



Meeting: **Scrutiny Commission**

Date/Time: **Wednesday, 6 June 2018 at 10.30 am**

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

Contact: **Mrs R Whitelaw (Tel: 0116 305 2583)**

Email: **rosemary.whitelaw@leics.gov.uk**

Membership

Mr. S. J. Galton CC (Chairman elect)

Mr. D. C. Bill MBE CC Mrs. R. Page CC
Mr. M. H. Charlesworth CC Mr. A. E. Pearson CC
Dr. T. Eynon CC Mr. T. J. Pendleton CC
Dr. R. K. A. Feltham CC Mr. T. J. Richardson CC
Mrs. H. J. Fryer CC Mrs B. Seaton CC
Mr. J. Morgan CC Mr. M. B. Wyatt CC

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

AGENDA

Item

Report by

1. Appointment of Chairman.

To note that Mr. S. J. Galton CC has been appointed Chairman of the Scrutiny Commission in accordance with Article 6.05 of the County Council's Constitution.

2. Election of Vice-Chairman.

3. Minutes of the meeting held on 7 March 2018.

(Pages 5 - 12)

4. Question Time.

5. Questions asked by members under Standing Order 7(3) and 7(5).



6. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.
7. Declarations of interest in respect of items on the agenda.
8. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.
9. Presentation of Petitions under Standing Order 36.
10. Update on Police and Crime Panel Activity. (Pages 13 - 24)

The Chairman of the Police and Crime Panel, Mr. J. T. Orson JP CC has been invited to attend for this item. A presentation will be delivered.
11. Leicester, Leicestershire and Rutland Resilience Preparedness. Chief Executive

There will be a powerpoint presentation for this item
12. Market Towns. Chief Executive (Pages 25 - 32)
13. Draft Overview and Scrutiny Annual Report 2017/18. Scrutiny Commissioners (Pages 33 - 54)

A copy of the draft Annual Report is attached for the consideration of the Commission. Subject to approval, the Annual Report will be submitted to the full County Council for consideration at its meeting on 27 June.
14. 2017/18 Provisional Revenue and Capital Outturn. Director of Corporate Resources (Pages 55 - 92)
15. Outline Commercial Strategy and Workplan 2018-2022. Director of Corporate Resources (Pages 93 - 106)
16. Corporate Complaints and Compliments Annual Report 2017-18. Director of Corporate Resources (Pages 107 - 128)
17. Date of next meeting.

The next meeting of the Commission is scheduled to take place on 12 September at 10.30am.
18. Any other items which the Chairman has decided to take as urgent.

QUESTIONING BY MEMBERS OF OVERVIEW AND SCRUTINY

The ability to ask good, pertinent questions lies at the heart of successful and effective scrutiny. To support members with this, a range of resources, including guides to questioning, are available via the Centre for Public Scrutiny website www.cfps.org.uk.

The following questions have been agreed by Scrutiny members as a good starting point for developing questions:-

- Who was consulted and what were they consulted on? What is the process for and quality of the consultation?
- How have the voices of local people and frontline staff been heard?
- What does success look like?
- What is the history of the service and what will be different this time?
- What happens once the money is spent?
- If the service model is changing, has the previous service model been evaluated?
- What evaluation arrangements are in place – will there be an annual review?

This page is intentionally left blank



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 7 March 2018.

PRESENT

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

Mr. D. C. Bill MBE CC
 Mr. L. Breckon JP CC
 Mr. M. H. Charlesworth CC
 Dr. T. Eynon CC
 Mr. D. Jennings CC

Mrs. R. Page CC
 Mr. A. E. Pearson CC
 Mr. T. J. Richardson CC
 Mrs B. Seaton CC
 Mr. D. Slater CC

71. Minutes.

The minutes of the meeting held on 7 February 2018 were taken as read, confirmed and signed.

72. Question Time.

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

73. Questions asked by members under Standing Order 7(3) and 7(5).

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

74. Urgent Items.

There were no urgent items for consideration.

75. Declarations of interest.

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

Mr Galton and Mrs Page each declared a personal interest in the report on the Lutterworth East Strategic Development Area (minute 81 refers) as they were members of Harborough District Council, which was responsible for approving the Local Plan, including the Lutterworth East Strategic Development Area. They also served on a Panel at the District Council which was looking at the Local Plan.

76. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.

There were no declarations of the party whip.

77. Presentation of Petitions under Standing Order 36.

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

78. Delivery Review of the Updated Three Year Youth Justice Strategic Plan: 2016 - 2019.

The Commission considered a report of the Director of Children and Family Services which provided an update on the delivery of the Youth Justice Plan 2016 – 2019. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) The Crime and Disorder Act 1998 set out the statutory partners in delivery of youth justice services and required them to make a contribution to the service. The level and nature of the resource that partners should contribute was not defined. Locally, funding was agreed annually by the Youth Offending Services Management Board, although for organisations such as the National Probation Service a national agreement was in place. There were some risks to the ongoing levels of partnership funding but these were mitigated by the fact that a large proportion of the work was statutory.
- (ii) It was expected that the 2018/19 budget would be similar to that of the previous year. Notification of partner contributions had been received although confirmation of funding from the Youth Justice Board was still awaited. The Youth Offending Service was accustomed to these circumstances and had a good track record for management of its budget.
- (iii) Members welcomed the reduction in custodial sentences for young offenders but sought assurance that robust alternatives were in place. It was confirmed that a breadth of community-based alternatives to a custodial sentence were available and that the Magistrates' Courts had confidence in the recommendations of County Council officers and their ability to deliver. The re-offending of young people who had been given a community sentence was monitored and could be compared with re-offending rates where a custodial sentence had been given.
- (iv) The Commission was pleased to note the strength of arrangements in the Youth Offending Service for oversight and audit of caseloads, along with the strong performance management culture. The increased complexity of cases meant that a holistic, partnership approach to service delivery was being developed. Work to prevent young people from entering the youth justice system also helped with caseload management, although it was noted that reductions in funding made the delivery of preventative work more challenging.
- (v) The Early Help Review would provide an opportunity to align early help services to support the Youth Offending Service. The Plan would not need amending in the light of the review as it was not expected to alter the strategic objectives for the service.
- (vi) The improvement in the numbers of young people in education, employment and training at the end of supervision was noted and assurance sought that this was sustainable. The Commission was advised that the conversion of schools to academies had initially affected performance in this area, but that once new

arrangements were in place performance had improved. There was confidence in the quality of provision as the affected young people would not engage unless it was meaningful.

- (vii) There was a nationally agreed protocol in place for when a young offender was placed in another local authority area. Arrangements under this protocol were felt to work well.
- (viii) Out of court disposals were used to keep young people out of the criminal justice system and to deal with their offence in a proportionate manner such as through restorative work or a warning. National guidance on their use had been issued. Locally, it was not felt that pressure was applied on young people to accept an out of court disposal, acknowledging that this would become part of a criminal record.

RESOLVED:

That the update on the delivery of the Youth Justice Plan 2016 – 2019 be noted.

79. Midlands Connect - Sub-National Transport Body.

The Commission considered a report of the Director of Environment and Transport which would be submitted to the Cabinet on 9 March 2018 to advise of Midlands Connect's draft proposals to become a Sub-national Transport Body (STB) and to seek Cabinet's approval of the Authority's response to the proposals, with particular reference to the consultation on the proposed STB voting options and functions. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) Members welcomed the proposal as it appeared to be the only way in which Leicestershire would get funding for sizeable and meaningful transport infrastructure. The Commission was advised that the County Council had secured £92 million for transport infrastructure in the last five years but that the STB would be better placed than individual local transport authorities to lobby and bid for future funding. It would also be a statutory consultee on transport matters and would therefore be a body that the Government was required to interact with.
- (ii) The Director confirmed that officers were comfortable with the proposal that no single authority would have a veto on decisions. Only elected members would have voting rights and it was expected that decisions would normally be made by consensus, either through compromise or agreeing an approach. When a vote was required, precautions such as a super majority were in place to safeguard the position of each local transport authority. In addition, if the governance arrangements were not working effectively, the Midlands Connect Partnership Board would be able to agree to change them. The Commission suggested that officers request further details on the definition of consensus in this context.
- (iii) The Commission supported the recommendation that the Council's preferred voting option was to have voting weighted on a population base of one vote for every 200,000 people, as this was felt to be as fair as possible. Members were also pleased to note that representatives on the Strategic Board were fairly balanced between the East and West Midlands.

