



Meeting: **Cabinet**

Date/Time: **Friday, 23 June 2017 at 11.00 am**

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

Contact: **Mrs. J. Twomey (Tel. 0116 305 6462)**

Email: **joanne.twomey@leics.gov.uk**

Membership

Mr. N. J. Rushton CC (Chairman)

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

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– Notices will be on display at the meeting explaining the arrangements.**

AGENDA

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 10 March 2017.	(Pages 5 - 16)
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. 2016/17 Provisional Revenue and Capital Outturn.	Director of Corporate Resources (Pages 17 - 60)



5.	Annual Treasury Management Report 2016/17.	Director of Corporate Resources	(Pages 61 - 68)
6.	District Council Collection of Council Tax.	Director of Corporate Resources	(Pages 69 - 76)
7.	Highway Asset Management Policy and Highway Asset Management Strategy Review.	Director of Environment and Transport	(Pages 77 - 156)
8.	Future of Highway Forums.	Director of Environment and Transport	(Pages 157 - 162)
9.	County Council Strategic Plan and Single Outcomes Framework.	Chief Executive	(Pages 163 - 184)
10.	Better Care Fund Plan 2017/18 - 2018/19.	Director of Health and Care Integration and Director of Adults and Communities	(Pages 185 - 210)
11.	Leicestershire Adult Social Care Accommodation Strategy for Older People 2016 to 2026 - Update on Extra Care Developments in Leicestershire.	Director of Adults and Communities and Director of Corporate Resources	(Pages 211 - 220)
12.	Superfast Leicestershire Programme Extension.	Chief Executive	(Pages 221 - 228)
13.	Energy-Efficient Public Sector Estate.	Director of Corporate Resources	(Pages 229 - 232)
14.	Charter for Sustainable British Steel.	Director of Corporate Resources	(Pages 233 - 238)
15.	Enforcement Programme for Underage Sales of Tobacco Products and Aerosol Paint Products 2017/18.	Chief Executive	(Pages 239 - 248)
16.	Re-procurement of Integrated Sexual Health Services.	Director of Public Health	(Pages 249 - 256)
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.	Director of Children and Family Services	(Pages 257 - 262)

18.	Place Marketing Organisation - Governance Proposals.	Chief Executive	(Pages 263 - 338)
19.	Future Strategy for the Delivery of Library Services - Transfer of Braunstone Town Library to Community Management.	Director of Adults and Communities	(Pages 339 - 342)
20.	Thringstone Trusts - Transfer of Trusteeship to a Successor Charitable Incorporated Organisation.	Chief Executive	(Pages 343 - 350)
21.	Items referred from Overview and Scrutiny.		
22.	Any other items which the Chairman has decided to take as urgent.		

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Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Friday 10 March 2017.

PRESENT

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

Mr. R. Blunt CC

Mrs. P. Posnett CC

Mr. Dave Houseman MBE, CC

Mr. J. B. Rhodes CC

Mr. J. T. Orson JP CC

Mr. E. F. White CC

Mr. I. D. Ould CC

Apologies

Mr. P. C. Osborne CC and Mr. B. L. Pain CC

In attendance

Mr. G. A. Hart CC, Mr. P. G. Lewis CC, Mrs R. Page CC, Dr. R. K. A. Feltham CC, Mr. R. Shepherd CC, Mr. S. J. Galton CC, Mr. R. Sharp CC

531. Minutes of the previous meeting.

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

532. Urgent items.

There were no urgent items for consideration.

533. Declarations of interest.

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

With regard to item 8 (Melton Mowbray Transport Strategy and Distributor Road - Development of a Business Case and Identification of a Preferred Route), Mr. Orson CC stated that he had a disclosable pecuniary interest as a local landowner and undertook to leave the meeting during consideration of that item. Mrs Posnett CC and Mr. Rhodes CC each declared a personal interest that might lead to bias as members of Melton Borough Council and also undertook to leave the meeting whilst that item was considered.

With regard to item 9 (Community Speed Enforcement), Mr. Rhodes declared a personal interest as a member of Melton Borough Council.

With regard to item 11 (Leicester and Leicestershire Strategic Growth Plan: Joint Statement of Co-operation) Mr. Rhodes declared a personal interest as a member of Melton Borough Council. Mr. Orson subsequently declared a disclosable pecuniary interest as a local landowner and left the meeting whilst that item was considered (minute 543 below refers).

534. Change to the order of business.

The Chairman sought and obtained the consent of the Cabinet to vary the order of business from that set out in the agenda.

535. Working Together to Build Great Communities in Leicestershire: Draft Communities Strategy 2017-21.

The Cabinet considered a report of the Chief Executive seeking approval to carry out consultation on the draft refreshed Communities Strategy and to develop an Action Plan for its delivery. A copy of the report, marked '12', is filed with these minutes.

Members noted the comments of the Scrutiny Commission, a copy of which is filed with these minutes.

Mrs Posnett CC said that the refreshed Strategy was much more realistic and accessible and hoped that it would encourage people to work together to make a real difference. She instanced support given by the Council such as the Shire Grants scheme for funding communities and voluntary groups.

RESOLVED:

- (a) That the draft refreshed Communities Strategy 2017-21 be approved for consultation and engagement with stakeholders;
- (b) That the process for developing a Communities Strategy Action Plan as set out in the report be approved;
- (c) That a further report be submitted to the Cabinet in autumn 2017 setting out the outcome of the consultation and submitting the final Communities Strategy for approval.

REASONS FOR DECISION:

To provide the opportunity for stakeholders to comment on the draft Communities Strategy and to contribute to the development of an Action Plan to support its delivery.

536. Leicestershire and Rutland Local Safeguarding Children Board and Safeguarding Adult Board Business Plans 2017/18.

The Cabinet considered a report of the Independent Chair of the Leicestershire and Rutland Local Safeguarding Children Board and Safeguarding Adult Board which set out the proposed priorities for the Boards' Business Plans for 2017/18. A copy of the report, marked '4', is filed with these minutes.

Members noted the comments of the Children and Families and Adults and Communities Overview and Scrutiny Committees, copies of which are filed with these minutes.

The Chairman noted that Mr. Burnett would be retiring shortly and on behalf of the Cabinet thanked him for his commitment and work with the Council as Chair of the Safeguarding Boards. Mr. Ould CC and Mr. Houseman MBE, CC added their personal thanks for his guidance and support.

It was noted that joint development priorities included understanding of emotional health and well-being across the partnership, and Mr. White CC said that he would ensure that this was followed up.

RESOLVED:

That the Cabinet notes and supports the proposed Business Plan priorities 2017/18 for the Leicestershire and Rutland Local Safeguarding Children Board and Safeguarding Adult Board, particularly in relation to the business of the County Council in 2017/18.

REASONS FOR DECISION:

It has been considered good practice in Leicestershire to submit both the Annual Reports and Business Plans to the Cabinet and to the Overview and Scrutiny Committees for the LRSAB as well as the LRLSCB.

The report enables the Cabinet to comment on the draft Business Plan Priorities and to consider whether these identify matters that it wishes to address in relation to the effectiveness of safeguarding within the work of the Authority.

The Annual Report of the LRLSCB and LRSAB was considered by the Cabinet on 16th September 2016 and emerging priorities for the new Business Plan for 2017/18 were discussed at that meeting. The views expressed by the Cabinet at that stage were fed into the formative process for the Plan and are reflected in the priorities included in the paper. It is important to note that Ofsted has since undertaken its inspections of both Leicestershire and Rutland services for children in need of help and protection, children looked after and care leavers which included a review of the LRLSCB. Recommendations arising from these inspections have been incorporated into the Business Plans for 2017/18.

537. Ofsted Inspection of Services for Children in Need of Help and Protection, Children Looked After, and Care Leavers.

The Cabinet considered a report of the Director of Children and Family Services concerning the outcome of the recent Ofsted inspection of children's social care services in Leicestershire and presenting the Action Plan which had been developed to address the recommendations in the Ofsted Report, and the Department's Improvement Plan. A copy of the report, marked '5', is filed with these minutes.

Members noted the comments of the Children and Families Overview and Scrutiny Committee, a copy of which is filed with these minutes.

Mr. Ould CC said that he accepted the Ofsted Report and its conclusions had corresponded to initial assessments of the services undertaken by the new Director, who had acted quickly to make improvements.

RESOLVED:

- (a) That the content, grades and recommendations of the Ofsted inspection report on children's social care services in Leicestershire be noted;
- (b) That the Children and Family Services Improvement Plan which was developed in preparation for the inspection and charts progress made be noted;

- (c) That the Action Plan prepared in response to the recommendations in the Ofsted Report and which includes proposals for the future development and improvement of services to children and families, be approved as the County Council's formal response to the Ofsted Inspection Report.

REASONS FOR DECISION:

To ensure that members are aware of the measures being taken in response to the Ofsted Report and for the overall development of Children and Family Services.

538. 2018/19 School and High Needs Funding Proposals.

The Cabinet considered a report of the Director of Children and Family Services regarding the proposed responses purpose to the second stage of consultation issued by the Department for Education (DfE) on the implementation of the National Funding Formula for Schools and the introduction of a formulaic basis for the distribution of the High Needs Block of the Dedicated Schools Grant in 2018/19. A copy of the report, marked '6', is filed with these minutes.

Members noted the comments of the Children and Families Overview and Scrutiny Committee, a copy of which is filed with these minutes.

Mr. Ould CC and Mr. Rhodes CC highlighted the problems with High Needs funding and hoped that the feedback from Leicestershire and other local authorities would cause the Government to reconsider its approach.

RESOLVED:

- (a) That the responses to the consultation on the implementation of the National Funding Formula and the introduction of a formulaic basis for the distribution of the High Needs Block of the Dedicated Schools Grant, as appended to the report, be submitted to the DfE;
- (b) That in addition, the DfE be advised of the County Council's concerns, as set out in the report, that Leicestershire, a low-funded authority, will see no improvement to its own or its schools' financial position as a result of the proposals and in particular, that;
 - (i) the reduced lump sum will adversely affect primary schools;
 - (ii) there is no evidence to support the proposed values and weightings within the schools National Funding Formula, nor are they informed by the cost of education;
 - (iii) there is disproportionate emphasis on funding targeted at deprivation and where English is spoken as an additional language and, as that attainment is relatively high in Leicestershire and deprivation relatively low, it will derive little benefit from these factors;
 - (iv) whilst there is an assumption by the DfE that schools and local authorities will deliver efficiency savings, this may not be possible as schools funding has not increased in line with costs, resulting in any efficiency gains being already realised;

- (v) the delivery of a more efficient school estate is likely to require remodelling and rationalisation of provision, which will require significant capital investment.

REASONS FOR DECISION:

To ensure that the views of the County Council are communicated to the DfE.

539. Environment and Transport Interim Commissioning Strategy 2017/18 Refresh.

The Cabinet considered a report of the Director of Environment and Transport regarding the refreshed Environment and Transport Interim Commissioning Strategy and Action Plan for 2017/18 which would provide a framework for service delivery over the next year. A copy of the report, marked '7', is filed with these minutes (it was noted that a corrected Annex C, the Delivery Programme 2017/18, had been circulated separately).

Members noted the comments of the Environment and Transport Overview and Scrutiny Committee, a copy of which is filed with these minutes.

RESOLVED:

- (a) That the Environment and Transport Interim Commissioning Strategy 2017/18 Refresh and Action Plan be approved;
- (b) That the Director of Environment and Transport be authorised to make such minor amendments to the Interim Commissioning Strategy 2017/18 Refresh and Action Plan as he considers to be necessary, following consultation with the appropriate Cabinet Lead Member.

(KEY DECISION)

REASONS FOR DECISION:

To ensure that the Environment and Transport Department is able to publish its Interim Commissioning Strategy 2017/18 Refresh in April 2017. The Interim Commissioning Strategy 2017/18 Refresh and associated Action Plan provides a basis for the development of detailed departmental Head of Service and Team Plans which outline how the Department will develop and deliver services to fulfil statutory duties and deliver savings and efficiency targets.

The draft Interim Commissioning Strategy 2017/18 Refresh may need to be revised to respond to changing circumstances and ensure optimal use of resources.

540. Melton Mowbray Transport Strategy and Distributor Road - Development of a Business Case and Identification of a Preferred Route.

(Mr. Orson CC, having declared a disclosable pecuniary interest in this item, and Mrs Posnett CC and Mr. Rhodes CC, having each declared a personal interest that might lead to bias, left the meeting during its consideration).

The Cabinet considered a report of the Director of Environment and Transport concerning a revised timetable for the development of a business case for the Melton Mowbray Distributor Road (MMDR) and setting out the proposed next steps in the process for

developing the business case for the MMDR. A copy of the report, marked '8', is filed with these minutes.

Mr. Rushton CC gave his full support to the proposals which he said were key to improving Melton's transport network.

RESOLVED:

- (a) That a revised indicative timetable for the development of a business case for the MMDR be approved in order to enable further evidence gathering and consultation to be undertaken and the business case to be submitted to the Department of Transport in accordance with the timeframes set out in the report;
- (b) That the Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised to undertake
 - (i) further evidence gathering during Spring/Summer 2017 to enable the ongoing development of the MMDR business case and the identification of a preferred route for the scheme;
 - (ii) consultation in late Summer/early Autumn 2017 to inform a 'preferred route' decision;
- (c) That a further report be submitted to the Cabinet in late 2017 seeking approval for a preferred route, so that the business case can be submitted to the Department of Transport in December 2017.

(KEY DECISION)

REASONS FOR DECISION:

In order to enable the County Council to meet a recently revised Government timetable for the preparation of a business case for the MMDR.

(Mr. Orson and Mr. Rhodes then returned to the meeting. Mrs Posnett did not return to the meeting.)

541. Community Speed Enforcement.

The Cabinet considered a report of the Director of Environment and Transport regarding the Community Speed Enforcement initiative and proposing seven trial sites in advance of a potential wider roll-out of a Community Safety Camera Programme, subject to Government agreement to the Council's approach. A copy of the report, marked '9', is filed with these minutes.

Members noted the comments from Mr. D. C. Bill MBE, CC on behalf of the Liberal Democrat Group and from Mr. D. Snartt CC, copies of which are filed with these minutes. It was reported that Mr. O. O'Shea CC supported the proposals and was pleased that the trial sites included the A50 at Field Head.

Mr. Rushton CC said that the report had been very well received and several parish councils had indicated that they would be pleased to contribute funding if this would

expedite the installation of safety cameras in their areas. Other members added their support for the trial sites.

RESOLVED:

- (a) That funding of £500,000 for the programme of trial sites from the 2016/17 underspends be approved;
- (b) That the programme of trial sites detailed in paragraph 19 of the report be approved and that the Director of Environment and Transport be authorised to carry out the necessary consultation with partners and communities and to implement the programme;
- (c) That a further report be submitted to the Cabinet when a response is received from the Department for Transport regarding the retention of fine income and setting out proposed local criteria for the wider use of speed cameras based on that identified in paragraph 22 of the report.

(KEY DECISION)

REASONS FOR DECISION:

The programme of trial sites is being undertaken to seek to prove the concept of the proposed community safety camera approach. It will identify the effect of average speed cameras on speeding levels within an area/community, and the likely 'pay back' periods that may be required should the concept be adopted and fine revenue be made available by the Government to implement schemes.

These measures could potentially improve quality of life for communities, address concerns about speeding vehicles and improve the health and wellbeing of Leicestershire's residents. They will do this by reducing road deaths and injuries, reducing the fear of road danger, and encouraging more walking and cycling.

542. Better Care Fund Plan 2017/18-2018/19.

The Cabinet considered a report of the Director of Health and Care Integration concerning the refresh of the Leicestershire Better Care Fund (BCF) Plan for 2017/18 to 2018/19. A copy of the report, marked '10', is filed with these minutes.

Members noted the comments of the Health Overview and Scrutiny Committee, a copy of which is filed with these minutes.

Mr. White CC said that progress to date had been very good, notwithstanding the inexcusable delay in provision of national guidance, publication of which was still awaited. He hoped that work would not be compromised as a result of one district council failing to commit to the arrangements.

RESOLVED:

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

- (b) That national Better Care Fund guidance, still to be published, and any requirements associated with the additional allocation for social care announced in the Budget on 8th March will be considered as needed in finalising and submitting the Leicestershire Better Care Fund Plan;
- (c) That the continuation of the rolling Better Care Fund Section 75 Agreement, and associated governance arrangements be noted;
- (d) That it be noted that the Disabled Facilities Grant for Leicestershire paid to the County Council will be allocated through the Better Care Fund to the seven District Councils - in accordance with Government guidance to allow those Councils to provide major adaptations to eligible residents, but also to encourage them to think strategically about the use of home adaptations, the use of technologies to support people in their own homes, and to take a joined up approach to improving outcomes across health, social care and housing;
- (e) That the early agreement of Blaby District Council, Harborough District Council, Hinckley and Bosworth Borough Council, Melton Borough Council, North West Leicestershire District Council and Oadby and Wigston Borough Council, in approving the Lightbulb Service model and business case (to introduce a more streamlined approach to processing disabled facilities grants) be welcomed;
- (f) That in line with (d) and (e) above and with all possible information having been provided to its officers, the decision-making body of Charnwood Borough Council be asked to confirm if that Council will support the implementation of the Lightbulb Service, given that the service will now proceed to implementation across all other Districts during 2017/18.

REASONS FOR DECISION:

National BCF Guidance requires all local areas to refresh BCF plans in partnership, and in line with the BCF Policy Framework and Technical Guidance, seek approval from their Health and Wellbeing Board, prior to submission of the BCF plan to NHS England.

543. Leicester and Leicestershire Strategic Growth Plan: Joint Statement of Co-operation.

(Mr. Orson CC, having declared a disclosable pecuniary interest in this item, left the meeting during its consideration).

The Cabinet considered a report of the Chief Executive seeking approval of the Joint Statement of Co-operation Relating to Objectively Assessed Need for Housing which had been prepared to accompany the publication of the Housing and Economic Development Needs Assessment which would inform the preparation of the Leicester and Leicestershire Strategic Growth Plan and Local Plans in Leicester and Leicestershire. The Statement confirmed the commitment of partner organisations (the seven district councils of Leicestershire, Leicester City Council, Leicestershire County Council, and the Leicester and Leicestershire Enterprise Partnership) to collaborative working. A copy of the report, marked '11', is filed with these minutes.

Members noted the comments of the Scrutiny Commission, a copy of which is filed with these minutes.

RESOLVED:

That the Joint Statement of Co-operation Relating to Objectively Assessed Need for Housing be approved.

REASONS FOR DECISION:

To ensure that all partners demonstrate commitment to providing for their objectively assessed housing needs and, if they are unable to be accommodated within the local authority area within which they arise, that a collaborative approach is taken to resolving the provision of unmet need.

(Mr. Orson then returned to the meeting.)

544. Accommodation Strategy for Working Age Adults 2017-2022.

The Cabinet considered a report of the Director of Adults and Communities concerning the Leicestershire Accommodation Strategy for Working Age Adults (aged 18-64) 2017-2022 and the associated initial action plan. The report also referred to the potential for capital investment opportunities linked to the provision of more cost effective long-term accommodation options for people with complex needs. A copy of the report, marked '13', is filed with these minutes.

Members noted that the Adults and Communities Overview and Scrutiny Committee had considered the report and supported the proposals.

Mr. Houseman MBE, CC said that many more people could potentially benefit from supported housing arrangements.

RESOLVED:

- (a) That the Accommodation Strategy for Working Age Adults (aged 18-64) 2017-2022 and action plan (attached as Appendix A to the report) be approved;
- (b) That the proposed review of current policy around nomination agreements, highlighted in the Strategy, be noted;
- (c) That a further report be submitted to the Cabinet during 2017/18 outlining the progress made on the implementation of the Strategy and setting out more detailed potential capital investment proposals for the provision of more cost effective accommodation options for Working Age Adults.

REASONS FOR DECISION:

The Accommodation Strategy will help ensure that younger adults who are eligible for social care support as a result of a long-term disability are supported to be able to live in their own homes in a way that is affordable for individuals and the Council. This Strategy complements the Leicestershire Adult Social Care Accommodation Strategy for Older People 2016-2026.

The Council currently has no consistent approach to nomination agreements which can make it difficult to secure appropriate accommodation in a timely way. A new policy is required that makes it easier to do this whilst not adversely disadvantaging either the Council or providers. The development of this Strategy alongside District partners is seen as vital in order to ensure appropriate, suitable accommodation in the right geographical

area is available to support younger adults maintain independence, whilst adhering to the Council's strategic approach to ensure that people can access the right level of support at the right time in order to help maximise their independence.

Further detailed work needs to be carried out to consider more cost-effective accommodation options, linked to delivery of the Council's Medium Term Financial Strategy.

545. Integrated Commissioning of a Dementia Community and Hospital In-Reach Support Service.

The Cabinet considered a report of the Director of Adults and Communities regarding joint commissioning and procurement arrangements for a single community and hospital in-reach dementia support service for Leicester and Leicestershire to provide a more joined-up service for the area, replacing three separately commissioned services. A copy of the report, marked '14', is filed with these minutes.

RESOLVED:

- (a) That the joint commissioning arrangement for dementia support services under a single contract for Leicester and Leicestershire be approved, noting that contract management arrangements are still to be finalised;
- (b) That the Director of Adults and Communities be authorised to take action as necessary to implement the proposed joint procurement and commissioning of a single community and hospital in-reach dementia support service as set out in paragraphs 40 to 45 of the report, which will include appropriate contract management arrangements.

REASONS FOR DECISION:

Joint procurement of a single model of service across Leicester and Leicestershire will offer a more consistent approach to people affected by dementia (both those with a diagnosis and their carers) who need support in the community, and to other stakeholders.

The future joint commissioning and procurement of services, through combining health and social care funding, will make the best use of available resources and will support easier transition between hospital and community settings. It will also support the aim of co-ordinating care and integrating services around the person in order to improve outcomes and ensure high quality and sustainable service provision.

The new model will support outcome-based commissioning and delivery in line with the principles set out in the Adult Social Care Strategy.

The allocation of Better Care Fund funding is a matter for decision by the Health and Wellbeing Board.

546. Discharging Leicester City Council's Internal Audit Function.

The Cabinet considered a report of the Director of Corporate Resources regarding the proposed delegation of the City Council's internal audit function to the County Council, as a result of which its general internal audit staff would transfer to the County Council which

would be responsible for delivering an internal audit service to both Authorities. A copy of the report, marked '15', is filed with these minutes.

RESOLVED:

That the County Council be recommended to -

- (a) Accept the delegation of Leicester City Council's internal audit function in accordance with the provisions of Section 9EA of the Local Government Act 1972, the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 and all other enabling powers;
- (b) Agree to enter into an Administrative Collaboration Agreement (the Agreement) with Leicester City Council under S9EA of the Local Government Act 1972, such Agreement to be reviewed and renewed as and when necessary for the duration of the delegation in (a) above;
- (c) Authorise the Director of Corporate Resources to agree:
 - (i) the detailed terms of the Agreement at (b) above for an initial period of three years and to thereafter negotiate and agree the terms of future Administrative Collaboration Agreements as are necessary for the duration of the delegation;
 - (ii) the detailed arrangements for the transfer of the City Council's internal audit staff to the County Council in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

REASONS FOR DECISION:

The combining of the two internal audit functions into a single team employed and managed by one council will enable the service to be delivered to both authorities in a more sustainable, efficient and effective manner.

547. Dates of Council Meetings 2017/18 and 2019/20.

The Cabinet considered a report of the Chief Executive regarding the proposed dates of Council meetings for the next two years. A copy of the report, marked '16', is filed with these minutes.

RESOLVED:

That the County Council be recommended to hold meetings on the following dates during the next two municipal years:-

Wednesday 28 June 2017
 Wednesday 27 September 2017
 Wednesday 6 December 2017
 Wednesday 21 February 2018 (Budget Meeting)
 Wednesday 21 March 2018
 Wednesday 16 May 2018 (Annual Meeting)
 Wednesday 27 June 2018
 Wednesday 26 September 2018
 Wednesday 5 December 2018

Wednesday 20 February 2019 (Budget Meeting)

Wednesday 20 March 2019

Wednesday 15 May 2019 (Annual Meeting)

REASONS FOR DECISION:

To comply with the Local Government Act 1972 and the County Council's Standing Orders.

548. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.

11.00 am - 12.09 pm
10 March 2017

CHAIRMAN



CABINET - 23 JUNE 2017

2016/17 PROVISIONAL REVENUE AND CAPITAL OUTTURN

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to set out the provisional revenue and capital outturn for 2016/17 and seek the Cabinet's approval for additional commitments and carry forwards.

Recommendations

2. It is recommended that:
 - (a) The 2016/17 provisional revenue and capital outturn be noted;
 - (b) The additional commitments as set out in paragraph 54 of the report and the carry forward requests detailed in Appendix B, be approved;
 - (c) The revisions to the 2017/18 budget as set out in paragraph 55 be approved;
 - (d) The prudential indicators for 2016/17 as shown in Appendix F be noted.

Reasons for Recommendations

3. 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.

Timetable for Decisions (including Scrutiny)

4. A report on the provisional revenue and capital outturn will be considered by the Scrutiny Commission on 19th July 2017.

Policy Framework and Previous Decisions

5. The County Council approved the 2016/17 to 2019/20 Medium Term Financial Strategy (MTFS) in February 2016. The key aim of the Strategy is to ensure that the Authority has appropriate resources in place to fund key service demands over the next few years. The Strategy includes the establishment of earmarked funds and the allocation of ongoing revenue budget and capital resources for key priorities.
6. This report includes details of carry forward requests. The Standard Financial Instructions stipulate that the Executive (the Cabinet) may authorise the carry forward of under or over spending, these may also be agreed by the Chief Financial Officer.

Resource Implications

Revenue Outturn

7. A summary of the revenue outturn for 2016/17, excluding schools grant, is set out below:

	£000
Updated budget	360,490
Less provisional outturn	-348,139
Add additional income	56
Less additional commitments	-11,057
Net underspending	1,350
Carry forwards	
Approved	-700
Cabinet approval required	-650
Net position	0

8. Overall there has been a net underspending of £1.4m after additional commitments, which is offset by carry forwards.
9. The Authority has made significant progress in achieving the savings in the MTFS, but there is still a long way to go. The underspend to a large extent reflects the early achievement of efficiency savings. Price and service demand pressures have been largely contained in the year. Inflation and demographic pressures mean that this position will not be maintained beyond the short term. In the MTFS for the period 2017/18 to 2020/21 the savings requirement totals £66m, of which £23m still needs to be identified.
10. The uncommitted General Fund balance as at 31st March 2017 stands at £14.8m, which represents 4.1% of the 2017/18 revenue budget, in line with the County Council's policy. The Fund will be reviewed again during 2017 taking into account the risks faced by the County Council.

Capital Outturn

11. A summary of the capital outturn for 2016/17, excluding schools devolved formula capital, is set out below:

	£000
Updated budget	102,979
Less provisional outturn	98,143
Net Underspending (slippage)	4,836
Percentage spend to updated budget	95%

12. Overall there has been a net underspending of £4.8m compared with the updated budget which relates mainly to the Corporate Programme where two large schemes were delayed to 2017/18. More detail is given in Part B of this report. The net underspending will be carried forward to 2017/18 to fund schemes that were not completed in 2016/17.
13. Details of the key achievements in delivery of the 2016/17 capital programme are also included in the report.

Circulation under the Local Issues Alert Procedure

14. None.

Officers to Contact

Mr B Roberts, Director of Corporate Resources

☎ 0116 305 7830 E-mail Brian.Roberts@leics.gov.uk

Mr C Tambini, Director of Finance, Corporate Resources Department,
Corporate Resources Department

☎ 0116 305 6199 E-mail Chris.Tambini@leics.gov.uk

Mr D Keegan, Head of Finance, Corporate Resources Department,

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PART B

Overall Position - Revenue

15. Appendix A shows the detailed provisional outturn position for 2016/17. This compares the actual expenditure incurred (provisional outturn) with the updated budget. Column 2 is the original budget updated for 2015/16 carry forwards and transfers between services. Column 3 shows actual expenditure, which in the case of schools reflects the level of delegated schools budgets. This appendix also shows the effect of the provisional outturn on the level of the uncommitted General Fund balance.
16. The overall net underspend is £1.4m, which is proposed to be used to fund carry forwards.
17. The Chief Financial Officer can approve carry forwards where the money is to be spent for the purpose for which it was originally allocated in the budget. Where the carry forward is to be used for a different purpose (i.e. effectively comprising virement) the Chief Financial Officer can approve items up to £100,000 with the following exceptions:
 - where a carry forward would result in an overspending position on the department's budget;
 - where a carry forward would represent a change in existing policy; and
 - where ongoing costs might result.
18. On this basis specific approval by the Cabinet is required for the items described in Appendix B.
19. Appendix C gives details of significant variances on departmental budgets for 2016/17.

Children and Family Services

20. The Department has a net overspend of £2.4m on the Dedicated Schools Grant (DSG) and a net underspend of £1.2m on the Local Authority (LA) budget, which reduces to £1.1m (1.8%) after carry forwards.
21. The overspend on DSG mainly relates to the High Needs Block as a result of continuing pressure on the Special Educational Needs (SEN) placement budgets due to increased demand at special schools, and an increase in the number of pupils diagnosed with Autism Spectrum Disorder (ASD), resulting in an overspend of £2.0m. Other significant variances include overspends on Specialist Services to Vulnerable Groups (£0.4m), and set-up costs for alternative support at Oakfield School (£0.2m) to reduce the reliance on placements in independent schools. This is partially offset by an underspend on 0-5 Learning due to recruitment delays and increased grant (£0.4m). The net position has been funded from the DSG earmarked fund at year end.

22. A programme of work has been established through the Transformation Programme to reduce all High Needs expenditure overseen by a Project Board. Work streams include the commissioning of placements and the remodelling of Specialist Teaching Services. This programme of work must deliver sustainable future savings as the current level of expenditure on High Needs cannot be contained within the Government grant.
23. A number of actions are in place to reduce costs. This includes expansion of local provision for pupils with ASD and increased support for primary schools to enable the retention of primary age pupils within mainstream schools and thus reduce the need for more costly specialist provision - through additional support to increase and develop school capacity and delivered by Oakfield school. Further actions include a review of placements and the point changes in provision could be enacted, a revised approach to commissioning decisions and the point at which specialist placements are accessed. Early indications show that savings will be realised from these actions, however, for 2016/17 the financial impact is limited. Although the overspend can be met from the DSG earmarked fund, it is a major concern. To balance the budget over the medium term the pace and scale of actions will need to be maintained.
24. The net underspend of £1.2m on the LA Budget includes underspends on Children Placements (£1.6m), Targeted Early Help (£0.4m), Education Learning and Skills budget (£0.4m) and Educational Psychology (£0.2m). These underspends are offset by overspends arising from agency costs related to interim departmental management arrangements (£0.5m), increased numbers of care cases funded from the social care legal budget (£0.4m), and increased demand on the unaccompanied asylum seeking children budget (£0.4m).
25. The £1.4m Placement underspend is after the allocation of growth of £7.9m. Although the increase in expenditure on high cost placements has reduced, the overall number of looked after children continues to rise at a significant rate, of c8% per annum. This is putting the budget under increasing pressure.

Adults and Communities

26. The Department has a net underspend of £10.9m (7.9%). The main variances relate to:
 - Home Care £5.9m underspend - due to predicted service user growth not being required (£1.8m) and a reduction in the number of service users, changes in price and size of packages (£4.1m). There has also been a reduction in self-funding service users which is offset by a corresponding loss of chargeable income.
 - Direct Payment £2.1m underspend - due to clawback of unspent cash payment balances (£1.0m), increase in grant funding (£0.3m) and predicted growth in numbers of service users not materialising (£1.4m). This is offset by an increase in the average package price (£0.5m) and an increase in one-off payments (£0.1m).
 - Residential and Nursing Care £1.1m net underspend – additional health contributions (£2.9m), increased client income (£0.7m) and a reduction in the bad debt provision (£0.1m), offset by additional expenditure on social care provision due to an increase in payments for additional needs (£1.1m), backdated arrears

to previous years (£0.6m) and an increase in short stay and new care packages (£1.0m). The overall number of service users remains static at around 2,400 though there have been some significant new care packages.

- Other variations result in a net underspend of £1.8m. These include underspends arising from increased income from continuing health care (£1.7m), vacancy management to achieve 2017/18 savings (£1.3m), and an additional contribution from the Better Care Fund (£0.7m) to fund inflationary costs on residential and homecare services. These are offset by increased Supported Living costs (£0.4m) arising from an increase in the number of hours being provided, increased Court of Protection costs (£0.15m), loss of Department of Health Deprivation of Liberty Safeguards (DOLS) Grant (£0.2m) and by not charging some of the additional staffing costs of the Department to earmarked funds (£0.9m).

27. As in previous years, demographic growth, increasing needs / level of activity and prices are the main drivers of expenditure within adult social care and changes are difficult to predict. For example, the introduction of new homecare contracts during 2016/17 has changed activity levels in both homecare and direct payments. The 2017/18 budgets will be reviewed to reflect any on-going changes arising from 2016/17.
28. Following the approval of the 2017-21 MTFS the Government announced in its Spring Budget (March 2017), additional social care grant to support local authorities with Adult Social Care responsibilities. A total of £19.8m was awarded to the County Council over three years 2017/18 to 2019/20. The funding is to be added to the improved Better Care Fund and decisions on its use taken with the local Clinical Commissioning Groups (CCG's). The Government also committed to setting out its proposals for future social care funding in a green paper later this year. The Department is working on proposals with the CCG's to utilise the additional funding and an update will be provided in the first MTFS monitoring report in June.

Public Health

29. The Department has a net underspend of £0.5m before carry forward requests, resulting mainly from the early achievement of savings targets and planned service delivery changes.
30. As a result of the 2015 comprehensive spending review, which cut non-NHS Public Health funding by an average of 3.9% in real terms per annum, significant savings have had to be achieved in the MTFS. Although the 2016/17 savings have been achieved, there are risks associated with the reduction in preventive spend; examples of this include a change in the approach to chlamydia screening and the stop smoking service which now relies more heavily on online support.

Environment and Transport

31. There is a net underspend of £1.8m which reduces to £1.6m (2.2%) after carry forward requests of £0.2m.

32. Overall, transport services are more or less spent to budget. There is an overspend on SEN (Special Educational Needs) transport of £0.5m, due to a steady increase in the number of pupils coming through the system over and above the additional growth already built into the 2016/17 budget. In addition, the risk assessment process has identified individuals with more complex needs, leading to an overall increase in the average daily cost per user of 7% which has contributed to the overspend. There is also an overspend of £0.2m on Social Care transport due to increased demand. There are savings of £0.2m on Public Bus Services due to savings made through tendering of the Park & Ride contract and other contract cost reductions, and an underspend of £0.4m due to lower usage of Mainstream School Transport.
33. Environment and waste budgets are underspent by £0.7m, mostly through more cost effective waste treatment and lower waste tonnages. Reduced volumes of waste are being sent to the Mechanical Biological Treatment (MBT) plant due to restrictions on inputs, leading to a £1.3m overspend on the landfill budget, which is offset by a £1.3m underspend on the treatment contracts budget.
34. There is a net underspend of £1.2m on highways maintenance budgets, mainly from lower energy costs due to acceleration of the LED installation programme. Part of this underspend also relates to a decision to delay some white lining and studs work on the A6 to ensure it coincides with some planned bridgeworks, to avoid duplication of traffic management costs. A carry forward of £0.2m is requested to undertake this work in 2017/18.

Chief Executives

35. The Department has underspent by £0.4m which reduces to £0.3m (3.6%) after carry forward requests. The underspend is mainly due to staff vacancies and increased income, partly offset by an overspend of £0.2m on the Coroners Service, relating to increasing running costs and investigations linked to the rising number of Deprivation of Liberty cases.

Corporate Resources

36. The Department has underspent by £1.1m (3.0%).
37. The position includes underspends mainly due to staff vacancies held ahead of impending staff reviews and early restructures: ICT £0.6m, Strategic Finance & Assurance £0.3m, People Resources £0.3m and Commissioning Support Unit £0.1m. The position is offset by investment of £0.2m in new infrastructure for commercial activities to take the commercial agenda to generate future benefits.

Contingencies

38. A contingency of £8.0m was originally made against delays in the achievement of savings. No major problems were identified resulting in the contingency being released during 2016/17 to provide funding for initiatives that reduce future budget pressures.

39. The 2016/17 budget included a £17.2m provision for inflation. This was increased by a £0.9m carry forward from a balance on the 2015/16 inflation contingency to £18.1m. Allocations of £10.9m have been made to departments to cover the Adult Social Care Fee Review, the April 2016 pay award, a major change to National Insurance, an increase in pension contribution rates, transport inflation and a number of minor issues. The balance of £7.2m has not been required and is shown as an underspend.

Central Items

40. Bank and other interest was £0.4m (20%) higher than the original budget. The reduction in bank base rates during 2016 had the impact of reducing the amount of future interest that can be earned on revenue balances. However, the loan portfolio has a reasonable exposure to the tail-end of longer term loans that were placed before rates fell and this has provided some protection. Longer term rates remain above base rates, and the portfolio is focused on adding value by taking advantage of this wherever possible.
41. Interest income has also benefitted from the consistency of income payments received on the investments in pooled property funds (£15m in 2015/16 and a further £5m in December 2016/January 2017) – see further details in paragraph 48. During 2016/17 interest of £0.6m was received and at year end the portfolio had increased in value by £0.1m after taking account of £0.2m transaction fees for the recent £5m investment.
42. The Financing of Capital budget was underspent by £0.6m due to the County Council's strategy to take opportunities to utilise one-off revenue balances and earmarked funds to continue to reduce debt.
43. The Financial Arrangements budget was underspent by £0.8m, mainly relating to dividend income from the Eastern Shires Purchasing Organisation (ESPO) now being accrued to 2016/17 rather than being recognised when the cash is received.
44. There is a net underspend of £0.9m on prior year adjustments. This relates to a detailed review of prior year open purchase orders that are no longer required (£1m), car leasing self-insurance and provisions no longer required (£0.5m), release of various small unidentified receipts (£0.2m), offset by the potential non recovery of aged credit notes not yet taken (£0.8m).
45. On the 11 October 2016, the Cabinet approved the use of £15.6m of the forecast underspend at the time (period 5) to fund investments in projects that reduce liabilities and ongoing costs, generate or increases income and offsets areas of high demand and pressure. The approved areas of investment are:
- Vehicle replacement £1m – which will help to reduce costly maintenance on aging vehicles of approximately £50,000 per annum while also ensuring they are fit for purpose.
 - Highways maintenance £5m – including road safety and flood alleviation (allocated as part of the new capital programme 2017-21).
 - Asset Investment Fund £5m – to achieve a level of return of 5%.

- Transformation / Invest to Save £3.6m – the programme will need funding for some time.
 - Energy Schemes £1m – to generate a level of return of 4%. The lower return represents the different focus of this programme.
46. As part of the 2017-21 MTFS a further £6.1m, arising from forecasted additional 2016/17 underspends identified between period 5 (August 2016) and period 8 (November 2016), was added to the overall capital programme 2017-21.
47. On 10th March 2017 the Cabinet agreed investment of £0.5m for a speed awareness pilot.
48. The Cabinet on 11 October 2016 also agreed an investment of up to £10m into Pooled Property Investment Funds (in addition to the £15m approved by Cabinet in September 2015) against the overall level of forecast earmarked fund balances (£85.3m as at 31 March 2016, excluding Dedicated Schools Grant). The investment will generate higher financial returns than the funding held as cash balances. The investment can be realised when the funding is needed.
49. Following the uncertainty surrounding the UK property market after the vote to leave the European Union, a decision was made to split the additional investment into two lots of £5m – there was a risk that the market might fall a meaningful degree, so a phased investment was deemed appropriate. After a short period of well-reported turbulence within the commercial property market (mainly the result of retail investors trying to get their money out of pooled property funds), prices have stabilised and the initial £5m was invested in February. Given the relative stability of the commercial property market and the lack of any expectation that capital values will rise sharply in the near future, it is likely that the balance of £5m will be invested if there are signs of market weakness and forced selling at any point in the Brexit negotiation process.
50. There has been coverage recently in the financial press regarding Local Authorities investing in commercial property. Whilst this is nothing new, for example the County Council has owned farms and industrial properties for several decades, some authorities have entered into risky practices reminiscent of the banks prior to the financial crisis. For example:
- A small borough council in the south of England borrowed £380m over 50 years to purchase an office park. Prior to the transaction the borough council had assets of only £90m. The lease to the occupier is only for 15 years.
 - Investing in assets that are not easily sold but funding the transaction using short term borrowing, that is currently cheap.
 - Using a high proportion of the organisations liquidity to delaying borrowing.
51. The County Council's approach to commercial property has been relatively conservative. The majority of investments have been funded using specifically allocated resources, meaning that the worst case impact upon the County Council is the loss of the revenue stream. This just places the revenue budget in the position as if the investment had never been made. The County Council has not entered into any new borrowing to fund the investments made and this position is not expected to change for future investments.

52. It is worth noting that the greater returns offered by property investment are to compensate investors for the greater risk being taken compared to short term cash deposits. The County Council is managing this risk through a variety of ways, for example, building a balanced portfolio of assets; taking a long term view of investments; using expert advisors to support decisions. The asset investment fund strategy is currently being updated and will be available for consideration in the summer.

Income

53. Additional income of £0.1m has been received regarding government section 31 grants relating to compensation for the loss of business rates income arising from a number of government policy decisions, including a further extension of the temporary increase in Small Business Rate Relief and the 2% cap on business rates in 2014/15 and 2015/16.

Additional Commitments

54. It is proposed that £11.1m of the net underspend is used to fund the following additional commitments:
- Capital Programme Future Developments £8.5m – additional funding will be required to fund a number of major schemes shown as future developments in the 2017-21 capital programme – schemes that are not yet in the main capital programme. Further information is provided in the next section.
 - Transformation £2.0m – additional funding to fund the programme for the period of the new MTFS, to 2021.
 - Waste Strategy Implementation £0.5m - to fund future capital works at the Recycling and Household Waste sites and also to provide a buffer to manage the impact of the expected fluctuations in the price that can be secured for the various types of recycled materials.

2017/18 Revenue Budget amendments

55. As a result of the 2016/17 provisional outturn a review has been undertaken of the most significant variations that are expected to continue into 2017/18. A number of areas have been identified where the resources allocated can be reduced. These are:
- Inflation, - £5m. The 2017/18 inflation contingency includes £5m for National Living Wage/ Fee Review increases in the Adults and Communities (A&C) Department budget. Given the significant underspending on the A&C budget in 2016/17, the contingency for £5m should not be required by the Department.
 - MTFS contingency - £4m. In view of the good level of certainty over the achievement of savings it is expected that this contingency will not be required and can be released.
 - Business rates income - £1.1m. The 2017/18 budget was compiled in January 2017, prior to receipt of formal returns made by the district councils to the Government. The returns showed that additional “local share” income of around

£1.1m is due to the County Council in 2017/18 compared with the budget included in the MTFS.

56. The net total of £10.1m is proposed to be added to the capital programme 2017-21 to provide additional needed funding for future capital developments to achieve ongoing revenue savings and support necessary service investment.
57. There is a long list of capital projects that were not sufficiently developed to be allocated funding in the 2017-21 MTFS. The 2017-21 MTFS already includes £16.7m in available funding towards these future developments. Combined with the proposed £8.5m allocation from the 2016/17 revenue budget, £10.1m from 2017/18 resources identified above, and £1.1m from existing fund for Loughborough University Science Park, the overall funding available for future capital developments totals £36.4m. Even at this level funding will not be sufficient across the four years and additional opportunities will need to be taken to increase available funding.
58. The major schemes included as future developments are investment in infrastructure for schools and roads arising from increases in population, investment in community speed enforcement following 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. The fund could also be used for revenue priorities, for example, highways maintenance.

Business Rates

59. The County Council, Leicester City Council, the Combined Fire Authority and all the Leicestershire District Councils are members of the "Leicester and Leicestershire Business Rates Pool". Provisional results for 2016/17 show a surplus of around £5.0m, which will be retained within Leicestershire rather than being returned to the Government as would have been the case if the Pool did not exist. The net surplus is slightly higher than the estimate of £4.6m forecasted in January 2017.
60. The current pooling agreement allows for any surplus, less a contingency for future Business Rate Pools, to be allocated to the Leicester and Leicestershire Enterprise Partnership (LLEP) for investment projects in Leicestershire. Consideration is being given to amending the pooling agreement to allocate any surpluses to the proposed Leicester and Leicestershire Combined Authority, which would become the decision-making body for the allocation of surpluses.
61. In addition to the £5m generated in 2016/17 the Pool held a balance of £3.4m from 2015/16. Of this £2m has been paid to the LLEP and the balance of £1.4m is retained as a Pool contingency for future years.
62. The pooling partners reviewed the forecast position for 2017/18 in January 2017, which reported an estimated surplus of £5.9m. All partners therefore agreed to continue with the Pool for 2017/18.

General Fund and Earmarked Funds

63. The uncommitted General Fund balance as at 31 March 2017 stands at £14.8m, which represents 4.1% of the 2017/18 revenue budget, in line with the County Council's policy. The MTFS includes further analysis of the County Council's earmarked funds including the reasons for holding them. A detailed review of earmarked funds will be reported to the Cabinet in the autumn.
64. The total level of earmarked funds held for revenue purposes as at 31 March 2017 is £57.9m, excluding the ring-fenced Dedicated Schools Grant earmarked fund and monies held on behalf of other partnerships, which compares to £53.5m as at 31 March 2016. Earmarked funds for capital purposes total £45.6m as at 31 March 2017 compared with £21.4m as at 31 March 2016. Earmarked funds are shown in detail in Appendix D. The main earmarked funds are set out below.

Renewals of Vehicles and Equipment (£5.6m)

65. Departments hold earmarked funds for the future replacement of vehicles (the County Council has a fleet of around 350 vehicles) and equipment such as ICT. The balance on the earmarked fund has increased to provide additional resilience to the vehicle replacement programme allocation in the Capital Programme. This will provide funding for the vehicles required to be purchased for the insourcing of the Recycling and Household Waste Sites and also provide a cushion to manage annual variations in the required replacement profile.

Industrial Properties (£1.1m)

66. These are funds generated from in year underspends over a number of years on the industrial property revenue budgets.

Insurance (£20.4m)

67. Earmarked funds of £13.2m are held to meet the estimated cost of future claims to enable the Council to meet excesses not covered by insurance policies and smooth fluctuations in claims between years. The levels are informed by advice from independent advisors. Excesses include:
 - Property damage (including fire) £500,000
 - Public / Employers' liability £250,000
 - Professional indemnity £25,000
 - Fidelity guarantee £100,000
 - Money – completely self-insured
68. The uninsured loss fund of £7.2m is required mainly to meet potential liabilities arising from Municipal Mutual Insurance (MMI) that is subject to a run-off of claims following liquidation in 1992. The fund also covers the period before the Council purchased insurance cover and the period (1993-97) that the Council was insured with Independent Insurance which is also an insurer in liquidation.

Children and Family Services

- 69. Supporting Leicestershire Families (£1.6m). This earmarked fund is used to fund the Supporting Leicestershire's Families service which is providing early help and intervention services for vulnerable families across Leicestershire.
- 70. Children and Family Services Developments (£2.7m). This general earmarked fund provides funding for a number of projects within the department such as improving management information, information access and retention and responding to changing requirements as a result of OfSTED and legislation.

Adults and Communities

- 71. Adults and Communities Developments (£6.8m). This earmarked fund is held to fund a number of investments in maintaining social care service levels and assisting the department in achieving its transformation. The increase in the fund compared to the forecast is due to the level of the revenue underspend and not requiring to fund transformation projects or support staffing from earmarked funds. A review of the use of earmarked funds for 2017/18 and future years is being undertaken in the light of the additional Adult Social Care grant funding awarded in the Spring Budget, mentioned earlier in the report.

Public Health

- 72. Public Health (£1.8m). This fund will be used for preventative and other beneficial Public Health activities.

Environment and Transport (E&T)

- 73. Commuted Sums (£2.6m). This funding, received from developers, is used to cover future revenue costs arising from developer schemes, where the specifications are over and above standard developments (e.g. block paving, bollards or trees adjacent to the highway). These liabilities can arise many years after the funding is received and therefore the balance on this earmarked fund has built up over time.
- 74. Waste Infrastructure (£1.9m). This is available to fund capital improvements to the Recycling and Household Waste Sites (RHWS) and Waste Transfer stations. The increase compared to the forecast represents the proposed additional commitments included in this report.
- 75. Leicester and Leicestershire Integrated Transport Model (LLITM) (£1.2m). This earmarked fund is for money generated from charging other local authorities for using the model. Surplus income is added into the fund and will be used to finance activity to refresh the model when required in around 3 years' time. Updating the LLITM is important to ensure it accurately predicts the impact of future prospective developments and supports potential bids for future major schemes.

76. E&T Developments / advanced design (£1.4m). This earmarked fund is used to fund feasibility studies and advance design works to enable bids to be made (and provide some match funding) for major capital schemes to improve the transport infrastructure supporting expected growth in Leicestershire. The increase compared to the forecast is mainly due to money returned to the authority from the Road Safety Partnership which will be utilised to manage the implementation of measures being undertaken to generate savings being delivered under saving ET8 in the MTFS 2017-21.

Chief Executive's

77. Economic Development (£1.4m). This is held to provide funding for economic development proposals and for a business loan scheme that provides a gradual return of funding to the County Council.

Corporate

78. Transformation Fund (£21.3m). The fund is used to invest in transformation projects to achieve efficiency savings and also fund severance costs. To achieve the level of savings within the MTFS the Council will need to change significantly and this will require major investment, including in some of the core 'building blocks' of transformation such as improvements to data quality, and improvements to digital services enabling more self-service. The increase compared to the forecast is due to the proposed additional commitments included in this report.
79. Broadband (£5.4m). This fund was established to allow the development of super-fast broadband within Leicestershire. A contract has been entered into with BT and they have commenced work. There is a significant time lag in spending County Council funds as a result of securing grant funding from Central Government and ERDF that required those funds to be spent first and within a set period. The funding is earmarked to phase 2 of the programme.
80. Business Rates Retention (£1.4m). This fund was established following the introduction of the Business Rates Retention system in 2013 and is held as a contingency to fund potential shortfalls in business rates income impacting in later years, especially the risk of large appeals and fluctuations in Business Rates income.
81. Local Authority Mortgage Scheme (-£8.4m). The County Council has invested £8.4m in the Local Authority Mortgage Scheme to make it easier for first time house buyers to obtain mortgages and thus stimulate the local housing market and benefit the wider local economy. Investment of £3m in 2013/14 and £5.4m 2012/13 has been advanced to Lloyds bank, temporarily funded from the overall balance of earmarked funds. The funding will be returned to the County Council, 5 years after the date it was advanced, in 2017/18 and 2018/19.
82. Pooled Property Fund(s) (-£20.0m). The Cabinet on 11 September 2015 approved the investment of £15m of the Council's earmarked funds into a pooled property fund. A further investment of up to £10m was approved by the Cabinet on 11 October 2016. The investments are held to achieve higher returns than if the funds were invested as cash. The investment is funded from the overall balance of earmarked funds and can be realised in the future when required.

Capital

83. Capital Financing (£19.3m). This fund is used to hold MTFS revenue contributions to fund capital expenditure in future years. The increase at year end is due to slippage on the overall capital programme.
84. Future Developments (£26.3m). This is additional funding to support future capital programme developments, covered earlier in the report. The dedicated earmarked fund for the Loughborough University Science Park has been amalgamated into this fund for consistency. Including the proposed £10.1m from the 2017/18 MTFS the balance will be £36.4m in 2017/18.

Schools / Partnerships Earmarked Funds

85. Dedicated Schools Grant (£2.8m). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations. Any underspend on services funded by DSG must be carried forward and ring fenced to those services. This fund is earmarked to fund any deficit budget that reverts back to the local authority as maintained schools move into sponsored academy arrangements and also to meet the revenue costs of commissioning places in new schools and has supported the high needs block overspend in 2016/17.

CAPITAL PROGRAMME

86. The updated capital programme for 2016/17 totals £103.0m, including funding carried forward from the 2015/16 capital outturn relating to slippage on schemes.
87. A summary of the capital outturn for 2016/17, excluding schools devolved formula capital, is set out below:

Programme Area	Updated Budget £000	Actual Expenditure £000	(Under)/Over spend £000	%
Children and Family Services	29,320	32,555	3,235	111%
Adults and Communities	4,897	4,483	(414)	92%
Public Health	293	293	0	100%
Env't & Transport – Transportation	43,135	44,005	870	102%
Env't & Transport - Waste Management	1,138	133	(1,005)	12%
Chief Executive's	4,625	2,526	(2,099)	55%
Corporate Resources	5,028	4,233	(795)	84%
Corporate Programme	14,543	9,915	(4,628)	68%
Total	102,979	98,143	(4,836)	95%

88. A summary of the key achievements and main variations are set in the following paragraphs below. Further details of the main variations are provided in Appendix E.
89. Appendix F compares the provisional prudential indicators with those set and agreed by the Council, at its budget meeting in February 2016. These are all within the limits set except for the capital financing requirement, £268m compared with £266m. At the

time the indicator was set, this included an estimated £2m contribution towards voluntary minimum revenue provision (MRP), to be funded from 2015/16 revenue underspends. A decision was subsequently taken at the outturn not to make the contribution and to use the funds for other strategic investment priorities.

Children and Family Services

Key Achievements

90. The 2016/17 programme delivered an additional 1,100 school places, saw the completion of the Fossebrook Primary School in August 2016 and completed the refurbishment of the former Mount Grace High School to provide extended accommodation for Hinckley Parks Primary School.

Main Variances

91. The year end position shows net acceleration of £3.2m compared with the updated budget. The main variances are reported below.
92. School Accommodation Programme – acceleration of £1.5m. Acceleration of a new primary school in Birstall (Hallam Fields) due to works being completed earlier than anticipated. The new school is scheduled to be completed in July 2017 and open at the start of the 2017/18 academic year.
93. Wigston Area Special School - acceleration of £1.1m. Works completed ahead of schedule with the new school now scheduled to be completed in July 2017 and to open at the start of the 2017/18 academic year.
94. School Accommodation Programme 10+ - acceleration of £0.9m. Works have been completed earlier than anticipated and include the following schemes, Long Whatton Primary School, Oadby Brookside Primary School, Oadby Brockshill Primary School and Shepshed St. Botolph's School.
95. Strategic Capital Maintenance – slippage of £0.3m due to delays across a number of smaller projects. The programme of funding includes boiler replacements, structural repairs and electrical works at schools.

Adults and Communities

Key Achievements

96. Extra Care Loughborough. The Council's contribution towards the provision of 60 units is progressing well with completion of the development expected in Summer 2017.
97. Syston Smart Library. The installation of smart technology to enable people to access a library outside of usual opening hours is currently being trialled in Syston offering 24 additional opening hours per week through smart access. Users will be able to use their library card to access the building in order to borrow, return and renew items or use the public computers, wi-fi and printing and copying facilities.

Main Variances

98. The year end position shows a slippage of £0.4m compared with the updated budget. The main reasons are:
- Changing Places, £0.2m.
 - Replacement of mobile libraries, £0.2m.

Public Health

99. The actual expenditure is in line with the updated budget.

Environment and Transportation – Transportation

Key Achievements

100. £5.2m (funded from external sources) was spent on the new M1 Bridge to help deliver growth and infrastructure in Lubbethorpe and Leicestershire. It was completed in November 2016 and will be opened to the public in July 2017 following completion of internal roads by the developer. The opening of the bridge and link road will allow access to the houses already occupied and others being built at the Beggars Lane end of the development.
101. A total of £11m has been spent on the Strategic Economic Plan, mostly funded through the LLEP. Schemes include:
- Lubbethorpe SES, £3.3m - work at the B4114 junction and the new access into the employment site progressed well in 2016/17 with minimal disruption to the travelling public and were completed in May 2017
 - M1 J22, £3.9m – Improvements to the M1 J22 roundabout were completed in August 2016 and feedback from the public regarding the improvements has been very positive.
 - A42 J13, £0.8m – work to improve the junction started in late 2016/17 following the completion of M1 J22 works. The scheme is on track for completion this summer and will be followed by improvements to a nearby junction funded under the National Productivity Investment Fund.
 - Leicester North West, £1.1m - works to improve the A50 corridor entering Leicester were completed in summer 2016, with traffic flows being much improved. The next phase of the programme is being developed by Leicester City Council and is currently out for public consultation.
 - Hinckley Phase 3, £1.7m - Phase 3 of the works to improve walking, cycling and public transport provision was completed in Autumn 2016 with the development of phase 4 schemes for delivery in 2017/18 progressing well.
102. The programme to replace all Street lights in Leicestershire with LED Lanterns is progressing ahead of schedule. £12.2m was spent on replacing over 45,000 lights. The programme has resulted in a significant reduction in on-going energy costs and the work is expected to be completed by March 2018.

103. A total £12.8m was also delivered on Highways Asset Maintenance, including:

- £10.2m on carriageways
- £0.9m on footways and rights of way
- £1.0m on bridge maintenance and strengthening
- £0.4m on flood alleviation
- £0.2m on traffic signal renewal
- £0.1m on other activity including joint sealing

Main Variances

104. The year end position shows a net acceleration of £0.9m compared with the updated budget. The main variances are reported below:

105. M1 Junction 22 scheme – overspend of £1.0m. Gross additional costs of £1.8m due to Traffic Management constraints to working on the strategic road network. As this scheme involved working on the trunk road network, there were additional restrictions on daytime working. This was exacerbated by Government consultations and initiatives around reducing congestion during road works all of which led to the need for additional night working and additional costs. There were additional section 106 developer contributions relating to the Coalville Growth Strategy of £0.8m, for which the scheme is crucial, that have been included resulting in a net £1m overspend.

106. A42 Junction 13 – slippage of £2.4m due to aligning the works with Highways England Maintenance schemes. Highways England were carrying out other works on the A42 near the junction, delaying the commencement of works on the scheme until January (originally planned for late summer). Notification was received quite late. However, overall the expenditure on the scheme is still expected to spend in line with original estimates.

