Meeting:	**Cabinet**
Date/Time:	**Friday, 15 September 2017 at 11.00 am**
Location:	**Sparkenhoe Committee Room, County Hall, Glenfield**
Contact:	**Mr. M. Hand (Tel. 0116 305 6038)**
Email:	**matthew.hand@leics.gov.uk**

Membership

Mr. N. J. Rushton CC (Chairman)

Mr. R. Blunt CC
Mr. I. D. Ould CC
Mr. B. L. Pain CC
Mrs. P. Posnett CC
Mr. J. B. Rhodes CC
Mr. R. J. Shepherd CC
Mr. E. F. White CC

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

The appendices for the agenda items have been circulated separately to members and can be viewed on the County Council's website, at http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4863&Ver=4 A copy can also be obtained by contacting the committee officer.

AGENDA

Item		Report by	
1.	Minutes of the meeting held on 23 June 2017.		(Pages 5 - 18)
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.	2017/18 Medium Term Financial Strategy Monitoring (Period 4) and Investment Proposals.	Director of Corporate Resources	(Pages 19 - 28)
5.	Medium Term Financial Strategy Update.	Director of Corporate Resources	(Pages 29 - 34)
6.	Draft Corporate Asset Investment Fund Strategy 2017/18.	Director of Corporate Resources	(Pages 35 - 44)
7.	Funding Requirements to Deliver the Ofsted Continuous Improvement Plan	Director of Children and Family Services	(Pages 45 - 50)
8.	Proposals to Consult on Removal (Closure) of Residential Facilities at Maplewell Hall Special School	Director of Children and Family Services	(Pages 51 - 56)
9.	Leicestershire and Rutland Local Safeguarding Children Board and Safeguarding Adult Board Annual Reports 2016/2017.	Independent Chair of the Safeguarding Boards	(Pages 57 - 62)
10.	Special Educational Needs and Mainstream Home to School Transport Policies - Approval to Consult.	Director of Environment and Transport	(Pages 63 - 72)
11.	LTP3 Hinckley Area Project Phase Zone 4 - Proposed Transport Improvements.	Director of Environment and Transport	(Pages 73 - 78)
12.	Highway Infrastructure Asset Management Plan.	Director of Environment and Transport	(Pages 79 - 88)
13.	Permit Scheme for Street Works and Road Works.	Director of Environment and Transport	(Pages 89 - 96)
14.	Progress with the Implementation of the Communities and Wellbeing Strategy 2016-2020.	Director of Adults and Communities	(Pages 97 - 108)
15.	Delayed Transfers of Care.	Director of Health and Care Integration and Director of Adults and Communities	(Pages 109 - 120)
16.	Leicestershire Minerals and Waste Local Plan Proposed Changes and Future Programme.	Chief Executive	(Pages 121 - 126)
17.	Melton Local Plan - Addendum of Focused Changes Consultation Response.	Chief Executive	(Pages 127 - 138)

18.	Local Code of Corporate Governance.	Director of Corporate Resources and Chief Executive	(Pages 139 - 142)
19.	Items referred from Overview and Scrutiny.		
20.	Any other items which the Chairman has decided to take as urgent.		

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Leicestershire County Council

Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Friday, 23 June 2017.

PRESENT

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

Mr. R. Blunt CC	Mr. R. J. Shepherd CC
Mr. J. B. Rhodes CC	Mr. E. F. White CC

Apologies

Mr. I. D. Ould CC, Mr. B. L. Pain CC and Mrs. P. Posnett CC

In attendance

Dr. R. K. Feltham CC, Mr. T. J. Pendleton CC, Mrs. C. M. Radford CC, Mrs R. Page CC, Mr. S. J. Galton CC, Mr. S. D. Sheahan CC.

1. Minutes of the previous meeting.

The minutes of the meeting held on 10 March 2017 were taken as read, confirmed and signed.

2. Urgent items.

There were no urgent items for consideration.

3. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mr. Rushton CC, Mr. Blunt CC, Mr. Rhodes CC and Mr. Shepherd CC declared a personal interest in agenda item 6 (District Council Collection of Council Tax) as members of district councils.

4. 2016/17 Provisional Revenue and Capital Outturn.

The Cabinet considered a report of the Director of Corporate Resources concerning the provisional revenue and capital outturn for 2016/17 and sought the Cabinet's approval for additional commitments and carry forwards. A copy of the report, marked '4', is filed with these minutes.

Mr. Rhodes CC said that the County Council had made significant progress in achieving required savings during the past year, some of which had been delivered early, and that investment in capital projects had continued, although such funding would likely reduce in future years as financial pressures increased.

RESOLVED:

(a) That the 2016/17 provisional revenue and capital outturn be noted;

(b) That the additional commitments set out in paragraph 54 of the report and the carry forward requests detailed in Appendix B, be approved;

(c) That the revisions to the 2017/18 budget, as set out in paragraph 55, be approved;

(d) That the prudential indicators for 2016/17, as shown in Appendix F, be noted.

(KEY DECISION)

REASON FOR DECISION:

To inform the Cabinet of the provisional revenue and capital outturn for 2016/17, to set aside funding for additional commitments, to approve carry forwards into later years and to make revisions to the 2017/18 revenue budget.

5. Annual Treasury Management Report 2016/17.

The Cabinet considered a report of the Director of Corporate Resources regarding the action taken and the performance achieved in respect of the treasury management activities of the Council in 2016/17. A copy of the report, marked ‘5’, is filed with these minutes.

Mr. Rhodes CC said that despite low interest rates the Council’s investments had performed well. However, such rates had had a detrimental effect on the level of external debt held by the Authority, which had increased and was likely to continue to do so. He said this was disappointing, although unavoidable in the short term, and the position would be monitored with a view to repaying this debt when it became due.

Mr. Rushton CC thanked officers for their hard work in ensuring that the Council’s loan portfolio outperformed expectations during a period of low interest rates, which was difficult.

RESOLVED:

That the report be noted.

REASON FOR DECISION:

The Authority’s full adoption of the CIPFA Code of Practice for treasury management requires an annual performance report for 2016/17 to be considered by both the Cabinet and the Corporate Governance Committee before the end of September 2017.

6. District Council Collection of Council Tax.

The Cabinet considered a report of the Director of Corporate Resources regarding the council tax collection performance of Leicestershire District Councils compared to other county areas and proposals to conduct a review of their collection and forecasting processes with the aim of improving these from 2018 onwards for the benefit of all authorities. A copy of the report, marked ‘6’, is filed with these minutes.

Mr. Rushton CC asked members to note that a letter had been received from the Leader of Blaby District Council regarding the report.

Members noted that District Council Treasurers had so far rejected the need for the proposed review and considered that this was not necessary on the basis that collection performance was already good.

Mr. Rhodes CC said that the comparisons made with other county areas suggested this was not the case and that there was room for improvement. He hoped that the authorities could work together and said that they should all aspire to be amongst the best, particularly given the extra potential income this could generate.

Mr. Rushton CC sought and the Director confirmed that the County Council had offered to pay for the review, and that the review could be extended to consider the potential cost benefits of appointing a single collection authority which might also ensure a more consistent approach.

RESOLVED:

(a) That it be noted that the County Council’s most significant income stream is council tax and, in the light of increased financial pressures, the need for the County Council to maximise this income to support the future provision of services in the area and reduce the need for savings;

(b) That it be noted that District Councils’ collection of council tax is below the national average for county areas and that their forecasting has also been poor;

(c) That a review of District Councils’ council tax collection and forecasting processes is necessary as soon as possible, and that this matter be brought to the attention of District Council Leaders requesting the full co-operation of their Councils in the review.

REASON FOR DECISION:

To enable the County Council to maximise the income it receives in council tax and, in the process, minimise the number of Leicestershire residents who avoid paying their fair share of council tax.

7. Highway Asset Management Policy and Highway Asset Management Strategy Review.

The Cabinet considered a report of the Director of Environment and Transport which set out the results of the consultation undertaken on the draft Highway Asset Management Policy and Strategy, the final versions of which were attached to the report for approval. A copy of the report, marked ‘7’, is filed with these minutes.

Members noted the comments received from Mr. G. A. Boulter CC on behalf of the Liberal Democrat Group, a copy of which is filed with these minutes.

The Director reported that the Environment and Transport Overview and Scrutiny Committee had considered the proposed Policy and Strategy in December 2016 during the consultation period and not at its meeting on 22 June as stated in the report. He confirmed that the Committee’s comments had been taken on board when finalising the documents now presented for approval.

Mr. Rushton CC said that both documents clearly set out what would now be the Council’s approach to highway asset management, taking account of ongoing financial pressures and the reduced resources that would be available in the future.

RESOLVED:

(a) That the outcome of the consultation be noted;

(b) That the Highway Asset Management Policy (Appendix A) and the Highway Asset Management Strategy (Appendix B) be approved;

(c) That the Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised to make minor amendments to the Highway Asset Management Policy and Highway Asset Management Strategy as he considers to be necessary to ensure that they remain current and conform to legislation;

(d) That it be noted that a Highway Infrastructure Asset Management Plan will be developed to support the principles of the Highway Asset Management Policy and Strategy, replacing the existing Transport Asset Management Plan, and that this will be submitted to the Cabinet in Autumn 2017.

(KEY DECISION)

REASONS FOR DECISION:

To approve the Highway Asset Management Policy and Strategy, which are key requirements to enable the County Council to maximise its funding allocation from the Government.

To support the delivery of a service that is aligned to the Medium Term Financial Strategy (MTFS) and to ensure that the Council as Highway Authority continues to meet its statutory duties under the Highways Act 1980.

The Highway Asset Management Policy and the Highway Asset Management Strategy may need to be modified slightly should circumstances change, for example, to respond to legislation or new opportunities. Significant changes would submitted to the Cabinet for approval.

8. <u>Future of Highway Forums.</u>

The Cabinet considered a report of the Director of Environment and Transport regarding proposals to disband Highway Forums and the introduction of a new approach for managing petitions. A copy of the report, marked ‘8’, is filed with these minutes.

Mr. Rushton CC said that the operation of Highway Forums had been superseded by technology and agreed that there were now more efficient methods of sharing information with local members and the public on highway matters. Mr. Rhodes CC confirmed that the proposed way forward was both pragmatic and sensible given the resources currently expended on running evening forum meetings.

RESOLVED:

(a) That Highway Forums be disbanded;

(b) That the proposed approach for managing petitions be approved for further consideration by the Constitution Committee.

REASONS FOR DECISION:

The role of Highway Forums has changed since their inception. In the context of continued budget reductions and opportunities arising from digital technologies, Highway Forums are no longer sustainable. It is also intended to give greater recognition to the role of the local division member in dealing with highway concerns and complaints. For example, by setting up a dedicated email contact for members directly to the Customer Service Centre and for those contacts to be prioritised.

9. County Council Strategic Plan and Single Outcomes Framework.

The Cabinet considered a report of the Chief Executive regarding proposals to undertaken a consultation on the five priority outcomes to be included in the Council's revised Strategic Plan which would form part of a Single Outcomes Framework and would ensure a more joined-up approach to service delivery was adopted across the Council. A copy of the report, marked '9', is filed with these minutes.

The Director confirmed that the Scrutiny Commission would consider the proposed priority outcomes identified at its meeting on 19th July.

Mr. Rushton CC supported the outcomes identified and agreed that the proposed approach would help ensure that services and resources were more targeted and responsive to the needs of the community.

RESOLVED:

(a) That the five priority outcomes for inclusion in the County Council's Strategic Plan and Single Outcomes Framework be approved;

(b) That the proposals for stakeholder engagement and the timeline for finalising the Strategic Plan be approved.

(KEY DECISION)

REASONS FOR DECISION:

To enable engagement with key partners and stakeholders on the Single Outcomes Framework, comprising five high-level priority outcomes, to be included in the Strategic Plan. The establishment of a Single Outcomes Framework will set clear priorities for the Council in a form which will facilitate effective outcome-based commissioning aligned to the Medium Term Financial Strategy. This approach will put outcomes for people first, support integration across the Council's services and make better use of the total resources available to the Council.

10. <u>Better Care Fund Plan 2017/18 - 2018/19.</u>

The Cabinet considered a joint report of the Director of Health and Care Integration and the Director of Adults and Communities concerning the preparation and submission of Leicestershire's Better Care Fund (BCF) Plan for 2017/18 – 2018/19 and the inclusion of additional resources allocated for adult social care as announced by the Government in March 2017. A copy of the report, marked '10', is filed with these minutes.

Mr. White CC said that good progress had been made in Leicestershire and integration with partners was improving, as they worked together towards the same objectives. He said the key area of challenge would be delayed transfers of care, an ongoing issue across the county, and that investment had been specifically targeted to address this in Leicestershire through the BCF.

RESOLVED:

(a) That the preparations and governance arrangements for the submission of Leicestershire's Better Care Fund (BCF) Plan for 2017/18-2018/19 to NHS England be noted;

(b) That with regard to the additional adult social care grant allocation of £19.7m announced by the Government in the Spring Budget:

  (i) it be noted that this funding is allocated to the County Council for the purposes indicated in the grant conditions, but will be incorporated into the BCF Plan as required by the BCF Policy Framework;

  (ii) the agreement reached with NHS partners on the spending of the grant be welcomed; and

  (iii) the impact of additional grant on the BCF pooled budget from April 2017 be noted;

(c) That it be noted that the draft BCF Expenditure Plan attached as Appendix A to the report will be submitted to the Health and Wellbeing Board on 22 June 2017 for approval;

(d) That the timescale for updating the rolling BCF Section 75 Agreement and associated governance arrangements be noted;

(e) That the County Council's Medium Term Financial Strategy 2017/18-2020/21 be updated to reflect the additional adult social care grant allocation.

(KEY DECISION)

REASONS FOR DECISION:

The National BCF assurance process requires all local areas to refresh BCF plans in partnership and in line with the BCF Policy Framework and Technical Guidance.

BCF Plans require approval from the local Health and Wellbeing Board prior to submission to NHS England.

Due to the timing of the Chancellor's March budget statement, the additional £19.7m funding announced and allocated to the County Council for adult social care purposes could not be incorporated within the Medium Term Financial Strategy for 2017/18 – 2020/21.

11. Leicestershire Adult Social Care Accommodation Strategy for Older People 2016 to 2026 - Update on Extra Care Developments in Leicestershire.

The Cabinet considered a joint report of the Director of Adults and Communities and the Director of Corporate Resources regarding the implementation of the Leicestershire Adult Social Care Accommodation Strategy for Older People 2016-2026, the proposed approach for the procurement of county wide extra care support services, and proposals to dispose of the Catherine Dalley House and Silverdale Hostel site and the inclusion of the capital receipts from this sale within the Council's capital programme. A copy of the report, marked '11', is filed with these minutes.

Mr. Blunt CC said that the overarching aim was to prevent and delay residents needing to access residential care, ensuring that they were able to maintain their independence for as long as possible, and the provision of extra care support services was one of the ways of achieving this. Resources needed to be allocated appropriately to support this, acknowledging the market for private extra care schemes at the current time.

RESOLVED:

(a) That progress with the implementation of the Leicestershire Adult Social Care Accommodation Strategy for Older People 2016-2026 be noted;

(b) That the development of the Waterside Court extra care facility in Loughborough and the proposed procurement of care contracts for Waterside Court up to November 2018 be noted;

(c) That the proposed approach to procuring countywide extra care services from November 2018 as set out in paragraphs 33 and 34 of the report be noted;

(d) That the outcome of the market testing exercise undertaken for the Catherine Dalley House and Silverdale Hostel site be noted;

(e) That the sale of the Catherine Dalley House and Silverdale Hostel site be approved and the proceeds from the sale be added to the general capital receipts for use in the Council's capital programme;

(f) That a further report be presented to the Cabinet within the next 12 months outlining the requirements for extra care provision in Leicestershire and detailing plans for its prioritisation within the Council's future capital programme.

REASONS FOR DECISION:

The Leicestershire Adult Social Care Accommodation Strategy for Older People 2016-2026 (the Accommodation Strategy) and associated delivery plan provides the Council with agreed priorities in relation to accommodation for older people over the next 10 years. Although adult social care does not directly provide accommodation, the Strategy has been developed to fulfil statutory duties relating to the Care Act, meet efficiency targets and provide a basis for planning, partnership working and commissioning, in accordance with the overarching Adult Social Care Strategy to prevent, reduce, delay and meet a person's need for services.

The Catherine Dalley House and Silverdale Hostel site has been held vacant pending the finalisation of both the Accommodation Strategy and the outcome of a market testing exercise on how to make best use of the site as a potential extra care development.

The results of market testing indicated that extra care providers would not favour a mixed tenure scheme and providers indicated they would not wish to enter into a scheme until the Government had made a definite decision regarding the introduction of Local Housing Allowance rent cap and the revenue funding of schemes.

Given the results of the market testing, it is recommended that the whole site be disposed of as soon as possible on the basis of inviting offers for either extra care or residential use (subject to planning).
The Cabinet has previously agreed that the proceeds of the sale of elderly persons homes, including Catherine Dalley House, be earmarked for the development of extra care, but at present there are no formal plans to develop an extra care facility. Given the uncertainty about the future provision of revenue support for residents following the Government's consultation on funding reform for supported accommodation, it is proposed that the capital receipt from the sale of the Catherine Dalley House and Silverdale Hostel site be un-ring-fenced. When the requirements for extra care provision in Leicestershire can be confirmed resources will be prioritised within the Council's capital programme.

12. Superfast Leicestershire Programme Extension.

The Cabinet considered a report of the Chief Executive which set out proposals to implement a new Phase 3 of the Superfast Leicestershire Programme aimed at facilitating the delivery of superfast broadband access to the final 3% of properties in the County. A copy of the report, marked '12', is filed with these minutes.

Members noted that a value for money exercise would be undertaken and whilst it was unlikely that all of the remaining 13,000 properties would benefit from the scheme, implementing Phase 3 would enable all options to be considered with partners and other organisations to ensure this was taken as far as possible within the resources available.

Mr. Rushton CC gave his full support to the proposals and said that access to superfast broadband was vital for the future of the area and its residents.

RESOLVED:

(a) That the implementation of Phase 3 of the Superfast Leicestershire Programme for broadband extension, with a total value of £5.633m, be approved subject to satisfactory value-for-money assessments before and following the procurement process;

(b) That the County Council underwrites £2.461m of the future contractual gainshare clawback funding and underspend expected to be released to the Authority in 2023 by BT;

(c) That the Chief Executive, following consultation with the Leader of the County Council and the Director of Law and Governance, be authorised to take all actions and/or decisions necessary to give effect to any matter relating to Phase 3 of the Superfast Leicestershire Programme;

(d) That it be noted that:

(i) the district councils will be offered the opportunity to invest in the Phase 3 extension Programme;

(ii) OJEU (Official Journal of the European Union) procurement processes will be used in accordance with the Broadband Delivery UK (BDUK) 2016/2017 Procurement Pipeline.

(KEY DECISION)

REASONS FOR DECISION:

The County Council has prioritised the continued expansion of superfast broadband provision in rural areas, including within its Strategic Plan and Medium Term Financial Strategy.

The proposal to underwrite £2.461m of the future contractual gainshare clawback will stimulate the market and improve the prospect of bids being received for the rollout of superfast broadband to the final 3% of the County which would otherwise remain with access to only slow broadband speeds.

Delegated authority to the Chief Executive will facilitate the timely and effective procurement and delivery of Phase 3 of the Programme.

13. Energy-Efficient Public Sector Estate.

The Cabinet considered a report of the Director of Corporate Resources seeking approval for the implementation of the Energy Efficient Public Sector Estate project to support energy efficiency for the Public Sector in the Midlands. A copy of the report, marked ‘13’, is filed with these minutes.

Mr. Rhodes CC said that the Council had done very well in reducing its own energy costs and carbon emissions, and that the project would enable it to share its experience and expertise in this area with other public sector organisations whilst generating a moderate income for the Authority.

RESOLVED:

(a) That the Energy Efficient Public Sector Estate project be approved for delivery;

(b) That the Director of Corporate Resources be authorised to release funding to facilitate the Project.

REASONS FOR DECISION:

To enable delivery of the Energy Efficient Public Sector Estate project.

14. Charter for Sustainable British Steel.

The Cabinet considered a report of the Chief Executive concerning the Charter for Sustainable British Steel and which sought approval to register the Council's support to the Charter and include its requirements in the Council's procurement of future construction and highway contracts where appropriate. A copy of the report, marked '14', is filed with these minutes.

Mr. Rushton CC said that he was happy to receive the representations made by the Leader for North Lincolnshire Council and to support the Charter.

RESOLVED:

(a) That the Council's implementation of the recommendations of the Procurement Policy Note 11/16 – Procuring Steel in Major Projects, whereby the Council includes questions on the use of steel (where appropriate) at the selection stage of a procurement process, be noted;

(b) That the Cabinet supports the objectives of the Charter for Sustainable British Steel;

(c) That the Council includes the requirements of the Charter in its procurement of future construction and highways contracts (where appropriate) and in compliance with the Public Contracts Regulations 2015.

REASONS FOR DECISION:

The Council had been approached by North Lincolnshire Council to pledge its support to the Charter. The Charter has been developed by the UK Steel Trade Association, EEF Limited, to support the responsible sourcing of steel reinforcement in accordance with the Framework Standard for Responsible Sourcing (BES 6001), which is recognised by the Building Research Establishment (BRE) and which aims to ensure steel and other construction materials are sustainably sourced.

15. Enforcement Programme for Underage Sales of Tobacco Products and Aerosol Paint Products 2017/18.

The Cabinet considered a report by the Chief Executive seeking approval of the proposed enforcement programmes for underage sales of tobacco products and aerosol paint products for 2017/18. A copy of the report, marked '15', is filed with these notes.

RESOLVED:

That the 2017/18 Enforcement Programmes for Underage Sales of Tobacco Products and Aerosol Paint Products set out in Appendices A and B of the report respectively be approved.

REASONS FOR DECISION:

To enable the County Council to meet its statutory obligation under Section 5(1) of the Children and Young Persons (Protection from Tobacco) Act 1991 (as amended) and Section 54A of the Anti-Social Behaviour Act 2003.

16. Re-procurement of Integrated Sexual Health Services.

The Cabinet considered a report of the Director of Public Health seeking approval to consult on a new proposed model for integrated sexual health services to be commissioned across Leicester, Leicestershire and Rutland. A copy of the report, marked ‘16’, is filed with these minutes.

Mr. White CC said that this was an important service and it was vital that this continued to be easily accessible. He considered that remodelling the service was sensible and he was confident that the Council with its partners could provide a better service at a reduced cost.

RESOLVED:

(a) That the draft model for the delivery of integrated sexual health services, based on the priorities of the Leicestershire Sexual Health Strategy 2016/19, be agreed for consultation;

(b) That a further report be submitted to the Cabinet in November 2017 regarding the outcome of the consultation exercise and presenting the final service model for approval.

(KEY DECISION)

REASONS FOR DECISION:

Upper tier local authorities have a statutory responsibility to provide a comprehensive open access sexual health service.

The current integrated sexual health service contract commissioned by Leicestershire County Council, Rutland Council and Leicester City Council ends on 31 December 2018.

Following a review of the current service model, a revised delivery model is proposed across Leicestershire, Leicester and Rutland, which will provide a more targeted approach, meeting the needs of each area under one integrated service. This will make greater use of online services and other schemes, such as self-sampling test kits for sexually transmitted infections and HIV, and improve access to free condoms and sexual health advice and information. The model will continue to provide a combined integrated service with appropriate variation to meet the needs of each local authority population.

17. Exception to the Contract Procedure Rules for a Contract for the Provision of 16 - 19 Careers Information Advice and Guidance with Prospects - Urgent Action taken by the Chief Executive.

The Cabinet considered a report of the Director of Children and Family Services which set out urgent action taken by the Chief Executive to approve an exception to the County Council’s Contract Procedure Rules to enable the award of a new short-term contract to Prospects for careers information, advice and guidance services for 16 to 19 year olds. A copy of the report, marked ‘17’, is filed with these minutes.

RESOLVED:

That the Cabinet notes the urgent action taken by the Chief Executive to approve an exception to the County Council's Contract Procedure Rules to enable the Director of Children and Family Services to negotiate and award a new short-term contract to Prospects for the provision of careers information, advice and guidance (IAG) for 16 to 19 year olds from 1 October 2017 to 31 July 2018.

REASONS FOR DECISION:

The budget for IAG services will reduce from October 2017 and a new service specification needs to be developed for procurement in 2018. The award of a new short-term contract to Prospects (which has successfully delivered IAG services since October 2012) will allow time to do this. As the budget reduction will affect Prospects swift negotiations were necessary to enable a new short-term contract to be awarded in time.

The County Council's Contract Procedure Rules (Rule 6 (b) (ii)), in cases of urgency, provide that the Chief Executive, following consultation with the Leader or Deputy Leader, can direct that an exception be made subject to this being reported to the next meeting of the Cabinet. Urgent action was therefore taken by the Chief Executive in March 2017 to enable the negotiations to take place.

18. <u>Place Marketing Organisation - Governance Proposals.</u>

The Cabinet considered a report of the Chief Executive regarding the proposed governance arrangements, Members' Agreement and Articles of Association for the new Place Marketing Organisation and the proposed appointments to the Company's Board of Directors. A copy of the report, marked '18', is filed with these minutes.

Mr. Rushton CC welcomed the progress being made on this project and the joint work being undertaken by the County and City Councils.

RESOLVED:

(a) That with regard to the new place marketing organisation (PMO) "Marketing Leicester and Leicestershire Limited", the governance arrangements outlined in paragraphs 20 to 27 of the report, the Members' Agreement (Appendix A), and the Articles of Association (Appendix B) be approved;

(b) That the proposed appointments to the PMO's Board of Directors as set out in paragraphs 22 and 23 of the report, be approved;

(c) That the Chief Executive, following consultation with the Leader of the Council, be authorised to approve the final version of Schedule 2 and the Appendix of the Members' Agreement, which will be finalised following further discussions with Leicester City Council and prior to the formation of the PMO.

REASONS FOR DECISION:

Prior to the establishment of the PMO company as agreed by the Cabinet in November 2016, the governance arrangements and supporting company documents (i.e. the Members' Agreement and the Articles of Association) must be agreed by both the County and City Councils.

19. Future Strategy for the Delivery of Library Services - Transfer of Braunstone Town Library to Community Management.

The Cabinet considered a report of the Director of Adults and Communities concerning minor changes to arrangements for the transfer of Braunstone Town Library to community management. A copy of the report, marked '19', is filed with these minutes.

Members noted the comments received from the local member, Mrs A. Hack CC, a copy of which is filed with these minutes.

Mr. Rhodes CC said that he had sympathy for the comments made by Mrs Hack, but that each library transfer had been complex with a number of difficulties that needed to be overcome and Braunstone Town library had been no exception. The programme overall had, however, been very successful and he thanked officers for their hard work.

RESOLVED:

(a) That the minor changes from the original business plan submitted by Fabula Social Enterprise in 2016 be noted;

(b) That the transfer of the Braunstone Town Library to Braunstone Town Community Library, a Charitable Incorporated Organisation, be approved.

REASONS FOR DECISION:

To enable the transfer of the library to the 'Braunstone Town Community Library' charity which has been established by Fabula Social Enterprise (Fabula).

In April 2016, the Cabinet accepted the proposal from Fabula Social Enterprise to establish a Charitable Incorporated Organisation (CIO) to manage the library. Since then, following advice from the Charity Commission, together with the ongoing progress towards transfer, a number of minor changes have been made to the business plan, mainly that a different name for the CIO - 'Braunstone Town Community Library' be adopted. As this differs slightly from the original proposal agreed, the Cabinet is being asked to confirm the transfer.