- (iv) The recommendation to the Cabinet to seek further clarity about the Scrutiny Committee proposal was welcomed. The Commission suggested that Midlands Connect should be advised that for transparent and effective scrutiny, membership of the Scrutiny Committee should be drawn from the scrutiny bodies of Local Transport Authorities. Executive Members of Local Transport Authorities should be excluded. It should also be possible for the Scrutiny Committee to co-opt members, for example from transport operators, other transport bodies or service users.
- (v) The Commission requested that formal arrangements for the STP to report back to its constituent bodies were developed. Currently, any decision required by Midlands Connect was the subject of a report to the Cabinet and relevant Scrutiny Committee. It was acknowledged that this arrangement would need revisiting and formalising in the light of the proposal for Midlands Connect to become an STB.
- (vi) The governance arrangements for the STB took Combined Authorities into account. If any new Combined Authorities were established in the Midlands Connect area, discussions would be held with Midlands Connect to determine how this would affect voting arrangements.
- (vii) It would be important to ensure that Leicestershire's transport priorities continued to be recognised by Midlands Connect. The Commission was pleased to note that a number of Leicestershire's priorities were included in the Midlands Connect Strategy and were therefore likely to be recognised by the Government. In addition the Council, through its membership of Transport for the East Midlands, was working to strengthen relationships across the East Midlands Local Transport Authorities and to establish an agreed position on transport priorities for the region. It was expected that this would enable East Midlands Transport Authorities to be more of an equal partner in Midlands Connect.
- (viii) It was noted that the priorities in the Midlands Connect Strategy were at different stages of development and that feasibility would be tested at each stage. It was not possible for Midlands Connect to give a definite statement of intent in relation to its priorities. With regard to the proposal to develop an A46 Expressway it was confirmed that this was a priority for the region because of its benefits in relation to connectivity, resilience, allowing growth and providing some relief to the Birmingham motorway network. To that end, a feasibility study was being undertaken. Members suggested that some evidence of confidence in the scheme's deliverability would be welcomed in due course.
- (ix) The rail priorities for Midlands Connect were high level and did not include the Ivanhoe Line. Similarly, Leicestershire County Council's rail priorities were the direct rail link from Leicester to Coventry and enhancements to the Leicester to Birmingham rail connections. The Ivanhoe Line was not a priority as the proposal faced a number of challenges, including the cost and lack of a link to Leicester Railway Station. Work however was ongoing to establish if Government's rail strategy launched in 2017 could provide any support to the development of the Ivanhoe Line proposals.

Mr Bill asked for his concern to be placed on record that, by including the A46 Expressway as a priority in the Midlands Connect Strategy, the County Council was promoting a major project without knowing its impact on the local road network, countryside and the population of Leicestershire.

RESOLVED:

- (a) That the comments now made be submitted to the Cabinet for consideration at its meeting on 9 March 2018 and that the Cabinet's attention be drawn in particular to the view that that for transparent and effective scrutiny, membership of the Scrutiny Committee should be drawn from the scrutiny bodies of Local Transport Authorities;
- (b) That officers be requested to submit a further report on the Scrutiny arrangements to the Scrutiny Commission once the arrangements have been clarified.

80. East Midlands Shared Service - Performance Update.

The Commission considered a report of the Director of Corporate Resources which provided an update on the performance of the East Midlands Shared Service (EMSS) and its strategic priorities during 2017. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) Members welcomed the improvements in performance of EMSS and the focus on growth and finding new business opportunities. The Fit for the Future project was seen as an enabler for growth. However, assurance was sought that the County Council's investment in the Oracle cloud would be recouped. It was confirmed that the business case had been approved by the Cabinet. This stated that the capital investment would be repaid in four to five years. Some of this would come from efficiencies.
- (ii) The procurement of the Oracle cloud, which was a service rather than software, would deliver a saving for the County Council and would also future-proof the service as it would be automatically updated on a regular basis, enabling it to stay at the forefront of development. It was confirmed that the contract was still being finalised. Timescales for implementation were yet to be agreed, but November 2019 was suggested as a likely 'go live' date.
- (iii) It was confirmed that the flexibility of cloud licenses was understood and that the licensing arrangements for Oracle cloud were by organisations, with a unit price for each individual employee. Specialists had provided advice on both the licensing arrangements and value for money. The new service would also be compliant with the General Data Protection Regulations which would come into place in May 2018.

RESOLVED:

That the performance of the East Midlands Shared Service and its strategic priorities during 2017 be noted.

81. East of Lutterworth Strategic Development Area.

The Commission considered a joint report of the Director of Corporate Resources, Chief Executive and Director of Law and Governance which set out progress with the East of Lutterworth Strategic Development Area (SDA), its inclusion in the emerging Harborough

Local Plan and the land assembly required to deliver the SDA. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) The Commission supported the development of the East of Lutterworth SDA and sought assurance that the land required to deliver the site would be within the control of the Council by the time the Planning Inspector held the examination of the Harborough Local Plan in public, expected to be in May or June of this year. It was confirmed that none of the land required for the SDA was owned by developers and that it was hoped that there would at least be signed agreements in place with two out of the three remaining landowners by this time. However, given that Harborough District Council had agreed in principle to use its Compulsory Purchase powers these provisions were thought to be sufficient to satisfy the Planning Inspector.
- (ii) The spine road was designed to provide sufficient highways infrastructure for the planned number of homes, the industrial estate and the commercial development in the SDA but would also give some relief to Lutterworth Town Centre. It had only ever been intended as a single carriageway road. However, if Lutterworth was subject to further expansion in the period 2030 – 2051, additional highways infrastructure might be required.
- (iii) The applications to the Housing Growth Fund and the Homes and Communities Agency funding streams were through the first stage of the process. The funding would mainly be used for the bridge over the M1, although it would support some of the other highways infrastructure required by the development. The project was not reliant on receiving funding through these routes, although if the applications were successful they would accelerate delivery of the homes and therefore the capital receipts would be achieved more quickly.
- (iv) The County Council intended to be the freehold owner of the SDA and would have the option to work with private sector building contractors to develop the site. It would also be possible to have a design code for the development which would ensure harmonious design.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 9 March 2018.

82. Revenue Budget and Capital Programme Monitoring Report - Period 10.

The Commission considered a report of the Director of Corporate Resources which provided an update on the 2017/18 revenue budget and capital programme monitoring position. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) In response to a query regarding the overspend on winter maintenance, the Commission was advised that, given the Council's strong financial position, it was able to make decisions on gritting roads based on safety rather than cost. Any additional costs resulting from the recent cold weather would be absorbed.

- (ii) There was a national shortage of social workers. Both the Adults and Communities and Children and Family Services departments were working to improve the recruitment and retention of social workers. It was expected that there would always be a requirement for some agency staff although it was hoped that the level would be lower than was currently the case.
- (iii) Regarding the £5 million loan to Northamptonshire County Council, the Commission was advised that the Council's Treasury Management Policy was approved by both the Cabinet and full Council and was monitored by the Corporate Governance Committee. This limited the organisations the Council could lend money to. Other local authorities were on the 'approved' list as they were very unlikely to renege on repaying a loan.

RESOLVED:

That the 2017/18 revenue budget and capital programme monitoring position be noted.

83. Date of next meeting.

It was noted that the next meeting of the Commission would be held on 6 June 2018 at 10.30 am.

84. Brian Roberts.

The Chairman reported that this was the last meeting of the Scrutiny Commission that Brian Roberts would attend. He would retire as Director of Corporate Resources at the end of March. The Chairman placed on record the Commission's thanks to Brian for his contribution and support to the work of the Commission and to the Council as a whole. Members joined with the Chairman in wishing Brian a long and happy retirement.

2.00 - 4.30 pm
07 March 2018

CHAIRMAN

This page is intentionally left blank

Scrutiny Commission: 6 June 2018

**UPDATE ON POLICE AND CRIME
PANEL ACTIVITY**

Key Developments since the last presentation to the Scrutiny Commission

- Deputy Police and Crime Commissioner Kirk Master was appointed in September 2016 – He is also a Member of Leicester City Council with the role of Assistant City Mayor - Neighbourhood Services. Every 6 months the Panel has an agenda item regarding the Deputy PCC and scrutinises any potential conflict of interest between the two roles.
- THE POLICING AND CRIME ACT 2017 contains a duty for blue light services to collaborate with each other, and gives PCCs the option to take over Fire and Rescue Services. The Leicestershire PCC Lord Bach is in favour of collaboration but has decided not to take on responsibility for Fire Services.

Key Developments since the last presentation to the Scrutiny Commission

INDEPENDENT PANEL MEMBERS

- A recruitment process was held for two Independent Members of the Panel. The previous two Independent Members did not reapply and their term of office ended in December 2017.
- A decision was made to change the term of office of Independent Members so that it is not coterminous with that of the PCC.
- The two new appointees were Mr Keith Culverwell of the Knighton area of Leicester and Ms Mehrunnisa Lalani of Groby in Leicestershire.

Confirmation Hearings

- In December 2017 the Panel held a Confirmation Hearing for the new Chief Executive of the OPCC Mr. Paul Hindson. Mr Hindson has a large amount of experience from several senior jobs in the criminal justice arena and the Panel fully endorsed his appointment.
- In February 2018 the Panel held a Confirmation Hearing for the new Chief Finance Officer of the OPCC Mr Martin Henry. The Panel noted that Mr Henry had a strong background in local government finance and also private sector experience as well, though no prior experience in policing. The Panel fully endorsed the appointment.

Police and Crime Panel activity: 2017/18 – Highlights

Scrutiny of reports from Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services.

- HMICFRS report on Leicestershire Police: Crime Data Integrity inspection 2017 – Overall Judgement INADEQUATE

The Panel sought assurances that police officers would receive refresher training on crime recording and were now recording crime in accordance with the guidelines.

- HMICFRS report on Leicestershire Police: PEEL Efficiency 2017 – Overall Judgment REQUIRES IMPROVEMENT

Criticisms of 101 telephone service (see next slide)

- HMICFRS Effectiveness report on Leicestershire Police

Leicestershire Police had been rated as 'Good' in all areas that the force had been assessed against and no areas had been identified for improvement. The Panel sought reassurances that the Force would not become complacent and continuing improvements would be made.