107. Lubbethorpe Strategic Employment Site Access – underspend of £1.0m and slippage of £0.7m. This scheme was divided into a number of specific elements. The works that are being undertaken will end up costing £1m less than the resources originally identified. The scheme will finish in 2017/18 and the delay has resulted in some expenditure slipping into the next financial year.

108. The above three schemes are all part funded by the LLEP through the Single Local Growth Fund where the grant can be used across the three schemes.

109. Flood Alleviation scheme – underspend of £0.2m due to cost savings and enhanced flood investigations being carried out resulting in the removal and de-scoping of some schemes.

110. Advanced Design work - slippage £2.1m due to several schemes that are to be designed in the new financial year and match funding which is to be aligned with future schemes should the department be successful in obtaining external funding.

111. Fleet Renewal scheme – slippage of £1.6m due to extended lead time for some vehicles. Highway vehicles have unique specifications which can mean a number of months before delivery of the vehicles take place.

112. Street Lighting LED invest to save scheme – acceleration of £7.3m. A revised profile of works and additional installation gangs have been contracted to accelerate the programme and associated savings.

Environment and Transportation – Waste Management

Key Achievements

113. The programme of small improvements and works to ensure Environmental compliance at the Recycling and Household Waste Sites (RHWS) and Waste Transfer Stations (WTS) has continued. This work builds upon the previous successes and underpins the County Council's commitment to providing a high quality service.

Main Variances

114. The year end position shows a net variance of £1.0m compared with the updated budget. The main reasons are:
- Coalville Transfer Station – underspend £0.7m. The business case for Coalville Transfer Station is no longer viable and the proposed scheme will now not take place.
 - Drainage works and improvements to waste sites – slippage of £0.3m due to the transition arrangements arising from the departmental restructure and works which are subject to agreement with the Environment Agency.

Chief Executive's

Key Achievements

115. Rural Broadband Scheme. The Superfast Leicestershire rural broadband programme is ensuring access to high-speed fibre broadband to rural businesses and communities – boosting business growth and ensuring access to a range of existing digital services. Phase 2 which is the Superfast Expansion Programme is expected to complete in 2017/18.

Main Variances

116. The year end position shows slippage of £2.1m compared with the updated budget. This is due to the revised profile of works. Phase 2 is expected to be completed in 2017/18 when the BDUK grant will also be received.

Corporate Resources

Key Achievements

117. Investment in the ICT infrastructure of £0.5m on:
- Customisation and roll out of the replacement Intranet which has enabled more efficient sharing of information and smarter working practices.

- Investment in new Print Equipment will enable the Print team to bid for more work and deliver more orders, leading to an increase in sales figures.
- Corporate infrastructure for Virtual Desktop Integration (VDI) procured, designed and built. Rollout of VDI completed throughout County Hall and begun at satellite sites across the county, in line with the County Hall Masterplan. VDI is a key enabler of smarter working.

Main Variances

118. The year end position shows net slippage of £0.8m compared with the updated budget. The main variances include:

- Corporate ICT Capital Programme - slippage of £0.5m, mainly relating to the Unified Telephony / Skype phase 2 project which will now be completed in 2017/18.
- Demolition of Vacant Buildings – slippage of £0.3m on the replacement of playing field at Melton KE VII site due to water logging in February.

Corporate Programme

Key Achievements

119. Corporate Asset Investment Fund – North Kilworth Walton Holt Farm was purchased for £3.5m (including on-costs) and £4.6m was spent on the Harborough Accelerator Zone (Airfield Farm).
120. Corporate Energy Strategy - £0.4m has been spent on upgrading lighting, boilers and heating controls at County Council premises.
121. Energy Score + Programme - £0.2m has been spent completing works at the Bosworth Academy on Solar PV panels and LED lighting. This will deliver on-going revenue savings for the school

Main Variances

122. The year end position shows overall net slippage of £4.6m compared with the updated budget. The main variances are:

- Corporate Asset Investment Fund – net slippage of £2.2m. The main area of slippage relates to the Coalville Workspace Project due to planning delays and awaiting grant funding.
- Loughborough University Science Enterprise Park – £1.4m. Loughborough University are reviewing the project resulting in the need to revise the profile of spend. The project has now been included in the MTFS 2017-21 as a future development.
- Energy Strategy Invest to Save – acceleration, £0.5m, on a number of small scale energy efficiency measures, including boilers, heating controls and LED lighting upgrades.
- Rural Workspace project – slippage £0.9m. Delays in achieving planning permission on the three schemes at, Billesdon, Leaders Farm Lutterworth and Quorn.

- Countesthorpe, The Drive – slippage £0.5m. The re-provision of the nursery has been delayed while a review of alternatives is being undertaken.

Capital Receipts

123. The actual level of general capital receipts achieved in 2016/17 was £12.7m compared with the target budget of £12.1m. The increase to budget at year end will be carried forward to fund future capital programmes as part of the MTFS.

Equalities and Human Rights Implications

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

Appendices

Appendix A - Comparison of 2016/17 Expenditure and the Updated Revenue Budget

Appendix B - 2016/17 Carry Forward requests requiring Cabinet approval

Appendix C - Revenue Budget 2016/17 – main variances

Appendix D - Earmarked Fund balances 31/3/17

Appendix E - Variations from the updated 2016/17 capital programme

Appendix F - Prudential Indicators 2016/17

Background Papers

Report to the Cabinet - 27 June 2006 – Provisional Revenue Outturn 2005/06 (regarding guidelines for carry forward requests)

[http://politics.leics.gov.uk/Published/C00000135/M00001410/AI00013352/\\$DProvisionalRevenueOutturn0506includingAppendix3.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00001410/AI00013352/$DProvisionalRevenueOutturn0506includingAppendix3.doc.pdf)

Report to the County Council – 17 February 2016 – Medium Term Financial Strategy 2016/17 to 2019/20

<http://politics.leics.gov.uk/documents/s116677/SUPPLEMENTARY%20REPORT%20OF%20THE%20CABINET.pdf>

Report to Cabinet 11 October 2016 – MTFS Period 5 Monitoring

<http://politics.leics.gov.uk/documents/s123005/FINAL%20-%20MTFS%20P5%202016-17%20monitoring%20report.pdf>

Report to the 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>

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**COMPARISON OF 2016/17
EXPENDITURE AND THE UPDATED REVENUE BUDGET**

SERVICES 1	UPDATED BUDGET 2 £000	ACTUAL EXPENDITURE 3 £000	VARIATION 4 £000	CARRY FORWARDS		NET VARIATION 7 £000	%
				WITHIN GUIDELINES 5 £000	CABINET APPROVAL REQUESTED 6 £000		
SERVICES							
CHILDREN & FAMILY SERVICES							
DEDICATED SCHOOLS GRANT							
Delegated	104,077	104,077	0			0	
Centrally Managed	84,375	86,773	2,399			2,399	2.8%
Dedicated Schools Grant (Schools)	-104,077	-104,077	0			0	
Dedicated Schools Grant (Central)	-85,297	-85,297	0			0	
Fund 2015/16 overspend from DSG Earmarked Fund	0	-2,399	-2,399			-2,399	n/a
DSG for Central Dept recharges	-922	-922	0	0	0	0	
OTHER CHILDREN & FAMILY SERVICES	61,983	60,796	-1,187	65		-1,122	-1.8%
ADULTS & COMMUNITIES	138,101	127,163	-10,938			-10,938	-7.9%
PUBLIC HEALTH	-2,450	-2,991	-541		450	-91	3.7%
ENVIRONMENT & TRANSPORT	72,360	70,570	-1,790		200	-1,590	-2.2%
CHIEF EXECUTIVES	10,032	9,587	-445	85		-360	-3.6%
CORPORATE RESOURCES	36,568	35,455	-1,113			-1,113	-3.0%
CONTINGENCY FOR EFFICIENCY SAVINGS	8,000	0	-8,000			-8,000	-100.0%
CONTINGENCY FOR INFLATION (unallocated element)	7,199	0	-7,199			-7,199	-100.0%
TOTAL SERVICES	330,871	299,658	-31,213	150	650	-30,413	-9.2%
CENTRAL ITEMS:							
BANK & OTHER INTEREST	-1,950	-2,335	-385			-385	
FINANCING OF CAPITAL	24,100	23,521	-579			-579	
REPAYMENT OF DEBT / MRP	4,475	4,475	0			0	
REVENUE FUNDING OF CAPITAL	3,947	3,947	0			0	
CARBON REDUCTION COMMITMENT	355	307	-48			-48	
ELECTIONS	200	200	0			0	
FINANCIAL ARRANGEMENTS	-125	-910	-785			-785	
MEMBERS EXPENSES & SUPPORT ETC.	1,354	1,282	-72			-72	
FLOOD DEFENCE LEVIES	280	279	-1			-1	
PENSION COSTS	1,900	1,829	-71			-71	
LOCAL SERVICES SUPPORT GRANT	-385	-357	28			28	
CONTRIBUTION TO DISCRETIONARY DISCOUNTS & ADMIN.	225	160	-65			-65	
NEW HOMES BONUS GRANT	-4,170	-4,171	-1			-1	
NEW HOMES BONUS - ELEMENT OF TOP-SLICE RETURNED	-130	-131	-1			-1	
EDUCATION SERVICES GRANT	-3,650	-3,597	53			53	
TRANSITION GRANT	-3,307	-3,307	0			0	
NDR REVALUATION SAVINGS	0	0	0			0	
OTHER ITEMS (inc prior year adjustments)	0	-911	-911	50		-861	
CORPORATE CARRY FORWARDS FROM 2015/16	7,500	7,500	0			0	
TOTAL CENTRAL ITEMS	30,619	27,781	-2,838	50	0	-2,788	-9.1%
EXPENDITURE APPROVED BY CABINET 11/10/16	0	15,600	15,600			15,600	
CAPITAL PROGRAMME 2017-21	0	6,100	6,100			6,100	
SPEED AWARENESS PILOT	0	0	0	500		500	
CONTRIBUTION FROM EARMARKED FUNDS	-1,000	-1,000	0			0	
TOTAL EXPENDITURE	360,490	348,139	-12,351	700	650	-11,001	-3.1%
INCOME							
REVENUE SUPPORT GRANT	-36,992	-36,992	0			0	
BUSINESS RATES - TOP UP	-36,743	-36,743	0			0	
BUSINESS RATES BASELINE / LOCAL SHARE	-20,337	-20,337	0			0	
SECTION 31 GRANT - BUSINESS RATES RELIEFS ETC	-1,470	-1,526	-56			-56	
COUNCIL TAX PRECEPT	-247,516	-247,516	0			0	
NET SURPLUS ON COUNCIL TAX COLLECTION FUNDS	-3,682	-3,682	0			0	
TOTAL INCOME	-346,740	-346,796	-56	0	0	-56	
ADDITIONAL COMMITMENTS							
CAPITAL PROGRAMME FUTURE DEVELOPMENTS	0	8,514	8,514			8,514	
TRANSFORMATION EARMARKED FUND	0	2,000	2,000			2,000	
WASTE STRATEGY IMPLEMENTATION	0	543	543			543	
	0	11,057	11,057	0	0	11,057	
WITHDRAWAL FROM/ADDITION TO GENERAL FUND	13,750	12,400	-1,350	700	650	0	
GENERAL FUND							
UNCOMMITTED BALANCE 1.04.16	14,806						
NET UNDERSPEND	1,350						
CARRY FORWARDS	-1,350						
FORECAST BALANCE 31.03.17	14,806						

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2016/17 CARRY FORWARD REQUESTS
REQUIRING CABINET APPROVAL

	£000
<u>Public Health</u>	
Local Area Co-ordinators - to extend the pilot	450
<u>Environment & Transport</u>	
Highways Maintenance - A6 studs, white lining and traffic management - works delayed to coincide with bridge works and avoid duplication of traffic management costs	200
	650

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APPENDIX C**Revenue Budget 2016/17 – Main Variances****Children and Family Services****Dedicated Schools Grant (DSG)**

There is a net overspend of £2.4m, which has been funded from the DSG earmarked fund. The main variances are:

	£000	% of Budget
<u>High Needs</u>		
Special Educational Needs (SEN)	1,974	4%
Increased demand at special schools due to unusual age profile with few age 19 leavers and a large intake of younger pupils. Material increase in numbers of ASD pupils diagnosed and needing high cost independent specialist provision. Additional primary school starters resulting from changes in Special Educational Needs Disability (SEND) legislation to expand age range from birth to 25. Fewer independent school leavers due to full year effect of Participation Age extension and increased numbers of students at FE colleges and post 16 Independent Specialist Provision in line with changes to the Participation Age with no additional DSG funding. 16/17 budget was set after transferring £4.3m from the DSG Schools Block to the High Needs Block leaving a savings target of £2.6m. This hasn't been fully achieved; £385k of SEND grant has been used to reduce the overspend and there is also a £500k credit from a change in policy by Leicester Hospital Schools as a one off prior year adjustment. Overall 140 more pupils are being supported (3,184 forecast vs 3,044 budgeted) and average unit costs have decreased slightly from £17,515 to £17,259 despite the pupil mix changing to include more ASD pupils which are more expensive to support. The reduction is due to various cost saving initiatives beginning to show effects.		
Specialist Services to Vulnerable Groups	362	9%
More pupils with ASD are being supported by alternative providers arranged by the Autism Outreach Intensive Support Service.		
Oakfield school	224	29%
Increased expenditure relates to investment in the Graduated Response project led by Oakfield School to prevent primary aged children entering into specialist provision. The invest to save scheme established as an action to reduce the overspend on High Needs DSG through reduced cost of placements.		
<u>Early Years</u>		
0-5 Learning	-376	-2%
The underspend is a combination of delays in recruitment to posts within the service budget, coupled with the take up of hours in regards to both the 2 year old and 3/4 year old offer being greater at the end of the year than forecast. This increases the final spend, but also increases the final grant. The final grant has increased by £180k more than the spend. This is mainly due to a prior year adjustment of £194k which has resulted in a higher grant figure overall.		

Schools		
School Growth	219	n/a
Start up payment for a new school. This funding was set aside within the DSG earmarked fund.		
Other variances	-4	n/a
TOTAL	2,399	n/a

Local Authority Budget

The Local Authority Budget has underspent by £1.2m which reduces to £1.1m (1.8%) after carry forward requests of £0.1m. The main variances are:

	£000	% of Budget
Directorate	505	62%
Interim C&FS management changes and delays in departmental restructure have resulted in a significant proportion of staff agency related spend.		
Children's Social Care Legal Costs	433	85%
The number of care cases that have been instructed to issue proceedings continues to rise and result in a budget pressure. In addition, there are approximately 80-100 pre-proceedings cases which provide additional cost pressures.		
Unaccompanied Asylum Seeking Children (UASC)	372	150%
Demand on this budget has significantly increased this financial year, which has resulted in increased need for additional staffing to manage demand The UASC team is managing a net increase of 16 children, 6 of which are as a result of the national transfer scheme prior to Leicestershire opting out. The team are working with a total of 58 children and have completed 50 age assessments and have met immigration requirements and legal challenges. The majority of these children arrive 'spontaneously' on trucks and are the statutory responsibility of the local authority lies with the LA in which they arrive. The Home Office grant will not provide funding for the first 25 full time equivalent UASC care leavers, which subsequently needs to be absorbed by the local authority. There is also national concern as to whether the Home Office funding rates are sufficient to absorb the total costs to LA's. There is currently some work being undertaken through the East Midlands Councils which is seeking to evidence this.		
Children's Social Care Field Work Teams	173	2%
Overspend largely due to additional agency social workers recruited on a short term basis in year to manage increased demand within particular teams as a direct result of the work required for the department's Ofsted inspection.		
Fostering and Adoption Service	170	7%
Increased demand on service, largely due to the increased volume of fostering assessments coming into the team.		

Children Placements	-1,579	-7%
For 2016/17 the number of looked after children has increased from 469 in March 2016 to 494 at the end of March 2017. Analysis of the type of placement and the financial position shows a reduction in children in external residential care and a movement to lower cost provision. The average unit cost for children's placements has seen a reduction of 8% from the position in 2015/16. The underspend is after growth of £7.9m was allocated. Although the increase in expenditure on high cost placements has reduced the overall number of looked after children continues to rise at a significant rate, of c8% per annum. This is putting the budget under increasing pressure.		
Targeted Early Help	-431	-4%
Underspend due to staff turnover and managed vacancies.		
Education, Learning & Skills - 5 to 19 Learning	-366	-15%
Underspend due to Schools performing better than previous years, so less need for commissioned support from within the Education quality improvement budget.		
Children's Management	-235	-19%
One-off carry forward money (£120k) was set aside to assist with the development of an apprenticeship scheme for care leavers, however the scheme has yet to be progressed. In addition, changes in year to the business support SLA between C&FS and A&C has resulted in less spend than originally anticipated.		
Education Psychology Service	-153	-16%
Underspend due to staff turnover and delays in recruitment.		
Other variances	-76	n/a
TOTAL	-1,187	n/a

Adults and Communities

The Department has a net underspend of £10.9m (7.9%). The main variances are:

	£000	% of Budget
Care Review Teams	599	87%
Relates to staffing costs associated with reviewing service users care packages and not using earmarked funds to fund these costs due to the departmental outturn position. Funding will be required in the earmarked fund to continue reviews for future years.		
Supported Living	413	3%
There have been additional new support packages some with significant costs, an increase in hours of support and £250k savings not achieved due to delays in the tendering process. The 2017/18 budget will be reviewed to take account of the ongoing costs into 2017/18 (and other significant variations within the department).		
Safeguarding, DOLS and Court of Protection	289	11%
Court of Protection costs have increased by £151k and there has been a loss of Departmental of Health grant income of £227k. This has been partially offset by underspends on running costs due to fewer cases being reviewed than anticipated.		

Promoting Independence Locality teams	270	7%
Additional staffing costs associated with reviewing service users care packages, for which earmarked funds have not been used due to the outturn position. Staffing is being reviewed as part of the departmental Workforce Strategy which will deliver savings in 2017/18.		
Complex Mental Health (CMHS) & Emergency Duty Teams	263	8%
Additional staffing costs to deal with the greater number of referrals of service users plus transfers from Older People CMHS from localities.		
Home Care	-5,887	-23%
At the start of the financial year, growth of £1.8m was expected and this has not materialised. In addition there has been a 14% reduction in the number of service users net of Help to Live at Home (HTLAH) transfers to Direct Payments (£4.7m) off set by an increase in the cost of average commissioned hours (£0.7m). There has also been a reduction in self-funding service users which is offset by a corresponding loss of chargeable income. The budget for 2017/18 will be reviewed to take account of these significant changes.		
Direct Cash Payments	-2,134	-7%
Underspend relates to clawback of unspent cash payment balances (£1.0m), increase in Grant income (£0.3m), the predicted growth in numbers not materialising (£1.4m) offset by an increase in the average package price (£0.5m) and an increase in one-off payments (£0.1m). As part of the HTLAH project, there have been a number of requests to transfer to a direct payment by service users who prefer to have their future support needs met by their current home care provider. During 2016/17 around 740 service users have taken this option and to reflect this the budget has been transferred to Direct Payments from Homecare.		
Residential & Nursing Care	-1,056	-2%
Forecast underspend due to additional Continuing Health Care (CHC) contributions of £2.9m. In addition increased client income of £680k, arising from higher than forecast deferred income (£200k) and manual invoicing (£480k). An additional credit of £103k has arisen from a decrease in the Bad Debt Provision requirement for 17/18. The position is offset by additional expenditure on social care due to an increase in payments for additional needs (£1.1m) and increased short term care (£0.6m), back dated arrears relating to previous years (£0.6m) and some significant new care packages (£0.3m). Overall the average number of service users remains around 2,400.		

Community Income	-952	-6%
Additional CHC income of £1.7m compared with budget resulting from additional non-LD pool income linked HTLAH. This is offset by reductions in client income from chargeable service users (£849k). This has arisen from a loss of full cost service users (approx. 325) together with a reduction in the number of chargeable service users totalling (approx. 300) following the introduction of HTLAH. The decrease is mainly due to service users exiting that would have had a self-funder fee charge applied following reassessment. Gross expenditure for client services has fallen as a result. An additional credit of £70k has arisen from a decrease in the Bad Debt Provision requirement for 17/18.		
Better Care Fund	-671	-4%
Additional contribution of £0.7m agreed from the Better Care Fund to fund inflationary costs on residential and homecare services.		
Community Life Choices / Day Services	-521	-18%
Additional CHC income as result of revised in-house Community Life Choices (CLC) charges (£150k), plus staffing vacancies as part of wider restructuring (£450k), offset with higher running costs.		
Community Life Choices Demand	-334	-6%
Reduction in the number of service users and average package sizes.		
Aids, Adaptations and Assistive Technology	-316	-11%
Underspend from the Community Equipment joint arrangement with Leicester City Council (£0.2m) as a result of revised pricing, recycling of equipment and reclamation of unused equipment. The balance relates to fewer requests for adaptations equipment.		
Supported Living, Residential and Short Breaks	-283	-7%
Additional CHC income as result of revised in-house charges.		
Compliance- Staffing	-218	-22%
Change in contract arrangements and vacant posts held pending outcome of the departmental Workforce Strategy review.		
Reablement (HART)	-177	3%
For the period pre HTLAH implementation there was an underspend of £358k due to managed vacancies and early achievement of 2017/18 staffing savings. Transfer of referrals to the independent sector post HTLAH implementation has reduced the underspend.		
Community Care Finance	-158	-15%
Additional income from Self-funder administration fees; Court of Protection fees and deferred payment set-up and administration fees.		
Business Support	-155	-8%
Vacant posts held pending outcome of the departmental Workforce Strategy review and other administrative savings across all office bases.		
Other variances	90	n/a
TOTAL	-10,938	n/a

Public Health

The net underspend is £0.5m, before carry forward requests of £0.5m.

The main variances are:

	£000	% of Budget
Smoking and Tobacco	129	13%
The Stop Smoking service was transferred in house from January 2017. The overspend includes treatments to be used by the new service, transition costs for existing service users who will remain with the existing provider initially and the purchase of a new patient management system. The resulting overspend is offset to a degree by underspends on the previous contract. In addition, the Tobacco Free Schools contract has finished and is underspent by £55k due to early achievement of MTFS savings.		
Department and Provider	100	6%
This variance is as a result of the service not using the budgeted income from earmarked funds due to the overall departmental position.		
Obesity Programmes	-186	-28%
The underspend is largely made up of £140k on the Food for Life Partnership and £35k on the Commercial Weight Management contract, both of which relate to an early achievement of MTFS savings.		
Health Check Programme	-125	-21%
A lower number of health checks have been carried out as specific groups were invited to attend. This is part of the redeveloped specification in line with a more targeted approach.		
Other Public Health Services	-122	-25%
The Probation Health Contract has underspent by £20k as per an early MTFS saving. The Cancer Early Detection budget of £25k was not required due to work being carried out in association with the existing commissioned services for 2016/17. Mental Health services have underspent by £28k. Additional income for Mental Health counselling services of £50k from the Clinical Commissioning Groups has also been received.		
Local Area Coordination	-66	-71%
A proposal to expand the service to cover the wider Leicestershire area through Better Care Fund investment was not approved. The underspend is the amount of Public Health grant that was to be used to support the expansion.		
Substance Misuse	-117	-3%
Community Based Services for alcohol abuse is £50k underspent, this area is demand led. The main contract has underspent by £200k, which has been offset by additional payments relating to the previous year of £108k. This was a planned transformation programme which included these savings at the point of re procurement and new delivery.		
Sexual Health	-88	-2%
Demand led contraception services provided by pharmacies and GPs have underspent which was achieved as part of a decommissioning full year effect and early achievement of MTFS savings. In addition demand led out of county provider claims for STI services were also underspent.		
Other variances	-66	n/a

TOTAL	-541	n/a

Environment and Transportation

The Department has underspent by £1.8m which reduces to £1.6m (2.2%) after carry forward requests of £0.2m. The main variances are:

	£000	% of Budget
<u>Transportation</u>		
Special Education Needs Transport	489	6%
Overspend due to increased number of pupils, which has been in excess of the expected level of growth built into the 2016/17 budget. The number of pupils receiving transport increased by 4% between November 2015 and November 2016 (1,551 pupils in Nov 15 and 1,611 pupils in Nov 16). In addition, the risk assessment process has identified individuals with more complex needs (higher medical needs), leading to an overall increase in the average daily cost per user of 7% in 2016/17.		
Social Care Transport	174	5%
Cost pressures from 2015/16 continue as a result of increased demand.		
Mainstream School Transport	-443	-9%
Underspend as a result of reduced demand (result of policy change). Income from fare-paying passengers was also higher than expected in 2016/17. Contract efficiencies have been achieved by reviewing contracts for all schools prior to each academic year to ensure savings are realised.		
Public Bus Services	-207	-7%
Majority of the underspend due to savings made through tendering of Park & Ride contract in February 2016 and other contract cost reductions in September 2016. Additional income from employee parking schemes at Park and Ride sites and from season tickets has also contributed to the underspend.		
<u>Environment & Waste</u>		
Landfill	1,324	18%
Overspend due to restrictions on inputs at the Mechanical Biological Treatment (MBT) plant. This has resulted in additional waste being sent to Landfill. (See corresponding underspend for Treatment Contracts). The overspend is reduced due to 3,200 tonnes capacity that has been provided at the Coventry and Stoke Energy for Waste plants. Waste from Landfill has been diverted to these plants.		
Recycling & Household Waste Sites	153	5%
£114k overspend has arisen from lower than anticipated income from Recycling and Household Waste Site charging. This overspend is offset by underspends in other areas due to reduced waste tonnages being received. The remaining overspend is due to adjustments to prior year payments to the Recycling and Household Waste Site operator.		
Treatment Contracts	-1,255	-14%
Underspend due to reduced volumes of waste being sent to Mechanical Biological Treatment (MBT) plant due to restrictions on inputs. (See corresponding overspend for landfill). The underspend is reduced due to 3,200 tonnes capacity that has been provided at the Coventry and Stoke Energy for Waste plants. Waste from Landfill has been diverted to these plants.		
Composting Contracts	-361	-19%

Underspend due to a combination of contract efficiencies and lower volumes of green waste. The late growing season this year contributed to lower volumes of green waste.		
Waste Management - Staffing & Admin	-213	8%
Vacancies associated with Phase 3 restructure of the department		
Income	-106	10%
Additional income received over and above the MTFS position, including additional income from trade waste.		
Waste Strategy & Initiatives	-113	-35%
Underspend mainly due to delays in key waste / environmental strategic reviews. Delays in project spending have also contributed towards the underspend position.		
Highways		
Environmental Maintenance	164	5%
The overspend consists of 2 elements. (1)£77k on drainage repairs due to a contribution to the Lubbesthorpe SES scheme to fund unforeseen drainage repairs required to the Highway drainage system on the B4114- to make efficient use of co-ordinated works & shared traffic management. (2)A £78k overspend on gulley emptying as additional resources were procured in period 12 to catch up on the backlog of outstanding work.		
Winter Maintenance	75	5%
Colder conditions in April 2016 resulted in additional gritting.		
Street Lighting	-829	-22%
Underspend relates to acceleration of the LED installation programme leading to earlier than anticipated energy savings (£484k), a £50k saving on electrical testing as a result of efficiency from revised working methods and £285k of additional income from external works and 3rd party recharges.		
Reactive Maintenance (Structural & Safety)	-281	-19%
The joint sealing element of this programme is now being treated as capital expenditure and will be funded from the capital programme (£100k underspend). Materials have also been used more efficiently which has contributed to the underspend (£51k.). There has also been slippage on road markings and lining to align with Bridge works so as to avoid doubling up of traffic management costs (This has been requested as a carry forward)		
Staffing & Administration		
Highways & Transportation	-202	-1%
Underspend due to additional fees received from developers for design checks/other statutory undertakings (£200k), vacancies (£150k) and additional capital income (£100k). Offset by a shortfall for fees associated with new charging processes which have now been delayed until 2017/18 (£250k).		
Other variances	-159	n/a
TOTAL	-1,790	n/a

Chief Executives

There is an underspend of £0.4m which reduces to £0.3m (3.6%) after carry forwards of £0.1m. The main variances are:

	£000	% of Budget
Coroners	194	23%
Overspend relates primarily to increased pressures on the Leicester City and South Leicestershire Coroner's Service run by Leicester City Council. Increased costs were identified at the end of 2015/16 relating to confirmation that the Coroner is entitled to a non-contributory pension and increasing investigations linked to the rising number of deprivation of liberty cases. Demand pressures affecting the service in Leicester City and South Leicestershire are also relevant in the North Leicestershire service, which can be seen in the increased costs of both body transportation and toxicology/pathology testing.		
Planning, Historic & Natural Environment (HNET)	-181	-37%
This is largely due to staff vacancies. Income from planning applications and other sources has also exceeded the budget.		
Trading Standards	-166	-11%
Several vacancies currently exist within the service resulting in an underspend that is partially offset by use of agency staff. The service has also been able to attract income funding from the National Trading Standards Board.		
Democratic Services & Admin	-163	-11%
This underspend relates to a number staff on career grades being on the lower part of their grades. There have also been vacancies throughout the year.		
Strategic and Business Intelligence	-51	-1%
A number of smaller underspends across the service have amalgamated to arrive at this amount.		
Other variances	-78	n/a
TOTAL	-445	n/a

Corporate Resources

There is an underspend of £1.1m (3.0%). The main variances are:

	£000	% of Budget
Commercial (fully traded elements)	284	-26%
Timing variance for £0.2m of infrastructure and investments on an invest to save basis. The infrastructure costs are budgeted to be fully absorbed in 2017/18 budgets and investments will achieve positive returns in future years. On a trading basis printing, County Hall Catering, Sites Development and furniture sales are behind budget but these are compensated by LEAMIS, School Catering and Bursars. Detailed plans are being developed for all services and bookings are positive for 17/18. The partially traded services such as HR are all positive which offsets some of the fully traded variance.		
ICT	-634	-7%
This is largely due to staff vacancies. Income from planning applications and other sources has also exceeded the budget.		
Strategic Finance, Property & Assurance	-346	-5%
Attrition & retirements not replaced in Finance and Audit as vacancies are held in anticipation of future year savings / impending Review. Vacancies in Strategic Property. Work is being absorbed and prioritised accordingly.		

People resources (HR, Health & Safety, Learning & Development and Trade Union)	-253	-7%
Half of the variance relates to a combination of L&D underspends (£127k) 5.7% of total £2m budget and staff savings in HR and other people services in anticipation of 2017/18 savings targets.		
Commissioning Support Unit	-136	-16%
Timing of vacancies whilst building the team up to capacity and unexpected attrition.		
Other variances	-28	n/a
TOTAL	-1,113	n/a

APPENDIX D**EARMARKED FUND BALANCES**

	Revised Balance 01/04/16 £000	Forecast Balance 31/03/17 £000	Actual Balance 31/03/17 £000
Renewal of Systems, Equipment and Vehicles			
Children & Family Services	1,780	1,590	1,799
Adults & Communities	710	710	174
Environment & Transport	440	980	2,074
Corporate Resources	1,400	1,450	1,526
Trading Accounts			
Industrial Properties	1,180	780	1,148
Insurance			
General	11,460	11,460	12,747
Schools schemes and risk management	420	420	423
Uninsured loss fund	7,400	7,400	7,222
Committed Balances			
Central Maintenance Fund	80	0	392
Community Grants	330	200	295
Other			
Children & Family Services			
Supporting Leicestershire Families	2,260	1,740	1,617
C&FS Developments	2,770	2,260	2,731
Youth Offending Service	360	270	471
Special Educational Needs Disability (SEND)	900	410	837
School Based Planning	330	690	687
Leicestershire Schools Music Service	0	0	164
Adults & Communities			
Adults & Communities Developments	6,890	3,120	6,751
Museums & Arts	40	0	43
A&C Extra Care	610	610	611
Public Health	1,820	1,820	1,822
Environment & Transport			
Commuted Sums	2,300	2,030	2,628
Civil Parking Enforcement	100	80	187
Waste Infrastructure	1,510	1,460	1,932
Section 38 Income	490	390	487
Section 106	360	210	355
Leicester & Leicestershire Integrated Transport Model (LLITM)	820	1,120	1,232
E&T Developments/ advanced design	600	350	1,376
Other	140	130	137
Chief Executive			
Community Planning	200	80	142
Economic Development-General	1,890	1,300	1,367
Economic Develop.-Leics Local Enterprise Fund	200	200	138
Legal	310	240	306
Signposting and Community Support Service	770	460	461
Chief Executive Dept Developments	670	520	629
Corporate Resources			
Corporate Resources Developments	690	490	667
Corporate:			
Transformation Fund	16,590	19,250	21,290
East Midlands Shared Services - IT development	430	230	429
Elections	630	830	823
Broadband	5,610	5,470	5,446
Business Rates Retention	1,410	1,410	1,410
Inquiry and other costs	0	2,000	1,287
Local Authority Mortgage Scheme (LAMS)*	-8,400	-8,400	-8,400
Pooled Property Fund investment **	-15,000	-20,000	-19,996
TOTAL	53,500	45,760	57,868
Potential Health Transfers	0	3,000	0
TOTAL	53,500	48,760	57,868
Capital			
Capital Financing (phasing of capital expenditure)	21,430	17,220	19,271
Future Developments	0	17,750	26,264
Total	21,430	34,970	45,535
Schools and Partnerships			
Dedicated Schools Grant	5,320	2,000	2,795
C&FS Health Outcomes	1,640	0	0
Health & Social Care Outcomes	5,080	2,530	933
Leicestershire Safeguarding Children Board	170	0	61
Leicestershire & Rutland Sport	960	700	906
Centre of Excellence	850	850	235
Leics Social Care Development Group	420	420	335
East Midlands Shared Services - Partnership (LCC share)	690	320	510
Strategic Partnership Development Fund (Child Sexual Exploitation)	0	0	127
Total	15,130	6,820	5,902

* LAMS temporarily advanced from the overall balance of earmarked funds pending repayments in 2017/18 and 2018/19

** Pooled Property Fund investments - funded from the overall balance of earmarked funds; £5m still to be invested

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Capital Budget 2016/17 – Main Variances**Children and Family Services**

Overall net acceleration of £3.2m has occurred compared with the updated budget. The main variances are:

	£000
School Accommodation	1,465
Acceleration for the new primary school in Birstall (Hallam Fields) where works were completed earlier than anticipated. This scheme was re-profiled earlier in 2016 where a prudent approach was taken, works completed much quicker than planned. The new school will be completed in July 2017 and open at the beginning of the 17/18 academic year.	
Wigston Area Special School	1,092
Acceleration of the new school due to works being completed ahead of schedule. The new school will be completed in July 2017 and open at the beginning of the 2017/18 academic year.	
School Accommodation 10+	883
Acceleration of Structural Changes 10+ scheme as works completed earlier than anticipated. The main schemes that have been accelerated are: Long Whatton Primary School, Oadby Brookside Primary School, Shepshed St Botolph's and Oadby Brocks Hill.	
Strategic Capital Maintenance	-311
Slippage on a number of small projects covering boiler replacement, structural repairs and electrical works.	
Other variances	106
TOTAL	3,235

Adults & Communities

Overall net slippage of £0.4m compared with the updated budget. The main variances are:

	£000
Changing Places / Toilets	-214
Hinckley Leisure Centre has been completed in 2016/17 with further schemes being scoped for 2017/18.	
Mobile Libraries	-196
Two vehicles were purchased for £0.1m each rather than the original estimate of £0.2m each. Balance to be carried to fund planned purchase of vehicles in 2017/18.	
Other variances	-4
TOTAL	-414

Public Health

The actual expenditure is in line with the updated budget.

Environment and Transportation - Transport

Overall net acceleration of £0.9m has occurred compared with the updated budget.

The main variances are:

	£000
A42 Junction 13	-2,417
Slippage due to alignment of works with Highways England Maintenance scheme. As Highways England were carrying out other works on the A42 near the junction, delaying the commencement of works on the scheme until January (originally planned for late summer). Notification was received late. However, overall the scheme is still expected to spend in line with original estimates.	
Strategic Economic Partnership & Advanced Design major	-2,094
Slippage due to several schemes that are to be designed in the new financial year and match funding that is to be aligned with future schemes should the department be successful in obtaining external funding offset by remaining contribution to Leicester North West scheme.	
Lubbesthorpe Strategic Employment Site Access	-1,696
£1.0m underspend and £0.7m slippage. This scheme was able to be divided into a number of specific elements. The works that are being undertaken will end up costing £1m less than the resources originally identified. The scheme is likely to finish in April 2017.	
Fleet Renewal	-1,597
Slippage due to extended lead time for some vehicles. Highway vehicles have unique specifications which can mean a number of months before delivery of the vehicles take place.	
Bridges	-238
Slippage of works at A6 Quorn-Mountsorrell Bypass due to procurement issues (Contractor unable to source new deck joints). Work is planned to start in May 17.	
Flood Alleviation	-198
Underspend due to cost savings and enhanced flood investigations being carried out resulting in the removal and de-scoping of some schemes.	
LED Street Lighting	7,343
Acceleration of spend due to revised profile of works and additional installation gangs that have been contracted.	
M1 Junction 22	1,000
Overspend of £1.0m. Gross additional costs of £1.8m forecast due to Traffic Management constraints working on the strategic road network. As this scheme involved working on the trunk road network, there were additional restrictions on daytime working. This was exacerbated by Government consultations and initiatives around reducing congestion during road works all of which led to the need for additional night working and additional costs. There are additional section 106 developer contributions relating to the Coalville Growth Strategy, for which the M1 J22 is crucial that have been included, £0.8m resulting in a net £1m overspend.	
Carriageway Resurfacing & Surface Dressing	464
Additional resurfacing treatments that were added to the programme (some that were previously funded by revenue) offset by an underspend on surface dressing due to capacity issues.	
Depot Improvements	174
Necessary spend on Health & Safety works and welfare facilities.	
Other variances	129
TOTAL	870

Environment and Transportation - Waste Management

Actual slippage of £1.0m compared with the updated budget. The main variances are:

	£000
Coalville Transfer Station	-739
The business case for Coalville Transfer Station is no longer viable and the funding will be returned back to the Environment & Waste earmarked fund to finance future health & safety and improvement works at RHWS.	
Recycling & Household Waste Sites - Improvements	-118
Slippage due to lack of staff resources available to identify, evaluate and implement plans. Linked in part to the transition arrangements arising from the departmental restructure.	
Recycling & Household Waste Sites - Drainage	-148
Slippage due to revised profile of works which are subject to agreement with the	
Other variances	0
TOTAL	-1,005

Chief Executives

Overall slippage of £2.1m has occurred compared with the updated budget. The main variances are:

Rural Broadband - Phase 2	-2,075
Slippage due to revised profile of budget. Phase 2 is expected to complete in 2017/18 when the BDUK grant will also be received.	
Other variances	-24
TOTAL	-2,099

Corporate Resources

Overall net slippage of £0.8m has occurred compared with the updated budget. The main variances are:

	£000
Corporate ICT	-468
Slippage of £0.4m on the Unified Telephony replacement phase 2 project due to technical issues.	
Replacement of Playing Field - Melton KE VII site	-314
The project was due to re-commence on 13th February, but unable to get on to site due to water logging.	
Industrial Properties	-89
Slippage due to timelines of delivery of projects - design, procurement, delivery - unable to deliver in this financial year due to other Property commitments, premises availability and lead times for the various elements.	
County Farms Estate	150
Acceleration on farm improvements which will enable an increase in rental income in future years.	
Other variances	-74
TOTAL	-795

Corporate Programme

Overall net slippage of £4.6m has occurred compared with the updated budget.

The main variances are:

	£000
Corporate Asset Investment Fund (net slippage)	-2,151
Coalville Workspace - revised timescales due to delays in obtaining planning consent and to align with receipt of funding from Growth Deal 2 and the sale of Workspace 17 site.	
Loughborough University Science Enterprise Park	-1,380
Loughborough University is reviewing the project resulting in a revised profile of spend.	
Rural Workspace	-928
Delays have occurred in achieving planning permission on the three schemes at Billesdon, Leaders Farm Lutterworth, and Quorn, resulting in a revised project timetable and spend in 2017/18.	
Countesthorpe, The Drive - Nursery reprovision	-500
Slippage pending a review of the scheme and options.	
Loughborough, Pennine House Area Office	-245
Enabling works undertaken in year, but phase 1 works will now not take place until April 2017.	
County Hall Maintenance	-193
Work now started on replacement of windows in Rutland building, but bulk of work (and corresponding budget) has slipped into 2017/18. The first phase of the work was completed by year end.	
Energy Strategy	485
Acceleration of programme on a variety of small scale energy efficiency measures including boilers, heating controls and LED lighting upgrades.	
Ibstock Farm, Station Road	125
Unanticipated works on farm and related land to provide concrete culvert through the middle of a working farm and creation of a new feeding area to ensure herd could be milked. These improvement works should increase the asset value.	
Other variances	159
TOTAL	-4,628

APPENDIX F**PRUDENTIAL INDICATORS 2016/17**

	Original Indicator	Forecast as at 16/01/2017	Provisional Actual as at 31/03/2017
Actual Capital Financing Costs as a % of Net Revenue Stream	7.39%	7.31%	7.19%
Capital Expenditure (£000's) (excluding Schools devolved formula capital)	107,700	101,700	98,143
Operational Limit for External Debt (£000's)	276,000	276,000	276,000
Authorised Limit for External Debt (£000')	286,000	286,000	286,000
Interest Rate Exposure – Fixed	50-100%	100%	100 %
Interest Rate Exposure – Variable	0-50%	0%	0 %
Capital Financing Requirement (£000's)	266,000	268,000	267,718
Actual debt as at 31/3/2017 (£000's)			274,600

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**CABINET – 23 JUNE 2017****ANNUAL TREASURY MANAGEMENT REPORT 2016/2017****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****PART A****Purpose of the Report**

1. The purpose of this report is to advise the Cabinet of the action taken and the performance achieved in respect of the treasury management activities of the Council in 2016/17.

Recommendation

2. The Cabinet is asked to note this report.

Reason for Recommendation

3. 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.

Timetable for Decisions (including Scrutiny)

4. Under the CIPFA Code of Practice it is necessary to report on treasury management activities undertaken in 2016/17 by the end of September 2017
5. The Corporate Governance Committee considered the matter on 26 May 2017, and noted the report.

Policy Framework and Previous Decisions

6. The Authority adopted the revised CIPFA Code of Practice for treasury management in February 2010. Treasury management issues are now reported to either the Corporate Governance Committee or the Cabinet. Approval of the annual treasury management strategy remains the responsibility of the County Council.

Resource Implications

7. Treasury management is an integral part of the County Council's finances. Interest generated by treasury management activities of approximately £1.5m was earned in 2016/17 and the interest paid on external debt was circa £15.6m.

Circulation under the local Issues Alert Procedure

8. None

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PART B

Background

9. The term treasury management is defined as:-

“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

10. The Director of Corporate Resources is responsible for carrying out treasury management on behalf of the County Council, under guidelines agreed annually by the County Council.

Treasury Management 2016/2017

11. The Treasury Management Policy Statement for 2016/17 was agreed by the full Council on 17th February 2016, in relation to the sources and methods of borrowing and approved organisations for lending temporarily surplus funds. During the year there were no divergences from the agreed Policy, although it was subsequently agreed that any counterparty that was downgraded whilst a loan was active, and where the unexpired period of the loan or the amount on loan would have breached the limit at which a new loan could be made to that counterparty would be included in the quarterly treasury management report presented to the Corporate Governance Committee.
12. As a result it is considered sensible to include these occasions in the Annual Treasury Management report. For the sake of completeness the agreed policy in these circumstances is as follows:

If the credit rating of an individual financial institution decreases to a level which no longer makes them an acceptable counterparty the Director of Finance will make a decision on what action to take. Similar actions will be taken if a counterparty is downgraded to a level which allows them to remain on the list of acceptable counterparties, but where the unexpired term of any loan is longer than the maximum period for which a new loan could be placed with them.

In the event that the circumstances highlighted in the above paragraph occur, the Director of Finance will report his decision to the Cabinet and/or Corporate Governance Committee when it is deemed significant enough to do so. If there is considered to be no meaningful risk involved, relative to agreeing a new loan of the outstanding maturity period to the same counterparty, the decision will not be reported.

It should be noted that there will be no legal right to cancel a loan early, and any premature repayment can only be made with the approval of the counterparty and may include financial penalties.”

13. On 13th May 2016 a loan of £10m was placed with Norddeutsche Landesbank for a period of 6 months. On 2nd June 2016 one of the credit rating agencies changed the outlook on the Long Term and Short Term Ratings for the counterparty to 'Negative Outlook', which moved them from a 6 month maximum period on the standard counterparty list of Capita Asset Services to a 100 day month maximum period. As the Leicestershire policy is to exclude all counterparties that fall within the Capita 100 day period, this meant that Norddeutsche were removed from our list. Norddeutsche were not actually downgraded within the period that the loan was active and the loan was repaid in November 2016.
14. At the commencement of the 2016/17 financial year the consensus economic forecast was that there was a high probability of a base rate increase before the end of the 2016 calendar year, from the historic low of 0.5%. It was also considered that this would be the start of a slow and gradual increase in base rates to more 'normal' levels. Whilst this possibility could not have been discounted, interest rates available on longer-term (i.e. 6 – 12 month) loans seemed more than sufficient to cover this scenario, so the broad policy was to lend money to acceptable counterparties that were paying attractive rates for the maximum period allowed by the counterparty list. Following the unexpected Brexit vote, and a reduction in base rate to 0.25%, this policy proved advantageous.
15. Even after the reduction in base rate that occurred in August 2016, there was still a premium available for longer-term lending over the short-term. The policy was, therefore, continued and although the rates achieved dropped in the second half of the year they remained very attractive in relation to base rate.
16. On the debt portfolio, no new loans were taken. A total of £0.5m was also repaid in respect of three Equal Instalments of Principal loans. The Authority has not raised any external loans since August 2010 and external debt is over £115m lower than it was at its peak in November 2006. There are no current plans to raise any further external debt, and opportunities to reduce it will be considered if they are cost effective.

Position at 31st March 2017

17. The Council's external debt position at the beginning and end of the year was as follows:-

	Principal	31 st March 2016 Average Rate	Average Life	Principal	31 st March 2017 Average Rate	Average Life
Fixed Rate Funding						
- PWLB	£169.6m	6.60%	34 yrs	£169.1m	6.61%	33 yrs
-Market	£ 2.0m	8.12%	1 yr	£ 2.0m	8.12%	<1 yr
Variable Rate Funding:						
- Market (1)	£103.5 m	4.37%	1 yr	£103.5 m	4.37%	1 yr
Total Debt	<u>£275.1m</u>	<u>5.77%</u>	<u>21 yrs</u>	<u>£274.6m</u>	<u>5..78%</u>	<u>20 yrs</u>

- (1) The lenders all have an option to increase the rates payable on these loans on certain pre-set dates, and if they exercise this option we can either repay or accept the higher rate. The average life is based on the next option date.

18. The position in respect of investments varies throughout the year as it depends on large inflows and outflows of cash. Over the course of the year the loan portfolio (which includes cash managed on behalf of a large number of schools with devolved banking arrangements) varied between £164m and £232m, and averaged £202m.

Debt transactions in 2016/2017

19. The Council began the year with approximately £8.5m of internal debt – in other words, money that would otherwise have been available to lend on the money markets was being used to fund the historic capital programme. After adjusting for debt repayments and Minimum Revenue Provision (MRP) - a charge that is intended to ensure that loans raised to finance capital expenditure is paid off over the longer term – the current internal debt was fully ‘paid off’ during the year, and the Council had £6.9m more of external debt than is required to fund historic capital expenditure. The Council is, therefore, ‘overborrowed’.
20. It is currently expected that, unless premature repayment of existing debt takes place, this overborrowed position will increase in the years ahead. The major reason for this is that the requirement to borrow, to fund the capital programme, will generally be below the annual MRP amount. This has been the case since the Government started awarding grants to fund the capital programme rather than the previous approach of supporting borrowing. Given the large penalties that would currently be incurred by prematurely repaying existing debt, there is little that can be done to reduce the likelihood of an increasingly overborrowed position unless long-term interest rates rise significantly.
21. The savings made by the proactive management of the debt portfolio in recent years have been substantial, and these savings were achieved by repaying a large amount of long-term debt in 2009 and 2010 (at a time when interest rates made premature repayments cost-effective) and either replacing it with short-term debt at much lower rates, or by not replacing it and ‘funding’ the costs via the interest lost on revenue balances. It is estimated that the cumulative savings between 2008/09 and 2016/17 were approximately £17m.

Investment Undertaken in 2016/17

22. Bank base rates reached 0.50% in March 2009 and at the commencement of the 2016/17 financial year the consensus forecast was that gradual increases in base rate would commence late in 2016 or early in 2017. The surprise outcome of the EU Referendum forced a reassessment of this opinion, and in August 2016 base rates were actually reduced to 0.25%.
23. Even prior to the change in sentiment caused by the Brexit vote, it was considered that the interest rates available from certain high-quality counterparties more than compensated for the risk of a rising base rate. As a result the general policy has been to lend for as long a period as possible to these counterparties, which gave protection against the unexpected reduction in base rate. The market continues to overcompensate investors for being willing to commit to longer-term loans and the general approach of ‘lending long’ continued after the base rate reduction, although the absolute level of rates available has fallen.

24. The loan portfolio produced an average return of 0.75% in 2016/17, compared to an average base rate of 0.34% and the average 7 day LIBID index (representative of what could be achieved if only short-term loans within the money market were made) of 0.23%.

Longer Term Performance of Portfolios

25. The loan portfolio has achieved out performance of both the average base rate and the local authority 7 day deposit rate in every one of the last 22 years, which is when the figures started to be produced. The level of the out performance is flattered somewhat by the significant out performance achieved both during and in the immediate aftermath of the credit crunch, but even without this the record is impressive. The average rate of interest earned in the last 22 years is 4.13%, and this compares to an average base rate and the average LIBID index which have both produced a return of 3.46%.
26. The variability of balances makes it difficult to calculate the excess interest that the out performance has achieved over the whole of the 20+ year period for which performance records are available, but it is estimated to be at least £27m. Almost half of this added value came in the five financial years from 2008/09 to 2012/13, which can be categorised as the start of the financial crisis and a period in which a number of loans placed during the financial crisis were earning interest that (relative to base rates) were extraordinary.
27. The action taken on the debt portfolio, or rather the lack of activity, marginally increased the average rate of external debt over the course of the year as the small amount of maturing loans were at a lower rate (4.54%) than the portfolio average.

Summary

28. Treasury Management is an integral part of the Council's overall finances and the performance of this area is very important. Whilst individual years obviously matter, performance is best viewed on a medium/long term basis. The action taken in respect of the debt portfolio in recent years has been extremely beneficial and has resulted in significant savings. Short term gains might, on occasions, be sacrificed for longer term certainty and stability.
29. The loan portfolio has produced an exceptional level of outperformance in the period in which performance figures have been calculated. Adding significant value in a period of extremely low interest rates is very difficult. Ironically, a period in which there begins to be differentiation in expectations for both the pace and extent of future base rate rises will make the cash sums that can be gained larger, whilst also giving a higher level of risk that the decisions taken might be wrong. Such a period has intermittently seemed to get closer in recent years, only to be consistently put back.

Equality and Human Rights Implications

30. None.

Background Papers

Report to County Council on 17th February 2016 – ‘Medium Term Financial Plan’: Appendix K ‘Treasury Management Strategy Statement and Annual Investment Strategy 2016/17’.

<http://politics.leics.gov.uk/documents/s116665/Appendix%20K%20-%20Treas%20Man%20Strat.pdf>

Report to the Corporate Governance Committee on 26 May 2017 – Annual Treasury Management Report 2016/17.

<http://politics.leics.gov.uk/documents/s128576/CORP%20GOV%20Annual%20Treasury%20Management%20Report.pdf>

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**CABINET – 23 JUNE 2017****DISTRICT COUNCIL COLLECTION OF COUNCIL TAX****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****PART A****Purpose of the Report**

1. The purpose of this report is to set out the council tax collection performance of Leicestershire District Councils compared to other county areas and to seek the Cabinet's agreement to a review of council tax collection and forecasting processes carried out by District Councils with a view to improving these from 2018 onwards for the benefit of all authorities.

Recommendations

2. The Cabinet is recommended to:
 - a) Note 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) Note that District Councils' collection of council tax is below the national average for county areas and that their forecasting has also been poor;
 - c) Agree that a review of District Council 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.

Reasons for Recommendations

3. 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.

Timetable for Decision (including Scrutiny)

4. To ensure that extra council tax income can be included in the Medium Term Financial Strategy (MTFS) when it is refreshed in February 2018 the review

would need to start soon. 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 January 2018 during the consultation period, and the Cabinet will then be asked to make a final recommendation to the County Council in February 2018.

Policy Framework and Previous Decisions

5. The Medium Term Financial Strategy for 2017/18 to 2020/21 was approved by the County Council in February 2017. The MTFS included extra income of £1.3m arising from the review with the prospect that in reality, extra income would be far greater, thus reducing the need for savings.

Resource Implications

6. 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 the scope for further efficiency savings is limited.
7. If District Councils improved their council tax collection rate to the average of the upper quartile of district councils nationally (98.85%), extra income of £3.1m would be generated. This would increase the income of not only the County Council but also the Districts Councils, the Police and the Fire and Rescue Service as detailed in the table below. It is worth noting that this figure does not include any improvements that could be made to processes and policies relating to discounts and exemptions such as the Single Person Discount.

	Additional income £m
County Council	2.2
District Councils	0.4
Police	0.4
Fire	0.1
Total	<u>3.1</u>

8. In addition to this ongoing extra income there could be a circa £3.2m benefit from more accurate forecasting by the District Councils which, if achieved, would result in a further increase in income for each authority as set out below:

	Additional income £m
County Council	2.3
District Councils	0.4
Police	0.4
Fire	0.1
Total	<u>3.2</u>

9. In total the effect on the County Council's budget of such improvement by the District Councils could be to increase its income by £4.5m per annum.
10. This extra money generated would be purely as a result of both better forecasting and more effective collection and not from increasing the level of council tax.
11. The Director of Law and Governance has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

12. None.

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PART B

Background

13. The County Council is in an extremely difficult financial position and it is seeking to maximise cost reductions, efficiencies and income. By far the largest component of the County Council's income comes from council tax. In 2017/18 the County Council is expected to generate 77% (£268m) of its funding from council tax. Primarily due to the elimination of revenue support grant this will increase to 85% (£305m) by 2020/21.
14. There is little if any prospect of austerity measures coming to an end within the medium term and it is vitally important therefore that council tax income is optimised by having the right policies and procedures in place to secure the highest possible tax collection rates. For this to be achieved the Council relies on District Council revenue services operating as effectively and efficiently as possible. Having seven different collection authorities is neither efficient nor effective but that is the current position.
15. There is evidence, including recent examples of errors and poor forecasting, which indicate that improvements in performance could be made. Collection rates for the County are below average, despite relatively low levels of deprivation. The table below shows the additional income that would be received if collection rates were improved in line with other county areas.

	Leicestershire	Mean for all English counties	Upper quartile of District Councils	Maximum for all English authorities
Council tax collection rate	97.90%	97.99%	98.85%	99.51%
Additional income	-	£0.3m	£3.1m	£5.9m

16. The performance for individual districts varies. The table below sets out performance by district.

Blaby	97.95%
Charnwood	97.69%
Harborough	98.42%
Hinckley and Bosworth	97.73%
Melton	98.24%
North West Leicestershire	97.43%
Oadby and Wigston	98.34%
Average	97.90%

17. In recent years very large and increasing collection fund surpluses have been experienced. This indicates that there has been a significant underestimation

by District Councils of the level of council tax they expect to receive; primarily because estimates for housing growth have not been included fully in the tax base forecasts.

	2014/15	2015/16	2016/17
Estimate of surplus	£3.3m	£5.2m	£7.8m

18. This is serious for all of the precepting authorities as it means they cannot take into account such additional funds when preparing their yearly budget proposals and therefore service cuts have been made earlier than needed and resources are not available to fund extra services arising from the increases in population. The distribution of the 2016/17 surplus for each authority is -

	£ million
District Councils	1.0
Police Authority	0.9
Combined Fire Authority	0.3
County Council	5.6
Total	7.8

19. In addition, a number of District Councils have made errors in collection fund forecasts that in some cases have delayed the council tax income received by the preceptors.
20. Each review of the Single Person Discount produces significant savings which indicate that controls granting this discount could be improved. Following the 2014 review £0.9m of discounts were removed from all District Councils excluding Charnwood who did not take part in the review.
21. Although the County Council is the main beneficiary of council tax the amounts received by other organisations is significant. Leicestershire Police and the Leicestershire Fire and Rescue Service both support the review.
22. The County Council is prepared to contribute to the cost of the review and it is recommended that the Leicestershire Treasurers Association (on which the treasurers from all District Councils, the County Council and the Police and Fire and Rescue Service are represented) oversees the review. The advantage of undertaking a county-wide review is that dedicated resources can be justified and comparisons in practice between authorities can act as a starting point for improvements.

23. The proposed review has been discussed at officer level, but all District Councils have rejected the need for this on the basis they collect council tax effectively. This is despite significant evidence to the contrary.
24. In part, the district view probably reflects their narrow perspective, i.e. they have little to gain from a review as most council tax goes to the preceptors. In taking such a position they are forgetting they have a responsibility to collect council tax effectively for all beneficiaries. The split of responsibilities under the two-tier system means that preceptors have little power to force such a review. It is worth noting that the County Council has offered to pay for the review.

Scope of the Review

25. Examples of the activity envisaged under the following three themes, which could make up the review, are listed below:

Policy and Procedures

- Use of fraud deterrents such as fines and prosecutions.
- Comparison of the policy for discounts and exceptions within and outside of Leicestershire.

Collection

- Review council tax collection operating model and processes, including debt recovery.
- Approach to valuation changes and appeals.
- Application of discounts and exceptions to minimise fraud and error.
- Approach to following up potential fraud.

Planning

- Review the forecasting techniques used to calculate the tax base.

Business Rates

26. Business rate collection rates by Leicestershire District Councils (98.65%) are just above the average for all districts (98.46%) but fall short of the district upper quartile average (99.30%). If the upper quartile rate could be achieved it would produce around £1.65m additional income. Currently 50% would go to the Government, the Districts would receive £650,000, the County Council £150,000 and the Fire Authority around £20,000. There are likely to be further benefits from reviewing the reliefs offered to businesses, for example, charitable reliefs that have been subject to well publicised frauds. Given that there will be greater retention of business rates in the future this is an area that may also benefit from further review.