20. Thringstone Trusts - Transfer of Trusteeship to a Successor Charitable Incorporated Organisation.

The Cabinet, sitting as Trustee of the Thringstone Trust and the Thringstone Women's Trust, considered a report of Chief Executive seeking approval to the adoption of new charitable objects for the Thringstone Women's Trust (the Women's Trust), the merger of the Women's Trust with the Thringstone Trust and the subsequent transfer of the trusteeship of the merged trust and all its assets and liabilities to the Charles Booth Centre Charitable Incorporated Organisation.

RESOLVED:

(a) That the new objects for the Thringstone Women's Trust as set out in paragraph 23 of the report be approved;

(b) That, subject to the Charity Commission's approval of the new objects for the Thringstone Women's Trust at a) above, the Thringstone Trust and the Thringstone Women's Trust be merged;

(c) That following the merger of the two Trusts the assets previously vested in the Women's Trust be ring-fenced for purposes that meet the new objects agreed in a) above;

(d) That the Trusteeship of the merged trusts be transferred to the Charles Booth Centre Charitable Incorporated Organisation (CBC), subject to:

(i) the Charity Commission's approval to a) above;

(ii) the assets previously vested in the Women's Trust being ring-fenced for the same purposes as set out in the new objects agreed in a) above; and,

(iii) the Chief Executive being satisfied that suitable arrangements are in place for the CBC to fulfil its obligations as a trustee;

(e) That the Chief Executive be authorised to take such decisions and actions as are necessary to implement the merger of the Thringstone Trust and the Thringstone Women's Trust and the transfer of the assets and liabilities of the merged trusts to the CBC.

REASONS FOR DECISION:

To best achieve the objects of the Thringstone Trust and the Women's Trust including the effective and sustainable operation of community services and activities from the Thringstone House Community Centre.

21. <u>Items referred from Overview and Scrutiny.</u>

There were no items referred from Overview and Scrutiny.

11.00 am - 12.10 pm CHAIRMAN
23 June 2017

Agenda Item 4

Leicestershire County Council

CABINET - 15 SEPTEMBER 2017

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

2017/18 MEDIUM TERM FINANCIAL STRATEGY MONITORING (PERIOD 4) AND INVESTMENT PROPOSALS

PART A

Purpose of the Report

1. The purpose of this report is to provide members with an update on the 2017/18 revenue budget and capital programme monitoring position and to seek approval for investment in two Environment and Transport projects using funding from the central inflation contingency.

Recommendations

2. The Cabinet is recommended to:

   a) Note the current year financial position as outlined in the report;

   b) Approve the release of £0.7m of the £5.4m inflation contingency balance to provide funding for the Environment and Transportation department, to

      (i) improve response times for repairing reported potholes (£0.5m), and

      (ii) better manage school parking concerns, through enforcement of 'zig zag' zones (£0.2m).

Reasons for Recommendations

3. To inform members of the latest current year financial position and to enable the investment of spare resources to improve response times for repairing reported potholes and address school parking issues.

Timetable for Decision (including Scrutiny)

4. The Scrutiny Commission will consider a report on the Medium Term Financial Strategy monitoring at its meeting on 13th September 2017.

Policy Framework and Previous Decisions

5. The Medium Term Financial Strategy for 2017/18 to 2020/21 (MTFS) was approved by the County Council on 22nd February 2017.

6. The Cabinet on 23rd June 2017 approved the following revisions to the 2017/18 revenue budget:

   - MTFS contingency not required: -£4m
   - Inflation contingency – National Living Wage/ Fee Review increases in the Adults and Communities department budget not required:-£5m
   - Business rates retained income – returns by districts indicate additional ”local share” income due to the County Council: -£1.1m
   - The £10.1m funding released by the changes above was added to the Revenue Funding of Capital budget to provide additional funding needed for future capital developments to achieve revenue savings and support necessary service investment.

Resource Implications

7. The latest revenue budget monitoring exercise shows a net projected underspend of £0.3m.

8. The latest capital programme monitoring exercise shows net slippage of £3.7m, mainly relating to the Asset Investment Fund programme and acceleration on the Street Lighting LED programme.

9. Two investment projects at a combined cost of £700,000 have been identified which should assist with issues relating to the Environment and Transport Department. These can be funded from the central inflation contingency.

Circulation under the Local Issues Alert Procedure

10. A copy of this report has been sent to all Members of the Council under the Members' News in Brief service.

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PART B

Background

11. The 2017/18 revenue budget and the 2017/18 to 2020/21 capital programme were approved by the County Council at its budget meeting on 22nd February 2017 as part of the Medium Term Financial Strategy.

12. The monitoring information contained within this report is based on the pattern of revenue and capital expenditure and income for the first four months of this financial year. As a result the forecasts should be regarded as initial indications.

REVENUE BUDGET

13. The latest revenue budget monitoring exercise shows a net projected underspend of £0.3m. The results of the exercise are summarised in Appendix 1 and details of major variances are provided in Appendix 2.

Children and Family Services

Dedicated Schools Grant (DSG) Budget

14. There is a forecast overspend of £1.1m on the DSG High Needs Block. This will be funded from the DSG earmarked fund. The main variance is on the Specialist Teaching Service where there is a forecast overspend of £0.6m; transformation of these services was delayed pending the recruitment of a service lead which will delay the £0.8m MTFS saving. This is partially offset by savings generated through non-recruitment to vacancies pending the restructure of these services. The project to deliver the restructure is now underway but full savings will not be realised until 2018/19.

Local Authority Budget

15. At this stage in the year an overspend of £5.2m is forecast on the local authority budget which is inclusive of additional posts in order to enable the department to deliver the Ofsted action plan where growth of £2m will be formalised within the 2018/19 MTFS. There is a separate report on this issue on the agenda for this meeting of the Cabinet.

16. Social care staffing budgets are estimated to overspend by £1.9m in total. Additional posts have been agreed in order to respond to issues highlighted by the Ofsted inspection in relation to caseloads and to respond to the post inspection action plan (full year cost £2.5m). Pending recruitment, it has been necessary to engage agency staff for the additional posts and to provide capacity to cover vacant posts.

17. Initial projections show a forecast £2.2m overspend on the Social Care Placement Budget. Over the past five years the County Council has seen a significant growth in its Looked After Children (LAC) population, which has risen by 36% (from 375 in March 2012 to 510 in March 2017) and now stands at 533. Many other authorities

are experiencing similar pressures with the LGA reporting 75% of Councils overspending and a cumulative pressure of £600 million. Even with the rise, the County Council's overall comparative rate remains low, however its use of residential care is high which, given the very large cost of these kinds of placement, is one of the main drivers for the increase in expenditure in this area. A Care Placement Strategy is being developed as part of the Transformation Programme with the aim of more effectively managing the main aspects of the Looked After Children's System to where possible impact upon demand and reduce costs. The main aspects of the Action Plan are detailed in Appendix 3.

18. Recruitment to Heads of Service is now complete, however the need to engage interim staff pending permanent positions being filled will result in an overspend of £0.6m within the Directorate.

19. An overspend of £0.6m is forecast on the legal services budget as the number of court proceedings has increased. Additional funding to address this budget pressure is included within the £2m referred to above and accounts fully for the overspend.

20. Information, Advice and Guidance (IAG) is forecast to underspend by £0.4m. The current contract for the provision of this service from October 2017 at a reduced cost results in early achievement of the MTFS saving planned for 2018/19.

21. A further overspend of £0.2m is projected on Unaccompanied Asylum Seeking Children (UASC) as numbers of children and young people arriving spontaneously in Leicestershire has increased over the first quarter of the financial year.

Adults and Communities

22. The Department is forecasting a net underspend of £4.9m (3.6%). The main variances are set out below.

23. The department's outturn position for 2016/17 was a £10.9m underspend, some of which will recur in 2017/18. £4m has already been adjusted for in the 2017/18 budget, as the underspend was forecast before the budget was set. A further £5m adjustment is mentioned earlier in this report and will be used to fund inflation increases on contract spend. The net effect of these adjustments is to reduce the impact on the 2017/18 budget to a circa £2m underspend.

24. The £2m underspend will be reported as a variance on Community Income, as the adjustments described above impact the expenditure budgets. The Community Income variance is £2.3m for the current year, as Continuing Health Care income continues to perform strongly, partly through more accurate/timely recording on social care systems.

25. Residential and Nursing Care is forecast to underspend by £0.7m. Expenditure in the financial year is £1.4m below budget due to additional service user income, reduction in the number of service users and lower average care package costs. However, this has been offset by backdated arrears relating to the previous years (£0.7m). The department is implementing an action plan to reduce the instance of arrears in future.

26. The in-house provision of care services is underspending (£0.6m) due to a combination of lower demand and vacancies being held in advance of the savings requirement.

27. Other staffing areas are underspending (£0.5m); some of this is temporary relating to vacancies arising following the restructure. However, some may contribute towards the posts that are currently funded from temporary BCF resources.

28. The four community care services are all underspending marginally (£1.0m / 1%), mainly due to lower than forecast growth.

29. As in previous years the profile of service users and their care needs are constantly changing which may affect the services commissioned. Detailed work is being undertaken to monitor the impact on the budget, which can be significant with demand led expenditure totalling circa £160m.

Public Health

30. The Department is forecast to achieve a net underspend of around £0.1m resulting primarily from the early achievement of MTFS savings targets.

Environment and Transport

31. The Department is forecast to have a net underspend of around £60,000 (0.1%).

Highways

32. Underspends are forecast on Street Lighting Maintenance (£0.4m), due to early realisation of savings and on Management and Training (£0.2m) and Highways Delivery staffing and administration (£0.1m), due to vacancies. These are partly offset by overspends on Winter Maintenance (£0.1m) due to changes to shifts/rota and additional salt costs, and Forestry (£0.1m) due to safety critical issues requiring attention.

Transportation

33. Overspends on Special Educational Needs Transport (£0.3m), Social Care Transport (£0.3m), Concessionary Travel (£0.1m) (all demand led services) and Public Bus Services (£0.1m) are partly offset by an underspend on Mainstream School Transport (£0.3m) (also demand-led).

Environment and Waste

34. An overspend on Haulage and Waste Transfer (£0.2m) arising from a variety of reasons but including the enforced temporary closure at Whetstone due to a fire is offset by underspends on Composting Contracts (£0.1m), due to lower tonnages than forecast, and Recycling and Household Waste Sites (£0.1m), from forecast income from recyclables being more than budgeted.

Chief Executive's

35. The Department is forecast to have an underspend of £0.5m (4.5%). Growth of £150,000 for a contribution to the running of the proposed Combined Authority will not be required due to a delay in the decision by the Government, and there are vacancies and salary savings as a result of new appointments.

Corporate Resources

36. Corporate Resources is forecasting an underspend of £0.3m (1.0%), primarily from staffing and other early savings ahead of future savings in ICT, Human Resources, Strategic Finance and the Customer Services Centre, partly offset by an overspend on the cost of buildings and reduced income on Learning and Development.

Carbon Reduction Commitment (CRC)

37. The CRC requirement for 2017/18 is forecast to be around £130,000 less than the original budget, reflecting reduced energy usage, particularly on street lighting as a result of the acceleration of the capital investment.

Contingencies and proposed investment

38. Transfers of £2.9m have been made from the updated inflation contingency, mainly relating to the 2017/18 pay award and increases in employer pension contributions. A balance of £5.4m remains in the contingency, to cover running cost and other inflation issues, including the Apprenticeship Levy.

39. It is proposed that £0.7m of the £5.4m contingency balance be released to provide funding for the following issues relating to the Environment and Transportation department:

- £0.5m to enable the Council to improve its response times in repairing reported potholes
- £0.2m to enable the Council to better manage school parking issues (zig zag enforcement)

Central Items

40. Additional expenditure of £0.8m is forecast on the Revenue Funding of Capital heading, relating to the transfer of Pooled Property Fund investment income to a separate earmarked fund, to provide funding for future capital developments.

41. An underspend of £50,000 is forecast on the Central Expenditure heading, relating to the Members Expenses and Support budget, as there will be no recruitment to a vacant Political Assistant post.

Business Rates

42. Section 31 grants are received regarding compensation for the loss of business rate income arising from various business rates reliefs granted by the Chancellor of the Exchequer. The 2017/18 MTFS included a forecast of £1.5m, however

information subsequently received from the Government indicates a total of £1.8m will be due.

43. The County Council is undertaking quarterly monitoring with the District Councils and Leicester City Council regarding the 2017/18 Leicester and Leicestershire Business Rates Pool. The latest forecasts show a potential surplus of around £6.1m in 2017/18 compared with a forecast of around £5.9m in January 2017.

44. The Pooling Agreement allows for any surplus to be transferred to the Leicester and Leicestershire Enterprise Partnership (LLEP) for investment in the wider sub-regional area.

Revenue Summary

45. At this stage there is a projected net underspend of £0.3m. There are potential future commitments that may need to be funded from the underspend (and other funding). These are:

- Ash Dieback – works to tackle the impact which could cost in the region of £5m over the next few years.
- "Sleep in" shifts in Social Care - following a recent ruling that workers should be paid the national minimum/ national living wage. Third party providers will be liable, as the employing organisation. However, they may seek to recover costs from the County Council.
- Transformation – continue investment which is funded from one-off funding.
- Future capital developments – requirements currently exceed identified funding.

CAPITAL PROGRAMME

46. The capital programme for 2017/18 totals £86.5m, including slippage of £3.6m from 2016/17. At this stage net slippage of £3.7m (4.2%) is forecast.

47. The analysis in Appendix 4 shows the current status of delivery of projects analysed by three categories:

- L = Live Schemes: works have commenced or are in a position to start
- P = Preparatory Schemes: schemes identified, require regulatory or internal approval
- F = Funding Available: schemes at ideas stage

48. The main variances are reported in paragraphs 49 to 58 below and in more detail in Appendix 5.

Children and Family Services (C&FS)

49. Following a detailed review of the C&FS capital programme several projects within the School Accommodation Programme are sufficiently advanced such that the works are able to start earlier than planned. As a result it has been possible to reprogramme a total of £7.2m in projects from the 2018/19 programme to 2017/18. Temporary funding from capital reserves will be used to fund the reprogramming pending receipt of the 2018/19 DfE Basic Need grant. There is a

small risk that the DfE may make changes to the Basic Need grant but this is considered to be unlikely as the unhypothecated grant has already been announced for 2018/19 (total £16.9m).

50. The schemes reprogrammed are:
- Hinckley Richmond Primary School - £2.0m
- Barwell Area Primary Places - £2.0m
- Sketchley Hill Primary School - £1.8m
- Earl Shilton, Townlands Primary School - £0.9m
- SEND Initiatives - £0.5m

Adults and Communities

51. The latest forecast shows slippage of £0.6m compared with the updated budget. The main variances are:

- Mobile Libraries - £0.3m slippage as further mobile library vehicles are not expected to be purchased in 2017/18. A decision on whether to use the remaining funding will be taken after the report to the Cabinet in September 2017 on the implementation of the Communities and Wellbeing Strategy.
- Changing Places - £0.2m slippage as no identified schemes deliverable in 2017/18. There are potential schemes planned to take place in 2018/19.

Environment and Transport – Transportation Programme

52. The latest forecast shows net acceleration of £3.8m compared with the updated budget. The main variances are:

- Zouch Bridge - £1.4m slippage as land purchase is being protracted. A Compulsory Purchase Order is expected to take place in 2017/18 with construction commencing early 2018/19.
- LED Street Lighting - £5.0m acceleration of scheme to enable early finish and therefore early realisation of savings; additional installation gangs have been contracted.

53. Since the MTFS was compiled, the Department for Transport (DfT) has notified the Council that the grant funding for the Melton Mowbray Eastern Distributor Road, business case development, will now be awarded as a revenue grant. As a result the original scheme allocations have been moved to the revenue budget, £0.8m in 2017/18 and £2m in 2018/19. The latest estimate for the business case is now circa £2.1m. The grant will be adjusted down once confirmed with the DfT.

54. The County Council has been successful in obtaining funding from Highways England and Private Developers for the following schemes. These will be included in the new MTFS 2018-22:

- Anstey Lane (A46 / A560), up to 2,378 homes and around 260 jobs - £5.0m Growth and Housing Fund / £2.8m private developers. This scheme will be delivered by the County Council and the Leicester and Leicestershire Enterprise Partnership (LLEP).
- M1 junction 23, up to 4,000 homes and 5,644 jobs - £5.0m Growth and Housing Fund / £10.0m private funding / £3.2m local growth fund (a further

£8.8m of local growth funding has been secured for other improvements in the area on the A512). This scheme will be delivered by the County Council and the LLEP.

Corporate Resources

55. The latest forecast shows a net underspend of £0.1m. The main variances are:

- Loughborough, Pennine House Area Office - £0.2m underspend due to a reduction in the refurbishment works required.
- Snibston Country Park - £0.2m slippage. Delay while discussions take place with the Coal Authority to release a covenant on the site before the planning application can be submitted. The planning application is expected to be submitted in September.
- ICT Infrastructure Programme - £0.2m overspend. Forecast additional costs on the Unified telephony/skype and Geographical Information System replacement project, for additional functionality and implementation costs.

56. Works to renovate the former Fire Service Cottages at Anstey Frith House (£0.5m) to create additional office/meeting space, as part of the workplace strategy, will be funded from the Future Capital Development earmarked fund.

Corporate Programme

57. The latest forecast shows slippage of £6.8m compared with the updated budget. The variance relates to Coalville Workspace where the scheme is not financially viable and is being redesigned and re-costed.

58. Corporate Asset Investment Fund – Asset Acquisitions / New Investments / Rural Workspace – over the four year MTFS there is a total of £13m available for new investments (includes £5m for rural workspace projects and slippage from 2016/17). Work is underway to develop a number of schemes that may be added to the capital programme subject to approval and funding being available. The total cost of the schemes being developed is circa £48m. Once completed income of around £3m per annum is estimated. A separate detailed report setting out the Corporate Asset Investment Fund strategy and planned projects is also on the agenda for this Cabinet meeting.

Capital Future Developments

59. The MTFS 2017-21 includes funding of £16.7m for future developments. Additional funding was approved by the Cabinet on 23 June 2017; £8.5m from the 2016/17 revenue outturn, £10.1m based on initial revenue monitoring for 2017/18 and £1.1m transferred from the existing earmarked fund for Loughborough University Science Park. A further £0.8m of funding has been identified in this report relating to Pooled Property investment income for 2017/18. The overall funding for future developments totals £37.2m.

60. Several projects are being worked up, currently only one project has been approved for funding: workspace strategy, £0.5m to refurbish the former Fire Service cottages in Anstey Frith House has been allocated funding from the overall pool available.

61. As described in the report to the Cabinet on the 23rd June there is a long list of projects requiring funding over the next 4 years. These include investment in infrastructure for schools and roads arising from increases in population, investment in community speed enforcement depending on the outcome of the pilot, a new records office and collection hub, major IT system replacements (mainly Oracle which the Council has had in place since the early 1990's) and additional investment in the corporate asset investment fund and energy efficiency programme to generate ongoing revenue savings and additional income.

62. The report on the Corporate Asset Investment Fund Strategy elsewhere on this agenda seeks support to utilise £34.86m of the future developments funding to support asset investments across the four years of the MTFS. Therefore further options will need to be considered to increase available funding for other projects. These will be considered as part of the new MTFS for 2018-22. They will include reviewing existing earmarked funds, potential further MTFS contributions, additional capital receipts and, if necessary and the investment is worthwhile, prudential borrowing funded from external loans or internal borrowing.

Capital Receipts

63. The latest forecast of general capital receipts in 2017/18 is £12.4m compared with the budget of £8.9m. The increase to budget at year end will be carried forward to fund future capital programmes as part of the MTFS.

Equality and Human Rights Implications

64. There are no direct implications arising from this report.

Background Papers

Report to County Council - 22 February 2017 – Medium Term Financial Strategy 2017/18 to 2020/21
http://politics.leics.gov.uk/documents/s126527/MTFS%202017%20-2021.pdf

Report to the Cabinet – 23 June 2017 – Provisional Revenue and Capital Outcome 2016/17 http://ow.ly/nalX30eUZVE

Appendices

Appendix 1 – Revenue Budget Monitoring Statement
Appendix 2 – Revenue Budget – Forecast Main Variances
Appendix 3 - Looked After Children Action Plan
Appendix 4 - Capital Programme Monitoring Statement
Appendix 5 - Capital Programme – Forecast Main Variances and Changes in Funding

Leicestershire County Council

CABINET – 15TH SEPTEMBER 2017

MEDIUM TERM FINANCIAL STRATEGY UPDATE

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to explain the overall financial position faced by the County Council, the approach to updating the current Medium Term Financial Strategy (MTFS), and to advise members of a recent announcement by the Government with regard to 100% business rates retention pilots for 2018/19.

Recommendations

2. The Cabinet is recommended to:

   a) Note the significant financial challenge faced by the County Council;

   b) Note the approach outlined in the report to updating the MTFS;

   c) Authorise the Director of Finance following consultation with the Lead Member for Corporate Resources to -

      (i) submit an application for the County Council to participate in the100% business rates retention pilot programme for 2018/19;

      (ii) if the County Council's application is successful, take all action necessary to proceed with the pilot.

Reasons for Recommendation

3. To inform members of the County Council's intended approach to develop plans to address the worsening financial position.

4. To enable an application to be made to participate in the business rates retention pilot and, if successful, to ensure that arrangements are put in place at the earliest opportunity.

Timetable for Decision (including Scrutiny)

5. The Cabinet will be asked to approve the draft MTFS for consultation in December 2017. All Overview and Scrutiny Committees and the Scrutiny Commission will consider the MTFS in late January 2018 and the Cabinet will then make a final recommendation to the County Council in February 2018. DCLG have requested applications for 100% business rates retention pilots to be submitted by 27 October 2017.

Policy Framework and Previous Decisions

6. The Medium Term Financial Strategy for 2017/18 to 2020/21 was approved by the County Council in February 2017. Over the autumn and winter of 2017 it will be reviewed and updated before a revised version for 2018/19 to 2021/22 is considered by the Cabinet, Overview and Scrutiny Committees and County Council.

Resource Implications

7. The financial position faced by the County Council is both serious and extremely challenging. This is particularly so for a low funded authority such as Leicestershire as room for further savings is limited. The updated MTFS (2018/19 to 2021/22) will set out the County Council's response to the financial position.

8. It is very unlikely that the council, when it rolls forward the MTFS into 2021/22, will be able to identify sufficient savings to bridge the funding gap in the later years. To balance the budget without a significant impact on services will require a major efficiency initiative and a successful outcome to the fair funding campaign.

9. The Director of Law and Governance has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

A copy of this report has been sent to all Members of the Council under the Members' News in Brief service.

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PART B

National Position in the Medium Term

10. There is little if any prospect of austerity budgets coming to an end within the medium term.

11. The chancellor confirmed in 2016 that the deficit would be reduced over a longer period and therefore austerity would be extended into the 2020s. Alongside this it is worth remembering that Local Government is one of the unprotected parts of the public sector, making it highly likely that further spending cuts will be required. Since the budget in 2016 the forecast national budget deficit for 2017/18 is expected to be £58.3bn, £19.5bn higher than anticipated.

12. As noted below, the chancellor's budget due in November 2017 may give a clearer picture of the Government's intentions and of Local Government's share of further spending cuts.

13. An update on the Governments efficiency review, which was announced at Budget 2016, targeting £3.5 billion of savings in 2019/20 is expected in the autumn.

Leicestershire Position

14. The current MTFS includes savings of £43m and a gap of £23m over the four years to 2020/21. An additional year of austerity causes a financial gap of c£15-£20m. The requirement has been as high as £30m in the past, as a consequence of the levels of growth, grant reductions and increases in the National Living Wage.

15. Since the current MTFS was approved by the County Council in February 2017 there have been factors that will have a positive impact on the medium term position, but a more significant list of those with a negative impact. These are set out below;

Positive

- Additional Adult Social Care Funding of £19.8m over 2017/18 to 2019/20.
- Greater certainty over the improved Better Care Fund £16.9m over 2018/19 to 2019/20.
- Ongoing implications of previous years underspends especially in adult social Care.
- Progression of initiatives identified as Savings Under Development into deliverable schemes, albeit not at a sufficient level to close the financial gap.

Negative

- Children's Social Care overspend and additional investment in the Ofsted action plan. This could require growth of £5m in 2018/19 and more in later years. Reports elsewhere on the agenda explain these issues in more detail.
- Ash dieback – costs could be in region of £5m, further work is being undertaken to develop an approach and to quantify the costs.
- Potential pressure to breach the pay sector pay cap. Each 1% increase in pay equates to £1.5m.
- Uncertainty on government savings intentions. There is an additional £3.5bn required from the government's efficiency review and it is unclear how some of the new spending commitments entered into by the government will be funded.
- District council's will not review Council Tax collection. We expect some benefit from raising the issue, but not to the extent that a full review would deliver.

16. Attention will need to be given to the services funded by specific grants. These services are also exposed to grant cuts and demand increases, with shortfalls typically needing to be addressed through the LCC budget.

17. The position is clearly extremely serious. The Leicestershire position is compounded by being the lowest funded county council in the country. The County Council continues to press for the development of a fairer system of allocation for local government funding.

2018 MTFS

18. The MTFS will be refreshed over the autumn. However, the expectation is that with a further year of austerity, additional pressures and the current savings gap the outcome will be an increased financial gap of £30m to £40m to be closed by 2021/22.

19. As this will be the eighth austerity budget and savings of £177m to the end of 2017/18 have already been achieved, the identification of new savings will be very challenging. New savings are likely to require much more radical service transformation and may have to include the reduction or deletion of services.

Planning Framework

20. The next two key Government announcements will be;

- The Budget in late November. This may give an indication of the scale of the challenge faced by local government.

- The local government finance settlement. Although no date for this has been given it is expected to be announced in late December. However, a four year settlement was announced in 2016 for the period 2016/17 to 2019/20 and it is unlikely this will change, other than regarding funding changes for Adult Social Care incorporated in the settlement announced earlier in 2017.

The MTFS will be reviewed during the autumn and informed by these announcements.

21. The broad MTFS time table is:

- September to November 2017– Refresh growth and savings including consideration by Lead Members.
- December 2017 –receipt of the Local Government Finance Settlement
- December 2017 – the Cabinet is requested to approve the draft MTFS for consultation.
- January 2018 – consultation on the draft MTFS, including Overview and Scrutiny Committees and the Scrutiny Commission.
- February 2018 – the Cabinet is requested to approve the final draft MTFS for submission to the County Council.
- February 2018 – County Council is requested to approve the MTFS for 2018/19 to 2021/22.

Business Rates Retention Pilots 2018/19

22. On 1 September 2017 the Department for Communities and Local Government (DCLG) announced plans to extend their 100% business rates retention pilot programme to all local authorities for 2018/19. There are five current 100% pilots which have been in operation since 1 April 2017.

23. 100% pilots retain all locally-collected business rates. The creation of the pilots will be “fiscally neutral” at baseline, but authorities will gain from retaining 100% of growth in their business rates income, above baseline growth. The safety net threshold for the pilots will be set at 97% of the baseline funding (instead of 92.5% as now), however it is likely that the ‘no detriment’ clause included in the first wave of pilots will no longer be available.

24. Not all bids may be successful and there is likely to be a competitive process. Applications from two tier areas and those with a current pooling arrangement (as in Leicester and Leicestershire) are being encouraged.

25. To be accepted as a pilot for 2018/19, agreement must be secured locally from all relevant authorities to be designated as a pool for 2018/19 and set out proposals for using any additional business rates income. Applications are required to be submitted by 27 October 2017, with a decision on the successful pilots to be announced in December.