Police and Crime Panel activity:

- **Scrutinised 999 and 101 telephone services**
 - There was a high call abandonment rate in June 2017 which was due to a shortage of call handlers. In October 2017 the Panel gained assurance that progress had been made with the 101 telephone service and noted that the abandonment rate had decreased significantly since June 2017, at a time when the total number of incoming calls had increased and it was noted that a recruitment programme for call handlers was now underway. The PCC has expressed a desire to be able to divert 101 calls to other agencies when appropriate.
- **Knife crime** – In response to media reports about a rise in knife crime the Panel meeting on 26 July 2017 had an agenda item where the PCC was scrutinised on this topic. A further report on knife crime and Stop and Search has been requested for the Panel meeting on 8 June 2018.
- **Victim First** Support services for victims are provided at a local level by Police and Crime Commissioners. The Panel has looked at the arrangements which were in place for recommissioning this service. The service is currently provided by Catch 22.

Police and Crime Panel activity:

- **POLICE PRECEPT AND BUDGET**

- LOCAL GOVERNMENT FINANCE SETTLEMENT FOR 2018/19 - Police precepts allowed increases of up to £12 for a Band D bill in 2018-19 and 2019-20. The £12 allowance was significantly more than the previous 2% referendum trigger.
- In January 2018 the Panel scrutinised the PCC's proposals to increase the 2018/19 Precept by £12.00 per annum (6.41%) for police purposes to £199.2302 for a Band D property. The Panel unanimously supported this proposal.
- Were the PCC not to have increased the Precept by the maximum allowed amount then Leicestershire Police would have been required to lose 52 Police Officer posts. The additional funding was proposed to be used to increase the Police Officer Establishment by a further 24 Police Officers, equivalent to 3 per Neighbourhood Policing Area (NPA). This will increase the total Police Officer establishment from to 1,782 to 1,806.
- It had been decided to reduce the number of PCSOs to 180 by 2021 by a process of natural wastage.
- The proposed budget supported more use of technology enabling officers to complete more tasks away from a police station –Mobile Fingerprint Recognition equipment.

Police and Crime Panel activity:

- RECRUITMENT AND RETENTION OF STAFF AT OPCC
 - The Panel had concerns about the number of vacancies at the OPCC and the high turnover of staff. At the Panel meetings at January 2018 and March 2018 the Panel had agenda items where reassurance was sought on this topic.
 - The OPCC acknowledged that there had been recruitment difficulties with the posts of Chief Executive, Communications & Engagement Manager, Resources Manager and other roles as well. However, changes had been made to the Office structure and the nature of some roles had been amended to enable them to be filled more easily.
 - The reasons for staff leaving the OPCC had been assessed by the OPCC Chief Executive and most were positive, for example many staff had achieved roles at a higher grade with other organisations. In many cases working at the OPCC had given staff valuable experience which had enabled them to gain roles elsewhere.

Project Darwin: proposed changes to the policing model used by Leicestershire Police

- Project Edison no longer fit for the current demand.
- Project Darwin will see the deploying of more resources in neighbourhood locations – Increase visibility. The Panel welcomed this.
- Neighbourhood Investigation Units - Coalville, Hinckley, Euston Street, Keyham Lane, Beaumont Leys, Melton Mowbray, Market Harborough and Loughborough.
- When operational need requires officers from Neighbourhood Investigation Units could be required to attend incidents in other parts of the County however this would only be as a last resort.
- The Panel gained reassurance that under the new policing model there would still be some capability to be proactive instead of just reactive.

Performance

Summary: Overall crime is on an upward trajectory, but to add context performance in Leicestershire sits at or below the regional average.

There has been a steady increasing trend in overall crime during the last year with a 17% year on year increase to date (May 2018). This increasing trend follows a national and regional trend. At 60 crimes per thousand population Leicestershire is performing better than Regional average of 69.7 crimes per 1000.

Performance – Crime Types

Burglary:

'Residential' burglary rates have shown large monthly variations since April 2017 with a peak in October 2017 and troughs in June, August, December and February. Overall the trend is stable and rates are at the regional average. A change in the way Domestic Burglary is classified means a year on year comparison is not possible.

Total Burglary, i.e. both residential and commercial, is 7.6 per 1000 population, this is a 5% increase on the previous rolling 12 months. The current rate (7.6) is just above the regional average of 7.3 burglaries per thousand population.

Vehicle Crime: at 8.31 offences per thousand vehicle crime (theft of/from vehicle & vehicle interference) is above the regional average of 7.6. Overall vehicle crime is up 15% on previous rolling 12 months. There was a peak in vehicle crime in October 2017, since then there has been a positive decreasing trend.

Violence With Injury: rate is 4.9 offences per 1000 population. This is a 26% increase on the previous rolling 12 months. Increases have been seen nationally; to add context, Leicestershire is well below the regional average of 8 offences per 1000 population. There is however an increasing trend in violence without injury offences which are up 26% on the previous rolling 12 months.

Performance – Crime Types

Hate Incident Reporting: at 0.8 incidents reported per thousand there has been an 11% increase on hate incident reporting compared to the previous rolling 12 months. However, numbers are small and changes can disproportionately affect the overall percentage.

Crime and Young People: Extremely positive results gained over the last years are now likely to level off... First time Entrants (FTE) to the criminal Justice System, The yearly cumulative total of FTE aged 10-17 last year was 104 which is the lowest recorded since 2005.

Anti- social Behaviour (ASB): Reporting of ASB is on a downward trajectory and follows regional and national trends, despite this perceptions/satisfaction with regard to people believing ASB is down or is staying the same is down, (Source: Community Based Survey)

SCRUTINY COMMISSION – 6 JUNE 2018

JOINT REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF ENVIRONMENT AND TRANSPORT

LEICESTERSHIRE TOWNS

Purpose of the Report

1. The purpose of this report is to advise the Scrutiny Commission on County Council activity which is supporting the development and economic prosperity of Leicestershire towns.

Policy Framework

2. In December 2017, the County Council approved its new Strategic Plan 2018-2022: *Working together for the benefit of everyone*. One of its five key outcomes is a '*Strong Economy*' which identifies the importance of *supporting Leicestershire to be an attractive place and where businesses are supported to flourish*.
3. In May 2018, Cabinet approved an updated one-year Enabling Growth Plan which will support departments to deliver against the '*Strong Economy*' outcome in the Strategic Plan. A more comprehensive update will be undertaken alongside the development of the Local Industrial Strategy later this year. The Enabling Growth Plan specifically highlights the following activity as a key priority: *Support the Leicestershire Rural Partnership to champion the importance of the rural economy and market towns and help facilitate initiatives where a need is identified*.

Background

Market Towns Study 2016

4. In November 2015 a Market Towns Study was commissioned in response to concerns raised by stakeholders that market towns were not sufficiently recognised and / or prioritised for their economic importance by the Leicester and Leicestershire Enterprise Partnership (LLEP) and other funding organisations. To help provide an evidence base to address this concern, the LLEP, the County Council and the seven district councils jointly commissioned a piece of work to investigate the role that Leicestershire's market towns play within the sub-regional economy.
5. The towns included in the study were chosen by each of the district councils and included:
 - Hinckley, Earl Shilton and Barwell

- Coalville and Ashby de la Zouch
 - Loughborough and Shepshed
 - Market Harborough and Lutterworth
 - Blaby
 - Wigston
 - Melton Mowbray
6. The appointed consultants undertook numerous focus groups with local businesses and key organisations, as well as reviewing existing documentation and data to assess Leicestershire market towns' economic value and identify priority projects to support future growth.
7. As a result of this work a Market Towns Steering Group has been established to oversee the development of county-wide projects. The Steering Group is chaired by the Chief Executive of Hinckley and Bosworth Borough Council who also chairs the LLEP Place Board. The Group has representation from all district councils and Business Improvement Districts (BIDs); the County Council provides officer support to help coordinate the work of the group. Currently reporting lines are to both the LLEP Place Board and Leicestershire Rural Partnership. Key findings of the study are summarised below.

Summary of key findings

8. The Market Towns Study identified that collectively the towns employ 25,000 people, mainly in the retail and hospitality sectors. The combined economic value of the town centres is around £1.1 billion. There are no exact equivalents for Leicester City Centre and Fosse Park, but their estimated Gross Value Added (GVA) is £168 million and £102 million respectively.
9. In addition, Leicestershire towns represent more than £2 billion of spending power (£760 million of convenience expenditure and £1,271 million of comparison expenditure). The extent to which this spending is retained within local economies for convenience shopping ranges from 9% (Earl Shilton & Barwell) to 90% (Market Harborough) and for comparison shopping from 3% (Blaby) to 45% (Loughborough).
10. Currently most of the towns have low premise vacancy rates and have avoided the national trend of an over-supply of vacant units; this trend is likely to increase as more retailers rationalise the number of outlets.

Summary of priority projects

11. The study identified four priority themes where it was considered advantageous to collaborate across districts and BIDs, including the joint commissioning of funding bids and joint facilitation of project delivery. The four main themes include:
- A. Market Towns Digital Project
 - B. Townscape Improvement Project
 - C. Business friendly town centres

D. Market Town Visitor Economy Project

12. A summary progress update on each of these priority themes is provided below.

A. Market Towns Digital Project

13. In May 2017, on behalf of the Steering Group, the County Council secured £90,000 from the LLEP Business Rate Pool to deliver a £322,000 Digital High Street Project. The balance of the funding came from the County Council (Economic Growth Reserves £80k), all three BIDs (£52k), Loughborough University (£5k) and all seven district councils (£95k).