Equality and Human Rights Implications

27. There are no direct equality and human rights implications arising from this report.

Background Papers

Department of Communities and Local Government council tax collection statistics –
Table 6: Council Tax and non-domestic rates – collection amounts and rates, 2014-
15 and 2015-16

<https://www.gov.uk/government/statistics/collection-rates-for-council-tax-and-non-domestic-rates-in-england-2015-to-2016>

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CABINET – 23 JUNE 2017

**HIGHWAY ASSET MANAGEMENT POLICY AND HIGHWAY ASSET
MANAGEMENT STRATEGY REVIEW**

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 the consultation undertaken on the draft Highway Asset Management Policy and the draft Highway Asset Management Strategy and to seek approval for the final versions of both documents.

Recommendations

2. It is recommended that:
 - a) The outcomes of the consultation be noted;
 - b) 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.

Reasons for Recommendations

3. 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.
4. 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.

5. 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 be submitted to the Cabinet for approval.

Timetable for Decisions (including Scrutiny)

6. This report will be considered by the Environment and Transport Overview and Scrutiny Committee on 22 June 2017 and its comments will be reported to the Cabinet.
7. The draft Highway Infrastructure Asset Management Plan (HIAMP) will be presented to the Environment and Transport Overview and Scrutiny Committee and the Cabinet in autumn 2017.
8. It is expected that the Council will need to submit a self-assessment to the Department for Transport (DfT) by the end of September 2017 demonstrating that it has qualified for Band 3 of the DfT's Incentive Fund.

Policy Framework and Previous Decisions

9. The County Council's current Highway Maintenance Policy and Strategy was approved by the Cabinet in October 2006 and subsequently amended in 2008, 2010 and 2011. It is based on the old National Code of Practice for Highway Maintenance (Well Maintained Highways), which has now been superseded by the new Code of Practice, 'Well-managed Highway Infrastructure'.
10. The current Street Lighting Policy and Strategy, also approved by the Cabinet in October 2006, is similarly based on the old National Code of Practice (Well Lit Highways), which has now been superseded by 'Well-managed Highway Infrastructure'.
11. The Leicestershire County Council Transport Asset Management Plan (TAMP) was approved in November 2007 and updated in 2011. It also followed guidance that has now been superseded. It describes an analytical approach to highway maintenance, current service levels and management processes, providing limited direction to further developing asset management and supports the current Highway Maintenance Strategy and Policy. (As indicated above, it is intended that the TAMP will be replaced by a Highway Infrastructure Asset Management Plan.)
12. On 19 April 2016 the Cabinet approved a consultation ('A-Roads to Zebras') on the Council's approach to highway maintenance and amendments to its plans and policies set out in the TAMP, Highway Maintenance Strategy and Policy, and Street Lighting Strategy and Policy in line with Government's updated Code of Practice.
13. On 13 December 2016 the Cabinet noted the outcome of the 'A-Roads to Zebras' consultation and agreed to consult on the draft Highway Asset Management Policy and Strategy. In addition, the Director of Environment and Transport was asked to develop a pilot scheme for a Highway Warden and/or Lengthsman arrangement (See paragraph 42 below).

Resource Implications

14. The new Highway Asset Management Policy and the new Highway Asset Management Strategy support the efficiency savings required from the MTFS and the corporate transformation process.
15. The Highway Asset Management Policy and Highway Asset Management Strategy will underpin 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.
16. 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.

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

17. 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.
18. 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

None.

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PART B

Background

National Guidance Promoting the Development of Highway Asset Management

19. Asset management practice has developed considerably since the introduction of the County Council's current Highway Maintenance Policy, Strategy and TAMP. These documents are in need of revision, to ensure that they are aligned with national guidance.
20. In 2011 the Audit Commission published 'Going the Distance', an analysis of highway authorities' future approach to the maintenance of local roads set against declining budgets. This highlighted the case for developing asset management and the need to balance short-term repair pressures with the objective of long-term sustainability of the asset and emphasised the point that pressure to tackle 'worst first' could detract from more cost effective, preventative interventions.
21. In May 2013 the Highways Maintenance Efficiency Programme (HMEP), commissioned by the DfT, published a 'Highway Infrastructure Asset Management Guidance' document, endorsed by the UK Roads Liaison Group, which recommended a formal approach to managing all highway and transport assets. This made a number of recommendations, including the fundamental requirement to adopt a Highway Asset Management Policy setting out the authority's strategic objectives regarding asset management, and to introduce a strategy that would support the delivery of those objectives.
22. HMEP has since published various additional guidance documents and tools which promote the development of life-cycle planning for all key highway assets, a process which considers the relationship between future treatment options, asset condition and cost through the development of lifecycle models.
23. A new Code of Practice for highway maintenance was also published in October 2016 titled 'Well Managed Highway Infrastructure'. This sets out the principle of applying a locally appropriate risk-based approach to the inspection, prioritisation and treatment of the highway network. Such an approach will require an improved understanding of all key assets, including their importance to customers, levels of use, strategic importance, acceptable service levels, current conditions, how they deteriorate, how they respond to treatments and the associated treatment costs.
24. The proposed Highway Asset Management Policy document and Highway Asset Management Strategy (Appendices A and B of this report) have been developed to ensure that the County Council follows an approach to asset management that is in accordance with the recommendations of the HMEP guidance document and the new Code of Practice for highway maintenance. These documents would replace the current Highway Maintenance Policy and Strategy and the Street Lighting Policy and Strategy documents, which are based on the old Code of Practice. The proposed Highway Asset Management Policy and the Highway Asset Management Strategy documents differ from the current Highway Maintenance Policy and Strategy by:

- Prioritising high risk repairs when responding to highway defects;
- Focussing on planned maintenance work to help slow down the deterioration of roads;
- Preventative work will be carried out on a 'risk based' approach and determined on how roads are 'categorised' in a new classification of highways;
- Discussing with parish councils opportunities for their involvement in local maintenance, such as grass cutting and the maintenance of trees, flower and shrub beds;
- Introducing a targeted approach to service delivery, which will help improve service levels.

25. To support the Highway Asset Management Policy and Highway Asset Management Strategy it will also be necessary to revise the TAMP and update current operational practice and procedures. The TAMP would be replaced with a new document, the HIAMP. This will develop the TAMP from its current, largely aspirational base, into a document that directs the delivery of the policy and principles set out in the Policy and the Strategy.

The Government's Incentive Fund

26. In 2014 the DfT published 'Gearing up for Efficient Highway Delivery and Funding', which set the scene for the introduction of the Government's Incentive Fund. This Fund is intended to incentivise and reward highway authorities that demonstrate a commitment to the ongoing development of an asset management approach to service delivery.
27. Incentive Fund allocations will be made annually for five years from 2016/17, based upon an assessment and a possible external audit of the Authority's ongoing commitment to applying the recommendations of various aspects of HMEP guidance.
28. The assessment places highway authorities into one of three bands, depending upon the level of progress towards implementing the recommendations of HMEP. The Council is currently assessed to be at the intermediate level, Band 2.
29. An increasing differential is applied annually to the amounts allocated across the bands. The likely grant due to the County Council, depending upon the assessed level, is shown in Table 2 below. With a strong commitment to developing its approach to asset management, it is realistic to expect the Authority to move to the highest level, Band 3, by 2018/19, potentially securing a further £3.57 million over the final three years of the Fund.

Incentive Fund	2016/17	2017/18	2018/19	2019/20	2020/21
Band 3 share	£789,117	£1,183,675	£2,383,133	£2,383,133	£2,383,133
Band 2 share	£789,117	£1,065,308	£1,668,193	£1,191,567	£714,940
Band 1 share	£710,205	£710,205	£714,940	£238,313	Zero

Table 2: Likely value of Incentive Fund grant

30. The Highway Asset Management Policy and the Highway Asset Management Strategy have been developed to ensure that the Council's approach to asset management incorporates the recommendations of HMEP guidance which contribute to the Incentive Fund assessment and therefore support the objective of reaching Band 3.
31. It is a specific requirement of the Incentive Fund to ensure progress to Band 3 and that the County Council has published and implemented an up-to-date Highway Asset Management Policy and Strategy. In this context 'implementation' means that they have been used to inform the development of operational procedures (i.e. the Authority's HIAMP) and future year programmes (i.e. in this case for 2018/19 onwards). Therefor the Cabinet is now being asked to approve the Highway Asset Management Policy and Highway Asset Management Strategy so they can inform the development of the HIAMP, leading to a review of operational practices across the Authority's highway maintenance functions.

Highway Asset Management Support for the Medium Term Financial Strategy

32. By 2019/20, £4.4 million of ongoing savings are to be made by the County Council through a revised approach to highways maintenance. These savings include efficiencies and service reductions to be delivered through 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.
33. 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 and it will be necessary to sustain the network condition over longer periods through more extensive use of localised patching.
34. The development of asset management through the principles set out in the new draft Policy and Strategy documents will assist in minimising risk and ensure that revised maintenance treatment strategies continue to provide a safe, serviceable and sustainable network; this will be achieved by becoming more evidence based rather than judgement based when making maintenance decisions. They will also ensure that the County Council can more confidently consider initiatives designed to deliver efficiencies and can be more flexible in adapting to changes in future budgets.

Consultations

35. The initial consultation ('A-Roads to Zebras') ran from July to September 2016. The County Council received 453 online responses, which provided comprehensive customer feedback about satisfaction with maintenance standards, priorities that

should be given to particular assets, the risk based approach to dealing with critical defects, rationalisation of particular highway assets and level of support for community involvement.

36. The Cabinet considered the outcome of this consultation in December 2016 and approved a further consultation on the draft Highways Asset Management Policy and a draft Highways Asset Management Strategy.
37. The views of stakeholders from the initial 'A Roads to Zebras' consultation were taken into account when developing the draft Policy and draft Strategy documents. Proposals included prioritising high risk repairs, focussing on planned maintenance work, risk-based preventative work, exploring opportunities for working with Parish Councils, introducing a targeted approach to gully cleansing and keeping winter maintenance at current service levels.
38. The subsequent consultation on the draft Highways Asset Management Policy and draft Highways Asset Management Strategy was carried out from 30 January to 26 March 2017. This involved an online consultation and workshops with specific groups. Consultees included the public, parishes, transport providers and public sector organisations, the *Older People Engagement Network*, *Leicestershire Equalities Challenge Group* and disability groups.
39. The County Council received 76 responses to the consultation. There was broad agreement with the Policy and Strategy statements and supporting principles and responses could be divided into two broad types:
 - Those that thought that a sensible approach had been taken, particularly around the risk based approach; and
 - Those that thought that the documents were difficult to understand (due to being too technical). As a result of this the language used in the documents was made less technical.
40. The main issues and comments are outlined below, along with the officer response. Further detailed outcomes from the consultation have been included as Appendix C.

Main issues and comments	Officer response
Public safety should be a priority	Agreed. The new risk-based approach will ensure that those areas with the greatest risk will be given priority.
Priority being given to urban roads, leading to neglect of rural roads	The new risk-based approach will ensure that those areas with the greatest risk will be given priority; irrespective of the urban / rural nature of roads (e.g. high risk rural roads would be given priority over low risk urban roads).

Good communication needed going forward e.g. to explain what LCC and partners, including communities, will/won't be doing	An asset management communication strategy is being developed to ensure good communication going forward.
Trees – benefits and risks	The Strategy has been amended to highlight the importance of trees explaining the benefits and risks associated with trees.

41. These comments will provide the basis for further development of the detailed HIAMP and operational procedures, which will sit below the Highway Asset Management Policy and Highway Asset Management Strategy.

Parish Council Highway Warden/Lengthsman Pilot

42. Included in the second of the consultations were proposals to develop opportunities for involving communities directly in some areas of local maintenance, including the option to develop a Parish Council Highway Warden/Lengthsman scheme. As explained in the previous report to the Cabinet (December 2016), responses were mixed, and it was agreed that further work would be carried out with the view to undertaking an 18-month pilot arrangement with a small number of parish councils.
43. Work will continue to take forward the development of a pilot scheme for a Highway Warden and/or Lengthsman arrangement; it is intended that this will be progressed with any interested parties after the HIAMP has been approved. Through 2018/19 advice and 'training' would be given, with the pilot commencing in 2019/20.

Conclusion

44. The Highway Asset Management Strategy and Highway Asset Management Policy will ensure that the Council as Highway Authority continues to meet its statutory duties under the Highways Act 1980. They take into account the ongoing financial pressures on the Authority, supporting delivery of the Council's MTFS - and also the opportunities for the Council to take advantage of additional funding available from the DfT.
45. The addition of a HIAMP will establish the detailed direction and operational practice and processes to underpin delivery of the Highway Asset Management Policy and Strategy and will, in turn, inform a review of operational procedures. As indicated earlier, this will be the subject of another report to the Cabinet in Autumn 2017.

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 – 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://ow.ly/qOjf30cykOJ>

<http://politics.leics.gov.uk/documents/s118133/Appendix%20-%20Highways%20Maintenance%20Review.pdf>

Report to the Cabinet - 11 October 2011 - Changes to Highway Maintenance Policy and Strategy

[http://politics.leics.gov.uk/Published/C00000135/M00003128/AI00029400/\\$Gchangestohighwaysmaintenancepolicy.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003128/AI00029400/$Gchangestohighwaysmaintenancepolicy.doc.pdf)

Report to the Cabinet - 26 July 2011 - Street Lighting Policy

[http://cexmodgov1/Published/C00000135/M00003126/AI00028733/\\$Lstreetlightingpolicyappx.doc.pdf](http://cexmodgov1/Published/C00000135/M00003126/AI00028733/$Lstreetlightingpolicyappx.doc.pdf)

Report to the Cabinet - 12 October 2010 - Changes to Highway Maintenance Policy and Strategy

[http://politics.leics.gov.uk/Published/C00000135/M00002911/AI00026408/\\$Hchangeshighwaymaintenanceappendicesab.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00002911/AI00026408/$Hchangeshighwaymaintenanceappendicesab.doc.pdf)

Report to the Cabinet - 23 November 2007 - Leicestershire's first Transport Asset Management Plan

[http://cexmodgov1/Published/C00000135/M00001973/AI00017860/\\$ItemNTransportAssetManagementPlan.doc.pdf](http://cexmodgov1/Published/C00000135/M00001973/AI00017860/$ItemNTransportAssetManagementPlan.doc.pdf)

Appendices

- Appendix A - Draft Highway Asset Management Policy
- Appendix B - Draft Highway Asset Management Strategy
- Appendix C - Consultation results
- Appendix D - Equality and Human Rights Implications (EHRIA)

Relevant Impact Assessments

Equality and Human Rights Implications (EHRIA)

46. These proposals are aimed at maintaining 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.
47. However, a number of potential impacts on disabled groups and older people, both positive and negative, have been identified. To ensure that feedback could be obtained on the work that has happened so far and the potential impact on protected characteristics (specifically disabled people and older people) the second consultation included workshops with the *Older People Engagement Network*, *Leicestershire Equalities Challenge Group* and disability groups.
48. An EHRIA has been completed (Appendix D) and a number of mitigations have been developed to respond to concerns. The EHRIA will continue to be reviewed following the consultation outcomes and further project work.

Environmental Implications

49. The draft Highway Asset Management Policy and draft Highway Asset Management Strategy set out principles that will support more efficient maintenance of highway assets. In turn, this will support 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.

50. The revision of the TAMP and specific operational policies and processes will provide an opportunity to consider the impact of highway maintenance strategy on climate change, carbon emissions, congestion, street-scene, flood and water management and recycling opportunities.
51. 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.

Partnership Working and Associated Issues

52. The proposal to develop a pilot scheme to explore options for working together with parish councils is consistent with the Communities Strategy, which sets out how the Council will work differently with communities and organisations to help deliver the most important services and protect the most vulnerable people and communities.

Risk Assessment

53. A risk assessment has been completed for this project.
54. The draft Highway Asset Management Policy document and draft Highway Asset Management Strategy support the County 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 route. Insurable risks identified in the proposals will be fully considered.
55. The new 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.



Leicestershire County Council

Highway Asset Management Policy

Foreword

The County Council recognise the important role that the highway network plays in keeping people and places connected, especially in a rural county such as Leicestershire. Keeping our highway network in good condition is important to support economic growth and a good quality of life for the residents, visitors and businesses of the county.

Providing a high quality highway network that meets the needs of our customers is something the County Council is committed to. However, we face the challenge of achieving this aim against a backdrop of a difficult economic situation as a result of the ongoing impact of austerity, increasing levels of use and increasing pressures on other County Council services.

The Highway Asset Management Policy and the Highway Asset Management Strategy have been developed to help us to take account of these challenges. The policy is designed to drive continuous improvement in the way we maintain our highway network to ensure that it continues to be safe serviceable and sustainable. It sets out the principles that will ensure we adopt and develop a strategic approach that takes account of the expectations of stakeholders and customers and targets the council's resources to deliver a network that supports the future prosperity and well-being of the people of Leicestershire.

1. The Highway Asset Management Framework

The County Council has been applying the principles of a formalised approach to highway asset management for a number of years, implementing its first Transport Asset Management Plan in 2007. Most recently the direction and principles with which we have applied asset management were set out in our second Transport Asset Management Plan (TAMP2) and supported by our Highway Maintenance and Street Lighting Policy and Strategy documents as well as a number of other underlying documents such as our Highway Inspection Operation Manual, Network Management Plan, Winter Service Operational Plan, Carriageway Skid Resistance Policy and so on.

The County Council continues to review its approach to highway asset management in the light of the Highway Management Efficiency Programme (HMEP) guidance and as a result we have developed a Highway Asset Management Framework which brings together the core elements of asset management. This framework places our approach in context, identifying the enablers that support asset management and the elements of asset management planning and delivery that contribute to our asset management approach.

Diagram 1.1 overleaf shows the Highway Asset Management Framework.

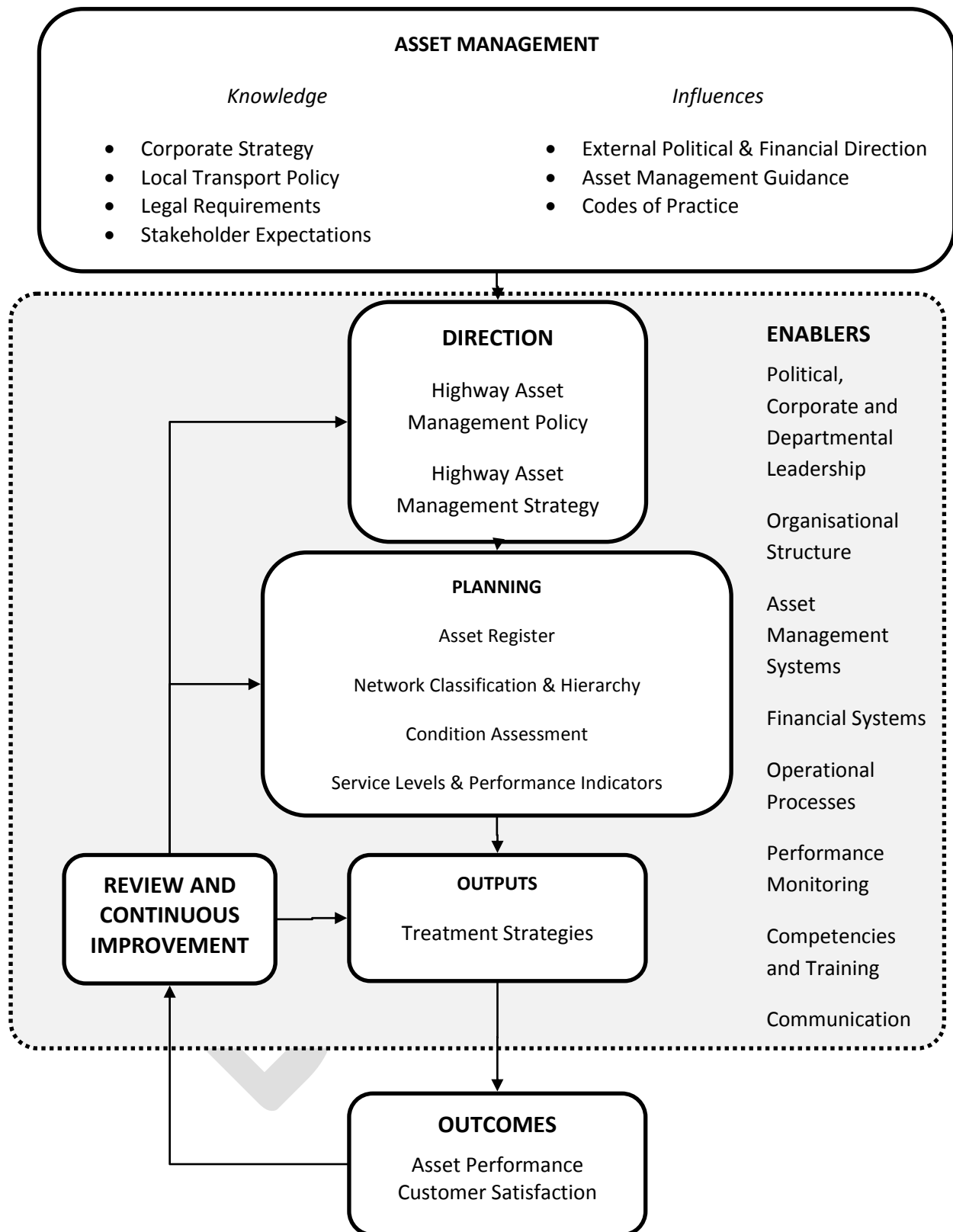


Diagram 1.1 The Highway Asset Management Framework

2. The Document Framework

- 2.1. This policy and the associated Highway Asset Management Strategy document have been developed in accordance with the principles set out in the “*Highway Infrastructure Asset Management Guidance Document*” (May 2013) and the new Code of Practice “Well-managed Highway Infrastructure” (October 2016)
- 2.2. Diagram 3.1 below shows the framework within which these documents will combine to steer the development of a new Highways Infrastructure Asset Management Plan (HIAMP) to replace the current Transport Asset Management Plan (TAMP) and a suite of Operational Highway Processes which in turn will guide the delivery of asset management strategy across the network.

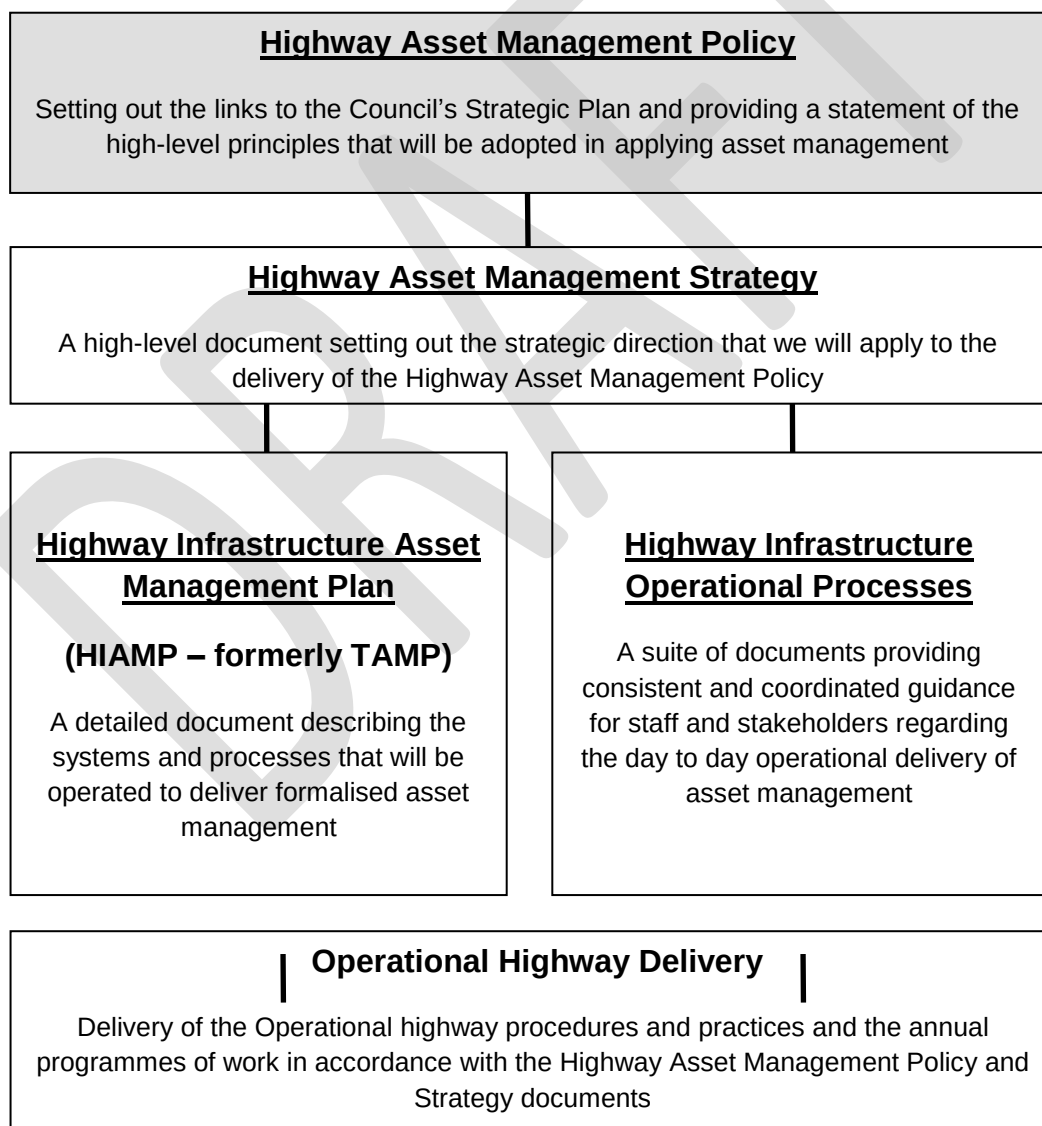


Diagram 3.1

Highway Asset Management Policy

3. Purpose

- 3.1. This document sets out the policy and key supporting principles which define the broad objectives and the overarching structure and direction that the County Council will adopt in managing the condition of the county highway network.
- 3.2. This policy will allow better informed decisions to be made about the investment choices required to effectively maintain the whole network, both in the short and the long-term and directly supports the strategic aims of the County Council.
- 3.3. The policy also supports the County Council's statutory duty to maintain the highway through compliance with section 41 of the Highways Act (1980).
- 3.4. Finally, this policy aligns the County Council's approach to managing network condition with the principles set out in the national Code of Practice "Well-Managed Highway Infrastructure".

4. Scope

- 4.1. This policy is applicable to the entire infrastructure forming the highway network that is managed and maintained by the County Council with the exception of the public rights of way network. Management of that part of the network is dealt with in the Council's Rights of Way Improvement Plan.

5. The Highway Asset Management Policy and Supporting Principles

Policy

- AMP1.** *The County Council will develop and operate a formalised asset management approach to ensure the optimal use and direction of the County Council's resources in maintaining the county's highway assets for the benefit of current and future stakeholders.*
- AMP2.** *The County Council will prioritise available resources for maintenance interventions and treatment choices using a risk-based approach taking account of the safety of stakeholders, network hierarchy, levels of use, network condition, environmental impact, and customer expectations*

Supporting Principles

- SP1. *The County Council will consult with stakeholders to support the identification of treatment priorities, levels of service and the management of risk.*
- SP2. *The County Council will aim to extend the operational life of highway assets through the use of appropriately timed preventative and restorative treatments to maintain safety and serviceability whilst minimising reactive repairs and environmental impact.*
- SP3. *The County Council will develop “life-cycle models” for all key assets to forecast the consequences of maintenance strategies on budget, and network condition (both short and long-term) and environmental impact. We will use these models to inform our decisions about treatment strategy, budget requirements and priorities.*
- SP4. *The County Council will publish an annual programme of planned works affecting key assets as well as an annual schedule of our key service levels and performance indicators.*
- SP5. *The County Council will review the benefits of non-statutory, low-priority assets against the cost of maintenance and where we identify redundancy or high cost linked to minimal benefits, we will seek to rationalise the asset by devolving, decommissioning or reducing the asset or its service levels. Rationalisation will be subject to an assessment of risk and consideration of the views of stakeholders.*
- SP6. *The County Council will use the outputs from our asset management processes to support measures that will focus on improving assets that encourage walking, cycling and the use of public transport i.e. sustainable travel.*
- SP7. *The County Council will take account of the environmental impact of our maintenance treatments and services and where feasible, either reduce or mitigate these impacts.*
- SP8. *The County Council will work with regional partners in the emerging Midlands Connect Sub National Transport Board to review and coordinate maintenance and management strategies on the emerging Major Route Network for the Midlands.*
- SP9. *The County Council will review the resilience of our network to disruptive events, identifying the strategically critical links and recording these as the Resilient Network. We will prioritise the management and maintenance of this network to minimise the impact that severe weather and other disruptive events would have on economic activity and to maintain access to key services.*

- SP10. *The County Council will continue to ensure that as far as possible our Priority 1 and Priority 2 winter maintenance network is treated in advance of forecast snow or ice.*
- SP11. *The County Council will collaborate with others, particularly our supply chain, local communities and neighbouring authorities, to increase efficiencies, reduce costs and sustain local service levels.*
- SP12. *The County Council will continually review and develop our asset management approach across all service areas and seek ways of working more efficiently.*

6. How this Policy Supports the County Council's Strategic Aims

- 6.1. Our corporate vision, set out in the County Council's Strategic Plan is **“that Leicestershire is the best place to be, a place to work and prosper with a strong economy and good transport links, a place to bring up children and for families, a healthy place which supports ageing well and provides joined up health and care services for vulnerable people and a safe place with a good natural environment.”**
- 6.2. The Strategic Plan recognises that in the foreseeable future the County Council is facing major challenges dealing with the most difficult funding position that it has faced since World War II, with significant reductions now needed in our spending, due to budget deficit reduction requirements. The Strategic Plan sets out how the County Council will continue to support the corporate vision through this period of austerity by focussing on five strategic priority areas. **The Highway Asset Management Policy** will directly contribute to objectives supporting three of these strategic priorities;
- **Leadership and Transformation**
 - **Enabling Economic Growth**
 - **Safer Communities – A Better Environment/Place**
- 6.3. To support these priorities the County Council will need to take hard decisions about transforming existing services. We will need to reduce and replace some services whilst other services will need to be more targeted. We will also need to explore new ways of commissioning services to improve value and quality. Decisions about these changes will be better informed by the development of a formalised asset management approach.

- 6.4. The first of the priority areas, “Leadership and Transformation”, recognises the need to change the way that we deliver services and to work more closely with communities and partners to preserve the vision through the current period of economic and social change. The Highway Asset Management Policy will underpin the principle of working in partnership with communities to sustain the local highway environment. It will also provide a cornerstone for the commissioning and procurement of more efficient and appropriately focussed highway maintenance services that take account of the challenging economic pressures faced by the County Council.
- 6.5. The second priority area within the Strategic Plan is “Enabling Economic Growth”. The County Council recognises that well maintained highways directly benefit economic growth by enabling the efficient movement of people and goods. An efficient transport network, in good condition, where disruption and delay is kept to a minimum and where journey times are swift and reliable is essential to attract and support growth. The development of our asset management approach will ensure that we are able to make better informed strategic decisions to ensure that we make best use of reducing resources to support these objectives.
- 6.6. The Strategic Plan acknowledges that in order to support this strategic priority area, it will be necessary for our declining budgets to be increasingly focussed on keeping roads in good repair and that we will continue to place a high priority on delivering a high level of precautionary winter salting and snow clearance.
- 6.7. The Strategic Plan’s fifth priority area “Safer Communities - A Better Environment/Place” includes in its aims the objective of making roads safer as well as protecting the environment.
- 6.8. The County Council recognises that a network in poor repair is likely to present increased risks to users. This asset management policy will support the development of an analytical “risk-based” approach to asset management to ensure that, within the constraints of reducing budgets, treatments will be more effectively directed to optimise the condition of the network.
- 6.9. Our street lighting strategy is already delivering major reductions in energy use and an associated reduction in carbon emissions as a result of switching lanterns to LED’s. By developing an evidence-based approach to the management of all key assets we will minimise the frequency of repairs across the whole network and will extend the life of existing assets. This in turn means less frequent renewal and therefore reduced demand for natural resources and reduced carbon emissions due to the processing and transport of materials.

- 6.10. Efficient maintenance of the network will result in less disruption and congestion, leading to reduced carbon emissions.
- 6.11. This policy supports the development of a Resilient Network which will focus resources on sustaining a functioning core network during extreme weather events and during major incidents and disruption.

7. Supporting Environment & Transport's Commissioning Strategy

- 7.1. The County Council recognises the significant challenge that it faces in delivering services against a background of austerity measures. The Medium Term Financial Strategy (MTFS) sets out this challenge and identifies where the County Council intends to deliver efficiencies and savings in the medium term. To help support these changes the County Council has developed a *Corporate Commissioning and Procurement Strategy* which was introduced in 2014/15.
- 7.2. The development of this Highway Asset Management Policy will support the Environment & Transport Department's Commissioning Strategy by setting out an evidence-based approach for commissioning appropriate work programmes that will meet the management and maintenance needs of the highway network.
- 7.3. The Environment & Transport Commissioning Strategy explains that whilst the authority's current Local Transport Plan 3 (LTP3) remains in place for the time being, as part of the development of service specific plans and strategies it will be assessed and reviewed where appropriate to ensure that it remains fit-for purpose.

8. Policy Review

- 8.1. This policy is closely aligned to other developing policy documents, particularly the Environment & Transport Department's Commissioning Strategy and the Network Management Plan. It will require regular review and sense-checking while these documents are in development.
- 8.2. Thereafter it will be reviewed at least every three years or earlier if there are significant changes in national policy or guidance that affects asset management

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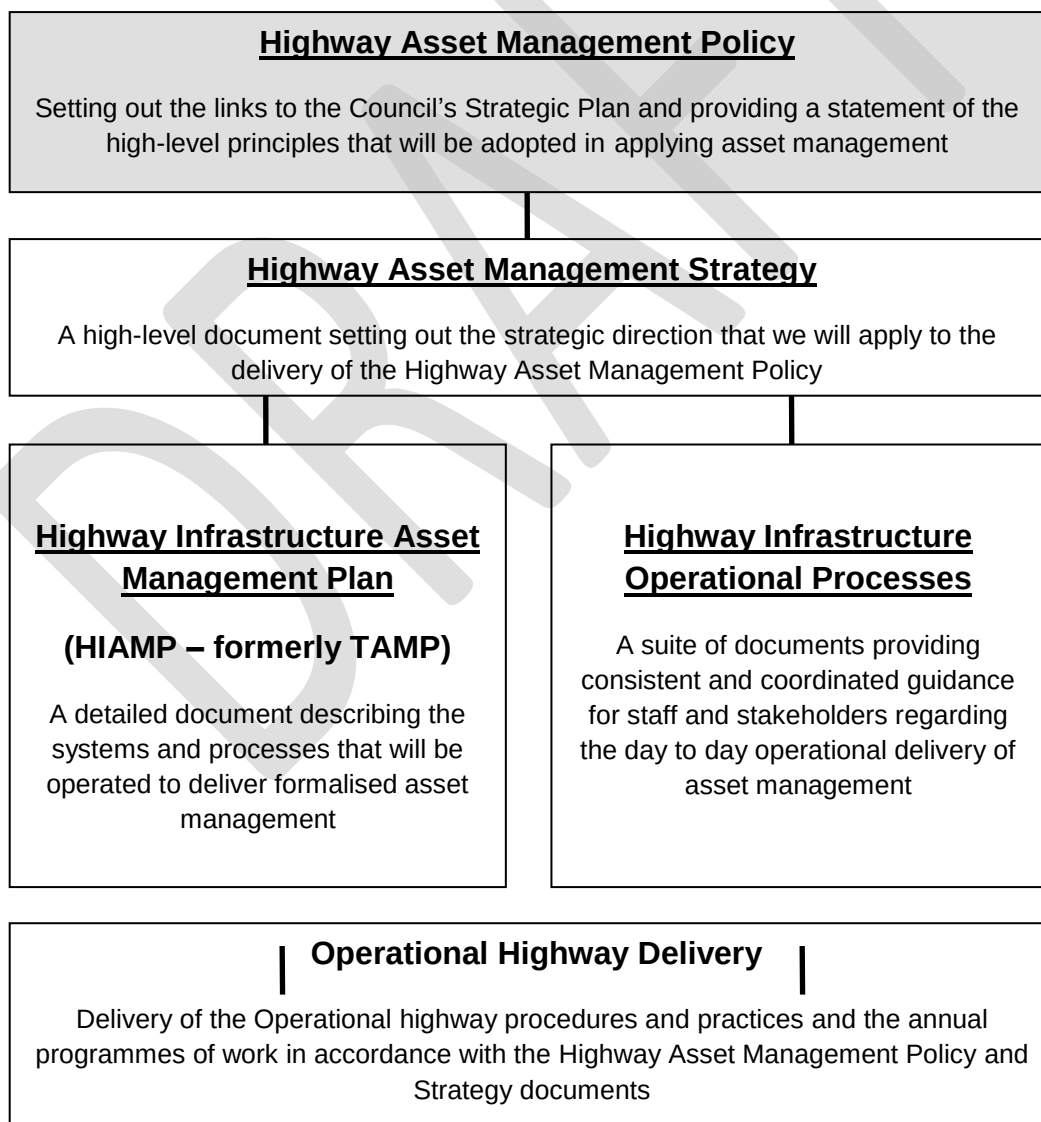
Leicestershire County Council

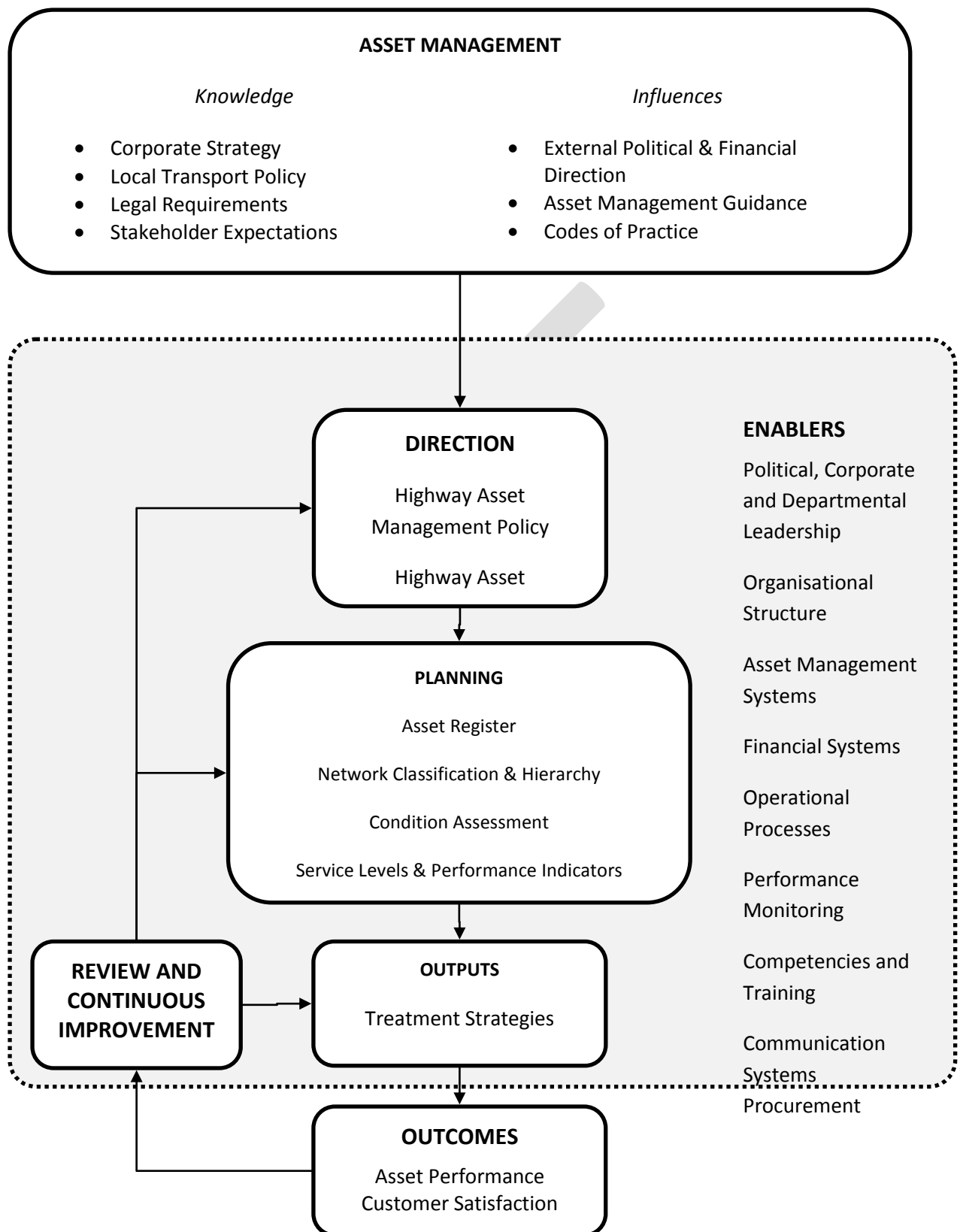
Highway Asset Management Strategy

Highway Asset Management Strategy

1. Purpose

- 1.1. This document sets out the broad objectives and the strategic direction that the County Council will adopt in support of the policies and supporting principles set out in our Highway Asset Management Policy.
- 1.2. In conjunction with the Highway Asset Management Policy, it informs the Highway Infrastructure Asset Management Plan (HIAMP) which sets out how we will apply and operate our asset management principles to ensure that our highway network remains safe, serviceable and sustainable for the benefit of our stakeholders, taking account of available resources (see asset management framework diagram below).





2. The Challenge

- 2.1. Leicestershire's highway network is a functional asset which faces continual pressure from increasing use and the impacts of weather. Deterioration of the many elements of this network is inevitable and the County Council must continuously make decisions about when, how and where to intervene and undertake repairs or renew the assets. These decisions are becoming increasingly difficult due to the challenging economic circumstances in which the County Council is currently operating.
- 2.2. Formalising a strategic approach to maintaining highway assets is therefore essential to ensure that appropriately informed, cost-effective decisions are made about the treatment strategies that we apply.

3. The Core Elements of our Strategy

- 3.1. This document considers the strategic approach to nine core elements of our asset management plan. When considered together these strategies will ensure that we make the best possible treatment decisions and that the finite resources available to the County Council deliver the best possible outcomes for its stakeholders consistent with the County Council's statutory duties as the Highway Authority.
- 3.2. The core elements are represented in diagram 3.1 overleaf.
- 3.3. The Highway Infrastructure Asset Management Plan (HIAMP) will provide further operational details about how we will apply our strategy for each of these elements (see asset management framework diagram above).

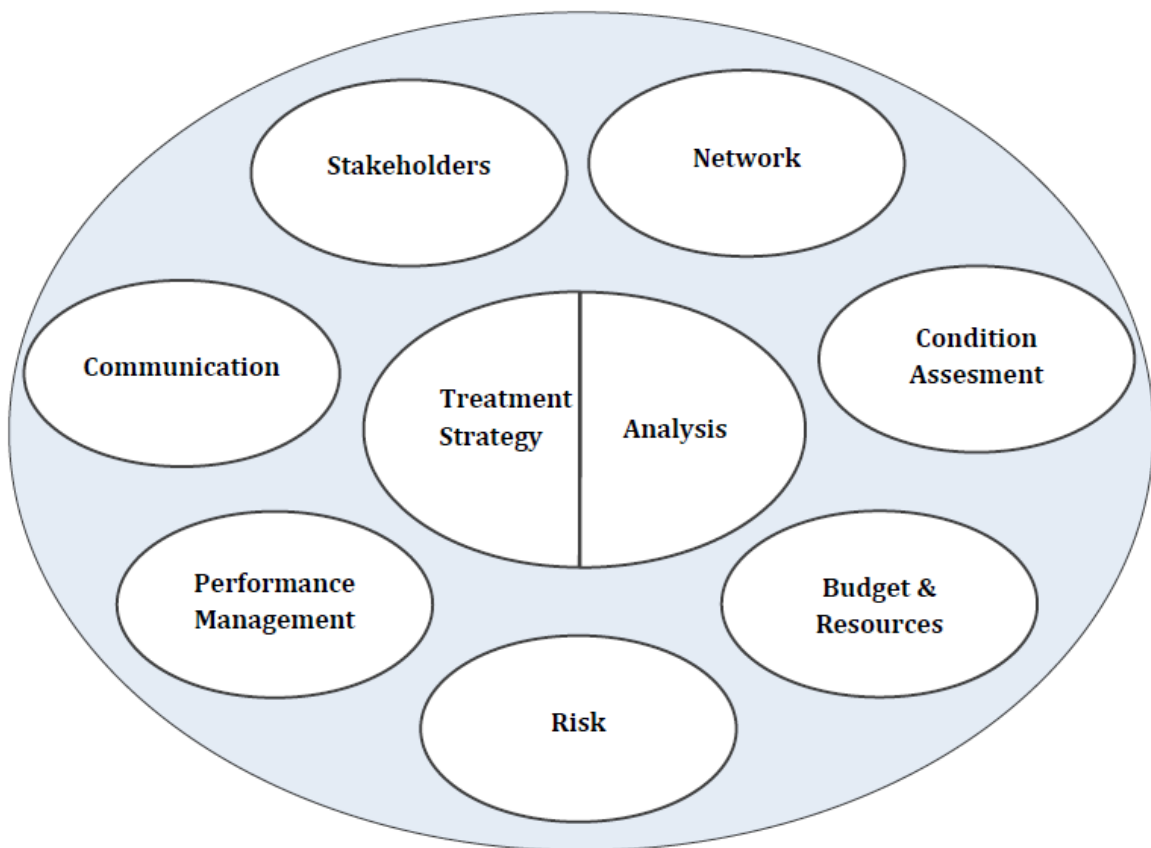
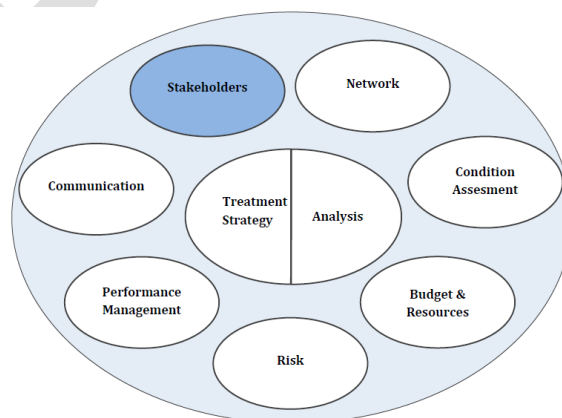


Diagram 3.1 Asset Management Strategy - Core Elements

4. Stakeholders (i.e. Anyone who has an interest in Highways)

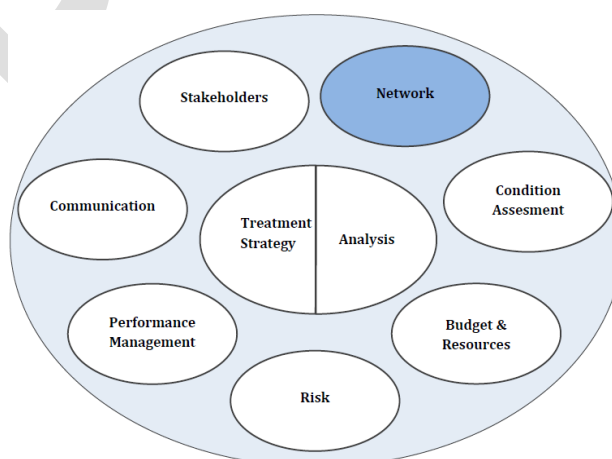
- 4.1. The principal purpose of asset management is to ensure that our network meets the needs and expectations of our stakeholders. It is therefore fundamental that the County Council listen to and communicate with stakeholders on an ongoing basis.



- 4.2. As part of developing this highway asset management strategy and policy the County Council carried out a comprehensive consultation exercise with stakeholders to improve our understanding of stakeholder expectation about the network and its condition, the acceptance of current service levels and the support for proposed changes in delivery.
- 4.3. The County Council has subscribed to the annual National Highways & Transport (NHT) customer satisfaction survey since 2008 and it is our intention to continue this. We will also continue to assess the results of the survey and use this information to inform future decisions on highway maintenance.
- 4.4. The County Council have been managing our day to day customer enquiries since 2005 through the “Confirm” Highway Management System (HMS). More recently we have developed “dashboard” style reports for particular service areas which accumulate enquiries by type and area. We will extend this reporting to help us to identify both local and strategic weaknesses in the network or our service, for example by highlighting the levels of drainage related reports during a certain period or by locality.
- 4.5. We are also investigating options to facilitate the involvement of Parish Councils more directly into local highway maintenance. This may include a Highway Warden scheme which would strengthen communication and improve our awareness of and response to local concerns about service levels.

5. The Network

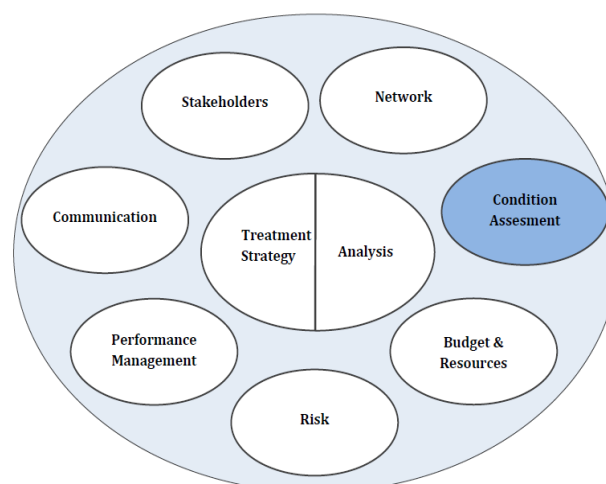
- 5.1. Understanding our network is fundamental to the delivery of strategic asset management and this begins with an inventory of our assets. The council holds a substantial amount of inventory data, particularly about our key assets; carriageways, footways and cycleways, structures, street lighting and drainage and it continues to expand its knowledge through its asset management approach.



- 5.2. We will continue to review our inventory and consolidate our Asset Register. We will also undertake a gap-analysis of inventory data. The County Council employ various hierarchies and network categorisations in the current management of our network. Sub-sets of road classification are used for reporting carriageway condition and for apportioning the annual maintenance budget.
- 5.3. To support a clearer strategic approach and to conform to the new Code of Practice the County Council are reviewing our local road hierarchy to ensure that it reflects stakeholder expectations, levels of use and strategic importance. We will use this revised local road hierarchy to define our inspection frequencies, to support an assessment of risk, to reflect network condition and to prioritise our treatments.
- 5.4. To develop treatment strategies and to monitor their effectiveness, The County Council are also developing a classification of its network which takes account of the key characteristics that affect the deterioration of carriageways; commercial traffic volume, adequacy of foundation, carriageway width and the presence of edge restraint.
- 5.5. We are also developing a Resilient Network. During extreme weather, We currently focus resources on the Winter Service network, which breaks the whole network down into four levels of priority. The new Code of Practice "*Well-Managed Highway Infrastructure*" extends the function of the Resilient Network to cover all disruptive events, not just severe weather. Following publication of the new code of practice which provides specific guidance about the identification of the Resilient Network, the County Council has developed an updated Resilient Network.
- 5.6. We are working with partners in Midlands Connect an emerging Sub National Transport Board to identify and define the Midlands "Major Route Network" to coordinate maintenance and management strategies.
- 5.7. The revised Hierarchies and categorisations, aligning to the new code of practice, are shown in the table below

Network Family	Hierarchy / Classification	The Key Factors that contribute to the categorisation	How the Hierarchy or Categorisation will be used
Resilience	Resilient Network	- High level strategic purpose. - Links to major infrastructure and emergency services. - Connectivity with other key transport networks.	- To ensure the network is resilient to severe weather and other major disruptive events. - To support the management of risk.
	Winter Service Network	- Traffic volume. - Road classification. - Strategic purpose.	Will be used to determine the extent and priority of salting across the County highway.
Network Management	Major Road Network	- Traffic volume. - Strategic purpose.	- Inform strategic funding decisions. - Likely to be key for supporting growth.
	Traffic-Sensitive Streets	New Roads and Streetworks Act (1991) designates '9' criteria that can be used for defining a street as 'traffic-sensitive'.	Will be used to determine issuing /pricing of permits.
	Local Road Hierarchy	- Traffic Volume. - Strategic purpose. - Stakeholder expectation. - Recommendation 12 in Highway Infrastructure Code of Practice	- For prioritising treatments and managing risk. - To establish inspection frequencies. - To support our Network Management Plan objectives.
Asset Management	Existing Road Classification Network	Unchanged (based on the strategic level of the links destination).	For reporting and comparing condition data through national performance indicators and whole government accounting/asset valuation.
	Carriageway Maintenance Homogenous Road Group Categorisation	- Adequacy of structural foundation. - Carriageway width. - Presence of edge restraint.	- To develop, deliver and monitor treatment strategies appropriate to the characteristics of the network. - To support the management of risk.
	Reinstatement Category	Based on number of millions of standard axels (msa) carried by the road over a 20 year period.	Will be used to determine the price level for permitting.

6. Condition Assessment



6.1. Monitoring the condition of our assets is a fundamental component of asset management in order to demonstrate;

- The levels of service that we are delivering,
- Identify trends in improvement or deterioration,
- Identify priorities for focussing our resources,
- Monitor the effect of our treatment strategies,
- Provide the base data required for lifecycle modelling and the calculation of Depreciated Replacement Costs (DRC).

6.2. We undertake comprehensive annual surveys to collect condition data on our entire carriageway and footway asset (SCANNER, Griptster and CVI), updating the data through a continuous four year cycle. This data is collected and analysed within the UKPMS framework. The County Council do not intend altering its current levels or methods of UKPMS condition data collection.

6.3. The County Council undertake scheduled safety inspections of all highways except on its rights of way network and some of our unsurfaced minor roads, to identify and respond to deterioration that is likely to cause a significant risk to users. Once we have implemented the strategy for revising our network hierarchies and in order to develop our risk-based approach in line with the latest guidance, we will revise and update the frequency of these inspections. Frequencies will be established in accordance with the level of risk associated with each level of the local network hierarchy (see section 5) and aligned with

the level of available inspection resource. This will help us to identify and respond more effectively to the most critical defects on the network.

All highway bridges are inspected every two years and their condition is scored using the national Bridge Condition Index (BCI) method and recorded on Highways Management System (HMS). This data, along with an understanding of the route importance, enables the identified maintenance works to be prioritised.

7. Budget & Resources

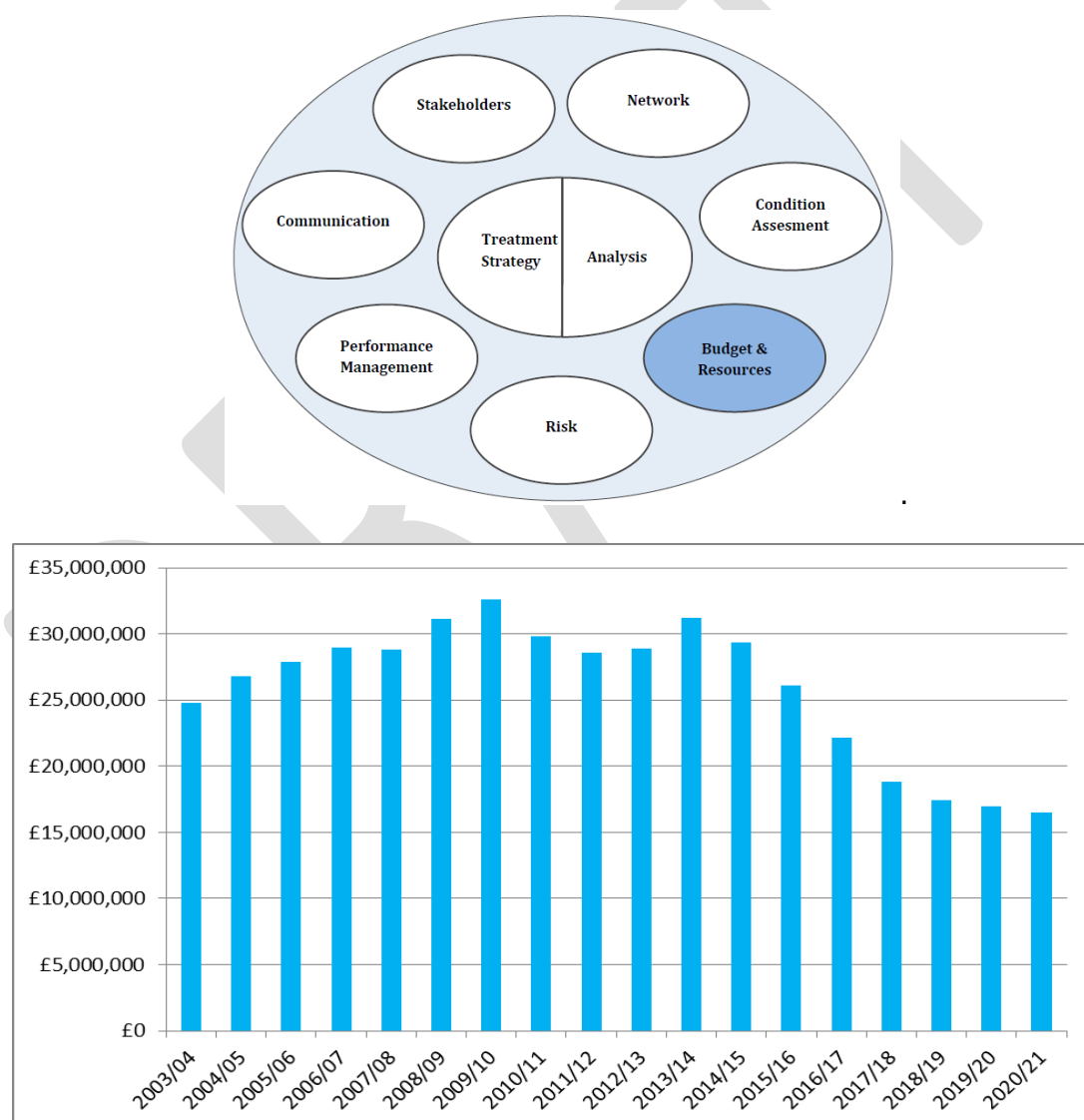
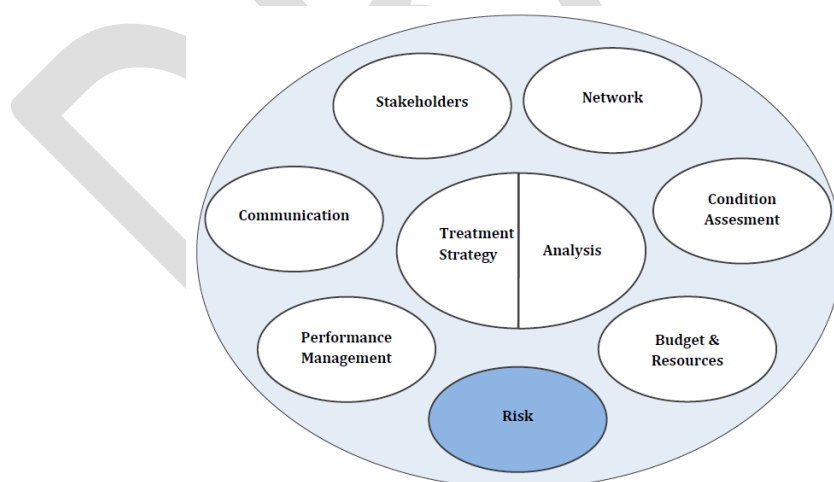


Diagram 7.1

- 7.1. The budget projection between 2009/10 and 2020/21 represent a a reduction in real terms of 78% in spending power when inflation is factored in. This level of budget reduction will require a significant change of approach and is unlikely to be accommodated without an impact on service levels.
- 7.2. Through the Medium Term Financial Strategy (MTFS) process the County Council has been and continues to be pro-active in dealing with the budgetary pressures that it faces.
- 7.3. The development of a revised approach to asset management and future review of our staffing structure and services are part of the County Council's response to budgetary pressures.
- 7.4. When additional funding is made available for asset management it will be utilised using the principles outlined in this strategy where appropriate.