26. Modelling will be undertaken to review options and where appropriate a bid submitted to DCLG. Given the timescales it is recommended that delegation is given to the Director of Finance, following consultation with the Lead Member for Corporate Resources, to submit an application and if successful to enter a pilot for 100% business rates retention in 2018/19.

Equality and Human Rights Implications

27. There are no direct implications arising from this report.

Background Papers

Report to County Council -22 February 2017 – Medium Term Financial Strategy 2017/18 to 2019/20
http://politics.leics.gov.uk/documents/s126527/MTFS%202017%20-2021.pdf

Leicestershire County Council

CABINET – 15TH SEPTEMBER 2017

DRAFT CORPORATE ASSET INVESTMENT FUND STRATEGY 2017/18

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval of the proposed Corporate Asset Investment Fund Strategy (attached as Appendix A to this report). This sets out the approach to future asset investments utilising the Council's Corporate Asset Investment Fund (CAIF), which currently totals £60.8m made up of £23.8m of rural estate, £12m of commercial estate, and £25m of pooled property investments.

2. The report also sets out investment property transactions and development proposals under negotiation which have been supported by the Corporate Asset Investment Fund Advisory Board (the Board) and seeks the Cabinet's approval of these investments and other proposed development plans.

3. The Cabinet is asked to agree some revisions to the existing delegations to officers to enable the Authority to respond in a timely way to investment opportunities.

Recommendations

4. It is recommended that:

   (a) The Corporate Asset Investment Fund Strategy as attached at Appendix A to this report be approved;

   (b) The investment acquisitions and development projects detailed in paragraphs 28 to 42 of the report be approved;

   (c) The proposed amendments to the delegations to the Director of Corporate Resources as set out in Appendix B to this report be approved;

   (d) The Cabinet receives an Annual Report on performance of the Corporate Asset Investment Fund.

Reasons for Recommendations

5. The Corporate Asset Investment Fund is increased to enhance the Authority's financial resilience and deliver other benefits, such as economic development. Given the level of investment now proposed it is necessary to have a detailed Strategy in place to govern the approach taken in respect of future investments and the development of these utilising the CAIF.

6. Property transactions are often time sensitive, so seeking the Cabinet's approval of each transaction is not always practicable. Delegating authority to the Director of Corporate Resources, following consultation with the Board, to agree any future investments utilising the CAIF will ensure that the Council can take advantage of investment opportunities as they arise.

Timetable for Decisions (including Scrutiny)

7. This report will be considered by the Scrutiny Commission at its meeting on 13th September 2017 and the Commission's comments will be reported to the Cabinet.

8. It is intended that annual performance reports would be submitted to the Cabinet and to the Scrutiny Commission.

9. The asset investments set out in this report are at different stages of progression and, subject to due diligence, will be completed as soon as possible.

Policy Framework and Previous Decisions

10. The creation of the CAIF was included in the Medium Term Financial Strategy 2014/15-2017/18 (MTFS), which was approved by the County Council in February 2014. This has been renewed and increased annually in the MTFS.

11. In May 2014 the Cabinet established the Corporate Asset Investment Fund Advisory Board, comprising five Cabinet members.

12. The Council's Corporate Asset Management Plan 2016/17 was approved by the Cabinet in June 2016. This promotes the rationalisation of the Authority's property assets, reducing property running costs, generating new property income streams, ensuring cost effective procurement of property and property services, and creating capital receipts to support capital programme or other beneficial investment proposals.

13. The Medium Term Financial Strategy 2017-21 Capital Programme was approved by the Council on 22nd February 2017. It includes provision of £35.5m for corporate projects, £25.32m of which, spread over the four years from 2017/18 to 2020/21, was allocated to the CAIF.

Resource Implications

14. The County Council faces a very difficult financial outlook including a savings requirement of £66m of which £23m is currently unidentified. This gap is expected to grow in later years.

15. The proposed Strategy envisages growing the CAIF from its current value of £60.8m to around £200m over the next 5 to 10 years, the exact level of investment being dependent on the availability of good investments and funding. The expectation is that the returns (both revenue income and capital growth) generated by the CAIF would have a meaningful impact on the Council's funding gap with a targeted return of 7% generating circa £14m per annum.

16. More detail on resources implications is given in Part B of this report, below.

17. The Director of Law and Governance has been consulted on this report.

Circulation under the Local Issues Alert Procedure

18. None.

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PART B

Background

19. The Council has owned and managed ‘investment properties’ in the form of the existing Industrial and County Farms estate for many years. These properties are held for the purposes of supporting the delivery of various economic development objectives and also to generate revenue and capital returns to the County Council.

20. In May 2014, the Cabinet approved the establishment of the Corporate Asset Investment Fund and associated governance arrangements. The CAIF would be used to purchase commercial properties to the Council’s portfolio of property and land assets 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
    d) Ensuring the sustainability of the County Farms and industrial portfolio by replacing land sold to generate capital receipts and
    e) Generating an income/surplus to support County Council services.

21. The Cabinet also established the Corporate Asset Investment Fund Advisory Board, chaired by the Cabinet Lead Member for Resources and comprising four other Cabinet members. The Board is supported by an officer group formed from strategic property, finance and legal services to provide advice on risks, deliverability and financial implications. Specialist property investment support and advice is also available to provide an independent view and robust challenge.

Financial Resources

Corporate Asset Investment Fund

22. The MTFS 2017-21 Capital Programme included a provision of £25.32m spread over the four years 2017/18 to 2020/21 for the CAIF. In addition, £2.97m has been carried forward from 2016/17 (approved by the Cabinet on 23rd June 2017 as part of the 2016/17 financial Outturn) giving a total of £28.3m. £15.22m of this is to cover specific projects, such as Airfield Business Park – Phase 1 and the Coalville Workspace, with the remaining £13.07m for more general asset acquisitions/investments and rural workspace projects.

Future Developments Fund

23. The MTFS 2017-21 also allocated £16.74m for wider Future Developments (i.e. broader than just asset investments). This Fund was supplemented by an additional £8.51m from 2016/17 underspends and a further £10.1m based on initial budget monitoring for 2017/18 (both approved by the Cabinet on 23rd June). A further £1.05m was previously allocated into a specific reserve to support the LUSEP. These funds together total £36.4m.

24. The proposed investment, outlined in the table at paragraph 28 below, will require funding of £47.93m. It is proposed that this is met from the remaining £13.07m within the CAIF and the £34.86m set aside for the Future Developments Fund. This would mean that there would be no need to undertake any borrowing to support the proposed investments listed above.

25. The report to Cabinet in June identified other projects requiring funding over the next 4 years. These include investment in community speed enforcement depending on the outcome of the pilot, a new records office and collection hub, major IT system replacements (mainly Oracle which the Council has had in place since the early 1990's) and additional investment in the CAIF and the energy efficiency programme to generate ongoing revenue savings and additional income.

26. If the Future Developments Fund is used entirely to support the acquisitions/ investments listed in the table below, then to support these other projects, additional opportunities will need to be taken to increase available funding. Initially, any additional income (net of management and running costs) generated from the acquisitions/investments could be recycled to fund these other projects. Depending on the timelines for when the investments come to fruition, there is the potential for this to be around £7m in total over the lifetime of the current MTFS including £0.8m per annum from pooled property investments. However, in later years this income stream (estimated to be around £3m per annum on current investments, excluding Lutterworth East) will need to be built into annual budgets to reduce the amount of further savings required to balance the MTFS.

27. Other potential options for additional funding will be considered as part of the new MTFS for 2018-22, currently being developed. This will include reviewing existing earmarked funds, potential further MTFS contributions, additional capital receipts and, if necessary and the investment is worthwhile, prudential borrowing funded from external loans or internal borrowing.

Proposed asset acquisitions/investment in 2017/18

28. New proposed assets acquisitions/construction costs/investments expected to be committed in 2017/18 are outlined in the table below and brief details are provided in the subsequent paragraphs.

Lutterworth East	£4.50m
LUSEP, Loughborough	£22.00m
Leaders Farm, Lutterworth	£6.00m
Tamworth House, Tamworth	£2.35m
Lichfield South office park, Lichfield	£10.80m
	£45.65m
Acquisition costs (stamp duty, fees etc.) – estimated at 5%	£2.28m
Total	**£47.93m**

Lutterworth East

29. The Council is in the process of acquiring 23 acres from Hallam Land Management to help to ensure deliverability of the Strategic Development Area (SDA). The price is £4.5m. This land will then be added to the Council's existing landholding of 265 acres. The County Council is promoting the SDA land through the emerging Local Plan for housing (2,750 homes), 20 hectares of industrial land, 2 schools and a retail centre. A new bridge over the M1 would also be needed in order for the development can be completed. The overall capital receipt is expected to be in the range of £25-30m. The Board has previously been provided information on the purchase.

Loughborough University Science and Enterprise Park (LUSEP)

30. The Council is negotiating with the University to be its partner to bring forward a 100,000 sq. ft. HQ office development for a software company. The University is not seeking to sell its freehold but instead would grant the Council a long lease (on terms to be agreed) on the land.

31. The proposed tenant is The Access Group. It is intended that they will take a 15-year lease at a rental of £1.6m, giving an estimated internal rate of return (IRR) of 7.5% on a project cost of £22m. The IRR is a measure of assessing the profitability of potential investments taking into account annual income and expenditure and the residual capital value of the investment at a future date.

32. Once the land deal, tenant deal and build costs have all been agreed and finalised, the Council will then then procure the new building and let it to the tenant. The Board has expressed support for this investment.

Leaders Farm, Lutterworth

33. The Council is bringing forward a phased development of the 3.51 hectare site to the south of Lutterworth. The site has outline consent for 102,000 sq. ft. of office and light industrial space.

34. A tenant has been identified for Phase 1 (0.54 hectares) which will include the build out of the infrastructure works at an estimated cost of £2.15m and the office development cost of £3.5m. The infrastructure works will be constructed at the beginning of the development and pay back will be appraised on an apportioned pro rata basis, based on phased development and the site size.

35. The apportionment of the infrastructure works included in the initial appraisal of the office space for the identified end user is 15%. The total scheme cost is £3.8m for Phase 1 including the infrastructure.

36. The rent levels are £18.00 per sq. ft. for the offices and a capitalised figure for the additional car parking which equates to an average of £21.50 per sq. ft. The rental income is £344,000 per year which equates to a yield of 8%.

37. Based on a market rental figure of £6.25 per sq. ft. for industrial workspace and £14 per sq. ft. for offices, and development costs totalling £15.35m based on the Council's financial appraisal, the project will produce an estimated IRR of 7.4% for the whole site. The Board has expressed support for this investment.

Tamworth House, Venture Park Road, Tamworth

38. The Council was successful in bidding for a standalone 15,500 sq. ft. office investment in Tamworth. It is let to one tenant (Midland IVI Limited) which occupies it as an office/IVF clinic and is on a 10-year lease paying £183,000 per annum. The estimated IRR on this investment is 7.8%. The acquisition is subject to contract. This is supported by the Board.

Lichfield South office park, Lichfield

39. The Council was successful in bidding for phase 2 of a mixed use development to the south of Lichfield. Phase 1 comprises a hotel, drive-through coffee, gym and restaurants.

40. Phase 2, which the Council is seeking to acquire, comprises 3 office buildings extending to approximately 43,000 sq. ft. with 215 car spaces on circa 1.6 hectares.

41. With the exception of the first floor of one of the offices, the scheme is fully let and produces an income of £750,000 per annum (rising to £810,000 in 2019). The estimated IRR for this investment is 7.9%.

42. Contracts are almost ready for exchange. Once finalised the Board will be consulted on the proposal.

Approvals and Delegations

43. The investments listed in the table at paragraph 28 above are at different stages of progression. Tamworth House and Lichfield South are quite well progressed in that offers have been made and due diligence is being undertaken. Subject to there being no problems identified contracts can be exchanged in the near future.

44. With respect to LUSEP and Leaders Farm, negotiations are ongoing with prospective tenants. The actual investments will only be progressed should the negotiations lead to an acceptable position for the County Council in line with the expectations laid out in the CAIF Strategy, recognising that in these cases there would also be a benefit to the local economy over and above the specific financial benefits that are used to assess the investment. Approval for the LUSEP initiative in particular needs to reflect the initial long lease purchase for the land, the construction and other associated costs, and the ability to enter into a lease with the prospective client.

45. The decision to purchase the additional land at Lutterworth East has already been supported by the Board.

46. Given the nature of these transactions, once negotiations have been concluded, it may be necessary to progress and finalise such deals quite quickly in order to secure the agreed terms and thus it might not be practical to bring a report to the Cabinet in accordance with the normal processes. It is therefore important to ensure the correct delegations are in place to enable the Director of Corporate Resources following consultation with the Board to proceed with such investments but, at the same time, ensuring there are adequate checks in place to ensure all such investments are transparent and can be properly monitored on a regular basis.

47. To this end, a number of changes are recommended to the Scheme of Delegation in order to regulate and clarify the process of approval for expenditure in relation to Asset Investments and Future Developments separate from those currently in place to support operational property transactions for schemes within the approved capital programme. These changes are outlined in the Appendix B.

Governance

48. The existing governance arrangements whereby the Board has a key advisory role in relation to capital investments will remain in place. The CAIF performance is also formally reported to the Board bi-annually.

49. An annual report will be submitted to the Scrutiny Commission and the Cabinet that will show fund performance against the agreed Strategy.

Risks

50. The Strategy seeks to minimise the risk principally by ensuring robust governance arrangements are in place and that investment decisions are only made in light of the appropriate financial/commercial and legal advice. However, property investment and development will always have an element of risk much of which is outside the control of the council as it relates to the strength of the wider economy. The County Council is not alone in pursing this approach and there has been much comment in national press on the level of borrowing incurred by some local authorities. It is worth noting that no borrowing is being proposed for the investments outlined in this report.

Conclusion

51. The Corporate Asset Investment Fund Strategy is aimed at generating a long term and relatively stable source of income to offset the funding gap in the MTFS. The Strategy is not without risk and there is a possibility that in light of significant borrowing entered into by other councils to purchase property the government may impose restrictions on local authorities in the future. The County Council has not borrowed to fund these investments. Any future decisions regarding the financing of investments will be taken in line with the County Council’s agreed Treasury Management Strategy and Annual Investment Strategy.

Equality and Human Rights Implications

52. There are no equality or human rights implications directly arising from this report.

Background Papers

Report to the Cabinet on 18th July 2016 – Corporate Asset Management Plan
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4604&Ver=4

Medium Term Financial Strategy 2017/18 – 2020/21
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=4433&Ver=4

2016/17 Provisional Revenue and Capital Outturn
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5120&Ver=4

Appendices

Appendix A - Draft Corporate Asset Investment Fund Strategy
Appendix B - Current Delegated Powers and proposed amendments

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CABINET – 15TH SEPTEMBER 2017

FUNDING REQUIREMENTS TO DELIVER THE OFSTED CONTINUOUS IMPROVEMENT PLAN

REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES

PART A

Purpose of the Report

1. The purpose of this report is to advise members of the work which has been undertaken in response to the Ofsted inspection under the Single Inspection Framework (SIF) which took place in December 2016, and to seek the Cabinet's approval for the allocation of additional resources to deliver improvements.

2. In response to the Ofsted inspection, the Children and Family Services department has developed the 'Continuous Improvement Plan'. This is attached as Appendix B to this report, with the summary 'Plan on a Page' at Appendix A.

Recommendations

3. The Cabinet is recommended to approve the growth bid for Children and Family Services for £2.5m for the 2018/19 financial year.

Reasons for Recommendation

4. The additional funding is required in order to deliver the 17 key Ofsted recommendations for improvements to Children and Family Services, to ensure that services for vulnerable children and families are consistently of a good standard. The funding includes £0.5m already agreed for the service.

Timetable for Decisions (including Scrutiny)

5. The Children and Family Services Overview and Scrutiny Committee will consider this report at its meeting on 11th September 2017 and its comments will be reported to the Cabinet.

Policy Framework and Previous Decisions

6. The Ofsted Single Inspection Framework: *Inspection of services for children in need of help and protection, children looked after and care leavers* sets out the agenda for inspections of local authority children's services.

7. On 10th March 2017, the Cabinet approved an Action Plan which responded to the recommendations in the Ofsted Report and set out proposals for the future development and improvement of services to children and families. (The Action Plan, now titled the 'Ofsted Continuous Improvement Plan' is attached to this report).

8. On 22 February 2017, the County Council agreed the Medium Term Financial Strategy for 2017/18-2020/21 (MTFS) which included £0.5 million growth monies for the Children and Family Services Department and a savings target over this period of £4m.

Resource Implications

9. In 2017/18 the pressure on the overall children's social care budget has continued with circa 8% per annum increases in numbers of children coming into care. At present an overall overspend is expected, due to the rise in placement costs and the part-year cost of the Continuous Improvement Plan.

10. The proposals in the Continuous Improvement Plan require investment of £2milion. Growth of £0.5m was built into the 2017/18 budget, agreed by the Council in February 2017, meaning that further net investment of £2.0m is now required. This cannot be found from the existing budget.

11. The additional funding will address capacity issues, including the recruitment of 37 extra children's social care staff, and help address significant legal cost pressures which arise from the increased number of care proceedings, including the establishment of 2 additional solicitors.

12. Medium term financial sustainability will also enable performance issues to be addressed within the department. Experience from elsewhere shows that there are significant financial risks from not investing. Please see the detail provided in Part B of this report below.

13. The Director of Corporate Resources and the Director of Law and Governance have been consulted on this report.

Circulation under the Local Issues Alert Procedure

14. A copy of this report will be circulated to all members of the Council under the Members News in Brief Service.

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PART B

Background

15. In December 2016 Leicestershire Children and Family Services were inspected by Ofsted under the Single Inspection Framework (SIF). The resulting Ofsted report outlined key areas of strength and identified a number of areas requiring improvement, contained within 17 recommendations, and gave an overall judgement of *Requires improvement to be good.*

16. The 17 recommendations form the basis of the Continuous Improvement Plan. This and the associated 'Plan on a Page' (Road to Excellence) outline how the Local Authority will develop services for vulnerable children and families in Leicestershire to be consistently good or outstanding. The service has concentrated on two key drivers -

    - Consistent management oversight
    - Robust practice that focuses on improved outcomes for children and families.

17. In addition to robustly reviewing existing resources to achieve progress against the Ofsted Continuous Improvement Plan, additional resources have been identified as being required to address key operational shortfalls. For example, at the end of July 2017 there were 2800 open cases across Children's Social Care, including 533 children in care and 521 children who were the subject of child protection plans. This represents a significant increase over the last 12 months which, along with a rise in the number of care proceedings, has placed significant pressure upon workloads. This is in line with national trends.

18. Our continuous improvement plan outlines a range of objectives under each strategic aim. These are reviewed by the Assistant Director for Children's Social Care (CSC) and the extended senior management team on a monthly basis. Reviews track the progress of planned actions and desired results, as well as helping to shape work streams. Appendix B presents progress to date of each objective under each strategic aim and planned future actions.

19. Highlights of progress taken from Appendix B are:

    a. The launch of CSC's quality assurance framework 'Growing Quality' and the aligned publication of clear practice and management standards (*addresses Ofsted recommendations 2 and 5 specifically but covers all regarding standards and consistency*).

    b. Practice standards have been developed for key areas to set quality standards and to monitor and measure progress in providing consistently good services. For example, practice standards for assessments have been developed and introduced in First Response (the first point of contact for referrals to children's services). An audit against these standards has been undertaken and learning from the audit shared with the service to help further improve quality and performance (*addresses Ofsted recommendations 1-17).*

c. The remodelling of First Response and supporting structures, performance management and oversight, alongside targeted learning and development for First Response staff to secure a strong front door (*addresses Ofsted recommendations 1, 4 and 6).*

d. The review of several policies, processes, panels and team models to ensure case management and outcomes are consistently Good (*addresses Ofsted recommendations 2, 3, 4, 5, 7, 11, 12, 13, 15, 16).*

e. Making best use of funding secured through the growth bid so that the workforce is able to learn, develop and improve whilst holding manageable caseloads (*addresses Ofsted recommendations 3, 4, 6, 7, 8, 11, 12, 13, 14, 17).*

f. Establishment of an increased number of Personal Assistants for Children in Care. This, along with the establishment of a dedicated Leaving Care (16 plus) service will improve access to support for care leavers and the quality of Pathway planning (*addresses Ofsted recommendations 3 and12).*

g. Focus on permanence planning and the role of the Permanence Panel to strengthen performance in this area. A practice summit has been held for managers to ensure a strong understanding and commitment to driving this forward. The service campaign for 2017/18 is permanence planning (*addresses Ofsted recommendation 7).*

h. The first annual Leicestershire Social Work conference was held in June. This had a clear focus on quality practice and what makes a difference *(addresses all Ofsted recommendations but specifically 17).*

i. A ‘Pride in Practice’ conference for practitioners across the Children and Family Directorate to share good practice is planned for November 2017 *(addresses all Ofsted recommendation by focusing on quality practice).*

j. Work is ongoing with Learning and Development colleagues and First Line managers in Children’s Social Care to develop a learning programme for managers (*addresses Ofsted recommendation 17).*

k. Revising and launching a range of different support mechanisms for children, families and carers involved in fostering and adoption *(addresses Ofsted recommendations 11 and 13).*

l. The refinement of performance management information and use of regular performance management meetings to establish a strong performance management culture. Progress in all areas is monitored, reviewed, challenged and celebrated (*addresses Ofsted recommendation 1).*

m. Process to strengthen the completion of Return Interviews for young people who had run away or been missing, and improved multi-agency working to share intelligence and determine the plan of work to prevent further episodes of the young person going missing is now embedded and showing improved performance *(addresses Ofsted recommendation 9).*

n. Review has taken place of support provided to children with a disability to strengthen work with Children in Need. Support from Early Help is also being strengthened for those who do not require social work intervention in progress *(addresses Ofsted recommendation 10).*

Proposals

20. The full details and rationale for the investment are outlined in Appendix C. They fall into the broad areas to address the following:

- Achieving manageable caseloads
- Providing sufficient management oversight
- Meeting statutory requirements
- Ensuring good standards of safe practice
- Supporting staff to develop professionally
- Meeting legal cost pressures
- Promoting the development of inter-agency partnership working.

21. The proposed level of investment represents that needed for a sufficient number of Social Workers and Personal Assistants (Care Leavers) to manage workloads effectively, and for the additional managerial capacity necessary in order to maintain the required supervisory balance of manager to worker. Other teams require additional posts to achieve statutory requirements, for example increasing the number of Personal Assistants for care leavers and resources for the post-adoption support offer.

22. Additional capacity is required to ensure responsibilities for adequately supporting newly qualified social workers are met as well as the accreditation and professional development of staff.

23. It is therefore proposed that across Children's Social Care an additional 37 posts are established (details are given in Appendix C). In addition 2 new solicitor posts will be created within the Chief Executive's Department to address the increased workload in legal services relating to children and families services.

Conclusion

24. The Council has always aspired to provide the highest quality service to children and families in order to achieve the best possible outcomes particularly to those in greatest need. The Ofsted SIF Inspection highlighted

some areas where the Local Authority is not operating in a manner which is conducive to achieving this and that it needs to perform better.

25. Allocation of the additional funding to Children and Family Services as proposed in this report will enable the necessary investment to meet the Continuous Improvement Plan, respond to Ofsted's recommendations and enable the Authority to achieve its overall aspirations for Children and Family Services.

Background Papers

Report to the Cabinet, 10 March 2017 'Ofsted Inspection of Services for Children in Need of Help and Protection, Children Looked After and Care Leavers' and minutes of that meeting
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4859&Ver=4

Report to the County Council, 22 February 2017 'Medium Term Financial Strategy 2017/18 - 2020/21' and minutes of that meeting
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=4433

Appendices

Appendix A – A Plan on a Page: Continuous Improvement plan 2017-2020
Appendix B – Ofsted Continuous Improvement Action Plan 2017-2020
Appendix C – Rational for the provision of additional resources in Children and Family Services in order to meet the requirements of the OFSTED Continuous Improvement Plan

Equality and Human Rights Implications

26. The service works with some of the most vulnerable children, young people and families in the County. The resources outlined within this report and attached appendix will place the Local Authority in a strong position to provide consistently good services to vulnerable children and families.

Leicestershire County Council

CABINET - 15 SEPTEMBER 2017

PROPOSALS TO CONSULT ON REMOVAL (CLOSURE) OF RESIDENTIAL FACILITIES AT MAPLEWELL HALL SPECIAL SCHOOL

REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the current position regarding the use of residential facilities at the Maplewell Hall Special School and to seek approval to consult on the removal (closure) of the residential facilities at the school with effect from September 2018.

Recommendations

2. It is recommended that the Cabinet:

   (a) Notes the current position regarding the use of the residential facilities at the Maplewell Hall Special School;

   (b) Approves the commencement of informal/pre-consultation, as part of the statutory prescribed alterations process, on a proposal to remove (close) the residential facilities with effect from the start of the school year in September 2018;

   (c) Agree that a further report be submitted to the Cabinet on 24 November 2017 on the outcomes of the consultation referred to in (b) above in order to determine the next steps.

Reasons for Recommendations

3. There are no pupils placed at Maplewell Hall who are assessed as having a need for residential provision stated in their Education Health and Care Plans (EHCP).

4. There is significant pressure on the Council's High Needs Block (HNB) budget which funds special needs provision. The closure of the residential facilities will allow savings to be made to the HNB budget and funding to be directed to other areas of increased demand where appropriate.

5. The closure of the residential facilities in September 2018 will allow for phased removal and adequate measures of support to be put in place (where appropriate) for families/pupils affected by the change.

6. Following the statutory process and undertaking consultation on the proposals is in keeping with the Council's corporate standards and the requirements of the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013.

Timetable for Decisions (including Scrutiny)

7. Should the Cabinet agree the recommendations to this report, it is proposed that consultation with parents, the local community and other stakeholders will commence before the end of September for six weeks. This would enable the outcome of the consultation to be reported back to the Cabinet in November.

8. The Children and Families Overview and Scrutiny Committee will be provided the opportunity to comment on the proposals for consultation at its meeting on 13th November 2017.

9. Subject to the Cabinet's decision in November, a Statutory Notice would then be published, in accordance with the statutory process. This would be followed by a further period of consultation (the representation period) before a final decision is made. More detail about this process is given in Part B of this report below.

Policy Framework and Previous Decisions

10. The Cabinet has not previously considered the budget position for the High Needs Block.

11. The statutory guidance for making prescribed alterations to maintained schools was re-issued by the Department for Education (DfE) in April 2016. The guidance allows for either the Local Authority or governing body of a community special school to propose the removal of boarding (residential) provision, requiring that a statutory process be followed where the change affects five pupils or more, as is the case with Maplewell Hall Special School.

Resource Implications

12. It is expected that the revenue costs associated with the proposals and process for removal of the residential facilities, if implemented, will be met from within existing service budgets, and this will largely be to the Children and Family Service School Organisation Service. However, further revenue costs may arise to provide any individual support to families/pupils as a consequence of the removal of facilities – these costs have yet to be quantified.

13. Initial discussions with the school suggest that most of the staff displaced by the closure of the residential facility are likely to be redeployed to other posts within the school which should help keep the need for redundancy payments

to a minimum. The policy for redundancy costs at maintained schools requires that schools submit a business case which will be considered for financial support through the departmental Premature Retirement Costs (PRC) budget; the policy provides a contribution to cost.

14. The full year saving to the HNB budget will be £293,000. For the 2018/19 financial year, assuming removal of the facilities from September 2018, the partial saving is projected at £170,900.

15. The Director of Corporate Resources and the Director of Law and Governance have been consulted in the preparation of this report.

Circulation under the Local Issues Alert Procedure

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PART B

Background

16. Maplewell Hall Special School, built in 1857 and located in Woodhouse Eaves, currently has capacity for 195 pupils with SEND, in addition to a 10 bedroom residential facility. The school has maintained status and is therefore directly controlled by the Local Authority.

