Capital receipts of £22m are included in the programme as funding towards invest to save projects, as this will avoid the need to take out unsupported borrowing for these projects. A revenue contribution of £23m has also been included in the MTFS for 2014/15 onwards.
86. The key principles underpinning the Capital Programme are:
- Generate savings for the revenue budget
 - Maximise capital receipts and other sources of income such as Leicester, Leicestershire Economic Partnership (LLEP) resources, developer funds and external grants
 - Invest in a limited number of priority areas including roads, infrastructure, economic growth and schemes that generate a positive return
 - No or limited prudential borrowing.
87. The proposed programme is summarised in the tables below and shown in detail in Appendix G.

88. Table 1 Capital Programme 2014/15 to 2017/18

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
CYPS *	12,741	25,510	26,397	0**
Transportation	29,279	21,498	15,811	15,866
Waste Management	640	560	550	0**
Adults and Communities	1,580	380	340	200
Corporate Resources	2,692	1,600	650	650
Chief Executive's	3,805	6,375	620	200
Corporate Programme	3,558	4,930	6,290	5,000
Total	54,295	60,853	50,658	21,916

* CYPS – Children and Young People's Services

** Allocation Not Known

89. Table 2 Capital Resources 2014/15 to 2017/18

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Central Government - Capital Grant	34,877	40,436	41,633	15,236
External Contributions	6,779	3,748	10	10
General Capital Receipts	3,606	6,900	5,845	4,340
Earmarked Capital Receipts	1,363	230	0	0
Earmarked Revenue funds	7,670	9,539	3,170	2,330
Total	54,295	60,853	50,658	21,916

Schools and CYPS

90. The Capital settlement for CYPS for 2014/15 is in separate funding streams; basic need, capital maintenance, schools Devolved Formula Capital (DFC) and school kitchens. Allocations for capital maintenance and schools DFC have not yet been announced.
91. The CYPS Capital Programme will need to be considered again by Cabinet once further work on school place planning set out below has been confirmed and the capital maintenance grant allocation has been received. However work will need to be undertaken on advanced design and urgent schemes.

Basic Need

92. This grant allocation funds new school places by expanding existing maintained schools, free schools or academies, and by establishing new schools. The grant allocation is based upon the 2013 School Capacity Survey which collects information on capacities of schools and academies in each local authority. The EFA announced in December that the allocation of this grant would be a three year settlement for 2014/15 to 2016/17. The annual allocations announced by the EFA are:

	2014/15	2015/16	2016/17	Total
	£000	£000	£000	£000
Allocation	3,445	25,140	26,397	54,982

93. A report to the Children and Families Overview and Scrutiny Committee in March 2014 will set out a School Place Planning Strategy and how that can be used effectively to support schools to raise pupil outcomes and define educational priorities. Alongside the school Place Planning Strategy will be a Capital Strategy which will set out the criteria to be used to allocate funding considering the need for school places and wider educational outcomes. A further report will be presented to Cabinet setting out the Strategy at the appropriate time.
94. The Children and Families Overview and Scrutiny Committee on 9 September 2013 received a report setting out the current position and future expectations on the need for additional school places. Particularly acute is pressure for primary school places in Braunstone and Hinckley. The 2014/15 capital programme set out in this report allows for advanced design of the wider programme of works and urgent schemes that need to be completed in 2014/15.
95. Scoping a new capital programme needs to consider a number of areas including build costs. For Leicestershire the data identifies that the average build cost is between £8,000 - £10,000 against the current grant allocation of £5,403 per primary place and £6,754 per secondary place. This places a requirement and challenge on the local authority to build future new places at significantly reduced cost which will impact upon the type of accommodation provided. To build at a greater cost would require taking capital identified for other school places or require contributions to the capital programme.

96. The level of the settlement offers an opportunity to improve schools significantly taking account of the need to improve educational outcomes. To achieve this it is necessary to establish a dedicated resource to research, plan and co-ordinate the capital programme. It is expected that 2014/15 will be the planning period for a programme of works to commence in 2015/16 and £0.5m has been set aside in the revenue budget to fund this work.

Capital Maintenance

97. This grant is paid to local authorities to maintain suitable learning environments, and is received by the local authority for maintained schools only and academies access funding directly from the EFA. No allocation has yet been received for this funding stream but has been estimated to be £3.7m. The local authority will need to consider a number of issues in setting out the programme of works to be funded and whether schemes align with the basic need programme of works. Expenditure will only be incurred once the grant allocation is announced with the most urgent schemes prioritised. An update will be provided to Cabinet at that time.
98. A number of schools within Leicestershire currently are judged to need special measures which under DfE policy require a move to a sponsored academy. Sponsorship results in another school or organisation effectively taking control of the school. Sponsors seek to limit their financial risk. This includes expectations that any immediate capital works are completed. Completion of the works within the current financial envelope carries a risk that only limited resources would be available for maintained schools.
99. As a result of the James Review on school's capital the DfE began a programme of assessing the condition of the national school estate. It is likely that the capital maintenance funding will move to an allocation system in line with that for basic need. This would result in authorities with the greatest school condition issues receiving funding. There is no information available to allow a judgement to be made on what impact any change would have in Leicestershire.
100. The capital maintenance grant and the central maintenance fund have been used interchangeably to fund a range of capital maintenance issues such as boiler replacements, electrical works etc. A review will be undertaken to ensure that the boundaries between these two discrete funding streams are defined and both are used to full effectiveness.

Devolved Formula Capital

101. Devolved Formula Capital (DFC) is allocated to individual schools by a national formula; the funding is received by the local authority for maintained schools and is passported. Academies receive this funding direct from the EFA. No announcement has been made on funding for 2014/15 but it is expected that the funding level will remain unchanged and is estimated to be £0.8m. The actual allocation will be reported to Cabinet once known.

School Kitchen Capacity (Free Meals for Infants)

102. Capital funding has been provided in order to deliver the Government's offer of a free school meal for every child in reception and years 1 and 2 in state schools

from September 2014. In order to achieve this £150m in capital funding has been allocated nationally to ensure that school kitchens can cope with the additional capacity. Local authorities receive the funding for maintained schools. The total allocation for Leicestershire is £1.009m, £0.887m relates to maintained schools and £0.122m to voluntary aided schools. Early feasibility work needs to be completed prior to confirming which schools will receive capital funding.

Transportation

103. The Department for Transport (DfT) has confirmed funding for highways capital maintenance in 2014/15 of £11.4m and for the Integrated Transport block in 2014/15 of £4.9m. This includes £1.1m one off maintenance grant agreed by DfT in 2013.
104. The allocations for individual authorities for 2015/16 to 2017/18 and indicative allocations for 2018/19 to 2020/21 will be notified in early spring 2014. Pending this, the programme for 2015/16 onwards is based on the same level of funding as 2014/15 excluding the one off maintenance funding.
105. It is proposed to adopt a new approach to investment in highways. This will involve focussing limited revenue and capital resources on maintaining the roads rather than making improvements to the network. This means that capital resources will be focussed on keeping the roads in good repair rather than improvements such as new junctions and roundabouts. This will enable savings to be made to the highways maintenance revenue budget without a deterioration in the condition of highways.
106. In addition to the Integrated Transport and Highways Maintenance schemes, the key elements of the 2014/15 Transportation programme include:
- Loughborough Town Centre Improvements (£5m) – completion of project mainly funded by the DfT major scheme grant £14.8m. Construction work on the scheme started in May 2013 following full approval from DfT in March 2013. The scheme is due to be completed by October 2014.
 - M1 Bridge to Growth – The £8m scheme to construct a new bridge across the M1 will provide a gateway to the New Lubbethorpe Sustainable Urban Extension. Work on site is due to start in April 2014 and will be completed by summer 2015. £5m of the construction costs will be funded by DfT Pinch Point Grant with the balance being funded from developer contributions.
 - Oadby and Wigston Town Centre Regeneration Projects. The £0.8m scheme to enhance the local shopping environment.
 - Zouch Bridge, Loughborough replacement, £3.1m. Bridge over the River Soar at Zouch which carries the A6006. Due to the age, condition, complexity of the structure and materials used at the time of construction, the bridge is beyond economic repair.
 - Street Lighting Column Replacement, £3.1m.
 - Ashby Canal, extension from Snarestone towards Illott Wharf, remaining costs £1.2m. Continuation of project that commenced in 2012/13 mainly funded from external contributions including UK Coal section 106 agreement. Total project cost £1.5m (County Council contribution £0.2m).

Waste Management

107. The programme provides for improvements at Recycling and Household Waste Sites and Transfer Stations (£1.5m) to provide modern, user friendly facilities, improved health and safety on site and improved recycling to reduce waste tonnage to landfill. These will be funded from earmarked revenue funds.

Adults and Communities

108. The key elements are:

- A contribution (£1.1m), to develop extra care accommodation in Blaby in partnership with East Midlands Housing Group. The total scheme cost is £7.5m
- Limes Day Centre relocation to Hinckley library, (£0.5m) to refurbish and adapt Hinckley Library to provide an integrated and co-located service
- Replacement of Mobile Libraries, (£0.6m) subject to the libraries service review.

Corporate Resources

109. The key elements are:

- Investment in the replacement and upgrade of the corporate ICT infrastructure (£2m)
- Wide Area Network (WAN) replacement (£0.8m)
- General improvements to County Farms (£0.6m)
- Replacement of the Council's data centre at County Hall. The centre is in urgent need of substantial repair (£1m).

Chief Executive's

110. The key elements are:

- Rural Broadband Scheme (£8.5m) to develop super-fast broadband to areas with poor service. The work will be completed and owned by BT. Funding is from Government grant (£3.4m), European Regional Development Fund (£1.2m) and earmarked County Council funds (£3.9m).
- Loughborough Science and Enterprise Park (£1.5m) for an investment in partnership with Loughborough University and Charnwood BC towards the next phase of development on the Science and Enterprise Park campus.
- Grants to rural businesses to support rural economic growth (£0.5m). Grants to village halls, community centres and church halls, and the programme provides small amounts of match funding for capital projects within town centres (£0.5m).

Corporate Programme

111. Energy Strategy (£4m). Invest to save measures to reduce energy consumption across the County Council property estate to deliver on going efficiency savings and reduce carbon emissions in line with the Environment Strategy.

Corporate Asset Investment Fund

112. It is proposed that a Corporate Asset Investment Fund be established which would be used to add to the County Council's portfolio of property and land assets including County Farms and commercial industrial properties with a view to:

- a) Ensuring that there is a more diverse range of properties available to meet the aims of economic development
- b) Increasing the size of the portfolio
- c) Improving the quality of land and property available and
- d) Ensuring the sustainability of the County Farms portfolio by replacing land sold to generate capital receipts.

113. It would have the incidental benefit of generating a surplus which could be used to support the County Council's functions in these areas.

114. Funding of £15m will be available over the next four years and the governance arrangements for the fund are being developed.

Equal Opportunities Implications

115. Many aspects of the County Council's MTFs are directed towards the needs of disadvantaged people. Where proposed savings are likely to have an adverse impact on service users protected under equalities legislation, assessments of the impact of the proposals must be undertaken at a formative stage of developing proposals prior to all final decisions being made. Assessments are being undertaken in light of the potential impact of proposals and the timing of the proposed changes.

Crime and Disorder Implications

116. Some aspects of the County Council's MTFs are directed towards providing services which will support the reduction of crime and disorder.

Environmental Implications

117. The MTFs will include schemes to support the carbon management programme and other environmental improvements.

Partnership Working and Associated Issues

118. As part of the efficiency programme and improvements to services, working with partners and service users will be considered along with any impact issues, and they will be fully consulted on any proposals which affect them.

Risk Assessments

119. As this report states, risks and uncertainties surrounding the financial outlook are significant. The risks are included in the corporate risk register which is regularly updated and reported to the Corporate Governance Committee.

Background papers

Revenue Support Grant provisional settlement

<http://www.local.communities.gov.uk/finance/1314/settle.htm>

List of Appendices

- A: Consultation Summary
- B: Leicestershire County Council's response to the proposed Revenue Support Grant
- C: Growth
- D: Savings
- E: Four Year Revenue Budget 2014/15 to 2017/18
- F: 2014/15 Revenue Budget
- G: Capital Programme 2014/15 to 2017/18

This page is intentionally left blank

APPENDIX A**Public Consultation on Potential Savings and Service Transformation****Consultation**

1. Over the summer of 2013, residents, county council staff and stakeholders were asked to take part in the council's consultation on how it can save £110m and reshape services for the future.

Methodology

2. Surveys were launched online and through the council's magazine, Leicestershire Matters. Focus groups were also conducted with residents at various locations across the county.
3. In total, just under 7,150 residents, staff and stakeholders took part in the surveys:
 - Residents = 5,709
 - Staff = 1,392
 - Stakeholders = 43
4. The surveys asked respondents the extent to which they thought the council should make reductions in 19 targeted and 17 universal services. They also asked questions on support services, new ways of working and council tax, as well as giving respondents the opportunity to leave comments.
5. The surveys for staff and stakeholders also contained a number of additional open-ended questions which asked for views on some key challenges ahead. The focus groups were conducted with 73 residents of Leicestershire.