8. Risk

- 8.1. The analysis of risk applies to asset management from a variety of different perspectives. These range from the broad strategic and corporate risks, such as the loss of the asset or a significant change in the corporate budget, to those affecting discrete processes or assets such as the risk that an individual defect might present to stakeholders.

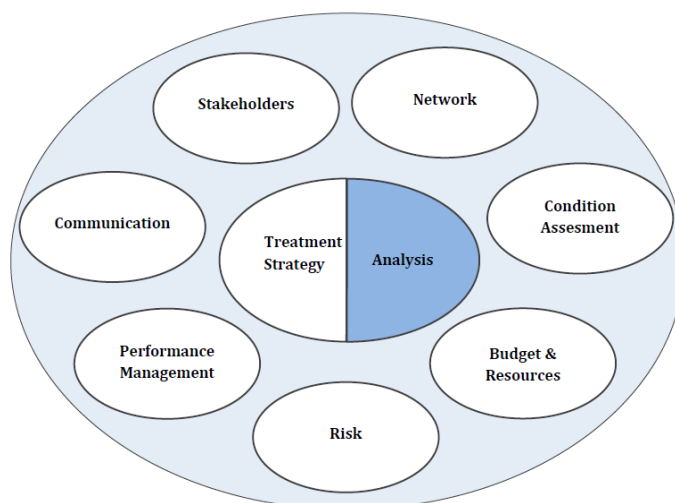


- 8.2. Risk is present throughout asset management because of the extensive treatment options possible with decisions, often made without full understanding of the asset, how it will perform or the consequences of failure. Combined with a variety of uncertain external factors influencing the performance of the network, including weather and changes in budget provision, risk is ever present.

- 8.3. It is not possible to eliminate all risk from asset management. This means that while some mitigation is possible, the usual approach will be to understand the degree of risk and its possible consequences. This then needs to be balanced against the cost of reducing or eliminating the risk as well as the benefits of accommodating the risk.
- 8.4. Risks affecting our strategic objectives are managed across different levels of the organisation involving monthly review and assessment. The likelihood and severity are factored to provide a score which is subsequently converted to a traffic light Red, Amber, Green RAG rating. Significant strategic or corporate risks are reported through the management chain and consideration given to further mitigation.
- 8.5. More specific risks associated with the maintenance of highway assets will be assessed against an understanding of the strategic importance of the asset or assets concerned. Fundamental to this will include consideration of the local road hierarchy and our Resilient Network. For example an identical pothole on two different carriageways, both carrying the same volume of traffic would have the same impact if a vehicle collides with it. However, it will have a higher priority on one of the carriageways if it is part of a link with more strategic importance.

9. Analysis (Life-Cycle Modelling)

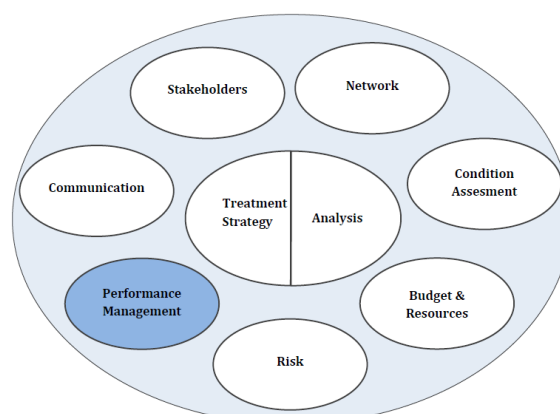
- 9.1. The County Council has developed life-cycle plans for carriageways, footways, structures, street lighting and traffic signals. All of these are static assessments of the typical lifecycle that would be applied to these assets in optimum steady-state conditions. They do not include an input of actual budget or consider how different treatments would be triggered by variations in condition. While these life-cycle plans provide a perspective on network need, they do not reflect current budget levels or the frequency of treatment interventions. They also do not include a dynamic assessment of the impact of treatments on condition.



- 9.2. The County Council will continue to employ this straightforward but static analysis of life-cycle planning to many of our minor asset groups.
- 9.3. For all of our key assets, with the exception of drainage where we currently do not have sufficient reliable data about inventory or condition, we will develop, validate and apply dynamic life-cycling modelling techniques. We are currently developing a life-cycle model for our carriageway asset using the HMEP Life-cycle Planning Toolkit and in due course we will develop models for the other key assets using the same facility.
- 9.4. These dynamic life-cycle models will allow us to model different scenarios in terms of the three-way relationship between condition, treatment and cost. For example we might model the consequences on condition if current spend is continued and compare this with the impact on condition if we apply the anticipated reducing budget. This analysis will be used to support our treatment strategies and to make decisions about the distribution of our budgets.
- 9.5. Life-cycle models will not be used to identify specific schemes or programmes of work. Rather they are tools for testing and managing our treatment strategies and to provide evidence to support and make the case for the allocation of budgets.

10. Performance Management

- 10.1. The County Council will include within the HIAMP a Performance Management Framework which will define the indicators that we will use to monitor, inform and develop the performance of our asset management policy and strategy. Many of these indicators are already measured but we will group them in the following way to manage performance through consideration of levels and changes in Asset Condition, Customer Satisfaction, Communication and Asset Management Delivery.



10.2. Examples of the performance indicators that we will use in each of these categories are shown in table 10.1 below. Where appropriate, performance indicators will also be categorised to reflect performance in terms of maintaining safety, serviceability and sustainability.

Category	Performance indicator
Condition:	Scanner and CVI Current Condition Indicators Bridge Condition Indicator (BCI) scores Number of Defect Reports (Flooding, Potholes, Blocked Gullies etc) Depreciated Replacement Costs Number of Damage/injury Claims Environmental PI's
Customer Satisfaction:	National Highways and Transport Network (NHT) Customer Satisfaction Survey PI's Customer enquiries (by category) Feedback Forms via letter drops Public consultation feedback
Communication	Response Times (to enquiries) Communication Log (documenting Parish Newsletter articles, press releases)
Delivery:	Internal Asset Management Strategy/Delivery Profiles Climate Change adaptations/Carbon Reduction Strategy Budget/Spend Profiles Unit costs Statutory Inspection Completion Decommissioning by type and quantity

	Productivity measures

Table 10.1 Example Performance Indicators

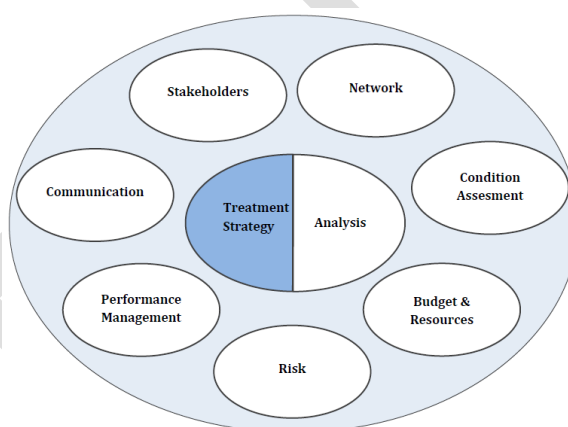
- 10.3. The County Council also undertakes benchmarking via a number of channels but primarily through its membership of the Midland Service Improvement Group (MSIG) and the Midlands Highway Alliance (MHA), which both comprise a consortium of local authorities from our region and beyond. These groups also provide opportunities for sharing knowledge and innovation.
- 10.4. The NHT survey and CQC bench marking provides a further opportunity to compare our performance with other authorities, as does the annual Asphalt Industry ALARM survey, the direct management group and the DfT's summary site showing the annual UKPMS condition returns.
- 10.5. The most recent condition indicators for our Key Assets are shown in Table 10.2. Our HIAMP will set out future condition targets.

PI	Description	2014/15	2015/16	2016/17
Carriageways (All)	% of the classified road network (A, B & C class roads) where structural maintenance should be considered (SCANNER)	2%	2%	2%
Carriageways (A Class Roads)	% of the principal road network (A class roads) where structural maintenance should be considered (SCANNER)	1%	1%	1%
Carriageways (B Class Roads)	% of the non-principal road network (B class roads) where structural maintenance should be considered (SCANNER)	2%	2%	1%
Carriageways (C Class Roads)	% of the non-principal road network (C class roads) where structural maintenance should be considered (SCANNER)	3%	2%	2%
Carriageways (Unclassified Roads)	% of the unclassified road network where maintenance should be considered (visual inspection)	8%	7%	9%
Footways	% of the footway network where structural maintenance should be considered (FNS enhanced Survey)	8.6%	3.8%	8.7%
Street Lighting Columns	% of street lighting columns needing replacement	16.21%	14.87%	13.53%
Traffic Signals	% of traffic signal installations requiring complete renewal (age and fault history)	<4%	<4%	<4%
Bridge Spans	% of bridge spans with a BCIcrit value below 75	10.0%	10.0%	10.0%

Table 10.2 Key Asset Condition PI's

11. Treatment Strategies

- 11.1. The significant reduction in the maintenance budget since 2090/10 (see section 7) will require the adoption of different treatment strategies from those previously applied to the network and it is anticipated that some service levels will need to reduce. It is important to recognise that the current condition of the network reflects the good level of preventative treatment and renewals undertaken over the last ten to twenty years and the good overall condition that Leicestershire's road network was in at the beginning of the period of austerity. The consequences of the current levels of investment are unlikely to therefore manifest themselves fully for several years.



- 11.2. The County Council will seek to maximise the serviceable life of assets and therefore reduce the frequency of asset renewals. We will do this by focussing on preventative treatments such as surface dressing for carriageways, re-waterproofing bridge decks and re-pointing brickwork on structures.
- 11.3. To achieve the optimum whole-life cost from our assets, the County Council will intervene with these treatments as late as possible, taking account of the risk and stakeholder tolerance of the decline in service level prior to treatment.
- 11.4. For our carriageway asset the County Council will define its strategies for each road group by categorising the proposed treatments into five strategic types and presenting the strategy in the form of a bar chart showing the proportions of each type we anticipate applying. This will allow us to communicate our strategies in a clear way, to validate delivery of the strategy and to analyse its effectiveness in addressing the immediate safety and serviceability of the network, balanced with long-term sustainability.

- Treatment Type 1. **Reactive-Restorative** – Unavoidable, unplanned, immediate treatments necessary to restore a safe and serviceable condition. The repair is likely to be of limited life and have a poor whole life cost benefit e.g. pothole repairs. The County Council will aim to minimise this type of repair but, particularly on its unclassified network, there will be an expectation that this type of repair will be required frequently due to the vulnerability of foundations and the lack of edge support and definition.
 - Treatment Type 2. **Planned-Restorative** – Scheduled repairs, required to restore local deterioration of the asset to maintain a serviceable condition. Intended to extend the serviceable life and improve whole life cost e.g. planned patching which will be a cornerstone of our carriageway maintenance strategies in the foreseeable future.
 - Treatment Type 3. **Preventative** - Intended to extend serviceable life and desirable to stop or delay further deterioration of the whole asset e.g. surface dressing. This has long been, and will continue to be, the primary treatment that will ensure we maintain network condition cost-effectively and with an appropriate balance between considerations of immediate safety, mid-term serviceability and long-term sustainability.
 - Treatment Type 4. **Improvement** – Intended to bring the asset to an improved level that is fit-for-purpose e.g. strip-widening to manage over-riding damage or deep reconstruction to ensure the foundation is fit for increasing traffic levels. This type of treatment usually has a high up-front cost, but failing to upgrade carriageways that are no longer fit for purpose is likely to incur an even higher whole-life cost due to frequent requirements for Type 1 and Type 2 repairs.
 - Treatment Type 5. **Renewal** – Full replacement of an asset deemed beyond a serviceable/maintainable condition and therefore at the end of its lifecycle e.g. full width resurfacing. The county Council will aim to avoid premature renewal of an asset by continuing to maintain it in a serviceable condition where it can be shown that Treatment Types 1, 2 and 3 remain cost-effective.
- 11.5. Table 11.1 below provides a strategic overview of the broad approach that the County Council will apply to each of our asset groups.

Asset/Service Group	Outline Strategy and Service Levels
Carriageways	• The County Council have maintained our carriageways to a high standard. Whilst the unclassified rural network is showing some signs of increased deterioration, the County Council still has a network that is in comparatively good condition • However, the pressures on the minor rural network and the limited budget for surface renewals will make it difficult to maintain existing condition on the rest of the network. • The County Council will rely even more than we have in the past on carriageway patching and surface dressing to maintain serviceability and sustainability, applying treatments as late as possible without seriously compromising the surface condition. • However, the County Council will strategically improve pothole numbers, at a time when we are looking to move away from reactive repairs and the costly operation of our mobile road-menders to more proactive repairs. • Developing the risk-based approach may help us to focus only on those defects that represent a significant hazard, which may offset some of this concern. We have not yet quantified this benefit. • Unfortunately, a large part of our unclassified road network has no formal construction. These roads have simple “evolved” over the years from their previous stone-picked base through to their initial surfacing, probably bound with coal tar. • Many of these roads are no longer fit for purpose, lacking the strength, width and edge restraint required to capably carry the traffic loads which they are subject to. • Over time the County Council has addressed these problems by strengthening, widening and sometimes by providing passing bays and installing kerbs on the insides of bends. • However, there is little prospect that this type of work will be undertaken in the foreseeable future. These roads will therefore be particularly vulnerable to rapid failure. • The County Council will consider carrying out additional inspections on

	these routes. • If these roads suffer any catastrophic failure the County Council may have to consider temporary long-term closures or speed limits.
Footways	• The County Council will review and develop a footway hierarchy, in line with the new code of practice and develop a risk-based approach to prioritising repairs and renewals. • Developing our current life-cycle plan, to more effectively model the performance of the county's footways, is a key objective to inform future strategies and resource requirements. • Our footway network is in reasonable overall condition, but does show signs of its age and will continue to require an extensive programme of renewal to maintain a steady-state in the overall condition. The County Council will: • Continue to undertake appropriate preventative treatment. • Specifically review the use of a small number of remote rural footways, which are in poor condition but due to extremely low levels of use these are unlikely to be priorities for renewal. • Therefore designate an additional category within the hierarchy that reflects the low level of use and assigns maintenance standards comparable with our public rights of way network.
Cycleways	• Cycleways are currently managed as an integral part of either our footway or carriageway assets; • The County Council will develop a separate inventory of cycle routes. This will enable the Council to: – Understand the specific performance of the routes designated for cyclists – Apply cyclist-specific risk assessments, and – Develop service levels appropriate to cycling. • Whilst reductions in the budget will need to be accommodated the benefits of a more focussed and risk based approach will help to sustain the overall service level.
Drainage	• Drainage is an asset group where we will be seeking to improve service levels above those that we currently apply. • Stakeholders have indicated that improving the condition of highway drainage is a priority and better management of flooding is an essential part of improving resilience and sustainability of the network. • The County Council do not have a comprehensive inventory of all of

	our drainage assets, but a programme is in place to capture information about all of our culverts and the County Council intend extending this to include catchpit details. • With the exception of our carriageway gullies, where we have a comprehensive inventory and have been capturing data about detritus levels, the County Council have very limited data about the condition of the drainage asset. • In addition, most of our interventions other than routine gully cleansing, are reactive and in response to reports of flooding or blockages. • To support the risk-based approach promoted by “<i>Well-Managed Highway Infrastructure</i>” the County Council are in the process of applying such an approach to gully cleansing, where the knowledge we have acquired about detritus build up will contribute to the assessment of risk. • A targeted approach to gully cleansing, rather than the current prescriptive fixed frequency, regardless of risk, will help to improve service levels but is unlikely to provide cost savings in the short term due to the current backlog of this work.
Street Lighting Columns	• The County Council are currently undertaking a three year programme to upgrade all 68,000 of our lighting columns with LED lanterns which will secure significant savings in our energy cost. • The County Council face a growing issue with a backlog of columns in need of structural renewal. • A recent review of our testing techniques has suggested that we may be underestimating the number of columns in need of replacement. • Further analysis of the risks is currently taking place, but it seems likely that the current renewal budget Will need to be reviewed • A number of options to manage the risk and reduce the future financial liability is being considered. – In the short-term consideration will be given to removing and temporarily capping unsafe columns – In the mid-term we will refine our testing processes and the criteria for renewal to see if we can extend the overall operational life of our stock without extending risk – In the long-term by rationalising the number of columns through localised reduction as part of the ongoing renewal programme (although this is likely to have an up-front additional cost and viability will need to be considered on a case by case basis) – In the long-term by installing columns that have a longer design-life

	(again there would be an additional upfront cost).
Traffic Signals (e.g. signal junctions, pedestrian crossings, school flashing lights)	Traffic signals are a key asset in terms of Network Management. The County Council will continue to maintain service levels to ensure efficiency and reliability of the network. This will include completing a 3 year programme to upgrade the communications telemetry through which we control and receive system management data.
Structures (e.g. bridges, subways, culverts, retaining walls)	• Our structures concentrate the greatest amount of asset value into very discrete parts of the network and any failure is likely to be disruptive and costly to address. • For this reason, structures are designed as long-term assets and they require ongoing preventative maintenance to maximise their lifespan. • The County Council therefore consider that it is important to continue to maintain our structures in their current condition. • The County Council will continue to target that no more than 10% of our bridge stock has a Bridge Condition Index (BCI) score less than 75 (out of 100) – a score at this level or below represents a structure in 'Poor' or 'Very Poor' condition. • The County Council will target bridge repairs using a risk-based approach that will consider safety, immediate serviceability, long-term viability of the structure, network resilience and commercial traffic volumes (initially based on network hierarchy). • Treatments to prolong the life of a structure will include brickwork repointing, concrete repairs, painting of steel beams and deck re-waterproofing. • Treatments that prolong the life of non-structural components include parapet re-painting and general repointing. • The renewal of life-expired major bridges is expensive, for example we have two significant bridges currently in need of replacement which are currently unfunded.
Safety Fencing / Vehicle Restraint	• The County Council have recently undertaken a comprehensive testing and inspection programme for all of its vehicle restraint systems and developed a programme of renewal. • The County Council will continue to apply a schedule of re-tensioning

System	on a 2-year cyclical basis and undertake restorative repairs where accidents compromise the function of the restraint.
Road Markings	• The County Council will continue to improve the inventory of our carriageway markings and condition. • Our safety inspections are now recording observations about condition and the County Council expect that these measures, coupled with the development of a risk-based approach, will allow us to improve the condition of those markings that support network safety. • Safety critical and regulatory markings will be given priority
Traffic Signs (illuminated)	• The County Council will establish clear criteria for responding to sign damage using a risk-based approach and clarify the timescale for repairing or decommissioning low-risk signs. • Priority will be given to safety critical and regulatory signing. • With the exception of those damaged signs that the County Council determine require a quick response, all other sign damage will be dealt with on a risk based approach. • We will establish criteria for undertaking decluttering of redundant signs in parallel with scheduled sign maintenance.
Traffic Signs (non-illuminated)	• The approach will be as for illuminated signs, plus we will update our inventory data for this asset group to help us manage decluttering and maintenance.
Street Furniture (e.g. guardrails, bollards)	• Over the years there has been an increasing proliferation of this type of feature throughout the network, often installed without a clear strategy. • We have no inventory data about these assets and we do not currently capture maintenance costs. • We will consider collecting this data and adding it to our HMS system on an estimated basis, rather than developing an item by item record. • These items will be reviewed using a case by case risk-based approach leading to a register of locations where renewal is not required and making provision for subsequent decommissioning of the asset. • The County Council will establish criteria for undertaking decluttering of redundant street furniture in parallel with scheduled street furniture maintenance.

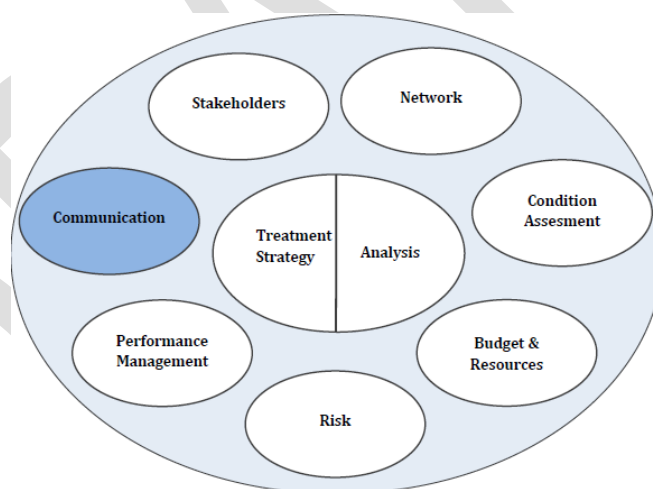
Trees (maintained by LCC and within the adopted highway)	• Trees contribute significantly to the quality of the highway corridor. In particular, they provide environmental, aesthetic, functional and economic benefits to the highway network and its users. • Trees in the highway corridor have made a significant contribution to the Leicestershire landscape since the post war period. • As such the County Council's highway trees should be considered as a valuable asset. • Trees are large, dynamic living organisms which can be affected by a number of environmental factors and human activities. • They can potentially become hazardous if they are not inspected and managed appropriately. • Trees within the highway are managed in accordance with the County Council's Tree Management Strategy which balances the value of the tree asset against the potential risk they present to road users. • The County Council will develop and action plan to address the emerging risks of Ash Die back disease
Environmental (e.g. grass verges, hedges, grip-cutting, flower and shrub beds)	• Whilst maintenance of these assets contributes very little to the serviceability or sustainability of the network, the quality of life and biodiversity aspects are very important, as well as recognised health and well-being benefits and therefore need to be considered. • Stakeholders acknowledge that these are not key assets, but nonetheless expect that they are maintained to a high standard. • We will seek to reduce our commitments in these areas by involving communities and particularly Parish Councils more directly in the upkeep of their local highways. • This approach will only be progressed when it can be demonstrated to be at least cost-neutral to the council.
Winter Treatment	• The County Council currently treat with salt (that is treated) approximately 45% of the carriageway network on a precautionary basis in advance of any forecast ice or snow. • Footways are only treated when there is prolonged snow or ice. • This service is very highly valued by stakeholders. • The County Council will annually review the winter service plans and network to ensure it is appropriate and meets statutory requirements.

Table 11.1 Outline Strategy/Service Levels for Each Asset Group

- 11.6. The County Council will develop and update a five year schedule of works to allow our strategy to be monitored and understood and to reflect the outcomes of lifecycle modelling.
- 11.7. The County Council currently hold a database of potential major maintenance schemes and draw priorities from this list 18 months ahead of delivery. We are in the process of adapting this to provide a risk-based and fully costed list of scheduled works for all key assets. Life-cycle modelling will confirm the broad strategy within which scheme schedules are developed.

12. Communication

- 12.1. The County Council recognise the importance of two-way communication with staff, elected member, senior officers and stakeholders to ensure that our asset management strategy is properly informed and that stakeholders understand our intentions and priorities.



- 12.2. The County Council will include an Asset Management Communication Plan in the HIAMP which will describe how and what we will communicate with staff, stakeholders, members, other agencies, the media etc.

13. Alignment with the Network Management Plan

- 13.1. The Highway Asset Management Strategy and the supporting HIAMP detail the approach that the authority will take to managing and maintaining the fabric of the network.
- 13.2. They are developed and operated in conjunction with the Network Management Plan which details the County Council's approach to managing the operation of the network to ensure the expeditious movement of all traffic. In particular, we will use common network hierarchies to ensure that the Highway Infrastructure Asset Management Plan (HIAMP) and the Network Management Plan apply a consistent approach to prioritisation and the consideration of risk and resilience.

14. Strategy Review

- 14.1. This Strategy is aligned to our Highway Asset Management Policy and any changes in either document should be reflected across both.
- 14.2. This strategy will be continuously reviewed and may be updated at any time. It will be fully reviewed at least every three years or earlier if there are significant changes in national policy or guidance that affects asset management.

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Leicestershire County Council

Highway Asset Management consultation summary

1. Consultation Summary

- 1.1 The second public consultation ran from the 30th January to the 26th March 2017. This consulted on the draft Highway Asset Management Policy document and the draft Highway Asset Management Strategy document, which were developed with the help of comments received in the first consultation.
- 1.2 An online questionnaire on the County Council's website was promoted through a number of channels, including press releases, direct emails to key stakeholder groups and parish councils and items on the Council's website and intranet.
- 1.3 The questionnaire was supplemented by stakeholder workshops/meetings, to explore the proposals in more detail. These workshops/meetings were held with Parish Clerks, Older People Engagement Network, Leicestershire Equalities Challenge group and disability groups.
- 1.4 The online questionnaire received 76 responses.

2. Summary of Key Points

- 2.1 Key points arising from the consultation are summarised below. These have been taken into account when re-drafting the proposed Highway Asset Management Policy document and Highway Asset management Strategy document and will also guide the development of the HIAMP and the operational process documents that will follow.
 - 2.1.1 Question – To what extent do you agree or disagree with the Policy Statements (Policy Statement AMP1 – We will develop and operate a formalised asset management approach to ensure optimal use and direction of County Council resources in maintaining the county highway assets for the benefit of current and future stakeholders)

70.2% Agree
16.2% Neither agree nor disagree
12.2% Disagree
 - 2.1.2 Question - To what extent do you agree or disagree with the Policy Statements (Policy Statement AMP2 – We will prioritise maintenance interventions and treatments choices using a risk based approach, taking account of the safety of stakeholders, network hierarchy, levels of use, network condition, environmental impact, available resources, customer expectations)

63.5% Agree
20.2% Neither agree or disagree
14.9% Disagree

- 2.1.3 Question - To what extent do you agree or disagree with the supporting principles.

71.5% Agree
19% Neither agree or disagree
9.5% Disagree

- 2.1.4 Question – To what extent do you agree or disagree that the strategy will address the challenge of providing the best possible highways network with the resources available?

45.2% agree
27.4% Neither agree nor disagree
21.9% Disagree

- 2.1.5 Question – To what extent do you agree or disagree these proposed treatment strategies will provide an adequate level of treatment within the resources available?

45% Agree
29.6% Neither agree or disagree
21.2% Disagree

- 2.1.6 Question – What do you think would be a reasonable maximum response time for medium risk/medium priority issues?

51% 1 Month
27% 2 Months
12% 3 Months
3% 6 Months
1% 6 Months +

- 2.1.7 Question – To what extent do you agree or disagree that the county council publicises its highway maintenance service standards well enough?

17.5% Agree
37.8% Neither agree or disagree
41.9% disagree

- 2.1.8 Question – To what extent do you agree or disagree that the county council publicises its annual programme of works well enough?

19% Agree
24% Neither agree or disagree

53% Disagree

- 2.1.9 Question – To what extent do you agree or disagree that the county council lets people know sufficiently well about disruptive events and their potential impacts?

31% Agree

23% Neither agree or disagree

42% Disagree

Equality & Human Rights Impact Assessment (EHRIA)

This Equality and Human Rights Impact Assessment (EHRIA) will enable you to assess the **new, proposed or significantly changed** policy/ practice/ procedure/ function/ service** for equality and human rights implications.

Undertaking this assessment will help you to identify whether or not this policy/ practice/ procedure/ function/ service** may have an adverse impact on a particular community or group of people. It will ultimately ensure that as an Authority we do not discriminate and we are able to promote equality, diversity and human rights.

Before completing this form please refer to the EHRIA [guidance](#), for further information about undertaking and completing the assessment. For further advice and guidance, please contact your [Departmental Equalities Group](#) or equality@leics.gov.uk

***Please note: The term 'policy' will be used throughout this assessment as shorthand for policy, practice, procedure, function or service.*

Key Details	
Name of policy being assessed:	Highways Maintenance Policy and Strategy
Department and section:	Environment and Transport, Highways
Name of lead officer/ job title and others completing this assessment:	Andy Jackson – Senior Engineer (x57221) Mike Sheldrake – Team Manager (x52089) Andy Yeomanson – Team Manager Policy and Strategy (x57184)
Name of officer/s responsible for implementing this policy:	Mike Sheldrake/ Asset Management Secondment Chris Waterfield - Team Manager - Structures & Assets Andy Yeomanson – Team Manager Policy and Strategy Alex Gray – Team Manager Network Data and Intelligence
Date EHRIA assessment started:	10.10.2016
Date EHRIA assessment completed:	

Section 1: Defining the policy

Section 1: Defining the policy

You should begin this assessment by defining and outlining the scope of this policy. You should consider the impact or likely impact of the policy in relation to all areas of equality, diversity and human rights, as outlined in Leicestershire County Council's Equality Strategy.

1	What is new or changed in this policy? <i>What has changed and why?</i> The following Policies and Strategies are to be reviewed and revised to bring them in line with current national guidance and best practice with regard to asset management and deliver efficiencies: • Highway Maintenance Policy and Strategy • Transport Asset Management Plan (TAMP) • Street Lighting Policy & Strategy In addition the Project will also review maintenance processes and treatments, the way that data is collected and how issues around maintenance are communicated. The Project will define and implement a revised approach to Highway asset management in line with current best practice and national guidance in order to maintain the authority's high standards whilst making the necessary efficiencies over the current Medium Term Financial Strategy (MTFS) period and putting the Council in a strong position to secure future funding. The benefits of delivering this approach are considered to be: Economic • Reduced costs through efficiencies • Successful Band 3 submission to the Incentive Fund to avoid loss of £3.57million of funding (2018-21). • Strengthened position for the County Council in applying for future funding • Improved performance of assets through lifecycle management • Reduced number of accidents • A stronger bid going into round 2 of Challenge Fund. Potential to secure additional contribution typically between £5m and £10m over 3 years Non-tangible efficiencies • Increased productive time • More engaged and better trained staff results in them, and their knowledge and expertise, being retained within the Department. Social/Community • Better collaboration and communication between local communities and our highway maintenance service,

	• Service that is better able to manage the expectations of local communities. Organisational / Reputational • Improved risk management • Meeting legal requirements • Reputation - Demonstrates Council is working to latest Guidance and Best practice in collaboration with other organisations and authorities. Environmental • Environmental - development of the Highway Infrastructure Asset Management Plan (HIAMP) and revision of policies will provide an opportunity to consider the impact of the highway maintenance strategy and processes on climate change, carbon emissions, congestion, street-scene, flood and water management and recycling opportunities.
2	Does this relate to any other policy within your department, the Council or with other partner organisations? <i>If yes, please reference the relevant policy or EHRIA. If unknown, further investigation may be required.</i> Maintenance policy and strategy is also captured in the Local Transport Plan 3 (LTP3) Strategy, which underwent a full Equality Impact Assessment in 2011. As part of the Project there will be a review the Highway Network Management Plan (the key document that sets out our strategic approach to managing and developing the highway network.) and how this interrelates with other Highway Maintenance Policy and process. Environment Strategy and Carbon Reduction Strategy – The review will consider how maintenance impacts on Environmental issues and how change in policy and strategy will affect this relationship.
3	Who are the people/ groups (target groups) affected and what is the intended change or outcome for them? • All road users, motorised and non-motorised • Organisations representing different users, for example cycling groups • The county's main bus companies and road haulage companies • District councils within Leicestershire • Parish Councils • Members of the County Council • Other local partnerships • Residents of Leicestershire • Businesses • Emergency services • Visitors Highway maintenance is experiencing significant reductions in budgets and this scenario is likely to continue in the years ahead. This review is necessary in order to prioritise areas of service and meet the needs of highway users through a risk based approach to asset management. The intention is that groups will benefit from improved communication and collaboration regarding Highway maintenance issues. <u>Full list of consultees</u>

4	Will this policy meet the Equality Act 2010 requirements to have due regard to the need to meet any of the following aspects? (Please tick and explain how)		
		Yes	No
			How?
	Eliminate unlawful discrimination, harassment and victimisation	Y	The new policy and strategy will use a risk based approach to asset management to ensure that issues around discrimination are fully considered
	Advance equality of opportunity between different groups	Y	The revised policy will use a risk based approach to asset management to ensure the needs of all communities and road users are considered.
	Foster good relations between different groups	Y	The new policy and strategy will encourage better communication and collaboration with communities in delivery of services.

Section 2: Equality and Human Rights Impact Assessment (EHRIA) Screening

Section 2: Equality and Human Rights Impact Assessment Screening

The purpose of this section of the assessment is to help you decide if a full EHRIA is required.

If you have already identified that a full EHRIA is needed for this policy/ practice/ procedure/ function/ service, either via service planning processes or other means, then please go straight to [Section 3](#) on Page 7 of this document.

Section 2

A: Research and Consultation

5.	Have the target groups been consulted about the following? a) their current needs and aspirations and what is important to them; b) any potential impact of this change on them (positive and negative, intended and unintended); c) potential barriers they may face	Yes	No*
		Y	
		Y	
		Y	
6.	If the target groups have not been consulted directly, have representatives been consulted or research explored (e.g. Equality Mapping)?	Y	
7.	Have other stakeholder groups/ secondary groups (e.g. carers of service users) been explored in terms of	Y	

	potential unintended impacts?		
8.	*If you answered 'no' to the question above, please use the space below to outline what consultation you are planning to undertake, or why you do not consider it to be necessary.		

Section 2**B: Monitoring Impact**

9.	Are there systems set up to:	Yes	No
	a) monitor impact (positive and negative, intended and unintended) for different groups;	Y	
	b) enable open feedback and suggestions from different communities	Y	

Note: If no to Question 8, you will need to ensure that monitoring systems are established to check for impact on the protected characteristics.

Section 2**C: Potential Impact**

10.	Use the table below to specify if any individuals or community groups who identify with any of the ' protected characteristics ' may <u>potentially</u> be affected by this policy and describe any positive and negative impacts, including any barriers.			
		Yes	No	Comments
	Age	Y		Older and young people may not have the same range of travel choices or be able to change behaviour. Consideration will need to be given to how change will impact on all aspects of the highway and the way people use it Approach to maintaining assets for pedestrians and cyclists and may impact some age groups. Given potential mobility or sight needs of both older people and younger children, low prioritisation of pavement maintenance could lead to difficulties for younger and older people. The public consultation identified pavement maintenance as the second

			highest priority after roads. Concerns were also raised in the consultation that rural roads would be considered a low priority through the proposals. <i>“Residents of rural areas have an older age profile than urban residents with a median age of 45 in rural areas compared with 37 in urban areas”</i> (National Office for Statistics 2011 Census Analysis - Comparing Rural and Urban Areas of England and Wales) Access to services in rural areas is likely to be more limited meaning greater reliance on road transportation. For people in rural areas maintenance of roads may be more critical in terms accessing services. High use rural roads category was considered in the public consultation as most important for prioritisation The consultation identified proximity to key services such as hospitals/schools as an important criteria for prioritisation of highway defects A focus on packages of measures and value for money may mean isolated improvements needed for different age groups do not happen. The consultation raised general concerns that rural areas were going to be neglected as a result of cut backs Fear of crime or harassment and safety concerns on cycle-ways and footpaths can be barriers to different age groups. Lower prioritisation of cycle-ways and footpaths and the

			street environment could potentially heighten perceptions that an area is unsafe. The public consultation identified pavement maintenance as the second highest priority after roads. Maintenance Policy and strategies are available in different formats on request but we need to ensure that all other information provided to the public is accessible. Older people are more likely to have a disability or age related health condition which means that access to emergency services and maintenance of routes to hospitals could be more significant. The Review will consider how the resilient network and critical assets are managed and will need to consider this concern.
	Disability	Y	A risk based approach to maintaining assets related to public transport, walking and cycling could lead to better consideration of the impacts of change on disabled users. Identification of a particular demographic in an area could lead to prioritisation of works through a risk based approach. Approach to maintaining assets for pedestrians and cyclists may impact more so on people who have a disability which affects their mobility or sight. A focus on packages of measures and value for money may mean maintenance schemes needed to improve disabled access don't happen. Maintenance Policy and strategies are available in

			different formats on request but we need to ensure that all other information provided to the public is accessible. For people with disability, access to emergency services and maintenance of routes to hospitals could be more significant. The Review will consider how the resilient network and critical assets are managed and will need to consider this concern. Fear of harassment and safety concerns on recreational footpaths can be barriers to those who have a disability, using these services.
	Gender Reassignment	Y	Fear of harassment and safety concerns on recreational footpaths can be barriers to those who have undergone gender reassignment or identify as transgender, using these services.
	Marriage and Civil Partnership	N	
	Pregnancy and Maternity	Y	For people who are pregnant, access to emergency services and maintenance of routes to hospitals could be more significant. The Review will consider how the resilient network and critical assets are managed and will need to consider this concern.
	Race	Y	Fear of harassment and safety concerns on recreational footpaths can be barriers to people from minority ethnic backgrounds using these services. Consideration will need to be given to how change will impact

			on all aspects of the highway and the way people use it Maintenance Policy and strategies are available in different languages and formats on request but we need to ensure that all other information provided to the public is accessible.
	Religion or Belief	N	
	Sex	Y	Fear of crime or harassment and safety concerns on cycleways and footpaths, and in car-parks can be barriers to women using these services.
	Sexual Orientation	Y	Fear of crime or harassment and safety concerns on cycleways and footpaths, and in car-parks can be barriers to LGB users.
	Other groups e.g. rural isolation, deprivation, health inequality, carers, asylum seeker and refugee communities, looked after children, deprived or disadvantaged communities	Y	Low income users may not have the same range of travel choices. Maintaining / improving facilities for pedestrians and cyclists and may benefit low income users. Fear of crime or harassment and safety concerns on cycleways and footpaths can be barriers to users who are seeking asylum and refugee communities. Highways assets have the potential to impact on rural isolation depending on the approach to asset management and prioritisation of maintenance on the network. People from deprived neighbourhoods are more likely to suffer chronic ill-health, limiting illness and poorer quality of life as they grow older. They

			are more likely to have to live in areas with greater health risks, for example closer to busy roads. They suffer more from transport noise, and may well have a higher incidence of mental illness. <i>According to the Index of Multiple Deprivation Report 2015, those Local Enterprise Partnerships with the highest proportion of neighbourhoods that are in the most income deprived 10 per cent of areas nationally also have high proportions of neighbourhoods that are in the most deprived 10 per cent for health and disability. (The English Indices of Deprivation 2015)</i> For this reason, access to emergency services and maintenance of routes to hospitals could be more significant for these groups. The Review will consider how the resilient network and critical assets are managed and will need to consider this concern.
	Community Cohesion	Y	Improving access to key services by, walking and cycling may benefit low income users and promote social inclusion. Through better collaboration and consultation the Review aims to improve community cohesion A new approach to delivering highway maintenance through greater collaboration with local groups and parish councils may open up volunteering opportunities that can lead to improved community cohesion.
11.	Are the human rights of individuals <u>potentially</u> affected by this proposal? Could there be an impact on human rights for any of the protected characteristics? (Please tick) Explain why you consider that any particular article in the Human Rights Act may		

apply to your policy/ practice/ function or procedure and how the human rights of individuals are likely to be affected below: [NB. Include positive and negative impacts as well as barriers in benefiting from the above proposal]			
	Yes	No	Comments
Part 1: The Convention- Rights and Freedoms			
Article 2: Right to life		N	
Article 3: Right not to be tortured or treated in an inhuman or degrading way		N	
Article 4: Right not to be subjected to slavery/ forced labour		N	
Article 5: Right to liberty and security		N	
Article 6: Right to a fair trial		N	
Article 7: No punishment without law		N	

Article 8: Right to respect for private and family life		N	Accessing, handling or disclosing personal information. Change in the way that the Department handles data relating to customer feedback and how that information is used. Handling environmental issues, such as waste management or pollution. The impact of the Review on environmental concerns that affect lives of communities – noise, pollution etc... Provision of medical treatment or social care. The Review should consider the impact of changes on critical assets and the resilient network.
Article 9: Right to freedom of thought, conscience and religion		N	
Article 10: Right to freedom of expression		N	
Article 11: Right to freedom of assembly and association		N	
Article 12: Right to marry		N	
Article 14: Right not to be discriminated against		N	

Part 2: The First Protocol				
Article 1: Protection of property/ peaceful enjoyment	Y		How the network is managed and maintained has potential to impact on an individual's peaceful enjoyment of property.	
Article 2: Right to education		N		
Article 3: Right to free elections		N		
Section 2				
D: Decision				
12.	Is there evidence or any other reason to suggest that:	Yes	No	Unknown
	a) this policy could have a different affect or adverse impact on any section of the community;	Y		
	b) any section of the community may face barriers in benefiting from the proposal	Y		
13.	Based on the answers to the questions above, what is the likely impact of this policy There is potential for the change to have a negative effect on communities if proper consideration is not given to the Review of asset management Strategy and Policy, more specifically to the work around network categorisation, resilient network and the risk based approach but also in how the policy is then applied and delivered on the ground. Data management will also need consideration, particularly collection and use of personal information. This assessment of impact is based on a policy and strategy that is under development. Further analysis will take place once the policy and strategy has been developed and consulted on.			
	No Impact ☐	Positive Impact ☐	Neutral Impact ☐	Negative Impact or Impact Unknown ☒
Note: If the decision is 'Negative Impact' or 'Impact Not Known' an EHRIA Report is required.				
14.	Is an EHRIA report required?	Yes ☒	No ☐	

Section 2: Completion of EHRIA Screening

Upon completion of the screening section of this assessment, you should have identified whether an EHRIA Report is required for further investigation of the impacts of this policy.

Option 1: If you identified that an EHRIA Report is required, continue to [Section 3](#) on Page 7 of this document to complete.

Option 2: If there are no equality, diversity or human rights impacts identified and an EHRIA report is not required, continue to [Section 4](#) on Page 14 of this document to complete.

Section 3: Equality and Human Rights Impact Assessment (EHRIA) Report

Section 3: Equality and Human Rights Impact Assessment Report

This part of the assessment will help you to think thoroughly about the impact of this policy and to critically examine whether it is likely to have a positive or negative impact on different groups within our diverse community. It is also to identify any barriers that may detrimentally affect under-represented communities or groups, who may be disadvantaged by the way in which we carry out our business.

Using the information gathered either within the EHRIA Screening or independently of this process, this EHRIA Report should be used to consider the impact or likely impact of the policy in relation to all areas of equality, diversity and human rights as outlined in Leicestershire County Council's Equality Strategy.

Section 3

A: Research and Consultation

When considering the target groups it is important to think about whether new data needs to be collected or whether there is any existing research that can be utilised.

15.	Based on the gaps identified either in the EHRIA Screening or independently of this process, <u>how</u> have you now explored the following and <u>what</u> does this information/data tell you about each of the diverse groups? a) current needs and aspirations and what is important to individuals and community groups (including human rights); b) likely impacts (positive and negative, intended and unintended) to individuals and community groups (including human rights); c) likely barriers that individuals and community groups may face (including human rights)

A public consultation on the future maintenance of roads, pavements and verges in the county has taken place and closed on the 25th September 2016. There were two parts to this survey: a general public consultation and a stakeholder consultation aimed at parish councils, transport groups, businesses and equalities groups.

The consultation asked questions regarding satisfaction with highway maintenance and reporting of issues, future priorities for maintenance and potential areas of collaboration.

The consultation responses have been analysed and used to develop the revised Highway Maintenance Policy and Strategy. From the responses it has been possible to collate issues relating to equalities and human rights. The general public consultation collected equality and diversity data for consultees, allowing additional analysis to take place for specific demographics that were considered to potentially be more impacted upon by the proposals.

It was considered through the screening process that the greatest potential impact was on older age groups, groups with a long standing illness, disability or infirmity and carers of young persons aged 10 or younger.

There were a number of concerns raised through the consultation around rural roads becoming considered a low priority through the proposals. With this in mind further analysis of the differences in responses between those in rural areas and those more urban areas has taken place.

Current needs and aspirations and what is important to individuals and community groups (including human rights)

Consultation open comments

Proposal 1 of the consultation was to prioritise high risk repairs when responding to highway defects and focus resources on planned repairs and preventative maintenance.

Q6 Criteria for prioritisation of planned highways maintenance

Stakeholders were asked if there is anything the council should consider regarding prioritisation of schemes. The suggestions made included; consider the proximity of specific service users or locations such as schools or care homes, focus on the quality of repairs and maintenance to ensure work has a longer lifespan, and consider implementing a fixed frequency maintenance review programme.

Of the 127 respondents who provided comment, 17 said the risk to public safety should be a high priority in the assessment of prioritisation, and eight felt the impact of the defect or issue upon cyclists and motorcyclists should be taken into consideration.

“Proximity to schools and elderly persons homes”

“I am concerned that priority will be given to towns with the rural roads seeing a marked lowering of the level of maintenance”

“A narrow hole in the road presents an insignificant risk to a car but could be a life threatening risk to a cyclist”

“Taking out such humps would reduce the need for maintenance and the cost of replacing the hump.”

“Drop kerbs to be opposite each other not staggered lips between road and pavement made smaller for people using rollators”

“Amount of use as a criterion discriminates against rural communities and should not be included”

Respondents also voiced a number of concerns; 12 felt the maintenance of minor roads and rural areas could suffer as a result of the proposal of prioritisation, seven voiced concern for whether the needs of cyclists and motorcyclists would be considered, and eight made the same query for other specific service users.

“Rural areas may have less use but the impact on users can be high especially where people are reliant on cars”

“Failing to keep the verge back may be inconvenient for a motorist but makes a cyclist invisible”

“This will impact on encouraging people to walk, cycle or get horses off the road. Roads are getting more and more dangerous in the countryside and horse riders would much prefer to use bridleways and verges if at all possible but many of them are unusable due to overgrown weeds, brambles and hedges”

Concerns were raised about the impact on rural communities although I do not have the specific concerns regarding this.

Overall proximity to specific users such as schools was felt to be a priority by consultees.

Q7 Criteria for deciding the priority of highway defects

Again concerns were raised regarding the potential impacts of proposals on rural communities and “specific road users”.

With regard to prioritising resources on different types of roads/footway (Q8), it was felt by consultees that high use, rural roads should be given the highest priority.

Proposal 2 was to reduce the number of items the council looks after directly and/or reduce how regularly they are maintained. Stakeholders were asked to what extent they agreed or disagreed with this proposal.

The main concern with this approach was for the safety of highway users. In terms of reducing the coverage of highways services (Q11) those that it was least felt could be reduced were: Roadside drains, gullies and culverts, roads, pavements, grass cutting and street lights.

Safety/liability concerns attracted the largest number of comments, with respondents often expressing concerns over the safety impacts of reducing or removing certain aspects or maintenance, including specific references to cycle lanes, roads and lighting.

A common theme for many respondents was support for reviewing, removing or reducing specific features, including multiple references to lighting, road signs, speed humps, bollards and fencing.

Traffic calming features to be the item respondents most felt could be reduced, with 76.9% saying ‘To some extent’ or ‘A great deal’.

Proposal 3

Involve communities directly in maintaining streetscape and road-side environment.

There was positive reflection on the use of local knowledge to address local issues, with most of these comments indicating general support for the proposals.

Another positive theme which reflected support for community involvement was the feeling that the proposals were a good driver for community collaboration and civic pride within local areas.

Many respondents expressed concern over the willingness and/or ability of the community to take on responsibilities.

Respondents also expressed concern over the cost/resources needed, including equipment and funding, with a number of these comments expressing specific concern over whether the local parish council would have sufficient funding/resources

Q20 Full cost recovery

Respondents were asked to what extent they agreed or disagreed with the council seeking full cost recovery for some items requested by the public e.g. new dropped kerbs for driveways, bollards, and white line H-bar entrance markings idea of three group.

Other respondents raised some concerns; 30 felt such works are sometimes essential for disability or safety issues, 16 felt current costs are too high and should not be raised further, and nine felt the proposal could have a negative impact on economically deprived residents.

Q22 Other comments

Some respondents also voiced a number of concerns; 25 provided a negative comment about the current highways service, 16 were critical of previous and current council strategy and planning, 12 felt concerned for specific service user groups, and ten were critical of the consultation process.

"Vulnerable road users look to be ignored by plans to address "the most important" defects"

Further analysis by demographic group to understand likely impacts and barriers

Through the screening process it was considered that the groups who potentially most affect by the proposals were older and younger age groups and those with a disability. The consultation highlighted that there are also concerns about the impacts of the proposals on rural roads. In order to further investigate these issues the responses to the public consultation from those groups were analysed further.

This report focuses on comparing the responses made by different demographics within the following categories. The number of respondents per demographic are also listed.

Q29: Do you have a long-standing illness, disability or infirmity?

Yes: 77

No: 340

Q25: What was your age on your last birthday? (ages aggregated into groups)

Up to 54: 219

55 or over: 185

Q27: Are you a parent of carer of a young person aged 0-10? (responses aggregated into groups)

Yes: 50

No: 374

Q28: Are you a carer of a person aged 18 or over?

Yes: 42

No: 377

Q26: What is your full postcode? (responses used to determine Rural-Urban Classification 2011)

Rural hamlets and isolated dwellings/rural village: 84

Rural town and fringe: 65

Urban city and town: 238

For a given demographic to qualify for statistical comparison to other demographics, 30 or more respondents of that demographic were required to have answered the question.

Impacts and barriers for specified demographics

Age

1. Older and young people may not have the same range of travel choices or be able to change behaviour. Consideration will need to be given to how change will impact on all aspects of the highway and the way people use it
2. Approach to maintaining assets for pedestrians and cyclists may impact some age groups. Given potential mobility or sight needs of both older people and younger children, low prioritisation of pavement maintenance could lead to difficulties for younger and older people.

Consultation evidence

Significantly higher proportion of respondents aged 55 or over (34.3%) were dissatisfied with the condition of pavements in Leicestershire, compared to respondents aged under 55 (15.6%). However, a significantly higher proportion of parents/carers of children aged 0-10 (63.3%) were satisfied with the condition of roads in Leicestershire, compared to those who were not parents/carers of children aged 0-10 (43%).

On the whole, respondents of children aged up to 10 years old reacted more positively to the consultation compared to respondents who were not parents of this age group. These parents were more likely to be satisfied with the condition of roads, and roadside drains, gullies and culverts in Leicestershire. They were also more likely to be satisfied with the way the council deals with potholes and damaged roads, damaged pavements and footpaths, and the enforcement of cutting back of overgrown hedges/trees obstructing roads and pavements or hiding road signs.

3. Concerns were also raised in the consultation that rural roads would be considered a low priority through the proposals. *"Residents of rural areas have an older age profile than urban residents with a median age of 45 in rural areas compared with 37 in urban areas"* (National Office for Statistics 2011 Census Analysis - Comparing Rural and Urban Areas of England and Wales)
4. High use rural roads category was considered in the public consultation as most important for prioritisation.
5. A focus on packages of measures and value for money may mean isolated improvements needed for different age groups do not happen. The consultation raised general concerns that rural areas were going to be neglected as a result of cut backs

Consultation evidence

Older aged groups were found to be more likely to never cycle and more reliant on public transport. Access to services in rural areas is likely to be more limited meaning greater reliance on road transportation. For people in rural areas maintenance of roads may be more critical in terms accessing services.

Of those living in rural hamlets or villages 100% used the car at least once a week.

6. The consultation identified proximity to key services such as hospitals/schools as important criteria for prioritisation of highway defects. Resilience of the network may have a greater importance to older age groups.

Consultation evidence

There are proportionally higher levels of dissatisfaction with winter roads and the condition of drains, gullies and culverts amongst the 55 and older group.

7. Fear of crime or harassment and safety concerns on cycle-ways and footpaths can be barriers to different age groups. Lower prioritisation of cycle-ways and footpaths and the street environment could potentially heighten perceptions that an area is unsafe.

Consultation evidence

A higher proportion of respondents aged 55 or over were dissatisfied with the condition of pavements and how the council deals with repairs to pavements and footpaths compared with those under the age of 55. The 55 and overs also felt to a greater extent that the condition of the street environment could be improved.

8. Maintenance Policy and strategies are available in different formats on request but we need to ensure that all other information provided to the public is accessible.
9. Older people are more likely to have a disability or age related health condition which means that access to emergency services and maintenance of routes to hospitals could be more significant. The Review will consider how the resilient network and critical assets are managed and will need to consider this concern.

Consultation evidence

Significantly higher proportion of respondents aged 55 or over (6.7%) said they used a wheelchair or mobility scooter once a month or more, compared to respondents aged under 55 (0.6%).

Significantly higher proportion of respondents aged 55 or over (81.5%) said they never cycle (commuting to or from work/school), compared to respondents aged under 55 (67%)

Human Rights and the 55 and overs

Part 1 Article 8 and Part 2 Article 1

Handling environmental issues, such as waste management or pollution. The impact of the Review on environmental concerns that affect lives of communities – noise, pollution etc...

Provision of medical treatment or social care. The Review should consider the impact of changes on critical assets and the resilient network.

How the network is managed and maintained has potential to impact on an individual's peaceful enjoyment of property.

Consultation evidence

Significantly higher proportion of respondents aged 55 or over (47%) said nuisance was more important, compared to respondents aged under 55 (32.7%). The 55 and overs also showed greater dissatisfaction with condition of the environment.

There are proportionally higher levels of dissatisfaction with winter roads and the condition of drains,

gullies and culverts amongst the 55 and older group

Disability

1. A risk based approach to maintaining assets related to walking and cycling could lead to better consideration of the impacts of change on disabled users. Identification of a particular demographic in an area could lead to prioritisation of works through a risk based approach.
2. Approach to maintaining assets for pedestrians and cyclists users may impact more on people who have a disability which affects their mobility or sight.

Consultation evidence

Significantly higher proportion of respondents with a long-standing illness, disability or infirmity (37.8%) were dissatisfied with the condition of pavements in Leicestershire, compared to respondents without a long-standing illness, disability or infirmity (20.1%)

Significantly higher proportion of respondents with a long-standing illness, disability or infirmity (59.5%) said street lights could be reduced in number 'not very much/not at all', compared to those without a long-standing illness, disability or infirmity (43.9%).

When asked the question, "which of the following items/services do you think we could consider reducing the frequency of maintenance", a significantly higher proportion of respondents with a long-standing illness, disability or infirmity (44.9%) selected cycle routes/lanes, compared to those without a long-standing illness, disability or infirmity (30.9%).

3. A focus on packages of measures and value for money may mean maintenance schemes needed to improve disabled access don't happen.

Consultation evidence

Although correlations were not found to back this up in terms of responses from disabled consultees, specific concerns were drawn from comments made through the public consultation.

With regard to full cost recovery for new dropped kerbs etc... 30 respondents felt such works are sometimes essential for disability or safety issues

"Vulnerable road users look to be ignored by plans to address "the most important" defects"

"Drop kerbs to be opposite each other not staggered lips between road and pavement made smaller for people using rollators"

4. Maintenance Policy and strategies are available in different formats on request but we need to ensure that all other information provided to the public is accessible.
5. For people with disability, access to emergency services and maintenance of routes to hospitals could be more significant. The Review will consider how the resilient network and critical assets are managed and will need to consider this concern.

Consultation evidence

This element was not drawn out from the additional analysis of the consultation. Further investigation may be required.

6. Fear of harassment and safety concerns on footpaths can be barriers to those who have a

disability, using these services.

Consultation evidence

Significantly higher proportion of respondents with a long-standing illness, disability or infirmity said street lights could be reduced in number and frequency of maintenance 'not very much/not at all', compared to those without a long-standing illness, disability or infirmity.

7. A new approach to delivering highway maintenance through greater collaboration with local groups and parish councils may open up volunteering opportunities that can lead to improved community cohesion.

Rural isolation

The consultation picked up a significant number of concerns regarding the impacts of changes to highway maintenance on rural communities.

There were a number of concerns raised through the consultation around rural roads becoming considered a low priority through the proposals. With this in mind further analysis of the differences in responses between those in rural areas and those more urban areas has taken place.

With regard to prioritising resources on different types of roads/footway (Q8), it was felt by consultees that high use, rural roads should be given the highest priority

"I am concerned "Amount of use" as a criterion discriminates against rural communities and should not be included"

that priority will be given to towns with the rural roads seeing a marked lowering of the level of maintenance"

12 Respondents felt the maintenance of minor roads and rural areas could suffer as a result of the proposal of prioritisation,

"Rural areas may have less use but the impact on users can be high especially where people are reliant on cars"

Further analysis of responses from those living in rural hamlets and villages to place to explore this further. Respondents were more likely to use a horse as transport about once a week or more compared to those from latter areas, placed greater value on maintaining unsurfaced rural tracks and lanes, were more dissatisfied with the condition of the Rights of Way network, and more dissatisfied with the way the council deals with unlit street lights. However whilst these respondents were less willing for grass cutting between villages (rural verges) to be reduced in frequency of maintenance, or be shared or devolved, they were more willing for shrubs and flower beds to be dealt with in these ways.