17. The school caters predominantly for pupils with Moderate Learning Difficulties (MLD) having 183 pupils on roll, including 20 pupils within a designated Autism Spectrum Disorder (ASD) facility.

18. The school currently receives an allocation of £293,000 per annum (from the High Needs Block) to support the residential provision, however no pupils currently attending the school have any requirement for residential provision included within their EHCP (Statement), and this has been the case for the past few years.

19. Discussions with the Headteacher and Chair of Governors indicate that the funding provided is used to support extended school activities with regular pupil sleep-overs. This is intended to support curriculum enrichment, but is not designated as either respite or short break provision. Figures provided by the school indicate that the use of the residential facility is up to 24 students per night Monday to Thursday, with each person having 12-14 nights' attendance per school year.

Statutory Process

20. The process for the closure of a residential provision is defined by the Statutory Guidance relating to Opening and Closing Maintained Schools as published by the DfE in April 2016. In summary, the process requires:

- A period of informal/ pre-consultation for a minimum of 6 weeks. This will be led jointly by Children and Family Service officers and Maplewell Hall School.
- Subsequent publication of a Statutory Notice by the Local Authority following consideration of the consultation findings. It is expected this would commence in mid-January 2018.
- A period of representation (formal consultation) of 4 weeks.
- A decision to be taken by the Local Authority to determine the Statutory Notice. This decision would be taken by the Director of Children and Family Services following consultation with the Cabinet Lead Member unless there were significant objections, in which case the matter would be referred to the Cabinet for decision. It is likely this would be mid-February 2018.
- Implementation of the proposals.

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Consultation

21. The consultation will comprise of two stages; the first a period of informal/pre-consultation extending for 6 weeks, and the second a period of formal consultation extending for 4 weeks following the publication of the statutory notice (this is defined under the statutory process as the representation period).

22. Consultation will take place with the following persons/organisations

- Parents and pupils
- The governing body of the school
- Teachers and other staff at the school
- The respective Trade Unions and Professional Associations;
- Leicestershire Special School Headteacher (LSSH) group
- The local MP; Edward Agar
- Any other stakeholders/professionals having an interest in the residential element of the school.

23. The consultation will involve writing to the above individuals and groups to seek their views. In addition information will be placed on the School's website accompanied by further guidance by way of 'frequently asked questions', and the opportunity provided for parents and others to attend an open meeting at the school.

24. Following the statutory representation period the proposals must be determined within two months by the Local Authority.

Background Papers

None.

Relevant Impact Assessments

Equality and Human Rights Implications

25. The underlying purpose of the proposals is to ensure a more equitable use of the HNB budget to meet priorities for pupils with Special Educational Needs and Disabilities.

26. Consultation with those affected by the proposed closure of the residential provision will ensure that all proper considerations are given to the equality of opportunity for those affected.

27. In keeping with the Public Sector Equality Duty, an Equality Impact Assessment for the proposed change has been completed to help address any necessary support for pupils/parents arising as a consequence of the closure of the residential facility. The Assessment confirms the need to ensure that adequate support is offered to pupils and families (via a social care assessment if deemed appropriate) and to give advice on alternative activities in the community. In addition the school will be encouraged to continue to develop

their offer in respect of extra-curricular activities to enhance learning and development.

Risk Assessment

28. The removal of the residential provision will not present any significant risk to either the sustainability of the Maplewell Hall Special School or the educational outcomes for any pupils who attend.

29. Any risks to the Council arising from the proposals will be kept under review by officers within the Children and Family Service and where required, will be reported to the Departmental Management Team, and Corporate Schools Group (which maintains oversight of all school organisation matters) to help determine actions to mitigate.

Leicestershire County Council

CABINET – 15TH SEPTEMBER 2017

LEICESTERSHIRE AND RUTLAND LOCAL SAFEGUARDING CHILDREN BOARD AND SAFEGUARDING ADULT BOARD ANNUAL REPORTS 2016/2017

REPORT OF THE INDEPENDENT CHAIR OF THE LEICESTERSHIRE AND RUTLAND LOCAL SAFEGUARDING CHILDREN BOARD AND SAFEGUARDING ADULT BOARD

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the key findings of the Annual Reports of the Leicestershire and Rutland Local Safeguarding Children Board (LRLSCB) and the Leicestershire and Rutland Safeguarding Adult Board (LRSAB) for 2016/17 for information and comment.

2. The Annual Reports will be presented for approval to a joint meeting of the Boards on 20th October 2017. Any comments or proposed additions and amendments made by the Cabinet will be addressed in the final reports before they are presented to the Board and subsequently published.

3. The final report is the report of the Independent Chair who must publish an annual report on the effectiveness of child safeguarding and promoting the welfare of children in the local area. This is a statutory requirement under section 14A of the Children Act 2004.

Recommendation

4. It is recommended that the Cabinet notes and comments on the LRLSCB and LRSAB Annual Reports for 2016/17.

Reasons for Recommendation

5. The LRLSCB and LRSAB are statutory bodies and local authorities have a duty to ensure that the Boards are able to operate effectively.

6. It is a requirement of (the statutory guidance) Working Together 2015 that the LRLSCB Annual Report be reported to the Leader of the Council together with the Chief Executive of the local authority, the Chairman of the Health and Wellbeing Board, and the Police and Crime Commissioner. It is a requirement of the Care Act 2014 statutory guidance that the LRSAB Annual Report is also reported to these individuals as well as the Chief Constable and Healthwatch.

7. It has been previous practice in Leicestershire to submit both the Annual Report and Business Plan for the LRSAB and the LRLSCB to the Cabinet and the relevant Overview and Scrutiny Committees.

8. Presenting the Annual Reports and the Business Plans enables the Cabinet to comment on their content, propose any changes or amendments it wishes to be considered and to reflect on whether the reports identify matters that it, as the Executive for the County Council, wishes to address in relation to the effectiveness of safeguarding within the work of the Authority.

Timetable for Decisions (including Scrutiny)

9. The Annual Reports have been considered by the Children and Families and the Adults and Communities Overview and Scrutiny Committees at their meetings on 11 and 12 September 2017 respectively, and the comments of the committees will be reported to the Cabinet.

10. Any proposed additions or amendments to the Plans made by the Cabinet will be considered by the Independent Chair for incorporation into the Reports, prior to submission to the Boards at their meeting on 20 October 2017.

Policy Framework and Previous Decisions

11. As stated above the LRLSCB and LRSAB are statutory bodies; the former established under Section 13 of the Children Act 2004 and the latter becoming a statutory body from 2014 under the Care Act. Local authorities have a duty to ensure that the Boards are enabled to operate effectively.

12. The Children and Social Work Act 2017 abolishes LSCBs, but requires local authorities, the Police and Clinical Commissioning Groups to set up local partnership arrangements for safeguarding children. Statutory guidance on this Act, including timescales for new partnership arrangements to be put in place, is expected in early 2018. Until this time, the LRLSCB will continue to operate as normal.

13. The previous Annual Reports (2015/16) of the LRLSCB and LRSAB were submitted to the Cabinet on 16 September 2016.

14. The Business Plans for the LRLSCB and LRSAB for 2017/18 were submitted to the Cabinet on 10 March 2017.

Resources Implications

15. There are no resource implications arising from this report, as this is a retrospective report. Both the LRLSCB and LRSAB operate within a budget to which partner agencies contribute.

16. The total budget within which the Boards are operating in 2017/18 is £341,650. The LRLSCB has a budget of £240,812 and the LRSAB a budget of £100,838.

17. Leicestershire County Council has contributed £83,415 to the LRLSCB and £52,798 to the LRSAB for 2017/18, in total 41% of the budget, and in addition hosts the Safeguarding Business Office. The Council’s contribution to the LRLSCB was

reduced in 2017/18 by £40,000 against previous years in line with the savings identified in the Medium Term Financial Strategy for 2017/18 to 2020/2021. Contributions to the LSCB from Probation services (National Probation Service and the Community Rehabilitation Company) have also reduced in 2017/18.

18. There will be financial implications for statutory partners for 2018/19 to sustain the current level of activity. The Board funding has been underpinned in past years using contingency funding. Proposals are being prepared for consideration by partners in their budget setting for 2018/19 and beyond.

Circulation under the Local Issues Alert Procedure

19. None.

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PART B

Background

Annual Reports 2016/17

20. The LRLSCB and LRSAB aligned their work five years ago to ensure effective and efficient safeguarding services operating in an integrated manner. This has supported a focus on vulnerable children, adults and families. Since 2014/15 the Boards have agreed to produce two separate annual reports.

21. The LRLSCB Annual Report provides a full assessment of performance with regard to safeguarding children in line with the requirements in Working Together 2015.

22. The LRSAB Annual Report provides a full assessment of performance on the local approach to safeguarding adults in line with the requirements of the Care Act 2014.

23. The key purpose of the two Annual Reports is to assess the impact of the work undertaken in 2016/17 on service quality and on safeguarding outcomes for children, young people, and for adults in Leicestershire and Rutland. Specifically they evaluate performance against the priorities set out in the Business Plans for 2016/17 and against other statutory functions that the LRLSCB in particular must undertake. Full copies of both Annual Reports are attached as Appendices A and B to this report.

24. These are, necessarily, detailed reports, but have been significantly reduced in length compared to previous years. As such two-page summaries are included in the reports in place of separate Executive Summaries which have previously been produced.

25. Both the LRLSCB and LRSAB Annual Reports 2016/17 include:

    (i) A foreword from the Independent Chair;
    (ii) A summary of the work and findings of the Board during the year;
    (iii) An overview of the Boards' governance and accountability arrangements and local context;
    (iv) Two separate outlines of safeguarding children or adults performance, activity and outcomes for Leicestershire and Rutland;
    (v) Analysis of performance against the key priorities in the 2016/17 Business Plan;
    (vi) An overview of the Boards work on engagement, assurance, learning and development and training;
    (vii) The challenges ahead including our Business Development Plan Priorities for 2017/18.

Key Messages

26. The key messages from the LRSAB for the specific attention of the County Council's Cabinet are:

    a. Workers and agencies work well together to safeguard adults in Leicestershire.

b. 'Making Safeguarding Personal' (MSP) is influencing practice across agencies and more people in Leicestershire have more say in the enquiries into their safeguarding.
c. Financial Abuse and Domestic Abuse are becoming more prevalent in safeguarding adult enquiries in Leicestershire.
d. More work is required to gain assurance regarding oversight of adult safeguarding enquiries carried out in Health settings.
e. The Board will continue to challenge and drive improvement in the safeguarding of adults, including developing its own approach to engagement and participation of adults with care and support needs.

27. The key messages from the LRLSCB for the specific attention of the County Council's Cabinet are:

a. Workers and agencies work well together to safeguard children in Leicestershire.
b. Early Help and other services in Leicestershire are improving outcomes for children and young people.
c. Partnership working on Child Sexual Exploitation is strong.
d. Timeliness of Children's Social Care referrals of Children in Care for Initial Health Assessments (IHAs) remains a concern. The impact of work by the Local Authority and its partners to address this will continue to be monitored.
e. Consistency of practice within agencies across a range of areas of work requires improvement. This includes quality of assessment, recording, information sharing and hearing and responding to the voice of children.
f. The Board will continue to challenge and drive improvement in safeguarding of children, including developing its own approach to engagement and participation of children and young people, and quality assurance.

Consultations

28. All members of the LRLSCB and LRSAB and their Executives have had opportunities to contribute to and comment on drafts of the Annual Reports.

29. As stated above, the Annual Reports have also been considered by the Overview and Scrutiny Committees and issues raised at these meetings will be considered for inclusion in the version which will be presented to the joint meeting of the Boards on 20th October 2017.

Background Papers

Report to the Adults and Communities Overview and Scrutiny Committee on 12 September 2017 - Leicestershire and Rutland /Safeguarding Adults Board Annual Report 2016/17
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=4927&Ver=4

Report to the Children and Families Overview and Scrutiny Committee on 11 September 2017 - Leicestershire and Rutland /Safeguarding Children Board Annual Report 2016/17
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=4850&Ver=4

Report to the Cabinet on 10 March 2017 - Leicestershire and Rutland Local safeguarding Children Board and Safeguarding Adults Board Business Plans 2017/18
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4859&Ver=4

Report to the Cabinet on 16 September 2016 - Leicestershire and Rutland /Safeguarding Adults Board Annual Report 2015/16
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4775&Ver=4

Appendices

Appendix A – LRLSCB Annual Report – 2016/17
Appendix B – LRSAB Annual Report – 2016/17

Relevant Impact Assessments

Equality and Human Rights Implications

30. Safeguarding children, young people and adults concerns individuals who are likely to be disadvantaged in a number of ways. Information on differing needs of, and impacts on groups of individuals with regards to safeguarding is considered as part of the process to develop the Boards' Business Plans. Specific impacts on or views of different groups are also considered in the work of the LRLSCB and LRSAB Safeguarding Effectiveness Group (SEG) in assessing performance and effectiveness with regard to safeguarding.

Crime and Disorder Implications

31. There is a close connection between the work of the LRSAB and LRLSCB and that of community safety partnerships in Leicestershire. For example, the Boards work closely with community safety partnerships to scrutinise and challenge performance in community safety issues that affect the safeguarding and well-being of individuals and groups, e.g. domestic abuse and Prevent. The Boards also support community safety partnerships in carrying out Domestic Homicide Reviews and acting on their recommendations.

32. The LRLSCB and LRSAB Annual Reports include analysis of performance in a range of areas relevant to the community safety agenda and the evaluation of performance will be shared with these partnership forums to ensure that both strengths and development needs are recognised and acted on.

Partnership Working and associated issues

33. Safeguarding is dependent on the effective work of the partnership as set out in national regulation, the Care Act 2014 and Working Together 2015, published by the Department for Education.

Leicestershire County Council

CABINET – 15TH SEPTEMBER 2017

SPECIAL EDUCATIONAL NEEDS AND MAINSTREAM HOME TO SCHOOL TRANSPORT POLICIES – APPROVAL TO CONSULT

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval to consult on proposed changes to the Special Educational Needs Transport Policy and the Mainstream Home to School Transport Policy so far as they relate to non-compulsory school age children.

Recommendations

2. It is recommended that:

   (a) The proposed changes to the Special Educational Needs Transport Policy and the Mainstream Home to School Transport Policy as set out in paragraphs 22 to 24 of this report, be approved for consultation, including any low income contribution;

   (b) A further report be submitted to the Cabinet in spring 2018 regarding the outcome of the consultation and presenting the final revised Policies for approval.

Reasons for Recommendations

3. Significant growth pressures on the Council's Special Educational Needs (SEN) transport budget mean that a review of the discretionary element of transport provision for children not of statutory school age is required to ensure future expenditure on this Service can be contained within the funding available.

Timetable for Decisions (including Scrutiny)

4. Subject to approval by the Cabinet, the consultation will take place from 25th September 2017 to 21st December 2017. The Environment and Transport

Overview and Scrutiny Committee will consider the proposals as part of the consultation on 22nd November 2017. The outcome of the consultation together with the revised Policies will be presented to the Cabinet for approval in spring 2018.

5. Any changes to the existing Policies will need to be determined and published by mid-September 2018 if it is to be implemented with effect from September 2019 as there is a statutory requirement to give 12 months' notice of a change in Policy.

Policy Framework and Previous Decisions

6. The Council has a statutory duty to provide free transport to schools for eligible compulsory school age children. For non-eligible children (i.e. children not of statutory school age) the provision of transport is at the County Council's discretion and any proposed changes to such provision should be consulted upon and the responses considered before any change in policy is introduced.

7. The current policy on Mainstream Home to School Transport was agreed by the Cabinet in July 2013 and implemented in September 2015. The Special Educational Needs Transport Policy was agreed by the Cabinet in April 2012 and implemented in September 2013.

Resource Implications

8. The Director of Corporate Resources has been consulted on this report.

9. The current Medium Term Financial Strategy (MTFS) for 2017/18 to 2020/21 has a shortfall of £23m by 2020/21. A number of 'savings under development' are being considered which will contribute to closing this gap. One of these is a review of discretionary school transport provided for children not of statutory school age of which this consultation considers options for reducing spend.

10. The changes proposed are estimated to generate annual savings up to £946,000 depending on exactly what is implemented following the consultation. The amount will also depend on the number of individuals with other circumstances that will require the County Council to continue to provide transport in the conventional way.

11. The proposed changes will also specifically mitigate the increasing cost of post-16 SEN transport. The SEN transport budget is growing at around 5% per year due to increasing delivery costs and increasing numbers of SEN pupils. More detail is given in Part B of this report, below.

Comments of the Director of Law and Governance

12. The Council is required to produce an Annual Transport Policy Statement which specifies the transport arrangements it has put in place for students of 6th form age (i.e. children not of statutory school age) receiving education or training, as well as the arrangements it considers necessary for the provision of financial assistance for reasonable travel expenses.

13. The Council has discretion to determine what transport and financial support is necessary to facilitate attendance but must have regard to the Post-16 transport to education and training guidance issued by the Department for Education in – February 2014.The Council must give effect to the arrangements set out in its Policy Statement and must act reasonably in the performance of its duties.

14. The current Department for Education statutory guidance on home to school travel and transport (July 2014) does not specify any timescales for policy changes.

15. The guidance suggests in paragraphs 52 and 53 that:

    52. Local authorities should consult widely on any proposed changes to their local policies on school travel arrangements with all interested parties. Consultations should last for at least 28 working days during term time. This period should be extended to take account of any school holidays that may occur during the period of consultation.

    53. Good practice suggests that the introduction of any such changes should be phased-in so that children who start under one set of transport arrangements continue to benefit from them until they either conclude their education at that school or choose to move to another school. Parents make school choices based on, amongst other things, the home to school transport arrangements for a particular school, and any changes might impact adversely on individual family budgets.

Circulation under the Local Issues Alert Procedure

A copy of this report has been sent to all Members of the Council under the Members' News in Brief service.

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PART B

Background

16. The Education Act 1996 places a duty on Local Authorities to provide free transport to school for eligible compulsory school age children. The statutory framework defines eligible children as:

    - those who are unable to walk to their nearest qualifying school because of their SEN, disability or mobility problems;
    - those who are unable to walk to their nearest qualifying school in reasonable safety because of the nature of the route;
    - those who live outside of the statutory walking distance of two miles for children aged under 8 and 3 miles for children aged 8 or over (which are the distances which children or young people are deemed to be able to walk to school accompanied as necessary by an adult, provided a suitable walking route is available);
    - those whose parents are in receipt of certain specified benefits, where walking distances are reduced and choice of schools increased (Extended Rights eligibility).

17. The provision of post-16 mainstream and SEN transport and pre-school SEN nursery transport is on a discretionary basis and the County Council makes a charge for their provision. Mainstream post-16 transport is charged for at an average of the full cost of providing the service (£660 for 2017-18). SEN pupils who apply for discretionary transport to nursery or post-16 provision are charged a contribution at the same rate as the mainstream discretionary transport, although the average full cost of providing transport for SEN children is much higher. Children from a qualifying low income family receive transport for free.

18. The implementation of the above charges was determined by the Cabinet in July 2013 as a full cost recovery model against mainstream post-16 transport costs, meaning charges have increased in subsequent years from £425 in 2013-14 to £660 in 2017-18. The post-16 SEN contribution is charged at the same rate as mainstream as the average cost of provision is around £5,000 per school year.

19. The SEN transport budget has growth of £350,000 in 2017/18 and is £9.1m. Further growth of £365,000 is forecast for 2018/19, £380,000 in 2019/20 and £395,000 in 2020/21 if costs cannot be mitigated.

20. In 2014/15 the Highways and Transport revenue budget was £48m with the SEN transport budget spend being £7.1m (14.8% of the budget). In 2020/21 the Highways and Transport budget is expected to be £35.5m and SEN transport spend with growth is forecast to be £10.24m (28.8% of the budget).

21. There were 1,512 SEN pupils transported in 2013/14 with an increase to 1,608 in 2016/17 and these numbers are expected to continue to rise. Increasing complexity of medical and behavioural needs of pupils have increased the costs of such transport as more solo transport and better trained drivers and staff are required to ensure the safety of pupils in the event of an incident whilst travelling.

<u>Proposed policy amendments for consultation</u>

22. Given the current savings gap faced by the County Council and the increasing pressure on the home to school transport budget, in particular regarding SEN transport, current service levels are unsustainable and action needs to be taken to manage the growth pressures in this area. Therefore the following changes to the Council's current Policies in regard to discretionary transport provision and low income exemptions are being proposed:

    i. To remove the 100% discount received by low income families for non-compulsory school age children travelling to SEN nurseries and introduce a contribution for transport cost (where provided). The consultation will seek views on the appropriate level of contribution. This affects 38 children attending nursery and could generate savings of up to £25,000.

    ii. To remove the 100% discount received by low income families for non-compulsory school age children travelling to mainstream and SEN post-16 education providers and introduce a contribution for transport cost (where provided). The consultation will seek views on the appropriate level of contribution. This affects 151 SEN and 32 mainstream post-16 children and could generate savings of up to £121,000.

    and/or

    iii. To remove traditional transport methods (Council fleet minibuses or taxis) for all eligible SEN post-16 children and replace it with a Personal Transport Budget (PTB) payment. Consideration will need to be given to exceptions where traditional transport would be retained – the consultation responses will inform this. This affects 320 children and could generate savings of up to £773,000.

and/or

iv. To cease providing post-16 transport for eligible mainstream post-16 students but to provide a travel grant to assist with transport costs for those in isolated rural areas or on low income. This affects 58 children and could generate savings of up to £27,000.

23. There may be circumstances where traditional transport may still be provided for a small number of passengers. Any application of low income exemptions and contributions for post-16 transport (mainstream or SEN) would need to be considered when calculating any PTB offered. A similar consideration may be required for travel grants.

24. The consultation will seek to determine whether students from low income households should have a different PTB rate. There will be a continuing expectation that students make a contribution towards the cost of their transport arrangements (currently £660 for the 2017/18 academic year), therefore the PTB offered would take account of any contribution determined.

25. Comparisons have been made with the arrangements adopted by other local authorities and some expect some form of contribution to be made by students from a low income background. These range from no discount in Sheffield (students are signposted to the 16-19 national bursary fund), a 50% discount in Essex, a £20 discount in Derbyshire (from a £265 contribution) and no contribution for SEN post-16 students in Norfolk. In exercising discretion, the statutory guidance makes it clear that the Council should take into account affordability issues and arrangements to support those on low income.

Implications of the proposed policy changes

26. There are 380 students who travel on the mainstream post-16 scheme of which 32 are exempt from charges as they are from a low income family. There are a total of 375 students who travel on the SEN post-16 scheme of which 151 are exempt from charges due to low income. In addition there are 38 children with SEN who receive transport to nursery all of whom are exempt from charges due to low income.

27. There can be no doubt that the proposed changes represent a radical shift in service delivery from that which has traditionally existed for many years. However the effect of public sector austerity means that both the Council and communities will need to come to terms with different models and levels of service delivery. With the removal of traditional transport particularly for a number of children with SEN, families will need to consider

how they will provide for their child's travel needs in the future, and the consultation will seek views on this.

28. From September 2017 PTBs have been a discretionary offer for all SEN passengers as an alternative option to traditional transport, as required by the SEN Code of Practice, and have already been taken up by around 8% of families receiving transport under the SEN Transport Policy.

29. Families can use a PTB in a number of ways, including:

a) Using their own car – using a PTB to cover the cost of fuel and maintenance for their vehicle.

b) Sharing with other families – families with individual PTBs pool their resources and share the journeys to and from school between them to suit their individual family and work commitments during the week.

c) Arranging care for other children – using the PTB to pay someone to childmind other siblings in the morning and in the afternoon so that the parent can take their child to and from school.

30. Phasing and/or transitional arrangements will also be considered and these will be informed by the consultation responses.

31. Revised application processes will need to be designed to deliver transparent transport eligibility application and decisions linked to the PTB offer.

Consultation

32. A full public consultation will be undertaken from 25th September 2017 to 21st December 2017 to seek feedback regarding the proposed Policy changes. The consultation will be available online via the County Council's website with paper copies available upon request. Specific consultation will also be undertaken with SEN nurseries, SEN schools, mainstream and SEN post-16 schools/colleges and parents/guardians.

Equality and Human Rights Implications

33. The Equality Act 2010 requires the Council to have due regard to the need to eliminate discrimination and to promote equality of opportunity between different protected groups. The Council will need to take account of the requirements of disabled parents and children in the application of the SEN Transport Policy and Mainstream Home to School Transport Policy and to make reasonable adjustments to this Policies where required by individual circumstances.

34. Any changes to the current SEN Transport Policy and the Mainstream Home to School Transport Policy will impact on parents/guardians of children accessing discretionary education provision who are not of compulsory school age. There are provisions in the Statutory Guidance providing for low-income families of compulsory school age children which provide free school transport to the three nearest schools between 2 and 6 miles from home address.

35. An Equality and Human Rights Impact (EHRIA) assessment will be completed and informed by the outcome of the consultation, the outcome of which will be presented to the Cabinet in spring 2018 alongside the consultation outcomes to assist the Cabinet with the exercise of its Public Sector Equality Duty under the Equality Act 2010.

Background Papers

Mainstream Home-School/College Transport Policy (May 2017)
https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2017/6/28/Mainstream-Policy-2017-18.pdf

Special Education Needs Home to School/College Transport Policy for the 2017/18 Academic Year
https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2016/9/26/SEN-school-transport-policy2017-2018v1.1.pdf

Transport policy statement for learners aged 16-18 in further education and continuing learners aged 19 and over
https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2017/5/26/Post-16-Transport-Policy-Statement-For-Sep-2017-v1.pdf

Post-16 transport to education and training (Department for Education – February 2014)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/277016/Post-16_Transport_Guidance.pdf

Home to school travel and transport guidance (Department for Education – July 2014)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/575323/Home_to_school_travel_and_transport_guidance.pdf

Participation of young people in education, employment or training (Department for Education – September 2016)

https://www.gov.uk/government/publications/participation-of-young-people-education-employment-and-training

Report to the Cabinet – July 2013 - Results of Consultation on Home to School Transport Policy and Proposed Changes to Policy and Charging

http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=3857&Ver=4

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CABINET – 15TH SEPTEMBER 2017

LTP3 HINCKLEY AREA PROJECT
ZONE 4- PROPOSED TRANSPORT IMPROVEMENTS

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. The purpose of this report is to provide an update on the development of the Local Transport Plan 3 (LTP3) Hinckley Area Project, and to seek the Cabinet's approval for a revised package of works for Zone 4 of the project following the outcome of the Leicester and Leicestershire Enterprise Partnership's (LLEP) Growth Deal 3 bid to the Government's Single Local Growth Fund submitted in July 2016, as announced by the Government in March 2017.

Recommendations

2. It is recommended that the Cabinet:

   a) Notes the outcome of the LLEP's Growth Deal 3 bid to the Government's Single Local Growth Fund submitted in July 2016 which did not secure funding for the Hinckley Area Project Zone 4, and the effect of this on the proposed package of works previously considered by the Cabinet in September 2016;

   b) Notes the outcome of the stakeholder consultation on the prioritisation of schemes to be included within Zone 4 of the Hinckley Area Project in light of the significantly reduced funding available;

   c) Approves the revised list of schemes for Zone 4 of the Hinckley Area Project, detailed in Appendix D attached to this report, for implementation in 2017/18 using the remaining £800,000 of the LLEP's 2014 successful Single Local Growth Fund bid.

Reason for Recommendations

3. To agree a revised scheme of works for Zone 4 of the Hinckley Area Project as a result of the significantly reduced funding available and to enable measures to be prepared in a timely manner for delivery of such schemes in 2017/18, and in 2018/19 should further funding be made available.