14. The deliverables of this project are summarised below:

- a) **Installation of free Wi-Fi to the consumer in nine town centres**, including: Melton Mowbray; Loughborough Phase 2 (High Street, Baxter Gate and Biggin Street); Coalville; Ashby de la Zouch; Wigston; Market Bosworth; Earl Shilton; Barwell; and Blaby. Note: Market Harborough and Lutterworth decided not to participate in this element. *(Hinckley and Loughborough Phase 1 (Market Place, Market Street and Swan Street) were previously funded through a Better Places Grant from the County Council).*
A key benefit of the free Wi-Fi is that town centres can utilise the database of registered users to target marketing campaigns.
- b) **Digital training with 300 town centre businesses** to support them to maintain a web-site, use social media to market their businesses and implement and maintain an on-line selling platform. The project will aim to get at least 100 businesses to have an on-line presence if they do not already.
- c) **A Digital High Street Index** has been produced by Loughborough University to assess the digital presence of businesses in each town. The index looks at whether town centre businesses have a web-site, utilise social media and whether they have an on-line selling platform. The index also looks at accessibility of the town centre by public transport, the number of parking spaces, average dwell time and the presence of key 'attractor' businesses; such as Marks and Spencer and Joules. A baseline was carried out in 2017 and the data is currently being validated; however it does indicate that the majority of small independent businesses are behind in their digital capabilities compared to national chains. Businesses using social media do it well, but they are the exception, not the norm. Data collection will be repeated in June 2018 and September 2018 in order to assess the impacts of improvements as a result of the support provided through the project.

15. Towns that have now installed Wi-Fi include Melton and Loughborough, others still in the procurement phase include: Coalville, Ashby, Wigston, Market

Bosworth, Earl Shilton and Barwell. All towns are now carrying out digital training with businesses.

B. Townscape Improvement Project

16. The study recognised the importance of public realm as a contributor to the prosperity of town centres; however public realm projects are notoriously difficult to fund, especially small but important measures such as new benches and signage. The group continues to explore options for addressing this issue.
17. A specific project being progressed by the County Council is the former Snibston Colliery site and country park renovation, which will see the site turned into a vibrant place to live and visit. Plans include: a new café extension to the Century Theatre; a heritage trail so people can learn more about the former colliery's historic pithead buildings; improvements to the country park, with picnic tables, outdoor play area and mountain bike trail; creating a car park and pedestrian walkway to Coalville Town Centre.

C. Business friendly town centres

18. To support business friendly town centres the study recommended further development of town centre markets, support packages for businesses and investigation of additional town centres becoming BIDs. Individual towns are taking these actions forward, including the Loughborough BID which has just launched its business support package <http://loveloughborough.co.uk/launch-business-support-packs/>.
19. Businesses are also taking advantage of free training through the European funded 'Digital Growth' and 'Collaborate for Business Growth' programmes which provide digital and sector specific support. The County Council is a joint funder and delivery partner in both of these programmes led by East Midlands Chamber and the City Council respectively.
20. A key sites document highlighting potential development sites within each town centre is being produced in partnership with the Leicester and Leicestershire Place Marketing Organisation and will be used to create interest from potential investors.
21. Providing business friendly town centres encourages the private sector to undertake mixed use schemes, involving employment uses other than retail, including those targeted at specific business sectors e.g. creative industries. The recently completed cinema complex and family restaurants in Baxter Gate, Loughborough is a good example of a mixed used private sector led development.

D. Market Town Visitor Economy Project

22. There are currently five district tourism partnerships across Leicestershire which are led by district councils and bring together local tourism businesses to develop local tourism plans and encourage collaboration between local businesses.

23. The Leicester and Leicestershire Place Marketing Organisation has recently commissioned the development of a Place Marketing Strategy, Destination Management Plan and Business Tourism Strategy to provide a coherent narrative, ambition and offer for the sub-region.
24. The steering group members are collectively working on a joint event for 2019 “A Summer of Arts in Leicestershire” which will create art installations in each centre, subject to successful allocation of Arts Council funding.

Town Centre Management

25. Leicestershire has three towns with a **Business Improvement District (BID)** Loughborough, Melton Mowbray and Hinckley. To establish a BID, local areas first define the boundary within the town centre and then businesses / properties within that area vote on whether they want a BID. A BID is successful if the majority of businesses vote in favour, by number and rateable value.
26. A BID is normally voted in by businesses for a five year term – Hinckley is about to go for its third term in November this year. Loughborough and Melton were voted in for their second term last year. Businesses pay an additional levy on their business rates which is then utilised to carry out projects within the BID business plan.
27. The County Councillor in each BID area sits on the BID Board and is supported by a County Council officer, who assists in finding any potential funding sources that are available to the BID to enable project delivery.
28. In November, Leicester City Council was successful in securing its BID. All four BIDs and the LLEP BIZ Gateway now meet to share best practice and improve communication to local businesses on business support and finance opportunities.
29. Towns without a BID often have a more informal Town Centre Partnership e.g. Earl Shilton, but it can be difficult to attract funding to deliver projects and, hence, there is a greater reliance on the public sector to provide support in these areas. All towns are represented on the Market Towns Sub-Group.

SME Workspace in Town Centres

30. A priority intervention in the Enabling Growth Plan is to seek opportunities to secure investment which will enable the development and provision of high quality workspace for SMEs through the Council’s property portfolio. The Council currently own 14 office and industrial estates together with a technology centre in the following towns:- Ashby, Coalville, Earl Shilton, Hinckley, Loughborough and Market Harborough. These provide 142 workspaces which continue to be in high demand.

31. Future planned developments include Vulcan Way at Coalville, Leaders Farm at Lutterworth, Airfield Farm at Market Harborough and Loughborough University Science and Enterprise Park; totalling approx. 527,000 Sq. ft. from approx. £78m investment.

Highways Improvements

32. Work is ongoing with district councils to identify, develop and deliver transport improvements required to support growth in **key market towns and strategic locations**.

33. In order to mitigate against the impact of existing congestion in some Market Towns and to unlock key sites where growth is proposed, the County Council's E&T Department is working on the following projects.

Market Harborough Transport Study

34. In January 2017 the County Council consulted on proposals to improve the transport network in and around Market Harborough. The consultation included a range of proposals to help the town cope with increased traffic as it continues to grow. Potential improvements include junction and traffic signal improvements, considering the upgrade of Welland Park Road into the A4304, extending and enhancing walking and cycling facilities, localised public transport infrastructure improvement, lorry weight restrictions and a possible relief road.

35. Market Harborough is a growing town and it's clear there need to be highways improvements to help meet future local housing and employment needs. The final strategy, which was approved by the Cabinet in December 2017, is a key document sitting alongside the Local Plan to guide how developer funding might be secured, as well as support future bids for transport projects.

36. Highways are continuing to work with Harborough District Council to deliver transport measures to support the successful future growth of the town identified above and a bid made for £55,000 has been made to the LLEP Project Development Fund. This will enable initial assessment of potential transport measures, using a soon to be completed Microsimulation model for the town.

37. The outcome of the latest round of LLEP Project Development Fund bids is anticipated in June 2018. Subject to being successful with the bid for LLEP funding, this will enable work to take forward proposals for diverting the route of the A4304 through the town, to progress.

Melton Mowbray

38. Given the number of homes and strong local employment context significant highways infrastructure is required. Officers are working with Melton Borough Council to develop a transport strategy for the town, a key element of which is the Melton Mowbray Distributor Road (MMDR).

39. The Department for Transport has recently awarded over £49m from its Local Large Majors Fund towards the delivery of the northern and eastern sections of the MMDR (total scheme cost around £63m). A report is due to be presented to the Cabinet in July for approval to undertake the next stages of work to enable delivery of these sections, including the submission of a planning application and the preparation of Statutory Orders. Subject to all necessary procedures being completed, it is currently planned that the northern and eastern sections of the MMDR would be completed in 2022.
40. An Expression of Interest (EoI) has been submitted to the Housing Infrastructure Fund (HIF), its focus being on the southern section of the MMDR. Government recently announced that the EoI has been successful. Whilst this is an important step forward, it is **not** an award of monies at this time; it is progression to a second stage of the HIF process which will involve working with the Ministry of Housing to 'co-develop' a business case for the scheme. At the time of writing, detailed guidance about the 'co-development' process is awaited.

Coalville Growth Strategy

41. Coalville benefits from good connections to Leicester and further afield. With major new growth in both housing and employment land being planned, the future potential of Coalville requires further investment to deliver critical transport infrastructure.
42. To support planned housing growth for Coalville and Ashby the Environment and Transport Department is working to identify and secure funding for further key local transport improvements, including submission of a bid to the LLEP through the Project Development Fund. This will include development of a Microsimulation model for Coalville.
43. The A511 corridor which links the A42 – Ashby- Coalville- Bardon to the M1 will through the project have further junction improvements identified. These will build on the £9m major improvements already delivered at M1 Junction 22, A42 Junction 13 and the A511/Discovery Way and A511/Nottingham Road junctions, substantially funded by the National Productivity Investment Fund and Growth Deal monies.

Loughborough Town Centre

44. Following completion of the Loughborough Inner Relief Road to enable growth and maintain/enhance traffic movement in the town, it is intended that further work will be undertaken to identify other transport requirements within the town. This work will support funding opportunities for key junction and connectivity improvements in order further to support the future growth of Loughborough.
45. A Microsimulation model is being developed for the town which together with ongoing modelling work will enable an understanding of transport issues in the town now and in the future.