Headline Findings**Targeted and Universal Services**

6. From the survey, residents said that the top 10 services which they thought should be reduced are:
 1. street lighting
 2. grants - communities
 3. funding - agencies
 4. travel to schools
 5. grass cutting
 6. early learning
 7. children's centres
 8. funding - businesses
 9. school support
 10. museums

7. The top nine services on this list had more than 50% of respondents saying they thought the council should make reductions in these services either 'a great deal' or 'to some extent'. Together these nine services account for £31.5m of spending.
8. Residents said that the top 10 services they least want to be reduced are:
 1. gritting*
 2. older - community*
 3. older - prevention*
 4. roads/paths*
 5. mental health
 6. older - residential*
 7. physical disabilities
 8. learning disabilities - community
 9. trading standards
 10. safety maintenance
9. For five services above (*), more than half of respondents said the service should not be reduced at all. These five services account for £64.1m of spending.
10. Most of the services that people wanted to protect - especially the care services - have some of the council's largest budgets. The exception is gritting, which is the top priority for residents but has a relatively small budget.
11. The diagram below summarises the results of the survey question "To what extent the Council should make reductions";

We asked people to what extent the council should make reductions:

KEY: ■ Reduce: Not at all ■ Reduce: Not very much ■ Reduce: To some extent ■ Reduce: A great deal

Street lighting (£3.5m)	14%	20%	37%	30%
Grants for communities (£1.6m)	13%	25%	37%	25%
Funding for agencies (£1.8m)	15%	26%	34%	24%
Travel to schools (£8.6m)	21%	22%	33%	23%
Grass cutting (£2.4m)	16%	28%	37%	20%
Early learning (£3.0m)	20%	25%	33%	22%
Children's centres (£6.4m)	21%	26%	33%	20%
Funding - Businesses (£1.0m)	19%	28%	30%	23%
School support (£3.2m)	23%	27%	33%	18%
Museums (£1.8m)	24%	28%	32%	17%
Waste disposal (£22.9m)	28%	24%	31%	16%
Libraries (£4.6m)	28%	27%	29%	15%
Bus passes (£7.3m)	33%	23%	27%	16%
Planning (£0.7m)	24%	34%	31%	12%
Youth services (£5.1m)	28%	30%	29%	13%
Special educational needs transport (£8.7m)	29%	30%	29%	12%
Children - Local authority care (£16.5m)	34%	27%	27%	12%
Country parks (£0.5m)	29%	33%	29%	10%
Tips/recycling sites (£4.5m)	34%	28%	30%	9%
Social care transport (£4.4m)	31%	33%	27%	9%
Youth offending (£1.6m)	37%	28%	24%	12%
Buses (£4.3m)	38%	28%	24%	10%
Vulnerable families (£0.9m)	33%	33%	23%	11%
Special educational needs (£2.8m)	36%	32%	23%	9%
Learning disabilities - Residential (£26.0m)	39%	30%	26%	6%
Child protection (£21.7m)	43%	27%	22%	7%
Safety maintenance (£4.0m)	42%	30%	21%	7%
Trading standards (£1.8m)	42%	31%	21%	6%
Learning disabilities - Community (£24.2m)	47%	29%	19%	5%
Physical disabilities (£13.2m)	47%	31%	19%	3%
Older - Residential (£26.1m)	55%	23%	18%	4%
Mental health (£7.6m)	47%	32%	18%	3%
Roads/paths (£7.2m)	56%	27%	14%	3%
Older - Prevention (£6.0m)	65%	21%	11%	3%
Older - Community (£23.0m)	65%	21%	10%	3%
Gritting (£1.8m)	67%	20%	10%	3%

Note: For the purposes of visualising the results and reporting the analysis, the labelling of service areas has been shortened from that used in the questionnaire. Ordered by 'Reduce: To some extent' and 'Reduce: A great deal'. Percentages have been rounded.

12. Demographic analysis shows that often it is respondents living in relatively well-off areas, or are perhaps less likely to use the services in question, who are most likely to think the council should reduce services a great deal. In contrast, those people who it could be argued are most likely to be affected by any service reductions are more likely to say that budgets should not be reduced at all.

13. The staff and stakeholder surveys produced a similar list of prioritised services.

However, staff were more likely than residents to think that services could be reduced, but they were also more likely to want to protect services for the vulnerable. Stakeholders were less supportive of service reductions.

14. From the participants at the resident focus groups, there was more acceptance of reducing service levels than seen in similar exercises in previous years. The services which participants were most willing to contemplate budget reduction were mostly universal services of which they all had awareness of and, directly or indirectly, some experience - this made them more confident in taking a view. The services which participants at the focus groups were most willing to contemplate budget reductions were:

1. museums
2. libraries
3. street lighting
4. grass cutting
5. bus passes for older and disabled people

15. The service which participants at the focus groups were least willing to contemplate budget reductions were:

1. maintaining roads and pavements
2. children's social care and child protection
3. winter road gritting
4. adults with learning difficulties /mental health problems
5. residential and nursing homes for older people

Support Services

16. There was strong support for the approaches being pursued to reduce the cost of support services (i.e. the costs involved with running back office functions, property and information technology):

- 85% agreed with finding further efficiencies
- 83% agreed with utilising new technology and innovation
- 71% agreed with having fewer council properties

17. Staff and stakeholders shared similar views, although staff were less likely to agree to fewer council properties (62%).

New Ways of Working

18. Residents generally supported new ways of working, particularly joint working with other organisations. However, more private sector contracts and more charging for services received less support:

- 92% agreed with working more with partners, such as the NHS, district councils, and police, to redesign services together
- 83% agreed with spending more money on early intervention
- 73% agreed with letting residents and community groups run services and 18% disagreed
- 70% wanted to reduce the number of public sector organisations
- 45% supported charging for services and 37% disagreed

- 33% agreed with letting the private sector run services and 45% disagreed
19. Staff were less likely to want to see fewer public sector organisations and more contracts with the private and voluntary sector, but were more likely to support charging for services.
 20. Stakeholders were less likely than both residents and staff to agree with handing over the running of services to residents and community groups.
 21. Participants at the focus groups were keen to see services working more closely together and across geographic boundaries where appropriate. They also wanted the council to consider services being run on a more community-orientated basis (if service quality could be maintained), and also for individuals and communities taking more responsibility - either paying more for services or volunteering. Participants were less keen on the outsourcing of services to the private sector.

Council Tax

22. When asked about council tax, 69% of residents said that they would be prepared to pay an increase. An increase of 1.5% was preferred, with 50% of residents selecting this option. Some were prepared to pay more, with 14% saying they would pay a 3% increase, and 5% indicating they would be prepared to pay more than this.
23. Compared to residents, a higher proportion of staff and stakeholders were in favour of some increase in council tax (80% and 93% respectively). The majority of staff favoured a 1.5% increase (51%). However, most stakeholders wanted an increase of 3% or more (50%).
24. At the end of the discussions, the majority of participants at the resident focus groups thought that council tax should be increased (53%). Of these, most favoured a 1.5% increase. However, they had been briefed of the requirement for a referendum for increases of 2% or above. If it wasn't for the referendum, the discussions indicated that many would have selected a higher increase.

Analysis of Comments

25. Respondents had the opportunity to leave written comments. These were analysed and coded. The most popular categories of comment made by residents in the survey were:
 - reduce the number of councillors, their expenses and allowances
 - share services – either becoming a unitary authority or by closer working
 - means test transport subsidies or introduce a nominal charge per journey
 - reduce verge maintenance, switch off more streetlights and reduce road signage
 - stop the bureaucracy, duplication and waste
26. Comments from staff concerned: protecting the most vulnerable; maintaining high quality services; investing in early intervention and prevention; maintaining trusted relationships with service users (particularly in the social care services);

and, the importance of empowering and enabling service users to help themselves and contribute to their communities. Promoting partnership working was also raised.

27. Stakeholders commented on the importance of the universal outcomes for services users relating to health and wellbeing, maintaining highways, culture and heritage, education and learning. The most important targeted outcome were cited as protecting vulnerable people from harm, reduced isolation, promoting independence, choice, and positive transitions into adulthood.
28. Other issues raised by stakeholders include: the council reducing bureaucracy and red tape; more joint working and pooling of resources; increased support for volunteers and more emphasis on individuals and communities taking responsibility; and reducing demand through early intervention/prevention, more charging and reviewing eligibility criteria.
29. The results of the consultation are on the County Council website.

Response to the Provisional Local Government Finance Settlement

This consultation does not really alter the position that was highlighted in the technical consultation that took place over the summer. The County Council responded to that consultation and stands by the comments made at the time.

The implication of the two year settlement (and the realistic assumption that there will be further spending cuts in later years) is extremely challenging and serious. Leicestershire County Council has estimated net savings of over £110m will be required by 2017/18 (c30% of the budget). For Authorities to achieve this scale of saving, DCLG need to open a constructive and informed dialogue with Local Government on how key services can be protected. A more positive agenda would be:

- To build on the proposal for health and adult social care integration and ensure this is done in a way which puts the service user at the heart of the reform. The £3.8bn resources is welcomed, but more is required if we are to meet the increasing demands of an ageing population and the wider demands on the NHS.
- To consider structured changes to the public sector which can help achieve full integration and achieve significant efficiency savings.
- To recognise that the scale of cuts will be very difficult to deliver with central government continuing to define local service provision through statute and regulation. For example, whilst local government grants have been cut by over 40% over the last 4 years we still have limited room for manoeuvre in relation to the statutory concessionary travel scheme or home to school transport. The position is similar on many other services. At some stage in the near future we will hit a tipping point where we cannot provide statutory services.
- To review urgently the current system of local government finance including the use of local discretion on areas of income such as Council Tax and other funding streams such as the New Homes Bonus. A system of local government finance has been created that is incomprehensible, unsustainable and does not support sensible decision making. One example of this is that the latest announcements on business rates are likely to mean we will stop pooling business rates with the Leicester City Council and other partners. This pool was sensible and supported the shared priority to generate local economic growth.
- We are also of the view that independent oversight of changes to local government finance to cover transfers and adjustments is required. Leicestershire has fared badly from recent transfers including those relating to Academies.
- To improve consistency of financial planning timeframes across all Government Departments for grants to enable better long term planning by local government e.g. Public Health revenue grant and various capital grants are for one year only.

It must also be recognised and challenged, that some areas of central government expenditure have been protected and even increased. For example, the overseas aid budget is now £10.7bn (equivalent to £168 per head of population in the UK). This totals £110m for Leicestershire residents. On a per capita basis the High Speed 2 costs (based on the estimate of £43bn) are £435m for Leicestershire residents. These areas need to be reconsidered in the light of the detrimental impact the reductions in Government support for local government will have on front line services.

The concept of 'spending power' is reasonable, however, its calculation can at best be described as disingenuous. To include £35m of extra local authority income from the Better Care Fund in this calculation is misleading as much of this will be spent on health services. In practice the proportion that will be spent on local government will bring with it extra commitments as the aim of this fund is to reduce pressure on more expensive health services. In addition, to understand fully the financial position of Councils it is also necessary to be aware of spending pressures, which in the case of the County Council are significant and arise mainly from demographic pressures such as the ageing population on Adult Social care.

The Leicestershire public on one hand receives a message from central government that there is no problem whilst at a local level we are engaging with them about how to save £110m. This is unhelpful. There is a major financial problem and the sooner the Government really engages in developing a solution the better. The solution need not involve just more money, it should include structural changes to the public sector and freeing up local authorities from centrally imposed red tape, legislation and guidance.

The County Council has frozen Council Tax for the last three years. It is very positive that last year's freeze grant will be built into the base. It would, however, have been useful to understand the threshold rules for a Council Tax referendum prior to Christmas so we could have reviewed them before publishing our budget proposals.

The County Council believes that the Government have made what would have been a challenging position into one that is extremely difficult with far reaching consequences for local services to the public. We need a change of approach.

The detailed responses to the technical questions are set out below.

Question 1: Do you agree with the Government's proposal to remove the capitalisation holdback and re-allocate the funding?

The County Council agrees with this proposal.

Question 2: Do you agree with the Government's proposal to reduce the New Homes Bonus holdback from £800m to £700m?

The County Council agrees with this proposal. The County Council also welcomes the early indication of the amount of excess holdback which is likely to be returned to authorities.

The County Council has consistently opposed the New Homes Bonus Grant on the grounds that the top-slice is disproportionately weighted against County Councils when compared to the distribution of the NHB grant. We estimate that the top-slice will cost the County Council approximately £10m by 2016-17, when NHB reaches its first six-year cycle, but the potential NHB received by the County Council is only around £3m.

Question 3: Do you agree with the Government's proposal to increase and roll in funding for rural authorities?

The County Council agree with this proposal.

Formula funding has generally favoured urban authorities rather than rural authorities and this proposal is a relatively small step in the right direction to start to redress that imbalance.

Question 4: Do you have any comments on the impact of the 2014-15 settlement on protected groups, as set out in the draft Equality Statement?

Section 3 of the draft equality statement rightly states that “the level of funding could, without mitigating action and depending on spending decisions made by the authorities, have an adverse impact on protected groups”.

The 2014/15 and 2015/16 provisional settlements are based upon a funding baseline, set in 2013/14, following a very minor review of a hugely unpopular way of funding local authorities. The new way of funding local authorities through part-retention of business rates requires that this funding baseline be left untouched until 2020. The impact of such a decision is that there can be no reflection of aging or growing populations – unless they have a direct and positive effect on the local economy. For services such as Adult Social Care, the County Council remains unconvinced of such a link.

The County Council supports the Society of County Treasurer's request to Government to ensure all current and future policies are fully funded with calculations performed in a transparent and consultative manner. The impact of underestimating future costs and demand, combined with the current scale of cuts to RSG, could seriously impact many vulnerable people who rely on local authority services.