Timetable for Decisions (including Scrutiny)

4. This report was considered by the Environment and Transport Overview and

Scrutiny Committee on 7th September 2017 and its comments will be reported to the Cabinet.

5. Subject to the Cabinet's approval of the above recommendations, individual scheme consultations will take place during the autumn of 2017. Subject to any unresolved objections, scheme implementation will begin in January 2018.

Policy Framework and Previous Decisions (including Scrutiny)

6. Supporting the economy in South West Leicestershire is a priority of the Leicester and Leicestershire Enterprise Partnership (LLEP) and their Strategic Economic Plan (SEP), which was considered by the Cabinet in March 2014.

7. The Enabling Growth Action Plan, approved by the Cabinet in March 2015, includes specific actions to support the delivery of critical infrastructure development, including transport connectivity, reducing congestion, and enabling the development of major sites for housing and employment initiatives in the South West Leicestershire area.

8. The first phase of transport improvements in Hinckley (Zone 1) was approved for implementation by the Cabinet on 17 June 2014, the second phase (Zone 2) and the third phase (Zone 3) were approved on 19 November 2014 and 10 March 2015 respectively.

9. The proposed package of measures for the fourth phase (Zone 4) was approved for consultation by the Cabinet in September 2016 and it was agreed at that time that a further report would be submitted to the Cabinet following the outcome of the Government's SLGF announcement, in order to determine how best to progress Zone 4.

10. The Environment and Transport Interim Commissioning Strategy Action Plan was approved by the Cabinet on 10 March 2017 which included a commitment to identify and develop transport proposals for Hinckley Zone 4.

Resource Implications

11. As part of the County Council's Sustainable Travel Strategy, a large package of works was developed for Hinckley and on 7 July 2014 the County Council was successful in its bid, through the LLEP, to the Government's SLGF.

12. This bid approved funding of £5.5m to implement a package of works for Hinckley of which £1.1m was allocated to develop proposals for Zone 4.

13. £0.3m of this funding was used to develop detailed feasibility and early design work for Zone 4 resulting in a further package of infrastructure measures being identified, totalling £16.36m. This funding bid was submitted to the LLEP in May 2016.

14. In July 2016, the LLEP submitted its Growth Deal 3 proposal to the Government which included the Hinckley Zone 4 proposals. Unfortunately, the LLEP was allocated a level of funding that was insufficient to deliver all the schemes within its Growth Deal 3 bid and funding for the Hinckley Zone 4 proposals was not secured.

15. Consequently the proposed works included in Zone 4 have been scaled back so that this phase can be delivered within the remaining £800,000 budget allocated for 2017/ 2018 in the first round of the Single Local Growth Fund. Where appropriate, officers will continue to seek opportunities to use funding from other sources to help increase the potential level of funding available, including through developer contributions, the National Productivity Investment Fund (NPIF) and other government bidding rounds as appropriate.

16. The Director of Corporate Resources has been consulted on the contents of this report.

Circulation under the Local Issues Alert Procedure

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PART B

Background

17. As part of the County Council's Sustainable Travel Strategy a large package of works was developed for Hinckley and in July 2014 the County Council was successful in its bid to the LLEP in receiving funding of £5.5m from the LLEP's successful bid to the Government's SLGF.

18. The package for Hinckley was divided into zones with Zone 1 funded entirely from Local Transport Plan Capital budgets. The SLGF funding was used to deliver Zones 2 and 3 and to develop proposals for Zone 4.

19. Zone 1 (North-west Hinckley) was completed in November 2014 and covers the Coventry Road area of Hinckley.

20. Works in Zone 2 (South Hinckley / Burbage and Earl Shilton) started in April 2015 and were substantially complete by November 2015, at a cost of £2.2m.

21. Zone 3 (North-east Hinckley and Barwell) works were delivered in the 2016/17 financial year and were substantially complete by November 2016 at a cost of 2.2m.

22. The remaining £1.1m of the SLGF funding was allocated for detailed feasibility and early design work for Zone 4. This resulted in the development of a further package of infrastructure measures totalling £16.36m and the LLEP included these proposals in its Growth Deal 3 bid to the Government's Single Growth Fund submitted in July 2016. A plan detailing the proposed measures is provided in Appendix A, attached to this report. The Cabinet considered and approved these measures for consultation in September 2016 before the outcome of the funding bid was known.

23. The SLGF allocation announced by the Government on 9 March 2017 was insufficient to fund all of the schemes within the LLEP's Growth Deal bid and therefore Hinckley Zone 4 did not secure funding. Whilst there could be potential for future funding for this phase of the project from other government competitive funding, e.g. National Productivity Investment Fund (NPIF), this cannot be guaranteed.

24. It is therefore considered prudent to proceed solely on the basis of planning for the delivery of measures in Zone 4 based on the remaining £800,000 allocated for 2017/18 as part of the first round of Growth Funding bids.

Consultations

25. Given the limited confirmed funding available, a consultation on a framework of prioritised schemes and prioritisation criteria took place from 9th June 2017 to 30th June 2017. This framework is set out in Appendix B attached to this report.

26. 63 stakeholders were consulted and 7 responses were received. Of these 1 gave outright support and the others supported the proposals if modifications were made. A list of the stakeholders consulted is detailed in Appendix C1 with a list of the comments received and officer responses included as Appendix C2.

27. Issues raised included:

    a. Lancaster Road crossing is a high priority and would improve safety for people who are entering or leaving The Crescent bus station;
    b. Hawley Road and Rugby Road junction improvements should have greater priority as they are bottlenecks impeding the traffic flow into and out of Hinckley;
    c. The A47 approach to the A5 Dodwells Roundabout scheme and Normandy Way/Ashby Road junction improvements are important to ensure future growth does not impede flows around Hinckley;
    d. The links with Strategic and Local Transport Plan objectives needs to be clearer;
    e. A number of respondents felt that car park signing was less important than a review of parking throughout Hinckley. However, two of the respondents felt car park signage was important to sustain the economic vitality of Hinckley;
    f. A number of suggested minor improvements were made which could add value to the work already carried out as part of the Hinckley Area Project.

28. It was clear from the comments made that many of the emerging priorities were not deliverable within the remaining funding or timescales available. Therefore it was concluded that deliverability of schemes would need to be a determining factor in the priority assessment.

29. In response to the comments received and the emerging opportunities for funding such as NPIF, the methodology was amended to reflect a wider assessment of the benefits each scheme would provide. The list of schemes proposed to be funded with the remaining £800,000 for Phase four, taking account of the consultation responses received, is set out in Appendix D attached to this report.

30. Subject to approval by the Cabinet, the schemes to be delivered in 2017/18 will be subject to individual consultations which will be carried out in the Autumn and progressed for implementation thereafter.

31. Whilst planning for the delivery of measures in Zone 4, officers will remain focused around the confirmed budget of £800,000. However, the remaining package of measures will continue to be developed to ensure that the Authority is best placed for any future funding opportunities.

<u>**Background Papers**</u>

Report to the Cabinet – 16 September 2016 - LTP3 Hinckley Project Zone 4 – Proposed Transport Improvements
http://politics.leics.gov.uk/documents/s122385/Final%20Cabinet%20Report%20-%20Hinckley%20Zone%204.pdf

Report to the Cabinet – 10 March 2017 – Environment and Transport Interim Commissioning Strategy.
http://politics.leics.gov.uk/documents/s126982/FINAL%20Cabinet%20report%20-%20Commissioning%20Strategy.pdf

Information on the Local Growth Fund Deal
Our Local Growth Deal | Leicester & Leicestershire Enterprise Partnership

Information on the Strategic Economic Plan
Our Strategic Economic Plan (SEP) | Leicester & Leicestershire Enterprise Partnership

Enabling Growth Action Plan
http://politics.leics.gov.uk/documents/s108392/6%20Enabling%20Growth%20Plan.pdf

Appendices

Appendix A – Schematic Plan of programmed measures for Zone 4

Appendix B – Original Zone 4 Priority Framework

Appendix C – Consultation results with Officer Responses

Appendix D – Revised Zone 4 Priority Framework

Equality and Human Rights Implications

32. An Equalities and Human Rights Impact Assessment will be completed for each of the schemes once approved by the Cabinet.

Environmental Impact

33. The proposals are part of the fourth and final phase of the LTP3 Hinckley Area Project aimed at encouraging sustainable travel. This will help to boost the local economy, reduce congestion and cut carbon emissions

Agenda Item 12

Leicestershire County Council

CABINET – 15 SEPTEMBER 2017

HIGHWAY INFRASTRUCTURE ASSET MANAGEMENT PLAN (HIAMP)

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the development of the Highway Infrastructure Asset Management Plan (HIAMP) and to seek approval of the final version of the Plan for implementation.

Recommendations

2. It is recommended that:

   a) The Highway Infrastructure Asset Management Plan (HIAMP) appended to this report, be approved;

   b) The Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised to make minor amendments to the Highway Infrastructure Asset Management Plan as are considered necessary to ensure it remains current and conforms to legislation;

   c) The Director of Environment and Transport be authorised to develop and implement such operational procedures as are considered necessary to ensure the effective delivery of the HIAMP.

Reasons for Recommendations

3. Authorities have until October 2018 to fully adopt the Government's new Code of Practice titled "Well-Managed Highway Infrastructure". The HIAMP embeds a risk-based approach in operational planning, as required by the latest Code, and it will form the high-level strategic document from which operational procedures will be derived.

4. The Plan supports the delivery of a service that is aligned to the Medium Term Financial Strategy (MTFS) and ensures that the Council, as Highway Authority, continues to meet its statutory duties under the Highways Act 1980.

5. The HIAMP will help the Authority secure the highest band (band 3) under the Government's Department for Transport (DfT) Incentive Fund scheme and it is increasingly being required as part of other funding bids. Its adoption therefore has financial implications for the Authority.

Timetable for Decisions (including Scrutiny)

6. This report was considered by the Environment and Transport Overview and Scrutiny Committee on 7 September 2017. Its comments will be reported to the Cabinet.

7. It is anticipated that the Council will submit a self-assessment to the DfT by the end of November 2017, demonstrating that it has qualified for Band 3 of the DfT's Incentive Fund.

Policy Framework and Previous Decisions

8. In November 2007 Leicestershire County Council's Transport Asset Management Plan (TAMP) was approved and was subsequently updated in 2011. It describes an analytical approach to highway maintenance, current service levels and management processes, providing limited direction to further developing asset management. The TAMP follows guidance that has now been superseded and supports the previous Highway Maintenance Policy and Strategy which have now been replaced (new Highway Asset Management Policy and Strategy approved by the Cabinet on 23 June 2017). The HIAMP has been developed and, subject to the Cabinets approval, will replace the TAMP.

9. On 13 December 2016 the Cabinet noted the outcome of the 'A-Roads to Zebras' consultation on the Council's approach to highway maintenance and proposed amendments to its plans and policies set out in the TAMP. The Cabinet agreed to consult on the draft Highway Asset Management Policy and draft Highway Asset Management Strategy and subsequently approved these new policies at its meeting in June.

Resource Implications

10. The HIAMP supports the efficiency savings required from the MTFS and the corporate transformation process. It underpins improvements in the effectiveness of highway maintenance delivery. It is also one of the key steps towards satisfying criteria required by the DfT to achieve the highest level of maintenance funding available through the Incentive Fund process.

11. The table below shows the financial impact of the County Council achieving the highest Incentive Fund level. Essentially it makes a difference of £0.715m in 2018/19, £1.19 million in 2019/20 and £1.67 million in 2020/21; meaning an additional £3.6 million for maintenance delivery over this time period.

Year	Needs Based Allocation £000	Incentive Fund Level 2 £000	Additional Incentive Fund if Level 3 £000	Total Possible Funding £000
2017/18	12,642	1,065	118	13,825
2018/19	11,442	1,668	715	13,825
2019/20	11,442	1,192	1,191	13,825
2020/21	11,442	715	1,668	13,825

Table 1: Incentive Fund Grant Levels

12. To support the development of asset management principles and the progress towards securing the maximum Incentive Fund award, additional specialist asset management support has been procured through the Midlands Highway Alliance (MHA) Professional Services Contract at an estimated cost of £75,000. This work is being funded as part of the Council's transformation programme.

13. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

National Guidance Promoting the Development of Highway Asset Management

14. On 23 June 2017, the Cabinet approved the Highway Asset Management Policy and Highway Asset Management Strategy. These documents ensure that the County Council follows an approach to asset management that is In accordance with the recommendations of the Highway Maintenance Efficiency Programme (HMEP) guidance document and the new Code of Practice for highway maintenance.

15. Both the Policy and Strategy are designed to promote the development of an integrated asset management approach to highway infrastructure, which is based on the establishment of local levels of service through risk-based assessment. The Policy and Strategy documents are also a requirement of the Incentive Fund and are essential if the Authority is to achieve maximum funding.

16. To support the Highway Asset Management Policy and Highway Asset Management Strategy it has also been necessary to revise the TAMP. The current TAMP is no longer reflective of the approach adopted in the new Policy and Strategy documents, as it does not reflect a risk based approach. The new HIAMP develops the existing TAMP into a document that directs the delivery of the policies and principles set out in the new Policy and Strategy.

Highway Infrastructure Asset Management Plan (HIAMP)

Purpose

17. The purpose of the HIAMP is:
    - To better understand risk and its impacts on the asset. Assets are defined as items, things or entities that have potential or actual value to an organisation. Examples of highway assets are carriageways, footways, street lighting etc.
    - To provide a document that assists with decisions on maintaining the highway asset, including future levels of funding.
    - To provide information on challenges and the actions to be taken to maintain the highway asset.
    - To set out the asset management requirements in a clear and transparent manner.
    - To provide a reference for staff and contractors on specific aspects of highway maintenance.

Framework

18. The framework for the Highway Asset Management Policy, Strategy, Plan and operational procedures is set out below:

Highway Asset Management Policy

Setting out the links to the Council's Strategic Plan and providing a statement of the high level principles that will be adopted in applying asset management.

Highway Asset Management Strategy

A high-level document setting out the strategic direction that we will apply to the delivery of the Highway Asset Management Policy.

Highway Infrastructure Asset Management Plan

(HIAMP – formerly TAMP)
A detailed document looking at the Asset Register, Network Classification & Hierarchy, Condition Assessment, Service Levels & Performance Indicators, Risk Management, Treatment Strategies, Work Programmes, Asset Performance and Customer Satisfaction to deliver formalised asset management.

Highway Maintenance Operational Procedures

A suite of documents providing consistent and coordinated guidance for members, the public, stakeholders and staff regarding the day to day operational delivery of asset management.

Operational Highway Delivery

Delivery of the Operational highway procedures and practices and the annual programmes of work in accordance with the Highway Asset Management Policy and Highway Asset Management Strategy documents.

Content
19. The HIAMP covers the following areas:

- Current State of Assets – How the Council looks after its assets and their current state
  - Historical Investment Summary – Funding for the highway infrastructure is in the form of either capital or revenue and can come from a variety of sources.
  - Network Hierarchies – The network hierarchy has been re-defined in order to optimise both the safety inspection regime but also the highway maintenance strategy. For example, the Resilient Network and the Major Road Network.
  - Condition Assessment & Asset Performance – The performance of our asset is assessed using a variety of inspections, for example, Safety Inspection, Service Inspection, Condition Surveys
  - The Condition of our Asset – The condition of our key assets are shown over a

six year period.

- Service Aspirations
    - Stakeholder Aspirations – The Council monitors stakeholder expectations using the National Highways and Transport (NHT) customer satisfaction survey and through ad-hoc consultation exercises.
    - Levels of Service – The levels of service have been formed to explain how the Council is making progress to deliver its asset management goals.
    - Life Cycle Planning – Life cycle planning is used to appraise the viability of asset aspirations in the future.

- Delivery of the HIAMP
    - Communication – The Authority needs to ensure that stakeholders are informed about work on its highways, its services and any changes to them.
    - Data Management – Need to understand what data the Authority has/needs.
    - Customer Feedback – Vital that stakeholders can contact the County Council to request a service to deal with current issues and to register priorities for future work.
    - Competencies & Training – A competency framework for all key asset management staff is used to identify the individual competency requirements and then use as the basis for training.
    - Principles of a Risk Based Approach – The new code of practice “well managed highway infrastructure” states that a “risk based approach” should be adopted for all aspects of highway maintenance.
    - Developing a works programme – There are many stages to developing a works programme; this includes identifying work (Candidate Schemes), prioritising the work identified, developing the work into a 3 year plan (Forward Plan) and finally the annual works programme.
    - Investment Aspirations – It is vital to address the investment aspirations in order to obtain the appropriate funding.
    - Milestones – A number of key actions have been set down as milestones. For example, revision of operating procedures to comply with the risk based approach by October 2018 as defined in the new Code.

- Risks
    - Managing Risk – To manage risk the County Council maintains and reviews a number of risk registers in a multi-level risk management framework.
    - Protecting the environment and dealing with climate change – The County Council needs to take account of extreme weather events which are becoming more frequent to either reduce or mitigate their impact.
    - Network resilience – The County Council must consider the resilience of the highway network. It will do this by defining a Resilient Network, taking a risk based approach and maintaining its winter service.
    - Growth in demand – The demand on the network is growing.

- Governance
    - The delivery of the HIAMP will be overseen by the Asset Management Programme Board. The remit of the Board is to implement the new HIAMP and the revised maintenance Policy and Strategy in order to encourage and manage the effective and efficient delivery of Highways Asset Management

operations. The Board meets monthly and membership comprises the Council's Highway Asset Manager in the Senior Responsible Officer role, Highway Operations representatives in the Senior Supplier role and Senior Users from within the Highways Policy and Asset Management teams.

Highway Maintenance Operational Procedures

20. The HIAMP will inform the review and development of all highway maintenance operational procedures. These procedures will shape the way the Council will develop and deliver its highway maintenance service, which aims to deliver a safer highway network with improved traveling conditions for all users and to take greater care of the environment.

21. These procedures will enable the delivery of the HIAMP, Highway Asset Management Policy and Highway Asset Management Strategy and will:

- List the Council's maintenance and management processes, such as grass cutting and carriageway defects.
- Explain its maintenance and management strategies across all highway activities.
- Provide general information to illustrate the Council's role in managing the highway network.
- Provide general information on minimum service standards, such as when and where they apply.
- Provide advice on consents and licences for activities on the highway (what is allowed on the highway network), such as skip licences.
- Identify constraints and enforcement measures (what is not allowed on the highway network), such as stones in the highway.

22. In order to meet the requirements of the new Code of Practice these procedures will be reviewed, following adoption of HIAMP, and implemented incrementally by October 2018.

Future Levels of Service

23. The operational procedures will, as appropriate, detail inspection regimes and frequency, maintenance cycles (e.g. for grass cutting) and response times to issues raised concerning defects (e.g. potholes in the road or damaged road signs). However, by adopting a risk based approach in accordance with the new Highway Asset Management Policy and Highway Asset Management Strategy documents, it has become far less straightforward to be overly prescriptive about how quickly something might be dealt with given a particular set of circumstances.

24. However, overall, something that is likely to pose a greater risk to road safety will be dealt with more urgently, regardless of the nature or class of the road (e.g. rural, urban, A, B, C road). Conversely, other types of defects will be dealt with over a relatively greater period of time.

Highway Asset Management Support for the Medium Term Financial Strategy

25. By 2019/20 £4.4 million of ongoing savings will need to have been made from highway maintenance activity to meet the Council's MTFS. This is being delivered through a revised approach to highways maintenance which consists of a

combination of efficiencies and service reductions. This involves a range of actions and initiatives, including better packaging of planned works (such as minor patching, road marking and gully emptying), and more effective use of depots and vehicles.

26. In addition, reducing budgets will require a change to the treatment strategies applied to highway assets. For example, previous levels of major carriageway resurfacing will not be achievable. In the future it will be necessary to sustain the network condition over longer periods through more extensive use of localised patching.

27. The HIAMP framework will assist in minimising risk and ensure that revised treatment strategies continue to provide a safe, serviceable and sustainable network. This will be achieved by delivering a more evidence based approach, rather than a subjective judgement based approach, when making maintenance decisions. It will also ensure that the Council can more confidently consider initiatives designed to deliver efficiencies and can be more flexible in adapting to changes in future budgets.

Consultations

28. The development of the HIAMP has been steered by the extensive consultations undertaken during the development of the Highway Asset Management Policy and the Highway Asset Management Strategy. As the HIAMP is an operational document, which delivers the Highway Asset Management Policy and Strategy, no separate consultation is required.

Conclusion

29. Following on from the Cabinet's approval of the Highway Asset Management Policy and the Highway Asset Management Strategy documents in June, development of the HIAMP will ensure that the Council continues to meet its statutory duties under the Highways Act 1980.

30. It takes into account the ongoing financial pressures on the Authority, supports delivery of the Council's MTFS and provides the opportunity for the council to take advantage of additional funding available from the DfT.

31. The HIAMP will establish the detailed direction of operational practice and procedures, to underpin delivery of the Highway Asset Management Policy and Strategy. Subject to the approval of the HIAMP, the development and implementation of operational procedures to deliver the Plan will be implemented incrementally by October 2018.

Background Papers

Leicestershire County Council Highway Maintenance Policy and Strategy document:
http://website/highway_maintenance_policy_and_strategy_document__v6_november_2012-2.pdf

Leicestershire County Council Transport Asset Management Plan:
http://website/tamp_2.pdf

Report to the Cabinet – 23 June 2017 - Highway Asset Management Policy and Highway Asset Management Strategy:
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5120&Ver=4

Report to the Cabinet – 13 December 2016 – Highway Maintenance Policy and Strategy Review:
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4608&Ver=4

Report to the Cabinet – 19 April 2016 – Highway Maintenance Strategy and Policy Review:
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4601&Ver=4

Appendix

Appendix - Draft Highway Infrastructure Asset Management Plan (HIAMP)

Equality and Human Rights Implications (EHRIA)

32. The HIAMP aims to maintain the highway network in the best overall condition, appropriate to its use and taking account of customer expectations and the available budget. Effective maintenance of the network will benefit all users.

33. The HIMAP is an operational document, which delivers the Highway Asset Management Policy and Strategy. An EHRIA has previously been completed for the Policy and Strategy and a number of mitigations have been developed to respond to concerns. The EHRIA will continue to be reviewed.

Environmental Implications

34. The draft HIAMP supports a number of environmental benefits, including preserving natural resources as a consequence of extending the serviceable life of highway assets before renewal, reducing the impact of congestion on communities. The Plan directs the service to consider deploying preventative treatment strategies to reduce deterioration in the asset, using recycled materials or the use of low temperature asphalt to minimise carbon emission, collaborating with the supply chain to reduce emissions arising from the transport of materials and scheduling work to minimise congestion as a result of maintenance interventions.

35. In addition the HIAMP identifies the need for resilience in dealing with climate change. This is tackled through the adoption of a resilient network and taking a risk-based approach to delivery which accounts for the environment.

36. The County Council's Environmental Implications Tool has been used to identify the impact of this project on the environment and to consider ways of reducing that impact, supporting the delivery of the Council's environmental objectives.

Risk Assessment

37. A risk assessment has been completed for this project.

38. The HIAMP supports the Council's responsibilities as highway authority in meeting the requirements of the Highways Act 1980, particularly section 41 which defines a

statutory duty to maintain the highway and section 58, which provides a defence against claims, provided that the authority can demonstrate that it is applying a standard of inspection and maintenance appropriate to the character of the highway. Insurable risks identified in the proposals will be fully considered.

39. The new Government Code of Practice for highway maintenance (‘Well Managed Highway Infrastructure’) sets out the principle of applying a locally appropriate risk-based approach to the inspection, prioritisation and treatment of the highway network. This new approach will ensure that those areas with the greatest risk will be given priority. The HIAMP sets out the key actions required and types of risk to be considered when applying a risk-based approach.

Leicestershire County Council

CABINET – 15 SEPTEMBER 2017

PERMIT SCHEME FOR STREET WORKS AND ROAD WORKS

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the results of a consultation exercise undertaken on the draft Leicestershire County Council Permit Scheme for street works and road works and to seek approval of the final version of the Scheme for implementation.

Recommendations

2. It is recommended that:
   a) The Leicestershire County Council Permit Scheme as detailed in Appendix A and B be approved for implementation from the 1st November 2017;
   b) The Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised to implement and oversee the on-going management, and to make minor changes to the Permit Scheme as he considers appropriate.

Reasons for Recommendations

3. To enable the County Council to introduce a Permit Scheme to better manage activities on the public highway and improve the County Council's ability to minimise disruption to highway users from street and road works.

4. To help fulfil the Authority's statutory network management duty under the Traffic Management Act (TMA) 2004 to ensure the expeditious movement of traffic.

5. Updating the County Council's approach to managing street and road works will support the delivery of the savings identified in the Medium Term Financial Strategy (MTFS) by replacing the current New Roads and Street Works noticing system with a Permit Scheme, which enables the County Council to recover all associated costs.

Timetable for Decisions (including Scrutiny)

6. This report was considered by the Environment and Transport Overview and Scrutiny Committee on 7 September 2017 and its comments will be reported to the Cabinet.

7. Subject to the Cabinet's approval the Leicestershire County Council Permit Scheme

will be introduced from November 2017.

Policy Framework and Previous Decisions

8. The Permit Scheme has been developed under the powers provided in Part 3 of the TMA, the Traffic Management Permit Scheme (England) Regulations 2007 and the Traffic Management Permit Scheme (England) (Amendment) Regulations 2015.

9. The Environment and Transport Interim Commissioning Strategy Action Plan approved by the Cabinet on 10 March 2017 contained various strategic priorities and outcomes linked to the County Council's Strategic Plan, and included actions to develop and implement a Permit Scheme for road and street works which will contribute to the delivery of such priorities and outcomes.

Resource Implications

10. The Permit Scheme will support the efficiency savings required from the MTFS and the corporate transformation process, by allowing the County Council to recover all associated costs.

11. As part of the Permit Scheme a fee matrix produced by the Department for Transport (DfT) has been used, which calculates the charge for each type of permit to be paid by companies undertaking work on the public highway. Such fees cover the costs and overheads of setting up and administering the Permit Scheme, including the additional costs of staffing, IT and other resources, over and above the current costs of operating the existing Noticing Regime.

12. Compliance with a permit scheme will bring some additional costs for the County Council as the Council will also have to prepare and apply for permits to undertake its own highway works. These costs will be mitigated by the implementation of appropriate systems and management processes.

Circulation under the Local Issues Alert Procedure

13. None.

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PART B

Background

14. Works on the highway network can cause disruption, delays and potential risks both to highway users and the highway asset. The majority of these works are undertaken by utility companies (street works) and the highway authority or developers (road works). To try and reduce the impact that these works have on road users, businesses and the local/national economy the Government introduced the Traffic Management Act (TMA) 2004 which aims to encourage highway authorities and utility companies to better co-ordinate works so as to minimise disruption and protect highway infrastructure. One of the key mechanisms provided within the TMA is to allow highway authorities to introduce a Permit Scheme for authorising and controlling street works and road works. This means anybody carrying out works on the highway is required to apply for and obtain a permit from the highway authority prior to carrying out the works. The only exception to this relates to emergency situations.

15. Currently utility companies working on the highway network are legally required by the New Roads and Street Works Act 1991 (NRSWA) to serve notice on the highway authority before starting works. The Council provides NRSWA notices on a range of its own major highway works to assist in works co-ordination and to reserve road space, with a view to minimising delay and disruption to highway users.

16. Currently 15,000 notices are received from statutory undertakers where no administrative processing fee can be charged. Under the new Scheme this will equate to an estimated 19,500 permits that are likely to be issued and for which a fee can be charged. Highway works are likely to generate an additional19,000 permits (approximately).