The Policy does not discriminate between rural or urban roads in terms of the criteria used through the hierarchy and risk based approach.

16.	Is any further research, data collection or evidence required to fill any gaps in your understanding of the potential or known effects of the policy on target groups?

The following further data gathering/consultation is recommended:

- A workshop for physical disability related groups.
- Advice sought from the Leicestershire Equalities Challenge Group
- Consultation with Older People Engagement Network.
- Further general consultation on the developing policy and strategy
- Consideration of impacts on more isolated rural communities, with further consultation if required.
 - <http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/10569800/Rural-communities-more-isolated-as-public-transport-forgotten.html>
 - http://www.leics.gov.uk/rural_.pdf
 - [Cornwall Rural Highways Best Practice](#)
 - http://www.dorsetaonb.org.uk/assets/downloads/Rural_Roads_Protocol/RORH_55-108.pdf
- Impacts on income deprived areas – a number of open comments were received through the A-roads to Zebras consultation around the risk to damage to vehicles, the impacts of full cost recovery on economically deprived neighbourhoods and cost in general.

“This (full cost recovery) is something that should be means tested”

When considering who is affected by this proposed policy, it is important to think about consulting with and involving a range of service users, staff or other stakeholders who may be affected as part of the proposal.

17.	Based on the gaps identified either in the EHRIA Screening or independently of this process, <u>how</u> have you further consulted with those affected on the likely impact and <u>what</u> does this consultation tell you about each of the diverse groups?

1. A focus group meeting took place with the Older People Engagement Network, from which there were a number of responses regarding delivery of Highway Asset Management. The key points raised at this meeting were:

- They felt there needed to be greater clarity over where LCC's areas of responsibility lie
- They wanted to know where people can get information about who looks after the matters that LCC is not responsible for,
- Views were expressed that Parish Councils feel put upon and communication was lacking
- There was a comment about contractor's poor behaviour – leaving cones and rubbish lying around and not leaving workspaces tidy.

No specific concerns were raised regarding the draft Highway Asset Management Policy or Strategy (AMP and AMS). The issues above are largely about communication and a review of how LCC communicates with its customers is part of the work of the Highways Maintenance Review Project. Most comments in the meeting were expressions of frustration around feeling ignored when raising local issues regarding the highway.

2. A Task and Finish Group meeting with Leicestershire Equalities Challenge Group (LECG) took place on the 24th April to assess the potential impacts of the implementation of the Draft AMP and AMS and offer advice to mitigate these impacts.

- The group was supportive of the risk based approach proposed in the Draft AMP and AMS if a proper understanding of the communities served was in place in order to apply it fully. The issue of understanding the community and communication was one that was raised on a number of occasions throughout the meeting, particularly around an understanding the implications of an ageing population in the County.
- Concerns were raised regarding issues outside of the immediate scope of the Review Project but which nevertheless need addressing. These concerns were around the planning of new developments and design of highway assets for people with disabilities. Mitigation for this is a proper understanding of the requirements of disabled people in order to design spaces which meet their requirements, particularly around safety.
- Design specific issues were raised with regard to the angle of tactile paving and the provision of flagstone and block paving, both of which can cause trip hazards.
- A suggestion was made that complaints and insurance claims were analysed in order to get information about whether the complainant or claimant had a disability; this would help the authority to better understand the issues.

18.	Is any further consultation required to fill any gaps in your understanding of the potential or known effects of the policy on target groups?
	Follow up contact from Vista expressing an interest in further involvement, following an email to disability groups regarding the Draft AMP and AMS.

Section 3

B: Recognised Impact

19.	Based on any evidence and findings, use the table below to specify if any individuals or community groups who identify with any 'protected characteristics' are <u>likely</u> be affected by this policy. Describe any positive and negative impacts, including what barriers these individuals or groups may face.	
		Comments
	Age	A potential deterioration in the overall network could lead to those with mobility or sight issues experiencing greater difficulty in navigating highway A reduction in functioning lighting columns may impact on older people that have problems with sight.
	Disability	A potential deterioration in the overall network could lead to those with mobility or sight issues experiencing greater difficulty in navigating highway A reduction in functioning lighting columns may impact on disabled people that have problems with sight.
	Gender Reassignment	
	Marriage and Civil Partnership	
	Pregnancy and Maternity	
	Race	
	Religion or Belief	

	Sex	
	Sexual Orientation	
	Other groups e.g. rural isolation, deprivation, health inequality, carers, asylum seeker and refugee communities, looked after children, deprived or disadvantaged communities	
	Community Cohesion	

20.	Based on any evidence and findings, use the table below to specify if any particular Articles in the Human Rights Act are <u>likely</u> apply to your policy. Are the human rights of any individuals or community groups affected by this proposal? Is there an impact on human rights for any of the protected characteristics?	
		Comments
	Part 1: The Convention- Rights and Freedoms	
	Article 2: Right to life	
	Article 3: Right not to be tortured or treated in an inhuman or degrading way	
	Article 4: Right not to be subjected to slavery/ forced labour	
	Article 5: Right to liberty and security	
	Article 6: Right to a fair trial	
	Article 7: No punishment without law	
	Article 8: Right to respect for private and family life	
	Article 9: Right to freedom of thought, conscience and religion	
	Article 10: Right to freedom of expression	
	Article 11: Right to freedom of assembly and association	

	Article 12: Right to marry	
	Article 14: Right not to be discriminated against	
	Part 2: The First Protocol	
	Article 1: Protection of property/ peaceful enjoyment	
	Article 2: Right to education	
	Article 3: Right to free elections	
Section 3		
C: Mitigating and Assessing the Impact		
Taking into account the research, data, consultation and information you have reviewed and/or carried out as part of this EHRIA, it is now essential to assess the impact of the policy.		
21.	If you consider there to be actual or potential adverse impact or discrimination, please outline this below. State whether it is justifiable or legitimate and give reasons.	
With proper consideration through a risk-based approach, the revised policy and strategy will not discriminated against groups with protected characteristics. In developing the risk based approach LCC should consider its understanding of the communities in Leicestershire. Further reviews of Policy and Strategy should include consultation with Leicestershire Equalities Challenge Group and other relevant parties as required		
N.B.		
i) If you have identified adverse impact or discrimination that is <u>illegal</u>, you are required to take action to remedy this immediately. ii) If you have identified adverse impact or discrimination that is <u>justifiable or legitimate</u>, you will need to consider what actions can be taken to mitigate its effect on those groups of people.		
22.	Where there are potential barriers, negative impacts identified and/or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination. a) include any relevant research and consultations findings which highlight the best way in which to minimise negative impact or discrimination b) consider what barriers you can remove, whether reasonable adjustments may be necessary, and how any unmet needs that you have identified can be addressed c) if you are not addressing any negative impacts (including human rights) or potential barriers identified for a particular group, please explain why	

- Consideration of best practice and responsibilities under the Equalities Act with regard to disability and access.
 - <http://www.disabilitywales.org/toolkit/disability-rights-and-equality-the-responsibilities-of-and-implications-for-the-planning-profession/building-an-effective-working-relationship-and-engagement-process/>
 - <http://www.disabilitywales.org/toolkit/wp-content/uploads/sites/3/Good-Practice-Guidance-Toolkit-E.pdf>
 - [Planning and access for disabled people: a good practice guide](#)
 - Representation at a highway asset management related group?
 - [DfT guidance on Inclusive Mobility](#)

Also see 17

Section 3

D: Making a decision

23.	Summarise your findings and give an overview as to whether the policy will meet Leicestershire County Council's responsibilities in relation to equality, diversity, community cohesion and human rights.

With proper consideration through a risk-based approach, the revised policy and strategy will not discriminated against groups with protected characteristics. In developing the risk based approach LCC should consider its understanding of the communities in Leicestershire.

Further reviews of Policy and Strategy should include consultation with Leicestershire Equalities Challenge Group

Section 3

E: Monitoring, evaluation & review of your policy

24.	Are there processes in place to review the findings of this EHRIA and make appropriate changes? In particular, how will you monitor potential barriers and any positive/ negative impact? We have committed to feeding back outcomes from the EHRIA process to those already engaged. In addition it is proposed that LECG are involved in any future amendments to policy and procedure where it may impact on equalities. A review of Equalities around Highways Asset Management will be required as part of the development of the HIAMP and this will present a further opportunity for review. A suggestion was made during the consultation that complaints and insurance claims were analysed in order to get information about whether the complainant or claimant had a disability; this would help the authority to review its findings and better understand the issues. Future satisfaction surveys should be used to review the service around equalities and human rights.

25.	How will the recommendations of this assessment be built into wider planning and review processes? <i>e.g. policy reviews, annual plans and use of performance management systems</i> <i>Policy reviews should include review of previous EHRIAs and consultation with LECG</i> <i>Performance management should include a review of equality and human rights impacts</i> <i>See q23</i>

Section 3:
F: Equality and human rights improvement plan

Please list all the equality objectives, actions and targets that result from the Equality and Human Rights Impact Assessment (EHRIA) (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

Equality Objective	Action	Target	Officer Responsible	By when
To ensure the needs of older people and those with disabilities are considered in service delivery	To ensure the needs of older people and people with disabilities are considered during the development of a risk based approach and integrated into the risk based approach.	Specific action documented around this in the risk based approach to consider the needs of those with protected characteristics	??	November 2017
To further consider equality issues through service delivery	To assess the equality implications of the developing HIAMP	EHRIA conducted	AJ	October 2017
To ensure we understand how our procedures impact on communities, particularly the implications for protected characteristic groups.	To consider equalities and human rights in development of our procedures	Consideration of requirements undertaken	??	September 2017

Protected characteristic groups continue to be able to access key emergency services through the development of the resilient network	Future reviews of the Resilient Network take account of equality and human rights implications of decisions taken	Process documented	??	By next review of RN
To gain a proper understanding of impacts of service changes on protected characteristic groups	Invite representative from LECG or similar group to review future changes to policy.	LECG consulted	??	As required
The needs of customers with protected characteristics are understood through the process of collecting customer feedback , complaints and insurance claims and reported through our performance management process	To consider approach to equality issues through our complaints procedure and performance management process	A report documenting conclusions	??	December 2017

Section 4: Sign off and scrutiny

Upon completion, the Lead Officer completing this assessment is required to sign the document in the section below.

It is required that this Equality and Human Rights Impact Assessment (EHRIA) is scrutinised by your [Departmental Equalities Group](#) and signed off by the Chair of the Group.

Once scrutiny and sign off has taken place, a depersonalised version of this EHRIA should be published on Leicestershire County Council's website. Please send a copy of this form to louisa.jordan@leics.gov.uk, Members Secretariat, in the Chief Executive's department for publishing.

Section 4

A: Sign Off and Scrutiny

Confirm, as appropriate, which elements of the EHRIA have been completed and are required for sign off and scrutiny.

Equality and Human Rights Assessment Screening ☒

Equality and Human Rights Assessment Report ☒

1st Authorised Signature (EHRIA Lead Officer):
Date: 09/06/2017



2nd Authorised Signature (DEG Chair):
Date: 09/06/2017



**CABINET – 23 JUNE 2017****FUTURE OF HIGHWAY FORUMS****REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT****PART A****Purpose of the Report**

1. The purpose of this report is to seek the Cabinet's approval to disband Highway Forums and to the introduction of a new approach for managing petitions.

Recommendations

2. It is recommended that:
 - a) Highway Forums be disbanded;
 - b) The proposed approach for managing petitions be approved for further consideration by the Constitution Committee.

Reasons for Recommendations

3. 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.
4. Highway Forums are currently the mechanism for considering petitions submitted to the Environment and Transport Department. If Highway Forums are disbanded, an alternative route for their consideration will need to be found. This report outlines a revised proposal on how petitions are managed which, if approved, will involve changes to the Constitution.

Timetable for Decisions (including Scrutiny)

5. The matter will be considered by the Constitution Committee and the County Council in September 2017.

Policy Framework and Previous Decisions

6. There is no statutory requirement to hold Highway Forums.

7. The unprecedented levels of savings identified in the Medium Term Financial Strategy 2017/18 – 2020/21 (MTFS) for Highways and Transportation, and the requirement to save £2m as part of the Council's digital agenda (Digital Leicestershire), are driving the need to challenge why and how services are managed and delivered and the identification of new opportunities for making efficiencies.
8. Digital Leicestershire 2016 sets out the County Council's ambition to enable residents and communities to benefit from online services and digital infrastructure. The plan encourages service providers to rethink whether digital technology can be used to change the way we work and how services are delivered.

Resource Implications

9. Highway Forums cost approximately £110,000 per annum in staff time.
10. A level of staff resource will continue to be needed to implement alternative solutions for information provision. However, it is anticipated that this will align with the Department's wider digital and information provision agenda.
11. Resources will also continue to be required to manage petitions. It is proposed that petitions would be considered by either the Director of Environment and Transport or the Environment and Transport Overview and Scrutiny Committee, depending on the number of signatures a petition has received.
12. Disbanding the Forums would make savings estimated at £100,000.
13. The Head of Communications and Digital and the Head of Democratic Services have been consulted on this report.

Circulation under the Local Issues Alert Procedure

14. This report has been circulated to all members of the Council via the Members' News in Brief (MNIB) service.

Officers to Contact

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PART B

Background

15. Highway Forums were originally established to enable discussion between County and District Councillors on strategic issues such as the Local Transport Plan, proposed work programmes and traffic management proposals, as well as amendments or improvements to highways policies. Over the years the focus for the Forums has changed and in some areas their value is questionable as they focus on local highway requests, business which is and should normally be dealt with by the Department, and some, at times do not meet due to lack of business.
16. In summary, the function of the Highway Forums has been to:
 - a) provide information;
 - b) sign-post to and raise awareness of consultations;
 - c) consider petitions.
17. It is estimated that each Forum (3 per district area per year) costs approximately £5,300 to run, resulting in a cost to the County Council of approximately £110,000 per year.
18. In the context of significant Highways and Transportation budget reductions and to support the £2m savings target associated with Digital Leicestershire and the Council's move towards a more digital customer focussed approach, it is recommended that Highway Forums should be disbanded.

Proposal

19. The reports, work programmes and details of consultations currently presented to Highway Forums will be rationalised and provided through more timely, cost-effective solutions aligned to the Department's emerging digital programme. There will be a particular focus on timely interactive information to elected members to assist them in raising and dealing with local concerns. It will also be possible to make increased use of the weekly Members News in Brief and Parish Newsletters. The Customer Service Centre will remain the first point of contact for all enquiries and requests.
20. Highway Forums received 20 petitions in 2016, slightly higher than the 5 year average of 15 per year. The number of signatures varies and a breakdown for those received in 2016 is shown in Table 1 below:

No. of signatures	Less than 50	50 – 500	500+
No. of petitions 2016	6	13	1

Table 1

21. Disbanding Highway Forums would mean that alternative arrangements will need to be found for considering petitions. The proposals below would make the approach adopted in Leicestershire more consistent with neighbouring authorities in regard to consideration of petitions by scrutiny whilst not significantly increasing the burden on the Environment and Transport Overview and Scrutiny Committee or the Democratic Services section.

22. It is proposed that the County Council's Petition Scheme is reviewed and amended as follows:
- a) The minimum number of signatories required on a petition should be 100;
 - b) Any representations received which have less than 100 signatures will not be dealt with as a formal petition. The Council will, however, ensure that the relevant Service Director responds to the concerns raised;
 - c) Petitions with over 100 signatures, but less than 500, will be responded to by the relevant Service Director;
 - d) Petitions with more than 500 signatures will be considered by the Environment and Transport Overview and Scrutiny Committee. However, if the Service Department can do what the petitioner asks for, the acknowledgement sent to the petitioner may confirm that the action requested has been taken and the petition will be closed.

Cost Breakdown

23. Highway Forums have cost on average £110,000 per year to run. A summary of the cost is shown in Table 2 below:

<u>Meeting Preparation</u> Meeting organisation, report writing, petition investigation and report production, sign-off	£95,000
<u>Meeting Attendance</u> Agenda meeting, Chair update and forum. Travel time	£15,000
<u>Total</u>	£109,500

Table 2

24. There will continue to be a resource requirement associated with the provision of information and the management of petitions. This will be assessed as the new arrangements, if approved, bed in.
25. Disbanding Highway Forums would therefore make savings estimated at £100,000.

Dependencies

26. The proposal would require:
- a) A decision on the size of petition the Council views as appropriate to be considered at different levels;
 - b) A change to the Constitution to reflect the proposed changes to the way petitions are dealt with;
 - c) Alignment to the corporate digital technology developments to enable publication of information.

Background Papers

None.

Relevant Impact Assessments**Equality and Human Rights Implications**

27. An Equality and Human Rights Impact Assessment (screening) has been undertaken.
28. Due to alternative mechanisms being introduced or already easily available, as detailed within this report, the impact has been assessed as 'neutral'.

Environmental Impact

29. The significant reduction in meetings and travelling time will reduce business miles and have a positive environmental impact.

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CABINET – 23 JUNE 2017

**COUNTY COUNCIL STRATEGIC PLAN AND SINGLE OUTCOMES
FRAMEWORK**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to ask the Cabinet to approve five priority outcomes for inclusion in the Council's revised Strategic Plan, and to seek agreement for the next steps, including stakeholder engagement, in finalising the Strategic Plan.
2. The five priority outcomes will form part of a Single Outcomes Framework which will provide a single vision for use across the Council to ensure a joined-up approach to service delivery.

Recommendations

3. It is recommended that:
 - a) That the five priority outcomes for inclusion in the Strategic Plan, the Single Outcomes Framework be approved; and
 - b) That the proposals for stakeholder engagement and the timeline for finalising the Strategic Plan be approved.

Reasons for Recommendations

4. 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.

Timetable for Decisions (Including Scrutiny)

5. A report will be submitted to the Scrutiny Commission on 19 July. It is intended that, following the stakeholder engagement, the final draft Strategic Plan will be

submitted to the Cabinet on 15 September. The Scrutiny Commission, at its meeting on 13 September, will have an opportunity to make any final comments.

6. As the Strategic Plan is part of the Authority's Policy Framework (as defined in the Constitution) any changes will need to be approved by the full Council. It is intended that it will be submitted to the County Council meeting on 27 September 2017.

Policy Framework and Previous Decisions

7. The current Strategic Plan, covering the period 2014-2018, was approved by the County Council in May 2014.
8. The Strategic Plan is underpinned by a number of other key policies and strategies to form the strategic policy of the Council including the Medium Term Financial Strategy, Commissioning and Procurement Strategy and the Transformation Programme.
9. In April 2016, the Cabinet approved a refresh of the Strategic Plan including the development of a Single Outcomes Framework. At the same meeting, the Cabinet approved a new approach to the Transformation Programme and commissioning to support the delivery of savings within the MTFS.

Resource Implications

10. The need for any additional resources to implement an outcomes-based approach will be considered in finalising the Strategic Plan. It is anticipated, however, that the implementation of the Single Outcomes Framework will enable more effective deployment and targeting of the Council's existing resources.

Circulation under the Local Issues Alert procedure

11. None.

Officers to contact

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PART B

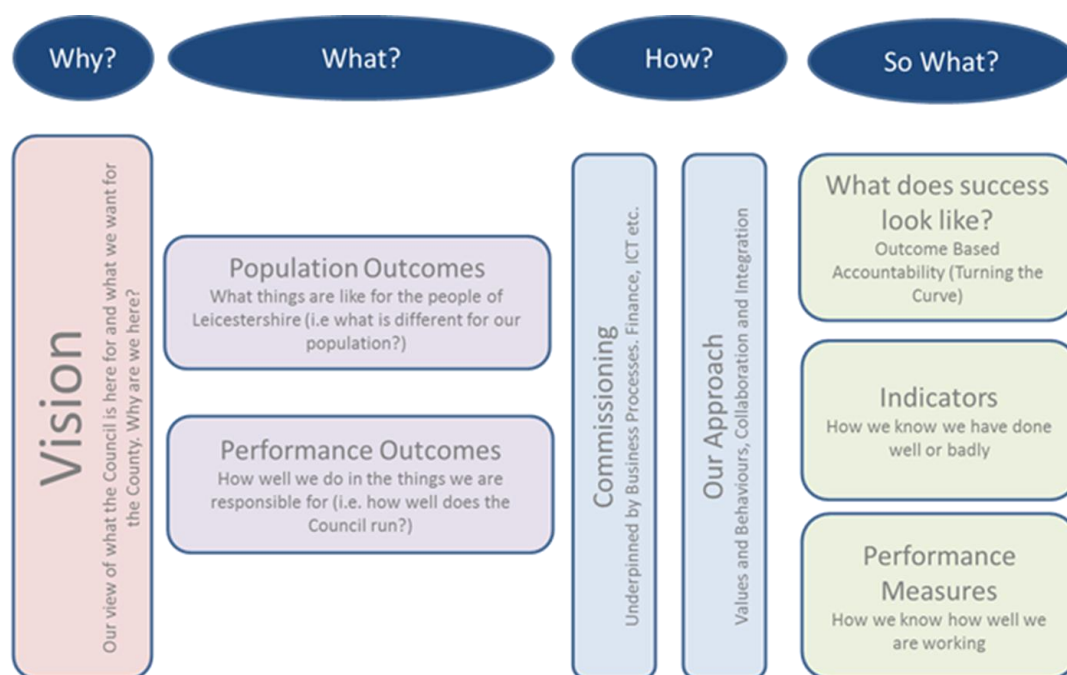
Background

12. Since the Council approved the current Strategic Plan for 2014 – 18 in May 2014 there have been two further iterations of the Council's Medium Term Financial Strategy (MTFS) which have sought to address the additional financial pressures placed on the Council.
13. The current Strategic Plan sets out the Council's vision and how it will deliver this by working with partners and local communities. It also explains how the Authority will deliver services whilst operating in an environment of reduced funding and its approach to transformation and commissioning services.

Developing the Single Outcomes Framework

14. The development of a Single Outcomes Framework for the Council will set out the long-term vision for Leicestershire as a great place which offers a good quality of life for residents, communities and businesses. It will enable the Council to have a joined up approach to delivery in the medium and short term. The priority outcomes will also provide a basis for discussions with partners to identify common aims and highlight opportunities for collaboration.
15. An outcomes framework has the potential to strengthen the Council's leadership role by having a clear vision for our place and its people. This will enable the Council to lead with authority and clarity of purpose both when commissioning services and when shaping future strategy with partners.
16. Outcomes-based policy and commissioning provides:
 - i. A focus on the difference the Council can make to citizens, communities and businesses and not just on short-term outputs or processes.
 - ii. A long-term vision, and medium and short- term actions.
 - iii. Activity and spend focused on achieving real and lasting benefit for Leicestershire people.
 - iv. Better integration across and between Council departments and partner organisations by directing effort towards shared outcomes.
 - v. Commissioning and decommissioning aligned to a shared outcomes/vision and to national frameworks.
 - vi. The potential to measure the extent to which the Authority's money (and others in the public sector) is being spent on shared outcomes.
 - vii. The potential to widen the approach to other partners and therefore increase the size and scope of the available resource.

17. The outcomes approach will start with the Council's vision for Leicestershire and the role of the Council in making this happen. It will identify the conditions of wellbeing that the Authority would like to see for Leicestershire people and communities and businesses, baseline information on how well Leicestershire is doing at the moment, and where improvements are needed.
18. This new approach will mean a change in the way the organisation works which identifies how each part of the Council can contribute to delivery of the outcomes. Underpinned by evidence, this approach will help the Council to know 'what works' and to do 'what works'.
19. The diagram below sets out the proposed model:



Proposed Priority Outcomes

20. Five priority outcomes have been developed using a range of evidence and population data as well as qualitative evidence from service users and residents surveys. They have also been influenced by existing strategies which have been subject to extensive engagement and public consultation and by input from Chief Officers and senior managers from across the Council.
21. The five proposed priority outcomes are:

O1 - Strong Economy

Leicestershire's economy is growing and resilient so that people and businesses can fulfil their potential.

O2 - Wellbeing and Opportunity

The people of Leicestershire have the opportunities and support they need to take control of their health and wellbeing.

O3 - Keeping People Safe

People in Leicestershire are safe and protected from harm.

O4 - Great Communities

Leicestershire communities are thriving and integrated places where people help and support each other and take pride in their local area.

O5 - Affordable and Quality Homes

Leicestershire has a choice of quality homes that people can afford.

22. The scope of each of the priority outcomes is set out in paragraphs 23 to 27 below.

O1 - Strong Economy

23. This outcome will help achieve a thriving, balanced and inclusive economy for Leicestershire that provides employment, business opportunities and growth that works for everyone and supports good quality of life. Ensuring that people have the skills and aptitudes to access employment will help businesses to grow and provide a more inclusive economy that supports independence. People and businesses need infrastructure that provides excellent connectivity (digitally, physically, socially) to meet their everyday needs. Economic growth is also supported by maintaining an attractive environment which will help business grow and flourish, and attract inward investment.

O2 - Wellbeing and Opportunity

24. The Council has a role in ensuring people enjoy good wellbeing and supporting good life chances for all by reducing inequalities. Some people can do this by themselves; others need help to live as independently as possible and have personalised and dignified care. The Council can also support the wider population to be well and stay well through prevention and early intervention and through its services that influence the wider determinants of health, such as education, employment and housing.

O3 - Keeping People Safe

25. This outcome covers people feeling secure and being safe and protected from harm. Within its scope are the Council's statutory responsibilities for safeguarding adults and children, its roles in relation to community safety and road safety, and for preventing, preparing for, and responding to emergencies such as flooding.

O4 - Great Communities

26. This outcome reflects the importance of good quality, thriving neighbourhoods with a sense of place and the protection of the County's high quality environment. It also reflects the importance of communities in shaping and delivering local services, and the need for the Council to be responsive and

reflect the assets and needs of communities to ensure services build on local strengths to help communities to help themselves.

O5 - Affordable and Quality Homes

27. Housing is a key enabler to delivering the other outcomes as a secure, quality, appropriate and affordable home is essential for a good quality of life. This outcome addresses the need for sufficient housing of a range of types and tenure, including for those in need of specialist care. Quality housing should ensure sustainability in terms of the environment, infrastructure and links with existing communities and be affordable to own or rent and run.

Consultation with Key Stakeholders

28. It is proposed that the development of the final Strategic Plan be informed by engagement with key stakeholders such as Leicester City Council, the District Councils, Clinical Commissioning Groups, Leicestershire Police and Leicestershire Fire and Rescue Service and key partnerships such as the Leicester and Leicestershire Enterprise Partnership and the Health and Wellbeing Board. The engagement will be undertaken between the end of June and early August 2017. The primary method of engagement will seek views through the targeted mailing of a discussion paper and consultation questionnaire. This will ask for feedback on the proposed strategic outcomes and priority sub-outcomes, and also provide the opportunity to test the alignment of Council outcomes with the priorities of key partners and stakeholders.
29. The Scrutiny Commission will consider the Strategic Plan at its meeting on 19 July 2017.

Equality and Human Rights Implications

30. A screening assessment of the Single Outcomes Framework has been completed and concluded that a full impact assessment is not required. The Strategic Plan will continue to include specific priorities aimed at ensuring that the Council maintains its excellent performance in equality and diversity practice and ensuring the delivery of the best outcomes for people with protected characteristics.

Background Papers

Report to the Cabinet on 19 April 2016 "Review of the County Council's Strategic Plan – Embedding a new approach to transformation and commissioning" -

<http://ow.ly/9Efy30cp11s>

County Council Strategic Plan - <http://ow.ly/ZQG4Y>

Appendix

Equality and Human Rights Impact Screening Assessment

Equality & Human Rights Impact Assessment (EHRIA)

This Equality and Human Rights Impact Assessment (EHRIA) will enable you to assess the **new, proposed or significantly changed** policy/ practice/ procedure/ function/ service** for equality and human rights implications.

Undertaking this assessment will help you to identify whether or not this policy/ practice/ procedure/ function/ service** may have an adverse impact on a particular community or group of people. It will ultimately ensure that as an Authority we do not discriminate and we are able to promote equality, diversity and human rights.

Before completing this form please refer to the EHRIA [guidance](#), for further information about undertaking and completing the assessment. For further advice and guidance, please contact your [Departmental Equalities Group](#) or equality@leics.gov.uk

***Please note: The term 'policy' will be used throughout this assessment as shorthand for policy, practice, procedure, function or service.*

Key Details	
Name of policy being assessed:	Single Outcomes Framework
Department and section:	Policy, Economy and Communities, Chief Executive's Department
Name of lead officer/ job title and others completing this assessment:	Donna Worship, Policy Manager Matthew Jones, Policy Officer
Contact telephone numbers:	0116 305 3117
Name of officer/s responsible for implementing this policy:	Tom Purnell
Date EHRIA assessment started:	16 th May 2017
Date EHRIA assessment completed:	

Section 1: Defining the policy

Section 1: Defining the policy

You should begin this assessment by defining and outlining the scope of this policy. You should consider the impact or likely impact of the policy in relation to all areas of equality, diversity and human rights, as outlined in Leicestershire County Council's Equality Strategy.

1	What is new or changed in this policy? <i>What has changed and why?</i> The Single Outcomes Framework will replace the current Strategic Plan. It will set the strategic direction of the council. An Outcomes focus will be different from the current strategy because it will focus on what we want for the people of Leicestershire, rather than on services and what the Council delivers.
2	Does this relate to any other policy within your department, the Council or with other partner organisations? <i>If yes, please reference the relevant policy or EHRIA. If unknown, further investigation may be required.</i> Yes, this will be part of the Council's plan framework and, as such, will impact on all council strategies.
3	Who are the people/ groups (target groups) affected and what is the intended change or outcome for them? The outcomes focus on the conditions we want to create for all of Leicestershire's residents. The outcomes will be aimed at the population rather than at service users. The SOF should have positive impacts across the 5 outcomes for everyone: - A Strong Economy - Wellbeing and Opportunity - Keeping People Safe - Great Communities - Affordable and Quality Homes The SOF work will include principles/values and the promotion of equalities will be included as part of this. The Outcomes Framework won't replace existing policies (other than the current Strategic Plan), projects or processes that currently exist. Where plans, strategies or activities are reviewed in line with the SOF, they will be the subject of separate EHRIAs. The engagement with strategic partners will allow officers to take into account the view of a range of different people.

4	Will this policy meet the Equality Act 2010 requirements to have due regard to the need to meet any of the following aspects? (Please tick and explain how)			
		Yes	No	How?
	Eliminate unlawful discrimination, harassment and victimisation	X		One of the principles which leads the council's approach is equality. In the <i>Keeping People Safe</i> outcome, a number of potential areas of priority were identified including Hate Crime, Toxic Trio and supporting vulnerable sections of society.
	Advance equality of opportunity between different groups	X		A common theme so far in our engagement with staff to determine the content of the SOF indicates that tackling inequalities will be a priority.
	Foster good relations between different groups	X		The draft outcomes include <i>Great Communities</i> . In discussions for developing this outcome, 'celebrating and supporting inclusion and cohesion' was one of the themes identifies as an element of 'great communities'.

Section 2: Equality and Human Rights Impact Assessment (EHRIA) Screening

Section 2: Equality and Human Rights Impact Assessment Screening

The purpose of this section of the assessment is to help you decide if a full EHRIA is required.

If you have already identified that a full EHRIA is needed for this policy/ practice/ procedure/ function/ service, either via service planning processes or other means, then please go straight to [Section 3](#) on Page 7 of this document.

Section 2

A: Research and Consultation

5.	Have the target groups been consulted about the following?	Yes	No*
	a) their current needs and aspirations and what is important to them;	x	
	b) any potential impact of this change on them (positive and negative, intended and unintended);	x	

	c) potential barriers they may face	x	
6.	If the target groups have not been consulted directly, have representatives been consulted or research explored (e.g. Equality Mapping)?	x	
7.	Have other stakeholder groups/ secondary groups (e.g. carers of service users) been explored in terms of potential unintended impacts?	x	
8.	*If you answered 'no' to the question above, please use the space below to outline what consultation you are planning to undertake, or why you do not consider it to be necessary. Although there has not been consultation for the development of the single outcomes framework it has been built on the conclusions and evidence from extensive engagement for other strategies and needs assessments. Some examples include: Joint Strategic Needs Assessment Housing and Economic Development Needs Assessment Community Survey Adults and Communities Social Care Strategy Communities and Wellbeing Strategy Older People's Accommodation Strategy Working Age Adults Accommodation Strategy Flood Risk Management Strategy Environment and Transport interim commissioning strategy Phase 1 of the planned engagement exercise will take place in the Summer of 2017. This will be focused on partners, stakeholders, suppliers and partnerships, and will seek views of the priority outcomes and whether they align with the priorities of these partners. Members will be consulted through presentation to Cabinet in June 2017 and the views of members will be sought during the engagement period. County Council staff have been engaged during the process so far through a steering group which is made up of Senior Managers from across the authority. The outcomes have also been subject of discussion at Senior Managers' Conference on 16th December 2016. Challenge sessions for each of the Outcomes have been held, with representation from all departments. Phase 2 of the engagement plan would be concerned with delivery methods. This would likely take place in Autumn 2017. Engagement with the same groups would take place, but with an emphasis on the Council's role in delivering the Outcomes and the mechanisms/collaboration required for this.		

Section 2**B: Monitoring Impact**

9.	Are there systems set up to:	Yes	No
	a) monitor impact (positive and negative, intended and unintended) for different groups;	X	
	b) enable open feedback and suggestions from different communities	X	

Note: If no to Question 8, you will need to ensure that monitoring systems are established to check for impact on the protected characteristics.

Section 2**C: Potential Impact**

10.	Use the table below to specify if any individuals or community groups who identify with any of the ' protected characteristics ' may <u>potentially</u> be affected by this policy and describe any positive and negative impacts, including any barriers.			
		Yes	No	Comments
	Age	X		A number of potential areas of focus include issues specific to disadvantages relating to age such as education and qualifications, planning to stay healthy into old age, the safety of young people and housing.
	Disability	X		A number of issues relating to disability have been raised in discussions such as employment levels and broader social care themes.
	Gender Reassignment	X		There is no specific reference to this characteristic but <i>different groups of people getting on well together</i> has been highlighted as an area of priority.
	Marriage and Civil Partnership	X		There is no specific reference to this characteristic but <i>different groups of people getting on well together</i> has been highlighted as an area of priority.
	Pregnancy and Maternity	X		Giving children the best start in life relates to pregnancy and maternity care
	Race	X		There is no specific reference to this characteristic but <i>different groups of people getting on well together</i> has been highlighted as an area of priority.

	Religion or Belief	X		There is no specific reference to this characteristic but <i>different groups of people getting on well together</i> has been highlighted as an area of priority.
	Sex	X		There is no specific reference to this characteristic but <i>different groups of people getting on well together</i> has been highlighted as an area of priority.
	Sexual Orientation	X		There is no specific reference to this characteristic but <i>different groups of people getting on well together</i> has been highlighted as an area of priority.
	Other groups e.g. rural isolation, deprivation, health inequality, carers, asylum seeker and refugee communities, looked after children, deprived or disadvantaged communities	X		Discussions have highlighted a number of issues including inequalities within Leicestershire. Existing Council duties and strategies regarding equalities will be unaffected by the Outcomes Framework.
	Community Cohesion	X		<i>Great Communities</i> is one of the draft outcomes and the <i>Communities Strategy</i> will remain an important part of council policy.
11.	Are the human rights of individuals <u>potentially</u> affected by this proposal? Could there be an impact on human rights for any of the protected characteristics? (Please tick) Explain why you consider that any particular article in the Human Rights Act may apply to your policy/ practice/ function or procedure and how the human rights of individuals are likely to be affected below: [NB. Include positive and negative impacts as well as barriers in benefiting from the above proposal]			
		Yes	No	Comments
	Part 1: The Convention- Rights and Freedoms			
	Article 2: Right to life		X	
	Article 3: Right not to be tortured or treated in an inhuman or degrading way		X	
	Article 4: Right not to be		X	

	subjected to slavery/ forced labour			
	Article 5: Right to liberty and security		X	
	Article 6: Right to a fair trial		X	
	Article 7: No punishment without law		X	
	Article 8: Right to respect for private and family life		X	
	Article 9: Right to freedom of thought, conscience and religion		X	
	Article 10: Right to freedom of expression		X	
	Article 11: Right to freedom of assembly and association		X	
	Article 12: Right to marry		X	
	Article 14: Right not to be discriminated against		X	
	Part 2: The First Protocol			
	Article 1: Protection of property/ peaceful enjoyment		X	
	Article 2: Right to education		X	
	Article 3: Right to free elections		X	
Section 2				
D: Decision				
12.	Is there evidence or any other reason to suggest that:	Yes	No	Unknown
	a) this policy could have a different affect or adverse impact on any section of the community;		X	
	b) any section of the community may face barriers in benefiting from the proposal		X	
13.	Based on the answers to the questions above, what is the likely impact of this policy			
	No Impact ☐	Positive Impact ☒	Neutral Impact ☐	Negative Impact or Impact Unknown ☐

Note: If the decision is ‘Negative Impact’ or ‘Impact Not Known’ an EHRIA Report is required.

14.	Is an EHRIA report required?	Yes ☐	No ☒

Section 2: Completion of EHRIA Screening

Upon completion of the screening section of this assessment, you should have identified whether an EHRIA Report is required for further investigation of the impacts of this policy.

Option 1: If you identified that an EHRIA Report is required, continue to [Section 3](#) on Page 7 of this document to complete.

Option 2: If there are no equality, diversity or human rights impacts identified and an EHRIA report is not required, continue to [Section 4](#) on Page 14 of this document to complete.

Section 3: Equality and Human Rights Impact Assessment (EHRIA) Report

Section 3: Equality and Human Rights Impact Assessment Report

This part of the assessment will help you to think thoroughly about the impact of this policy and to critically examine whether it is likely to have a positive or negative impact on different groups within our diverse community. It is also to identify any barriers that may detrimentally affect under-represented communities or groups, who may be disadvantaged by the way in which we carry out our business.

Using the information gathered either within the EHRIA Screening or independently of this process, this EHRIA Report should be used to consider the impact or likely impact of the policy in relation to all areas of equality, diversity and human rights as outlined in Leicestershire County Council's Equality Strategy.

Section 3

A: Research and Consultation

When considering the target groups it is important to think about whether new data needs to be collected or whether there is any existing research that can be utilised.

15.	Based on the gaps identified either in the EHRIA Screening or independently of this process, <u>how</u> have you now explored the following and <u>what</u> does this information/data tell you about each of the diverse groups?

	a) current needs and aspirations and what is important to individuals and community groups (including human rights); b) likely impacts (positive and negative, intended and unintended) to individuals and community groups (including human rights); c) likely barriers that individuals and community groups may face (including human rights)
16.	Is any further research, data collection or evidence required to fill any gaps in your understanding of the potential or known affects of the policy on target groups?
When considering who is affected by this proposed policy, it is important to think about consulting with and involving a range of service users, staff or other stakeholders who may be affected as part of the proposal.	
17.	Based on the gaps identified either in the EHRIA Screening or independently of this process, <u>how</u> have you further consulted with those affected on the likely impact and <u>what</u> does this consultation tell you about each of the diverse groups?

18.	Is any further consultation required to fill any gaps in your understanding of the potential or known effects of the policy on target groups?

Section 3

B: Recognised Impact

19.	Based on any evidence and findings, use the table below to specify if any individuals or community groups who identify with any 'protected characteristics' are <u>likely</u> be affected by this policy. Describe any positive and negative impacts, including what barriers these individuals or groups may face.	
		Comments
	Age	
	Disability	
	Gender Reassignment	
	Marriage and Civil Partnership	
	Pregnancy and Maternity	
	Race	
	Religion or Belief	
	Sex	
	Sexual Orientation	

	Other groups e.g. rural isolation, deprivation, health inequality, carers, asylum seeker and refugee communities, looked after children, deprived or disadvantaged communities	
	Community Cohesion	

20.	Based on any evidence and findings, use the table below to specify if any particular Articles in the Human Rights Act are <u>likely</u> apply to your policy. Are the human rights of any individuals or community groups affected by this proposal? Is there an impact on human rights for any of the protected characteristics?	
		Comments
	Part 1: The Convention- Rights and Freedoms	
	Article 2: Right to life	
	Article 3: Right not to be tortured or treated in an inhuman or degrading way	
	Article 4: Right not to be subjected to slavery/ forced labour	
	Article 5: Right to liberty and security	
	Article 6: Right to a fair trial	
	Article 7: No punishment without law	
	Article 8: Right to respect for private and family life	
	Article 9: Right to freedom of thought, conscience and religion	
	Article 10: Right to freedom of expression	
	Article 11: Right to freedom of assembly and association	
	Article 12: Right to marry	
	Article 14: Right not to be discriminated against	

Part 2: The First Protocol	
Article 1: Protection of property/ peaceful enjoyment	
Article 2: Right to education	
Article 3: Right to free elections	
Section 3	
C: Mitigating and Assessing the Impact	
Taking into account the research, data, consultation and information you have reviewed and/or carried out as part of this EHRIA, it is now essential to assess the impact of the policy.	
21.	If you consider there to be actual or potential adverse impact or discrimination, please outline this below. State whether it is justifiable or legitimate and give reasons.
N.B.	
i) If you have identified adverse impact or discrimination that is <u>illegal</u> , you are required to take action to remedy this immediately.	
ii) If you have identified adverse impact or discrimination that is <u>justifiable or legitimate</u> , you will need to consider what actions can be taken to mitigate its effect on those groups of people.	
22.	Where there are potential barriers, negative impacts identified and/or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination. a) include any relevant research and consultations findings which highlight the best way in which to minimise negative impact or discrimination b) consider what barriers you can remove, whether reasonable adjustments may be necessary, and how any unmet needs that you have identified can be addressed c) if you are not addressing any negative impacts (including human rights) or potential barriers identified for a particular group, please explain why

Section 3**D: Making a decision**

23.	Summarise your findings and give an overview as to whether the policy will meet Leicestershire County Council's responsibilities in relation to equality, diversity, community cohesion and human rights.

Section 3**E: Monitoring, evaluation & review of your policy**

24.	Are there processes in place to review the findings of this EHRIA and make appropriate changes? In particular, how will you monitor potential barriers and any positive/ negative impact?
25.	How will the recommendations of this assessment be built into wider planning and review processes? <i>e.g. policy reviews, annual plans and use of performance management systems</i>

Section 3:
F: Equality and human rights improvement plan

Please list all the equality objectives, actions and targets that result from the Equality and Human Rights Impact Assessment (EHRIA) (continue on separate sheets as necessary). These now need to be included in the relevant service plan for mainstreaming and performance management purposes.

Equality Objective	Action	Target	Officer Responsible	By when

Section 4: Sign off and scrutiny

Upon completion, the Lead Officer completing this assessment is required to sign the document in the section below.

It is required that this Equality and Human Rights Impact Assessment (EHRIA) is scrutinised by your [Departmental Equalities Group](#) and signed off by the Chair of the Group.

Once scrutiny and sign off has taken place, a depersonalised version of this EHRIA should be published on Leicestershire County Council's website. Please send a copy of this form to louisa.jordan@leics.gov.uk, Members Secretariat, in the Chief Executive's department for publishing.

Section 4

A: Sign Off and Scrutiny

Confirm, as appropriate, which elements of the EHRIA have been completed and are required for sign off and scrutiny.

Equality and Human Rights Assessment Screening ☒

Equality and Human Rights Assessment Report ☐

1st Authorised Signature (EHRIA Lead Officer): Donna Worship.....

Date: ...18th May 2017.....

2nd Authorised Signature (DEG Chair): Mo Seedat.....

Date: 6th June 2017.....

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CABINET – 23 JUNE 2017

BETTER CARE FUND PLAN 2017/18 – 2018/19

**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 preparation and submission of Leicestershire's Better Care Fund Plan for 2017/18 – 2018/19 and on the inclusion of additional resources allocated to the County Council for adult social care as announced by the Government in March 2017.
2. The report also seeks approval of the proposed expenditure plan for the additional adult social care allocation which was announced after the County Council agreed the Medium Term Financial Strategy for 2017/18 – 2020/21

Recommendations

3. It is recommended that:
 - a) 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) With regard to the additional adult social care grant allocation of £19.7m announced by the Government in the Spring Budget,
 - (i) that 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) It be noted that the draft BCF Expenditure Plan attached as Appendix A to this report will be submitted to the Health and Wellbeing Board on 22 June 2017 for approval;
- d) 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.

Reasons for Recommendations

- 4. 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.
- 5. BCF Plans require approval from the local Health and Wellbeing Board prior to submission to NHS England.
- 6. 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.

Timetable for Decisions (including Scrutiny)

- 7. The Health Overview and Scrutiny Committee was informed of progress with the refresh of the BCF Plan on 1 March 2017.
- 8. The draft BCF submission was considered by the respective Boards of the two County Clinical Commissioning Groups on 14 March 2017 prior to being approved by the Health and Wellbeing Board on 16 March 2017. The Health and Wellbeing Board also authorised the Chief Executive to make any amendments to the Plan in the light of the national guidance prior to it being submitted to NHS England.
- 9. At the time of writing this report, the BCF Policy Framework has been published, but the technical BCF guidance for 2017/18-2018/19 is still awaited, having been delayed nationally since November 2016. No date has yet been confirmed for the formal submission of BCF plans to NHS England, but the timeframe is anticipated to be within six weeks of the technical guidance being published.
- 10. The next Health and Wellbeing Board meeting takes place on 22 June 2017. A further update will be given on the status of national BCF guidance, and the Health and Wellbeing Board will be asked to approve the initial BCF expenditure plan, per Appendix A to this report.

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. The Cabinet in February 2014 authorised the Health and Wellbeing Board to approve the BCF Plan and plans arising from its use.
12. On 10 March 2017 the Cabinet received a report on the refresh of the Leicestershire BCF Plan for 2017/18 – 2018/19.

Resource Implications

13. Since the last report to the Cabinet in March 2017, and after the County Council agreed the MTFS for 2017/18 – 2018/19, the Government has confirmed the local authority allocations within BCF plans from April 2017, including the additional social care allocation announced in the Spring Budget. It has also confirmed the Disabled Facilities Grant Allocations for each district council. Further information about these specific allocations can be found at paragraph 30 of this report.
14. The County Council has prepared an initial expenditure plan which has been agreed with NHS partners and which details how the additional adult social care grant funding will be allocated over the next three years through the BCF pooled budget. The BCF Plan for 2017/18 – 18/19 has also been updated to reflect this and the updated Plan now has a pooled budget totalling £52m for 2017/18 and £56m for 2018/19.
15. More detail on the funding position for the 2017/18 – 2018/19 BCF Plan and pooled budget, including key financial risks is given in paragraphs 38-52 and 66 of this report. The allocation of additional resources is welcome and will ease some pressure in the short term. However, the government needs to come up with a longer term strategy with associated funding if social care is to be put on a sustainable footing.
16. The Director of Corporate Resources has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

None.

Officers to Contact

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Jon Wilson,
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PART B

Background

17. The purpose of the BCF is to transform and improve the integration of local health and care services, in particular to reduce the dependency on acute hospital services by providing more integrated community-based support.
18. The strategic framework is set by BCF national policy requirements, BCF national conditions, BCF metrics, CCG commissioning intentions, and key local authority duties with respect to integration and the Care Act 2014.
19. Locally, the introduction of the Leicester, Leicestershire and Rutland (LLR) Sustainability and Transformation Plan (STP) essentially reframes priorities and financial plans across the LLR health and care economy.
20. High priorities within the integration agenda nationally and locally include:
 - Keeping people out of statutory and acute provision wherever possible.
 - Sustaining adult social care within new models of care locally.
 - Ensuring there is a cohesive plan for data integration at population and care planning levels.
 - Implementing seven-day services.
 - Improving hospital discharge.
 - Developing an infrastructure and platform for joint commissioning.

Vision and Aims of the Leicestershire BCF Plan

21. The vision for Leicestershire's integration programme, as set out in the BCF Plan is to *"create a strong, sustainable, person-centred, and integrated health and care system which improves outcomes for our citizens"*.
22. The aims of the Leicestershire BCF Plan are:

1. Develop and implement new models of provision and new approaches to commissioning, which maximise the opportunities and outcomes for integration.	2. Deliver measurable, evidence based improvements to the way our citizens and communities experience integrated care and support.	3. Increase the capacity, capability and sustainability of integrated services, so that professionals and the public have confidence that more can be delivered in the community in the future.
4. Support the reconfiguration of services in line with: • The LLR STP • New integrated models of health and care.	5. Manage an effective and efficient pooled budget across the partnership to deliver the integration programme.	6. Develop an integrated health and care system by 2020/21, including the local approach to devolution where applicable

BCF National Conditions

23. The *Integration and Better Care Fund Policy Framework 2017/18 – 2018/19*, which was published on 31 March 2017 confirms the national conditions and metrics which will apply to BCF Plans with effect from April 2017.
(<https://www.gov.uk/government/publications/integration-and-better-care-fund-policy-framework-2017-to-2019>)
24. The national conditions require that Plans must:
 - a. Be jointly agreed including approvals via the local Health and Wellbeing Board;
 - b. Maintain protection of adult social care services;
 - c. Demonstrate commitment to investment in out-of-hospital services;
 - d. Deliver improvements in managing transfers of care (e.g. delayed hospital discharges).
25. There is also an expectation that the BCF Plan will continue to show progress on the previous national conditions set out in the 2016/17 BCF Plan. These include data sharing, case management for people with multiple conditions, and developing seven-day services. They are still fundamental to transforming integrated care and are expected to be addressed at system level as part of the 44 Sustainability and Transformation Plans in place across the country.
26. In terms of the national condition targeted to managing transfers of care, each local BCF Plan must evidence in particular how the Department of Health's '*high impact changes for improving hospital discharge*' are being implemented locally.
27. The High Impact Changes Framework
[https://www.local.gov.uk/sites/default/files/documents/Impact%20change%20model%20managing%20transfers%20of%20care%20\(1\).pdf](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.
28. The grant conditions associated with the new adult social care allocation reference the importance of improved hospital discharge and the Government expects a proportion of the allocation be spent on this priority, according to local gaps and needs.
29. A number of specific activities have been completed locally in order to agree the priorities for meeting the national conditions within the BCF Policy Framework.
30. When submitted to NHS England, the BCF Expenditure Plan (Appendix A) will be accompanied by a supporting narrative document setting out the detail of how each of the national conditions will be met. An overview of the approach to several of these condition is given below:

a) National Condition to maintain investment in Adult Social Care from the CCG minimum contribution.

- This investment is separate from the additional allocation for adult social care for LAs [Local Authorities] announced in the spring budget, which comes with distinct grant conditions – see c) below.
- The BCF investment plan requires an inflationary uplift in the CCG contribution in support of adult social care of 1.79% in 2017/18 and 1.9% in 2018/19, when compared with investment levels in 2016/17. The Leicestershire BCF plan has ensured that the required investment level per the CCG contribution is in place and the priorities for this investment have been agreed with NHS partners.

b) National Condition: Disabled Facilities Grant (DFG) Allocations

- Funding allocations for major adaptations in the home will continue to be routed via the BCF to each district council in line with national policy. Growth funding has been issued by the Government in line with the expectations set out in the 2015 comprehensive spending review. The 2017/18 allocations for each District Council are -

Leicestershire	£3,349,869
Blaby	£499,481
Charnwood	£846,293
Harborough	£385,744
Hinckley and Bosworth	£439,674
Melton	£259,427
North West Leicestershire	£572,989
Oadby and Wigston	£346,261

- The BCF Policy Framework confirms upper tier authorities are required to passport the DFG allocation in full to each District Council, unless local agreement has been reached to direct resources to other strategic housing priorities.
- During 2016/17 significant work has been undertaken with District Councils to forecast DFG demand across Leicestershire to inform the local position, and quarterly reporting is in place to compare actual demand against the allocations made.
- Where individual Districts wish to consider the use of DFG funds for other strategic housing solutions, this will be welcomed and supported by the County Council and other partners, given the transformation already being undertaken via the Lightbulb Housing Service.

c) The additional adult social care allocation announced in the Spring Budget (£19.7m non-recurrent grant over three years)

- In response to this announcement additional working sessions with Adult Social Care, CCG partners, NHS providers and the LLR A&E Delivery Board took place in April and May in order to ascertain how best to prioritise this additional funding which, whilst allocated to the County Council, in accordance with the grant conditions set by the Government and the BCF Policy Framework, must be included within the local BCF pooled budget.
- The funding is being allocated in the form of a Section 31 (Local Authority) Grant on a non-recurrent basis. Therefore, any expenditure against the grant must be targeted to relieving short-term service pressures, provide transformational capacity, or manage demand in the longer term.
- The proposed allocation of the funding (set out in Appendix A) has been welcomed and supported by NHS partners.
- There are clear areas of spend identified in support of adult social care service capacity, as well as investment in priorities within the high impact assessment for hospital discharge and the STP Home First workstream.
- A proportion of the investment is specifically targeted to the BCF national condition “**Managing Transfers of Care**” which is measured in terms of our performance on delayed discharges from hospital (DTOCs).
- The grant conditions are set out below. These were sent to upper tier Local Authorities (Appendix B) and reinforced by the *Integration and Better Care Fund Policy Framework 2017/18 – 2018/19*.

“Grant paid to a local authority under this determination is to be spent on adult social care and used for the purposes of meeting adult social care needs, reducing pressures on the NHS – including supporting more people to be discharged from hospital when they are ready – and stabilising the social care provider market.

A recipient local authority must:

- *pool the grant funding into the local Better Care Fund, unless the authority has written Ministerial exemption;*
- *work with the relevant Clinical Commissioning Group(s) and providers to meet National Condition 4 (Managing Transfers of Care) in the Integration and Better Care Fund Policy Framework and Planning Requirements 2017-19; and*
- *provide quarterly reports as required by the Secretary of State.”*

31. The Government has made clear that part of this funding is intended to enable local authorities to quickly provide stability and extra capacity in local care systems.

Local Commissioning Requirements

32. A number of other local commissioning requirements have informed the refresh of Leicestershire's BCF Plan, highlighting the interdependencies between it and the health and care system-wide redesign associated with the LLR STP. These are:
 - BCF funding for urgent care has been transposed into the new model of urgent care service commissioned by CCGs from April 2017.
 - Investments associated with core discharge support services operating across University Hospitals Leicester and Leicestershire Partnership Trust and social care are essential to support system flow and improve performance on discharge delays.
 - Investments and services are already being redesigned for 2017/18, linked to the STP Home First workstream, so these components have been ring-fenced in the financial refresh for this purpose.
 - The existing local rehabilitation and reablement services which are funded via the BCF will also be reviewed through the new STP Home First workstream in 2017/18.
 - The existing case management services in both CCGs ("integrated care" in the East Leicestershire and Rutland CCG and "proactive care" in the West Leicestershire CCG) are assumed as core components of the future Integrated Locality Teams development in LLR, and will be redesigned during 2017/18.
 - The work plan will include the roll-out of the new Lightbulb Housing Service across Leicestershire, between May and October 2017.

BCF National Metrics

33. BCF plans for the period 2017/18 – 2018/19 will be assessed against four national BCF metrics. As before these will be reported nationally, on a quarterly basis, to NHS England. These are as follows:
 - a. Reducing the number of total emergency admissions;
 - b. Effectiveness of reablement at 91 days;
 - c. Improving delayed transfers of care; and
 - d. Reducing permanent admissions to care and nursing homes.
34. Work to review each of the BCF metrics for Leicestershire has already been completed, conducted in the context of:
 - Assessing current performance and trends in performance for each of these metrics.
 - The impact of CCGs' Operating Plans 2017/18 – 2018/19;
 - The impact of Leicestershire's Adult Social Care Strategy;

- The existing and new priorities and investments within the BCF Plan 2017/18 – 2018/19, including the impact of the new adult social care allocation;
 - The impact of new models of care being implemented via the LLR STP over the next two years, (for example the expected improvements via the LLR Home First workstream, which focuses on hospital discharge and reablement).
35. As a result of this analysis, and using the methodology from the 2016/17 BCF technical guidance targets have been developed for each of the metrics for 2017/18 – 2018/19. Publication of final national technical guidance for 2017/18 – 2018/19 is still awaited, and it will be necessary to assess if there is anything further required in this guidance before the Plan is submitted.

Partnership Engagement and Customer Insight

36. Wide ranging engagement across all partners has been undertaken to refresh the BCF Plan as shown in Appendix C.
37. Findings from service user engagement activities across the health and care economy have also been used to inform the BCF refresh, a selection of which are listed below:
- Service user metrics have been analysed to assess improvements in the experience of local people using integrated care and support across settings of care in Leicestershire, including the quality of life score in the Adult Social Care Outcome Framework, support for people with Long Term Conditions via the GP survey, and experience of coordination of care and support on discharge from CQC (Care and Quality Commission) surveys;
 - A Better Care Together customer insight survey undertaken in 2015/16 focused on the views and experiences of carers;
 - Engagement with service users undertaken for the introduction of the “Help To Live At Home” domiciliary care services, used to shape the outcomes and service model;
 - Engagement with service users across eight BCF schemes as part of the evaluation conducted with Loughborough University and Leicestershire Healthwatch, focused particularly on admissions avoidance;
 - Engagement and customer insight analysis undertaken for the Lightbulb Housing Project which informed the service model;
 - Engagement with service users on integrating customer services points of access across health and care, used to inform the future options and solutions for a LLR-wide operating model;
 - Engagement undertaken by Leicestershire Healthwatch, reported bi-monthly to the Leicestershire Health and Wellbeing Board, with thematic analysis on areas such as mental health, primary care access, urgent care and hospital discharge;

- Findings and recommendations from local authority scrutiny bodies; and
- Feedback from LLR engagement events for Better Care Together and the STP.