This page is intentionally left blank

Reference		2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	
<u>GROWTH</u>						
<u>CYPS</u>						
Demand & cost increases						
*	G1	Increased numbers of Children in care and Child Protection Plans	10	-35	-35	-35
	G2	Remand costs	50	50	50	50
	G3	Emergency Duty Team - change in arrangements	200	200	200	200
	G4	Education Quality	300	300	300	300
	G5	Foster Carers - 18-21	80	80	80	80
Service improvements						
*	G6	Removal of time-limited growth for Specialist Services - consultancy costs on Frameworkki implementation	-40	-40	-40	-40
	Total		600	555	555	555
<u>ADULTS & COMMUNITIES</u>						
Demand & cost increases						
**	G7	Older people - new entrants and increasing needs in community based services and residential admissions	1,440	2,600	3,800	5,340
**	G8	Learning Disabilities - new entrants including children transitions and people with complex needs	1,660	3,300	4,800	6,300
**	G9	Mental Health - new entrants in community based services	650	1,340	2,140	3,000
**	G10	Physical Disabilities - new entrants in community based services	890	2,000	3,000	4,000
	G11	Learning Disabilities Transitions Officers - to handle increased caseloads	65	65	65	65
	G12	Emergency Duty Team - change in arrangements	100	100	100	100
	G13	Shortfall on Effective Support efficiency saving	2,500	2,500	2,500	2,500
	Total		7,305	11,905	16,405	21,305
<u>HIGHWAYS & TRANSPORT</u>						
Demand & cost increases						
**	G14	Special Educational Needs transport - increased client numbers/costs	260	530	810	1,090
*	G15	Removal of time-limited growth for advance design of highways schemes	-200	-200	-200	-200
	Total		60	330	610	890
<u>ENVIRONMENT</u>						
Demand & cost increases						
**	G16	Landfill Tax - annual increases of £8 per tonne	570	1,140	1,710	1,935
**	G17	Recycling (and Reuse) Credits	175	355	540	730
	Total		745	1,495	2,250	2,665
<u>CORPORATE GROWTH</u>						
Demand & cost increases						
**	G18	Revenue consequences of Corporate ICT capital programme	30	60	90	120
*	G19	Removal of time-limited contribution to Central Maintenance Fund	-500	-500	-500	-500
	G20	Contribution to Central Maintenance Fund for replacement of major items	250	250	250	250
	G21	School place planning strategy	500	0	0	0
**	G22	Reduction in previous growth for elections	-135	-135	-135	-135
	Total		145	-325	-295	-265
TOTAL						
			8,855	13,960	19,525	25,150
	Overall net additional growth			5,105	5,565	5,625

* items unchanged from previous Medium Term Financial Strategy

** items included in the previous Medium Term Financial Strategy which have been amended

This page is intentionally left blank

Reference	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<u>SAVINGS</u>				
<u>CHILDREN & YOUNG PEOPLE'S SERVICES</u>				
<u>Efficiency savings</u>				
S1	-730	-730	-730	-730
S2			-1,000	-1,000
S3	-500	-500	-500	-500
S4	-100	-100	-100	-100
S5	-300	-300	-300	-300
Total	-1,630	-1,630	-2,630	-2,630
<u>Service Reductions</u>				
S6		-1,500	-1,500	-1,500
S7		-800	-800	-800
S8	-290	-650	-650	-650
S9		-400	-400	-400
S10		-120	-120	-120
S11	-600	-700	-700	-700
S12	-530	-1,280	-1,280	-1,280
S13	-350	-410	-410	-410
S14		-240	-240	-240
S15		-120	-120	-120
S16		-240	-240	-240
S17		-500	-500	-500
S18		-2,100	-2,100	-2,100
S19		-1,000	-1,000	-1,000
Total	-1,770	-10,060	-10,060	-10,060
TOTAL	-3,400	-11,690	-12,690	-12,690

Reference		2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	
<u>SAVINGS</u>						
<u>ADULTS & COMMUNITIES</u>						
<u>ADULT SOCIAL CARE</u>						
Efficiency savings						
*	S20	Shared Lives alternative to residential and day care	-225	-380	-380	-380
**	S21	Review of In-House Services	-250	-500	-500	-500
**	S22	Integrated health and social care solutions	-175	-350	-350	-350
**	S23	Shared provider approach to quality and efficiencies			-1,185	-1,185
**	S24	Reduced residential and nursing care as a result of developing Extracare alternative		-250	-250	-250
*	S25	Review of terms and conditions including business mileage	-85	-140	-140	-140
	S26	Customer Journey Simplification	-250	-250	-1,000	-1,000
	S27	Other service reviews and infrastructure realignment	-500	-500	-1,000	-1,000
	S28	Outcome Based Commissioning		-1,000	-1,000	-1,000
	Total		-1,485	-3,370	-5,805	-5,805
Increased client income						
**	S29	Increased income from fairer charging and removal of subsidy / aligning increases	-450	-750	-750	-750
	S30	Additional Health transfer funding 1 year only - estimated savings mitigation	-1,250			
	S31	Better Care Fund		-10,000	-10,000	-10,000
	Total		-1,700	-10,750	-10,750	-10,750
Service reductions						
	S32	Remove subsidy for Community and Day Centre meals	-150	-300	-300	-300
	S33	Limiting service users' choice of support to the most cost effective option	-500	-500	-500	-500
	S34	New model of Early Intervention and Prevention support	-1,000	-1,500	-3,500	-3,500
	Total		-1,650	-2,300	-4,300	-4,300
	Total		-4,835	-16,420	-20,855	-20,855
<u>COMMUNITIES AND WELLBEING</u>						
Service reductions						
	S35	Redevelop Snibston with a new offer focusing on mining and the scheduled ancient monument	-60	-240	-240	-240
	S36	Reduction in funding for Community museums (Charnwood, Melton, Harborough) and Donington le Heath	-30	-180	-280	-280
	S37	Reduction in funding for Community libraries and review of other library services	-170	-640	-800	-800
	S38	Reduction in infrastructure costs for libraries, museums and heritage	-65	-220	-590	-590
	Total		-325	-1,280	-1,910	-1,910
	TOTAL		-5,160	-17,700	-22,765	-22,765
<u>PUBLIC HEALTH</u>						
Efficiency savings						
	S39	Expenditure managed by Public Health absorbed into the ring fenced budget	-1,420	-1,420	-1,420	-1,420
	S40	Preventative expenditure to be identified and absorbed into the ring fenced budget		-500	-1,000	-1,000
	TOTAL		-1,420	-1,920	-2,420	-2,420

* items unchanged from previous Medium Term Financial Strategy

** items included in the previous Medium Term Financial Strategy which have been amended

Reference		2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	
<u>SAVINGS</u>						
<u>ENVIRONMENT & TRANSPORT</u>						
<u>HIGHWAYS & TRANSPORT</u>						
Efficiency savings						
**	S41	Contract renewal (including e-tendering and e-auctions)	-800	-800	-800	-800
**	S42	Fleet Review - more efficient use of the vehicle fleet and a corresponding reduction in operating and renewal costs	-300	-600	-600	-600
*	S43	Review of terms and conditions including business mileage	-55	-75	-75	-75
	S44	Service Review - Notice Processing Unit	-30	-80	-80	-80
	S45	Revised approach to Highways Maintenance - efficiency element	-850	-1,575	-1,900	-2,125
	Total		-2,035	-3,130	-3,455	-3,680
Service reductions						
**	S46	Street Lighting - dimming, part night lighting and switching off	-245	-495	-745	-1,245
*	S47	Reductions to traffic management / safety / sign maintenance and cleaning	-100	-100	-100	-100
	S48	Revised approach to Highways Maintenance including improvement schemes	-380	-1,080	-2,180	-3,375
	S49	Environmental Maintenance reductions		-750	-750	-750
	S50	Road Safety Partnership funding		-200	-200	-200
Sustainable Travel Group service reductions:						
*	S51	Review SEN transport policy	-120	-120	-120	-120
**	S52	Review of the supported bus network including alternative provision	-300	-500	-500	-500
*	S53	Home to school transport - review of discretionary elements (denominational and 16+)	-735	-1,100	-1,100	-1,100
*	S54	Concessionary Travel - additional services	-135	-135	-135	-135
	S55	Service Review - Sustainable Travel Group		-150	-300	-300
Other savings						
*	S56	Change in number of School Days	-290	-290	-290	-290
	Total		-2,305	-4,920	-6,420	-8,115
	Total		-4,340	-8,050	-9,875	-11,795
<u>ENVIRONMENT</u>						
Efficiency savings						
*	S57	Reduction in tonnages sent to disposal as a result of increased recycling, reuse and waste minimisation	-45	-90	-135	-135
	S58	Efficiencies from contract procurement/renewal	-465	-1,365	-1,605	-1,740
	S59	Revised payment mechanism on Recycling Credits		-1,480	-1,665	-1,850
	S60	Landfill Diversion		-630	-1,230	-1,230
	S61	Trade Waste Income	-30	-60	-90	-120
	S62	Waste Initiatives & Waste Strategy Implementation	-100	-100	-100	-200
	S63	Waste & Environment Management		-175	-350	-350
	Total		-640	-3,900	-5,175	-5,625
Service reductions						
**	S64	Review of RHWS provision		-400	-1,100	-1,100
	Total		-640	-4,300	-6,275	-6,725
	TOTAL		-4,980	-12,350	-16,150	-18,520

* items unchanged from previous Medium Term Financial Strategy

** items included in the previous Medium Term Financial Strategy which have been amended

APPENDIX D

Reference	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
<u>SAVINGS</u>				
<u>CHIEF EXECUTIVE</u>				
Efficiency savings				
** S65				-70
** S66				-240
** S67	-110	-210	-210	-210
** S68	-100	-170	-210	-210
** S69	-30	-90	-150	-340
** S70	-50	-240	-440	-440
** S70	150	150	150	150
Total	-140	-560	-860	-1,150
Service reductions				
S71	-430	-430	-430	-430
S72	-210	-590	-590	-590
S73		-550	-550	-550
S74	-50	-250	-440	-440
** S75	-70	-120	-160	-180
S76		-20	-20	-60
** S77	-100	-180	-250	-250
S78				-50
* S79	-430	-430	-430	-440
** S80		-350	-440	-550
Total	-1,290	-2,920	-3,310	-3,540
TOTAL	-1,430	-3,480	-4,170	-4,690
<u>CORPORATE RESOURCES</u>				
Efficiency savings				
** S81	-350	-570	-910	-1,110
** S82	-410	-1,000	-1,440	-1,650
** S83	-800	-1,500	-1,750	-1,840
S84			-140	-140
S85	-200	-280	-330	-350
** S86	-40	-440	-440	-880
** S87	-30	-80	-420	-620
** S88	-190	-390	-390	-390
** S89		-200	-300	-300
** S90	165	130	125	115
Total	-1,855	-4,330	-5,995	-7,165
Service reductions				
S91	-40	-50	-50	-80
S92		-70	-70	-70
Total	-40	-120	-120	-150
TOTAL	-1,895	-4,450	-6,115	-7,315
TOTAL including additional income	-18,285	-51,590	-64,310	-68,400
Overall net additional savings		-33,305	-12,720	-4,090

* items unchanged from previous Medium Term Financial Strategy

** items included in the previous Medium Term Financial Strategy which have been amended

2014-15 - 2017-18 REVENUE BUDGET *

	TOTAL 2013-14	Inflation/ Contingencies /Transfers £000	Growth £000	Savings £000	TOTAL 2014-15	Inflation/ Contingencies /Transfers £000	Growth £000	Savings £000	TOTAL 2015-16	Inflation/ Contingencies /Transfers £000	Growth £000	Savings £000	TOTAL 2016-17	Inflation/ Contingencies /Transfers £000	Growth £000	Savings £000	TOTAL 2017-18
Children & Young People	59,042	3,039	600	-3,400	59,281	230	-45	-8,290	51,176	230	0	-1,000	50,406	230	0	0	50,636
Adults & Communities	127,589	3,789	7,305	-5,160	133,523	427	4,600	-12,540	126,010	310	4,500	-5,065	125,755	310	4,900	0	130,965
Public Health **	0	1,420	0	-1,420	0	0	0	-500	-500	0	0	-500	-1,000	0	0	0	-1,000
Environment & Transport	77,149	2,639	805	-4,980	75,613	178	1,020	-7,370	69,441	208	1,035	-3,800	66,884	229	695	-2,370	65,438
Chief Executives	15,196	-882	0	-1,430	12,884	110	0	-2,050	10,944	110	0	-690	10,364	110	0	-520	9,954
Corporate Resources	33,282	1,472	0	-1,895	32,859	253	0	-2,555	30,557	250	0	-1,665	29,142	250	0	-1,200	28,192
	312,259	11,477	8,710	-18,285	314,161	1,198	5,575	-33,305	287,629	1,108	5,535	-12,720	281,552	1,129	5,595	-4,090	284,186
DSG (Central Dept recharges)	-1,077	500			-577				-577				-577				-577
Carbon Reduction Commitment	450	150			600				600				600				600
Other corporate growth & savings	355		280	0	635		-470	0	165		30	0	195		30	0	225
Highways Maintenance	1,500	-1,500			0				0				0				0
Loughborough Science Park	1,200	-1,200			0				0				0				0
2015-16, 2016-17 & 2017-18 growth & savings	0				0			0	0			0	0		0	0	0
Contingencies:																	
Efficiency savings	4,460	-460			4,000	4,000			8,000				8,000				8,000
Severance / Invest to Save	3,000	0			3,000	-3,000			0				0				0
Council Tax collection deficits	1,200	-1,200			0				0				0				0
Contingency for inflation	9,035	-3,035			6,000	5,750			11,750	9,000			20,750	6,350			27,100
	332,382	4,732	8,990	-18,285	327,819	7,948	5,105	-33,305	307,567	10,108	5,565	-12,720	310,520	7,479	5,625	-4,090	319,534
Central Items:																	
Bank & other interest	-1,750				-1,000				-1,000				-1,000				-1,000
Financing of capital	28,420				25,800				25,500				25,000				25,000
Repayment of Debt / MRP	0				4,830				6,870				0				0
Revenue funding of capital	4,000				4,000				4,000				2,000				2,000
Financial Arrangements	72				50				50				50				50
Members Exps & Support etc	1,347				1,350				1,350				1,350				1,350
Elections	335		-135		200				200				200				200
Flood Defence levies	270				270				278				285				290
Pensions (pre LGR /LGR)	2,000				2,000				2,000				2,000				2,000
13/14 C Tax Freeze Grant (in RSG 14/15 & later)	-2,400				0				0				0				0
Local Services Support Grant	-1,260				-650				-650				-650				-650
Contribution to Discretionary Discounts & Admin.	375				375				375				375				375
LCTS Transitional Grant (one-off 13/14)	-537				0				0				0				0
Crisis loans (net position)	200				0				0				0				0
New Homes Bonus Grant	-1,698				-2,375				-2,900				-3,400				-3,400
New Homes Bonus - element of top slice returned	-460				-190				0				0				0
Education Services Grant	-5,300				-5,000				-2,000				-2,000				-2,000
Total Spending	355,996		8,855		357,479				341,640				334,730				343,749
Contribution from Earmarked Funds	0				-3,200				-1,000				-1,000				-1,000
Budget Requirement	355,996				354,279				340,640				333,730				342,749
Funding																	
Revenue Support Grant	-81,249				-70,763				-53,040				-39,780				-29,840
Business Rates - Top Up	-35,073				-35,756				-36,740				-37,840				-38,980
Business Rates Baseline	-18,980				-18,350				-18,880				-19,480				-20,090
Collection Fund net deficit / (surplus)	-377				-2,000				0				0				0
Council Tax	-220,317				-227,410				-231,980				-236,630				-241,380
	-355,996				-354,279				-340,640				-333,730				-330,290
VARIANCE	0				0				0				0				12,459
<i>Band D Council Tax</i>	<i>£1,063.00</i>				<i>£1,078.94</i>				<i>£1,095.13</i>				<i>£1,111.55</i>				<i>£1,128.23</i>
	<i>0.0%</i>				<i>1.5%</i>				<i>1.5%</i>				<i>1.5%</i>				<i>1.5%</i>