Permit Scheme overview

17. The introduction of a Permit Scheme (details of which are contained in Appendices A and B attached to this report) will be a key element of the County Council's future approach to managing the highway network. Its aim is to improve the management of the road network through the better planning, scheduling and management of works, and therefore to minimise disruption to road users. Achieving this aim will help the County Council in meeting its network management duty under the TMA 2004, i.e. to ensure the expeditious movement of traffic, as far as reasonably practicable.

18. It is essential that all parties involved in the proposed Permit Scheme take both the Permit Scheme objectives and the broader TMA objective of expediting the movement of traffic into account, and adhere to the following five key principles of the permit regulations:

   i. Although the scheme will give the County Council greater influence over how and when activities are carried out, it is for activity promoters (i.e. those organisations responsible for carrying out the work) to fully consider the impact of their works and adequately mitigate any adverse impacts before they are implemented. As such, the prime responsibility for planning, supervising and carrying out individual activities falls on the activity promoter;

   ii. The Permit Scheme is not intended to prevent activities necessary for the maintenance and improvement of the road network or the services running underneath it or to adjacent buildings, but to help the County Council manage appropriately the balance between the potentially conflicting interests of road users and activity promoters and their customers;

iii. The importance of close co-operation and liaison between the County Council as the Permit Authority and activity promoters;

iv. Acknowledgement that activity programmes and practices may have to be adjusted to ensure that the statutory objectives of the co-ordination provisions are achieved;

v. The provision of timely, clear, accurate and complete information between activity promoters and the County Council as the Permit Authority.

Objectives

19. The specific objectives for the Permit Scheme are as follows:

- To minimise disruption and inconvenience across the County by encouraging good practice, mutual and collaborative working arrangements, and a focus on coordination.

- To optimise the duration of activities and reduce unnecessary occupation of the network.

- To allow activity promoters the necessary time and space to complete their work safely and expediently.

- To provide a common framework for all activity promoters who need to carry out their works in the County.

- To establish consistency in working practices across the County and ensure parity of treatment for all promoters of activities covered by the Scheme, particularly between statutory undertakers and highway authority works and activities.

- To promote early engagement between activity promoters and the County Council, and encourage forward planning and visibility of long term programmes to ensure works are designed and planned to minimise their adverse impact on all road users, and to allow the County Council to make early informed risk based decisions with regards to the co-ordination and management of works on the highway (risks around when, how and where the works take place).

- To work with all activity promoters to improve the quality and timeliness of information to road users about planned works and those being undertaken and to explore innovative ways of working.

- To emphasise the need to minimise damage to the structure of the highway and all apparatus contained therein.

20. Implementation of the Permit Scheme will also contribute to the delivery of the following strategic priorities/ outcomes identified in the Environment and Transport

Interim Commissioning Strategy Action Plan which are linked to priorities contained in the County Council's Strategic Plan :

a. The Authority's transport system and assets are effectively managed and well maintained.

b. More consistent, predictable and reliable journey times for the movement of people and goods.

What will be different under a Permit Scheme

21. The fundamental difference between notices and permits are:-

a. Under the current noticing regime the utility companies tell the County Council 'when, how and why' they are working on the highway. No charge is applied. However, there is a cost to the County Council for processing each notice.

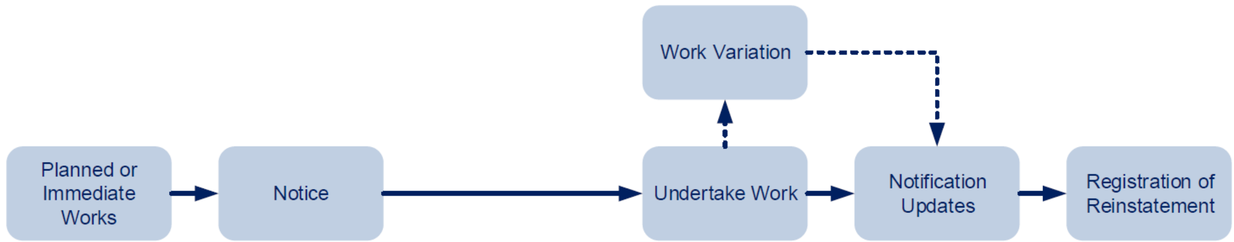

Fig.1 Current Noticing Process

b. Under a permit scheme utility companies would have to obtain a permit from the highway authority before starting work. Conditions can then be applied to the 'when and how' elements of the works. A charge would be applied for each permit application.

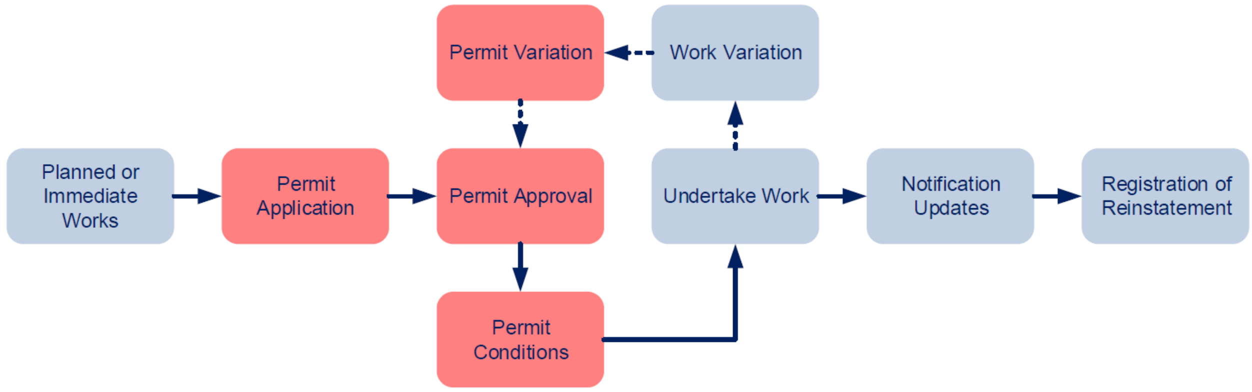

Fig.2 Permit Scheme Application Process

c. Anyone carrying out road and street works will need to apply for a permit in advance of works (excluding emergencies). This includes works undertaken by and on behalf of the County Council. The application timescales will vary, dependent on the type of work and the type of road. (See section 6.1 and page 28 of Appendix A for details.)

d. A fee is payable for each approved permit application and any subsequent variation. The fee payable is dependent on the nature and location of the works (category of road / traffic sensitive times). The permit fee would not be payable for the County Council's own works.

e. A permit scheme will allow the County Council to set conditions on each permit, with the aim of minimising disruption and protecting the highway asset. This would provide the County Council with more control over the timing and duration of works, the way in which they are undertaken and greater opportunity to publicise works.

f. A permit scheme carries with it much bigger penalties for non-compliance than the current noticing regime. As with the current noticing regime offences can be dealt with by Fixed Penalty Notices (FPN's), but they would carry a higher charge. The FPN charges are paid directly to the County Council and used for the administration of the process. For schemes promoted by the County Council, FPN will be recorded and reported but not charged.

22. Other highway authorities have implemented permit schemes, either individually or jointly with neighbouring authorities and experience has shown that such schemes reduce delays and minimise the impact that road and street works have on local businesses, residents and bus passengers. This would be achieved by a reduction in the number of works, minimising road space occupied, and reducing the duration of works undertaken though better work planning and communication.

23. Improved co-ordination of activities through the Permit Scheme will enable differences between those competing for space or time in the street, including traffic, to be resolved in a positive and constructive way.

Finance

24. The estimated annual permit fee income for Leicestershire is £940,000. This will cover the estimated annual cost for operating the Scheme for utility works, which includes full staff costs, IT hardware, IT software and any other relevant overheads. A fee matrix produced by the DfT has been used, which calculates the charge for each type of permit. The permit fees calculated are detailed in Appendix B.

25. A detailed breakdown of the estimated costs and benefits of operating a Permit Scheme in Leicestershire has been carried out in accordance with DfT guidelines which indicate that the Permit Scheme is estimated to give a benefit to cost factor of 3.66 to 1.

26. Adjustments to the permit fees may be made in subsequent years to offset any surplus or deficit and such changes will be made under the Directors delegated authorities for setting fees and charges. It is not intended that the permit scheme should produce surplus revenue.

Risk Management

27. The workload of the utility companies could reduce in the future and this would impact on the income generated from the Scheme. However, the Scheme has been modelled on the most up-to-date information and the financial and operational aspects of the

Scheme will be reviewed each year.

Consultations

28. An 8 week consultation with those bodies listed below was undertaken on the proposed Permit Scheme in accordance with the Permit Scheme Regulations. This concluded on 4th June 2017. The consultation was made available on the County Council's website, with an email sent to the consultees directing them to the online questionnaire. The consultation focussed on the compliance, technical and operational aspects of the proposed Permit Scheme.

29. The bodies consulted were:-

- Statutory Undertakers and activity promoters that operate within Leicestershire
- Neighbouring Authorities, District and Parish Councils
- Emergency Services
- Secretary of State for Transport

30. The Council received 8 responses to the consultation. As required by the Regulations, each response received has been acknowledged and a formal response provided. These responses will be published with the final Permit Scheme.

31. The responses received were in relation to the operational aspects of the Permit Scheme and where necessary the Scheme has been amended to ensure compliance with the Permit Scheme Regulations. In certain instances an officer response has been provided explaining the County Council's decision not to amend a specific element of the Permit Scheme.

Background Papers

Report to Cabinet - 10 March 2017 – Environment and Transport Interim Commissioning Strategy 2017/18 Refresh
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4859&Ver=4

Appendices

Appendix A - Leicestershire County Council Permit Scheme

Appendix B - Supporting Document for Permit Scheme

Equality and Human Rights Implications

32. An Equality and Human Rights Impact Assessment (EHRIA) has been undertaken and identified that a full assessment is not required. There are no Equality and Human Rights Implications arising from this report.

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Leicestershire County Council

CABINET – 15 SEPTEMBER 2017

PROGRESS WITH THE IMPLEMENTATION OF THE COMMUNITIES AND WELLBEING STRATEGY 2016-2020

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the work undertaken to implement the Communities and Wellbeing Strategy 2016-2020 (attached as Appendix A) and seek approval to progress a number of actions to enable the next phase of implementation.

2. This report focuses on SMART library technology, a Collections Hub, the Green Plaque scheme, Care Online, the mobile library service, the Portable Antiquities Scheme, and the Century Theatre.

Recommendations

3. It is recommended:

   a) That the results of the SMART library pilot at Syston library and the business case for SMART libraries be noted;

   b) The Director of Adults and Communities be authorised to implement full SMART library technology (Option 2), as outlined in the Business Case attached as Appendix B, where possible, within the following libraries:

      - Ashby de la Zouch;
      - Blaby;
      - Birstall;
      - Broughton Astley;
      - Coalville;
      - Earl Shilton;
      - Glenfield;
      - Hinckley;
      - Loughborough;
      - Lutterworth;
      - Melton Mowbray;
      - Oadby;
      - Shepshed;
      - Wigston Magna.

c) The options appraisal for the development of a Collections Hub be noted and a full business case be submitted to the Cabinet in 2018;

d) That the Director of Adults and Communities be requested to carry out further work, including any necessary consultation and engagement with partners, stakeholders and service users, to:

i) Develop a more sustainable and cost-effective delivery model for the Green Plaque Scheme;

ii) Develop proposals to decommission the Care Online service;

iii) Explore the decommissioning or possible development of a new model for the British Museum sponsored Portable Antiquities Scheme;

iv) Review the Mobile Library Service to improve efficiency;

v) Explore possibility of transferring the Century Theatre, Coalville, to alternative management;

e) That it be noted that further reports will be submitted to the Cabinet as appropriate regarding progress with d) i)-v) above;

f) That it be noted that the current structure of the Communities and Wellbeing Service will need to be revised having regard to the proposed changes outlined in this report.

Reasons for Recommendations

4. The recommendations will enable the full implementation of the Communities and Wellbeing Strategy, which has been developed to fulfil statutory duties, meet budgetary requirements and the efficiency targets detailed in the Medium Term Financial Strategy (MTFS) and to provide a basis for the planning, commissioning and delivery of services.

5. The introduction of SMART library technology across the County-funded library network will realise circa £230,000 per annum savings whilst potentially increasing hours of access. Of the 16 libraries in the network, Market Harborough library is the only library where it is not proposed to have SMART technology installed. This is due to its layout and shared use arrangements.

6. The creation of a Collections Hub could realise circa £350,000 per annum savings whilst also providing a modern enhanced facility for the area.

7. It is considered that the balance of £750,000 savings can be achieved through a blend of remodelling or decommissioning of the Mobile Library Service, the Green Plaque scheme, the Care Online service, the Portable Antiquities scheme, transferring the Century Theatre and an end point restructuring of the Communities and Wellbeing Service.

Timetable for Decisions (including Scrutiny)

8. The Adults and Communities Overview and Scrutiny Committee will consider this report on the 12 September 2017 and its comments will be reported to the Cabinet.

9. Subject to the Cabinet's approval of the recommendations in this report, it is proposed to begin procurement of the SMART library technology immediately with a view to commencing the installation programme early in 2018.

10. The full business case for the creation of a Collections Hub will be reported to Cabinet in 2018.

11. The consultation outcomes and accompanying recommendations on changes to provision detailed in d) i)-v) will be the subject of further report(s) to the Cabinet during 2018.

Policy Framework and Previous Decisions

12. On 18 July 2016, the Cabinet approved the Communities and Wellbeing Strategy 2016–2020, "Providing Less: Supporting More" authorising the Director of Adults and Communities to develop an implementation plan, subject to further reports being made to the Cabinet and the Adults and Communities Overview and Scrutiny Committee as appropriate.

13. On 22 February 2017, the Council approved an MTFS saving of £1.3 million for the Communities and Wellbeing Service to be delivered by 2020/21.

Resources Implications

14. The Communities and Wellbeing Service's net budget for 2017/18 is £5.3 million. In line with the Council's MTFS, this will reduce to approximately £4.1 million per annum from 2020/21. It is recognised that given the scale of these reductions service delivery will change significantly. The Strategy provides the basis upon which these savings will be delivered.

15. To date the service has delivered £600,000 of saving towards the original £1.9 million target, through a range of measures including staffing efficiencies and a review of museums and heritage, including Snibston Discovery Museum at Coalville.

16. The Service has also made a number of investments in its infrastructure and sustainability; this included the refresh of the 1620s House and Garden, improvements to library meeting rooms and increased broadband capacity in a number of libraries.

17. Learning from work in developing SMART libraries has evidenced the benefits of a dedicated project resource to support timely delivery and minimise any potential impact to ongoing service delivery. The service has developed a detailed resourcing plan to ensure that different project strands can run concurrently and to time.

18. SMART Libraries and the Collections Hub require capital investment and the associated revenue savings will only be realised once those elements of the programme have been completed.

19. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

20. This report has been circulated to all Members of the Council via the Members' News in Brief.

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PART B

Background

21. The Communities and Wellbeing Service (the Service) is part of the Adults and Communities Department and comprises a range of cultural, educational and support services including:

- Libraries;
- Museums and Heritage sites;
- Record Office of Leicestershire, Leicester and Rutland (ROLLR);
- Care Online;
- Leicestershire Adult Learning Service (LALS);
- Creative Learning Services.

22. These services are delivered across a range of venues including 16 market town and shopping centre libraries, the ROLLR, Museums in Charnwood (Loughborough), Melton Mowbray and Market Harborough, Bosworth Battlefield, the 1620s House and Garden at Donington le Heath and the Century Theatre in Coalville.

23. As the majority of LALS funding is received through the Education and Skills Funding Agency a separate strategy for this service is being developed and therefore is not within the scope of this report.

Implementing the Communities and Wellbeing Strategy

24. The Strategy was approved by the Cabinet in July 2016, following a consultation exercise, the main elements of the vision being:

- A network of County Council funded venues that incorporate innovative use of technology that can reduce staff cost and increase public access to some venues, principally libraries;
- The continuation of statutory and non-statutory elements of the Service;
- A Collections Hub to provide a single publically accessible base for archival, educational and museum resources;
- A re-modelled and flexible workforce that continues to support a network of community managed and independent libraries and museums.

25. The Service has taken a holistic approach to the implementation of the Strategy, co-ordinating major project activity, e.g. SMART libraries, alongside ‘business as usual’ changes. This helps the Service to consider all developments in terms of their impact across the service area and identify dependencies at an early stage.

26. SMART libraries and the Collections Hub are key strands of the programme and require substantial capital investment; the achievement of the associated revenue savings are dependent on delivering the programme to schedule.

27. Progress in relation to the key areas of development is set out below.

SMART libraries

28. In November 2016, the Cabinet authorised the Director of Adults and Communities to undertake a pilot of SMART library technology at Syston library. The technology enables customers to 'swipe' their library card to obtain entry to and exit from the library and provides self-service kiosks for borrowing, returning and renewing items, (including the payment of charges) without staff support. This will offer the potential for increased opening hours, whilst enabling reduction in staffing costs.

29. On 14 March 2017, SMART library technology came into use at Syston library. The feedback and lessons learnt from this has informed the completion of a detailed business case. Further details are given in paragraph 30-40 below and in Appendix B.

Business Case

30. The business case (Appendix B) presents the baseline position and two options for development:

- Option 1 - the replacement of the 30 existing self-service kiosks that currently deal with the majority of loans and returns and require replacement due to contract expiration. The kiosks are installed in the 16 market town and shopping centre libraries

- Option 2 - the installation of full self-access technology, which would include kiosks.

Option 1: Kiosk only replacement

31. There would be a small ongoing revenue saving from negotiating new contract prices for the kiosks. It would present minimal service change for library users, reduce instances of kiosk breakdown, and address compliance issues around contactless card payments.

32. As there would be no reduction in staff there are no associated revenue savings. It would not be possible to increase opening hours at no additional cost.

33. This option would require the service to identify other action to achieve the £230,000 per annum saving requirement.

Option 2: Full SMART library Implementation - Preferred Option

34. This option would deliver the £230,000 savings requirement, principally through a reduction in staffed hours. It would increase customer access to libraries, through extended (unstaffed) opening hours, reduce instances of kiosk breakdown, and address compliance issues around contactless card payments.

Syston - SMART library pilot scheme

35. In March 2017, the Syston pilot, 'Library Plus' began on and customer feedback on this was sought via online and paper surveys between 8 May and 23 June. Details are given in Appendix C. In summary:

- 13 of the 41 respondents (31%) had joined the library specifically to take advantage of Library Plus;
- Most respondents said that Library Plus had made no difference to how easy or difficult it was to access library services as a whole;
- 50% of respondents indicated that Library Plus had made it easier to borrow a book;
- 19 comments received were positive about Library Plus. The five negative comments concerned the possibility of faulty equipment and lack of staff to provide help;
- Most respondents rated the induction as good or very good, with only one rating it as poor;
- The most popular reasons for signing up for Library Plus were to: visit the library more often, Library Plus hours suiting their needs better, and trying something new;
- Most respondents rated their experience of using Library Plus as good or very good; none rated it as poor or very poor;
- The most popular times for staffed hours were 10 am to midday;
- The most popular times for Library Plus hours were 8–9 am and 4-5pm.

36. With respect to the small number of concerns raised the proposal includes the replacement/upgrade of the self-service kiosks and associated maintenance arrangements. A direct line to Property Services has been installed allowing users to report issues.

37. The key messages from the pilot are:

- Opening hours have increased by 30 hours per week;
- 125 library customers had registered to use Library Plus after four weeks of operation;
- A number of enquiries about using the venue during unstaffed hours for additional community activity have been received;
- People registered for Library Plus to be able to visit the library more often and at a time more convenient for them;
- If staff hours were reduced and Library Plus hours increased it would make no difference to the way that they used the library.

38. Robust safety measures were put in place to mitigate health and safety issues that might arise during non-staffed hours, including:

- CCTV systems that are monitored by officers across the County;
- Full registration and induction procedures - a separate registration process to enable library users aged 16 and over to use the service;
- Liaison with fire, insurance and safety representatives in carrying out risk assessments.

39. No serious incidents were reported during the operation of Library Plus at Syston.

40. The full business case, together with the experience collected from the pilot have informed a recommendation to progress Option 2; the roll-out of full self-access technology, including kiosks, across the remainder of the library network with the exception of Market Harborough. The shared use arrangements and an open plan

layout at the Market Harborough library means that full self-access technology is unfeasible. The library will be included in the kiosk replacement programme.

Collections Hub

41 A Collections Hub would enable the public access to a range of cultural resources, in particular archival and museum collections, through a single centralised facility which provides secure and environmentally sound storage.

42 The service currently houses collections at the Record Office, Wigston and sites in Lutterworth, Barrow, Coalville and Glenfield.

43 The Service has consulted with the partner organisations which fund the ROLLR, the Leicester City and Rutland Councils, on the shared need to resolve the future storage requirements for the Record Office and the potential additional opportunities the creation of a Collections Hub would offer, which might also be of interest to them.

44 Both partners initially expressed an interest in the proposal to resolve the storage issues for Record Office storage, and also to support their storage requirements for museum collections.

45 Preliminary investigations showed the space requirements for the City's museum storage, combined with the County's requirements and the Record Office, are too large to be feasible given the available locations in the City, or reasonably close to it. Therefore, this initial idea is not being pursued.

46 Following work by the City Council on their current museum storage provision they are now clear that they do not have a requirement for any new/additional museum collections storage as part of a joint Collections Hub.

47 The City Mayor has indicated interest in the Record Office development in principle and the City would be prepared to make a capital contribution towards the costs of the development, but it would need to be linked to financial savings for the City with regard to their revenue contribution towards the Record Office running costs.

48 A high-level options appraisal based on a footprint of 5,000 square metres for the Hub has been undertaken in order to estimate the indicative costs associated with each option. In summary the following three potential options are proposed to be taken forward as part of the full business case:

- A new build on County Council owned land (capital costs of £10m-£14m);
- A refurbishment of an existing County Council owned building (£6.3m-£8.2m);
- A refurbishment of a non-County Council owned building (£11.7m-£13.6m excluding acquisition costs).

49 It is envisaged that the creation of a centralised facility would support an integrated staffing model across Archives, Creative Learning Services and Museums, releasing the potential for savings from a new shared structure. In addition, there would be financial and non-financial savings as a result of reducing the number of buildings used by the Service and releasing buildings for sale, alternative use, or saving on the payment of commercial rents.

50 The business case will also consider the options and costs of addressing the Record Office storage requirement separate of the Collections Hub, as this issue will require resolution regardless of any decision in relation to the development of a Hub and would remain a significant capital investment and development project for the County Council.

51 The business case would test current assumptions around requirements, co-location of services, and develop a detailed design with costings.

52 The Hub project would be a major capital investment for the Council, and would address its statutory requirements around the provision of an archive and record keeping service, ensuring the provision of storage space of sufficient capacity and quality for the next 25 years. It would provide the opportunity to create a modern facility for the region designed to ensure that access to the invaluable cultural assets held by the Council on behalf of local people is maintained and enhanced for current and future generations.

53 It is recommended that a full business case is developed and submitted to the Cabinet in 2018.

Future Structure of the Communities and Wellbeing Service

54 Work on a flexible and responsive staffing structure for Communities and Wellbeing is being developed. It is currently based on assumptions that the service will:

- continue to operate through existing public venues;
- continue to operate a mix of statutory and non-statutory cultural provision;
- roll-out SMART library technology;
- develop a Collections Hub;
- decommission, or significantly remodel, the areas of provision detailed in paragraphs 57-75 below.

55 Based on those assumptions, the full £1.3 million saving target to 2020/21 can be achieved. The MTFS savings target represent a further 22% reduction of the current Service budget and options for delivering the savings are now limited.

56 Alternative models to deliver the savings, should either SMART libraries or the Collections Hub not be progressed, are also being considered, for example increasing the use of volunteers across the nine shopping centre libraries. However, indications are that alternative models present a higher level of risk to financial and service delivery.

Re-modelling/Decommissioning Services

57 A small number of services have undertaken a high-level review to determine options for their future:

- Care Online;
- The Green Plaque Scheme;
- The Portable Antiquities Scheme;
- Mobile Library Service;
- Century Theatre.

Care Online

58 Care Online provides training, ICT equipment and telephone support to enable people to use IT to increase their independence. Approximately 300 people use the service each year of which 100 people are new referrals. The service costs circa £100,000 per year and the majority of the cost is staffing resource.

59 A high unit cost of around £330 per user means that it is not considered viable to continue to operate this service in its current form. A number of other high-level options have been explored to:

- Outsource the service to a different provider;
- Transform the service model;
- Decommission the service.

60 Outsourcing the model would not achieve the savings required as it is considered unlikely that alternative voluntary groups/organisations could deliver the service and the commissioning process itself would incur further costs.

61 The skill set that exists within the current service may be reshaped to assist with other departmental digital agendas such as the development of a customer portal (a project that will seek to enable service users to engage digitally with social care services).

62 It is therefore proposed to develop detailed proposals to decommission the service and explore if there are opportunities to utilise the skills, knowledge and expertise to enhance social care delivery and explore referral options for service users. Subject to the Cabinet's agreement, this will be the subject of consultation with stakeholders and service users and a further report submitted to the Cabinet for decision.

Green Plaque Scheme

63 The Council's Green Plaque Scheme was launched in December 2013, inviting residents to nominate and vote for Leicestershire people and places they believe are worthy of commemoration.

64 The scheme has proved popular with the general public casting over 6,000 votes in the latest round of nominations and to date 24 plaques have been awarded. However, given the significant pressure on the Council's revenue budget, a more efficient delivery model is required to continue to deliver the scheme. The delivery costs will be reviewed with a view to suggesting options for a remodelling of the scheme.

Portable Antiquities Scheme (PAS)

65 The PAS is hosted by the County in partnership with British Museum (BM). The scheme was established to promote the recording of chance finds and broaden public awareness of the importance of such objects for understanding our past. Objects are reported to a local Finds Liaison Officer (FLO) who records them and adds them to a publically accessible database - www.finds.org.uk.

66 The County Council has employed the FLO for the Leicester, Leicestershire and Rutland area (LLR) since 2002. The approved functions of the FLO are set by the

BM and include recording archaeological finds on the PAS database, working with individuals, groups and partners to forward the work of the PAS and Treasure Act, organising educational activities, exhibitions and displays, reporting Treasure to the Coroner and liaising with local partners around Treasure cases, and managing volunteers supporting the scheme. The terms of the agreement with the BM mean that the FLO is not able to engage in duties outside the remit of PAS.

67 The BM distributes grants to partner organisations to support the employment of the FLOs. The grant was originally made on a three-year basis, with the agreement that the local partner would make a 10% contribution towards the costs of the scheme (5% cash, 5% in kind). Over the last five years the grant has moved to an annual arrangement and the local partner contribution has risen to 23%.

68 The direct costs of the scheme in 2017/18 are projected to be £33,763. The BM contributes £26,040 leaving a shortfall of £7,723. The County Council has not applied a hosting/management fee (normally 20% of the value of a programme). Whilst the annual financial shortfall is small the County Council as the employer would bear any redundancy costs should the grant reduce or the scheme come to a close.

69 It is proposed to engage with the BM and key stakeholders locally, (Leicester City and Rutland Councils) on the future of the scheme in LLR with a view to identifying a sustainable model and/or decommissioning the current scheme.

70 It is understood that the BM is commissioning consultants to review the PAS and it would be helpful to align outcomes of the two reviews which, assuming there was no major change to the grant in the interim, would come into effect from April 2020.

Mobile Library Service

71 The Mobile Library Service currently visits around 250 communities across Leicestershire and makes circa 400 individual stops. It has been ascertained that 14% of these stops attract no visitors and that 46% of stops there are less than three customers. An indicative cost per unique service user is around £190.