Hinckley – Zone 4 Town Centre Improvements

46. Hinckley has great potential given its strategic location as a gateway to the West Midlands, but is congested particularly along the A47 and the North/South corridors. Traffic conditions have improved following implementation of zones 1-3.
47. Without the phase 4 improvements the full benefits of earlier zones will not be achieved and remaining traffic issues will prevent attraction of staff to the Horiba MIRA Technology Park Enterprise Zone.
48. Proposals include £5 million improvements at the two key junctions of Rugby Road/Hawley Road and Brookside, together with parking and traffic management improvements. These works are due for completion in summer 2020.

Barwell & Earl Shilton SUE: Sustainable Urban Extension

49. Highways will identify requirements and seek to secure funding for transport measures to support the delivery of the Barwell & Earl Shilton SUE and will continue to work with Hinckley & Bosworth and developers, in accordance with their timescales.

Lutterworth Growth Area

50. The infrastructure required at Lutterworth and at the Southern Gateway site provides capacity for growth, unlocking 8,000+ new homes. This is one of the key growth areas identified in the Strategic Growth Plan in section four above and again a bid for Housing Infrastructure Funding has been made; this too has been accepted by Government to progress to the co-development stage. Additionally, a £5m Growth and Housing Fund bid is being pursued towards major improvements at M1 Junction 20.

Resource Implications

51. There are no resource implications arising from this report.

Officer to contact:

Tom Purnell 0116 305 7019	Assistant Chief Executive tom.purnell@leics.gov.uk
Janna Walker 0116 305785	Head of Service Highways and Transport Commissioning janna.walker@leics.gov.uk
Helen Harris 0116 3057025	Economic Growth Manager helen.harris@leics.gov.uk

Background Papers

Market Towns Study 2016: <https://www.llep.org.uk/wp-content/uploads/2016/08/Market-Towns-Study-August-2016.pdf>



Overview and Scrutiny

Annual Report

2017/18

What is Overview and Scrutiny?

Overview and Scrutiny is not “decision making” but comprises several bodies which monitor and influence those that are, such as the Cabinet. The Overview and Scrutiny role, carried out by non-Cabinet members, is designed to support the work of the Council in the following ways:

- By reviewing and scrutinising decisions taken by the Cabinet, also known as acting as a “critical friend”
- By considering aspects of the Council’s performance
- By assisting in research, policy review and development
- By involving itself with external organisations operating in the County to ensure that the interests of local people are enhanced by collaborative working
- By providing a means of involving the community in the Council’s work

In Leicestershire we have the Scrutiny Commission, the lead Overview and Scrutiny body, and four service-based Committees for Adults and Communities, Children and Families, Environment and Transport and Health. Each Committee has a role in performance monitoring, enabling members to scrutinise detailed performance information and service delivery.

In addition to the committee-based work they carry out, Overview and Scrutiny Committees can also initiate task and finish work to look at a particular issue in more detail. This can include workshops and over the last year several of our Overview and Scrutiny Committees have looked at matters in depth through workshop sessions.

All Overview and Scrutiny meetings are held in public session and attendance and involvement of the public is actively encouraged either via questions or petitions to be put at our meetings or suggestions for our work programme.

For further information about the Overview and Scrutiny process and how you can get involved please visit our website: www.leicestershire.gov.uk/overview-and-scrutiny

Foreword by the Scrutiny Commissioners

This Annual Report marks the first year in the life of the current Council. New members and new Chairmen of Committees had re-invigorated our efforts to hold the Cabinet to account and to ensure that the County Council's services are delivered effectively and efficiently and that they meet the needs of local people.

As the challenging financial position faced by the Council continues, we have played a key role in acting as a critical friend to the Cabinet on proposals to review services provided to some of our more vulnerable residents. Where possible we have sought to hear the views of service users and their families and reflect them in our comments to the Cabinet.

In contrast, the emerging focus on economic development in Leicestershire has given us the opportunity to influence proposals for growth such as the Strategic Growth Plan and the Melton Mowbray Distributor Road. We look forward to further opportunities to scrutinise this valuable area of work.

We would like to thank all members of the Council who have been involved in Overview and Scrutiny, including Cabinet members who have attended our meetings and answered our questions. We are also grateful to the outside organisations that have contributed to our scrutiny process during the past year. Officers provide a valuable role in ensuring we are able to do our job and we would like to place on record our appreciation for their support and advice.

We must take this opportunity to pay tribute to Mr David Slater CC, Chairman of the Environment and Transport Overview and Scrutiny Committee and a member of the Scrutiny Commission, who passed away in April of this year. He made a significant contribution to overview and scrutiny and will be sadly missed.

Rather than a complete commentary of everything we have achieved this past year this Annual Report summarises some key highlights of our work during 2017/18. We hope it reflects what we feel has been another productive year in Overview and Scrutiny and that you enjoy reading it. You can of course find out more about our meetings [here](#).



Terri Eynon CC



Simon Galton CC



David Jennings CC



Rosita Page CC

The four Scrutiny Commissioners are responsible for leading the Overview and Scrutiny process, deciding on priority issues for Overview and Scrutiny committees and areas that merit review by a Scrutiny Panel.

The Scrutiny Commission

The Scrutiny Commission is the lead Overview and Scrutiny body, looking at the Council's budget and performance as well as the Leicester and Leicestershire Enterprise Partnership (LEEP), which is responsible for the economy and strategic transport covering the County and Leicester City. The Commission also has a role to look at issues that cover the remit of more than one Overview and Scrutiny Committee and acts as the Council's Crime and Disorder Overview and Scrutiny Committee.

Highlights

The Medium Term Financial Strategy

The financial challenges facing local councils, particularly those with social care responsibilities, have been well publicised. Nationally a number of authorities are in serious financial difficulty. In Leicestershire we face similar challenges, compounded by the fact that we are one of the lowest funded authorities. That said, as a result of rigorous financial management and early recognition that we need to address the financial challenge, we are changing and transforming the way we deliver services. This has placed us in a better position than most other councils. We have played our part in scrutinising transformation plans and budget saving proposals. It has been challenging and our approach has been to recognise the need for savings as well as ensuring that the proposals put forward will keep the impact of change as low as possible, particularly for the most vulnerable in our society.

We supported the overall direction of travel for the Council: to focus on economic growth in order to boost the Council Tax base; to reduce borrowing and debt wherever possible; and to generate income through the Corporate Asset Investment Fund. However, despite these efforts to protect frontline services, the level of savings that the Council needs to make will inevitably affect them. Overview and Scrutiny has a continued role in providing a robust check and balance to ensure that the Council is fair and equitable in its provision services and that the services we do provide represent best value.

Severn Trent Water

We wanted to learn more about Severn Trent Water's approach to managing water supply and demand, its role in supporting housing growth and development and its role in managing flood risk, particularly with regard to sewer flooding. We were pleased that representatives from Severn Trent Water were able to attend our meeting in June and answer our questions.

The presentations and discussion have given us a greater understanding of the ways in which demand for water can be managed and water efficiency promoted as well as highlighting the importance of partnership working. We have been able to use the information gathered at this meeting to respond to Severn Trent Water's consultation on its Water Resources Management Plan and took this opportunity to re-iterate the need for Severn Trent Water to support the development of sustainable and cost effective technology for households to re-use grey water and harvest rainwater. We emphasised the need for Severn Trent Water to reduce leakage and sought assurance that it is aware of and engaging with the draft Strategic Growth Plan for Leicester and Leicestershire.

Single Outcomes Framework

We had some concerns when we first looked at the Council's draft Strategic Plan and Single Outcomes Framework. We felt that the Plan lacked detail, especially given its importance in driving the Council's agenda and informing the Medium Term Financial Strategy. Although we supported the outcomes, we felt that they would be defined better as aspirations.

A revised version of the Strategic Plan and Single Outcomes Framework came back to us later in the year and we were pleased to note that our comments and concerns had been taken into account. In particular, we welcomed the introduction of a performance framework with measurable outcomes to support delivery of the Plan.

Strategic Growth Plan

We had a long and well-informed debate about the draft Strategic Growth Plan. As well as seeking to understand the content of the Plan, we heard from the City Council, local NHS and our own Department of Environment and Transport on how the Strategic Growth Plan would affect them and inform their work. We also received written representations from the Campaign to Protect Rural England, Shelter Housing Aid and Research Project and the Public Health Department.

We were broadly supportive of the principle of having a Strategic Growth Plan as we felt this would prevent unplanned growth which damaged the character of local areas and lacked infrastructure. Some of us expressed reservations that the Plan was heavily dependent on infrastructure and the East Midlands did not have a strong record of attracting funding for major infrastructure projects. We felt that a long term vision would benefit the local area.

We were generally supportive of the proposed locations for strategic growth, noting that without significant investment there would be pressures on the transport network. Given the high-level nature of the Plan, we felt that it would be important to have ongoing consultation and engagement with elected members, especially as plans move closer to delivery and detail is added to proposals. In the comments we submitted to the Cabinet we emphasised the importance of accessible and affordable new housing developments which are near to facilities and places of employment.

Adults and Communities

The Adults and Communities Overview and Scrutiny Committee looks at issues around adult social care and communities and wellbeing, including issues such as libraries and museums. It also has a role to monitor the work the Health and Wellbeing Board carries out in relation to integrated commissioning.