Resource Implications

BCF Funding Implications

38. There are three national sources of funding, which are allocated to each local authority area and placed into local BCF pooled budgets. The three blocks below illustrate the total national allocations in each case (£millions) -



39. In line with the announcements made in the 2015 Comprehensive Spending Review, local upper tier authorities were expected to benefit from “Improved BCF” (iBCF) allocations from 2017/18 onwards, however, the amount received per area depends on the ability of the council to raise funding from the social care precept.
40. Leicestershire County Council included a 2% Council Tax adult social care precept in 2017/18, and the MTFS assumes a further 2% for both 2018/19 and 2019/20 in line with Government rules.
41. On 8 March 2017, the Government announced £2bn of additional support to adult social care nationally, to be allocated in the form of a non-recurrent grant over three years.
42. Leicestershire’s share of this grant has been confirmed as £19.7m over three years; £9.5m in 2017/18, £6.8m in 2018/19 and £3.4m in 2019/20.
43. The table below provides a summary of the Leicestershire BCF allocations, setting out the source of funds as at April 2017 for the two-year period:

		2016/17 £000	2017/18 £000	2018/19 £000
CCG Mandatory Minimum Contribution*	ELRCCG	15,559	15,832	16,129
	WLCCG	20,477	20,844	21,240
CCG Local Additional Contribution**	ELRCCG		1,195	1,195
	WLCCG		1,367	1,367
Total CCG Allocation		36,036	39,238	39,931
iBCF (LA allocation) – Autumn 2015 spending review announcement (recurrent)		0	0	5,582***
iBCF (LA Allocations) – Spring 2017 Budget announcement (non-recurrent)		0	9,526	6,837***
Disabled Facilities Grant Allocation		3,067	3,350	3,644***
LCC Miscellaneous		315		
Total BCF		39,418	52,114	55,994

Key:

* Ring-fenced from CCG Allocation, including inflationary uplift, as reflected in CCG Operating Plans 2017-19.

** Inclusion of the Intensive Community Support Service (Phase 2) in the BCF pooled budget, with effect from April 2017.

*** Indicative LA allocations for 2018/19.

44. Notwithstanding the additional allocation, significant financial pressure remains on all public sector partners, which in turn has affected the BCF expenditure plan. These pressures are caused primarily by two issues:-
- a) The requirement from the two County CCGs that up to £2m of savings should be sought in the BCF Plan in 2017/18, to support the significant financial risks affecting NHS commissioners in 2017/18;
 - b) The social care capital grant being removed from the BCF in 2016/17 and replaced with an unfunded uplift in DFG allocations.
45. The financial pressures relating to the 2016/17 DFG allocation have been mitigated via a contribution from Leicestershire County Council's allocation, on a non-recurrent basis.

46. Appendix A details the initial updated expenditure plan for the Leicestershire BCF. This sets out the individual line items of expenditure planned, drawing on the combination of funding sources as per the summary table at paragraph 43.
47. Line items which draw specifically on the new adult social care allocation, and which are subject to the grant conditions detailed above, are highlighted in the table for ease of reference.

Implications for the County Council MTFS

48. The additional adult social care allocation amounts to £19.7m over the three years 2017/18 – 2019/20. The funding is noted as non-recurrent. Whilst the additional monies are very welcome, it will not meet the total requirement for a sustainable adult social care service in the longer term, and the outcome of the Government's announcement regarding longer term sustainable models is awaited.
49. The funding position for the County Council with the addition of the new grant is set out below:

£ millions	2016/17	2017/18	2018/19	2019/20
ASC base funding (inc. 2% precept)	130	133	137	145
ASC Support Grant + Improved BCF		2	6	11
Supplementary funding		10	7	3
Total Funding Available	130	145	150	159
Forecast of expenditure on ASC	130	138	147	157
Available for investment (estimate)	0	7	3	2

50. As can be seen from the table above, the additional allocation partially meets the requirements of ensuring a sustainable adult social care market and meeting the known and anticipated social care needs as previously reported in the County Council's Medium Term Financial Strategy.
51. In addition, the Council is able to commit additional one-off investment of £11.6m over the period to transform local services, improve integrated care arrangements and help manage transfers of care.

52. The BCF expenditure plan at Appendix A is a provisional plan. It includes a number of areas that will be subject to further refinement as individual components are scoped and delivered, including some that are linked to the new adult social care allocation, and the final plan submitted to NHS England could be subject to adjustments in light of any final technical guidance and any feedback received during the BCF plan assurance process.

Section 75 Agreement

53. It should be noted that the BCF is operated as a pooled budget under Section 75 of the NHS Act 2006. The budget is managed through a Section 75 agreement between the County Council and the two County Clinical Commissioning Groups (CCGs). This is a rolling agreement, which was originally approved by the Cabinet in July 2014.
54. Assurance is required locally and nationally that the BCF Section 75 Agreement has been extended for a further 12 months and plans are in place, via the Integration Executive (an officer group), to undertake this work between June and July 2017 (subject to confirmation of the national BCF submission timetable – see paragraph 55).

BCF Plan Submission

55. The BCF Plan submission to NHS England is expected to take place in the next few weeks 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 BCF national conditions and metrics, it must demonstrate how this will be achieved and measured. This will be finalised once the national technical guidance is issued.
 - 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.
 - 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.
 - Additional documentation relating to the delivery of the BCF Plan including a programme plan, risk register, and governance structure (to be included in the supporting materials).
56. A regional and national assurance process for BCF plans is outlined in the BCF Policy Framework. This has involvement from both local government and NHS England, however the dates for this process are to be confirmed.

Background Papers

Better Care Fund Policy Framework 2016-17 - <http://ow.ly/74k9309bePG>

Integration and Better Care Fund Policy framework 2017 – 19

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607754/Integration_and_BCF_policy_framework_2017-19.pdf

Report to the Health and Wellbeing Board Report on 5 May 2016 ‘Better Care Fund Plan Final Submission and Assurance’ - <http://ow.ly/ahgj309bf47>

Report to the Cabinet on 17 June 2016 ‘Disabled Facilities Grant/BCF report’

<http://politics.leics.gov.uk/documents/s120067/supplementary%20BCF%20Plan%20DFG%20report.pdf>

Report to the Health and Wellbeing Board on 15 September 2016 ‘BCF/Disabled Facilities Grants’ <http://politics.leics.gov.uk/documents/s122300/DFG%20Report.pdf>

Report to the Cabinet on 16 September 2016 ‘BCF/Disabled Facilities Grants’

<http://politics.leics.gov.uk/documents/s122380/BCF%20DFG%20Report.pdf>

Report to the Health and Wellbeing Board on 5 January 2017 ‘Better Care Fund Refresh 2017/18’ - <http://ow.ly/30DZ309bfTt>

Report to Health Overview and Scrutiny on 1 March 2017

<http://politics.leics.gov.uk/documents/s126760/FEB%202017%20HOSC%20BCF%20REFRESH%20REPORT.pdf>

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/documents/s127292/BCF%20Refresh.pdf>

Appendices

Appendix A – Provisional BCF Expenditure Plan

Appendix B – Improved Better Care Fund Letter

Appendix C – BCF Refresh Engagement Activities

Appendix D – BCF Risk Register

Relevant Impact Assessments

Equality and Human Rights Implications

57. 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 - <http://ow.ly/1sgC309cJUu>. The assessment concluded that the impact of the BCF is neutral and therefore a full assessment was not required.
58. The document underwent an annual review by Leicestershire County Council's (Adults and Communities Department) Equalities Group on 14 March 2017.

Partnership Working

59. 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.
60. Day to day 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.
61. 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 STP, the five-year plan to transform health and care across Leicester, Leicestershire and Rutland. This programme of work is called *Better Care Together* and has resulted in the publication of the LLR STP.

Risk Assessment

62. 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.
63. The updated risk register has been reviewed in detail by partners including at the Integration Finance and Performance Group on 12th May 2017 and the Integration Executive on 23rd May 2017.
64. A copy of the updated register is attached as Appendix D to this report.
65. Key risks affecting the refreshed BCF Plan at this stage are characterised as a combination of:
 - Overall LLR system level risks (service, financial and transformational), per the LLR STP, 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).

66. The following is a summary of key risks associated with the BCF refresh as at May 2017 -

- a) Impact of the 2017/18 financial position across the health and care economy – risk that partners are forced to address immediate/short term system pressures versus investing in medium term solutions/transformation, e.g. per the STP priorities.
- b) Lack of financial headroom 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) Ongoing urgent care pressures, including the ongoing upward trend of emergency attendances/admissions and deterioration in Delayed Transfers of Care (DTC) performance experienced in 2016/17.
- e) 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.
- f) A number of these BCF service lines are subject to work being led by STP workstreams during 2017/18, with key milestones and quantifiable impact in some areas still to be confirmed.

BETTER CARE FUND REFRESH 2017/18 & 2018/19 - DRAFT

APPENDIX A

Scheme Name	ASC Allocation Code	2017/18 SPENDING PLAN				2018/19 SPENDING PLAN			
		West Leics CCG	East Leics & Rutland CCG	Leics County Council	Total Budget	West Leics CCG	East Leics & Rutland CCG	Leics County Council	Total Budget
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BCF1 - Unified Prevention Offer									
First Contact Plus		93.6	71.2	.0	164.8	94.6	71.9	.0	166.5
Total Unified Prevention Offer		93.6	71.2	.0	164.8	94.6	71.9	.0	166.5
BCF2 - Home First									
Care Act Support Pathway		257.9	196.1	.0	454.0	257.9	196.1	.0	454.0
Carers Health and Wellbeing Service		7.8	5.9	.0	13.7	.0	.0	.0	.0
Intermediate Care		313.0	267.0	.0	580.0	313.0	267.0	.0	580.0
Reablement (NHS protected)		2,419.0	1,713.0	.0	4,132.0	2,419.0	1,713.0	.0	4,132.0
Intensive Community Support phase 1 (NHS protected)		951.0	870.0	.0	1,821.0	951.0	870.0	.0	1,821.0
Intensive Community Support phase 2 (CCG additional allocation)		1,367.3	1,195.5	.0	2,562.7	1,367.3	1,195.5	.0	2,562.7
Step Down (NHS protected)		300.0	229.0	.0	529.0	300.0	229.0	.0	529.0
Residential Respite Service (ASC protected)		421.8	320.8	.0	742.6	421.8	320.8	.0	742.6
Health & Social Care Protocol Training		58.1	44.2	.0	102.3	14.5	11.0	.0	25.5
Increased demand for Nursing Care Packages (ASC protection)		2,044.4	1,554.9	.0	3,599.3	2,044.4	1,554.9	.0	3,599.3
Increased demand for Home Care Service (ASC protection)		6,273.0	4,771.0	.0	11,044.0	6,273.0	4,771.0	.0	11,044.0
Discharge Pathway 3 - Non-weight bearing pathway		48.5	36.9	.0	85.4	48.5	36.9	.0	85.4
Community Hospital Link Workers		118.7	90.3	.0	209.0	118.7	90.3	.0	209.0
Primary Care Coordinators (NHS protected)		208.0	184.0	.0	392.0	208.0	184.0	.0	392.0
Assessment and Review (ASC protected)		931.5	708.4	.0	1,639.9	931.5	708.4	.0	1,639.9
Improving Mental Health Discharge		154.3	117.3	.0	271.6	154.3	117.3	.0	271.6
Bradgate Unit - develop an integrated discharge pathway/team	2.3	.0	.0	100.0	100.0	.0	.0	40.0	40.0
Home First Programme Team	3.1	.0	.0	200.0	200.0	.0	.0	100.0	100.0
Project Manager - Step Up/Step Down	3.3	.0	.0	50.0	50.0	.0	.0	25.0	25.0
Home First Commissioning Officer	3.4	.0	.0	50.0	50.0	.0	.0	25.0	25.0
HART Capacity	3.5	.0	.0	250.0	250.0	.0	.0	250.0	250.0
Integration of health & social care rehab/reablement services inc. 24 hour crisis response	3.6	.0	.0	150.0	150.0	.0	.0	250.0	250.0
Investment in telecare/telehealth to support ILT & Home First programmes	3.7	.0	.0	100.0	100.0	.0	.0	200.0	200.0
Provision of enhanced carer support services in line with new carers strategy	3.8	.0	.0	100.0	100.0	.0	.0	200.0	200.0
Development of interim bed capacity (D2A)	3.9	.0	.0	400.0	400.0	.0	.0	750.0	750.0
Stabilising the social care provider market		.0	.0	2,994.4	2,994.4	.0	.0	1,618.9	1,618.9
Total Home First		15,874.3	12,304.3	4,394.4	32,572.9	15,822.9	12,265.2	3,458.9	31,546.9
BCF3 - Integrated Housing Support									
Assistive Technology	7.4	.0	.0	760.0	760.0	.0	.0	680.0	680.0
Lightbulb - Housing Discharge Enabler	7.4	.0	.0	114.0	114.0	.0	.0	.0	.0
Disabled Facilities Grants									
* Blaby DC		.0	.0	499.5	499.5	.0	.0	499.5	499.5
* Charnwood BC		.0	.0	846.3	846.3	.0	.0	846.3	846.3
* Harborough BC		.0	.0	385.7	385.7	.0	.0	385.7	385.7
* Hinckley and Bosworth BC		.0	.0	439.7	439.7	.0	.0	439.7	439.7
* Melton BC		.0	.0	259.4	259.4	.0	.0	259.4	259.4
* North West Leicestershire BC		.0	.0	573.0	573.0	.0	.0	573.0	573.0
* Oadby and Wigston BC		.0	.0	346.3	346.3	.0	.0	346.3	346.3
Sub Total Disabled Facilities Grants		.0	.0	3,349.9	3,349.9	.0	.0	3,349.9	3,349.9
Total Integrated Housing Support		.0	.0	4,223.9	4,223.9	.0	.0	4,029.9	4,029.9
BCF4 - Integrated Domiciliary Care - Help to Live at Home (HTLAH)									
Community Based Review Team		234.3	178.2	.0	412.5	234.3	178.2	.0	412.5
CCG Reablement		662.2	519.4	.0	1,181.6	662.2	519.4	.0	1,181.6
Back Office Support		56.8	43.2	.0	100.0	56.8	43.2	.0	100.0
3 OT Posts & Specialised Equipment for double handed care to single handed care	1.2	.0	.0	220.0	220.0	.0	.0	50.0	50.0
Extend HTLAH Project	4.1	.0	.0	200.0	200.0	.0	.0	.0	.0
Additional review capacity for HTLAH transitions	4.2	.0	.0	60.0	60.0	.0	.0	.0	.0
Commissioning, QIT and brokerage	4.3	.0	.0	100.0	100.0	.0	.0	.0	.0
Investment in dom care market to increase capacity	6.8	.0	.0	100.0	100.0	.0	.0	1,000.0	1,000.0
Integrated Domiciliary Care		953.3	740.8	680.0	2,374.1	953.3	740.8	1,050.0	2,744.1
BCF5 - Integrated Locality Teams									
Proactive Care Model		540.0	.0	.0	540.0	540.0	.0	.0	540.0
Integrated Care Teams		.0	430.0	.0	430.0	.0	430.0	.0	430.0
Cardiorespiratory (LTC QIPP)		273.3	169.0	.0	442.3	273.3	169.0	.0	442.3
LLR Community Stroke & Neurology Rehabilitation Service		174.4	103.9	.0	278.3	174.4	103.9	.0	278.3
Implementation of Care Coordinators for Integrated Locality Teams	2.1	.0	.0	100.0	100.0	.0	.0	100.0	100.0
Integrated Locality Teams		987.7	702.9	100.0	1,790.6	987.7	702.9	100.0	1,790.6
BCF6 - Integrated Urgent Care									
End of Life Night Nursing Service		142.0	109.7	.0	251.8	142.0	109.7	.0	251.8
Released funding for Crisis Response Service - Night Nursing Service		86.0	62.3	.0	148.3	86.0	62.3	.0	148.2
Additional funding for Crisis Response Service - Night Nursing Service (Holding Line)			.0	.0	.0		.0	.0	.0
Crisis Response Service (CRS) - Social Care		321.3	244.3	.0	565.6	324.5	246.8	.0	571.3
Loughborough Super Hub		890.0	.0	.0	890.0	890.0	.0	.0	890.0
Reallocation of Rapid Assessment for OPU (ELRCCG)		.0	776.0	.0	776.0	.0	776.0	.0	776.0
Home Visiting Centre		1,278.5	622.5	.0	1,901.0	1,278.5	622.5	.0	1,901.0
Total Integrated Urgent Care		2,717.8	1,814.8	.0	4,532.6	2,721.0	1,817.3	.0	4,538.3
BCF7 - Integrated Points of Access									
50% contribution to the phase 2 implementation costs	2.4	.0	.0	600.0	600.0	.0	.0	230.0	230.0
Total Integrated Points of Access		.0	.0	600.0	600.0	.0	.0	230.0	230.0
BCF8 - Integrated Data									
PI Care and Healthtrak		36.1	27.4	.0	63.5	36.1	27.4	.0	63.5
Total Integrated Data		36.1	27.4	.0	63.5	36.1	27.4	.0	63.5
BCF9 - Integrated Commissioning									
Improving Quality in Care Homes		288.7	219.5	.0	508.2	291.6	221.8	.0	513.4
Integrated approach to the commissioning of residential & nursing home provision		51.7	39.3	.0	91.0	6.8	5.2	.0	12.0
Care Homes - SME for Commissioning Group, support to EHCH bid, Proj Mgr Integrated Commissioning of Care Homes	3.2	.0	.0	100.0	100.0	.0	.0	50.0	50.0
Post Diagnostic Community & In-Reach Service for people affected by Dementia		203.7	162.5	.0	366.2	193.0	153.9	.0	346.9
LD Short Breaks		588.0	256.0	.0	844.0	588.0	256.0	.0	844.0
Personal budget, Community Life Choices & Supported Living Review Team	1.1	.0	.0	850.0	850.0	.0	.0	.0	.0
Multi-disciplinary review team for top 100 high cost placements	1.3	.0	.0	170.0	170.0	.0	.0	80.0	80.0
Reviewing working age mental health in residential care (s117)	1.4	.0	.0	70.0	70.0	.0	.0	.0	.0
Support for new extra care facility	1.5	.0	.0	70.0	70.0	.0	.0	30.0	30.0
Health support for new extra care facility	1.5	.0	.0	50.0	50.0	.0	.0	.0	.0
CHC Commissioning capacity to support new CHC end to end process & ensure transfer to assess D2A pathways	2.2	.0	.0	90.0	90.0	.0	.0	60.0	60.0
Resources to support commissioning for better outcomes	7.3	.0	.0	20.0	20.0	.0	.0	20.0	20.0
Total Integrated Commissioning		1,132.1	677.3	1,420.0	3,229.4	1,079.4	636.9	240.0	1,956.3
BCF10 - Transforming Care									
Investment in Residential Care/Supported Living/Reablement Unit	5.1	.0	.0	250.0	250.0	.0	.0	750.0	750.0
Contribution to capital costs of Transforming Care accommodation costs	5.2	.0	.0	500.0	500.0	.0	.0	.0	.0
Case Managers for Transforming Care to support inpatient reductions	5.3	.0	.0	50.0	50.0	.0	.0	25.0	25.0
Total Transforming Care		.0	.0	800.0	800.0	.0	.0	775.0	775.0
BCF11 - BCF Enablers									
Care Act Enablers		42.7	32.4	.0	75.1	42.7	32.4	.0	75.1
Integration Programme Management		197.1	149.7	52.6	399.4	199.0	151.2	53.1	403.3
Specialist OD support to develop TOM	6.1	.0	.0	30.0	30.0	.0	.0	.0	.0
Implement Customer Portal	6.2	.0	.0	50.0	50.0	.0	.0	.0	.0
IT infrastructure to support integrated discharge team, self service and mobile working	6.3	.0	.0	150.0	150.0	.0	.0	.0	.0
Apprenticeship scheme for gaps in market, e.g. home care	6.4	.0	.0	100.0	100.0	.0	.0	100.0	100.0
Development of external workforce	6.5	.0	.0	65.0	65.0	.0	.0	.0	.0
Additional HR/OD Support	6.6	.0	.0	.0	.0	.0	.0	.0	.0
Support to develop PA market	6.7	.0	.0	50.0	50.0	.0	.0	.0	.0
Additional TU Business Consultancy Capacity	7.1	.0	.0	60.0	60.0	.0	.0	50.0	50.0
Additional Department Support for Transformation	7.2	.0	.0	100.0	100.0	.0	.0	100.0	100.0
Total BCF Enablers		239.8	182.1	657.6	1,079.5	241.7	183.6	303.1	728.4
Total BCF Schemes Spend (Recurrent)									
		22,034.7	16,520.8	3,349.9	41,905.4	21,936.7	16,446.0	3,349.9	41,732.5
Total ASC Allocation Spend (Non-Recurrent) & LCC recurrent									
		.0	.0	9,526.0	9,526.0	.0	.0	6,837.0	6,837.0
TOTAL BCF SPEND									
		22,034.7	16,520.8	12,875.9	51,431.4	21,936.7	16,446.0	10,186.9	48,569.5
CONTINGENCY									
CCG Contingency		500.0	500.0	.0	1,000.0	500.0	500.0	.0	1,000.0
Risk Pool		500.0	500.0	.0	1,000.0	500.0	500.0	.0	1,000.0
Cost Improvement Target		-823.9	-493.3	.0	-1,317.2	-329.6	-121.5	.0	-451.1
iBCF (Autumn 2015 Spending Review Announcement) still to be allocated		.0	.0	.0	.0	.0	.0	5,582.0	5,582.0
TOTAL CONTINGENCY									
		176.1	506.7	.0	682.8	670.4	878.5		

2019/20 SPENDING PLAN			
West Leics CCG	East Leics & Rutland CCG	Leics County Council	Total Budget
£'000	£'000	£'000	£'000
94.6	71.9	.0	166.5
94.6	71.9	.0	166.5
257.9	196.1	.0	454.0
.0	.0	.0	.0
313.0	267.0	.0	580.0
2,419.0	1,713.0	.0	4,132.0
951.0	870.0	.0	1,821.0
1,367.3	1,195.5	.0	2,562.7
300.0	229.0	.0	529.0
421.8	320.8	.0	742.6
.0	.0	.0	.0
2,044.4	1,554.9	.0	3,599.3
6,273.0	4,771.0	.0	11,044.0
48.5	36.9	.0	85.4
118.7	90.3	.0	209.0
208.0	184.0	.0	392.0
931.5	708.4	.0	1,639.9
154.3	117.3	.0	271.6
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	200.0	200.0
.0	.0	850.0	850.0
.0	.0	600.5	600.5
15,808.4	12,254.2	1,650.5	29,713.0
.0	.0	700.0	700.0
.0	.0	.0	.0
.0	.0	499.5	499.5
.0	.0	846.3	846.3
.0	.0	385.7	385.7
.0	.0	439.7	439.7
.0	.0	259.4	259.4
.0	.0	573.0	573.0
.0	.0	346.3	346.3
.0	.0	3,349.9	3,349.9
.0	.0	4,049.9	4,049.9
234.3	178.2	.0	412.5
662.2	519.4	.0	1,181.6
56.8	43.2	.0	100.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
953.3	740.8	.0	1,694.1
540.0	.0	.0	540.0
.0	430.0	.0	430.0
273.3	169.0	.0	442.3
174.4	103.9	.0	278.3
.0	.0	.0	.0
987.7	702.9	.0	1,690.6
142.0	109.7	.0	251.8
86.0	62.3	.0	148.2
.0	.0	.0	.0
324.5	246.8	.0	571.3
890.0	.0	.0	890.0
.0	776.0	.0	776.0
1,278.5	622.5	.0	1,901.0
2,721.0	1,817.3	.0	4,538.3
.0	.0	.0	.0
.0	.0	.0	.0
36.1	27.4	.0	63.5
36.1	27.4	.0	63.5
291.6	221.8	.0	513.4
6.8	5.2	.0	12.0
.0	.0	.0	.0
193.0	153.9	.0	346.9
588.0	256.0	.0	844.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
1,079.4	636.9	.0	1,716.3
.0	.0	1,000.0	1,000.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	1,000.0	1,000.0
42.7	32.4	.0	75.1
199.0	151.2	53.1	403.3
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
.0	.0	.0	.0
241.7	183.6	53.1	478.4
21,922.2	16,435.0	3,349.9	41,707.0
.0	.0	3,403.6	3,403.6
21,922.2	16,435.0	6,753.5	45,110.6
500.0	500.0	.0	1,000.0
500.0	500.0	.0	1,000.0
-315.1	-110.5	.0	-425.6
.0	.0	11,400.0	11,400.0
684.9	889.5	11,400.0	12,974.4
22,607.1	17,324.5	18,153.5	58,085.0

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22/03/2017

Dear Chief Executive,

We would like to thank you for all the work you do to support older and disabled people and for your particular efforts to work with the NHS to tackle the challenge of rising demand. I am sure you will have welcomed the Chancellor's announcement in the Spring Budget 2017 on Wednesday 8 March that councils will receive an additional £2 billion over the next three years for social care. £1 billion of this will be provided in 2017-18, ensuring that you can start to fund more care packages immediately. This additional funding is to be spent on adult social care and used for the purposes of meeting adult social care needs, reducing pressures on the NHS - including supporting more people to be discharged from hospital when they are ready - and stabilising the social care provider market.

The new funding will be paid as a DCLG grant to councils. You are best placed to determine what is needed to maintain a diverse and sustainable market locally and ensure the funding reaches the social care frontline swiftly. We believe that distributing the funding based on a 90% (improved Better Care Fund) and 10% social care relative needs formula (RNF) split ensures that the funding is distributed according to social care need.

We are attaching a small number of conditions to the grant, to ensure that the money is spent on adult social care services and supports improved performance at the health and social care interface. The grant will be pooled into the Better Care Fund, to support a continuing agreement with your local NHS. The Integration and Better Care Fund Policy Framework for 2017-19 is due to be published later this week. We encourage you to have early discussions with your Health and Wellbeing Boards (HWBs) to ensure swift agreement of your spending plans, and councils should feel free to spend the grant, including to commission care, subject to the conditions set out in the grant determination, as soon as plans have been locally agreed.

Local authorities and CCGs have a joint responsibility to implement each of the best practices set out in the High Impact Change Model for reducing delayed transfers of care, developed by the Local Government Association (LGA), NHS England and NHS Improvement (NHSI). Every council and NHS Trust in England should agree arrangements for a Trusted Assessor model to be used, as appropriate. The agreed arrangements should be in line with the guidance on the use of Trusted Assessors, which

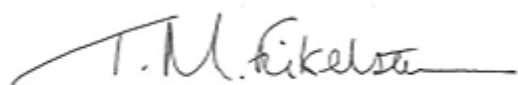
will be published shortly. A copy of the High Impact Change Model is attached. The formal Grant Determination will follow in due course, but we thought it helpful for you to see a draft of the conditions it will contain. DCLG will also be writing to s151 officers, asking them to certify that the additional funding provided in the Budget will be additional to existing plans for spending on adult social care in 2017-18.

We will be expecting to see improvement in how many people are waiting for discharge from hospital and how long they are waiting. The Government has published the NHS England Mandate which sets out the clear expectation that the total level of delayed transfers of care will be reduced to no more than 3.5% of occupied hospital beds and we expect local authorities will want to work with NHS partners to jointly deliver this requirement. NHS has provided information around the current delayed transfers of care levels which will be helpful in informing your local BCF discussions. You will find also find it helpful to see the latest trust level data showing delays attributable to the NHS and social care <https://www.england.nhs.uk/statistics/statistical-work-areas/delayed-transfers-of-care/2016-17-data/>

DH and DCLG are developing, in consultation with the ADASS, LGA, NHS E and NHI, a set of metrics – including, but broader than, DTOCs – to assess patient flow across the NHS and social care interface. Following the development of the metrics we will ask the Care Quality Commission (CQC) to carry out targeted reviews in a small number of areas, starting as soon as is practical from May 2017. These reviews will be focused on the interface of health and social care and not cover wider council social care commissioning. This should lead to a tailored response to ensure those areas facing the greatest challenges can improve rapidly.

In the longer term, the Government is committed to establishing a fair and more sustainable basis for funding adult social care, in the face of the future demographic challenges the country faces. We will bring forward proposals to put the state funded system for meeting the care and support needs of older people on a more secure and sustainable long-term footing in a Green Paper later this year.

This is a significant investment in the vital social care services you provide for your community. The Department of Health and Department for Communities and Local Government are committed to continuing to work with Local Authorities.



TAMARA FINKELSTEIN
Director General, Community Care



JO FARRAR
Director General, Local Government and Public Services

(copied to Chairs of A&E Boards and NHS Regional Directors)

BCF Refresh Engagement Activities

The table below provides detail of activities planned between October 2016 and June 2017 evidencing how the BCF refresh has been undertaken, with the engagement of all stakeholders.

Date	Purpose	Audience
13 th Oct 16	Initial workshop to review the existing BCF schemes	Integration Operational Group
25 th Oct 16	Briefing on BCF refresh progress	WLCCG Finance & Planning Subgroup
28 th Oct 16	Review of Disabled Facilities Grants spend	LCC and District Council Reps
1 st Nov 16	Briefing on BCF refresh progress	Integration Executive
1 st Nov 16	Review of Adult Social Care protection schemes	ELRCCG, WLCCG & LCC Strategy and Finance Leads
7 th Nov 16	Briefing on BCF refresh progress	LPT Executive Team
8 th Nov 16	Briefing on BCF refresh progress	LPT Community Health Service – Senior Divisional Group
8 th Nov 16	Briefing on BCF refresh progress	UHL Executive Strategy Board
10 th Nov 16	Further evaluation of BCF schemes review.	Integration Operational Group
22 nd Nov 16	Briefing on BCF refresh progress	WLCCG Finance & Planning Subgroup
5 th Dec 16	Briefing on BCF refresh progress	ELRCCG Executive Management Team
5 th Dec 16	Briefing on BCF refresh progress	WLCCG Corporate Management Team
6 th Dec 16	Briefing on BCF refresh progress	ELRCCG Integrated Governance Committee
6 th Dec 16	Update on progress of the BCF refresh	Integration Executive
7 th Dec 16	Briefing on BCF refresh progress	Healthwatch Leicestershire
8 th Dec 16	Further evaluation of BCF schemes review.	Integration Operational Group
19 th Dec 16	Detailed review of BCF spending plan for 2017/18-2018/19 and further prioritisation. Decision on Risk Pool levels for 2017/18.	Integration Finance & Performance Group
20 th Dec 16	Review of progress on BCF refresh	ASC Transformation Delivery Board
3 rd Jan 17	Briefing on BCF refresh progress	Integration Executive
5 th Jan 17	Presentation on planning guidance and approach to BCF refresh/emerging priorities to seek feedback from the H&WB Board	Health and Wellbeing Board
5 th Jan 17	Briefing on BCF refresh progress	District Councils Chief Executive
6 th Jan 17	BCF Schemes Risk Impact Assessment Session	ELRCCG, WLCCG and LCC BCF Leads
19 th Jan 17	Workshop to review proposed schemes and investment levels within BCF plan	Integration Executive Workshop
26 th Jan 17	Briefing on BCF refresh progress	LCC Transformation Delivery Board
7 th Feb 17	Update on final BCF submission	ELRCCG Integrated Governance Committee
7 th Feb 17	Assurance on final BCF submission	Integration Executive
13 th Feb 17	Update on final BCF submission	ELRCCG Executive Management Team
13 th Feb 17	Update on final BCF submission	WLCCG Corporate Management Team

14 th Feb 17	Briefing on BCF refresh progress	UHL Executive Strategy Board
14 th Feb 17	Briefing on BCF refresh progress	LPT Community Health Service – Senior Divisional Group
15 th Feb 17	Update on BCF submission	ASC Transformation Delivery Board
20 th Feb 17	Briefing on BCF refresh progress	LPT Executive Team
28 th Feb 17	Presentation on the BCF Refresh Process	VAL Health and Social Care Forum
28 th Feb 17	Review BCF Submission	WLCCG Finance & Planning Subgroup
1 st Mar 17	Assurance on the BCF submission	Health Overview and Scrutiny Committee
7 th Mar 17	Briefing on BCF refresh	LCC Strategy & Coordination Group
9 th Mar 17	Briefing on BCF refresh progress	District Councils Chief Executive
9 th Mar 17	Briefing on BCF refresh progress	All Member Briefing: Health & Care
10 th Mar 17	Assurance on the BCF submission	LCC Cabinet
14 th Mar 17	Sign-off of draft BCF submission	ELRCCG Board
14 th Mar 17	Sign off of draft BCF submission	WLCCG Board
15 th Mar 17	Update on BCF submission	A&E Delivery Board
16 th Mar 17	Final sign-off of draft BCF submission.	Health and Wellbeing Board
29 th Mar 17	Update on Integration Programme	LCC A&C Senior Leadership Team
4 th Apr 17	Briefing on BCF Refresh and iBCF allocation	Integration Executive
5 th Apr 17	Briefing on iBCF allocation	A&E Delivery Board
10 th Apr 17	Update on iBCF allocation	ELRCCG Executive Management Team
10 th Apr 17	Update on iBCF allocation	WLCCG Corporate Management Team
11 th Apr 17	Briefing on iBCF allocation	ELRCCG Governing Body
11 th Apr 17	Briefing on iBCF allocation	WLCCG Board
21 st Apr 17	Detailed review of iBCF expenditure plan	ELRCCG, WLCCG, LCC ASC, LPT and UHL representatives
24 th Apr 17	Review of iBCF expenditure plan	ELRCCG and WLCCG Finance Directors
25 th Apr 17	Report on iBCF plan for local agreement	WLCCG Finance & Planning Subgroup
2 nd May 17	Report on iBCF plan for local agreement	ELRCCG Integrated Governance Committee
12 th May 17	Review of BCF expenditure plan	Integrated Finance & Performance Group
19 th May 17	Update on Integration Programme	Leicestershire Fire & Rescue Service Executive Team
30 th May 17	Briefing on BCF plan and iBCF	LCC Strategy & Coordination Group
12 th Jun 17	General programme update & briefing on BCF refresh and iBCF plan	LPT Executive Team
13 th Jun 17	General programme update & briefing on BCF refresh and iBCF plan	LPT Community Health Service – Senior Divisional Group
13 th Jun 17	General programme update & briefing on BCF refresh and iBCF plan	UHL Executive Strategy Board
18 th Jun 17	Assurance on the iBCF allocation and update on BCF plan submission	Health Overview & Scrutiny Committee
22 nd Jun 17	Assurance on the iBCF allocation and update on BCF plan submission	Health & Wellbeing Board
23 rd Jun 17	Assurance on the iBCF allocation and update on BCF plan submission	LCC Cabinet

Governance arrangements will be finalised for final sign-off of the BCF Plan following the release of the national BCF guidance.

Appendix D - BCF Programme Risk Register

Likelihood	Consequences				
	1 (Insignificant)	2 (Minor)	3 (Moderate)	4 (Major)	5 (Catastrophic)
1 (Rare)	1	2	3	4	5
2 (Unlikely)	2	4	6	8	10
3 (Possible)	3	6	9	12	15
4 (Likely)	4	8	12	16	20
5 (Almost certain)	5	10	15	20	25

Risk Number	Risk Description: describe the cause (hazard), and effect (risk)	Original Likelihood Score	Original Impact Score	Original Risk rating	Risk Level	Date Added to Risk Register	Mitigating Actions/Controls Required	Responsible Person	Reviewed Likelihood Score	Reviewed Impact Score	Reviewed Risk rating	Risk Movement from last assessment ◀▶ / ▼ / ▲	Risk Status
BCF1	If Health and Care partners fail to deliver an integrated care programme, within the national guidance, financial envelope and key milestones of the agreed BCF plan, then it could lead to the non-achievement of a number of national conditions and performance thresholds which could result in elements of the BCF funding being withheld.	3	3	9	High	Sep-14	Well established multiagency governance structure since 2014. Monthly reporting, including rigorous performance reporting, on overall progress into governance structure at operational and strategic level. Consolidation of reporting into STP PMO for LLR-wide assurance. Section 75 agreement refreshed at least annually and reviewed on a quarterly basis by the IFPG. Quarterly reporting via NHSE on national template for BCF assurance. Detailed programme plan - reviewed monthly. Evaluation of BCF schemes. Proactive comms plan in place with dedicated microsite for Health and Care Integration. Wide ranging engagement plan undertaken for the BCF plan across all partners. Alignment of the key risk(s) into LCC and NHS partners risk registers.	Cheryl Davenport	2	3	6		Open
BCF2	If BCF delivery costs are greater than estimated, or reviews of schemes do not identify sufficient financial benefits, then the programme will not achieve the cost improvement plan required.	3	3	9	High	Apr-17	£1m efficiency target set for 2017/18 BCF Plan. Agreement reached during refresh as to where the saving should be made. Maximise use of the ASC allocation in support of financial pressures. Good level of confirm and challenge into financial assumptions across partners, review of Business Cases and investment proposals on a multiagency basis. Proactive financial management across BCF schemes monthly, and report progress to the IFPG quarterly including performance against efficiency target. Monthly summary provided via Programme Highlight Report to Operational Group and IE. Liaise with Project Leads regarding progress on programme reviews (e.g. Home First Project Lead on the baseline review of all current reablement spend, activity and outcomes). Annual refresh of BCF plan with strong focus spending plan. Re-profile spending plan where applicable within service lines to better match milestones if any significant variances occur. Agreement in section 75 to be able to off-set an overspend in one scheme against underspends in other schemes. Engagement as needed in internal/external audit processes and reviews to test controls and improve processes based on recommendations where applicable.	Cheryl Davenport	2	3	6		Open
BCF3	If national policy changes to the BCF source/type/amount of funds then the BCF plan may need to be significantly amended, e.g. the Improved BCF and Disabled Facilities Grants (DFG) allocations, etc.	3	2	6	Medium	Feb-16	Close monitoring of national policy and allocations. Engagement and reporting via LCC Cabinet and other partners. Early & regular engagement with Districts on planning assumptions from 2017, and quarterly monitoring of spend implemented from April 2017. Early engagement/agreement with NHS partners on the new ASC allocation to ensure maximum effect. Mitigation via LCC for the DFG 2016/17 financial pressures for 2017/18 affecting the BCF plan. This mitigation has been applied on a non-recurrent basis. Recurrent solution is part of the BCF efficiency target. Development of the Lightbulb business case and service roll-out targets greater efficiencies from DFG processes/allocations across Leicestershire. Proactive management of political and reputational impact of DFG allocations across officers & members in two tier system. Approval of Lightbulb business case via LCC and Districts.	Cheryl Davenport/ Jon Wilson	3	2	6		

Risk Number	Risk Description: describe the cause (hazard), and effect (risk)	Original Likelihood Score	Original Impact Score	Original Risk rating	Risk Level	Date Added to Risk Register	Mitigating Actions/Controls Required	Responsible Person	Reviewed Likelihood Score	Reviewed Impact Score	Reviewed Risk rating	Risk Movement from last assessment ◀▶ / ▼ / ▲	Risk Status
BCF4	If ASC protection levels are not sufficient or demand outstrips assumptions then it could impact delivery against the BCF national conditions and metrics.	2	3	6	Medium	Sep-14	Annual refresh, and review with partners, of ASC protection allocation to meet BCF guidance and stakeholder requirements. Ensure elements for ASC protection map clearly to the conditions/metrics in the BCF and STP workstreams and that the components have clear, measurable benefits. Ongoing analysis between ASC MTFS assumptions and the BCF Plan. Any residual risk/shortfall identified to be addressed in the wider County Council MTFS planning process through review of growth and savings requirements. Using ASC allocation to maximum effect to support the ASC strategy based on prevent, delay, reduce & demand. ASC Transformation Board in place to govern delivery of MTFS savings and transformation work linked to the strategy. LCC risk pool for HTLAH savings assumptions linked to the MTFS. Capacity and demand modelling within STP to improve service and financial planning assumptions for ASC. LLR Urgent Care action plan & dashboard in place which is tracking the impact on ASC against key metrics. New workstream of STP focused on discharge, recovery and reablement (Home First). Application of the PI tool and simulation modelling to key ASC activities. New LCC BI strategy focuses on providing improved analytical tools and outputs to support costing, activity modelling, and performance management in ASC.	Cheryl Davenport/ Jon Wilson	2	3	6		Open
BCF5	If schemes in place aimed towards achieving the four BCF outcome metrics (non-elective admissions, delayed transfer of care, permanent admissions to care homes, reablement 91 days post discharge) do not have the level of impact expected then this could result in: * CCGs being unable to release the planned level of funding during the financial year * providers not being able to extract the required level of capacity from the system. * ASC being unable to deliver transformation and savings plan. * Leicestershire BCF Plan being escalated upwards to NHSE.	3	3	9	High	Sep-14	Set realistic stretch projections on outcome metrics in consultation with key partners. KPIs beneath the main metrics to seek further assurance on delivery/impact of specific interventions with dedicated analyst time to support data capture, analysis and reporting. Ongoing review of the impact of individual BCF schemes against BCF metrics and trajectories, and an evaluation programme. New performance dashboard (April 2017) to provide further insight for decision making purposes. Challenge given to provide assurance on progress. Annual process for reviewing the addition/exclusion of BCF schemes as part of BCF refresh process. Evidence base/analysis for proof of concept/business case development to be linked more clearly to trajectory assumptions. Clear line of sight from BCF plan to acute contract activity and financial assumptions/STP capacity planning. Scenarios addressed in risk sharing agreements where applicable. (Commissioner only) IFPG in place to govern delivery of s75 pooled budget and performance management on quarterly basis locally, and in support of NHSE quarterly returns. Alignment with STP reporting dashboards, e.g. logic models for Home First and Integrated Teams, new DTOC dashboard. Refresh LLR DTOC assessment (high impact changes tool). Oversight of performance quarterly to HWBB and other key partners.	Cheryl Davenport	3	2	6		Open

Risk Number	Risk Description: describe the cause (hazard), and effect (risk)	Original Likelihood Score	Original Impact Score	Original Risk rating	Risk Level	Date Added to Risk Register	Mitigating Actions/Controls Required	Responsible Person	Reviewed Likelihood Score	Reviewed Impact Score	Reviewed Risk rating	Risk Movement from last assessment ◀▶ / ▼ / ▲	Risk Status
BCF6	If the BCF plan is not aligned with the LLR-wide strategic programmes (including the STP programme) then it could potentially result in duplication or an uncoordinated programme across partners.	2	3	6	Medium	Sep-14	As part of the BCF refresh, complete mapping exercise to ensure that key components are mapped and governed within the STP programme where appropriate. Clear programme plan and project roles for delivering service lines within the BCF, which includes matrix working with STP workstream programme leads where applicable. Representation from the LA on the LLR SLT and STP workstreams (where appropriate). STP updates included in All Member Briefings on a regular basis. HWBB has a 'confirm and challenge' role for two themes of the STP (Integrated Teams and Community Hospitals), and receive six-monthly updates on the STP programme as a whole. LCC Cabinet engaged in the development of the STP 5 year plan. Ensuring that the Integrated Points of Access Programme is formally adopted into the STP.	Cheryl Davenport	1	3	3		Open
BCF7	If the overall BCF plan and individual BCF schemes within it, are not sufficiently or robustly planned, and risks are not effectively managed, then the programme may result in: * overspend on the BCF spending plan, and non-achievement of saving targets. * delays/slippage on delivering the BCF programme. * commissioning decisions not supporting the integration programme objectives. * lack of contingency plan/effective alternative schemes if parts of the BCF plan is failing. * inadequate change control process in place.	3	2	6	Medium	Mar-17	Structured approach to annual refresh of the BCF Plan. High level & detailed programme plans. Expenditure realistically profiled to plan. Contingency agreement per the pooled budget. Governance via Integration Programme governance. Operational Group will ensure challenge is applied to all phasing of the schemes to ensure that implementation happens in the right order. Monthly highlight report monitor progress of the overall programme. Proactive integration/BCF team, working at pace, maintaining excellent relationship management with all agencies, chasing delivery of actions and managing the BCF budget on a daily/weekly/monthly basis - all delivered via matrix working across the health and care system. Dependencies being mapped with STP delivery plans e.g. digital roadmap, Urgent Care, Integrated Locality Teams and Home First workstreams. Process in place for tracking efficiency programme. Process in place for new funding requests which requires detailed information on scheme. Full business case development for significant schemes, to be signed-off through relevant governance routes. Annual development session of the HWBB to check alignment of commissioning intentions across partners. Joint commissioning priorities identified via the integration work programme.	Cheryl Davenport	2	3	6		Open
BCF8	Lack of visibility/engagement across wider stakeholders including the public and VCS.	2	2	4	Medium	Sep-14	Comms & engagement plan in place. Annual refresh and reviewed quarterly. Extensive engagement during BCF refresh - evidenced in annual submissions. Regular stakeholder bulletins, All Member briefings & engagement with partner organisations including LCC, Districts, CCGs, UHL, LPT, Healthwatch etc. BCF Plan public summary, plan on a page. Dedicated comms resource for the BCF. Also same comms resource for STP programmes (e.g. comms resource for Home First, Integrated Teams and Integrated Points of Access). Microsite in place for online presence. Leading communications and engagement for key elements of the STP – e.g. integrated locality teams. More targeted engagement planned with front-line staff for 2017/18. Dissemination programme for showcasing local practice regionally and nationally e.g. via ADASS, BCF national channels and webinar/conference/academic channels e.g. cascade of SIMTEGR8 outputs.	Cheryl Davenport	1	2	2		Open

Risk Number	Risk Description: describe the cause (hazard), and effect (risk)	Original Likelihood Score	Original Impact Score	Original Risk rating	Risk Level	Date Added to Risk Register	Mitigating Actions/Controls Required	Responsible Person	Reviewed Likelihood Score	Reviewed Impact Score	Reviewed Risk rating	Risk Movement from last assessment ◀▶ / ▼ / ▲	Risk Status
BCF9	If there is insufficient capacity or expertise available within the Integration Programme Team, then it could impact on the delivery of the BCF programme.	2	2	4	Medium	Sep-14	BCF programme plan in place. Operational Group meet monthly to ensure detailed oversight & remedial action where necessary. Project Managers assigned to individual schemes where applicable with matrix working into STP workstreams. Refresh of staff resource plan factored into the BCF refresh process annually. Interim resource supporting the delivery of key areas of work where necessary (e.g. falls) STP workstreams are being populated with programme resources, STP PMO resourcing TBC in early 2017/18. Reviewed business continuity arrangements of BCF/Integration team based at LCC. Weekly team meetings to manage resource and delivery within the integration team. 6 month planning sessions for the integration/BCF programme plan to ensure forward resource planning and remedial action as needed. Link in with STP enabling workstreams, e.g. OD, IM&T, etc. LCC hosted programme team is well supported by LCC corporate departments and technical expertise (e.g. procumbent).	Cheryl Davenport	2	2	4		Open



CABINET - 23 JUNE 2017

**LEICESTERSHIRE ADULT SOCIAL CARE ACCOMMODATION
STRATEGY FOR OLDER PEOPLE 2016 TO 2026**

UPDATE ON EXTRA CARE DEVELOPMENTS IN LEICESTERSHIRE

**JOINT REPORT OF THE DIRECTOR OF CORPORATE RESOURCES AND
DIRECTOR OF ADULTS AND COMMUNITIES**

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of progress with the implementation of the Leicestershire Adult Social Care Accommodation Strategy for Older People 2016-2026, to outline the proposed approach for the procurement of county-wide extra care support services, including the new development at Waterside Court in Loughborough, and to seek approval to dispose of the Catherine Dalley House and Silverdale Hostel site and include capital receipts from this sale within the Council's capital programme.

Recommendations

2. It is recommended that:
 - a) Progress with the implementation of the Leicestershire Adult Social Care Accommodation Strategy for Older People 2016-2026 be noted;
 - b) 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) 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;
 - c) The outcome of the market testing exercise undertaken for the Catherine Dalley House and Silverdale Hostel site be noted;
 - d) 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;
 - e) 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 development for prioritisation within the Council's future capital programme.

Reasons for Recommendations

3. 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.
4. 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.
5. 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.
6. 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).
7. 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.

Timetable for Decisions (including Scrutiny)

8. Implementation of the proposed approach for the sale of the Catherine Dalley House and Silverdale site will take place over the next 12 months. The completion of any redevelopment of the whole site will be dependent on further collaboration with the eventual purchaser/provider to ensure that the site is used effectively to either provide accommodation for older people or to provide the maximum capital receipt available.

Policy Framework and Previous Decisions

9. The Care Act 2014 recognises the importance of accommodation in promoting an individual's wellbeing. It expects housing factors to be part of the assessment, with local authorities taking account of the suitability of a person's living accommodation to meet their long term conditions and need for personal care and support. The Act identifies the requirements and the procedures where a local authority is responsible for meeting a person's care and support needs in relation to accommodation.

10. The Accommodation Strategy highlights the importance of developing a more integrated approach to delivery and therefore directly supports the implementation of the Lightbulb Programme, the Council's ambition to work in partnership to deliver service transformation, and recognises the key role communities can play in line with Leicestershire's Communities Strategy.
11. A proposed strategy for supported accommodation for older people was considered by the Cabinet in 2007; since then the Cabinet has received a number of reports on in-house residential care, including options for extra care on the Catherine Dalley House site. In November 2015, following extensive consultation, the Cabinet agreed to close Catherine Dalley House.
12. Further reports regarding the development and delivery of the Council's Accommodation Strategy have been referred to the Cabinet since the closure of Catherine Dalley House, with the Strategy specifically referring to this site and recommending that the Council work with partners to identify potential locations and funding options to provide new extra care/retirement accommodation in areas where required. This will include marketing the Catherine Dalley House/Silverdale Hostel site. as a potential extra care development opportunity.

Resources Implications

13. The capital value of the Catherine Dalley House and Silverdale Hostel site was estimated at £600,000 in August 2016 for either extra care housing or residential use. The revenue cost associated with this disposal is estimated to be circa £35,000.
14. It is proposed that the ring-fence is removed from the proceeds from the sale of Catherine Dalley House and the Silverdale Hostel site and the proceeds are invested in the Council's capital programme.
15. As extra care is a priority for the County Council any scheme that comes forward for funding would be assessed and if it met the required threshold there would be a priority call on the Council's capital resources for making a contribution to the scheme.
16. 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 circulated to Mr J T Orson JP CC, Mr A Pearson CC, Mrs P Posnett CC, and Mr J B Rhodes CC.

Officers to Contact

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PART B

Background

17. The Accommodation Strategy for Older People aims to guide, co-ordinate and facilitate Adult Social Care's contribution to developing different types of accommodation support for older people. It is not intended to be a 'housing strategy', but given the important role housing plays in an individual's health and wellbeing and therefore on their need for health and social care services, the Strategy recognises the value of working in partnership with the housing sector, health partners, and the voluntary sector, to develop preventative interventions and raise awareness about maintaining independence and planning for accommodation in later life.
18. Work is continuing with district housing and planning partners to identify potential locations and funding options, including attracting investment from mainstream builders to provide new extra care/retirement accommodation in areas where required, and to ensure combined property assets are used effectively to develop accommodation for older people.

Catherine Dalley House and Silverdale Hostel site

19. The Catherine Dalley House and Silverdale Hostel site comprises two part purpose-built and part converted homes for older people and people with learning disabilities which originally opened in 1957. (See site plan in the Appendix attached to this report).
20. Whilst Silverdale Hostel has stood vacant since 2008, Catherine Dalley House did not close until March 2016 following an extensive public consultation which concluded that Catherine Dalley House was no longer fit for purpose due to the condition of the building and regulatory compliance works required. It was concluded that investment/maintenance costs would continue to increase due to the nature of the building which would result in the delivery of services becoming unviable.
21. The whole site has been held vacant pending the finalisation of both the Accommodation Strategy and the outcome of the market testing exercise regarding the re-use of the whole site for extra care.
22. As part of this market testing exercise, extra care providers and commercial property developers were invited to submit their views on how to make best use of the site, including identifying risks and issues with the scheme, financing the scheme and views on the Government's rent cap. Proposals were sought for options ranging from a 100% affordable housing/extra care scheme through to a 100% commercial extra care scheme.
23. In summary, the market testing indicated a lack of interest from providers in developing an affordable scheme or even a mixed tenure scheme on this site at this time due to financing uncertainty around the future funding of housing benefit and the introduction of a rent cap. Commercial developers confirmed that there is an active market for private extra care schemes given the demographics in this locality and expressed an interest in taking forward this site either for private residential and/or extra care, but they also cautioned that if this site does not come forward soon for redevelopment, its capital value may be affected by other schemes identified in this locality.

24. Given the continuing uncertainty with regard to Government funding, the cost of holding the site vacant indefinitely, plus the general deterioration of the site which could have a negative impact on the surrounding residential area, it is recommended to proceed to a best value disposal without further delay.
25. As extra care is a priority for the County Council, any scheme that comes forward for funding would be assessed and if it met the required threshold there would be a call on the Council's capital resources for funding for the scheme.
26. The Cabinet agreed in 2009, 2010 and subsequently 2015 and 2016 that the proceeds of the sale of the elderly persons homes, including Catherine Dalley House, be earmarked for the development of extra care within the County. However, at the present time there are no formal plans to develop an extra care facility and there remains some uncertainty about the future provision of revenue support for residents following the Government's consultation on funding reform for supported accommodation. Therefore, it is recommended, that the capital receipt from the sale of the site be un-ring-fenced and that a further report be presented to the Cabinet within the next 12 months outlining the requirements for extra care provision within Leicestershire and setting out any detailed plans for development which will then be prioritised within the Council's general capital programme.

Oak Court, Blaby

27. This purpose-built extra care scheme, which opened in October 2015, is becoming established in the local community, offering care, support and a diverse range of activities, a number of them tenant-led and open to the local community, which promote personal independence, health, wellbeing, and social inclusion. Occupancy levels have remained consistently high.

Development at Waterside Court, Loughborough, with housing provider EMH Group

28. Work is underway with strategic housing and health partners to promote referrals for this 62 unit extra care development which will open in autumn 2017. This will extend the offer to older adults seeking to live independently in accessible, telecare-enabled housing with flexible on-site care and support, as a cost-effective alternative to residential care.
29. The Council is working with the housing provider, EMH Group, on a joint marketing campaign, including promotional literature with the respective brands and clear information about eligibility criteria and the services available. A furnished show flat will be available at least one month prior to the first tenants moving in, to enable prospective tenants such as those down-sizing from larger accommodation, to visualise living there.
30. Key partnership activity which has been undertaken to ensure the successful launch of the scheme includes:
 - a) The development of a nominations agreement and allocations protocol between the County Council and EMH Group, which takes into account lessons learned from the initial and subsequent lettings for Oak Court.

- b) The establishment of a multi-agency Waterside Court Steering Group to ensure the successful promotion of the scheme and its services and embedding this within the local community.
 - c) A joint communications and marketing plan is being developed in partnership with the County Council and EMH Group, with input from Charnwood Borough Council and the West Leicestershire Clinical Commissioning Group, to promote the scheme and its amenities to referring agencies, potential applicants and their families and carers.
31. It is recognised that, as the scheme consists of primarily one-bedroom, two person or two bedroom flats, this scheme, along with Oak Court, would enable couples to stay together, when they might otherwise be separated when the risks associated with one partner living independently increase.
32. Waterside Court also offers an opportunity for younger adults with physical or learning disabilities to live independently, with on-site support which is being promoted by review teams as part of the Council's pathway to supported living.

Procurement strategy for the countywide extra care services

33. The Director of Adults and Communities will use his delegated authority to commission the care contracts for Waterside Court. This will be procured on the basis of a one-year contract commissioned care and 24/7 wellbeing service to align with the end dates for the existing schemes across the County November 2018.
34. The intention is to then recommission the care services at the remaining extra care schemes (Oak Court in Blaby, St. Mary's Court in Lutterworth, Connaught House in Loughborough, Birch Court in Glen Parva and Gretton Court in Melton, alongside Waterside Court in Loughborough) during 2018 with a contract start date of November 2018, with the proviso that the scope of the later procurement may change depending on the outcome of an on-going feasibility review of alternative extra care options for the Melton area.

The Lightbulb Programme

35. A key initiative which will support the delivery of the Accommodation Strategy for Older People is the Lightbulb Programme, operated by Blaby District Council on behalf of the seven Leicestershire districts and in partnership with the County Council. The project will deliver a more integrated approach to social care and housing by ensuring that adaptations are made to older and disabled people's homes, avoiding the need to seek alternative accommodation. The programme is on track and a pilot commenced in Blaby in May to test out systems, processes and joint working arrangements, and it is intended that the scheme will be rolled out across the County from October 2017.

Background Papers

Report to the Cabinet 23 November 2016 Leicestershire Adult Social care Accommodation Strategy for Older People 2016-2026 – Outcome of Consultation

<http://cexmodgov1/ieListDocuments.aspx?CId=135&MID=4607#A149894>

Appendix

Catherine Dalley and Silverdale Hostel Site Plan

Relevant Impact Assessments**Equality and Human Rights Implications**

36. The Accommodation Strategy for Older People recognises that the composition of the older population is increasingly diverse in terms of interests, ethnicity, marital status, living arrangements and religion. An Equality and Human Rights Impact Assessment (EHRIA) was conducted as part of the development of the Strategy and an action plan approved by the Departmental Equalities Group in November 2016. Subsequent EHRIAs will be conducted as work-streams and projects emerge from the Accommodation Strategy delivery plan.

Partnership working and associated issues

37. Engagement with partners including health, housing and private sector providers is critical to the redevelopment of this site and to the delivery of the Accommodation Strategy, including identifying potential locations and funding options, attracting investment from mainstream builders to provide new extra care or retirement accommodation in areas where required and ensure combined property assets are used effectively to develop accommodation for older people.

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**UPRN 181 & 180 Catherine Dalley and Silverdale
Melton Mowbray**

1:1250 @ A3 Landscape

by Lis Owen
August 2015

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CABINET – 23 JUNE 2017

SUPERFAST LEICESTERSHIRE PROGRAMME EXTENSION

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 implementation of, and funding for, a new Phase 3 of the Superfast Leicestershire Programme which will facilitate the delivery of superfast broadband access to the 'final 3%' of properties in the County.

Recommendations

2. It is recommended that:
 - (a) The implementation of the proposed Phase 3 part of the Superfast Leicestershire Programme for broadband extension with a total value of £5.633m, be approved subject to a value for money exercise being undertaken before and following the procurement process;
 - (b) The County Council underwrite £2.461m of the future contractual gainshare clawback funding and underspend expected to be released to the Authority in 2023 as part of the contractual clawback mechanisms contained in the Phase 1 contract with BT;
 - (c) 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) It be noted that:
 - (i) the district councils will be offered the opportunity to invest in the proposed 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.