72 It is therefore proposed to review the Mobile Library Service to explore the options for reducing costs and increasing engagement. The review will focus on streamlining the service to reduce staffing and vehicle costs, but may also include options to decommission aspects of the service. Engagement with users of the service will form part of the review.

Century Theatre

73 The Century Theatre in Coalville provides a varied programme of arts activity, ranging from recent cinema releases to musical acts and theatrical productions. The theatre is owned and managed by the County Council and its successful operation depends on the support of a number of skilled volunteers, who provide the essential technical support, as well as catering and front of house support.

74 Since January 2017, the Council has been working with stakeholders to discuss the potential opportunities for the Century Theatre to grow and develop as a community arts venue.

75 The County Council is liaising with North West Leicestershire District Council, which has an interest in ensuring there is access to arts provision in Coalville and the surrounding area. It is proposed to undertake further engagement to look at future management options in liaison with the Theatre Trust, the national advisory body for theatres.

Conclusion

76 If the recommendations within this report are approved, the Service will deliver £230,000 of savings from the roll-out of SMART libraries; provide a robust business case for a Collections Hub and finalise work around the future structure, which would deliver the remainder of the £1.3 million saving by 2020/21.

Background Papers

- Report of the Cabinet to County Council, 18 February 2015 “Medium Term Financial Strategy 2015/16- 2018/19” - http://ow.ly/SbldW
- Report to the Cabinet, 18 July 2016 “Communities and Wellbeing Strategy 2016-2020” http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4604&Ver=4
- Report to the Cabinet, 23 November 2016 ““Communities and Wellbeing Strategy 2016-2020 **-** http://politics.leics.gov.uk/ieListDocuments.aspx?MId=4607

Appendices

Appendix A – Providing Less: Supporting More - Our Vision and Strategy for Communities and Wellbeing 2016-2020
Appendix B – Full Business Case for SMART Libraries
Appendix C – Syston Library self-access (Library Plus) survey: July 2017
Appendix D - Equality and Human Rights Impact Assessment on SMART Libraries

Relevant Impact Assessments

Equalities and Human Rights Implications

77 An Equalities and Human Rights Impact Assessment has been completed for SMART libraries and is attached as Appendix D. This indicates that key protected groups that may be affected by the introduction of self-service are children and young people, and people with disabilities.

78 An individual improvement plan will be required for each library where the technology is installed and will help ensure that the staffed hours are appropriate for each library and that mitigating actions reflect local circumstances and need.

Leicestershire County Council

CABINET – 15 SEPTEMBER 2017

DELAYED TRANSFERS OF CARE

REPORT OF THE DIRECTOR OF HEALTH AND CARE INTEGRATION AND DIRECTOR OF ADULTS AND COMMUNITIES

PART A

Purpose of the Report

1. The purpose of this report is to update the Cabinet on the revised targets associated with improving delayed transfers of care (DTOC) which form part of Leicestershire's Better Care Fund (BCF) Plan for 2017/18 – 2018/19 set by NHS England. There are three separate but aligned BCF Plans for Leicester, Leicestershire and Rutland (LLR). The target for improving DTOC has been calculated across the three areas. The proposed actions in place to help meet the target and the associated implications for the Local Authorities and NHS partners across LLR are also detailed in the report.

Recommendations

2. It is recommended that the Cabinet:

   a) Notes the target for improving performance on delayed transfers of care across Leicester, Leicestershire and Rutland by March 2018;

   b) Notes the inclusion of specific investments to improve hospital discharge within the Better Care Fund (BCF) expenditure plan as detailed in Appendix A and paragraphs 21 – 23 of the report;

   c) Notes the risk that poor performing areas which fail to implement such improvements could be subject to CQC review and potentially face a withdrawal of that national funding;

   d) Notes the preparation and governance arrangements for the submission of Leicestershire's BCF Plan for 2017/18-2018/19 to NHS England by 11 September 2017.

Reasons for Recommendations

3. In July 2017, after a lengthy national delay, technical guidance was published by NHS England for the preparation and submission of BCF Plans for the period 2017/18 – 2018/19. This technical guidance included new requirements for improving delayed transfers of care with challenging expectations placed on

each health and wellbeing board area in terms of the rate of improvement to be achieved during 2017/18.

4. The guidance also highlighted that areas with poor performance on DTOC could be subject to external review and financial penalties; however there are no further details on the process for this at the time of writing this report.

5. The national conditions for the BCF Plan include a requirement that it is jointly agreed by the County Council and CCGs, including through the Health and Wellbeing Board.

Timetable for Decisions (including Scrutiny)

6. The Health Overview and Scrutiny Committee was informed of progress with the refresh of Leicestershire's BCF Plan on 1 March 2017.

7. The initial draft BCF submission was considered by the respective Boards of the two County Clinical Commissioning Groups (CCGs) on 14 March 2017 prior to being approved by the Health and Wellbeing Board on 16 March 2017.

8. The Health and Wellbeing Board also authorised the Chief Executive to make amendments to the Plan in the light of the national guidance, which had not been published at the time of that meeting, prior to it being submitted to NHS England. The Health and Wellbeing Board subsequently received further reports on the BCF submission on 22 June 2017 and 20 July 2017 which took into account the new technical guidance.

9. CCG Boards received further reports at their respective meetings on 8 August 2017

10. Noting that the Health and Wellbeing Board had authorised the Chief Executive to finalise the BCF Plan and submit it to NHS England, members of the Leicestershire Integration Executive, a subgroup of the Health and Wellbeing Board responsible for delivery of the BCF plan, were asked to indicate their agreement with the final submission to NHS England, at a meeting on 7 September 2017.

Policy Framework and Previous Decisions

11. The BCF Policy Framework was introduced by the Government in 2014, with the first year of BCF Plan delivery being 2015/16.

12. In February 2014 the Cabinet authorised the Health and Wellbeing Board to approve the BCF Plan and plans arising from its use.

13. On 10 March 2017 and 23 June 2017 the Cabinet received progress reports on the refresh of the Leicestershire BCF Plan for 2017/18 – 2018/19. At its meeting on 23 June the Cabinet also agreed that the County Council's Medium Term Financial Strategy 2017/18-2020/21 be updated to reflect the additional adult social care grant allocation of £19.7 million over two years.

Resource Implications

14. The BCF Plan has a pooled budget totalling £52m for 2017/18 and £56m for 2018/19. This includes the additional non-recurrent adult social care grant funding allocated by the Government in the March budget. This funding has specific grant conditions, one of which concerns improving DTOC from hospital.

15. The final BCF expenditure plan, attached as Appendix A to this report, has been prepared by the County Council jointly with NHS partners and this is due for submission to NHS England on 11 September 2017. The draft expenditure plan was submitted to the Cabinet on 23 June 2017.

16. The expenditure plan and supporting BCF narrative sets out the different allocations which comprise the BCF pooled budget, and demonstrates how the local fund has been prioritised. Investments must be made according to the national BCF Policy Framework and supporting technical guidance, and directed to joint local priorities for transforming health and care.

17. The plan includes £16.4m worth of investment which has been allocated to improving delayed transfers of care. The figure has been agreed with and is fully supported by NHS partners. Details of how this funding has been allocated are set out in paragraph 21 - 23 of this report.

18. The Director of Corporate Resources has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

19. The requirement to deliver improvements in managing transfers of care is one of the national conditions for the BCF, as set out in the *Integration and Better Care Fund Policy Framework 2017/18 – 2018/19*, which applies to BCF Plans with effect from April 2017. (https://www.gov.uk/government/publications/integration-and-better-care-fund-policy-framework-2017-to-2019).

20. In terms of the national condition targeted to managing transfers of care, each local BCF Plan must provide evidence of how the Department of Health's '*high impact changes for improving hospital discharge'* are being implemented locally. The High Impact Changes Framework https://www.local.gov.uk/sites/default/files/documents/Impact%20change%20model%20managing%20transfers%20of%20care%20(1).pdf provides a basis for each health and care system to assess their local position and identify where further changes are needed so that all the evidence-based and recommended interventions are made.

21. There is also a requirement that a proportion of the new adult social care allocation will be spent on reducing DTOC. In Leicestershire, the total amount of funding being spent on this priority across the entire BCF plan during 2017/18 is £16.4 million. This includes both a proportion of funding from the adult social care allocation and a proportion of funding from the core BCF pooled budget.

22. £11.4million of the funding to improve DTOC is recurrent from the core BCF budget and funds existing services such as 7 day hospital discharge support from the adult social care department, including link workers for supporting discharge at community hospital and mental health sites, core reablement services across health and social care.

23. The remaining £5m of the investment in delayed transfers of care in 2017/18 is non recurrent (funded from the new adult social care allocation, available over a 3 year period). This is funding the Hospital Housing Discharge Enabler scheme, which ensures that housing needs are addressed before a patient is medically ready for discharge, and will also be used to develop a fully integrated discharge pathway/team at the Bradgate Unit later in 2017/18 and develop new interim beds.

24. The impact of these investments is measured through the monitoring of LLR's performance on DTOCs, including performance in each of the 3 health and wellbeing board areas within LLR.

25. Paragraphs 26 - 36 of this report sets out the target for improvement and how this is measured.

Leicestershire's Target to Improve Delayed Transfers of Care (DTOC)

26. The most challenging aspect of finalising Leicestershire's BCF plan involved setting the trajectory for improving DTOC.

27. This was due to late adjustments to the BCF policy, and national delays in clarifying the exact definition of the target and calculating and agreeing the level of improvement expected in each health and being board area. Guidance was published on these matters in July 2017.

28. During July and August 2017 local authority and NHS partners across Leicester, Leicestershire and Rutland (LLR) jointly assessed the new requirements, and examined LLR's existing action plans and resource plans.

29. In order to calculate and agree the LLR target, partners considered that:

    a) NHS England set a requirement for all areas to achieve a DTOC rate of no more than 3.5% of bed days (for NHS-attributable delays) by September 2017.

    b) The BCF Planning Framework set a requirement for a DTOC rate of 3.5% of *all occupied bed days, across all causes of DTOC*, to be expressed as a *rate per 100,000 population.*

    c) The BCF technical guidance set out that achieving the required level of improvement must be shared equally across both NHS related and Local Authority related delays.

    d) As a health and care system essentially this means that the NHS and Local Authorities across LLR are being asked jointly to achieve an overall rate of no more than 3.5% of occupied bed days being categorised as delayed.

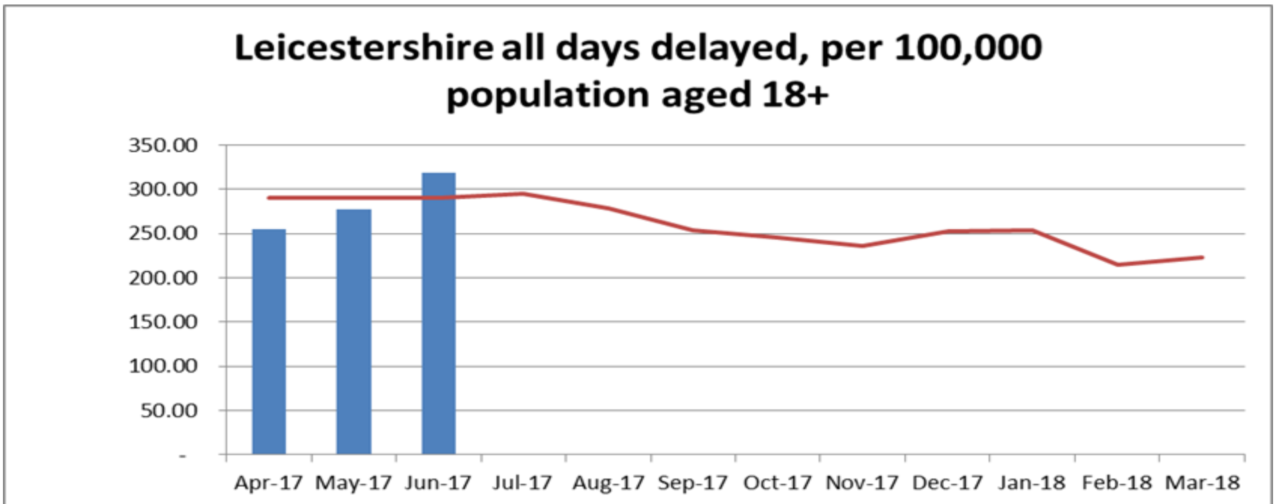
    e) Every area of the country which has not yet achieved this level of performance is being required to do so, as soon as possible within 2017/18.

30. The LLR A&E Delivery Board had already proposed a percentage reduction for DTOC which is set out in the table below. This is based on the actions in progress, resources already jointly committed in 2017/18, and the time it would realistically take for this impact to be implemented and sustained. All partners agreed that the 3.5% rate cannot be realistically achieved before March 2018.

	May-17	**Jun-17**	**Jul-17**	**Aug-17**	**Sep-17**	**Oct-17**	**Nov-17**	**Dec-17**	**Jan-18**	**Feb-18**	**Mar-18**
LLR % bed days delayed - target	5.06%	4.81%	4.56%	4.31%	4.06%	3.81%	3.81%	3.95%	4.00%	3.75%	3.50%

This percentage reduction has been translated into the BCF target for LLR and agreed, both by individual partners, and jointly by the LLR A&E Delivery Board. There is a requirement that the BCF target is defined as the total number of days delayed per 100,000 population aged 18+ per month by health and wellbeing board area. The target for Leicestershire has been profiled on a monthly basis and is set out in the table and graph below. The graph also shows actual performance in Leicestershire between April and June 2017.

2016/17 DTOC Performance	BCF DTOC Trajectory 2017/18
Q1 287.04 Q2 357.19 Q3 382.17 Q4 377.10	• Apr-17 – 289.91 • May-17 – 289.91 • Jun-17 – 289.91 • Jul-17 – 295.31 • Aug-17 – 278.57 • Sep-17 – 253.38 • Oct-17 – 245.07 • Nov-17 – 235.95 • Dec-17 – 252.47 • Jan-18 – 253.73 • Feb-18 – 215.31 • Mar-18 – 223.03



	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Performance	255.22	277.74	318.39									
Target (proposed)	289.91	289.91	289.91	295.31	278.57	253.38	245.07	235.95	252.47	253.73	215.31	223.03

Analysis of Current Performance

31. Analysis undertaken of delays across LLR as at June 2017, (by examining the spilt of delays across health and social care, and across the different hospital sites), shows that:

    a) Social care attributed delays across LLR were well below the required level of performance, ranging between 0.2% and 0.7%.

    b) The improvement required is largely within the NHS attributable delays, as these range between 3.58% and 4.27% across LLR.

    c) In terms of the hospital sites that are most challenged overall in terms of delayed discharges, these are the non-acute hospital sites, e.g. mental health, learning disability, and community hospitals.

    d) There are also some issues with delays in the out of county hospitals, e.g. those in bordering areas of Leicestershire where LLR residents often choose to access their care, such as Kettering, Burton, Derby and George Eliot (Nuneaton).

32. Although adult social care attributable delays remain low, there are further actions that can be taken at non-acute sites in particular, to support mental health and learning disability clients. These are often those with complex needs and/or housing issues.

33. The adult social care action plan has been updated to ensure these issues have high priority and the department is working closely with Leicestershire Partnership Trust, the clinical commissioning groups, and the hospital housing enabler team to ensure individual cases are assessed and addressed swiftly.

34. The hospital discharge housing support team, developed as part of the Lightbulb Housing Service, is already in place at the Bradgate Mental Health Unit.

35. Further consideration will be given to expanding this service across mental health, learning disability and community hospital sites in 2017/18 based on the learning from recent cases, and the positive impact dedicated housing support and expertise has had on resolving delays.

Performance Management

36. The BCF technical guidance states that:

    a. Targeted Care Quality Commission (CQC) reviews will examine performance in areas with the worst DTOC position, with a view to supporting them to improve.

b. In November 2017, there may be a review of the additional adult social care allocations from the Spring Budget, for the 2018/19 period. This implies funding could be adjusted for poorly performing areas. There are no further details as yet about the process or implications of this statement.

37. The assessment framework the CQC will use has recently been published and Leicestershire partners have already agreed to use this to undertake a self-assessment between October and December 2017, irrespective of whether the LLR area is selected in the future for a formal CQC review related to DTOC performance.

38. It should be noted that in early July the Local Government Association stated their opposition to the imposition of new DTOC targets and the associated changes to the BCF policy framework at this late stage, and the County Councils' Network has also written to the Secretary of State in August 2017 to set out the implications the levels of improvement have upon county areas in particular, given their demography and funding levels.

BCF Plan Submission

39. The BCF Plan submission to NHS England will take place by 11 September 2017 and will comprise the following components:

- A narrative document setting out how the local plan will deliver health and care integration, specifically with respect to each of the following BCF national metrics, demonstrating how they will be achieved and measured:-
    - Reducing the number of total emergency admissions;
    - Effectiveness of reablement at 91 days;
    - Improving delayed transfers of care; and
    - Reducing permanent admissions to care and nursing homes.

  The narrative document will also need to set out how the following BCF national conditions are being met:-
    - Be jointly agreed including approvals via the local Health and Wellbeing Board;
    - Maintain protection of adult social care services;
    - Demonstrate commitment to investment in out-of-hospital services;
    - Deliver improvements in managing transfers of care (e.g. delayed hospital discharges).

- A technical submission, using a template provided by NHS England. This will include a breakdown of the BCF expenditure plan and supporting financial analysis, baseline and trajectories for each of the metrics, assurance against each national condition.

- Providing evidence and assurance that the local plan has been developed through engagement with a wide range of partners and approved by these partners, and ultimately by the Health and Wellbeing Board.
- Supporting materials relating to the delivery of the BCF Plan including a programme plan, risk register, and governance structure.

40. A regional and national assurance process for BCF plans is outlined in the BCF Policy Framework and Technical Guidance and this is intended to be completed by the end of November. This has involvement from both local government and NHS England.

Background Papers

Report to Health Overview and Scrutiny, 1 March 2017 'Better Care Fund Refresh' (agenda item 12)
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1045&MId=5013

Leicester, Leicestershire and Rutland Sustainability and Transformation Plan -
http://www.bettercareleicester.nhs.uk/Easysiteweb/getresource.axd?AssetID=47665

Report to the Health and Wellbeing Board on March 16, 2017
http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1038&MId=4938

Report to the Cabinet, 23 June 2017 'Better Care Fund 2017/18 - 2018/19' (agenda item 10) http://politics.leics.gov.uk/ieListDocuments.aspx?MId=5120&x=1

Report to the Health and Wellbeing Board, 22 June 2017 'Better Care Fund 2017/18 - 2018/19' (agenda item 9)
http://politics.leics.gov.uk/ieListDocuments.aspx?MId=5124&x=1

Position Statement to the Health and Wellbeing Board, 20 July 2017 (agenda item 4)
http://politics.leics.gov.uk/ieListDocuments.aspx?MId=5075&x=1

Appendices

Appendix A – BCF Expenditure Plan

Appendix B – Extract from BCF Risk Register

Relevant Impact Assessments

Equality and Human Rights Implications

41. Developments within the BCF Plan are subject to an equality impact assessment and the evidence base supporting the BCF Plan has been tested with respect to Leicestershire Joint Strategic Needs Assessment. An equalities and human rights impact assessment has been undertaken which is provided at -

https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2017/1/11/better-care-fund-overview-ehria.pdf . The assessment concluded that the impact of the BCF is neutral and therefore a full assessment was not required.

42. The document underwent an annual review by Leicestershire County Council's (Adults and Communities Department) Equalities Group on 14 March 2017.

Partnership Working

43. The delivery of the BCF Plan and the governance of the associated pooled budget are managed in partnership through the collaboration of local authority and NHS commissioners and providers in Leicestershire.

44. Oversight of delivery is undertaken by the Integration Executive, an officer subgroup of the Health and Wellbeing Board. This group includes representation from District Councils and Leicestershire Healthwatch.

45. The delivery of the Leicestershire BCF ensures that a number of key integrated services are in place which contributes to the system wide transformation being implemented through the LLR Sustainability and Transformation Partnership, "Better Care Together". The partnership has published a five-year plan to transform health and care across Leicester, Leicestershire and Rutland.

Risk Assessment

46. The risk register for the BCF plan has been fully updated in light of the new two year planning requirement, and the impact of the updated national conditions, metrics, and the context of the financial framework/financial pressures affecting the Leicestershire BCF plan.

47. The updated risk register has been reviewed in detail by partners including at the Integration Finance and Performance Group on 12th May 2017 and 18th August 2017, and the Integration Executive on 23rd May, 1st August and 7th September 2017

48. The BCF risk register was updated again in August 2017 to reflect the analysis undertaken on the delayed transfers of care target and the challenge of making improvements across the LLR area before March 2018.

49. A copy of this extract of the risk register is given at Appendix B.

50. Key risks affecting the BCF Plan at this stage are characterised as a combination of:

- Overall LLR system level risks (service, financial and transformational), per the LLR 5 year plan, and

- Specific risks affecting the Leicestershire BCF plan/pooled budget arising from both the LLR system level risks and the national policy position for the BCF.

51. The following is a summary of key strategic risks associated with the BCF refresh as at August 2017:

a) Impact of the 2017/18 financial position across the health and care economy.
b) Lack of financial flexibility within the Leicestershire BCF Plan, including lack of reserves and contingencies from 2017/18 onwards.
c) Increased significant risks in CCG financial plans from 2017/18 onwards.
d) Reliance on the delivery of further in-year savings from service review and redesign across a number of BCF service lines in order to deliver a more sustainable medium term financial plan.
e) Ongoing urgent care pressures, including the ongoing upward trend of emergency attendances/admissions.
f) Improving DTOC performance following the deterioration in performance experienced in 2016/17 and in light of the new improvement target by March 2018.
g) Implementation of large and complex areas of transformation across LLR such as: new models for Integrated Locality Teams, Home First and adoption of the electronic summary care record.

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CABINET - 15TH SEPTEMBER 2017

LEICESTERSHIRE MINERALS AND WASTE LOCAL PLAN PROPOSED CHANGES AND FUTURE PROGRAMME

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval for Proposed Changes to the pre-submission draft Leicestershire Minerals and Waste Local Plan (MWLP) to be recommended to the full Council for publication and public consultation and for a subsequent submission to the Secretary of State for Communities and Local Government for Examination by the Planning Inspectorate. A copy of the Proposed Changes is attached as Appendix A to this report.

Recommendations

2. It is recommended that:

   a) The Cabinet approves the amendments to the Minerals and Waste Development Scheme as set out in Appendix B to the report;

   b) The County Council be recommended to:

   i. Agree that the Proposed Changes to the pre-submission draft Minerals and Waste Local Plan attached as Appendix A to this report be published for consultation as amendments to the document to be submitted to the Secretary of State for Communities and Local Government in accordance with the requirements of the Town and Country Planning (Local Planning) (England) Regulations 2012 and subsequently to be submitted to the Secretary of State;

   ii. Authorise the Head of Planning, following consultation with the Cabinet Lead Member, to make such minor adjustments to the Pre-Submission Plan or accompanying documents as he considers necessary, including changes considered appropriate in response to the consultation on the Proposed Changes and issues raised by the Planning Inspector post submission.

Reasons for Recommendations

3. In order to comply with the Planning and Compulsory Purchase Act 2004, and the Town and Country Planning (Local Planning) (England) Regulations 2012, the County Council must prepare a Minerals and Waste Local Plan for submission to the Secretary of State for independent Examination by a Planning Inspector before it can be adopted by the County Council.

4. Stakeholder consultation has taken place as part of the preparation of the MWLP and the Sustainability Appraisal report required to accompany it but there is a need to undertake further formal consultation on Proposed Changes prior to the submission of the Plan to the Secretary of State.

Timetable for Decisions (including Scrutiny)

5. On 9th May 2016, the Cabinet approved a revised Minerals and Waste Development Scheme which included an anticipated timetable for the preparation of the MWLP. The timetable agreed was for pre-submission consultation to take place in July/August 2016. Subject to no significant issues arising, the intention was then to submit to the Secretary of State to undergo the Examination by the Planning Inspectorate in October 2016. The adoption of the Plan was proposed in July 2017 subject to the Examination and public hearing being completed successfully and the document found sound.

6. It is considered that certain issues raised in the representations made during the recent consultation require some changes to the MWLP. Additional consultation on Proposed Changes means that there will be an inevitable delay in progressing the Plan to adoption and necessitates a revised programme of work. This report will be considered by the Environment and Transport Overview and Scrutiny Committee on 7th September 2017 and its comments will be reported to the Cabinet.

7. Both the Cabinet and County Council will need to approve the Proposed Changes before it goes through the statutory consultation. If approved by the Cabinet, it is proposed that the Council considers this on 27th September 2017.

8. Following consultation on the Proposed Changes, any comments received will be taken into account and any necessary amendments made in the preparation of the final 'Submission' document before then submitting it to Secretary of State for Examination.

9. It is intended to submit the Plan to the Secretary of State in the spring of 2018, with Examination taking place in the autumn of 2018. Adoption of the Plan would be expected to take place in the spring of 2019 subject to the Examination and public hearing process being completed successfully and the document being found sound.

Policy Framework and Previous Decisions

10. The Planning and Compulsory Purchase Act 2004 requires planning authorities to produce and keep up to date local plans. The National Planning Policy Framework sets out the Government's policy on preparing local plans and emphasises the importance of plans being up to date for determining planning applications.

11. In June 2013 the Cabinet agreed the commencement of the review and replacement of the adopted Minerals and Waste development plan documents with a single Minerals and Waste Local Plan to cover Leicestershire for the period up to 2031. In May 2016, the Cabinet approved a revised Minerals and Waste Development Scheme and in June 2016, the Council approved the pre-submission draft MWLP for consultation and authorised the Chief Executive to undertake the statutory publicity and consultation required prior to submission to the Secretary of State. This included authorisation to complete the preparation of the documents necessary to accompany the Submission Plan and comply with the requirements of the Town and Country Planning (Local Planning) (England) Regulations 2012.

Resource Implications

12. There are no resources implications arising from this report.

Circulation under the Local Issues Alert Procedure

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Mr. B. L. Pain CC

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PART B

Background

13. The pre-submission draft MWLP was prepared following consultation on a draft consultation document between 3rd July and 28th August 2015. Consultation on the pre-submission draft MWLP took place between 29th July and 23rd September 2016.

14. The MWLP will eventually replace the Leicestershire Minerals Core Strategy and Development Control Policies Development Plan Document (DPD), the Leicestershire and Leicester Waste Core Strategy and Development Control Policies DPD (both of which were adopted in October 2009), together with remaining saved policies in the Leicestershire Minerals Local Plan (1995) and the Leicestershire, Leicester and Rutland Waste Local Plan (2005).

15. Leicester City Council is preparing a new Local Plan for the City of Leicester and is dealing with mineral and waste planning issues within the City in that document. This has enabled minerals and waste issues within the County to be addressed in one plan. Cooperation with the City Council is needed on strategic issues that may affect matters across both areas.

Scope and Nature of the Plan

16. The Plan includes a spatial vision, strategic objectives, and core policies which set out the key principles to guide the future extraction of minerals and the form of waste management development in the County over the period to the end of 2031. It also includes Development Management Policies which set out criteria against which planning applications for minerals and waste development will be considered.

17. The Plan addresses the need to provide protection to the environment and the amenity of local residents, whilst ensuring a steady supply of minerals and the provision of waste management facilities in accordance with Government policy and society's needs. It aims to maximise the use of alternative materials in order to reduce the reliance on primary-won minerals, to significantly increase levels of reuse and recovery of waste, and move away from landfill as a means of disposal. It also provides controls relating to the beneficial reinstatement of land following mineral working and landfill operations.