Highlights

Delayed Transfers of Care (DTC)

After a lengthy national delay, technical guidance was published by NHS England including new requirements for improving delayed transfers of care. At that time, the Council and all local NHS partners had agreed plans to achieve the NHS target for DTCs by March 2018 and the Plan was on target to deliver early in 2018. However, NHS England changed the target date to November 2017. We recognised that there was a risk that we could be subject to a Care Quality Commission review and potentially face a withdrawal of funding if we failed to implement improvements. We expressed concern at the position adopted by NHS England, which seemed to pay no regard to the circumstances prevailing locally.

Although the revised target was not reached by November, there has been a reduction in the number of delays and NHS England has confirmed that Leicestershire will not be subject to a withdrawal of funding. Performance continues to improve and a report on the end of year position is due to be presented to us in June.

We thanked the staff involved for the significant amount of work they had undertaken to get to the current figures.

Reconfiguration of In-House Learning Disability Residential Accommodation

In March 2018, we received a report concerning proposals to close Hamilton Court Residential Home, the Smith Crescent Short break service in Coalville and the reconfiguration of The Trees residential care home from a long stay to a short breaks facility. This was primarily due to the fact that the buildings were no longer felt to be fit for purpose. This is a very emotive issue and, understandably, we received a number of representations from relatives of residents of The Trees urging the Committee to reconsider the proposed closure of long term stays.

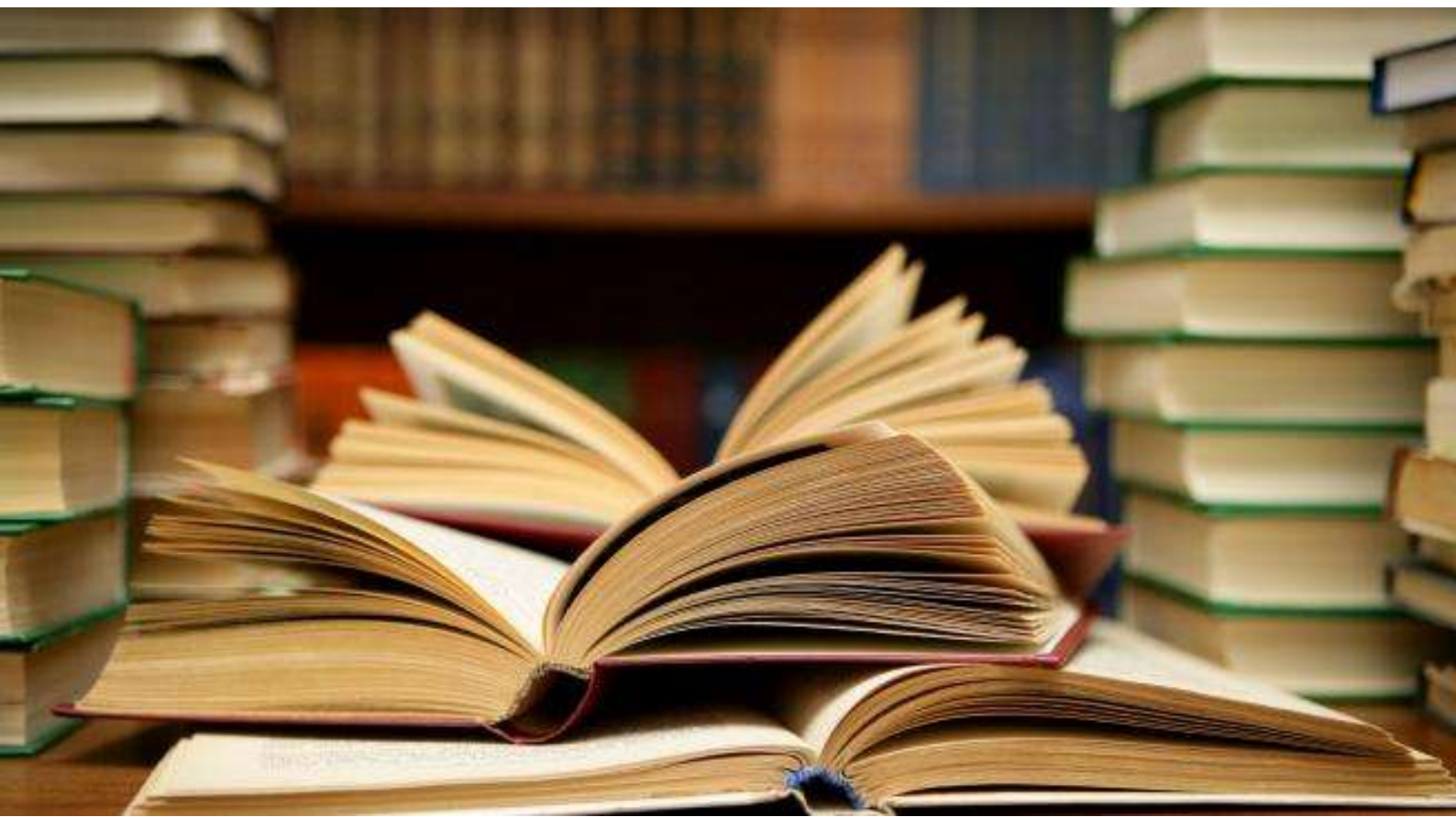
We recognised the anxiety this has caused amongst service users. Change is always difficult but we were reassured by the Director of Adults and Communities and the Cabinet Lead Member who gave a commitment to undertake a reassessment of the needs of the current residents at The Trees and Hamilton Court , having regard to the friendships and relationships that have been built up over the years. We also welcomed the proposal to reinvest some of the resources released by the proposed reconfiguration into respite and short breaks.

Communities and Wellbeing Strategy

The work undertaken to implement the Communities and Wellbeing Strategy 2016-2020 has included SMART library technology, a Collections Hub, the Green Plaque Scheme, Care Online, the mobile library service, the Portable Antiquities Scheme and the Century Theatre.

We were interested in the positive results of the SMART library pilot at Syston Library and supported the decision to implement full SMART library technology at 16 market town and shopping centre libraries as this will mean longer opening hours. It was also pleasing to note the intention to continue with the mobile library service as part of the Council's commitment to providing a comprehensive library service although we suggested that a review should be undertaken of the current routes to ensure the most efficient service was being provided.

A suggestion was made that the Art in Schools collections should form part of the Communities and Wellbeing Strategy and we recommended the Cabinet to approve a further review of the arts collections to consolidate the collection and achieve efficiency savings. The Cabinet approved our recommendation and the outcome of the review will be the subject of a future report.



Children and Families

The Children and Families Overview and Scrutiny Committee looks at issues around social service provision for children and families, educational attainment at schools and academies and youth support services. It also monitors the work of the Children and Young People's Commissioning Board and the Supporting Leicestershire Families programme.

Highlights

Ofsted

We have continued to work with the Department and Cabinet Lead Member in the development of the Continuous Improvement Action Plan following the Ofsted Inspection last year and have monitored service delivery to ensure that the required improvements are delivered in services to children and young people. We welcomed the additional funding of £2.5m during 2018/19 to support the delivery of the Action Plan, as we recognise that the recruitment and retention of children's social care staff will be integral to its success. We will continue to support the Department in delivery of the Recruitment and Retention Strategy and look forward to seeing the results achieved.

Maplewell Hall Special School

In a robust debate at our November meeting, we considered the proposals to remove the residential facilities at Maplewell Hall Special School, with effect from September 2018. We received representations from parents and staff at the school as well as a petition containing 11,592 signatures. Whilst we acknowledged that difficult decisions need to be made in light of limited budgets, we advised the Cabinet that we recognised the benefits of the residential provision at Maplewell Hall School and felt that further clarity was needed regarding the costs and alternatives available before closure of the facilities was approved.

As the petition contained more than 10,000 signatures, this issue was also considered by Council at its meeting in December. The Cabinet, after consideration, agreed to pursue the preferred option to close the facilities at Maplewell Hall Special School. However, we were pleased to hear that further support would be given to those pupils who have made use of the residential facilities and their families in the period leading up to the closure.

Early Support and Inclusion for Children with Special Educational Needs and Disabilities (SEND)

At our meeting in November, we received a report on the plan for delivery of Early Support and Inclusion Services for Children with SEND post-December 2017. We noted that the service would be brought in-house, and would be handled by staff with a high level of expertise in this area. We were assured that service delivery would be enhanced by services already delivered by the Department and were pleased that a robust communications plan had been developed to ensure that all parents of children using the current service would be aware of the change to service delivery and of the future support available.

Performance

We have continued to receive regular updates on performance across the service throughout the year and were pleased with the significant progress that has been made in reducing the number of children who became subject to a Child Protection Plan for a second or subsequent time. We welcomed the progress that has been made in improving the processes to support children when they came off a plan and the increased management oversight in ensuring quality of delivery across the service.

Fostering and Adoption Service

Following concerns we raised last year, we welcomed the good progress being made in developing and expanding the in-house fostering service to ensure that demand can be met and, where possible, the use of more costly Independent Fostering Agencies reduced. We were pleased that the Children and Families Service is confident of meeting growth targets.

Review of the Early Help Service

We commented on the proposed changes to the Early Help Service at our meeting in March this year. We received representations from 'Save our Children's Centres Leicestershire' and a petition concerning the closure of Cobden Sure Start Centre containing 204 signatures. We welcomed the fact that, under the proposals, the hub and spoke buildings would be located in the areas of high density of early help users and that alternative uses are being explored for buildings that would no longer be used by the County Council. We will continue to scrutinise this area to ensure that the consultation has been robust and look forward to considering the proposals put forward post consultation.