Reasons for Recommendations

3. 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.
4. 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.
5. Delegated authority to the Chief Executive is sought to facilitate the timely and effective procurement and delivery of Phase 3 of the Programme.
6. To note the opportunity for further investment by district councils, which would attract match funding and enhance the deliverability of the Programme.

Timetable for Decisions (including Scrutiny)

7. It is expected that, subject to the Cabinet's approval of the above recommendations, the contract or contracts with supplier(s) will be completed by Spring 2018 following the necessary consultation and procurement processes, and deployment of Phase 3 should then commence in Summer/Autumn 2018. Where possible, the timeline will be shortened, with the aim of awarding contracts as soon as practicable.

Policy Framework and Previous Decisions

8. The deployment of superfast broadband across Leicestershire is identified as a key priority in the Council's Strategic Plan, the Medium Term Financial Strategy 2017/18 – 2020/21 (MTFS), the Enabling Growth Plan and the Leicester and Leicestershire Enterprise Partnership's Strategic Economic Plan.
9. In January 2012 the Cabinet approved the allocation of up to £4m within the Council's Medium Term Financial Strategy (MTFS) to deploy superfast broadband (Phase 1) and agreed that a submission be made to the Government to increase its allocation to Leicestershire under the BDUK scheme, and that procurement be progressed through the Government's national procurement BDUK Framework.
10. In January 2013 the Cabinet approved the initiation of procurement of the Superfast Leicestershire Programme and for the Authority to enter into Collaboration Agreements with the district councils and City Council.
11. On 15 July 2014 the Cabinet approved the implementation and funding for Phase 2 of the programme (formally known as Superfast Extension Programme).

Resource Implications

12. The total value of the proposed Phase 3 part of the Programme will be £5.633m and the sources of funding for this are as detailed in the table below. Any additional funding provided by district councils would be in addition to this.

Description	Funding Source	Funding
Underspend	Phase 1 contract	£2m
Unused Basic Broadband (Satellite scheme). This scheme is now funded centrally by government.	Phase 1 (infill funding)	£590k
Deployment Acceleration savings (efficiencies achieved through the accelerated implementation of Phase 2)	Phase 2 (project saving)	£82k
Community Project Fund	Phase 2 committed but unallocated funding	£500k
Phase 1 Gainshare Clawback Underwrite	County Council underwrite	£2m
Phase 1 Underspend Underwrite		£461k
	Total	£5.633m

13. Phase 3 of the project will be included in the capital programme as part of the refresh of the MTFS for 2018-22. Funding for the scheme will be £3.172m from the existing broadband earmarked fund. This leaves a balance required of £2.4615m which can be funded from the overall balance of earmarked funds as some funds are held over the longer term. When the gainshare clawback and underspend payment is received from BT in 2023 this funding will be returned to the overall balance of earmarked funds. The overall level of earmarked funds are estimated to be c£16m in 2023.
14. The Phase 3 project will have resource implications for the Superfast Leicestershire Project Team which will be reviewed as part of the business planning undertaken in preparation for this part of the project. This is likely to include an increase in current staffing levels for the Broadband Project Team which would be funded through revenue reserves.
15. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the contents of this report.

Circulation under the Local Issues Alert Procedure

16. None.

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PART B

Background

17. The deployment of superfast broadband across Leicestershire is a key strategic priority for the County Council. It is an essential driver for business growth, jobs creation and inward investment for the area. It will help local businesses to innovate and grow, and it will transform public services and ensure residents have improved access to services.
18. The Programme has leveraged significant private sector investment in Leicestershire from its Phase 1 and Phase 2 delivery partner, BT. Commercially, through network providers such as BT, Virgin Media, Gigaclear and others, 81% of the City and County were served with access to superfast broadband by 2013.

Phase 1 and Phase 2 of the Programme

19. In August 2013, the Council signed a £16.9m contract with BT to increase superfast broadband coverage of at least 24Mbps, to over 90% of premises in the County (Phase 1). This was supported by £4m of investment from the County Council, £1.3m from the European Regional Development Fund (ERDF), £3.3m from the Government through Broadband Delivery UK (BDUK) (part of the Department for Culture, Media and Sport (DCMS)), and £8.3m from BT (in capital and operational investment). In February 2014 a variation was made to this contract to incorporate a further £1.1m of district council investment which secured a further £0.6m of investment from BT. This combined investment ensured that, by March 2016, in total, Phase 1 had delivered access to 92% of all properties in the County, with 65,000 homes and businesses directly benefiting.
20. In June 2013 the Government revised its broadband objectives, seeking to deliver superfast broadband to 95% of UK premises by 2017. In order to achieve this, £250m was allocated by BDUK to local authorities, and £5.1m of this was secured by the County Council for both Leicester and Leicestershire. The breakdown was £3.7m for Leicestershire and £1.4m for Leicester City. Local authorities were required to match this investment in order to draw down the secured Government allocation.
21. In March 2015 the Phase 2 contract was awarded to BT but this included only the County element of the planned broadband deployment. The contract was later extended in 2016 to incorporate the City element.
22. Phase 2 of the Programme will be completed in September 2018 and in total, will bring superfast broadband access to over 19,000 properties in the City and County. This means that overall coverage will reach 97% of properties in the area, exceeding the target set by the Government.

Proposals for Phase 3 of the Programme

23. When the Phase 2 deployment is complete, there will remain a 'final 3%' of the County which will not have access to superfast broadband speeds. This represents around 13,000 properties which are in general located in the most difficult to reach rural areas. Whilst the Phase 3 Open Market Review process will identify any new commercial builds in these areas, it is clear that there is a market failure which requires further public intervention.

Procurement

24. Phase 1 and Phase 2 contracts were awarded through the national procurement Framework established by BDUK which is no longer in place. The Authority must therefore follow the usual OJEU procurement processes for Phase 3 and this will begin in July 2017 with a view to contract(s) being signed in February/March 2018.
25. Discussions will be held with suppliers during the procurement process to explore how deployment can be accelerated. The successful supplier will have a project initiation phase including network design and planning that will need to be completed before any actual physical build and delivery. This could further affect the delivery timetable.

Funding

26. It is proposed that the funding for Phase 3 of the Programme will come, in part, from underspend during Phase 1 of the project which was achieved through BT delivery optimisation and robust assurance and project management from the Council's Broadband Team (£2.461m). £2m of this is in the Council's reserves; £461k has been placed in an Investment Fund to be held by BT until 2023.
27. Funding currently committed, but unallocated as part of Phase 2 of the project (£500,000) will also be reallocated to this Phase of the project. £590,000 and £82,000 from Phase 1 and 2 respectively is also available for reinvestment.
28. In addition it is recommended that the Council underwrite £2m of the money it expects to receive under contractual gainshare clawback mechanisms included within the contract with BT for Phase 1 of the Programme and the £461k of Phase 1 underspend that has been placed in the Investment Fund (referred to above).
29. The Phase 1 and Phase 2 Superfast Leicestershire contracts included contractual gainshare clawback mechanisms which provide for the return of funding by the programme supplier (BT) to the Authority when take-up of the new broadband service with that supplier exceeds projected rates. In essence this enables the return of public funds to the Authority when revenue generated from the programme surpasses projected levels.

30. The terms of the contracts stipulate that gainshare accrues once take-up surpasses set contractual rates and is held in an Investment Fund by the supplier for seven years after the deployment stage of the contract ends (i.e. for Phase 1 this will be July 2023).
31. In respect of Phase 1, the Council together with BDUK have calculated the amount of gainshare clawback that is likely to be available in the Investment Fund and based on current take-up of fibre broadband services delivered through Phase 1, it is expected that the fund will accrue an estimated £4.5 to £5m. This is based on conservative estimates which do not account for the continuing growth in take-up over the next six years. (It is too early to assess the gainshare clawback funding that is likely to accrue from Phase 2 of the project.)
32. It is proposed that £2m of this funding, as well as £461,000 of Phase 1 underspend held in the Investment Fund, be underwritten by the County Council so that superfast broadband delivery within the proposed Phase 3 project can be maximised now, rather than waiting until these funds are returned in 2023.
33. All district councils will be given the opportunity to invest in the proposed Phase 3 project. In 2014 and 2015 BDUK confirmed that it would provide full match funding up to £1.5m if further local funding was secured. This match offer has not been formally withdrawn and it is expected that BDUK will honour previous commitments to match any new funding made available by local councils.
34. Implementation of Phase 3 will be subject to value for money assessments that will take place before and after the procurement process. These will include evaluation of the cost per property. Given the limited number of potential suppliers and the rurality of the remaining areas, there is a potential risk that the procurement may not secure a viable delivery partner. It is highly unlikely that all remaining 13,000 properties would be covered by the investment proposed.

Economic Benefits

35. It is generally accepted that access to superfast broadband provides a dramatic financial benefit to the country supporting economic growth and local businesses and this is particularly so for those in rural areas. The Department for Rural Affairs has noted that “*[Superfast broadband] can dramatically level the playing field for rural businesses, giving them access to a huge range of new services and allowing them to cut costs, improving efficiency and offer a better service to customers*”.
36. Due to market failure it is clear that without Phase 3, around 13,000 properties will remain without access to superfast broadband, and whilst the project will not reach all of these properties, it will ensure that many more homes and businesses enjoy the economic benefits of improved productivity and

competitiveness that are enjoyed by businesses located elsewhere in the City and the County.

Background Papers

Report to the Cabinet on 13 September 2011 - Funding for families with complex needs and other programmes

[http://politics.leics.gov.uk/Published/C00000135/M00003127/AI00029172/\\$HFamilieswithComplexNeeds.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003127/AI00029172/$HFamilieswithComplexNeeds.doc.pdf)

Report to the Cabinet on 17 January 2012 – Broadband Leicestershire Programme

[http://politics.leics.gov.uk/Published/C00000135/M00003491/AI00030112/\\$Fbroadbandleicestershireprogramme.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003491/AI00030112/$Fbroadbandleicestershireprogramme.doc.pdf)

Report to the Cabinet on 16 January 2013 – Broadband Leicestershire Programme

[http://politics.leics.gov.uk/Published/C00000135/M00003628/AI00033437/\\$FbroadbandLeicestershireprogramme.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003628/AI00033437/$FbroadbandLeicestershireprogramme.doc.pdf)

Report to the Cabinet – Broadband Leicestershire Programme

<http://politics.leics.gov.uk/documents/s94400/10%20Broadband%20superfast%20extension.pdf>

Relevant Impact Assessments

Equality and Human Rights Implications

37. The deployment of improved broadband connectivity will help ensure all Leicestershire residents and businesses have access to a range of online digital services. A full Equality and Human Rights Impact Assessment (EHRIA) will be considered in accordance with County Council's Equality, Diversity and Human Rights Strategy.

**CABINET – 23 JUNE 2017****ENERGY EFFICIENT PUBLIC SECTOR ESTATE****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****PART A****Purpose of the Report**

1. The purpose of this report is to inform the Cabinet of the proposed Energy Efficient Public Sector Estate project to support energy efficiency for the Public Sector in the Midlands and seek approval to implement the project.
2. The project aims to make savings on Public Sector running costs, reduce carbon emissions, and strengthen collaborative links with Public Sector Partners. It will also generate a modest income for the County Council to contribute to corporate overheads.

Recommendations

3. It is recommended that:
 - (a) The Energy Efficient Public Sector Estate project be approved for delivery;
 - (b) The Director of Corporate Resources be authorised to release funding to facilitate the project.

Reason for Recommendations

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

Timetable for Decisions

5. Subject to the Cabinet's approval, the necessary work to set up and implement the Energy Efficient Public Sector Estate project will progress immediately.

Policy Framework and Previous Decisions

6. The County Council's Corporate Energy and Water Strategy (2017-2021) sets out the approach to energy efficiency and water use across all the Authority's properties, and supports the Council's financial planning set out in its Medium Term Financial Strategy (2017-2021).

7. The Energy and Water Strategy aims to save £320,000 from the Authority's annual energy and water bill and increase the share of energy produced from County Council renewables to 7% by 2021. It is also hoped that income will be generated to contribute towards corporate overheads through energy projects; including the Energy Efficient Public Sector Estate project for which approval is being sought in this report.
8. The County Council's Corporate Asset Management Plan outlines the need to take advantage of future partner initiatives.

Resource Implications

9. Revenue expenditure required to develop and deliver the programme can be funded from existing Corporate Resources budget allocations. The project is forecasted to generate £140,000 in fees in total by 2021 which will fund the full cost of staff time required to project-manage individual schemes.
10. The project requires capital to fund energy efficiency upgrades for Public Sector bodies which do not have access to capital. It is anticipated that up to £2m will be required between 2018 and 2021 for this purpose. This would be loaned by the County Council, to be repaid by the benefitting Public Sector body with an appropriate interest rate to ensure the County Council's cost is fully covered. The amount of required capital investment could increase dependent on the demand for funding. The most appropriate method of capital financing will be determined once details of each scheme are known. Funding is available within the capital programme.

Circulation under the Local Issues Alert Procedure

11. None.

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PART B

Background

12. In delivering the Energy Strategy (2014-2017), Corporate Resources have developed expertise and knowledge regarding measures to improve the energy efficiency of existing Council buildings. The County Council has already saved £420,000 from its annual energy bill and receives £130,000 through generating renewable energy, as well as reducing carbon emissions. This has been achieved by reducing annual energy consumption by 24% and increasing production of renewable energy by 4.5%. Measures such as solar panels, biomass boilers and LED lighting were implemented to make these improvements. Under the new Energy and Water Strategy (2017-2021), approval is now being sought to set up the Energy Efficient Public Sector Estate in order to share that expertise and support the Public Sector in the Midlands to increase energy efficiency.

Proposal

13. The County Council proposes to procure an Energy Performance Contract for use by the Public Sector in the Midlands, in addition to providing supporting information about Energy Performance Contracts for the benefitting Public Sector.
14. Energy Performance Contracts enable organisations to retrofit existing buildings with energy saving and energy generation measures; improving energy performance, reducing carbon emissions and achieving annual cost savings. There is also the opportunity to design new buildings to take energy requirements into account and to implement energy specific measures such as ground solar arrays. The saving and generation forecasts will be guaranteed by the successful Energy Performance Contractor.
15. Energy Performance Contracts operate by identifying opportunities to increase energy efficiency through energy audits carried out by energy engineers. An energy business case is then presented, detailing the financial and carbon emissions savings to be made through energy efficiency measures as well as the cost of installing the measures. If the business case is signed off, energy measures are installed on site. The savings made by the energy measures are then measured and verified throughout the project 'pay-back' term; with re-adjustments made by the successful contractor for potential underperformance. Energy efficiency measures include upgrades such as LED lighting, solar panels, biomass boilers and heating system upgrades.
16. The Public Sector included in this project will include local authorities (including Leicester City and District Councils), Police, Fire, and Ambulance Services, NHS Trusts, and Clinical Commissioning Groups (CCGs); in the Midlands. To date, four Local Authorities have expressed an interest in the scheme and it is intended that these will be the subject of the first projects.

17. The County Council will charge a fee to partners accessing the Energy Performance Contract in order to generate a modest income to recoup investment and contribute towards corporate overheads.
18. It is intended that the County Council will provide capital funding to those Public Partners requiring finance to participate in the project. This will be paid back to the County Council, with interest, over the term that the Project recoups its investment.
19. The Energy Efficient Public Sector Estate project will provide the Public Sector in the Midlands a route to increase energy efficiency whilst at the same time providing a modest income to the Council.

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>

Relevant Impact Assessments

Equality and Human Rights Implications

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

Environmental Implications

21. The projects taking place under the Energy Efficient Public will have a positive impact on the environment by reducing carbon emissions.
22. Environmental Impact Assessments will take place for all major projects to take into account the further potential environmental implications of energy efficiency projects.

Risk Assessment

23. The main risk associated with this project is that the revenue investment is not recovered if take-up by the Public Sector is limited. To mitigate this, research has been carried out to assess Public Sector interest and funding will be drawn down in stages.
24. The Director of Law and Governance has been consulted with regard to the provision of capital funding to Public Sector Partners and creation of the Energy Performance Contract, and will continue to play a key role in the project.
25. The Project needs to ensure that the most effective procurement process is followed to secure a legally compliant and successful Energy Performance Contract. The Council's Commissioning Support Unit has been consulted on this project from its inception and will continue to be involved.



CABINET – 23 JUNE 2017

CHARTER FOR SUSTAINABLE BRITISH STEEL

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 Council to register its support for the Charter for Sustainable British Steel ("the Charter") and to include the requirements of the Charter in the Council's procurement of future construction and highways contracts where appropriate and in compliance with the Public Contracts Regulations 2015.

Recommendations

2. It is recommended that:
 - (a) 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) The Cabinet endorses, in principle, the objectives of the Charter for Sustainable British Steel;
 - (c) 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.

Reason for Recommendations

3. The Council has 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.

Timetable for Decisions (including Scrutiny)

4. If agreed by the Cabinet, the recommendations in paragraphs 2(b) and 2(c) above will take immediate effect.

Policy Framework and Previous Decisions

5. The Council in its Commissioning and Procurement Strategy (2014 – 2018) has made a commitment to making a positive impact on environmental, economic and social sustainability both for the area and for the people.

Resource Implications

6. There are no immediate resource implications arising from the content of this report.
7. The views of the Director of Law and Governance have been incorporated into this report.

Circulation Under the Local Issues Alert Procedure

8. None.

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PART B**Background**

9. In March 2017, the Council was approached by North Lincolnshire Council with a request to pledge support to the steel industry and its wider supply chain by signing up to the Charter (see the Appendix attached to this report).
10. Signatories of the Charter pledge to purchase carbon steel reinforcement for concrete only from vendors that adhere to the Framework Standard for Responsible Sourcing (BES 6001), as recognised by BRE as an associated independent third-party certification scheme.
11. Signatories of the Charter recognise that:
 - a) The manufacture of British steel products makes a significant contribution to the British economy. Exports of British steel were worth £4.9bn in 2013 and contributed £2.4bn to the UK's balance of trade. The sector's overall contribution to the UK economy is worth around £9.5bn a year;
 - b) The British steel industry employs approximately 20,000 people and additionally supports domestic businesses and employees in the supply chain, with the associated knock on benefits for the national economy generated by tax revenues;
 - c) British steel is a quality product manufactured with high production values;
 - d) BES 6001 certification means the steel has been manufactured in a sustainable and responsibly sourced manner and can be traced back to its raw materials;
 - e) Using steel manufactured to BES 6001 standards supports public and private bodies to reach sustainability targets;
 - f) There are significant benefits that arise when money invested in public and private projects is recirculated within the British economy, via the purchase of domestically produced products.
12. In autumn 2015, the Government issued steel procurement guidance to its departments on how to ensure they take full account of the value provided by steel producers when conducting their procurement activities, to help ensure a level playing field for UK steel producers.
13. In April 2016, the Government announced it would extend this guidance for use across the wider public sector and the guidance was revised accordingly.

14. The Crown Commercial Services (“CCS”) in its Procurement Policy Note has expressed the Government’s commitment to implementing measures that will help to address barriers that prevent UK steel producers from competing effectively for public sector contracts. In view of this commitment, CCS has issued guidance in PPN 11/16 - Procuring Steel in Major Projects, which states as follows:

“All public procurement procedures must comply with the EU Treaty, the Treaty principles, the EU procurement directive and the requirements of the Public Contracts Regulations 2015 (PCR 2015) (or the Defence and Security Public Contract Regulations 2011 or Utilities Contracts Regulations 2016 where applicable), which set out detailed rules on social considerations in public procurement. Where local authorities are implementing this guidance, they should also ensure that they comply with the Best Value Duty as set out by the Local Government Act 1999.”
15. The guidance further states that *“If a standard is specified, the contracting authority must also refer to and accept ‘equivalents’.* *Technical specifications must allow equal access of suppliers to the procurement. Technical specifications must give potential bidders equal access to the procurement”.*
16. The Council has implemented the recommendations of the Procurement Policy Note (PPN 11/16) whereby the Council includes questions on the use of steel (where appropriate) at the selection stage of the procurement process.

Background Papers

Procurement Policy Note: Procuring Steel in Major Projects - Revised Guidance - <http://ow.ly/aB3M30cyjX4>

Guidance on how to create a level playing field for UK steel producers through public procurement - <http://ow.ly/7mqg30cyk2W>

Appendix

Letter from North Lincolnshire County Council and The Charter for Sustainable British Steel

Equality and Human Rights Implications

17. There are no discernible equalities or human rights issues arising from the recommendations in this report.

Leader of the Council

Cabinet Member for Business, Innovation, Employment and Skills

Brigg and Wold Ward Councillor

Councillor Rob Waltham



www.northlincs.gov.uk

Conservative Group Office
Civic Centre
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01724 297556

1 March 2017

For the attention of the
Leader of the Council

By email

Dear Leader

Charter for Sustainable British Steel

I am writing to ask that you pledge your support for our vital steel industry and its wider supply chain by joining North Lincolnshire Council and a host of public and private sector organisations in becoming a signatory to the Charter for Sustainable British Steel.

The steel industry contributes around £9.5bn to the UK economy, employing over 20,000 people directly and many more in the wider supply chain.

By signing the charter you will be helping to level the playing field for the industry by voluntarily committing to purchasing quality steel for construction projects that meets responsible sustainability standards. A copy of the charter is enclosed with this letter.

For more information and to make the pledge, visit [Steel Charter](#).

Yours faithfully

**Councillor Rob Waltham
Leader of the Council**

CHARTER FOR SUSTAINABLE BRITISH STEEL

Purpose

This Charter is a UK Steel initiative and seeks to promote the use of sustainable British steel in construction projects.

The Pledge

Signatories of this Charter pledge to purchase carbon steel reinforcement for concrete only from vendors that adhere to the Framework Standard for Responsible Sourcing (BES 6001), as recognised by BRE as an associated independent third-party certification scheme.

Background

Signatories of this charter recognise that:

I. The manufacture of British steel products makes a significant contribution to the British economy. Exports of British steel were worth £4.9bn in 2013 and contributed £2.4bn to the UK's balance of trade. The sector's overall contribution to the UK economy is worth around £9.5bn a year.

II. The British steel industry employs approximately 20,000 people and additionally supports domestic businesses and employees in the supply chain, with the associated knock on benefits for the national economy generated by tax revenues.

III. British steel is a quality product manufactured with high production values.

IV. BES 6001 certification means the steel has been manufactured in a sustainable and responsibly sourced manner and can be traced back to its raw materials.

V. Using steel manufactured to BES 6001 standards supports public and private bodies to reach sustainability targets.

VI. There are significant benefits that arise when money invested in public and private projects is recirculated within the British economy, via the purchase of domestically produced products.

VII. British businesses and organisations have a duty to lead the way in supporting sustainable, British steel.



CABINET – 23 JUNE 2017

ENFORCEMENT PROGRAMME FOR UNDERAGE SALES OF TOBACCO PRODUCTS AND AEROSOL PAINT PRODUCTS 2017/2018

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval of the proposed Enforcement Programmes for Underage Sales of Tobacco Products (Appendix A) and Aerosol Paint Products (Appendix B) for 2017/2018.

Recommendation

2. It is recommended that the 2017/2018 Enforcement Programmes for Underage Sales of Tobacco Products set out in Appendix A, and Aerosol Paint Products set out in Appendix B, be approved.

Reason for Recommendation

3. 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.

Timetable for Decisions (including Scrutiny)

4. Annual Cabinet approval of these two programmes is required under the legislation referred to in paragraph 3 above.

Policy Framework and Previous Decisions

5. The enforcement programmes proposed in this report represent a continuation of previous policies and plans.

Resource Implications

6. The 2017/2018 Trading Standards Service budget includes provision to undertake a range of enforcement activities as a means to reduce the risk of age-restricted products being supplied to children in Leicestershire. Age restricted products include tobacco and aerosol spray paint products.

Circulation under the Local Issues Alert Procedure

7. None.

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PART B

Background

Tobacco

8. The County Council is required to approve an enforcement programme under The Children and Young Persons (Protection from Tobacco) Act 1991. This legislation is designed to protect children from the health risks associated with smoking tobacco.
9. Legislation bans the sale of tobacco products to persons under the age of 18 years and prohibits the sale of single cigarettes. There is also a legal requirement to display notices on trading premises stating that the sale of tobacco products to children is illegal.
10. Regulations made under the Tobacco Advertising and Promotion Act 2002 prohibits the display of tobacco products at the point of sale and controls the manner in which pricing information is communicated to the consumer.
11. The Standardised Packaging of Tobacco Products Regulations 2015 and the Tobacco and Related Products Regulations 2016 require all tobacco products to be sold in plain packaging with prescribed health warnings.
12. The County Council has delegated the enforcement responsibilities described in paragraphs 10 and 11 above to the Trading Standards Service.
13. The agreed County Council Medium Term Financial Strategy 2016/17 included a reduction in Public Health funding, which in turn led to the Department reducing its contribution towards the Trading Standard's budget. The Service met this shortfall by halving the number of planned inspection visits, in particular, those businesses that from an 'intelligence led' perspective were less likely to breach the law. The number of prevention inspections programmed for 2017/2018 will continue at these reduced levels. However, the Trading Standards Service will continue to prioritise its investigative resources on those traders that persistently fail to put in place appropriate due diligence measures to prevent such products being sold to children.

Aerosol Spray Paint Products

14. The Anti-Social Behaviour Act 2003 makes it an offence for anyone to sell aerosol paint products to persons under the age of 16 years. The legislation is designed to help tackle the problem of unsightly and illegal graffiti that, if left unmanaged, can lead to other types of anti-social behaviour. It is believed that the majority of graffiti is committed by persons under the age of 16 years.

15. Although aerosol paints were widely used to create such graffiti when the legislation was first introduced, the evidence now suggests a marked decline and a shift towards the use of marker pen and shoe scuff cover. These products are cheaper to purchase and easier to conceal than aerosol paints.

Tobacco Enforcement Programme 2016/2017

16. Enforcement activities during 2016/2017 were 'intelligence led' and have included :-
 - i. Advisory visits to 36 retailers, whereby businesses are supplied with compliance materials as a means to help them avoid making unintentional sales of tobacco products to persons under eighteen years of age.
 - ii. Inspection visits to 57 retailers to ensure compliance with the statutory requirements to display age restriction cigarette notices. The results of these inspections indicate a 93% compliance rate.
 - iii. The investigation of 26 incidents alleging sales of tobacco to children.
 - iv. Inspection visits to 36 retailers to ensure the tobacco products being sold were not on display. The results of these inspections indicate a 94% compliance rate.
 - v. Test purchases using volunteer children were attempted on 18 occasions, which resulted in 3 illegal sales. These matters were disposed of by issuing 5 warning letters, 1 simple caution with 2 of the offenders completing formal age restricted sales training.
17. Although electronic cigarettes do not form part of the Tobacco Enforcement Programme, the Trading Standards Service does have a statutory duty to enforce provisions relating to the sale of these and other nicotine liquid products. As part of a Trading Standards East Midlands enforcement project, a test purchase operation was undertaken. In Leicestershire there were 8 attempts to purchase electronic cigarettes, 1 of which resulted in a sale to the child volunteer. The owners of the shop were issued with written warnings.

Underage Sales of Aerosol Paint Products—Enforcement Programme 2016/17

18. The Service has written to all district councils within Leicestershire asking them to identify any areas of concern relating to graffiti. No specific areas were identified for further enforcement

Enforcement Programmes for 2017/2018

19. The proposed enforcement programmes for tobacco products and aerosol paint products are shown in Appendices A and B attached to this report.

Background Papers

Cabinet 9 May 2016 - Report of the Chief Executive - Enforcement Programmes for Underage Sales of Tobacco Products and Aerosol Paint Products 2017/18

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4602&Ver=4>

Appendices

- Appendix A - Enforcement Programme for Tobacco Products
2017/2018.
- Appendix B - Enforcement Programme for Aerosol Paint products
2017/2018.

Equality and Human Rights Implications

20. There are no specific equality and human rights implications arising from this report.

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APPENDIX A**ENFORCEMENT PROGRAMME FOR TOBACCO PRODUCTS 2017/18**

The Service will:

- Use an 'intelligence led' approach to achieve compliance with statutory controls and to respond to complaints alleging the illegal sale of tobacco products to young persons.
- Allied to other enforcement activities, in particular other statutory controls for underage sales, undertake checks for compliance.
- Carry out one test purchase project, which involves 'test purchasing' undertaken by child volunteers. In carrying out this work due regard will be given to the Better Regulation Delivery Office's Code of Practice relating to Age Restricted Products.
- Work in partnership with other enforcement agencies to tackle the problem of underage sales, and of counterfeit and smuggled tobacco products.
- Monitor the display of statutory notices, the restrictions on the display for sale of tobacco products, the plain packaging requirements and the labelling of products, as part of the Trading Standards Service's broader inspection work at retail premises.
- Continue to enforce the prohibition of tobacco sales from vending machines.
- Promote through the media and by other means, information about controls and penalties.
- Liaise with other agencies to help identify problem areas or businesses in order to better target resources.
- Deal with alleged offences in accordance with the Trading Standards Service's Enforcement Policy, including putting matters before the Courts where appropriate.

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**ENFORCEMENT PROGRAMME FOR AEROSOL PAINT PRODUCTS
2017/18**

The Service will:

- Use an 'intelligence led' approach to respond to complaints alleging the sale of aerosol paint products to persons under the age of sixteen years.
- Allied to other enforcement activities, in particular other statutory controls for underage sales, undertake checks for compliance.
- In order to target resources more efficiently and effectively, work in partnership with other enforcement agencies and local authorities, to identify areas suffering from anti-social behaviour involving graffiti, and problem businesses.
- Promote through the media and by other means, information about the controls and penalties.
- Deal with alleged offences in accordance with the Trading Standards Service's Enforcement Policy, including putting matters before the Courts where appropriate.

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CABINET – 23 JUNE 2017

RE-PROCUREMENT OF INTEGRATED SEXUAL HEALTH SERVICES

REPORT OF THE DIRECTOR OF PUBLIC HEALTH

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval to consult on a new proposed model for integrated sexual health services to be commissioned across Leicester, Leicestershire and Rutland.

Recommendations

2. It is recommended that:
 - (a) The draft model for the delivery of integrated sexual health services, based on the priorities of the Leicestershire Sexual Health Strategy 2016-2019, be agreed for consultation;
 - (b) 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.

Reasons for Recommendations

3. Upper tier local authorities have a statutory responsibility to provide a comprehensive open access sexual health service.
4. The current integrated sexual health service contract commissioned by Leicestershire County Council, Rutland Council and Leicester City Council ends on 31 December 2018.
5. 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.

Timetable for Decisions (including Scrutiny)

6. The Health Overview and Scrutiny Committee will consider the proposed new model for the service at its meeting on 6th September 2017 as part of the consultation process.
7. The outcome of the consultation together with the final delivery model will be brought back to the Cabinet for approval in November 2017.
8. Subject to approval by the Cabinet, the process of procuring providers to deliver the new service model will begin as soon as practicable, with a view to the new contract being in place from January 2019.

Policy Framework and Previous Decisions

9. The proposals are informed by the Leicestershire Sexual Health Strategy (2016 – 2019) which was approved by the Cabinet in April 2016.
10. The Cabinet considered the outcome of an independent review of Early Help and Prevention (EHAP) Services and approved the EHAP Strategy arising from that review at its meeting in June 2016. The proposed new model for integrated sexual health services is within the scope of the review and Strategy.

Resource Implications

11. The Medium Term Financial Strategy for 2017/18 to 2020/21 (MTFS) was agreed by the County Council in February 2017 and sets out the overall saving of £3.04m for EHAP Services following the outcome of the independent review considered by the Cabinet in June 2016. The new model of integrated sexual health services will support the delivery of this saving.
12. The new service contract is expected to achieve projected annual savings of £238,000. Areas where savings will be achieved include the development of new tariff arrangements for condom distribution, and the introduction of self-sampling online Sexually Transmitted Infection (STI) tests. Further work is required, as part of the procurement process, to model detailed activity shifts and costs for the Service from 1 January 2019.
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

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

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PART B

Background

15. The Integrated Sexual Health Service (ISHS) delivers a range of services across Leicestershire, Leicester and Rutland (LLR) including:
 - contraceptive services
 - psychosexual services(sexual health aspects)
 - sexually transmitted infection testing and treatment
 - a specific young people's service (i.e. for under 25 year olds)
 - outreach and health promotion services
 - professional training
 - network management
 - sexual health leadership role across LLR
16. The main service is currently delivered from two main sexual health service clinic locations (St. Peters Health Centre, Leicester and Loughborough Health Centre) and a range of sessional locations (four being in Leicestershire, 12 in Leicester City, 1 in Rutland). There are additional sessions specifically for under 25 year olds and outreach sessions for targeted groups across LLR, delivered in locations in Leicester City and Leicestershire.
17. Analysis of service usage shows that of the 20,628 attendances by Leicestershire residents in 2016 to the ISHS, 36% were to the Leicester City hub clinic (St. Peters Health Centre), 55% to the Loughborough hub clinic, 1% to the Rutland sessional clinic, and 8% to the four Leicestershire sessional clinics (Coalville, Hinckley, Melton Mowbray and Market Harborough). There were 145 attendances to outreach clinic sessions, of which 70% were at male sauna sites in Leicester City locations, and 12% in settings to reach sex workers. There were also 230 attendances to the specific young people's service sessional clinics ('Choices' clinics) delivered in Leicester City and Rutland, with 64% attending City locations.
18. Young people are frequent users of the current 'all age' sites, with 48% of all of the service activity by Leicestershire residents at these sites being people under 25 years of age.
19. Other sexual health contracts for condom distribution and pregnancy testing schemes for under 25 year olds, and sexual health promotion and HIV prevention projects for groups at higher risk of poor sexual health, are currently separately commissioned. It is intended that the re-procurement of integrated sexual health services will include these contracts to enable further integration of sexual health services into the model.

Proposed New Model for Integrated Sexual Health Services

20. The outcome of a joint review with partners across LLR of access and use of current sexual health services across the area, briefly outlined above, has

formed the basis of the proposed new model. Details of the new model so far as it relates to Leicestershire, are set out below.

- The main clinics in suitable premises in Leicester City and Loughborough to be retained with current services to continue.
- Sessional clinics in Coalville, Hinckley and Market Harborough to be retained and delivered from suitable premises in those towns. However, as the frequent users of these clinics are under 25 years of age it is proposed that services be targeted to that age group. Age restrictions are therefore proposed at all of these clinics with services to be provided to people under 25 years of age only.
- The sessional clinic in Melton Mowbray to be closed due to low usage. Usage of this clinic has been consistently low at 259 contacts in 2016, with 36% being aged 15-24 years. This is an annualised hourly rate of 143 compared with 171 at Harborough, 199 at Hinckley and 203 at Coalville. The closest alternative sessional clinic is in Oakham, Rutland (11 miles). The Market Harborough Clinic also experienced low activity levels in 2016, with 282 contacts of which 45% were under 25s, however, the nearest alternative to this sessional clinic is the sessional clinic in Hinckley (23 miles).
- The current model of chlamydia screening available via online self-sampling tests for 15 to 24 year olds, in line with the National chlamydia screening programme, to be retained and expanded into a full STI and HIV online self-sampling test available to all age groups.
- Greater focus to be given to increasing HIV testing via targeted promotion of the online STI and HIV testing service for high risk groups, with additional risk reduction work to be carried out and focusing on men who have sex with men (MSM).
- The current clinical outreach services provided across LLR for high risk groups, i.e. MSM (e.g. at male saunas and voluntary sector project venues appropriate for MSM) and sex workers, to be retained.
- The condom distribution service for under 25s to be retained and expanded to all age groups where an appropriate need is identified and confirmed through repeated access and registration with the service.
- Strengthening of access to community based pregnancy testing for under 25 year olds by developing additional pregnancy testing sites in appropriate settings.
- Increase access to information and advice services via further development of the ISHS website and via current telephone advice lines and through patient consultations.

21. The proposed changes to the model may reduce overall activity levels at the integrated sexual health service clinic sites. The anticipated reduction in the number of contacts made by Leicestershire residents to the service, resulting from the closure of one sessional clinic (i.e. the clinic in Melton Mowbray) and the introduction of age restrictions (under 25s only) at the other sessional clinics is estimated to be approximately 790 contacts per year, of which 97% would be over 25 year olds.
22. The effect of this will be mitigated by promoting the provision of sexual health services already available from primary care providers. This would include:
 - (a) Increasing the promotion of contraception services provided by GPs/Federations and wider local primary care providers (i.e. for contraception options such as the use of intrauterine devices and sub-dermal implants (local Authority commissioning responsibility) and oral and injectable contraception (NHS England/CCG commissioning responsibility). Where appropriate, existing Council contracts with GPs/ Federations will be utilised to support this.
 - (b) Increasing the availability of self-service options such as online and vending access to self-sampling tests for STI's and HIV, expanding the age range for condom distribution, and improving access to information and advice services (all detailed above).

Such alternative service options will help reduce the need for residents to access these services via a clinic.

23. The impact of the new model will continue to be monitored through the key indicators of the Public Health England Sexual and Reproductive Health Profiles and local performance dashboards.

Re-procurement and Contract Management

24. The Cabinet approved the procurement of the existing integrated sexual health service in January 2013 and this was commissioned as a single LLR service with each local authority holding an individual contract. Budgets were not pooled. At that time, a partnership agreement was developed and Partnership Board established to oversee the contracts. Contract management has been via a single process and is currently co-ordinated by Public Health at Leicestershire County Council. It is proposed that these arrangements will continue under the new re-procurement process.

Consultation

25. A public consultation exercise is planned to take place between July and November 2017 to seek feedback regarding the proposed new model. The consultation will be a joint approach by the commissioning partners, but there will be separate analysis of the responses relating to each local authority area.

26. The joint consultation survey will be hosted by Leicester City Council, but will be accessible online on the County Council's website and available as a hard copy on request. Key partners will also be approached directly and there will be a joint approach to dissemination across all stakeholders through partnership working across LLR authorities.

Background Papers

Early Help and Prevention Review and Strategy. 17 June 2016.

<http://politics.leics.gov.uk/documents/s119782/FINAL%20Early%20Help%20and%20Prevention.pdf>

Report to the Cabinet - Leicestershire Sexual Health Strategy (2016-2019) - 19th April 2016

<http://www.lsr-online.org/uploads/leicestershire-sexual-health-strategy-2016-19.pdf>

Report to the Cabinet – Procurement of Sexual Health Services – 16 January 2013

<http://politics.leics.gov.uk/documents/s76089/I%20procurement%20sexual%20health%20services.doc.pdf>

Relevant Impact Assessments

Equalities and Human Rights Implications

27. An Equalities and Human Rights Impact Assessment was been completed for the Sexual Health Strategy 2016-19, which included aspects of the proposed service changes.
28. A separate Equality and Human Rights Impact Assessment (EHRIA) will be completed in relation to Leicestershire and the impact of a change in service model will be informed by the outcomes of consultation. The EHRIA will be presented to the Cabinet alongside the consultation outcomes to assist the Cabinet with the exercise of its Public Sector Equality Duty under the Equality Act 2010. The Equality Act 2010 imposes a duty on the local authority when making decisions to exercise due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.

Partnership working and Associated issues

29. Continued engagement with partners in the production and delivery of the new model is critical. Although the model for sexual health differs across Leicestershire, Leicester City and Rutland, the procurement is being done jointly to allow a provider to exploit economies of scale in providing services across LLR.

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CABINET – 13 JUNE 2017

**EXCEPTION TO THE CONTRACT PROCEDURE RULES FOR A
CONTRACT FOR THE PROVISION OF 16-19 CAREERS
INFORMATION ADVICE AND GUIDANCE WITH PROSPECTS –
URGENT ACTION BY THE CHIEF EXECUTIVE**

**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 urgent action taken by the Chief Executive, following consultation with the Leader of the Council, 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 (IAG) services for 16 to 19 year olds.

Recommendation

2. It is recommended 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 Recommendation

3. 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.
4. 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.

Timetable for Decision (including Scrutiny)

5. The existing contract with Prospects expires on 30th September 2017. It is proposed that a new 10-month contract will be awarded from 1st October 2017. This will enable the Council to reconfigure its IAG service before beginning a full procurement exercise for the new service from Autumn 2017 with the new contract awarded from 1st August 2018.

Policy Framework and Previous Decisions

6. In April 2012 the Cabinet authorised the then Director of Children and Young People's Service to commence the procurement process for services previously delivered by Connexions and in September 2012 agreed provision of a new service with Prospects from October 2012 for a value of £2.1m per annum.
7. In September 2014 the Cabinet approved a new three-year contract with Prospects with a reduced value of £1.4m and removed the need for Prospects to provide Learning Disability Assessments.
8. The Department for Education (DfE) provided statutory guidance on the provision of Careers Guidance by local authorities in April 2012 which sets out the County Council's statutory duty to deliver IAG to 16 to 19 year olds. Schools have a statutory duty to deliver careers education to 14 to 16 year olds.
9. Changes to IAG services requirements have since taken place as a result of the Children and Families Act 2015 and the amended requirements to track NEET from the DfE (more detail is given in Part B of this report below).

Resource Implications

10. There are no resources implications arising from the recommendations in this report.
11. To contribute to the Children and Family Services Medium Term Financial Strategy (MTFS) savings requirements including the Early Help and Prevention Review savings, the annual budget for IAG will be decreased from £1.4m to £700,000 per annum from October 2017.
12. The cost of the service during the 10-month short-term contract will be £585,000.
13. The Director of Corporate Resources has been consulted in the preparation of this report.

Legal Implications

14. The proposed direct award of a 10-month contract to Prospects would be for a value which is below the relevant EU threshold of £589,148. There is no obligation to advertise contracts that are below the relevant EU threshold. However, there is a risk of challenge on the basis that the proposed short-term contract could be viewed as a modification of the current contract with Prospects rather than a new contract.
15. The Director of Law and Governance has been consulted in the preparation of this report.

Circulation under the Local Issues Alert Procedure

16. None.

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PART B

Background

17. There has been increased national importance placed on local authorities to meet the needs of vulnerable learners, requiring the Council to review and refocus its IAG service. Prospects is the current provider of IAG services and has successfully delivered this in Leicestershire since October 2012.
18. Since October 2012 Prospects has provided information, advice and career guidance to 16 to 19 year olds on behalf of Leicestershire County Council with a contractual remit to:
 - Keep the number of young people not in employment education or training (NEET) below 4%.
 - Maintain LeCap (Leicestershire Common Application Process) and the Prospectus. These provide the options of institutions to study at a given combination of subjects at Key Stage 5 within Leicestershire and Leicester.
 - Provide tracking data for all 16 to 19 year olds (3 years) to the Department for Education (DfE).
 - Meet the September guarantee (i.e. the guarantee that all young people in Leicestershire will have a suitable offer of education or training in a school, college or work-based training for the September after they complete their GCSE's).
 - Undertake appropriate Learning Difficulty Assessments for all post 16 learners with a statement of special educational needs (SEN).
19. The two-year contract awarded to Prospects from October 2012 was for £1.8m per annum with an annual £250,000 payment by results bonus if NEET was below 4%. The bonus was paid in full in 2013 and 2014.
20. At this time, Prospects employed 48 staff who worked in two offices situated in Hinckley and Loughborough and various community centres and outlets in Melton Mowbray, Coalville and Wigston.
21. In 2014 a new three-year contract was agreed with Prospects for a reduced value of £1.4m per annum of which £150,000 was subject to a payment by results in accordance with the NEET performance which again was paid in full each year.
22. The specification of the Prospects contract from October 2014 was taken from the DfE Guidance on Careers Guidance 2011 which states that local authorities have a duty to encourage enable or assist young people to participate in education or training. It includes:
 - Paying attention to young people who are not in any form of education, employment or training (NEET);

- Leading on the September guarantee process which ensures there is an offer for all Leicestershire 16 and 17 year olds in education and training by the end of September;
 - Collecting information to identify young people who are not participating or who are at risk of not doing so in the format specified in the Client Caseload Information System (CCIS) requirements for the DfE.
23. From October 2014 the number of staff employed by Prospects dropped to 32 and the outlets in Melton Mowbray, Coalville and Wigston were closed. The Hinckley and Loughborough offices remain.
24. Since October 2012 the participation of 16 -19 year olds in education and training has been high with County participation rates above the national and regional averages. Prospects has ensured that the NEET numbers of 16-19 year olds in Leicestershire are one of the lowest in the country and this has been consistently below the 4% target since October 2012.

Proposed Review of the IAG service

25. Following the implementation of the Children and Families Act 2015 Section 139A, learner difficulty assessments are no longer required and these will be replaced by an Education Health Care Plan. LeCap is also no longer required.
26. From September 2016, the DfE changed the requirement on local authorities to track young people from age 16-19 years old (three academic years) to 16-17 year olds (two academic years). The result is that the NEET figures for September have fallen significantly.
27. The increased national importance for local authorities to meet the needs of vulnerable learners means that the Council will need to give more focus to the NEET levels of care leavers, children in care, young offenders and learners with learning difficulties and/or disabilities within its future IAG service.
28. The next 10 months will enable the development of a new specification for the IAG service which responds to the above changes within a reduced budget and which will ensure that NEET levels continue remain low in Leicestershire.

Background Papers

Report to the Cabinet on 3 April 2012 – Future Development of Leicester Shire Connexions Companies

<http://politics.leics.gov.uk/documents/s69295/F%20-%20Future%20Developments%20of%20Leicester%20Shire%20Connexions%20Companies.pdf>

Report to the Cabinet on 14 September 2012 – Update on 16 – 19 Careers Information, Advice and Guidance/Connexions

<http://politics.leics.gov.uk/documents/s73247/H%20-%20Update%20on%2016-19%20Careers%20Information%20Advice%20Guidance%20Connexions.pdf>

Report to the Cabinet on 19 September 2014 – Provision of 16 – 19 Careers Information, Advice and Guidance with Prospects – Exception to Contract Procedure Rules

<http://politics.leics.gov.uk/documents/s95696/17%20provision%20careers%20advice%20exception%20to%20cpr.pdf>

Equality and Human Rights Implications

29. Long term NEET mainly comprise learners with learning difficulties and/or disabilities, young offenders, children in care and teenage parents. Any new arrangements will cater to their needs to ensure these vulnerable learners are prioritised.

**CABINET – 23 JUNE 2016****PLACE MARKETING ORGANISATION – GOVERNANCE
PROPOSALS****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of the Report**

1. The purpose of this report is to seek the Cabinet's approval to the proposed governance arrangements, Members' Agreement and Articles of Association for the new Place Marketing Organisation (PMO) and to the proposed appointments to the Company's Board of Directors.

Recommendations

2. It is recommended that:
 - (a) The governance arrangements set out in paragraphs 20 to 27, the Members' Agreement attached as Appendix A to this report, and the Articles of Association attached as Appendix B to this report, be approved;
 - (b) The proposed appointments to the Company's Board of Directors as set out in paragraph 23 of this 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 the City Council and prior to the formation of the PMO.

Reasons for Recommendations

3. 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.

Timetable for Decisions (including Scrutiny)

4. Subject to the Cabinet's approval of the governance arrangements, Articles of Association and Members' Agreement, the planned formation date for the the PMO is 1st July 2017.
5. The PMO will work to strategic priorities set by the Combined Authority (CA), but this is subject to the CA's approval of this role once it has been established. In the meantime, the PMO will receive strategic direction from the Economic Growth Board, which it agreed to at its meeting on 5th December 2016.

Policy Framework and Previous Decisions

6. The County Council's Strategic Plan 2014-2018 clearly recognises the importance of engaging with potential investors and enhancing and promoting the local tourism offer, therefore enabling economic growth.
7. The County Council's Enabling Growth Plan 2015-2018 includes targeted support for the growth and expansion of the visitor economy, and the promotion of the County and its economic opportunities internationally and nationally to potential investors.
8. The Leicestershire Rural Framework 2014-2020 identifies tourism as a key priority rural sector.
9. In March 2016 the Cabinet approved a preferred model for the governance, management and delivery of tourism support services. This was subsequently the subject of consultation with partners, tourism businesses and residents and further analysis of the options, as a result of which, some of the original recommendations were amended.
10. On 17th June 2016 the Cabinet agreed that the establishment of a local authority owned company to deliver tourism support services should be further explored and a business plan developed taking account of the benefits of widening this activity to incorporate place marketing and inward investment functions.
11. In November 2016 the Cabinet supported the establishment of a PMO by way of a Teckal-compliant company Limited by Guarantee which would be jointly owned by the County and City Councils and which would lead on place marketing, inward investment and strategic tourism across Leicester and Leicestershire.

Resource Implications

12. There are no further resource implications arising from this report, in addition to those already reported to the Cabinet at its meeting on 16 November 2016.

Circulation under the Local Issues Alert Procedure

13. None.

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PART B

Background

Tourism Support Services Review

14. During 2016 the City and County Councils undertook a review of how tourism support services were delivered across Leicester and Leicestershire. The review included extensive consultation with public and private stakeholders, along with analysis of approaches in comparable destinations.
15. Key messages that emerged included: the need for a strong, clear brand and narrative for the destination; a destination management and marketing body that is better connected with strategic decision-making; and the benefits of aligning resources which promote the area to visitors and investors.

Place Marketing Organisation

16. Following the review, in November 2016 the Cabinet agreed to the establishment of a new Place Marketing Organisation (PMO) to be owned jointly by the County and City Councils which would deliver place marketing, inward investment and strategic tourism services across Leicester and Leicestershire. It also agreed a three year outline business plan for the organisation.
17. The Members' Agreement and Articles of Association for the PMO have since been developed in consultation with the legal teams of both the County and City Councils and with the support of jointly commissioned independent legal advice. Consideration has been given to the most appropriate and effective governance arrangements for the PMO to support the achievement of its strategic priorities whilst ensuring the Company will be Teckal compliant and engages with wider stakeholders. These documents are attached to this report as Appendix A and B respectively.
18. The Members' Agreement (Appendix A) is a legal document signed by the founder Members (the County Council and City Council) which sets out their respective roles and responsibilities and the decision-making processes of the company. The Articles of Association (Appendix B) provide the written rules for how the Company will be run.
19. Points to note in terms of the governance and decision-making arrangements contained in the proposed Members' Agreement are summarised below.

Proposed Governance Arrangements

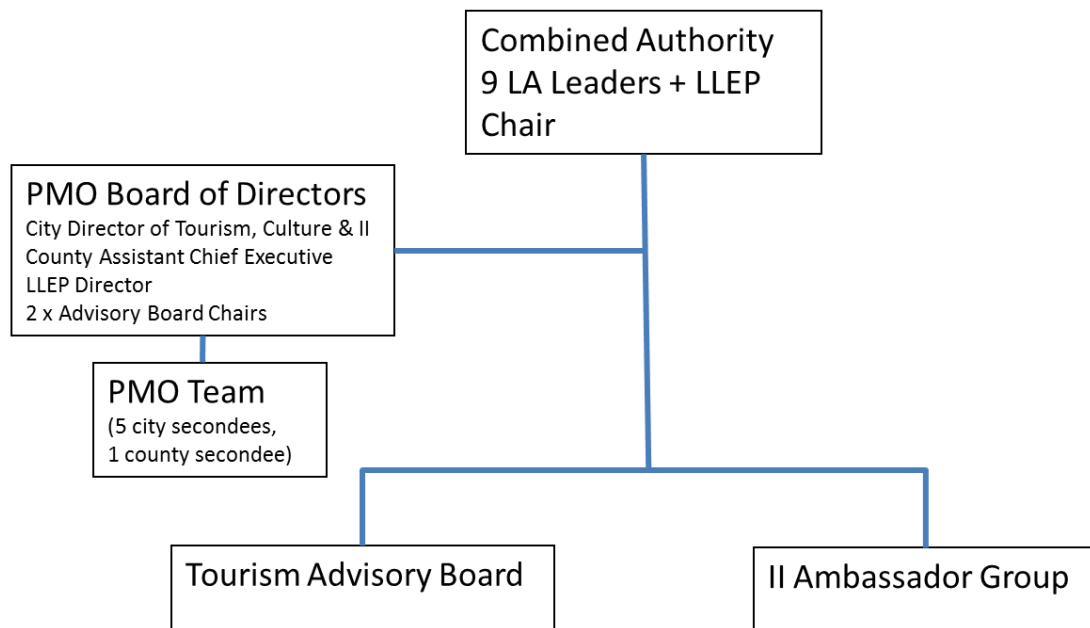
Strategic Governance

20. The new PMO will receive strategic direction from the CA, subject to approval by the CA of this role once established. In the interim, this will be provided by the Economic Growth Board acting as the shadow CA. It is proposed that the CA and the PMO will be supported by two advisory boards: a private sector led Tourism Advisory Board which is currently being established; and an existing private sector led Inward Investment Ambassadors Group. The advisory boards will enable the PMO to take full account of the views of local industry experts (including those who run visitor attractions) and other key stakeholders (such as district councils) in carrying out its work. An outline of the proposed strategic governance structure is illustrated in Figure 1 below.

Company Governance

21. The new PMO will be registered as 'Marketing Leicester and Leicestershire Limited' and jointly owned by the City Council and County Council as the founder Members. New Members can be admitted by the unanimous approval of the existing Members. The Company will be limited by guarantee and will meet the joint control in-house or '*Teckal*' exemption rule which will allow local authority funding to be directly transferred to the Company to achieve the strategic priorities set by the CA. (Note: To ensure the Company remains '*Teckal*' compliant trading or commercial activity will be limited to no more than 20% of the Company's turnover.)
22. It is proposed that the Company's Board of Directors will include:
- Mike Dalzell, The Director of Tourism, Culture and Inward Investment at the City Council
 - Tom Purnell, The Assistant Chief Executive at the County Council
 - Mandip Rai, The LLEP Director at the LLEP
23. It is proposed that the chairs of the two Advisory Boards are also invited to join the Board of Directors.
24. The chair of the Board of Directors will rotate each year between the City and County Councils, commencing with the City Council for the first 12 months.

Figure 1: PMO Governance Structure



Decision Making Process

25. To ensure that the Company meets the '*Teckal*' exemption rules, the following requirements need to be met:
 - (i) The Company Members jointly exercise control over the Company which is similar to that which they exercise over their own departments;
 - (ii) More than 80% of the Company's activities are carried out in the performance of the tasks which are entrusted to it by its Members;
 - (iii) Any decision-making bodies of the Company are composed of (but not limited to) representatives from both Company Members (i.e. representatives from both Leicester City and Leicestershire County Council);
 - (iv) The Company Members are jointly able to exert decisive influence over the strategic objectives, and the significant decisions of the Company;
 - (v) The Company does not pursue any interests which are contrary to those of its Members.
26. To meet the above requirements voting rights will always enable a joint City and County Council decision. Therefore, in a situation with one City Council Director, one County Council Director and 3 other directors, the City and County Council Directors will exercise two votes each and the other directors will exercise one vote each. Meetings will only be quorate when both the City and County Council Directors are in attendance.

27. Decisions will generally be taken by a majority vote. However, decisions relating to key issues such as local authority financial contributions, approval and amendments to the annual Business Plan, amendments to the Members' Agreement and / or Articles of Association, or the winding-up of the Company, will be reserved matters, and as such referred to the respective authority's decision-making bodies to determine. A full list of reserved matters is provided in the Members' Agreement attached as Appendix A to this report.

Conclusion

28. The arrangements outlined in this report will form the basis of how the PMO will operate, providing an exciting opportunity to reshape how the County Council delivers place marketing, inward investment and tourism across the sub-region. The governance proposals have been carefully developed to address legal requirements whilst ensuring broad stakeholder engagement.

Background Papers

Report to the Cabinet, 1st March 2016 "Tourism Support Services Review"

<http://ow.ly/I3Mb305RBF0>

Report to the Cabinet, 17th June 2016 "Tourism Support Services Review" and minutes of that meeting

<http://ow.ly/Hgce305RBOM>

<http://ow.ly/5N5C305RBVY>

Report to the Cabinet, 23rd November 2016 "Place Marketing Organisation – Outline Business Plan" and minutes of that meeting

<http://ow.ly/TUnd30cxJEf>

Appendices

Appendix A – Members Agreement

Appendix B – Articles of Association

Relevant Impact Assessments

Partnership Working

29. Effective partnership working will be critical to the success of the PMO. The private sector will provide expertise and influence via the two business-led Advisory Boards and it is proposed that two business leaders and the LLEP Director will be invited to join the PMO Board. District Councils as members of the CA (once established) or the Economic Growth Board (in the interim) will provide strategic direction to the PMO. A District Council representative has been invited to join the Tourism Advisory Board.

Equality and Human Rights Implications

30. There are no equality or human rights implications arising from the recommendations in this report.

APPENDIX A

Dated 2017

LEICESTERSHIRE COUNTY COUNCIL

and

LEICESTER CITY COUNCIL

Members' Agreement

**Relating to the establishment and operation of MARKETING
LEICESTER AND LEICESTERSHIRE LIMITED**

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This agreement is dated 2017

Parties

- (1) **LEICESTERSHIRE COUNTY COUNCIL** of County Hall, Glenfield, Leicestershire LE3 8RA (**County**).
- (2) **LEICESTER CITY COUNCIL** of City Hall, 115 Charles Street, Leicester LE1 1FZ (**City**).

Background

- (A) Marketing Leicester and Leicestershire Limited is a newly formed company limited by guarantee, incorporated in England and Wales with company number [NUMBER] of which the County and the City are members (the "**Company**").
- (B) The Company is a Place Marketing Organisation (PMO) which has been established to deliver Place Marketing, Inward Investment and Strategic Tourism across Leicester and Leicestershire.
- (C) The County and the City shall exercise their rights in relation to the Company in accordance with the terms and conditions of this agreement and the Articles.
- (D) The County and the City intend that the Company meets and shall continue to meet the joint control in-house or '*Teckal*' exemption which is set out in Regulation 12(4) of the Public Contracts Regulations 2015.

Agreed terms

1. Interpretation

- 1.1 The following definitions and rules of interpretation apply in this agreement.

Act: means the Companies Act 2006.

Articles: the new articles of association of the Company in agreed form to be adopted on or prior to Completion as amended or superseded from time to time.