* provisional for 2015-16 and later years

** preventative expenditure within other Departments' budgets to be identified and absorbed into the ring fenced budget

This page is intentionally left blank

REVENUE BUDGET 2014-15

	Base including inflation £000	Growth £000	Savings £000	TOTAL £000
Spending				
Services :				
Schools *				0
Children & Young People	62,081	600	-3,400	59,281
Adults & Communities	131,378	7,305	-5,160	133,523
Public Health **	1,420	0	-1,420	0
Environment & Transport	79,788	805	-4,980	75,613
Chief Executives	14,314	0	-1,430	12,884
Corporate Resources	34,754	0	-1,895	32,859
	<u>323,736</u>	<u>8,710</u>	<u>-18,285</u>	<u>314,161</u>
Dedicated Schools Grant (Central Dept recharges)	-577			-577
Carbon Reduction Commitment	600			600
Other corporate growth & savings	355	280	0	635
Contingency for efficiency savings	4,000			4,000
Severance / Invest to Save	3,000			3,000
Contingency for inflation	6,000			6,000
	<u>337,114</u>	<u>8,990</u>	<u>-18,285</u>	<u>327,819</u>
Central Items:				
Bank & other interest				-1,000
Financing of capital				25,800
Repayment of Debt / MRP				4,830
Revenue funding of capital				4,000
Financial Arrangements				50
Members Exps & Support etc				1,350
Elections		-135		200
Flood Defence levies				270
Pensions (pre LGR /LGR)				2,000
Local Services Support Grant				-650
Contribution to Discretionary Discounts & Administration Costs				375
New Homes Bonus Grant				-2,375
New Homes Bonus - element of top slice returned				-190
Education Services Grant				-5,000
Total Central Items				<u>29,660</u>
Contribution from Earmarked Funds				-3,200
Budget Requirement				<u>354,279</u>
Funding (provisional)				
Revenue Support Grant				-70,763
Business Rates - Top Up				-35,756
Business Rates Baseline / retained				-18,350
Collection Fund net deficit / (surplus)				-2,000
Council Tax				-227,410
				<u>-354,279</u>
Council Tax				
Council Tax Base (provisional)				210,771.8
Band D Council Tax				£1,078.94
Increase on 2013-14 (£1,063.00)				1.50%

* Schools - Delegated and Schools Block budgets funded by Dedicated Schools Grant

** Public Health funded by Grant (£21.9m)

This page is intentionally left blank

CYPS DRAFT CAPITAL PROGRAMME 2014/15 to 2017/18

APPENDIX G

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
<u>Commitments b/f</u>					
School Accommodation Programme	1,989				1,989
Replacement Playing Field Croft Primary School	133				133
Loughborough Ashmount Replacement School	500				500
<u>New Starts</u>					
School Accommodation Programme	4,335	25,140	26,397		55,872
- Basic Need					
- Mobile Replacement					
- Enabling Access					
- Ofsted and Safeguarding					
- Advanced Design					
Strategic Capital Maintenance - Estimated Grant*	3,709				3,709
- Boiler Replacement					
- Structural Repairs					
- Electrical					
School Meals Capital Programme	887				887
Improvements to Targeted Early Help Hubs	370	370			740
Sub-total	11,923	25,510	26,397	0	63,830
Schools Devolved Formula Capital - Estimated Grant*	818				818
Overall Total	12,741	25,510	26,397	0	64,648

*DFC and Maintenance Capital grants have not yet been announced and have been estimated for 2014/15 only.

A&C DRAFT CAPITAL PROGRAMME 2014/15 to 2017/18**APPENDIX G**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
Extracare Provision - Blaby	1,080				1,080
Limes Day Centre relocation within Hinckley Library.	470				470
Replacement of mobile libraries - subject to Service Review	0	200	200	200	600
Libraries - reconfiguration of space subject to service review	0	120			120
Changing Places / Toilets (facilities for people who need personal assistance)	30	60	140		230
Total A&C	1,580	380	340	200	2,500
<u>Future Developments - subject to further detail and approved business cases</u>					
Extracare Facilities - funded from balance of eph sale		tbc	tbc	tbc	1,895

E&T TRANSPORT DRAFT CAPITAL PROGRAMME 2014/15 to 2017/18

APPENDIX G

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
<u>Commitments b/f</u>					
Active & Sustainable Travel	500				500
Loughborough Town Centre	4,546	75	100	230	4,951
Local Sustainable Transport Fund	38				38
<u>New Starts</u>					
M1 New Bridge	6,031	2,011			8,042
<u>Integrated Transport Schemes</u>		4,231	3,131	1,936	9,298
Connectivity & Accessibility	377				377
Safety	810				810
Network Performance & Reliability	383				383
Active & Sustainable Travel	2,114				2,114
LTP3 Monitoring	150				150
Major Scheme Prep /Feasibility	350				350
<u>Transport Asset Management</u>		11,355	12,455	13,650	37,460
Principal road carriageways	1,450				1,450
Non-Principal classified road c/ways (including additional funding)	2,782				2,782
Unclassified road carriageways (including additional funding)	2,958				2,958
Footways (category 1,2,3 & 4)	1,660				1,660
Bridges	1,500				1,500
Street lighting renewal	1,000				1,000
Traffic signal renewal	200				200
Zouch Bridge Replacement	30	3,000	75		3,105
Oadby & Wigston Town Centre Improvement Scheme	795				795
Ashby Canal	560	520	50	50	1,180
LLITM	1,045	306			1,351
Total E&T	29,279	21,498	15,811	15,866	82,454

*LTP for 2015/16, 2016/17 and 2017/18 have not yet been announced and have been estimated

E&T WASTE MANAGEMENT DRAFT CAPITAL PROGRAMME 2014/15 to 2017/18**APPENDIX G**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
<u>WASTE MANAGEMENT</u>					
RHWS Improvements - subject to review	200	550	550		1,300
Coalville Transfer Station	360	10			370
Whetstone RHWS and Waste Transfer Station	80				80
Total Waste Management	640	560	550	0	1,750

CHIEF EXECUTIVE DRAFT CAPITAL PROGRAMME 2014/15 to 2017/18**APPENDIX G**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
Rural Broadband Scheme	3,400	4,630	420		8,450
Loughborough Science Park Development	100	1,400			1,500
Rural Capital Programme	150	100	100	100	450
SHIRE & Better Places Capital Grant Scheme	155	150	100	100	505
Kegworth Community Centre		95			95
Total Chief Executives	3,805	6,375	620	200	11,000

CORPORATE RESOURCES DRAFT CAPITAL PROGRAMME 2014/15 to 2017/18

APPENDIX G

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
<u>ICT:</u>					
Corporate ICT Capital Programme	500	500	500	500	2,000
ICT Resiliency: data Centre Re provisioning	50	950			1,000
WAN Replacement	840				840
Online Services Project (Citizen Self Service, Online Technology and Oracle Policy Automation)	497				497
EDRMS Replacement	130				130
Data Quality / Pseudonymisation Software	120				120
Sub total ICT	2,137	1,450	500	500	4,587
<u>Operational Property</u>					
Demolition of vacant buildings	150				150
Sub total Operational Property	150	0	0	0	150
<u>Strategic Property</u>					
County Farms Estate - General Improvements	150	150	150	150	600
Property Asset Management System (previously PMIS)	255				255
Sub total Strategic Property	405	150	150	150	855
Total Corporate Resources	2,692	1,600	650	650	5,592

CORPORATE DRAFT CAPITAL PROGRAMME 2014/15 to 2017/18**APPENDIX G**

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	Total £000
<u>CORPORATE PROGRAMME</u>					
Corporate Asset Investment Fund (subject to approved business case)	1,000	4,000	5,000	5,000	15,000
<u>Other</u>					
- Refurbishment of former Fire HQ	778				778
- Property - Energy Strategy (subject to approved business case)	1,780	930	1,290		4,000
Total Corporate Programme	3,558	4,930	6,290	5,000	19,778

This page is intentionally left blank



CABINET – 15 JANUARY 2014

HIGH SPEED RAIL (HS2) PHASE 2: WEST MIDLANDS TO LEEDS **HS2 CONSULTATION: PROPOSED RESPONSE ON IMPLICATIONS** **FOR LEICESTERSHIRE**

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of Report

1. To outline the current position on High Speed Rail (HS2) in Leicestershire and to recommend a response to the Government's HS2 Phase 2 route consultation.

Recommendations

2. It is recommended that the County Council's response to the Government's HS2 Phase 2 consultation be as set out in this report, noting in particular paragraphs 22-25 below, and the detailed responses in appendices E-G.

Reasons for Recommendations

3. The Government has published proposals for a high speed railway (HS2) linking London, the East and West Midlands, and the north of England. The proposals for Phase 2, which passes through Leicestershire, are currently the subject of public consultation.

Timetable for Decisions (including Scrutiny)

4. The HS2 Phase 2 consultation closing date is 31 January 2014.
5. A draft of this report was considered by the Environment and Transport Overview and Scrutiny Committee at its meeting on 28 November 2013. The Committee's comments are detailed in paragraph 21 below.

Policy Framework and Previous Decisions

6. At its meeting on 20 February 2013, the County Council expressed a view that a station at Derby would be preferable to that proposed for Toton, as it would have better connectivity and offer greater regeneration benefits. This would necessitate the re-routing of the line of HS2 away from Leicestershire along the A38 corridor. Although this remains a valid point of view, the Secretary of State has previously rejected this option in favour of the route now proposed.

7. At its meeting on 15 October 2013, Cabinet resolved that a two-tier response to the current HS2 route consultation be developed; a high-level response that reflects the County Council's views on the principle of HS2 passing through the County and a station at Toton, allied to a detailed response on specific impacts of the published route (sections HSL06 and HSL09) in Leicestershire should the government not agree to re-routing the line away from the County.

Resource Implications

8. In order to respond to the consultation staff costs are being incurred. In addition, a consultant has been appointed to assist the County Council in developing the response to HS2 Ltd.
9. The County Council will make the case for HS2 Ltd. to compensate the County Council on a full cost recovery basis for the staff time involved in this project. This will be requested in the consultation response. If this request is unsuccessful, then it will have to be covered from the existing Departmental revenue budget.
10. The Director of Corporate Resources has been consulted on the contents of this report.

Circulation under the Local Issues Alert Procedure

11. A copy of this report will be circulated to all members of the County Council via the Members' News in Brief service.

Officers to Contact

Ian Drummond
Assistant Director, Transportation
Tel: 0116 305 5990
Email: Ian.Drummond@leics.gov.uk

Bernard Evans
Team Manger, Infrastructure Planning (Transport Policy & Strategy)
Tel: 0116 305 6834
Email: Bernard.Evans@leics.gov.uk

PART B

Background

12. High speed rail arrived in the United Kingdom with the opening of the Channel Tunnel Rail Link in 2003. This line - expanded in 2007, with services running from London St. Pancras station - is also known as High Speed 1 (HS1).
13. High Speed 2 (HS2) is the planned route between London Euston and the Midlands, North West England, and West Yorkshire. The line is to be built in two phases, Phase 1 between London and Birmingham, and Phase 2 from Birmingham to Manchester, and from Birmingham to Sheffield and Leeds. A topological plan showing the Phase 2 route proposal showing stations is attached to this report as **Appendix A**.
14. The Government's proposed route for HS2 through Leicestershire was published in January 2013. A plan showing the proposed HS2 route through Leicestershire is attached to this report as **Appendix B**. The Government's published route can be viewed on the HS2 website at www.hs2.org.uk (search for 'HSL06' or 'HSL09'). A detailed description of the proposed HS2 route through Leicestershire is in **Appendix C**.
15. Details of the HS2 consultation process in Leicestershire are in **Appendix D**.

Government stated HS2 objectives

16. The Government's stated objectives of HS2 are;
 - a) Demand for long distance rail travel has grown by over 100% since 1997/98 and is still increasing. The government anticipates that overall rail passenger demand will increase by 70% between 2013 and 2036. The West Coast Mainline (London – West Midlands – North West England – Glasgow) will soon be full whilst the East Coast Mainline (London – West Yorkshire – North East England – Edinburgh) and Midland Mainline (London – East Midlands – Sheffield) face similar challenges. The government considers that these long term challenges cannot be resolved by further upgrading of the existing network (which in any case would be hugely disruptive to existing services) but instead requires new rail infrastructure to provide the required capacity.
 - b) For the UK to continue to prosper and succeed in the global race, the country requires investment in a reliable transport system. Structural changes in the nation's economy in the latter half of the last century have tended to polarise investment in the south east of England whilst the north , and to a lesser extent the midlands, have declined. By providing increased capacity and speed, HS2 improves connectivity for people and goods between the regions and European markets.

County Council response to HS2 Phase 2

17. The range of possible responses to HS2 go from unalloyed welcome to outright rejection of the whole concept. It is, however, unlikely that either extreme would have much influence and more nuanced responses are more likely to represent better the interests of Leicestershire people and businesses.
18. Potentially, the announced decision to route the line through Leicestershire will stand and there will be local environmental and economic impacts. It is important that the government is made aware of these, should it choose to confirm its choice of route and station. HS2 Ltd. officials have indicated that anything not included in a consultation response may not subsequently be discussed with respondents or stakeholders.
19. Therefore the County Council has decided to respond to the HS2 (Phase 2) consultation with a two-tier response:
 - a) a response that reflects the County Council's views on the principle of HS2 passing through the County and a station at Toton
 - b) a detailed response on specific impacts in Leicestershire should the Government not agree to re-routing the line away from the County.