Environment and Transport

The Environment and Transport Overview and Scrutiny Committee looks at issues around roads and road safety, public transport and waste and recycling. It also acts as the Council's Flood Risk Management Overview and Scrutiny Committee.

Highlights

Melton Mowbray Distributor Road

At our meeting in December, we were particularly pleased to consider the proposals for a significant road building project - the Melton Mowbray Distributor Road. We welcomed the extensive public consultation that had been undertaken throughout the initial planning stage and the level of support for the proposed route. We supported the submission of a bid to the Department for Transport and welcomed the joint working with Melton Borough Council in the funding of this road scheme. We look forward to receiving a further report on this in the summer of 2018.

Environmental Performance Report 2016-17 and Greenhouse Gas Report 2016-17

There has been a 37% reduction in CO2 emissions from Leicestershire County Council buildings compared to the baseline year and current performance now exceeds the target set for 2020/21. We were pleased that officers are now seeking creative solutions, including working with partners and volunteers, to improve the quality of the Sites of Scientific Interest as resources were not previously available to address the improvements needed.

Special Educational Needs (SEN) and Mainstream Home to School Transport Policies

We had two debates regarding the proposed changes to the SEN and mainstream home to school transport policies. The Chairman, Deputy Chairman and Spokesmen from the Children and Families Overview and Scrutiny Committee joined us for the latter discussion and received representations from parents of children with SEN and disabilities who would be affected by the proposals. We considered the three options for generating savings which were set out in the report. Some of our members expressed reservations regarding each of the proposals. However, the majority recognised that difficult decisions needed to be made

in order to deliver services with reduced funding. We were pleased to see that changes had been made to the final proposals which reflected some of our views and those received during the consultation. We will work with the Department and the Cabinet Lead Member on the implementation of these proposals.

Highways Infrastructure Asset Management Plan (HIAMP)

At our meeting in September, we contributed to the development of the HIAMP. Despite being the lowest funded Authority nationally, we have one of the best road networks, which places us in a good starting position to deal with reducing resources in the future. By setting out firmer and clearer standards for roads and other highways we are likely to qualify for a higher level of government support in the future, which is vital to maintaining the quality of our assets. We look forward to the development of detailed Operational Highways Maintenance Procedures over the next 12-18 months to support delivery of the HIAMP which will help us to target scarce resources and achieve value for money.

Road Casualties

Following our concerns last year regarding the number of road casualties on our roads, we have kept a watching brief on this issue, including through an all member briefing. We were pleased to hear that the measures put in place had improved performance from a “red” to an “amber” rating. Additionally, the quality of the report assured us that the Department would continue to monitor the situation closely. We were, however, concerned that the change the reporting of collisions by the Police may impact on the accuracy of the road casualty data. We hope that the outcome of the Department for Transport’s consultation on the reporting of accidents will address our concerns.



Health

The Health Overview and Scrutiny Committee looks at the planning and provision of health services in the County and the work of the Council's Public Health Department. It also scrutinises the activities of the Health and Wellbeing Board.

Highlights

Emergency Department at Leicester Royal Infirmary

We scrutinised the impact that the new Emergency Department at Leicester Royal Infirmary, which opened on 26 April 2017, has had on ambulance handovers and the flow of patients through the hospital. We were told that the number of patients the Emergency Department deals with within the 4 hour target has slightly improved. However, much remains to be done, in particular improvements are needed to processes and timeliness, particularly with regard to the interface between the Emergency Department and the admitting wards in the Hospital. We have asked for communication between hospital departments to be improved and will monitor progress in the coming year.

Winter Pressures

In November 2017 we reviewed the plans which were in place to deal with the expected increase in demand at University Hospitals Leicester (UHL) over the 2017/18 winter period. Towards the end of the winter we assessed the success of those plans and the impact of the emergency measures which had been put in place, such as the cancelling of elective procedures. It was disappointing that, despite the winter plans, UHL struggled to meet the demand; however, we understood that the greater than expected increase in flu and respiratory type illnesses over the winter period was a contributory factor. We have sought further reassurances that the elective procedures and cancer treatments which were cancelled will be rescheduled quickly and also asked to see the results of the UHL review into the cancellation of cancer operations.

Non-Emergency Patient Transfer Service

On 1 October 2017 Thames Ambulance Service Limited (TASL) became the new provider of the Non-Emergency Patient Transfer Service. Shortly after taking over we became aware of issues with the new service, such as long delays or cancellations of transport. We sought

assurances from the commissioners of the service that plans were in place to address these concerns. On reviewing the position after a few months, we were pleased that improvements had been made but asked for further reassurance regarding the long term financial stability of TASL and the level of support from its parent company. This was subsequently received and we were advised that the same issue had been addressed at an NHS England Financial Summit and no concerns were identified.

GP Practices in the North Blaby area

In 2017 we became aware of capacity and staffing issues at some GP Practices in the North Blaby area of Leicestershire and requested a briefing from East Leicestershire and Rutland Clinical Commissioning Group (ELRCCG) on the problems which had arisen and how they would be addressed. It became apparent that succession planning had been an issue at some practices in addition to the problems of a rising population and limitations on expansion of buildings. At our meetings in September 2017 and January 2018 we gained reassurance that the CCG was working with the GP Practices to ensure the sustainability of the services and that funding was available to address staffing and estates problems. It was particularly pleasing that consideration was being given by ELRCCG to the provision of Primary Care health services across the whole North Blaby area rather than focusing on individual areas in isolation.

Settings of Care Policies

In 2017, both Clinical Commissioning Groups in Leicestershire reviewed their Settings of Care Policies. These policies relate to those people eligible to have continuing healthcare costs met by the NHS and are used to determine how and when the CCGs will support individual choice of care setting. ELRCCG set its threshold at 10% over the anticipated cost of the most cost effective care package. West Leicestershire CCG (WLCCG) felt that an impact analysis was needed before a decision was taken. We had some concerns about the different approaches from the two CCGs and asked WLCCG to come back once the analysis was completed. We are pleased that WLCCG has retained the original threshold of 25%, finding that the 10% threshold would result in only modest financial savings and minimal impact on patients. We have strongly recommended that ELRCCG carry out a similar impact assessment.

Child and Adolescent Mental Health Services

We have looked at the plans which are in place for an in-patient unit for Specialist Child and Adolescent Mental Health Services (CAMHS) in Leicester. We are pleased that the unit is to be permanently based at purpose built accommodation at Glenfield Hospital though we sought reassurance that the funding for this project was secure. We also explored the issues around waiting times for a CAMHS appointment and gained reassurance that patients

were monitored whilst awaiting an appointment and if their condition deteriorated they were dealt with sooner than planned.

Glenfield Heart Unit

The Leicestershire, Leicester and Rutland Health Overview and Scrutiny Committee met in the summer to agree its response to the national consultation on the future of Congenital Heart Disease Services for children and adults in England. NHS England was proposing to cease commissioning these services from the Glenfield Hospital.

To help inform our response, we heard passionate representations from parents whose children had been treated at the Glenfield Heart Unit. We also heard from a range of local stakeholders. It was telling that everyone spoke in support of the Unit, which had received an “outstanding” rating from the Care Quality Commission.

Our strongly worded response to the consultation highlighted that the standards had not been applied in a fair and equitable manner; that there was a lack of scientific research and evidence base to support the standards; and that the University Hospitals of Leicester had put forward a robust growth plan to enable it to meet the only standard with which it did not currently comply, that of having four surgeons each performing 125 procedures a year.

We were delighted with the outcome of the consultation. The Glenfield Children’s Heart Unit will remain open, provided that full compliance with the standards is achieved. We will continue to monitor the plans put in place by the University Hospitals of Leicester to ensure that the standards are met.



Workshops

Workshops provide an informal setting for Overview and Scrutiny Committee members to consider issues in greater depth. They work well for issues where a range of external stakeholders are attending or where the primary purpose is information gathering rather than formally scrutinising a proposal.

Poverty and Inclusion Services

The Scrutiny Commission, over the course of two workshops, has thoroughly examined issues around poverty such as the impact of Welfare Reform, homelessness, debt, how work on economic development can address poverty and the work of the Church. The latter was included as the Bishop's Poverty Commission report, published in 2016, had initially caused us to become interested in this issue.

The key themes arising from our discussions were the importance of partnership working and co-ordination, including data sharing, the valuable role of prevention and early intervention services and the need to support people into employment as a key mechanism for helping people to move out of poverty. We learnt that the emerging Local Industrial Strategy will promote a move away from low skilled/low paid employment and promote the development of sectors such as advanced logistics, space, life sciences and advanced textiles. We will use the knowledge gained from these workshops to inform our comments on the Local Industrial Strategy when we consider it later in the year.

Reducing Offending by Adults

The Scrutiny Commission held a workshop on reducing offending by adults following concerns being raised with members about the impact of the changes to the probation service introduced through Transforming Rehabilitation, the government's programme for managing offenders in England and Wales, which has been in place since February 2015.

Representatives from the County Council, Police, National Probation Services and Community Rehabilitation Company attended the workshop and we were also pleased to welcome Lord Bach, the Police and Crime Commissioner and Ivan Ould, the Cabinet Lead Member.