Audit Agents:

- (a) the Members' internal and external auditors;
- (b) the Members' statutory or regulatory auditors;
- (c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office;
- (d) HM Treasury or the Cabinet Office;
- (e) any party formally appointed by a Member to carry out audit or similar review functions;
- (f) successors or assigns of any of the above;

Board: the board of directors of the Company as constituted from time to time.

Business: has the meaning given in clause 2.

Business Plan: has the meaning given in clause 11.

CA 2006: the Companies Act 2006.

City Director: any director appointed to the Board by City.

Completion: the completion of the formation of the Company in accordance with clause 4.

Completion Date: [date] or such other date as the parties may agree.

Confidential Information: has the meaning given in clause 18.

County Director: any director appointed to the Board by County.

Deadlock Notice: has the meaning given in clause 15.2.

Electronic form: has the meaning given in section 1168 of the CA 2006.

Eligible City Director: A City Director who would be entitled to vote on the matter at a meeting of the Board (but excluding any City Director whose vote is not to be counted in respect of the particular matter).

Eligible County Director: A County Director who would be entitled to vote on the matter at a meeting of the Board (but excluding any County Director whose vote is not to be counted in respect of the particular matter).

Environmental Information Regulations: the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations.

FOIA: the Freedom of Information Act 2000, and any subordinate legislation made under the Act from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.

Encumbrance: any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement.

Eligible Director: any Eligible City Director or Eligible County Director (as the case may be).

Financial Year: in relation to the Company, means its accounting reference period of 12 months ending on the date given in clause 4.2(f) or such other date as the Company may determine in accordance with section 392 of the CA 2006 but, in the first year in which the Company is formed, means the period starting with the day the Company is formed and ending on the date given in clause 4.2(f), subject to the CA 2006.

LLEP Director: a director appointed to the Board to represent the Leicester and Leicestershire Enterprise Partnership (LLEP), who may also be an employee of City or County.

Members: the members of the Company being, as at the date of this agreement, County and City, and any new Members who are admitted to membership of the Company.

parties: the parties to this agreement being, as at the date of this agreement, County and City, and any new Members who are admitted to membership of the Company and who sign a deed of adherence pursuant to clause 6.2(c) and thus become party to this agreement.

PCR: the Public Contracts Regulations 2015.

Request For Information: a request for information or an apparent request under the Code of Practice on Access to Government Information, the Environmental Information Regulations or FOIA.

Reserved Matters: the matters listed in Schedule 1.

State Aid De Minimis Regulation: the state aid de minimis regulation which is in force from time to time being, as at the

date of this agreement, Commission Regulation 1407/2013, OJ L352/1, 24.12.2013, equating to €200,000 over three years to a single undertaking.

subsidiary: has the meaning given in clause 1.10.

- 1.2 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.3 References to clauses, Schedules and the Appendix are to clauses of, Schedules to and the Appendix to this agreement and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.4 The Schedules and the Appendix form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules and the Appendix.
- 1.5 A reference to **this agreement** or to any **other agreement or document referred to in this agreement** is a reference to this agreement or such other agreement or document as varied or novated in accordance with its terms from time to time.
- 1.6 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.7 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.8 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.9 A reference to a **party** shall include that party's successors and permitted assigns.
- 1.10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006.

- 1.11 A reference to **writing** or **written** does not include email, faxes or any other electronic form.
- 1.12 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.13 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.14 References to a document in "agreed form" are to that document in the form agreed by the parties and initialled by them or on their behalf for identification.
- 1.15 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.16 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.17 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.18 Unless the context requires otherwise, words and expressions defined in the Articles shall have the same meaning when used in this agreement.

2. Meeting the joint control in-house exemption

- 2.1 The Members intend that the Company meets and shall continue to meet the joint control in-house or '*Teckal*' exemption which is set out in Regulation 12(4) of the PCR. This is important as it means that the Members can award contracts to the Company without applying Part 2 of the PCR.
- 2.2 Regulation 12(4) of the PCR requires that in order to meet the exemption the following requirements need to be met:

- (a) the Members exercise jointly with each other a control over the Company which is similar to that which they exercise over their own departments; and
- (b) more than 80% of the activities of the Company are carried out in the performance of tasks which are entrusted to it by the Members or by other legal persons which are controlled by the Members; and
- (c) there is no direct private capital participation in the Company.

2.3 For the purposes of clause 2.2(a), the Members exercise joint control over the Company where all of the following conditions are fulfilled:

- (a) the decision-making bodies of the Company are composed of representatives of both of the Members;
- (b) the Members are able to jointly exert decisive influence over (i) the strategic objectives and (ii) the significant decisions of the Company; and
- (c) the Company does not pursue any interests which are contrary to those of the Members.

2.4 The Members believe that exercising their rights in relation to the Company in accordance with the terms and conditions of this agreement and the Articles complies with these requirements but agree to exercise their rights in such a way and make such changes to this agreement and/or the Articles as shall be necessary to ensure such compliance.

3. **Business of the Company**

- 3.1 The business of the Company is deliver tourism, place marketing and inward investment support services across Leicester and Leicestershire as more particularly set out in the Business Plan (**Business**).
- 3.2 As at the date of this agreement, it is not envisaged that the Company will trade.

4. Completion

- 4.1 Completion shall take place on or before the Completion Date.
- 4.2 At Completion the parties shall procure that such member and board meetings of the Company are held as may be necessary to:
- (a) adopt the Articles in agreed form;
 - (b) change the Company's name to Marketing Leicester and Leicestershire Limited;
 - (c) appoint Mike Dalzell, Director of Tourism, Culture and Investment as a City Director; Tom Purnell, Assistant Chief Executive as a County Director; Mandip Rai as the LLEP Director with Mike Dalzell also being appointed as the initial chairman of the Board;
 - (d) resolve that the registered office of the Company shall be at City Hall, 115 Charles Street, Leicester, LE1 1FZ;
 - (e) appoint Barclays Bank PLC of Barclays Bank PLC of Unit 1 – 3 Haymarket Towers, 15 Humberstone Gate, Leicester LE1 1WA as the principal bankers to the Company; and
 - (f) resolve that the Company's Financial Year shall end on 31st March in each year.
- 4.3 Within six months of the Completion Date the parties shall adopt the Business Plan for the Financial Year in which the Company is formed in agreed form.
- 4.4 The parties shall appoint auditors of the Company at some time as they shall deem it necessary

5. Membership

- 5.1 Unless and until unanimously agreed by the existing Members there shall be no maximum number of Members and the minimum number of Members shall be one.
- 5.2 The Members shall consist of:

- (a) Leicestershire County Council of County Hall, Glenfield, Leicestershire LE3 8RA (County);
 - (b) Leicester City Council of City Hall, 115 Charles Street, Leicester LE1 1FZ (City); and
 - (c) such other Members as may be first approved and resolved to be admitted as a Member by the unanimous approval of the existing Members.
- 5.3 A Member shall cease to be a Member if it resigns its membership on service of not less than twelve months' prior written notice served upon the other Members PROVIDED THAT the terms of such resignation have been unanimously agreed by all of the Members (including the resigning Member) before it becomes effective.
- 5.4 If the resignation of a Member pursuant to clause 5.3 would leave only one Member that Member shall determine in its absolute discretion by written notice served on the resigning Member whether it wishes to:
 - (a) subject to the proviso in clause 5.3, continue as the sole Member, the agreed terms including a requirement for the sole Member to change the name of the Company to disassociate it from the resigning Member, upon the resignation becoming effective; or
 - (b) elect for the Company to be wound up in accordance with clause 16.
- 5.5 A Member may not transfer his membership to another person without the prior written approval of all of the other Members.

6. Admission of new Members

- 6.1 Subject to clause 6.2, County and City anticipate that other local authorities and possibly other public sector organisations may become Members.
- 6.2 The existing Members shall procure that no new member shall be admitted as a Member unless:

- (a) this is agreed by all of the existing Members;
- (b) new Articles are drafted, agreed and adopted, and this agreement and the Business Plan are varied, in each case as shall be unanimously agreed by the existing Members to be appropriate or desirable to cater for the admission of the new Member, and which may establish different classes of Members with different rights and obligations; and
- (c) the new Member has executed and delivered a deed of adherence, on terms which are acceptable to all of the existing Members, pursuant to which it agrees to be bound by the terms of this agreement (as varied by the existing Members pursuant to clause 6.2(b)).

7. Reserved Matters

Each party shall procure that the Company shall not, without the prior written approval of all of the Members, carry out any of the Reserved Matters.

8. Directors and management, including voting rights

- 8.1 Subject to this agreement (in particular clause 2.3(b) and clause 7) and the Articles, the Board has responsibility for the supervision and management of the Company and its Business.
- 8.2 As set out in the Articles:
 - (a) For so long as there are five directors (as anticipated by City and County as at the date of this agreement, one being appointed by City, one being appointed by County, the LLEP Director and two others) the City Director and the County Director shall each have two votes on any matter that is required to be voted on by the directors; whereas the other three directors, including the LLEP Director, shall only have one vote each;
 - (b) if at some point in the future City and County agree to appoint an additional director who is not a City Director

nor a County Director, the voting rights of the City Director and the County Director shall be increased, equally between them, in such proportions as shall be necessary to ensure that the City Director and the County Director can vote through any matter on which the City Director and the County Director agree;

- (c) the chair shall not have any additional or casting vote;
- (d) the LLEP Director may be an employee of City or County but in serving as a director shall represent the interests of the LLEP as he or she thinks fit.

9. Rotation of the chair

The chair shall rotate each year between City and County. The initial chair is Mike Dalzell, a City Director, who shall resign on the first anniversary of the Completion Date, or such other date as City and County may agree. The second chair shall be appointed by County for the same period as that which was served by Mike Dalzell as the initial chair. The third chair shall be appointed by City; the fourth chair shall be appointed by County, and so on;

10. Finance for the Company

- 10.1 The finance to be provided by the Members for the Company shall be as set out in the Business Plan.
- 10.2 The Members agree that if it requires any additional finance, the Company shall be financed, so far as practicable, from external funding sources and on terms to be agreed between the Board, the Members and any relevant third parties and that any security required in relation to such external funding shall, if possible, be provided by the Company.
- 10.3 There is no obligation on the Members to provide any further finance to the Company but, if they do so, the Members shall each provide the same amount on the same terms unless they agree otherwise in writing.

11. Business Plan

- 11.1 The Business Plan is an annual business plan for the Company prepared by the Board and it shall include in relation to the Financial Year to which it relates:
- (a) a cashflow statement giving an estimate of the working capital requirements; and
 - (b) a monthly projected profit and loss account;
 - (c) an operating budget (including capital expenditure requirements) and balance sheet forecast;
 - (d) a management report giving business objectives for the year; and
 - (e) a financial report which shall include an analysis of the estimated results of the Company for the previous Financial Year compared with the Business Plan for that year, identifying variations in sales revenues, costs and other material items.
- 11.2 The Business Plan for the Financial Year in which the Company is formed is set out at Appendix 1 (“**Initial Business Plan**”).
- 11.3 The Business Plan for every other Financial Year shall be:
- (a) prepared by the Board at least three months before the end of the preceding Financial Year; and
 - (b) adopted and approved by the Members by agreement in writing as soon as possible after it has been prepared.
- 11.4 If the Business Plan for a Financial Year which has been prepared by the Board is not adopted and approved by the Members then the provisions of clause 15 shall apply.

12. Secondments

The provisions of Schedule 2 shall apply.

13. Corporate services and support

City and County shall provide support and services to the Company as shall be required upon such terms as they may agree, including but not limited to IT support services; legal services; audit services; finance services; use of computers and office accommodation and other consumables, up to a total maximum aggregate value which equates to the State Aid De Minimis Regulation.

14. Accounting and other information

14.1 The Members shall procure that the Company shall at all times maintain accurate and complete accounting and other financial records including all corporation tax computations and related documents and correspondence with HM Revenue & Customs in accordance with the requirements of all applicable laws and generally accepted accounting principles applicable in the United Kingdom.

14.2 Each Member, its Audit Agents and its authorised representatives shall be allowed access at all reasonable times to examine the books and records of the Company.

14.3 The Members shall procure that the Company shall supply each party with the financial and other information necessary to keep the party informed about how effectively the Business is performing and in particular shall supply each party with:

- (a) a copy of each year's Business Plan for approval in accordance with clause 11.3;
- (b) a copy of the audited accounts of the Company prepared in accordance with the laws applicable in and the accounting standards, principles and practices generally accepted in the United Kingdom, within six months of the end of the year to which the audited accounts relate; and
- (c) monthly management accounts of the Company to be supplied within 30 days of the end of the month to which

they relate and the accounts shall include a profit and loss account, a balance sheet and a cashflow statement.

- 14.4 The Members shall procure that the Company shall, as soon as possible, comply with any request made by a Member, to provide any documents, information and correspondence necessary (at the cost of the party making the request) to enable the relevant Member to comply with applicable law and/or the requirements of regulatory authority or body.

15. Deadlock

- 15.1 There is a deadlock if a resolution is proposed and one of the following applies:
- (a) at a properly convened meeting of Members or of the Board there is no quorum at the meeting and no quorum at the meeting when it is reconvened following an adjournment, provided that the meeting, or adjourned meeting, is not inquorate because the person who proposed the resolution does not attend; or
 - (b) on a directors' resolution, all Eligible City Directors or all Eligible County Directors vote against or abstain from voting on the resolution (unless one of their number proposed the resolution); or
 - (c) a Members' resolution is not passed by unanimous agreement.
- 15.2 Either party may within 28 days of the meeting at which the deadlock arises or within 28 days of the date of the resolution in respect of which the deadlock arises (as the case may be) serve notice on the other party (**Deadlock Notice**):
- (a) stating that in its opinion a deadlock has occurred; and
 - (b) identifying the matter giving rise to the deadlock.
- 15.3 The Members undertake that they shall

use all reasonable endeavours in good faith to resolve the dispute.

- 15.4 If a deadlock cannot be resolved in accordance with this clause 15 within 30 days from the date the deadlock matter is referred under clause 15.3, either party may elect by written notice served on the other party for the Company to be wound up in accordance with clause 16.

16. Termination and liquidation

- 16.1 Subject to clause 16.2 this agreement shall terminate when there is only one Member.

- 16.2 On termination of this agreement, the following clauses shall continue in force:

- (a) Clause 1 (interpretation);
- (b) this clause;
- (c) Clause 18 (confidentiality);
- (d) Clause 23 (assignment and other dealings);
- (e) Clause 24 (entire agreement);
- (f) Clause 25 (variation and waiver);
- (g) Clause 26 (costs);
- (h) Clause 27 (no partnership or agency);
- (i) Clause 28 (notices);
- (j) Clause 29 (severance);
- (k) Clause 34 (inadequacy of damages); and
- (l) Clause 35 (governing law and jurisdiction).

- 16.3 Termination of this agreement shall not affect any rights, remedies, obligations or liabilities of the Members that have accrued up to the date of termination, including the right to claim

damages in respect of any breach of the agreement which existed at or before the date of termination.

- 16.4 If this agreement terminates each party shall, if requested by the other, procure that the name of the Company is changed to avoid confusion with the name of the party making the request.
- 16.5 Where and only where a party elects by written notice served on the other party for the Company to be wound up in the specific circumstances which are set out in this agreement, the Members shall agree a suitable basis for dealing with the interests and assets of the Company consistent with the principles set out in clause 16.6 and shall endeavour to ensure that, before dissolution:
- (a) all existing contracts of the Company are performed to the extent that there are sufficient resources;
 - (b) the Company shall not enter into any new contractual obligations; and
 - (c) the Company's assets are distributed as soon as practical.
- 16.6 The parties have agreed to the following principles to govern financial liabilities arising upon the Company being wound up:
- financial and employment liabilities for any staff seconded or transferred other than under Tupe from City will remain the liability of City and City shall indemnify and keep indemnified the County against any financial and employment Liabilities ;
- (a) financial and employment liabilities for any staff seconded or transferred other than under Tupe from County will remain the liability of County and County shall indemnify and keep indemnified the City against any financial and employment liabilities ;
 - (b) The parties agree that the secondment of their staff for the provision of services to the Company will not be a relevant transfer in relation to such staff but if any such staff assert Tupe rights against the other party then any TUPE

implications and liabilities will be the responsibility and liability of the organisation transferring the related posts and shall indemnify the other party against all employee liabilities arising out of Tupe in respect of the Company being wound up or otherwise that arise during the period of the Secondment.

- (c) any other financial liabilities that are incurred will be apportioned proportionate to the financial contributions of the Members.

17. Status of agreement

- 17.1 Each party shall, to the extent that it is able to do so, exercise all its voting rights and other powers in relation to the Company to procure that the provisions of this agreement are properly and promptly observed and given full force and effect according to the spirit and intention of the agreement.
- 17.2 If there is an inconsistency between any of the provisions of this agreement and the provisions of the Articles, the provisions of this agreement shall prevail as between the Members.
- 17.3 The Members shall, when necessary, exercise their powers of voting and any other rights and powers they have to amend, waive or suspend a conflicting provision in the Articles to the extent necessary to permit the Company and its Business to be administered as provided in this agreement.

18. Compliance with applicable law

In administering this agreement the parties shall each comply with all applicable law and at the cost of the other party shall also take all reasonable steps as shall be required or requested by the other party to assist the other party to comply with applicable law.

19. Confidentiality and FOIA

- 19.1 In this clause, **Confidential Information** means any information (however recorded or preserved) which is of a confidential or

proprietary nature whether or not marked as confidential, but excludes the information in clause 19.2.

19.2 Information is not Confidential Information if:

- (a) it is or becomes generally available to the public (other than as a result of its disclosure in breach of this agreement); or
- (b) a party can establish to the reasonable satisfaction of the other party that it found out the information from a person not connected with the other party or its Group and that such person is not under any obligation of confidence in respect of the information; or
- (c) a party can establish to the reasonable satisfaction of the other party that the information was known to the first party before the date of this agreement and that it was not under any obligation of confidence in respect of the information; or
- (d) the parties agree in writing that it is not confidential.

19.3 Each party shall at all times keep confidential (and use all reasonable endeavours to ensure that its employees and the Company shall keep confidential) any Confidential Information belonging to the other party and shall not use such Confidential Information except for the purpose of exercising or performing its rights and obligations under or in connection with this agreement, and shall not disclose such Confidential Information except:

- (a) to a party's professional advisers where such disclosure is for a purpose related to the operation of this agreement; or
- (b) with the written consent of the party; or
- (c) as may be required by the Environmental Information Regulations or FOIA (as to which clause 19.5 shall apply) or any other law, or governmental or other regulatory authority or by a court or other authority of competent jurisdiction, provided that, to the extent it is legally

permitted to do so, it gives the other party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this clause, it takes into account the reasonable requests of the other party in relation to the content of such disclosure.

19.4 Each party shall inform (and shall use all reasonable endeavours to procure that the Company shall inform) any officer, employee or agent or any professional adviser advising it in relation to the matters referred to in this agreement, or to whom it provides Confidential Information, that such information is confidential and shall require them:

- (a) to keep it confidential; and
- (b) not to disclose it to any third party (other than those persons to whom it has already been disclosed in accordance with the terms of this agreement).

19.5 The parties acknowledge that they are each subject to the requirements of the Environmental Information Regulations and the FOIA and shall each:

- (a) provide all necessary assistance and cooperation as reasonably requested by the other party to enable it to comply with its obligations under the Environmental Information Regulations and the FOIA;
- (b) transfer to the other party all Requests for Information relating to the other party that it receives as soon as practicable and in any event within 2 Working Days of receipt;
- (c) provide to the other party a copy of all Information belonging to it requested in the Request For Information which is in its possession or control in the form that the other party requires within 5 Working Days (or such other period as the other party may reasonably specify) of the other party's request for such Information; and

- (d) not respond directly to a Request For Information relating to the other party unless authorised in writing to do so by the other party.

19.6 The parties acknowledge that the other party may be required under the Environmental Information Regulations and the FOIA to disclose their Confidential Information without consulting or obtaining their consent. The parties shall take reasonable steps to notify other party of a Request For Information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this agreement) each party shall be responsible for determining in its absolute discretion whether any Confidential Information of the other party and/or any other information is exempt from disclosure in accordance with the Environmental Information Regulations and/or the FOIA.

19.7 On termination of this agreement, each party shall (and shall use all reasonable endeavours to procure that its officers and employees and the Company shall):

- (a) return to the other party all documents and materials (and any copies) containing, reflecting, incorporating or based on the other party's Confidential Information; and
- (b) erase all the other party's Confidential Information from computer and communications systems and devices used by it, including such systems and data storage services provided by third parties (to the extent technically and legally practicable),

provided that a recipient party (and/or the Company, as the case may be) may retain documents and materials containing, reflecting, incorporating or based on the other party's Confidential Information to the extent required by law or any applicable governmental or regulatory authority.

19.8 The provisions of this clause 18 shall continue to apply after termination of this agreement for any cause.

20. Announcements

- 20.1 Subject to clause 20.2 and clause 20.3, neither party shall make, or permit any person to make, any public announcement, communication or circular (**announcement**) concerning this agreement without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed). The parties shall consult together on the timing, contents and manner of release of any announcement.
- 20.2 Where an announcement is required by law or any governmental or regulatory authority or by any court or other authority of competent jurisdiction, the party required to make the announcement shall promptly notify the other party. The party concerned shall make all reasonable attempts to agree the contents of the announcement before making it.
- 20.3 On the signing of this agreement the parties shall issue a joint announcement about the formation of the Company in agreed form.

21. Warranty

Each party warrants and represents to the other that, at the date of this agreement, the Company has not carried on any business, has no assets or liabilities, has no employees and is not a party to any contracts except as necessary to comply with clause 4.

22. Further assurance

Without prejudice to clause 4, at its own expense each party shall, and shall use all reasonable endeavours to procure that any relevant third party shall, promptly execute and deliver such documents and perform such acts as the other party may reasonably require from time to time for the purpose of giving full effect to this agreement.

23. Assignment and other dealings

Neither party shall assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its

rights and obligations under this agreement (or any other document referred to in it) without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).

24. Entire agreement

- 24.1 This agreement (together with the documents referred to in it) constitute the entire agreement between the parties and supersede and extinguish all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations, arrangements and understandings between them, whether written or oral, relating to their subject matter.
- 24.2 Each party acknowledges that in entering into this agreement (and any documents referred to in it), it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement or those documents.
- 24.3 Nothing in this clause shall limit or exclude any liability for fraud.

25. Variation and waiver

- 25.1 No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).
- 25.2 A waiver of any right or remedy under this agreement or by law is only effective if given in writing and signed by the person waiving such right or remedy. Any such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.
- 25.3 A failure or delay by any person to exercise any right or remedy provided under this agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided

under this agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

- 25.4 A person that waives a right or remedy provided under this agreement or by law in relation to one person, or takes or fails to take any action against that person, does not affect its rights or remedies in relation to any other person.

26. Costs

Except as expressly provided in this agreement, each party shall pay its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this agreement (and any documents referred to in it).

27. No partnership or agency

- 27.1 Nothing in this agreement is intended to, or shall be deemed to, establish any partnership between the parties or constitute any party the agent of another party.
- 27.2 Each party confirms that it is acting on its own behalf and not for the benefit of any other person.

28. Notices

- 28.1 A notice given to a party under or in connection with this agreement:
- (a) shall be in writing and signed by or on behalf of the party giving it;
 - (b) shall be sent to the relevant party for the attention of the contact and to the address specified in clause 28.2, or such other address as that party may notify to the other in accordance with the provisions of this clause 28; and
 - (c) shall be:
 - (i) delivered by hand; or

- (ii) sent by pre-paid first class post or another next working day delivery service providing proof of delivery.

28.2 The addresses and fax numbers for service of notices are:

(a) LEICESTERSHIRE COUNTY COUNCIL:

- (i) address: County Hall, Glenfield, Leicestershire LE3 8RA (County).
- (ii) for the attention of: [NAME];

(b) LEICESTER CITY COUNCIL:

- (i) address: City Hall, 115 Charles Street, Leicester LE1 1FZ];
- (ii) for the attention of: [NAME].

28.3 A party may change its details for service of notices as specified in clause 28.2 by giving notice to the other party. Any change notified pursuant to this clause shall take effect at 9.00 am on the later of:

- (a) the date (if any) specified in the notice as the effective date for the change; and
- (b) five Business Days after deemed receipt of the notice of change.

28.4 Delivery of a notice is deemed to have taken place (provided that all other requirements in this clause have been satisfied):

- (a) if delivered by hand, on signature of a delivery receipt; or
- (b) if sent by pre-paid first class post or another next working day delivery service providing proof of delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service; and
- (c) if deemed receipt under the previous paragraphs of this clause 28.4 would occur outside business hours (meaning

9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this clause, all references to time are to local time in the place of deemed receipt.

28.5 To prove service, it is sufficient to prove that:

- (a) if delivered by hand, the notice was delivered to the correct address; or
- (b) if sent by post, the envelope containing the notice was properly addressed, paid for and posted.

28.6 This clause 28 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

29. Severance

29.1 If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.

29.2 If one party gives notice to the other of the possibility that any provision or part-provision of this agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

30. Agreement survives Completion

This agreement (other than obligations that have already been fully performed) remains in full force after Completion.

31. Third party rights

31.1 Except as expressly provided elsewhere in this agreement, a person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third parties) Act 1999 to enforce any term of this agreement.

31.2 The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this agreement are not subject to the consent of any other person.

32. Counterparts

32.1 This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

32.2 Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the other party with the original of such counterpart as soon as reasonably possible thereafter.

32.3 No counterpart shall be effective until each party has executed at least one counterpart.

33. Rights and remedies

Except as expressly provided in this agreement, the rights and remedies provided under this agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

34. Inadequacy of damages

Without prejudice to any other rights or remedies that a party may have, each party acknowledges and agrees that damages alone would not be an adequate remedy for any breach of the terms of clause 18 by that party. Accordingly, the other party shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of clause 18.

35. Governing law and jurisdiction

35.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

35.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation.

This agreement has been entered into on the date stated at the beginning of this agreement.

Schedule 1 – Reserved Matters

1. Permitting the registration of any person as a member of the Company other than County and City.
2. Altering the name or registered office of the Company.
3. Altering in any respect the Articles or the rights of the Members in the Company (except as provided in clause 17.3).
4. Adopting or amending the Business Plan in respect of each Financial Year.
5. Changing the nature of the Company's Business or commencing any new business by the Company which is not ancillary or incidental to the Business.
6. Making any acquisition or disposal by the Company of any material asset(s).
7. Closing down any business operation.
8. Creating or granting any Encumbrance over the whole or any part of the Business, undertaking or assets of the Company or agreeing to do so.
9. Making any borrowing other than from its bankers in the ordinary and usual course of business and arranging banking facilities that enable the Company to have more than £100,000 in aggregate borrowed at any one time.
10. Making any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or granting any credit (other than in the normal course of trading) or giving any guarantee (other than in the normal course of trading) or indemnity.
11. Giving any guarantee, suretyship or indemnity to secure the liability of any person or assuming the obligations of any person.

12. Passing any resolution for the Company's winding up or presenting any petition for its administration (unless it has become insolvent); or
13. The Company employing any staff and, if staff are employed, varying any contract of employment providing for the payment of remuneration (including pension and other benefits) in excess of a rate of £50,000 per annum or increasing the remuneration of any staff (including pension and other benefits) to a rate in excess of £50,000 per annum.
14. Establishing or amending any pension scheme or granting any pension rights to any director, officer, employee, former director, officer or employee, or any member of any such person's family.
15. Dismissing any director, officer or employee in circumstances in which the Company incurs or agrees to bear redundancy or other costs.
16. The Company entering into any contract:
 - (a) with a value in excess of £100,000 in total.
17. Appointing any agent or other intermediary to conduct any of the Company's Business.
18. Establishing a subsidiary, becoming a member of or acquiring any shares in any other company.
19. Participating in any partnership or joint venture (incorporated or not).
20. Amalgamating or merging with any other company or business undertaking.
21. Entering into any transaction or arrangement of any nature whatsoever with any of the Company's directors or any person who is connected (within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010) to any of its directors whether or not any other person shall be party to such transaction or arrangement .
22. Establishing or amending any profit-sharing, bonus or other incentive scheme of any nature for directors, officers or employees.

23. Entering into any commitment by way of a transaction or series of related transactions (including without limitation any leasing transaction) which would involve the Company in the payment or receipt of consideration having an aggregate value in excess of £100,000.
24. Entering into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms.
25. Entering into or giving notice of termination of any arrangements, contracts or transactions which are of a material nature in the context of its business, or materially vary any such arrangements, contracts or transactions to a value in excess of £100,000.

Each of the Parties and the Company shall procure that no subsidiary (which has been agreed to be established) takes any action which would constitute a breach of any provision in paragraphs 1–25 above, as if any reference therein to the Company (express or implied) were construed as a reference to each subsidiary for the time being.

Schedule 2 – Secondments

Appendix 1

Initial Business Plan

Signed by [NAME],
[POSITION]
for and on behalf of
**LEICESTERSHIRE COUNTY
COUNCIL**

.....

Signed by [NAME],
[POSITION] for and on
behalf of **LEICESTER CITY
COUNCIL**

.....

APPENDIX B

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION of

MARKETING LEICESTER AND LEICESTERSHIRE LIMITED

A PRIVATE COMPANY LIMITED BY GUARANTEE, NOT HAVING
A SHARE CAPITAL

Company number: [] (the "Company")

(Adopted by special resolution passed on [DATE])

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PART 1 – PRELIMINARY

1. EXCLUSION OF THE MODEL ARTICLES

The model articles of association for private companies limited by guarantee contained in Schedule 2 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "**Model Articles**") shall not apply to the Company.

2. MEMBERS' AGREEMENT

As at the date of the adoption of these Articles, the Members are Leicestershire County Council (**County**) and Leicester City Council (**City**).

County and City are party to a Members' Agreement which regulates the exercise of their rights in relation to the Company and sets out various matters in relation to the operation of the Company.

PART 2 – INTERPRETATION AND LIMITATION OF LIABILITY

3. INTERPRETATION

3.1 In these Articles, unless the context otherwise requires:

Appointor: has the meaning given in Article 15(1);

Articles: means the Company's articles of association for the time being in force;

bankruptcy: includes insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Business Day: means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

Chairman: has the meaning given in Article 13.23;

chairman of the meeting: has the meaning given in Article 26.10;

Companies Acts: means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

City Directors: any director appointed by City;

Conflict: a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;

County Directors: any director appointed by County;

director: means a director of the Company and includes any person occupying the position of director, by whatever name called;

document: includes, unless otherwise specified, any document sent or supplied in electronic form;

electronic form: has the meaning given in section 1168 of the Act;

Eligible Director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding in relation to the authorisation of a Conflict pursuant to Article 11, any director whose vote is not to be counted in respect of the particular matter);

Interested Director: has the meaning given in Article 15.1.

LLEP Director: a director appointed to represent the Leicester and Leicestershire Enterprise Partnership (LLEP), who may also be an employee of City or County.

Local Authority Directors: the City Directors and the County Directors

Member: has the meaning given in section 112 of the Companies Act 2006 and **Membership** shall be construed accordingly.

Objects: the objects for which the Company is established as set out in Article 5, as the same may be amended by the Members from time to time.

ordinary resolution: has the meaning given in section 282 of the Act;

participate: in relation to a director's meeting, has the meaning given in Article 13.9;

proxy notice: has the meaning given in Article 31;

Regulation 12(4): regulation 12 (4) of the Public Contracts Regulations 2015;

secretary: means the secretary of the Company and any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

special resolution: has the meaning given in section 283 of the Act;

subsidiary: has the meaning given in section 1159 of the Act;

writing: means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 3.2 In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa, references to one gender include all genders and references to persons include bodies corporate and unincorporated associations.
- 3.3 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company.
- 3.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 3.5 A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 3.6 Unless expressly provided otherwise, a reference to a statute or statutory provision shall be deemed to include a reference to any

statutory modification or re-enactment of that statute or statutory provision for the time being in force, and any subordinate legislation from time to time made under that statute or statutory provision.

- 3.7 Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

4. **GUARANTEE AND LIABILITY OF MEMBERS**

The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for

- (a) payment of the Company's debts and liabilities contracted before he ceases to be a Member,
- (b) payment of the costs, charges and expenses of the winding up, and
- (c) adjustment of the rights of the contributories among themselves.

PART 3 – OBJECTS AND POWERS

5. **OBJECTS**

- 5.1 The objects for which the Company is established are to deliver tourism, place marketing and inward investment support services across Leicester and Leicestershire (**Objects**).

- 5.2 Consistent with Regulation 12(4):

- (a) more than 80% of the activities of the Company shall be carried out in the performance of tasks which are entrusted to it by the Members or by other legal persons which are controlled by the Members;
- (b) the Members shall jointly exert decisive influence over the strategic objectives of the Company; and
- (c) the Company shall not pursue any interests which are contrary to those of the Members.

6. POWERS

In pursuance of the Objects, the Company has the power to:

- (a) buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
- (b) borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets;
- (c) invest and deal with the funds of the Company not immediately required for its operations in or upon such investments, securities or property as may be thought fit;
- (d) subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
- (e) lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any Company, firm or person including any holding Company or subsidiary;
- (f) lobby, advertise, publish, educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics and/or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the Objects in any way;

- (g) pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or Company to pay the same;
- (h) enter into contracts to provide services to or on behalf of other bodies;
- (i) provide and assist in the provision of money, materials or other help;.
- (j) open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- (k) incorporate subsidiary companies to carry on any trade; and
- (l) do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the Objects.

7. INCOME

- 7.1 The income and property of the Company from wherever derived shall be applied solely in promoting the Objects.
- 7.2 No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:
 - (a) reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
 - (b) any interest on money lent by any Member or any director at a reasonable and proper rate;
 - (c) reasonable and proper rent for premises demised or let by any Member or director; or
 - (d) reasonable out-of-pocket expenses properly incurred by any director.

8. WINDING UP

On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that

remains available to be distributed or paid, shall not be paid or distributed to the Members (except to a Member that qualifies under this Article) but shall be transferred to another body (charitable or otherwise) with objects similar to those of the Company. Such body to be determined by resolution of the Members at or before the time of winding up or dissolution and, subject to any such resolution of the Members, may be made by resolution of the directors at or before the time of winding up or dissolution.

PART 4 – DIRECTORS

9. DIRECTORS' GENERAL AUTHORITY

9.1 Subject to the Members' Agreement and these Articles, and in particular Article 9.2, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

9.2 Consistent with Regulation 12(4), the Members shall jointly exert decisive influence over the significant decisions of the Company.

10. MEMBERS' RESERVE POWER

10.1 The Members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

10.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

11. DIRECTORS MAY DELEGATE

11.1 Subject to the Members' Agreement and these Articles, the directors may delegate any of the powers which are conferred on them under the Articles—

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and

- (e) on such terms and conditions;
as they think fit.

11.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

11.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

12. COMMITTEES

12.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by directors and in any event shall be subject to the following provisions:

- (a) every committee must be chaired by a director;
- (b) a Member of a committee need not be a director or Member but, consistent with Regulation 12(4), if the committee is a decision making body then it must be composed of representatives of the Members;
- (c) each Local Authority Nominated Director shall be entitled to attend or nominate an attendee to any committee;
- (d) all proceedings of every committee must be reported promptly to the directors;
- (e) each committee must act in accordance with the terms of reference on which any function is delegated to it (but, subject to that, the proceedings of the committee will be governed by such of these Articles as govern the proceedings of the board so far as they are capable of applying), as determined by a majority decision of the directors.

12.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

13. MEETINGS OF DIRECTORS

Calling meetings

- 13.1 The directors shall meet at least once a quarter to be held at the offices of both the County and the City by rotation, so that a meeting at the County shall be followed by a meeting at the City, and vice versa, or at such other locations as County and City may agree.
- 13.2 A director may call a meeting of directors by giving notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice.
- 13.3 Notice of any directors' meeting must indicate—
- (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place,
 - (d) how it is proposed that they should communicate with each other during the meeting.
- 13.4 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 13.5 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 13.6 At least seven Business Days' notice of a meeting of directors must be given to all directors entitled to receive notice accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting or the committee meeting; and
 - (b) copies of any papers to be discussed at the meeting or the committee meeting.

- 13.7 A shorter period of notice of a meeting of directors may be given if at least one County Director and one City Director agree in writing.
- 13.8 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors present at the meeting agree to it being raised.

Participation in meetings

- 13.9 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with these Articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 13.10 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 13.11 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum and adjournments

- 13.12 The quorum at any meeting of directors (including adjourned meetings) is one Eligible City Director (or his alternate) and one Eligible County Director (or his alternate). For the purposes of any meeting (or part of a meeting) held pursuant to Article 14 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 13.13 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision to call a general meeting so as to enable the Members to appoint further directors.

- 13.14 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and at the time when there is to be voting on any business.
- 13.15 If a quorum is not present within 30 minutes of the time specified for a directors' meeting in the notice of the meeting then it shall be adjourned for seven Business Days at the same time and place.
- 13.16 A meeting of directors shall be adjourned to another time or date at the request of all the City Directors or all the County Directors present at the meeting. No business may be conducted at a meeting after such a request has been made. No more than one such adjournment may be made in respect of a meeting.

Making decisions

- 13.17 Meetings of directors shall make decisions by passing resolutions. A resolution is passed if:
- (a) it is unanimous in accordance with Article 13.22; or
 - (b) more votes are cast for it than against it, and at least one Eligible City Director and one Eligible County Director have voted in favour of it.
- 13.18 Except as provided by Articles 13.19 and **Error! Reference source not found.** , at a meeting of directors, each director has one vote.
- 13.19 For so long as there are five directors (as anticipated by City and County as at the date of the adoption of these Articles, one being appointed by City, one being appointed by County, the LLEP Director and two others) the City Director and the County Director shall each have two votes on any matter that is required to be voted on by the directors; whereas the other three directors, including the LLEP Director, shall only have one vote each.

If at some point in the future City and County agree to appoint an additional director who is not a Local Authority Director, the voting rights of the City Director and the County Director shall be increased, equally between them, in such proportions as shall be necessary to

ensure that the City Director and the County Director can vote through any matter on which the City Director and the County Director agree.

- 13.20 If City and County are not represented at any meeting of the Board by an equal number of Eligible City Directors and Eligible County Directors (whether participating in person or by alternate), then one of the Eligible Directors so nominated by the party which is represented by fewer Eligible Directors shall be entitled at that meeting to such additional vote or votes as shall result in the Eligible Directors so participating representing each of City and County having in aggregate an equal number of votes as between them.
- 13.21 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.
- 13.22 A decision of the directors is taken in accordance with this Article 13.2213.22 when all Eligible Directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing. A decision may not be taken in accordance with this Article 13.22 if the Eligible Directors would not have formed a quorum at such a meeting.

Chairing meetings and no casting vote

- 13.23 The post of chairman shall be held in alternate years by a City Director or by a County Director. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the Board the party who appointed him shall be entitled to appoint another Director appointed by it to act as chairman at the meeting.

LLEP Director

- 13.24 The LLEP Director may be an employee of City or County but in serving as a director shall represent the interests of the LLEP as he or she thinks fit, subject to compliance with Articles 14 and 15.

14. DIRECTORS' CONFLICTS OF INTEREST

- 14.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 14.2 But if Article 14.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes.
- 14.3 Article 14.3 applies when—
- (a) the Company by ordinary resolution disapplies the provision of these Articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - (b) a Conflict is authorised pursuant to Article 15;
 - (c) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (d) the director's conflict of interest arises from a permitted cause.
- 14.4 For the purposes of Article 14.3(d), the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
 - (b) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- 14.5 For the purposes of this Article 14, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

14.6 Subject to 14.7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

14.7 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

15. AUTHORISATION OF CONFLICTS

15.1 The directors may, in accordance with the requirements set out in this Article 15, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty to avoid conflicts of interest under section 175 of the Act.

15.2 Any authorisation under this Article 15 shall be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of the Members' Agreement or these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

15.3 Any authorisation of a Conflict under this Article 15 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

15.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

15.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.

15.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit

which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with the Members' Agreement or these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

15.7 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or

benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

- 15.8 A Local Authority Director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer, employee or Member of a Local Authority shall be deemed to have been authorised for the purposes of these Articles and section 175 of the Act.

16. RECORDS OF DECISIONS TO BE KEPT

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

17. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to the Members Agreement and these Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

18. APPOINTMENT OF DIRECTORS

- 18.1 Only the Members can appoint directors of the Company and the Members can each appoint the same number of directors. As at the date of the adoption of these Articles:

- (a) there shall be a minimum number of two directors made up, of one City Director and one County Director; and
- (b) City and County anticipate that there shall also be an LLEP Director and that two additional directors will also be appointed, making a total of five directors..

- 18.2 City and County may appoint a director, and remove a director whom it appointed, by giving notice in writing to the Company and the other party, and to the director being removed, in the case of removal of a director. The appointment or removal

takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date.

18.3 The party removing a director shall indemnify and keep indemnified the Company against any claim connected with the director's removal from office.

18.4 A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

18.5 If a person ceases to be a director pursuant to Article 18.4, the Member that has appointed him shall be entitled to appoint a replacement.

19. DIRECTORS' REMUNERATION AND EXPENSES

19.1 The directors shall not be entitled to receive any remuneration for acting in their capacity as directors.

19.2 The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of debentures of the Company,
- or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

20. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

20.1 Any director (other than an alternate director) (**Appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the Appointor.

20.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors.

20.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

21. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

21.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the Appointor.

21.2 Except as the Articles specify otherwise, alternate directors are:

- (a) deemed for all purposes to be directors;

- (b) liable for their own acts and omissions;
- (c) subject to the same restrictions as their Appointors; and
- (d) not deemed to be agents of or for their Appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a Member.

21.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of Article 21.3(a).

21.4 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors (provided that an Appointor for whom he exercises a separate vote is an Eligible Director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

21.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

22. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate director's Appointor ceases to be a director for whatever reason.

23. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

PART 5 – MEMBERS**24. FIRST MEMBERS**

The first Members are:

- (a) Leicestershire County Council of County Hall, Glenfield, Leicestershire LE3 8RA (**County**);
- (b) Leicester City Council of City Hall, 115 Charles Street, Leicester LE1 1FZ (**City**); and

25. OTHER MEMBERS

The Company shall admit such other Members as may be first approved and resolved to be admitted as a Member by the unanimous approval of the existing Members.

26. ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

- 26.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 26.2 A person is able to exercise the right to vote at a general meeting when—
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 26.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 26.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.
- 26.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

- 26.6 The quorum for a general meeting shall be County and City being present in person or by proxy.
- 26.7 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing general meetings

- 26.8 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 26.9 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- (a) the directors present, or
 - (b) (if no directors are present), the meeting,
- must appoint a director or Member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 26.10 The person chairing a meeting in accordance with this Article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-Members

- 26.11 Directors may attend and speak at general meetings, whether or not they are Members.
- 26.12 The chairman of the meeting may permit other persons who are not Members of the Company to attend and speak at a general meeting.

Adjournment

- 26.13 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 26.14 The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 26.15 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 26.16 When adjourning a general meeting, the chairman of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 26.17 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- 26.18 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

27. VOTING AT GENERAL MEETINGS

Voting: general

- 27.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

Errors and disputes

- 27.2 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

- 27.3 Any such objection must be referred to the chairman of the meeting whose decision is final.

Poll votes

- 27.4 A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 27.5 A poll may be demanded by—
- (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.
- 27.6 A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- 27.7 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 27.8 Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
- (a) states the name and address of the Member appointing the proxy;
 - (b) identifies the person appointed to be that Member’s proxy and the general meeting in relation to which that person is appointed;

- (c) is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.
- 27.9 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 27.10 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 27.11 Unless a proxy notice indicates otherwise, it must be treated as—
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

- 27.12 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 27.13 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 27.14 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

- 27.15 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

- 27.16 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 27.17 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 27.18 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 6 – ADMINISTRATIVE ARRANGEMENTS

28. MEANS OF COMMUNICATION TO BE USED

- 28.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

- 28.2 Subject to these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 28.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

29. COMPANY SEALS

- 29.1 Any common seal may only be used by the authority of the directors.
- 29.2 The directors may decide by what means and in what form any common seal is to be used.
- 29.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 29.4 For the purposes of this Article, an authorised person is—
- (a) any director of the Company;
 - (b) the Company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

30. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Member.

31. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

32. DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

- 32.1 Subject to Article 32.2, a relevant director of the Company or an associated company may be indemnified out of the Company's assets against—
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
 - (c) any other liability incurred by that director as an officer of the Company or an associated company.
- 32.2 This Article 32 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 32.3 In this Article 32—
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a "relevant director" means any director or former director of the Company or an associated company.

Insurance

- 32.4 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.
- 32.5 In this Article 32 —
- (a) a “relevant director” means any director or former director of the Company or an associated company,
 - (b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company, and
 - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.



CABINET - 23 JUNE 2017

FUTURE STRATEGY FOR THE DELIVERY OF LIBRARY SERVICES

**TRANSFER OF BRAUNSTONE TOWN LIBRARY TO COMMUNITY
MANAGEMENT**

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 some minor changes to arrangements for the transfer of Braunstone Town library to community management and seek agreement to the transfer.

Recommendations

- 2 It is recommended that:
 - (a) The minor changes from the original business plan submitted by Fabula Social Enterprise in 2016 are noted;
 - (b) The transfer of the Braunstone Town library to Braunstone Town Community Library (BTCL), a Charitable Incorporated Organisation, be approved.

Reasons for Recommendations

3. To enable the transfer of the library to the 'Braunstone Town Community Library' charity which has been established by Fabula Social Enterprise (Fabula).
4. 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.

Timetable for Decisions (including Scrutiny)

5. The transfer will continue to be progressed as planned, and should be completed by September 2017.

Policy Framework and Previous Decisions

6. In September 2014, the Cabinet approved a remodelling of the library service based on the following elements:
 - 16 major market town and shopping centre libraries funded by the Council with a 20% reduction in opening hours;
 - A support service enabling local communities to run their local library;
 - An online library service available 24 hours a day, 365 days a year to those with access to the internet;
 - A mobile library service providing a regular library service to most villages without a static library.
7. Between January 2015 and March 2016, the Cabinet considered several reports regarding the transfer of community libraries across the County. To date, 30 libraries have transferred to community management.

Resource Implications

8. There are no resource implications arising from the recommendations.
9. 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

Mrs A. J. Hack CC

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PART B**Background**

10. To date 30 libraries in Leicestershire have transferred to community management, supported by a County Council funded package of grants and running costs that tapers over a seven-year period.
11. Braunstone Town library is built on land owned by Braunstone Town Council for which the County Council has a 99-year lease. Whilst there is no lease break clause the lease does allow for other alternative local authority uses in the event the library closes, subject to the agreement of Braunstone Town Council. There is an obligation on the County Council to pay the building running costs as defined within the ground lease, i.e. for a further 92 years.
12. As part of the transition process, local communities were invited to submit a registration of interest (ROI) and an outline business plan to propose how a locally formed group might manage each of 36 local libraries.
13. Three ROI's and outline business plans were submitted for Braunstone Town: two from Braunstone Town Council and one from Fabula, a staff based social enterprise whose focus is on supporting looked after children and reading. The Fabula submission had followed a further period of time that had been agreed to allow groups to revise or re-submit outline business plan proposals, and for a consultation on alternative service provision to take place.
14. In April 2016, the Cabinet agreed to progress the Fabula proposal because it conformed closest to the support package on offer to other community groups and was the most cost-effective option following an assessment that was presented as part of that report.
15. The Council's support package was varied so that funding ended a year later as the Fabula financial model assumed the funding package would begin upon transition, whenever that took place.
16. The original transfer date for Braunstone Town library was March 2017, but this was always dependent on the granting of CIO status to a charitable body established by the Fabula Social Enterprise, which would operate the library through community volunteers and be supported financially by income from events organised and run by Fabula.
17. In order to ensure transparency, a separation of functions, and to avoid confusion about the roles proposed in its plan, the Fabula Social Enterprise decided on the use of a different name from the original 'Fabula Libraries' for the planned CIO. 'Braunstone Town Community Library' was chosen, and was granted CIO status on 22 May 2017.
18. Fabula had intended that Braunstone Town Council Service Centre staff would undertake basic library duties under supervision of a Group representative and these costs were built into its business plan. As this has not proved feasible, its stated alternative, the use of a paid volunteer manager is being pursued.

19. In order to mitigate any conflict of interest in the appointment to that post, a range of operational actions will be put in place and be subject to regular monitoring.
20. One of the three trustees named in the Fabula business plan has stepped down from the library group and, to reduce any perceived conflict of interest between the County Council and community library responsibilities, the other two named trustees intend to step down from the BTCL board once the CIO has been established and an independent chair/management board are appointed.
21. The balance of stock across adults and children will remain unchanged from the current position. This is partly in response to local concerns which had been raised at the proposal in the original business plan to re-align stock in favour of literature for children and young people.
22. With the exception of the minor changes from the original business plan outlined in paragraphs 15-21 above, the purpose and function of BTCL are unchanged from the original business plan submitted by Fabula in 2016.

Conclusion

23. Officers are continuing to work closely with Fabula and BTCL to support them in progressing their plans. The transfer is now expected in September 2017.
24. The variations as outlined in this paper still represent the closest fit to the package of support and model originally proposed for communities as part of the wider libraries transfer project.

Background papers

Report to the Cabinet on 19 April 2016 'Future Strategy for the Delivery of Library Services
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4601&Ver=4>

Equality and Human Rights Implications

25. There are no equality or human rights implications arising from the recommendations in this report.
26. An Equality and Human Rights Impact Assessment for each of the 36 community libraries, including Braunstone Town was appended to the Cabinet report of 19 November 2014.



**REPORT TO THE CABINET SITTING AS TRUSTEE OF THE
THRINGSTONE TRUST AND THE THRINGSTONE
WOMEN'S TRUST**

23 JUNE 2017

**THRINGSTONE TRUSTS
TRANSFER OF TRUSTEESHIP TO A SUCCESSOR CHARITABLE
INCORPORATED ORGANISATION**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to seek approval by the Cabinet, acting in its capacity as Trustee of the Thringstone Trust and the Thringstone Women's Trust, to the adoption of new charitable objects for the Thringstone Women's Trust (the Women's Trust), the merger of the Women's Trust and the Thringstone Trust, and the subsequent transfer of the trusteeship of the merged trust and all assets and liabilities belonging to it from the County Council to the Charles Booth Centre Charitable Incorporated Organisation (CBC).

Recommendations

2. It is recommended that:
 - a) The new objects for the Thringstone Women's Trust as set out in paragraph 23 of this report be approved;
 - b) 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) 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) 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) 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.

Reason for Recommendations

3. 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.

Timetable for Decisions (including Scrutiny)

4. It is anticipated that, if approved, taking account of the timetable for Charity Commission decision making and implementation of the above recommendations, the transfer of assets to the CBC will be implemented in autumn 2017.

Policy Framework and Previous Decisions (of the Thringstone and the Women's Trusts)

5. A joint meeting of the Management and Executive Committees of the Thringstone Trust and the Women's Trust was held on 12 October 2015, and it was agreed that the CBC should be established to enable the transfer of assets to be implemented.

Resource Implications (for the Thringstone and the Women's Trusts)

6. This report is presented to the Cabinet sitting as Trustee of the Thringstone Trust and the Women's Trust and the resources implications for these Trusts are as set out below.
7. The assets of the Trusts that are proposed to be transferred to the CBC comprise the Thringstone House Community Centre and the adjoining land and buildings, the joint Investment Fund of £24,578 currently managed by the County Council, and funds held jointly in the Community Association Management Committee account, currently standing at circa £140,000.
8. The Trust's Investment Fund contains financial assets of the two Trusts. The assets of the Women's Trust (considered to be 25% of the total) will be ring-fenced to fund activity by women and girls in accordance with the proposed

new objects for that Trust. The proposed transfer of assets from the merged Trusts to the CBC will also be subject to this restriction.

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

Circulation under the Local Issues Alert procedure

10. A copy of this report has been circulated to Mr. T. Gillard CC and Mr. J. G. Coxon CC.

Officers to Contact

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PART B

Background

11. Thringstone Community Centre is based at Thringstone House (near Coalville, in North West Leicestershire) which is the venue for the delivery of services provided by the Thringstone Trust and the linked Women's Trust. The County Council accepted the role of Corporate Trustee for these two charities in 1950 and as a consequence took on the management of Thringstone House. The Trusts are unincorporated and the County Council has unlimited liability.
12. Management of the Trusts is delegated to an Executive Committee which is responsible for the strategic direction of each Trust and for reporting and making any strategic recommendations to the County Council. A Management Committee oversees the day-to-day activities of the Centre. Regulations governing the management of both charities were updated and approved by the Cabinet acting in its capacity as Trustee in January 2002.
13. The County Council employs three part-time staff at the Community Centre and funds some of the Centre's running costs. The total cost of this funding is currently circa £23,000 per annum. The County Council also funds the maintenance of the building as required from its Property Services Central Maintenance Fund (circa £8,000 per annum). The Management Committee contributes to staffing costs, funds the majority of the Centre's running costs, and generates income through running the bar and various lettings.

Recent developments

14. The Management and Executive Committees of the Trusts have been briefed by the County Council on the need for the Authority to make budget savings and on funding reductions for the Centre as set out in the Medium Term Financial Strategy (MTFS) 2016/17 – 2019/20, approved by the County Council on 17th February 2016.

Financial Year	Cumulative Saving	Description
2016/17	£7,500	25% reduction in management funding*
2017/18	£15,000	50% reduction in management funding
2018/19	£30,000	100% reduction in management funding

*Note: this target has been achieved by early implementation of cost saving measures.

15. A Building Maintenance Grant of £14,875 is proposed to be provided by the County Council to the CBC for the purpose of building maintenance following the transfer of assets.
16. The Committees have been supported to respond to the need to make savings by exploring and developing opportunities for making changes to the Trusts' governance arrangements, generating additional income, and

reducing costs. The Committees have responded positively and recent work has included rebranding and marketing the Centre, making energy savings, producing an expanded entertainments programme and the development of proposed future governance arrangements.

17. A review of each Trust's governance arrangements has been carried out by the Management and Executive Committees with help and advice from the Rural Community Council and the County Council. Arising from this, the Committees decided to establish a new Charitable Incorporated Organisation (CIO) with objects that align with the current and proposed activity of the Community Centre and which provide the potential for local community control, and ownership of the future direction and operation of the Centre. A CIO has charitable status, but provides limited liability for trustees and the ability to enter into contracts.
18. At a joint meeting of the Management and Executive Committees of the Thringstone Trust and the Women's Trust held on 12 October 2015, it was agreed that the Charles Booth Centre (CBC) CIO should be established. This was done, and the new Charity was registered with the Charity Commission on 5 May 2016. The charitable objects of the CBC¹ are -

To establish and run a community centre and to promote for the benefit of the inhabitants of Thringstone and the Parishes of Whitwick, Swannington, Worthington, Osgathorpe, Coleorton and Belton ("area of benefit") without distinction of sex, sexual orientation, age, disability, nationality, race or political, religious or other opinions the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the conditions of life of the said inhabitants.

19. Business planning work by the CBC trustees is ongoing and a draft Business Plan has been prepared.

Proposed changes

20. It is proposed that in future the assets of the Trusts, and the responsibility for their management and maintenance, should be passed to the CBC. The CBC has been consulted on a proposal to implement this transfer which includes a phased withdrawal of funding by the County Council for management of the Community Centre in accordance with its MTFS savings requirements, and the payment of a one-off grant to contribute to building maintenance, as referred to above.
21. The CBC has confirmed that it would be willing to accept the transfer of assets from the Trusts including associated staffing responsibilities. The

¹ The purpose of the CIO as here set out uses the wording that has been used for village halls for many years and reflects the wording of Section 5 of the Charities Act 2011 and current best practice.

proposal is likely to be covered by the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) as existing staff could transfer to the CBC unless the CBC decide that different services will be provided and/or that there is a change of focus on the types of services provided at the Centre. Should the CBC request it, there is the potential for the County Council to continue to employ existing staff and provide a service to the CBC at the Centre, although this would be subject to cost recovery from the CBC. If TUPE applies and there are existing staff who do not wish to transfer over to the CBC they may object to the transfer. Where an employee objects for a significant reason, it would require the Council to try to redeploy that individual. If redeployment is not possible then that person would have to be made redundant, which could lead to the Council being liable to costs including redundancy pay, notice pay and capital pension costs. Engagement with the CBC Trustees and with existing staff at the Centre is currently taking place.

22. In order to implement the transfer of assets of the two Trusts to the CBC it is first necessary to merge the Women's Trust with the Thringstone Trust. To do this, the County Council, as Trustee of the Women's Trust, must first pass a resolution under s.275 of the Charities Act 2011 adopting the new objects for the Women's Trust which are compatible with those of the Thringstone Trust.
23. The existing objects of the Women's Trust are:

"The establishment, equipment and maintenance of an Institute for women and of a Social Club for girls and also the provision of instruction in housewifery, cooking, needlework, laundry work and the general welfare and improvement of the home to women and girls and the provision of elementary instruction in the Christian religion to children of either sex who are under the age of seven years."

It is proposed to change this, to:

"For the public benefit, the advancement of education of women and girls through the provision of courses and other activities in local and national political and social issues, music, drama and other cultural subjects, agriculture, crafts, home economics, science, sport, health and social welfare."

24. If approved by the Cabinet, this resolution must be filed with the Charity Commission which must then approve it before it can take effect. This process is expected to take around 60 days. The Charity Commission is aware of the intended new objects for the Women's Trust and has indicated that these would be acceptable.
25. If the new objects are approved by the Charity Commission, the two Trusts can then be merged on the basis that the Women's Trust money is ring-fenced for purposes that meet the objects of this Trust. Thereafter the trusteeship of the merged Trusts and its assets, including property that the

County Council currently holds on trust for the Thringstone Trust, can be transferred to the CBC.

Background Papers

Report to the Cabinet on 15th January 2002 - Youth and Community Education:
Scheme of Management for Thringstone House
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=615>

Report to the County Council on 17th February 2016 - The Medium Term Financial
Strategy (MTFS) 2016/17 – 2019/20
<http://ow.ly/4n4yDN>

Equality and Human Rights Implications

26. The CBC will continue to provide services and activities for all sections of the local community as provided for by its charitable objects.

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