Principle of HS2 through Leicestershire

20. At its meeting on 20 February 2013, the County Council resolved to express its concerns about the direct impact of the initial preferred line of route on the proposed strategic rail freight interchange at East Midlands Airport. However, this concern has been overcome by a redesign and extension of the tunnel underneath the Airport.
21. At its meeting in November 2013, the Environment and Transport Overview and Scrutiny Committee considered a draft response to the HS2 consultation, approving the following comments for the Cabinet's consideration.
 - a) The proposed response, which stated that the County Council was opposed to the HS2 route through Leicestershire as it provided little benefit to the communities running along the proposed route, was welcomed. Members were of the view that this reflected the opinions of the majority of people in North West Leicestershire;
 - b) The lack of connections between Leicester, stations in Leicestershire, and the HS2 line would mean that people of Leicestershire would not benefit from a high speed line.
 - c) There was a concern that the level of investment in HS2 would result in a reduced level of investment in other rail infrastructure, such as the Midland Mainline.
22. Therefore it is proposed that the County Council's view on the principle of HS2 passing through Leicestershire and a station at Toton be that:
 - a) *a station at Derby would be preferable to that proposed for Toton, as it would have better connectivity and offer greater regeneration benefits, albeit not in Leicestershire. This would necessitate the re-routing of the line of HS2 away from Leicestershire.*

- b) *The design speed of HS2 is unnecessarily high. The alignment, land take and eventual noise impact would be reduced considerably, along with the cost, if a more appropriate design standard were to be adopted.*

Proposed detailed response on the published HS2 proposal through Leicestershire

23. The County Council is concerned about the blight over a long period of time on homes, business and other potential developments along the published line of route
24. The County Council is also concerned about the difficulties presented in designing an effective long-term solution to traffic problems at Junction 13 of the A42 (Flagstaff), a key requirement for the delivery of growth in North-West Leicestershire.
25. The last three appendices to this report consider the detailed implications of the proposed HS2 route through Leicestershire. **Appendix E** outlines the impact of HS2 in Leicestershire and **Appendix F** highlights impacts in relation to specific locations along the HS2 route. Finally, **Appendix G** contains a draft response to the specific questions raised by the HS2 consultation process.

Next steps

26. Subject to Cabinet approval, this report will be submitted to HS2 Ltd. as the County Council response to the High Speed 2 (Phase 2) consultation before the consultation deadline of 31 January 2014.
27. The exact timetable for HS2 (phase 2) is currently unclear. However, in broad terms the timetable is as follows;
- 31 January 2014: Consultation on preferred route closes
 - 2015: Start Phase 2 engineering design, environmental impact assessment and preparation of Hybrid Bill
 - 2020/22: Phase 2 construction starts
 - 2032: Phase 2 opens for passengers.

Background Papers

HS2 Phase 2 Route Consultation
<http://hs2.org.uk/route-consultation>

Report to Cabinet – 15 October 2013 – High Speed 2; Developing a Response to the Government's Phase Two Consultation
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=3635&Ver=4> (Minute 53 refers)

Report to Environment Overview and Scrutiny Committee, 28 November 2013 - HS2 Consultation: Proposed Response on Implications for Leicestershire

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1044&MId=3889&Ver=4> (Minute 21 refers)

List of Appendices

Appendix A – Topological plan of proposed HS2
Appendix B – Proposed HS2 route through Leicestershire
Appendix C – Proposed HS2 route through Leicestershire
Appendix D – HS2 consultation in Leicestershire
Appendix E – Impact of HS2 proposals in Leicestershire
Appendix F – Impact of HS2 and mitigation required
Appendix G – Response to HS2 consultation questions

Equal Opportunities Implications

28. The impact of HS2 in the county is in its line of route, social and environmental impacts. There are no specific Equal Opportunities impacts.

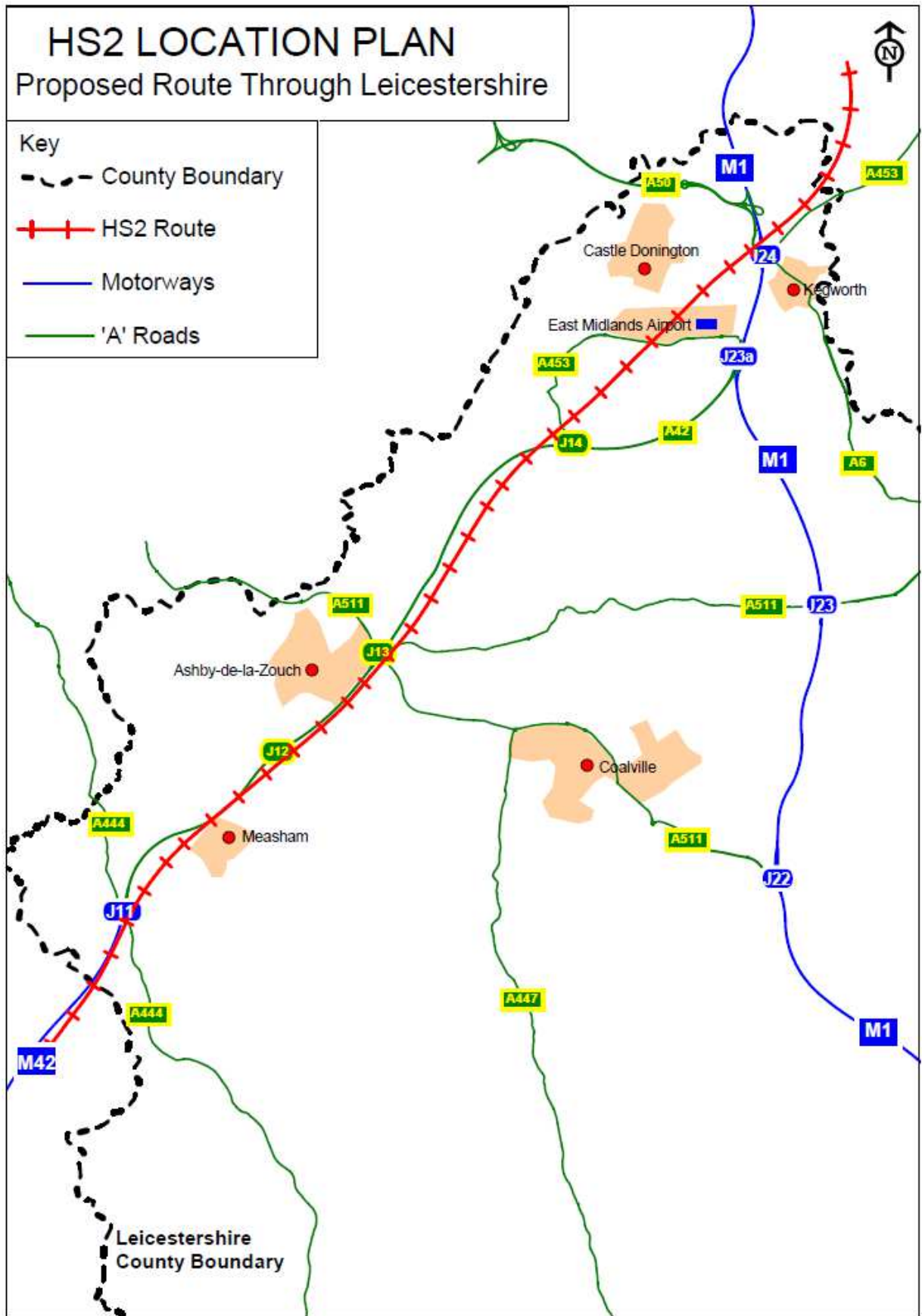
Environmental Impact

29. Any current environmental concerns relating to the preferred route will be included in the Council's response to the Government's consultation.

30. HS2 Ltd will carry out a full environmental impact assessment on the proposed route.

This page is intentionally left blank

Appendix B Proposed HS2 route through Leicestershire



This page is intentionally left blank

Appendix C

Proposed HS2 route through Leicestershire

Project Phasing and Route Options

- C 1. The HS2 project is being implemented in two phases. Phase 1 covers the route between London and the West Midlands. Consultation on the proposed route closed in July 2011 since when a number of refinements have been developed and the route finalised in response to the issues raised. A Hybrid Bill covering Phase 1 was published on 25 November 2013 and is programmed to receive Royal Assent by 2015.
- C 2. Phase 2 of the project covers the routes from the West Midlands to Manchester, Leeds and beyond as shown in **Appendix A** of this report. Following the current public consultation period, this will be the subject of a further hybrid bill which is programmed to be brought forward in the next parliament, following the May 2015 General Election.
- C 3. Route selection followed a similar process for each phase. Consultants appointed by HS2 Ltd. produced a “long list” of well in excess of 200 routes for consideration for Phase 2. The list was progressively reduced until two routes for the route to Leeds emerged. One route generally follows the A38 and M1 corridors through Derby, the other the M/A42 and M1 corridors through Ashby and Toton. Further details of this process can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/68956/hs2-phase-two-engineering-options-report-west-midlands-to-leeds.pdf

Proposed Route of HS2 Phase 2 (eastern arm) in Leicestershire

- C 4. The government’s preferred route for HS2 (Phase 2) extends the proposed London to Birmingham link (Phase 1) from Birmingham to Manchester (the western arm) and from Birmingham to Leeds (the eastern arm). The plan in **Appendix A** shows a topological layout of the existing rail network alongside the proposed HS2 network, between London, Manchester, and Leeds.
- C 5. The proposed route through Leicestershire is part of the eastern arm, described in the HS2 consultation documents under references HSL06 (Birchmoor to Tonge) and HSL09 (Tonge to Little Eaton).
- C 6. Due to the size and fine detail contained in the HS2 route plans, these are not reproduced within this report. However, they are available at <http://www.hs2.org.uk/> (search for ‘HSL06’ or ‘HSL09’). A plan showing an overview of the route through Leicestershire is shown in **Appendix B**.
- C 7. The length of the proposed HS2 line through Leicestershire is approximately 29 kilometres - or about 18 miles - in length. This section of the eastern arm passes through North West Leicestershire generally following the M42/A42 corridor, across the M1 and the river Trent/ Soar floodplain where it leaves Leicestershire towards a new “East Midlands Hub” station at Toton rail depot, just north of Long Eaton, Derbyshire, between the cities of Derby and Nottingham.

- C 8. Describing the route from south-west to north-east, key elements of the route in Leicestershire include its crossing of the river Mease Special Conservation Area (SCA) and Site of Special Scientific Interest (SSSI); a 3km tunnel beneath both East Midlands Airport and the proposed adjacent strategic rail freight interchange; and the first 2km of a 3.3km long viaduct across the Trent / Soar floodplain between M1 (junction 24) and Long Eaton.
- C 9. In more detail, from south-west to north-east;
- C 10. The HS2 line designated as HSL06 crosses from Warwickshire into Leicestershire in cutting alongside the M42 passing to the west of Appleby Parva and Appleby Magna. It then approaches Measham on embankment, crossing the river Mease on a 17m high viaduct and passing through the Westminster industrial estate.
- C 11. Continuing, in cutting, close to the north side of Measham, it takes the alignment of the existing A42, which is consequently realigned 95m to the north-west.
- C 12. Beyond Measham, the line closely follows the A42 on its south east side to the north west of Packington, Newbold and Worthington before crossing A42 and A453 south of Tonge.
- C 13. From its crossing of A453 near Tonge, the line continues as HSL09 and passes the north west of Diseworth in cutting.
- C 14. The line then passes beneath East Midlands Airport and the Strategic Rail Freight Interchange in a 3km long tunnel. Emerging from the tunnel it climbs onto a new embankment as it approaches the M1 just to the north of Junction 24.
- C 15. The A50 and M1 are then crossed to the north west of Kegworth as the line continues on a 3.3km viaduct across the flood plain of the rivers Trent and Soar towards Long Eaton and the proposed station at Toton. The first 2km of this viaduct are in Leicestershire, before it crosses the river Soar, into Derbyshire.

Appendix D

HS2 consultation in Leicestershire

- D 0. The HS2 Phase 2 consultation was launched on 17 July 2013. To compliment the consultation, HS2 Ltd. held over 30 information events along the proposed HS2 Phase 2 route. The full list of Phase 2 information events is available on the HS2 Ltd. web site (www.hs2.org.uk - search for 'Phase 2 Consultations').
- D 1. The two information evens for Leicestershire were held on;
- a) Measham – Wednesday 27 November 2013, 12pm to 8pm. Measham Leisure Centre, High Street, Measham, DE12 7HR (203 attendees)
 - b) Ashby de la Zouch – Thursday 5 December 2013, 12pm to 8pm. Hood Park Leisure Centre, North Street, Ashby de la Zouch LE65 1HU (348 attendees).
- D 2. Leicestershire County Council has worked with North West Leicestershire District Council (NWLDC) to encourage Leicestershire residents and businesses to engage with the HS2 consultation process. The County Council and NWLDC have asked that residents and businesses respond to HS2 direct.
- D 3. Leicestershire County Council as a member of [East Midlands Councils](http://www.emcouncils.gov.uk) (EMC) (<http://www.emcouncils.gov.uk>) contributed to that organisation's response to the current consultation on Phase 2 of HS2, and supports the response agreed by the Executive Board Meeting on 6 December 2013. The papers for this meeting are on the EMC website here, [http://www.emcouncils.gov.uk/write/Executive Board Papers - 06.12.13.pdf](http://www.emcouncils.gov.uk/write/Executive_Board_Papers_-_06.12.13.pdf) (item 6).
- D 4. The County Council has also worked with HS2 Ltd. to ensure that Leicestershire residents and businesses are kept informed about the HS2 proposals and the consultation process, with the intention that they have clarity on how to respond.
- D 5. Following announcement of the Government's initial preferred route in January 2013, the County Council has been proactive in providing local residents with information about HS2. The County Council has:
- a) provided local residents with an early opportunity to find out more about the proposals where officers from Leicestershire County Council and North West Leicestershire District Council officers briefed over 150 residents who attended the Ashby, Measham and Moira Community Forum on 5 March 2013 (<http://www.leicestershireforums.org/ashby/amm--5-march-2013.html>)
 - b) set up a webpage on the County website to direct County residents to the HS2 proposals. The page outlines the Government proposals, the council's position, the public consultation and signposts to relevant HS2 external websites. This website can be viewed at, http://www.leics.gov.uk/index/your_council/haveyoursay/hs2.htm

- c) following the announcement in July of the Government's preferred route, stations and the public consultation, arranged for HS2 Ltd. to attend the Valley Community Forum on 18th September 2013 and the Ashby, Moira, Measham Community Forum on 2nd October 2013. This enabled HS2 Ltd. to inform residents about the Government consultation and related information events and answer residents questions. This also gave local HS2 action groups an opportunity to update the Forums on their activities.
- d) promoted the HS2 Ltd. route consultation and the Leicestershire information events by distributing 18,000 leaflets to homes and businesses along the proposed HS2 route in the week prior to the first Leicestershire information event.