Proposed Changes

18. One of the key issues raised in response to the Pre-submission draft MWLP has been in relation to how the plan is catering for construction and demolition wastes, particularly in relation to waste forecasts and the assumption made about recovery targets. This has led to a review of the calculations which essentially removes excavated waste types (e.g. soils etc., from construction sites) from the recovery assumptions used for all Construction and Demolition

waste. The updated calculation means that there is potentially a shortfall of inert waste sites within the County over the plan period.

19. Two potential additional sites for the disposal of inert waste were also put forward in response to the consultation on the pre-submission draft MWLP, namely at Ibstock Quarry and Husbands Bosworth Quarry, which could satisfy this shortfall. In order to assist in deciding whether these sites should be included in the Plan, views were sought from Parish and District Councils and other consultees on these additional sites in January/February 2017. Having assessed the suitability of the potential additional sites put forward for the disposal of inert waste in the light of the responses received, it is proposed that the MWLP includes allocations at both Ibstock and Husbands Bosworth Quarries.

20. Proposed Changes to the MWLP are set out in Appendix A. These include amendments to reflect the new calculations for inert waste (PC1 and PC2), and the allocations for inert waste disposal (PC3, PC4, PC5, PC9 and PC11). There are consequential amendments to the Key Diagram and County Plan (PC6 and PC7).

21. The opportunity has also been taken to include minor amendments to the site requirements in respect of the proposed sand and gravel allocation at Cadeby (PC8) and the clay stocking proposal at Donington Island (PC10) in the light of comments received from the Environment Agency and National Forest Company respectively.

Consultation

22. This report seeks approval for Proposed Changes to the MWLP to undergo public consultation in October and November 2017 and, after any necessary consequent changes being made, to submit the Plan to the Government to go through an Examination process, undertaken by a Planning Inspector, who will test its ‘soundness’. The consultation will be advertised using press notices and the Council’s website. All organisations and individuals consulted previously or who have expressed a wish to be consulted will be contacted directly. Organisations that will be consulted include Parish, District, and adjoining County Councils and other statutory consultees. Organisations and individuals who make representations to the Council on the Plan will have the opportunity to take part in the Examination which will include a Public Hearing.

Minerals and Waste Development Scheme

23. Local Planning Authorities are required to produce a Local Development Scheme that sets out the progress of the Local Plans that they are statutorily required to provide. In the case of the County Council, this relates to the MWLP. A Minerals and Waste Development Scheme was approved by the Cabinet in May 2016 and now needs updating to reflect the anticipated timetable for its production. Amendments to the Minerals and Waste Development Scheme are attached as Appendix B.

24. The anticipated timetable for delivery for the remaining stages of the Plan is as follows:

    Consultation on Proposed Changes: October/November 2017
    Submission to Government: March 2018
    Examination: September 2018 – February 2019
    Adoption: May 2019.

Equality and Human Rights Implications

25. There are no equality and human rights implications arising from this report. An Equalities and Human Rights Impact Assessment (EHRIA) has been undertaken which has concluded that a full EHRIA is not required.

Background Papers

Report to the Environment and Transport Overview and Scrutiny Committee - 7th April 2016 – Minerals and Waste Local Plan
http://cexmodgov1/Published/C00001044/M00004481/AI00047463/$9MineralsandWasteLocalPlan.docxA.ps.pdf

Report to the Cabinet - 9th May 2016 - Leicestershire Minerals and Waste Local Plan
http://politics.leics.gov.uk/documents/s118738/5.%20Minerals%20and%20waste%20Local%20Plan.pdf

Report to the Cabinet - 9th May 2016 - Leicestershire Minerals and Waste Local Plan – Appendix A – MWLP Pre Submission Document FINAL:
http://politics.leics.gov.uk/documents/s118729/Appendix%20A%20-%20MWLP%20Pre-submission%20Document%20FINAL.pdf

Report to the Cabinet - 9th May 2016 - Leicestershire Minerals and Waste Local Plan – Appendix B – Local Development Scheme 2016:
http://politics.leics.gov.uk/documents/s118730/Appendix%20B%20-%20Local%20Development%20Scheme%202016.pdf

Report to the Environment and Transport Overview and Scrutiny Committee - 7th September 2017 – Minerals and Waste Local Plan

Appendices

Appendix A – Minerals and Waste Local Plan: Proposed Changes.
Appendix B – Proposed Amendments to Minerals and Waste Development Scheme 2016

CABINET – 15 SEPTEMBER 2017

MELTON LOCAL PLAN – ADDENDUM OF FOCUSED CHANGES CONSULTATION RESPONSE

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval for the County Council's response to the Addendum of focused changes to the pre-submission draft Melton Local Plan and the Community Infrastructure Levy (CIL) consultation prepared by Melton Borough Council (MBC).

Recommendations

2. It is recommended that;

   a) The detailed comments on the Addendum of focused changes to the pre-submission draft Melton Local Plan and the CIL consultation as set out in the Appendix to this report, be submitted to Melton Borough Council as the views of the County Council;

   b) The key comments set out in paragraphs 35 to 52 of the report be specifically drawn to the attention of Melton Borough Council.

Reasons for Recommendations

3. To ensure that the County Council provides appropriate input at this key stage in the Local Plan process, so that issues of importance for the County Council are clearly expressed and the authority influences the content of the Local Plan.

Timetable for Decisions (including Scrutiny)

4. The response to the Addendum of focused changes to the pre-submission draft Melton Local Plan and the CIL consultation needed to be submitted to MBC by the end of the consultation period on 23 August 2017. MBC was made aware that the comments were subject to confirmation by the Cabinet.

5. Consideration of the draft plan and representations by the Secretary of State through Examination is scheduled to take place from late 2017 for the Local Plan and February 2018 for the CIL Charging schedule. MBC anticipates that the Local Plan and the CIL Charging Schedule will be adopted in 2018.

6. The County Council will have a further opportunity to comment on MBC's CIL Charging Schedule before it is submitted to the Secretary of State for examination in January 2018.

Policy Framework and Previous Decisions

7. In formulating the County Council's response, particular consideration has been given to the Local Plan's:

   - Consistency with the provisions of the County's Waste Development Documents and Mineral Development Documents;
   - Consistency with the County Council's Strategic Plan 2014 to 2018 and Enabling Growth Plan (March 2015);
   - Consistency with the Leicester and Leicestershire's Enterprise Partnership's (LLEP) Strategic Economic Plan (2014);
   - Impact on the County Council's ability to implement any service or infrastructure it provides,
   - Impact on the County Council's interests as land and property owner; and,
   - Impact on the County Council's role as Lead Local Flood Authority (LLFA) for Leicestershire.

8. In making comments the County Council has had regard to the National Planning Policy Framework and National Planning Policy Guidance, the sub-regional economic priorities set out in the Strategic Economic Plan, and the work currently taking place with the City Council, district councils and the Leicester and Leicestershire Enterprise Partnership (LLEP) on the Strategic Growth Plan.

9. On 3 April 2012 the Cabinet agreed comments on the Melton Local Development Framework Consultation: Melton Core Strategy Submission version which included key comments on the Melton Sustainable Urban Extension (SUE) and broadband.

10. The Melton Core Strategy was withdrawn from Public Examination in April 2013 by MBC, which undertook to develop a new Local Plan swiftly.

11. A response to the Melton Local Plan Pre Submission Draft Consultation was considered by the Cabinet on 13 December 2016.

Resource Implications

12. There are no direct resource implications arising from this report but it is unclear whether the CIL will generate a sufficient contribution to deliver the infrastructure for which the County Council is responsible, nor is it clear how the County Council will ensure that CIL receipts are spent on infrastructure for which it is responsible.

Circulation under the Local Issues Alert Procedure

13. A copy of the report has been sent to County Councillors representing Electoral Divisions in Melton Borough:

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Mr. J. B. Rhodes CC
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PART B

Background to the draft Melton Local Plan

National Context

14. The National Planning Policy Framework (NPPF), published in March 2012, sets out national objectives for the planning system and how it should operate. It is accompanied by National Planning Policy Guidance (NPPG) on a range of topics including the importance of local plans and guidance on Community Infrastructure Levy. Local Plans must be positively prepared, justified, effective and consistent with the NPPF and NPPG, and be prepared in the context of “the duty to do-operate” which applies to all local authorities and a number of other agencies. It provides a mechanism for addressing strategic issues that go beyond individual local authority boundaries.

15. The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Two key pieces of evidence are required to justify the CIL: evidence of an infrastructure funding gap and evidence that the proposed CIL rates will not affect the overall viability of development in the area in which they operate. Charging authorities must consult and should collaborate with County Councils in setting the levy, and should work closely with them in setting priorities for how the levy will be spent in 2-tier areas[1]. The Government has been evaluating and reviewing the effectiveness of the operation of CIL since at least 2015 and are currently considering a review report published in February 2017.

16. Work is underway on the preparation of a Strategic Growth Plan to 2050 for Leicester and Leicestershire which will greatly assist joint working with the City Council, the Leicestershire districts and the Leicester and Leicestershire Enterprise Partnership (LLEP) on strategic planning matters. It is anticipated that consultation on the draft Strategic Growth Plan will take place in early 2018, prior to publication of the final Strategic Growth Plan later in 2018.

17. The local planning authorities and the County Council work closely with the LLEP to ensure planning policies and proposals are aligned with sub-regional economic priorities set out in the Strategic Economic Plan (SEP).

Melton Local Plan

18. In late 2016 MBC consulted on its Melton Local Plan Pre Submission Draft Consultation. Key comments from the County Council submitted in December 2016 included:

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[1] NPPG Paragraph: 013 Reference ID: 25-013-20140612

a. welcoming a defined housing growth strategy and the emerging transport strategy for the next 20 years, including the need for a Melton Mowbray Distributor Road (MMDR);
b. the importance of sequencing growth, particularly from an educational perspective;
c. the impact on secondary education provision in the Melton Mowbray urban area;
d. welcoming the inclusion of a new primary school for each of the two Sustainable Neighbourhoods;
e. the importance of aligning the Community Infrastructure Levy (CIL) with the Infrastructure Delivery Plan alongside the Local Plan;
f. setting out more clearly the thoroughness of the work undertaken to inform the development strategy;
g. the need for appropriate mitigation measures for land and development of, or contributions towards, new civic amenity site or waste transfer station;
h. in the County Council's role as landowner, support for the distribution of housing with flexibility to ensure sustainable sites can be brought forward in lower tiers of the settlement hierarchy, and to note that the Melton Mowbray North Sustainable Neighbourhood which includes County Council owned land could deliver significantly higher than the 1700 dwellings proposed in the Plan period.

Pre- Submission Draft Melton Local Plan – Addendum of Focused Changes – July 2017

19. The Addendum of Focused Changes includes changes which are focused on 13 areas, to the pre-submission draft of the Melton Local Plan for the plan period 2011 to 2036 due to new, updated or revised technical studies and information received during or after the consultation of the pre-submission draft local plan. These focused changes, summarised in the subsequent sections, are considered necessary for soundness and/or legal compliance on the main issues that the local plan seeks to address but will not result in a change to the plan's strategy.

20. In summary the main changes are:

FC1 Spatial Strategy

21. Confirms the provision of 6,125 dwellings in the Plan based on the Housing and Economic Development Needs Assessment (HEDNA 2017) and the Melton TAHR (Towards A Housing Requirement) and the distribution of housing and employment as 65% growth to Melton Mowbray Main Urban Area (instead of Melton Mowbray) and 35% housing need on allocated sites within and adjoining the Service Centres and Rural Hubs with rural settlements accommodating a proportion of the Borough's housing needs through windfall and small unallocated sites. A simplified approach for assessing and redistributing residual housing requirements by level of settlement leading to additional capacity of 197 dwelling (new Table 4) by 12 Service Centres and 7 Rural Hubs, which gives a 12% buffer of capacity in the rural area and adds flexibility in reacting to unforeseen changes in circumstances.

FC2 Sustainable Neighbourhoods

22. North and South Sustainable Neighbourhoods in Melton Mowbray have reduced affordable housing requirements to 15% (from 37%) together with some changes to public transport references and enhanced environmental measures.

FC3 Long term Growth Strategy

23. Agreement to review the Plan if the Leicester and Leicestershire Strategic Growth Plan shows scale and spatial distribution significantly different to what is set in the Borough's local plan.

FC4 Housing Site Allocations

24. A number of preferred housing sites have been changed and amended - 11 site allocations and 3 reserve sites are deleted, 16 site allocation boundaries are amended, 22 site allocations and 1 reserve site capacities are changed, 8 allocated sites and 2 reserve sites are added, 2 allocated sites are extended, and 14 allocated sites and 2 reserve sites are re-numbered.

FC5 Housing Mix

25. Housing mix changed to support retirement, sheltered care homes and wheel chair accessibility.

FC6 Affordable Housing

26. Affordable housing requirement changed from 37% District wide to differential rates based on viability, ranging from 5% to 40% leading to about 475 less (26% less) affordable homes than originally planned.

FC7 – FC13

27. The remaining changes deal with minor policy wording relating to Gypsy and Traveller sites (FC7); an emphasis on proposed housing, employment and transport delivering increased labour supply (FC8); limitations on the use of schools as sources for indoor sports and redevelopment of King Edward VII Community Sports Centre' to the 'Melton Indoor Sports Facilities' (FC9); updated Melton Local Plan Infrastructure Delivery Plan (2017) (FC10); strengthening the Melton Mowbray Distributor Road reasoned justification (FC11); inclusions of references to the relationship between CIL and s106 in the new policy (FC12); a new policies map showing Melton Mowbray South Sustainable Neighbourhood and the MMDR corridor of investigation/interest (FC13).

Melton Borough Council's Proposed Community Infrastructure Levy (CIL)

28. MBC, through work completed in aid of the emerging Melton Local Plan has concluded that there is a funding gap between the required infrastructure to

deliver the Melton Local Plan in full, and available likely funding sources. CIL is a mechanism that can be used to mitigate this funding gap and ensure infrastructure delivery matches the growth aspiration contained in the emerging Local Plan.

The CIL Proposals

29. MBC is the first Council in Leicestershire to propose a CIL. The evidence for the CIL is based on the Local Plan and in particular the MBC Infrastructure Delivery Plan and the Melton Local Plan and CIL Viability Report.

30. MBC sets out a number of key features that will benefit the implementation of infrastructure necessary to meet the needs of MBC's growing population over the planning period (2014-2026).In summary, it states that CIL will help fund the infrastructure needed to achieve the objectives of its Local Plan and is justified because most developments put an additional strain on the community infrastructure (e.g. roads, schools). It has to be affordable, simple and transparent; it gives MBC a degree of flexibility to set priorities for spending, is a reasonably predictable funding stream that allows forward planning on infrastructure delivery; and a significant proportion will also be passed directly to local parishes and neighbourhoods.

31. The CIL has to be set at a rate that does not put the overall development of the area at risk by making development unviable.

32. The CIL rate is expressed as a £ per m^2. Melton's proposed rates are set out in the table below. The zones referred to are identified on a map contained within the accompanying evidence that supports the Preliminary Draft Charging Schedule (PDCS).

PRELIMINARY DRAFT CHARGING SCHEDULE	
Residential – Schemes under 11	**CIL rate £/m^2**
Rural Value Area 1 – Southern rural	235
Rural Value Area 2 – Vale of Belvoir	160
Rural Value Area 3 – North-western rural	100
Rural Value Area 4 – Eastern rural	45
Residential Schemes – 11+	
Rural Value Area 1 – Southern rural	85
Rural Value Area 2 – Vale of Belvoir	60
Rural Value Area 3 – North-western rural	25
Commercial	
Superstore	20

Convenience Store	80
Takeaways	640

33. MBC estimates that CIL revenue in the region of £14 million could be collected on the basis of the above schedule. Net CIL revenue will be less once the administrative charge of 5% has been deducted and the apportionment to the parishes (15% where there is no 'made' neighbourhood plan (with restrictions), 25% where there is) has been made. The Regulation 123 List below identifies six items of infrastructure which could receive funding from CIL revenue. It is reasonable to expect that CIL revenue will not be sufficient to provide the gap funding for all items.

REGULATION 123 LIST		
Item	**Cost £million**	**Funding Gap**
Melton Mowbray Eastern Distributor Road (MMEDR)	75.5	75.5
Cemetery Extension	2.5	2.5
Step free access Melton Mowbray Railway Station	2	2
Melton Sport & Leisure Village	8.3	8.3
Melton Mowbray Recycling & Household Waste Site/Waste Transfer Station	6	6
Melton Country park Sports pavilion	Currently unknown	Currently unknown

34. The timetable set out for the adoption of the CIL is aligned to that of the Local Plan timetable. A further consultation process to which the County Council will have an opportunity to respond before the CIL Charging Schedule is submitted to the Secretary of State for examination in January 2018 with an anticipated adoption in June 2018.

Key Comments

35. The comments include a consideration of the effects of the proposals on County Council landholdings and property assets in Melton Borough.

36. Key comments are summarised below, and detailed comments are included in the Appendix.

Education

37. It is noted that whilst the document provides updated information on the proposed pattern and rate of growth it is insufficiently detailed for school place

planning purposes. A housing trajectory for each of the locations would assist in the education planning process.

38. The sequence of housing growth is of particular importance in the Primary and Secondary Rural Centres where a number of individual housing proposals might contribute to the expansion of local primary schools. If such developments are not occurring simultaneously then planning for the provision of additional school places can create significant capital funding risks for the Local Authority (if commitment is given to a particular scheme) and may also lead to inefficient use of public resources.

39. The impact on Secondary provision in the Melton urban area given the lack of clarity around the sequence and size of developments to the north and south of the town and the rural locations that feed to the Melton town secondary schools. Further clarity in this regard will help the Local Authority determine the most appropriate solution for the provision of places.

40. There are two potential options for the provision of additional secondary places in Melton town; to share the additional secondary age pupils across the existing two Secondary Schools of John Ferneley and Long Field Colleges and expand both schools to accommodate the additional pupils, or to build a new 600-place secondary school in the town.

41. Development of the Primary and Secondary Rural Centres will require S106 contributions to meet the cost of expanding the existing schools within the villages named. It is noted that the allocations for certain villages, in particular Long Clawson, Harby, Frisby, and Waltham have increased. Expansion of schools in village locations is problematic and costly, as the schools in these locations occupy very constrained sites, with some located in conservation areas and/or having buildings of architectural value and have limited potential for expansion.

Transport

42. As there is no CIL rate set in the PDCS for the Melton Urban Area, it would be helpful if the relevant local plan policies and the CIL Schedule could be cross-referenced such that it is clearer to readers how and where developments within the Melton Urban Area will nonetheless be contributing to the Melton Mowbray Transport Strategy (including the MMDR).

43. The revised paragraph 4.5.4 states “the development will also provide a new link road connecting the Scalford Road with Nottingham Road and upgrades to Bartholomew’s Way and Welby Road linking to the A6006 Asfordby Road, as part of the wider Melton Mowbray Distributor Road.” However, as Bartholomew’s Way and Welby Road do not form part of the MMDR (as described elsewhere within the Local Plan) this is potentially misleading and it is suggested that the paragraph be rephrased to separate these out.

44. Policy SS5 now refers to the Melton (Country) Park Greenway as part of the Transport Infrastructure to be delivered through the site. In relation to this the County Council interprets that this has been included as a general community

need relating specifically to the site, identified through the Local Plan process. This does not currently form part of the Melton Mowbray Transport Strategy, given that this is still in development and therefore definitive measures for the transport strategy (other than the MMDR) have yet to be identified.

Strategic Assets

45. Whilst the Melton Mowbray North Sustainable Neighbourhood is strongly supported, attention is drawn to the ability of the overall allocation to deliver significantly higher numbers than the 1700 currently proposed.

46. It is essential to adopt a flexible approach to master planning of the Melton Mowbray Northern Sustainable Neighbourhood in order to expedite delivery.

47. Policy *t1A* should also be revised to include a commitment, in so far as it is practical, to align the route of the MMDR to maximise housing delivery from the site and protect the housing numbers that underpin the Local Plan.

Waste Management

48. There needs to be a clear and transparent mechanism whereby sufficient CIL levy funds collected by the Borough Council are re-distributed to the County Council for the delivery of the Household Waste and Recycling Centre (HWRC) (locally referred to as RHWS; recycling and household waste site) and transfer station. Additionally, to facilitate work planning and scheduling, the CIL funding should be provided in a timely manner and be proportionate to the project and properly audited.

Community Infrastructure Levy

49. Experience across the UK has cast some doubt as to whether the CIL regime as currently constituted and implemented is accomplishing what it was implemented to achieve. The power to introduce CIL has been in place since 2010 and there have been amendments to the regulations every year since. There are in the region of 130 local authorities nationally charging CIL with a further 88 working towards adopting a CIL. The County Council supports the principle of a CIL if it leads to a clear, consistent, fair and efficient system of ensuring necessary infrastructure is made available to help provide sustainable growth in the County.

50. The estimated Melton CIL revenue of £14m over the Local Plan period will clearly be insufficient to make a significant contribution towards required infrastructure so reliance will continue to be placed on other funding sources including s106 agreements.

51. It appears that residential CIL will only be generated in rural areas. It is not clear from the PDCS how CIL will be applied within the built up areas of Melton. If the CIL rate is to be £0p/m^2 for residential development within these areas then that should be made explicit.

52. Clarity is also required as to how development planned within rural areas will contribute to infrastructure requirements, and how this relates to the infrastructure on the Regulation 123 list. National planning guidance states that collaborative working between county councils and charging authorities is especially important in relation to the preparation or amendment of the regulation 123 infrastructure list, bearing in mind the potential impact on the use of (section 278) highway agreements. The County Council would wish to see a clear mechanism for spending CIL receipts on County Council infrastructure and a commitment to involve the County Council in any review of the Regulation 123 list.

Background Papers

National Planning Policy Framework (NPPF) – March 2012
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf

Leicestershire County Council Strategic Plan 2014 – 2018
http://www.leics.gov.uk/leics_strategic_plan.pdf

Report to the Cabinet – 16 March 2015 - Enabling Growth Plan -
http://politics.leics.gov.uk/Published/C00000135/M00004360/AI00043150/$6EnablingGrowthPlan.docA.ps.pdf

Report to the Cabinet – 13 December 2016 – Melton Local Plan – Pre Submission Draft Consultation Response
http://politics.leics.gov.uk/documents/s125048/Melton%20Local%20Plan%20Pre%20Submission.pdf

Appendix

Addendum of Focused Changes to Melton Local Plan Pre Submission Draft and comments on the Community Infrastructure Level Preliminary Draft Charging Schedule - Leicestershire County Council response

Equality and Human Rights Implications

53. Through their policies, Local Plans have significant implications for disadvantaged people living in Leicestershire. By seeking to ensure economic growth is secured and an appropriate provision of affordable homes is made, the County Council can, through its representations, contribute to the needs of disadvantaged groups.

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CABINET 15 SEPTEMBER 2017

LOCAL CODE OF CORPORATE GOVERNANCE

JOINT REPORT OF THE CHIEF EXECUTIVE AND THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to inform the Cabinet of the publication of the revised CIPFA/SOLACE Delivering Good Governance in Local Government: Framework and consequently seek the Cabinet's support for a revised Local Code of Corporate Governance to be presented to the County Council for approval.

Recommendation

2. That the County Council be recommended to approve the revised Local Code of Corporate Governance, attached as an appendix to this report, at its meeting on 27 September 2017.

Reasons for Recommendation

3. A review and revision of the previous Code of Corporate Governance was last approved by the County Council on 19 March 2008. It is therefore necessary for an updated local code to be adopted which reflects the revised Delivering Good Governance in Local Government: Framework (the Framework) issued in April 2016. The Annual Governance Statements prepared for the financial year 2016/17 was agreed by the Corporate Governance Committee on the 26 May 2017 and had regard for the updated code.

Timetable for Decisions

4. The County Council's Corporate Governance Committee considered the draft Local Code of Corporate Governance at its meeting on 26 May 2017. It is proposed that the County Council at its meeting on 27 September 2017 approve the revised Local Code of Corporate Governance.

Policy Framework and Previous Decisions

5. Schedule 2 of the Constitution - Plans and Strategies forming the Policy Framework (Article 4.01) refers to the requirement to review the Council's Code of Corporate Governance as necessary and make recommendations to the County Council to ensure that it remains relevant to the Council's work and practices

6. The County Council first adopted a Code of Corporate Governance at a meeting of the Cabinet on 13 May 2003 and the Code was endorsed by the County Council on 9 July 2003. The County Council last agreed a revised Code of Corporate Governance on 19 March 2008.

Resource Implications

7. None.

Circulation under the Local Issues Alert Procedure

8. None

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PART B

Background

9. CIPFA, in conjunction with the Society of Local Authority Chief Executives (SOLACE), first published a framework for Corporate Governance in Local Government in 2001 with the intention that it should be used by authorities as the basis for best practice. Corporate Governance is defined by CIPFA/SOLACE as "the system by which local authorities direct and control their functions and relate to their communities". The core principles were identified as openness and inclusivity, integrity and accountability which were then reflected in the different dimensions of a local authority's business. In June 2007, CIPFA published "Delivering Good Governance in Local Government: Framework". This framework, and the accompanying guidance notes, replaced the previous CIPFA/SOLACE framework.

The Revised CIPFA/SOLACE Delivering Good Governance in Local Government Framework

10. In 2014, CIPFA and the International Federation of Accountants (IFAC) collaborated to produce The International Framework: Good Governance in the Public Sector. In 2016, CIPFA and SOLACE took the International Framework's core principles (and sub-principles) and interpreted them for a local government context. It revised and reissued its 'Delivering Good Governance in Local Government; Framework' (the Framework). The Framework sets the standard for local authority governance in the UK. The concept underpinning the Framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:
    - Resources are directed in accordance with agreed policy and according to priorities
    - There is sound and inclusive decision making
    - There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities

The County Council's Revised Local Code of Corporate Governance

11. The Framework defines principles that should underpin governance within a local government organisation. It provides a structure to help individual authorities with their approach to governance. How an organisation designs its governance structure is for it to decide, although it should be able to demonstrate that it complies with the core and sub-principles contained in the Framework. It should therefore develop and maintain an up-to-date Local Code of Governance, including arrangements for ensuring ongoing effectiveness. The term 'Local Code' essentially refers to the governance structure in place as there is an expectation that a formally set out local structure should exist, although in practice it may consist of a number of local codes or documents.

12. The County Council's Local Code of Corporate Governance has been revised to reflect the seven principles contained in the Framework which are: -

    - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
    - Ensuring openness and comprehensive stakeholder engagement
    - Defining outcomes in terms of sustainable economic, social, and environmental benefits
    - Determining the interventions necessary to optimize the achievement of the intended outcomes
    - Developing the entity's capacity, including the capability of its leadership and the individuals within it
    - Managing risks and performance through robust internal control and strong public financial management
    - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

13. Against each of the seven principles, based on self-assessments of assurances received from Directors and corporate functions, officers have identified current examples of the Council's commitment to achieving good governance e.g. policies, procedures, behaviours, actions and values by which the Council is controlled and governed. The Council's draft Local Code of Governance (2017) is included as the appendix.

Appendix

Appendix - Draft Local Code of Corporate Governance 2017

Background Papers

Report to Corporate Governance Committee 26 May 2017 –Local Code of Corporate Governance.
http://politics.leics.gov.uk/documents/s128686/Local%20Code%20of%20Corporate%20Governance%20-%20cover%20report.pdf

Delivering Good Governance in Local Government: Framework CIPFA/SOLACE, 2007, 2012 and 2016;
http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition

Equality and Human Rights Implications

14. The Local Code of Corporate Governance is based on ensuring the County Council focuses on outcomes for the whole community, promotes values and standards of conduct which are grounded on respect for all people and engages with local people in a way that ensures community interests are taken into account.