Appendix E

Impact of HS2 proposals in Leicestershire

Impact of the Route through Leicestershire

- E 1. The implications of the proposed route through Leicestershire have been examined in relation to its impact on:
- a) Highways and Public Rights of Way
 - b) Planning, Development and Regeneration
 - c) Noise and Visual Intrusion
 - d) Directly Affected Properties
 - e) Agriculture and Land Management
 - f) Heritage and Conservation
- E 2. These impacts are detailed in **Appendix F**, referenced to distance 'chainage' along the line of the proposed route as shown on published HS2 detailed route plans (HSL06/1 to 5 and HSL09/1 to 3). For each identified potential impact, a mitigation proposal has been identified.

Summary of Impact and Mitigation Measures Sought

Highways and Public Rights of Way

- E 3. A significant number of highways and public rights of way will be affected by the route, requiring bridges, diversions and possibly closures. All such features should be designed in consultation with and to the satisfaction of the County Council (and Highways Agency as appropriate) including details of temporary measures to maintain accessibility during their construction.
- E 4. With regard to highway infrastructure the County Council requests that HS2 Ltd. ensures:
- a) That there is appropriate investment in local transport so Leicestershire can take advantage of the economic benefits that HS2 can bring
 - b) That Toton station is readily accessible to residents and business of Leicestershire.

Planning, Development and Regeneration

- E 5. The proposed route encroaches on sites scheduled for major residential and canal regeneration development at Measham, the Lounge Disposal Point site near Ashby de la Zouch and to some extent the Strategic Rail Freight Interchange adjacent to East Midlands Airport. The County Council wishes to see the proposals modified by realignment or other means to retain the development potential of these sites. This modification should include (but not be limited to) maintaining clearance for the free passage of boats at the crossing of the line of the proposed canal at Measham, and ensuring the same clearance is provided under the realigned A42. The County Council welcome

early discussions on the design for J13 of the A42 to ensure that future development at the Lounge Disposal Point site near Ashby de la Zouch is not frustrated by the HS2 proposals. The decision to modify earlier proposals to avoid jeopardising development of the proposed inter-modal freight terminal by extending the tunnel under East Midlands Airport is strongly supported.

Noise and visual intrusion

- E 6. Much of the proposed route in Leicestershire is elevated on a series of embankments and viaducts. These will become prominent features in the landscape and noise from passing trains will be more pronounced with the effects of height. The County Council would wish to agree, in partnership with North West Leicestershire District Council, details of soft landscaping and screening to attenuate noise and visual intrusion arising from features of the line and passing trains.

Properties directly affected

- E 7. The proposed route entails the demolition of a number of industrial, commercial, agricultural and residential properties. The County Council seeks to ensure that in addition to owners and occupiers receiving compensation in accordance with statutory provision, procedures are agreed with them to ensure minimum disruption to their activities during any consequential relocation of their premises.

Agriculture and land management

- E 8. The proposed route will inevitably form a barrier to movement between parcels of land on either side, with implications for efficient agricultural and forestry activities. The county Council would wish to agree details of access and rail crossing points to be agreed in conjunction with North West Leicestershire District Council and land owners concerned.

Heritage and conservation

- E 9. The proposed route affects the setting of a number of listed buildings, designated conservation areas and sensitive wildlife habitats. Measures to mitigate the impact of the railway on these sites should be developed and agreed with English Heritage, Natural England, the Environment Agency and property owners, in consultation with the County Council and NWLDC.

Construction impact

- E 10. The construction of HS2 will be a significant civil engineering project, requiring extensive earthworks, many new structures, and a 3km tunnel under East Midlands Airport. In addition to land required for the railway itself, this project will inevitably require large areas of land for temporary construction sites / rail heads, particularly in the vicinity of the East Midlands Airport tunnel, and the viaduct over the Soar / Trent flood plain.

- E 11. Furthermore, the works will require a considerable labour force, construction plant and materials, all of which will need to be transported to HS2 construction sites. It is reasonable to expect that there will be considerable volumes of construction related traffic likely to be generated by the works, which has a potential impact on local communities and the Strategic Road Network (SRN), i.e. A42/M42, M1, A50 and A453, and County road network infrastructure. The SRN already experiences significant congestion and safety problems, which should not be exacerbated by the impacts of construction traffic.
- E 12. Also, construction working practices themselves may have an impact to a greater or lesser degree on occupiers of buildings and premises adjacent to the HS2 construction sites. Matters such as working hours, construction methods (particularly with tunnelling, piling or other deep excavation methods), dust control, traffic management and other civil engineering operations must all be considered in relation to the surrounding area.
- E 13. To date, no details of these aspects within Leicestershire have been published. Therefore it is not possible at this stage to evaluate the impact of HS2 construction operation on Leicestershire.
- E 14. The County Council will require detailed consultation on these issues at the earliest possible time with a view to agreeing details of construction sites and developing an agreed construction traffic management regime to encompass haul routes, highway improvements and upgrades, and hours of operation.
- E 15. The development of the detailed proposals and construction programme will require a very significant input from County Council officers in order to minimise the impact on Leicestershire Communities. The County Council expects HS2 Ltd to compensate the County Council on a full cost recovery basis for the staff time involved in this project.
- E 16. The Government has published for consultation a draft National Policy Statement for National Networks (NPS for National Networks), which sets out the Government's vision for the future development of Nationally Significant Infrastructure Projects (NSIP) including road and rail. It specifically excludes the development of HS2, for the reason that the powers to deliver this project are being sought through Parliamentary Bills (and not the NSIP process). However, the draft does state that the Government's policy for the development of road and rail networks takes into account the capacity and connectivity that will be delivered by HS2.
- E 17. The draft National Policy Statement for National Networks requires that Transport Assessments be submitted for the development of Strategic Rail Freight Interchanges and for road and rail construction sites; it talks about the need for this to include assessment of construction traffic impacts on the existing transport network. Whilst the draft NPS excludes HS2, nevertheless it is argued that the principle of assessing (and mitigating) the transport impacts of its construction prior to commencement should apply.

Economic Impact of HS2 on the East Midlands

E 18. Analysis carried for HS2 Ltd by KPMG suggests that investment in HS2 could generate £15 billion of additional output a year for the British economy in 2037 (2013 prices). The productivity benefits accrue to all regions with strong gains in the Midlands and North. However the potential distribution of economic impacts depends on the ability of businesses and people to respond to changes in connectivity.

E 19. The following table indicates the potential impact of investment in HS2 on the East Midlands region resulting from KPMG analysis. It reflects a “high” and “low” business location scenario where business location is driven by buyers’ sensitivity to purchase and transport costs. Thus a high business location scenario implies that buyers are more sensitive to purchase and transport costs than in a low business location scenario.

HS2 investment impact on the East Midlands Region (KPMG analysis)

Location	GDP Impact per Year (£million)	
	Low Business Case Scenario	High Business Case Scenario
Derby – Nottingham (Derby, Nottingham, 8 Derbyshire districts, 7 Nottinghamshire districts)	1,100.00	2,200.00
Leicester	89.94	134.04
Blaby	34.11	42.50
Charnwood	105.03	173.76
Harborough	11.43	8.54
Hinckley & Bosworth	29.20	43.38
Melton	13.74	24.37
North West Leicestershire	77.54	156.43
Oadby & Wigston (Leicestershire South)	6.79	1.00
Total Leicestershire (excl City)	277.84	449.98
Total Impact for GB Economy	15,000	15,000

East Midlands Hub Location

E 20. As part of the analysis of options for HS2, MVA Consultancy (<http://mvaconsultancy.com/>) has carried out a demand and appraisal study of existing and future demand for rail services in the East Midlands to inform the choice of station location. This study was commissioned by the East Midlands Councils (<http://www.emcouncils.gov.uk/>). The report identified that a city

centre connection to Leicester, either as a through station or via a spur line, involves higher costs or generates lower overall benefits than either Derby or Nottingham. As a result Leicester options were not progressed.

- E 21. Whilst Nottingham has a larger market than Derby, options for a city centre connection are more expensive. As it was difficult to serve both Nottingham and Derby directly, consideration was given to locations at Derby, at the existing East Midlands Parkway and at a new interchange at Toton rail depot. Toton emerged as providing the highest overall benefits in terms of demand, cost and development opportunities.
- E 22. Having concluded that it is not feasible to serve the East Midlands city centres directly on the line of HS2, it is important that the East Midland Hub station at Toton is built to an excellent standard of design and fully integrated into existing transport networks if the passenger and economic benefits of HS2 for the East Midlands are to be fully realised.
- E 23. Toton is likely to become a car based commuter rail hub, from Ashby and other settlements in North-west Leicestershire, particularly bearing in mind there are no rail connections to Toton. Improvements to the road network must be included in the high speed rail proposal to provide capacity for this commuter traffic accessing Toton.
- E 24. HS2 will bring implications for planning authority Core Strategies as the demand for a new commuter belt around Toton emerges. Any planned infrastructure improvements around Toton should consider this wider future demand.
- E 25. The East Midlands Councils have commissioned a study to assess the potential to provide direct rail access to the HS2 network from Derby, Leicester and Nottingham. The study identifies that quality connectivity to the three cities is crucial to realising the potential economic benefits of HS2 in the region.
- E 26. A transport modelling exercise was carried out as part of the study. This compared existing passenger demand between the East Midlands' cities and various destinations to demand after HS2 with and without direct city centre connections. The results suggest that direct connections showed increases in passenger demand to most destinations modelled, particularly from Leicester and Nottingham. Strongest demand flows resulting from direct connections emerged from Leicester and Nottingham to Birmingham, Manchester and Sheffield, and from all three cities to Leeds.
- E 27. To enable classic compatible¹ rail services to operate between the existing city centre stations and various destinations via the HS2 network, the study suggests a number of possible track configurations for direct rail connections to the HS2. These include

¹ Two basic types of train will operate on HS2 lines, high speed only trains (which run only on high speed track) and classic compatible trains (which run on high speed track and the existing 'classic' network). The trains will be up to 400m long (200m single unit; 400m when two units operate as a pair). There will be up to 1,100 seats per train.

- a) Full interconnections between HS2 and classic rail tracks at Toton to enable classic compatible trains to serve Derby, Leicester, and Nottingham
- b) A new chord into an existing track north of Toton to allow classic compatible trains between Nottingham and destinations to the south to operate via Toton.
- c) Full interconnections between HS2 and classic rail tracks at Killamarsh (near Sheffield) to enable classic compatible trains to serve Sheffield, Chesterfield and Rotherham

(Source: East Midlands Councils, HS2 Direct Connections Study, Outline Business Case, Ove Arup & Partners, December 2013)

of these, option a0 appears to offer most benefit to Leicestershire.

Regional infrastructure implications of an East Midlands high-speed rail hub

E 28. HS2 is designed for trains to operate at up to 250 mph. From Toton, it will be possible to reach London in 51 minutes, Sheffield in 27, Leeds in 30 and Birmingham in 19. The area surrounding Toton can therefore be expected to become attractive for development, both as a centre for employment (attracting employees from a wide area) and for residential development to house long distance commuters. Arising from this will be increased demand for schools, health services, retail and leisure facilities etc. Within Leicestershire, these pressures are likely to have the greatest impact on North West Leicestershire and Charnwood areas.

E 29. Whilst good access to Toton by classic rail connecting services will be essential, inevitably many connecting journeys can only be made by road. The need for road capacity improvements to the A52 in the vicinity of Toton is recognised by HS2 Ltd, but demand is likely to extend some way beyond that. The M1 and A42 for example, already frequently experience severe congestion. Traffic generated in the region associated with Toton can only exacerbate this, particularly during the peak commuting periods. Further studies need to be undertaken to assess the wider impact of HS2 on the regional highway network

Released Capacity

E 30. In conjunction with HS2 Ltd, Network Rail is exploring options for the future use of the existing rail network to take full advantage of the capacity released by the new lines. Their report, "Better Connections" describes the three broad approaches which they conclude could be taken to determine how services should be run on the existing network and HS2:

- a) **Do Minimum Approach:** Under this approach, the train services that exist in 2032 before HS2 Phase 2 would be broadly maintained. Capacity released by Phase 1 would already have been used to increase London suburban peak services. Whilst crowding on some long distance services would be reduced, commuter and regional services would gain little benefit, and the opportunities to increase commuter, regional and freight services would be constrained

- b) **Incremental Approach:** An assessment is made of the transfer of passengers from the existing network to the high speed lines on the basis that services replicated on the existing network by HS2 are transferred to the latter. This has the potential to provide a number of new journey opportunities and additional freight paths. Examples quoted include the reintroduction of a direct service between Leicester and Coventry. Others might include new services from the East Midlands via Oxford to the south coast and south west, or direct services via Birmingham to South Wales.
- c) **Integrated Connectivity Approach:** This offers a more holistic approach to planning services on the existing network in conjunction with HS2. Long distance services would be provided where appropriate by HS2 with services on the existing network set up to provide a feeder pattern from the surrounding area to the HS2 hub. Whilst offering a fully integrated and potentially seamless operation between existing and high speed networks, the cost of travel on HS2 needs to be comparable with that of the existing network and interchange must be made simple, quick and effortless for this approach to work.

(Source: Better Connections – Options for the Integration of High Speed 2; Network Rail, July 2013).

- E 31. Network Rail is seeking feedback on the findings of their report and will be publishing the results of a separate and more detailed analysis in due course
- E 32. Whilst the Integrated Connectivity Approach might be intuitively attractive, it is conditional on several elements as described above. It is suggested that deficiencies in any of these could seriously undermine the quality of service offered to Leicestershire. The need for most journeys to require at least one change of train, however simple is generally unappealing, and particularly to the elderly and infirm. The Incremental Approach would appear to offer passengers a wider choice and would enable a more gradual transition between existing and potential service patterns to emerge and is therefore supported by Leicestershire County Council.

The Need for Improvements to the Existing Local Rail Network

- E 33. Whilst providing opportunities for new and additional services on the existing network, HS2 does not of itself offer any proposals for improvements to the quality of those services. Recent improvements to the Midland Main Line have led to a welcome reduction in journey times with the publication of the winter timetable, and planned line improvements, and electrification, will result in further improvements
- E 34. In comparison, the east – west route through Leicestershire is poorly served. Despite substantial demand between Leicester and Birmingham (exceeded only by demand to London), trains are slow and overcrowded, usually being only two or three car length. Speed is restricted by poor alignment, particularly west of Nuneaton, and congestion on approaches to Birmingham. Network Rail is investing in the line east of Nuneaton to provide additional freight capacity. Further investment to accommodate trains of higher speed, capacity and quality is also warranted and would be supported by Leicestershire County Council.

E 35. Under current proposals, HS2 services to Birmingham will operate out of a new station at Curzon Street. Whilst a reasonably central location, there will be no facility for interchange between classic and high speed services. A similar situation will prevail at Birmingham Interchange where connections will only be available between high speed services. There would be considerable benefits in providing an interchange opportunity between classic and high speed services at Birmingham Interchange, either into a joint station (which would be difficult) or by providing a station nearby connected to the classic rail network. Such a facility, in conjunction with improved east – west services would offer increased benefits from HS2 to Leicestershire and eastern counties. It would also provide the opportunity for direct services on this line to The National Exhibition Centre and Birmingham International Airport.

E 36. Network Rail are currently carrying out a long term planning exercise (to 2043) examining how classic rail services need to support UK economic growth. In respect of the East Midlands, it is understood that the final outcomes of this work will be published in Spring 2015. HS2 development should take the emerging results of this work into consideration.

Existing and Future Demand for Rail Services

E 37. The MVA report also gives comparisons between rail trips to and from the East Midlands in 2010 and projections for 2043 as indicated in the table below.

Rail trips to and from the East Midlands: 2010 & 2043

	Nottingham (2 way)		Leicester (2 way)		Derby (2 way)	
	2010	2043	2010	2043	2010	2043
London	2,600	5,900	3,200	6,500	1,700	4,100
Birmingham	1,000	1,600	2,000	3,400	1,900	3,200
Sheffield	800	1,300	400	600	800	1,400
Manchester	500	800	200	300	200	300
York	60	100	40	60	100	200
Newcastle	50	80	60	50	70	100

E 38. HS2 not only provides additional capacity to cater for the projected increase in demand, it offers most passengers shorter journey times. For example, in 2043, 76% of passengers from Derby to London would transfer travel via Toton and HS2, with 83% of passengers from Nottingham so transferring. By contrast, only 7% of Leicester – London passengers would choose to travel via Toton and HS2, the remaining 93% continuing to travel via Midland Main Line (MML) services.

E 39. So passengers accessing rail services at Leicester gain very little from HS2 in terms of journeys to London and Birmingham, the predominant demand. Greater benefits will accrue from the proposed electrification and improvement of MML. However with many of the London bound passengers from Sheffield, Derby and Nottingham transferring to HS2, it is questionable whether Leicester will continue to enjoy the current quality and frequency of service to the capital. Although service patterns around 2032, when HS2 will open for traffic, are presently a matter for speculation, it will be important for the prosperity of Leicester and Leicestershire to maintain fast, frequent main line-style services to London and the County Council will need to work to ensure that this is the case.

This page is intentionally left blank

Appendix F

Impact of HS2 and mitigation required

Highways

All highway works to be designed to satisfaction of Leicestershire County Council (and Highways Agency as appropriate) in accordance with The Design Manual for Roads and Bridges unless otherwise agreed.

Location	Chainage	Impact	Mitigation required
HSL06			
Appleby Magna	10+900	Indicative proposals published indicate need for vertical and horizontal realignment of M42 junction with A444, B5493 and Rectory Lane.	
Measham	13+400 to 15+600	The proposed rail line and diversion of A42 affects woodland screening (13+800 to 14+400), crossings of Repton Road, Burton Road and New Street, and the line of the proposed canal regeneration	The canal crossings of HS2 and the re-aligned A42 should be designed to the satisfaction of LCC/NWLDC to maintain canal level throughout in accordance with the Canal and River Trust requirements for a broad canal.
Packington	16+400	A road overbridge is proposed on B4116 Measham Road	Provision for access between A42/ Willesley Park and Measham/ Packington should be maintained throughout construction
Packington	18+400	A road overbridge is proposed on Ashby Road, Packington.	Provision for access between Ashby and Packington should be maintained throughout construction
Ashby	19+250	A road overbridge is proposed on Leicester Road, Ashby	Provision for access to property off Leicester Road should be maintained throughout

			construction
Ashby	20+400	Road overbridges of the A511 and A512 are proposed requiring highway realignment	Design should allow for future economic growth at the junction and ensure the development of the Former UK Coal Lounge Disposal Point, Ashby Road access is not compromised. Highway access to be maintained throughout construction.
Worthington	23+500	A road overbridge is proposed on Melbourne Road, Newbold, requiring highway and access realignments	The indicative proposal for the realignment of the access to the HGV depot is not acceptable due to vertical and horizontal alignment deficiencies. Provision for access to property off Melbourne Road should be maintained throughout construction
Worthington	24+900	A road overbridge is proposed on Longhedge Lane, Worthington, requiring highway realignment.	Provision for access to property off Longhedge Lane should be maintained throughout construction
Worthington	25+800	A road overbridge is proposed on Breedon Lane, Worthington	Provision for access to property off Breedon Lane should be maintained throughout construction
Breedon on the Hill	26+750	A rail overbridge is proposed on Stocking Lane, Breedon on the Hill, requiring highway realignment.	Provision for access to property off Stocking Lane should be maintained throughout construction
Breedon on the Hill	27+000 to 27+400	A rail viaduct is proposed over the floodplain and A42 trunk road	Works to be designed to satisfaction of Highways Agency(M42) and Environment Agency.
Tonge	28+243	A rail overbridge is proposed on A453, Tonge.	Highway access to be maintained throughout construction

HSL09			
Diseworth	3+100	The road between Green Lane (Diseworth) and the A453 is proposed to be realigned and join A453 approx 125m south east of the existing junction. This avoids the need for separate rail crossings of Donington Road and A453	Provision for access to property off Diseworth road should be maintained throughout construction
Diseworth	3+200	A453 crosses the rail line above a section of proposed cut and cover tunnel	Highway access to be maintained throughout construction
Kegworth	7+100 to 7+ 600	The rail line crosses the line of the proposed A50 – M1 (South) link on viaduct approx. 10m above existing ground level.	Works to be designed to satisfaction of Highways Agency(A50/ M1) to improvements proposed to M1 J24 and J24a in connection the Strategic Rail Freight Interchange (or any other potential improvements) are not compromised

Public Rights of Way

Location	Chainage	Impact	Mitigation required
HSL06			
Various	8+750	The proposed route crosses Byway Q4a	Preliminary proposals of all crossing points, diversions and closure to be subject to discussions as early as practicable and then agreed with LCC to provide suitable alternatives. These will then be subject to statutory procedures
	9+400	The proposed route crosses Bridleway Q19	
	11+500	The proposed route crosses Footpath Q3	
	13+600 to 14+000	The proposed route crosses Restricted Byway and Footpath P67 and Footpath P75	
	15+500	The proposed route severs a track	
	15+700	The proposed route crosses Footpath P1	
	16+000	The proposed route crosses Bridleway P8 (Willesley	

		Woodside) and adjoining covered reservoir	
	17+000	The proposed route crosses Footpath O68	
	17+700	The proposed route crosses Bridleway O70 (Vicarage Lane)	
	18+000	The proposed route crosses Footpaths O71/O74	
	18+400 to 19+200	The proposed route crosses Bridleway P20	
	20+730	The proposed cutting crosses part of Footpath M60	
	20+900 to 21+750	The proposed route crosses Footpath M30	
	22+550	The proposed route crosses a track	
	23+150	The proposed route crosses a track	
	24+150	The proposed route crosses Footpath M56	
	25+200	The proposed route crosses Footpath M35	
	26+100	The proposed route crosses Footpath M21	
	27+500	The proposed route crosses Footpath M16	
HSL09			
Various	0+450	The proposed route crosses Footpath L96	Preliminary proposals of all crossing points, diversions and closure to be subject to discussions as early as practicable and then agreed with LCC to provide suitable alternatives. These will then be subject to statutory procedures
	0+850	The proposed route crosses Footpath L98	

	1+700	The proposed route crosses Footpath L89
	2+500	The proposed route crosses Footpath L89a
	5+250 and 5+750	The proposed route crosses Bridleway L103 and Footpath L57 in assumed extension of EMA tunnel
	8+250 and 9+050	The proposed route crosses Footpaths L60, L61 and L63 on viaduct

Planning, Development and Regeneration

Location	Chainage	Impact	Mitigation required
HSL06			
Measham	13+500 to 14+000	Traverses proposed residential development of 450 houses and associated regeneration of canal and wharf	Realignment of A42 and rail line to minimise encroachment into development site. Also provision for canal crossing of both HS2 and re-aligned A42
HSL09			
Castle Donington	3+050 to 6+800	Tunnels beneath proposed Strategic Rail Freight Interchange, emerging to cross over A453 and M1. Details of tunnel mouth and ventilation shaft(s) not known	Details of tunnel mouth and ventilation shaft locations to be agreed together with details of associated construction site, access and haul routes.

Noise and Visual Intrusion

Location	Chainage	Impact	Mitigation required
HSL06			
Appleby Parva	9+050 to 9+650	600 m embankment max height 7.8 m within 500m of Appleby Parva, 40m of Dingle Farm (at 9+150 across M42),	Soft landscaping and screening to attenuate noise and visual intrusion
Appleby Magna	10+200 to 10+600	400m embankment max height 3 m within 500m of Greycroft Farm (at 10+500) and 1000m of Appleby Magna	Soft landscaping and screening to attenuate noise and visual intrusion

Measham, Oakthorpe,	12+500 to 13+500	1000m embankment max height 19.4 m incorporating 110m bridge, 17 m high over R Mease adj Measham Westminster Industrial Park and Dyson Close, Measham	Soft landscaping and screening to attenuate noise and visual intrusion
Packington	17+700 to 18+000	300m embankment max height 3.4m incorporating 130m viaduct 6.6m high over R. Mease SCA and floodplain, within 300m of properties on Mill St, Packington(conservation area)	Soft landscaping and screening to attenuate noise and visual intrusion
Worthington	25+000 to 25+500	500 m embankment up to 7m high within 500m of village	Soft landscaping and screening to attenuate noise and visual intrusion
Breedon and Tonge	HSL06 26+600 to HSL09 0+100	1750m embankment incorporating viaduct max height 15.3 m within 800m of Breedon, 300m of Tonge and 200m of Mill House Farm (listed building)	Soft landscaping and screening to attenuate noise and visual intrusion
HSL09			
Diseworth	1+600 to 2+800	1200m embankment max height 5.3m within 200m of Woodhouse Farm, Diseworth, 450m of Wartoft Grange, Diseworth,450m of High Barn Farm	Soft landscaping and screening to attenuate noise and visual intrusion
Lockington, Kegworth	7+100 to 9+250	900m embankment/ 2250m viaduct across floodplain into Notts CC area near Ratcliffe ranging from 9m to 14m high within 400m of Lockington, 1000m of Kegworth, and 400m of Long Lane farm	Sound barrier on viaduct to attenuate noise generated from wheel/ rail interface

Existing Properties Directly Affected

Location	Chainage	Impact	Mitigation required
HSL06			
Appleby Magna	10+600	Various properties adj to M42/A444 junction to be demolished	To be agreed with owner/ occupier
Measham	12+200	Manor House Farm to be demolished	To be agreed with owner/ occupier
Measham	13+200 to 13+600	Demolition of Plastic Omnium specialist motor manufacturer supplier on Westminster Industrial Estate ; consequent direct loss to area of 425 jobs and 360 jobs elsewhere dependent on Measham operations	Realignment of A42 and rail line to minimise impact on Westminster industrial estate and/ or compensatory relocation within the area to LCC/NWLDC and owner/ occupier satisfaction
Ashby	19+300	Works and mast to be demolished	To be agreed with owner/ occupier
Worthington	25+700	Structure to be demolished	To be agreed with owner/ occupier
Breedon	26+850	Structure to be demolished	To be agreed with owner/ occupier
HSL09			
Tonge	0+700	Windy Ridge Farm to be demolished	To be agreed with owner/ occupier

Lockington	7+000	Hilton Hotel to be demolished	To be agreed with owner/ occupier
------------	-------	-------------------------------	-----------------------------------

Agriculture and Land Management

Location	Chainage	Impact	Mitigation required
Various	Throughout	Proposed rail line will create areas of land isolated between M/A42 and railway. These will require road and/ or rail crossing access points to be provided	Details of access points to be agreed with LCC/NWLDC and land owners concerned

Heritage and Conservation

Location	Chainage	Impact	Mitigation required
HSL06			
Appleby Magna	10+950	Affects setting of listed building The Old Rectory within 150m	Mitigation measures to be agreed with English Heritage, property owners, LCC and NWLDC
Measham	13+000	Affects setting of listed building Hollows Farm within 300m of R Mease viaduct	Mitigation measures to be agreed with English Heritage, property owners, LCC and NWLDC
Packington	16+200	Affects setting of listed building Park Farm within 100m	Mitigation measures to be agreed with English Heritage, property owners, LCC and NWLDC
Coleorton	21+700	Affects setting of listed building Hall Farm within 300m	Mitigation measures to be agreed with English Heritage, property owners, LCC and NWLDC
Worthington	26+000	Affects setting of listed building Mill House Farm within 200m	Mitigation measures to be agreed with English Heritage, property owners, LCC and NWLDC
HSL09			
Isley cum Langley	1+200	Affects setting of listed building Langley Priory (remains of) within 400m	Mitigation measures to be agreed with English Heritage, property owners, LCC and NWLDC
Kegworth	8+700	Affects setting of ancient settlement (scheduled monument and conservation area) within 500m	Mitigation measures to be agreed with English Heritage, property owners, LCC and NWLDC
Measham	13+000	Rail crossing of R Mease impacts on biodiversity within	Detailed design of river and flood plain

		SCA and SSSI	crossings should be developed in conjunction with Nature England and the Environment Agency, and to satisfaction of LCC/NWLDC
Various		Areas of woodland lost to road/ rail construction	Lost areas of Woodland to be replaced on a like for like, or better, basis to the satisfaction of land owners, LCC/ NWLDC on the principle of "infilling" between adjacent woodland areas.

Appendix G Response to HS2 consultation questions

The HS2 consultation documentation is available on the internet here:

http://assets.hs2.org.uk/sites/default/files/consultation_library/pdf/P2C01_Phase%20Two%20Consultation%20Document.pdf

The questions that HS2 have asked in this consultation are shown in the boxes below, numbered by roman numerals as shown in the consultation document. The County Council response given immediately below each question.

(i) Do you agree or disagree with the Government's proposed route between the West Midlands and Manchester as described in Chapter 7? This includes the proposed route alignment, the location of tunnels, ventilation shafts, cuttings, viaducts and depots as well as how the high speed line will connect to the West Coast Main Line.

A1 **Key Principles of HS2**

Leicestershire County Council recognises the need to increase capacity in the national rail network both to meet the demand for passenger and freight services and to support economic growth. The principle of providing the additional capacity requirements by constructing new links capable of accommodating high speed services between London, the Midlands and Northern England is supported. We are of the view however that a route between the West Midlands and Leeds which generally follows the A38 and M1 corridors with a station at Derby to serve the East Midlands is preferable to the proposed route via Toton. A station at Derby is more readily served by connecting public transport based on enhancements to existing bus and rail services. It would also provide better regeneration benefits to Derby and Leicester without detriment to Nottingham.

Although this remains our view, we recognise that the Secretary of State has previously rejected this option in favour of the route now proposed. Should Parliament decide to proceed with the Eastern Arm of HS2 on the basis of the current proposals with a new East Midlands Hub station at Toton, the following principles and conditions should be applied to its development to ensure that the economic potential of the scheme is realised whilst minimising the detrimental effect on local communities and the environment arising from its construction and operation.

Leicestershire County Council subscribes to and endorses the response submitted by the East Midlands Councils as agreed at the Executive Board Meeting on 6 December 2013, The papers for this meeting are on the EMC website here,

<http://www.emcouncils.gov.uk/write/Executive Board Papers - 06.12.13.pdf>
(item 6).

- (ii) Do you agree or disagree with the Government's proposals for:
- a. A Manchester station at Manchester Piccadilly as described in Chapter 7 (sections 7.8.1 – 7.8.7)?"
 - b. An additional station near Manchester Airport as described in Chapter 7 (sections 7.6.1 – 7.6.6)?"

A2. No comment.

(iii) Do you think that there should be any additional stations on the western leg between the West Midlands and Manchester?

A3. Additional Stations

The station proposed as part of Phase 1 at Birmingham Interchange is well located to serve the National Exhibition Centre (NEC), Birmingham International Rail station and Birmingham Airport as well as providing connection facilities between HS2 trains. An interchange facility with the existing Leicester - Birmingham line would extend the benefits of a station at this location to passengers travelling between points on the HS2 network and stations in south and east Leicestershire, Northamptonshire and East Anglia. This is discussed further in response to question 8.

(iv) Do you agree or disagree with the Government's proposed route between West Midlands and Leeds as described in Chapter 8? This includes the proposed route alignment, the location of tunnels, ventilation shafts, cuttings, viaducts and depots as well as how the high speed line will connect to the East Coast Main Line.

A4. Proposed route between West Midlands and Leeds

Although an alternative route via Derby as described in this response to question 1 is considered by Leicestershire County Council to be a superior option, the principle of adopting a route to follow existing transport corridors is supported. The proposed route will have a significant impact on the landscape, communities and wildlife in North West Leicestershire, not only in terms of its noise, severance and visual effect, but also during its construction. Its detailed design must be sensitive to local concerns, taking particular care to harmonise it with the landscape.

The decision to modify earlier proposals to avoid jeopardising development of the proposed inter-modal freight terminal by extending the tunnel under East Midlands Airport is strongly supported. The current proposals however continue to threaten regeneration proposals at Measham and the Lounge Disposal Point site near Ashby de la Zouch. A means of overcoming these concerns by minor refinements to the route or other protective measures should be investigated.

(v) Do you agree or disagree with the Government's proposals for:

- a. A Leeds station at Leeds New Lane as described in Chapter 8 (sections 8.8.1 – 8.8.5)?
- b. A South Yorkshire station to be located at Sheffield Meadowhall as described in Chapter 8 (sections 8.5.1 – 8.5.8)?
- c. An East Midlands station to be located at Toton as described in Chapter 8 (sections 8.3.1 – 8.3.6)?

A5(a) No comment

A5(b) No comment

A5(c) Analysis undertaken by HS2 indicates that a Hub Station Toton provides greater economic benefits to the East Midlands region than any single city centre location. Certainly a station in the vicinity of the convergence of existing rail links to Derby, Leicester and Nottingham is a logical choice for the route as proposed. Effective direct heavy rail access to the city centre stations at Derby, Leicester and Nottingham is however vital to the economy of these commercial centres. It is noted that the location at Toton is not on any existing passenger line and uncertainty remains as to how HS2 and classic rail services will co exist in the area. A number of options for providing interconnectivity at Toton between HS2 and the existing rail network have been identified in studies by Ove Arup & Partners on behalf of EMC, and by Network Rail. These studies should continue with the objective of ensuring that the potential benefits to the region of HS2 can be fully realised whilst improving the levels of service currently provided on the existing network.

However good the rail connections to Toton (and they should be of the highest quality), many passengers will access Toton by road, either by choice or necessity. Road networks in the area can be anticipated to come under heavy pressure, not only in the immediate vicinity of Toton, but over a wide area from passengers attracted by the faster journey times to destinations currently beyond reach. It is important that the resources and expertise of the region's highway authorities are harnessed to investigate identify and address the implications arising from HS2 on the highway network.

(vi) Do you think that there should be any additional stations on the eastern leg between the West Midlands and Leeds?

A6. No comment.

(vii) Please let us know your comments on the Appraisal of Sustainability (as reported in the Sustainability Statement) of the Government's proposed Phase Two route, including the alternatives to the proposed route as described in Chapter 9.

A7. Comments on the Appraisal of Sustainability

The AoS has been primarily used to inform consideration of alternative lines of routes and sites for stations and depots. As such it is broad in scope and detail, appropriate for its purpose. In relation to the length within Leicestershire (HSL06/09), the AoS cites its potential noise, visual and ecological impact (in

general terms) on the River Mease European Protected Habitat, residents at Measham, the course of Gilwiskaw Brook at Packington, and landscape setting in the vicinity of Breedon on the Hill and Tonge. These have been considered in relation to the initially preferred route in the light of information made available to the County Council and are commented on in the detailed response which follows. The County and District Councils should be invited to participate in developing and discussing more detailed information and analysis as the project progresses, including consideration of any alternatives to the proposed route

(viii) Please let us know your comments on how the capacity that would be freed up on the existing rail network by the introduction of the proposed Phase Two route could be used as described in Chapter 10?

A8. Approach to released (freed up) capacity

In conjunction with HS2 Ltd, Network Rail is exploring options for the future use of the existing rail network to take full advantage of the capacity released by the new lines. Their report, "Better Connections" describes the three broad approaches which they conclude could be taken to determine how services should be run on the existing network and HS2:

- i) Do Minimum
- ii) Incremental Approach
- iii) Integrated Connectivity Approach

Whilst the Integrated Connectivity Approach might be intuitively attractive, it is conditional on several elements relating to availability and quality of connecting services. It is suggested that deficiencies in any of these could seriously undermine the quality of service offered to Leicestershire. The need for most journeys to require at least one change of train, however simple is generally unappealing, and particularly so to the elderly and infirm. The Incremental Approach would appear to offer passengers a wider choice and would enable a more gradual transition between existing and potential service patterns to emerge.

The need to improve the existing local rail network

Whilst providing opportunities for new and additional services on the existing network, HS2 does not of itself offer any proposals for improvements to the quality of those services. Recent improvements to MML have led to a welcome reduction in journey times with the publication of the winter timetable, and the planned electrification will result in further improvements

In comparison, the east – west route through Leicestershire is poorly served. Despite substantial demand between Leicester and Birmingham (exceeded only by demand to London), trains are slow and overcrowded, usually being only two or three car length. Speed is restricted by poor alignment, particularly west of Nuneaton, and congestion on approaches to Birmingham. Network Rail

is investing in the line east of Nuneaton to provide additional freight capacity. Further investment to accommodate trains of higher speed, capacity and quality is also warranted.

Under current proposals, HS2 services to Birmingham will operate out of a new station at Curzon Street. Whilst a reasonably central location, there will be no facility for interchange between classic and high speed services. A similar situation will prevail at Birmingham Interchange where connections will only be available between high speed services. There would be considerable benefits in providing an interchange opportunity between classic and high speed services at Birmingham Interchange, either into a joint station (which would be difficult) or by providing a station nearby connected to the classic rail network. Such a facility, in conjunction with improved east – west services would offer increased benefits from HS2 to Leicestershire and eastern counties. It would also provide the opportunity for direct services on this line to The National Exhibition Centre and Birmingham International Airport.

(ix) Please let us know your comments on the introduction of other utilities along the proposed Phase Two line of route as described in Chapter 11?

A9. Introduction of other utilities adjacent to the proposed HS2 corridor

The County Council agrees that new utilities should be installed as appropriate along the HS2 corridor. However, the County does not have a specific view on this matter.

However, with predicted economic growth in Leicestershire, it is expected that there will be additional pressures on key highway network junctions in the medium term. Though specific improvements have yet to be identified, the County Council would welcome engagement with HS2 at the appropriate time to ensure that these future improvements are compatible with HS2 infrastructure works, and that the HS2 proposals do not frustrate adjacent development. In order to mitigate this potential conflict, the County Council would wish to seek early funding of HS2 infrastructure, related junction improvements and installation of utilities as appropriate, including advance works for routes to be used by HS2 construction traffic.

This page is intentionally left blank



CABINET – 15 JANUARY 2014

**ARRANGEMENT FOR THE AUTHORISING OF PATIENT GROUP
DIRECTIONS FOR THE USE OF AZITHROMYCIN IN CHLAMYDIA
SCREENING – URGENT ACTION BY THE CHIEF EXECUTIVE**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to inform the Cabinet of the urgent action taken by the Chief Executive, following consultation with the Leader, to delegate authority to allow the Director of Public Health to authorise the Patient Group Directions (PGDs) for the use of Azithromycin in Chlamydia screening.

Recommendations

2. It is recommended that the urgent action taken by the Chief Executive, as now reported, be noted.

Reasons for Recommendations

3. The County Council's General Scheme of Delegation requires that any urgent action taken by the Chief Executive between meetings is reported to the next appropriate meeting of the body concerned.

Timetable for Decisions (including Scrutiny)

4. Consideration is currently being given to the establishment of a scheme of delegation to the Director of Public Health, similar to those of other Chief Officers, to avoid the need for various operational and technical decisions to be taken by the Cabinet itself. It is hoped that such a scheme will be available for consideration at the Cabinet's next meeting.
5. In this particular case an urgent decision was required which could not be left until such a scheme has been prepared and, indeed, could not await this meeting of the Cabinet.

Policy Framework and Previous Decisions

6. Local Authorities acquired new statutory responsibilities on 1st April 2013 under the Health and Social Care Act 2012 to carry out public health functions.
7. The County Council, through the Director of Public Health, commissions Chlamydia screening for its population. Screening (via urine sampling) is carried out in a variety of settings including in primary care. People who test positive i.e. have evidence of Chlamydia infection are recommended to take a course of antibiotics (Azithromycin). When screening takes place in GP practices, a PGD has been developed to enable practice nurses to supply Azithromycin to those patients who test positive.

Resource Implications

8. The County Council commissions both Chlamydia screening and integrated sexual health services in Leicestershire. Delayed treatment of patients who are Chlamydia positive could potentially be more expensive in the longer term due to the subsequent need to treat more severe disease and due to the increased risk of spread of untreated infection.
9. The Director of Corporate Resources has been consulted on the resource implications of this report.

Circulation under Local Issues Alert Procedure

None.

Officers to contact

John Sinnott
Tel. 0116 305 6000

Chief Executive
Email: john.sinnott@leics.gov.uk

Mike Sandys
Tel: 0116 305 4239

Interim Director of Public Health
Email: Mike.sandys@leics.gov.uk

PART B

Background

10. Patient Group Directions (PGDs) are documents permitting the supply of prescription-only medicines (POMs) to groups of patients, without individual prescriptions. In practice this means that a PGD, signed by a doctor and agreed by a pharmacist, can act as a direction to a nurse to supply and/or administer prescription-only medicines to patients using their own assessment of patient need, without necessarily referring back to a doctor for an individual prescription.
11. The County Council is now responsible for commissioning Chlamydia screening for its population. Screening (via urine sampling) is carried out in a variety of settings including in primary care. People who test positive i.e. have evidence of Chlamydia infection are recommended to take a course of antibiotics (Azithromycin). When screening takes place in GP practices, a PGD has been developed to enable practice nurses to quickly supply Azithromycin to those patients who test positive.

Ratification of PGDs for Azithromycin:

12. PGDs must be reviewed periodically and the local PGD for Azithromycin which was originally developed by Leicestershire and Rutland Primary Care Trust has now passed the point where it needs to be reviewed and re-ratified. PGDs must be developed and signed by a suitably trained doctor and pharmacist. The County Council does not employ any pharmacists. Both local Clinical Commissioning Groups (West Leicestershire and East Leicestershire and Rutland) have developed and signed a new PGD for Azithromycin in line with NICE guidelines. As commissioner, the County Council's Director of Public Health (DPH) (or clinical governance lead) is legally able to counter sign this PGD in order for Azithromycin to be used in GP practices in Leicestershire for patients who test positive for Chlamydia.
13. There was a degree of urgency in authorising the delegation of this responsibility. Until there was a current PGD in place, practice nurses were unable to use this PGD. This could have led to a delay in commencing curative treatment (and a real risk of non-treatment) because of significant geographical, time and cost barriers. This could have had clinical consequences in terms of spread of infection and other complications from sub-optimal treatment e.g. subsequent infertility.
14. The Cabinet has yet to determine a scheme of delegation to the Director of Public Health. Until that is done matters such as this will have to be determined by the Cabinet itself. However, in this particular case it was considered that the matter was so urgent it could not await the next meeting and the decision was therefore taken by the Chief Executive under the powers he has to take decisions on matters of urgency between meetings.

Background Papers

15. None.

Relevant Impact Assessments**Equal Opportunities Implications**

16. The action taken is aimed at providing appropriate services to the diverse communities across the City, County and Rutland. Evidence shows that individuals from socially excluded backgrounds are more at risk of developing Chlamydia infection and are at more likely to be disadvantaged by delays in treatment.