We concluded that local partnership arrangements are good, although the changes to the probation service have inevitably caused some challenges. We recognised the need for the police and probation services to adapt to the changing nature of crime and the increase of serious organised crime, domestic abuse and knife crime. We were particularly interested in the importance of supporting offenders with mental health problems and felt that links between probation, housing and mental health needed developing. We were also concerned that there seems to be limited mental health support in custodial settings. We will follow up our concerns relating to the mental health of offenders with a report to the Scrutiny Commission in the coming year.

Supported Living

The Adults and Communities Overview and Scrutiny Committee held a workshop on Supported Living. We learnt Supported Living accommodation benefits both the individual, as a more personalised alternative to residential care, and the County Council, as a lower cost alternative. There is currently a waiting list for supported living accommodation and further demand expected from population growth and the desire to reduce use of residential and hospital placements. Additional funding has been included in the budget to support capital investment to increase the supply of accommodation in the county, most likely under County Council ownership.



Looking Ahead to 2018/19

As we continue to negotiate our way through challenging financial times, we will need to ensure that we continue to provide a robust check and balance on key policy issues and hold our Cabinet colleagues to account. We are keen to become better at hearing the voice of frontline staff as well as the voice of service users and their families, especially when we look at issues which will have an impact on their lives.

Scrutiny Commission

The Scrutiny Commission will keep a watching brief on the Council's fair funding campaign and maintain its oversight of the Council's budget and finances. We will continue to focus on economic development through looking at the opportunities presented by the emerging Local Industrial Strategy. Following the Grenfell Tower disaster last year we are also keen to ensure that resilience and emergency planning arrangements are robust. In our role as Crime and Disorder Committee we are also looking forward to hearing about the work of the Police and Crime Panel.

Adults and Communities Overview and Scrutiny Committee

The Adults and Communities Overview and Scrutiny Committee will be looking to receive reports on the outcome of the consultation around the Leicester, Leicestershire and Rutland Carer's Strategy, progress on the Library Plus implementation, and the Leicester, Leicestershire and Rutland Living Well with Dementia Strategy 2019-2022. We are also due to receive the results of the consultation around the Reconfiguration of In-House Learning Disability Residential Accommodation prior to a decision being made by the Cabinet.

Children and Families Overview and Scrutiny Committee

Over the past year the Children and Families Overview and Scrutiny Committees has looked at and commented on a number of challenging policy decisions, which the Cabinet has had to make in the light of the Department's financial position. We will seek to ensure that there are no unintended consequences arising from these decisions and that the transition into the redesigned services is smooth. We will also continue to monitor delivery of the Ofsted Continuous Improvement Action Plan, which is key to ensuring that quality of services is at the forefront of everyone's mind.

Environment and Transport Overview and Scrutiny Committee

The Environment and Transport Overview and Scrutiny Committee will continue to consider and scrutinise the development of the proposals for the Melton Mowbray Distributor Road.

We will also consider the Revised Environment Strategy, contribute to the consultation on the review of parking charges, will receive an update on the revised funding methodology for community transport provision and look forward to scrutinising the final draft Passenger Transport Policy, including Community Bus Partnerships, following consultation.

Health Overview and Scrutiny Committee

The Health Overview and Scrutiny Committee intends to continue scrutinising the Director of Public Health and will feed into his consultation on the proposed model for an integrated lifestyle service.

We will also continue to monitor performance at UHL and in particular the Emergency Department. We will be interested whether lessons learned from the winter of 2017/18 can improve capacity issues for the following winter. We also intend to ensure that concerns raised regarding patient care at the Bradgate Unit at Glenfield Hospital will be addressed.

Overview and Scrutiny in Numbers: 2017/18



Training

Training can help equip members of Overview and Scrutiny Committees with the skills, knowledge and confidence to challenge effectively, and support organisational improvement.

As part of our commitment to ensuring the quality of our scrutiny function, we arranged a training session for the Chairmen and Deputy Chairmen of our Overview and Scrutiny Committee. The training session took place in November and was facilitated by one of the Expert Advisors from the Centre for Public Scrutiny.

We focused particularly on developing effective questioning and chairing skills for Overview and Scrutiny. Both of these are essential to good scrutiny. We were reminded of the need to be focussed in our questions and to develop key lines of enquiry before the meeting. As leaders, our role is not just about managing the meetings and understanding the motivations of different members on the Committee, but also about promoting the role of scrutiny and developing good working relationships with a range of stakeholders.

Following the training session, the Scrutiny Commissioners identified a number of areas to follow up. Chairmen and Spokesmen now keep track of the work of each Scrutiny Committee through an action, so we can more clearly see the impact that we are having. We have also revised our guide to asking questions at Overview and Scrutiny Committees to make it simpler and more 'member friendly'.

Finally, through the Scrutiny Commissioners we have undertaken a peer evaluation of our Scrutiny Chairmen. The findings of this evaluation were positive, with our Chairmen feeling confident that they have the right skills and support to do their job effectively.

Overview and Scrutiny Members

2017/18

The Scrutiny Commission

David Bill MBE, CC
 Lee Breckon JP CC
 Michael Charlesworth CC
 Dr Terri Eynon CC
 Simon Galton CC (Chairman)
 David Jennings CC
 Rosita Page CC
 Alan Pearson CC
 Terry Richardson CC
 Brenda Seaton CC
 David Slater CC

Children and Families

Dr Paul Bremner CC
 Mr. Gerard Hirst
 Jeffrey Kaufman CC
 Canon Carolyn Lewis
 Rosita Page CC
 Brenda Seaton CC (Chairman)*
 Sean Sheahan CC
 Deborah Taylor CC
 Geoff Welsh CC
 Amanda Wright CC

Adults and Communities

Dr Paul Bremner CC
 Linda Broadley CC
 Michael Charlesworth CC
 Hilary Fryer CC
 David Jennings CC
 Bill Liquorish JP CC
 Jewel Miah CC
 Ted Parton CC
 Terry Richardson CC (Chairman)

Environment and Transport

Iain Bentley CC
 David Bill MBE, CC
 Bill Boulter CC
 Dr Paul Bremner CC
 John Coxon CC
 Max Hunt CC
 Alan Pearson CC
 James Poland CC
 David Slater CC (Chairman)

Health

Peter Bedford CC
 Lee Breckon JP CC (Chairman)
 Hilary Fryer CC
 Dean Gamble CC
 Amanda Hack CC
 Dr Sarah Hill CC
 Ted Parton CC
 Deborah Taylor CC

* Louise Richardson CC was Chairman of the Children and Families Overview and Scrutiny Committee until February when she became a member of the Cabinet



Overview and Scrutiny Annual Report 2017/18

Published XXXXXXX 2018

Democratic Services

Chief Executive's Department

Leicestershire County Council

For further details on the contents of this report please email: democracy@leics.gov.uk



SCRUTINY COMMISSION: 6TH JUNE 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

2017/18 PROVISIONAL REVENUE AND CAPITAL OUTTURN

Purpose of the Report

1. This report sets out the provisional revenue and capital outturn for 2017/18.

Policy Framework and Previous Decisions

2. The County Council approved the 2017/18 to 2020/21 Medium Term Financial Strategy (MTFS) in February 2017. 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.
3. 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.

Overall Position

Revenue Outturn

4. A summary of the revenue outturn for 2017/18, excluding schools grant, is set out below:

	£000
Updated budget	350,400
Less provisional outturn	-340,813
Add additional income	1,008
Less additional commitments	-10,281
Net underspending	314
Carry forwards	
Approved	-314
Cabinet approval required	0
Net position	0

5. Overall there has been a net underspending of £0.3m after additional commitments, which is offset by carry forwards.
6. 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 2018/19 to 2021/22 the savings requirement totals £50m, of which £13m still needs to be identified.
7. The uncommitted General Fund balance as at 31st March 2018 stands at £14.8m, which represents 4.1% of the 2018/19 revenue budget, in line with the County Council's policy. The Fund will be reviewed again during 2018 taking into account the risks faced by the County Council.
8. Appendix A shows the detailed provisional outturn position for 2017/18. This compares the actual expenditure incurred (provisional outturn) with the updated budget. Column 2 is the original budget updated for 2016/17 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.
9. The Cabinet on 22nd May 2018 approved the use of £10.3m of the net underspend to fund additional commitments, as shown on Appendix A.
10. 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.
11. On this basis there were no specific carry forward requests that required approval by the Cabinet. The full list of carry forwards is available on request.
12. Appendix B gives details of significant variances on departmental budgets for 2017/18.

Capital Outturn

13. A summary of the capital outturn for 2017/18, excluding schools devolved formula capital, is set out below:

	£000
Updated budget	93,773
Less provisional outturn	92,876
Net Underspending (slippage)	897
Percentage spend to updated budget	99.0%

14. Overall there has been a net underspending of £0.9m compared with the updated budget. More detail is given in Part B of this report. The net underspending will be carried forward to 2018/19 to fund schemes that were not completed in 2017/18.
15. Details of the key achievements in delivery of the 2017/18 capital programme are also included in the report.

DETAILS - REVENUE

Children and Family Services

Dedicated Schools Grant (DSG)

16. There is an overspend of £0.7m on DSG which will be funded from the DSG earmarked fund. The main variances relate to the following:
17. There is an overspend of £0.3m on placements for pupils with Special Educational Needs (SEN) mainly due to a shortfall in meeting the savings target of £0.7m as a result of increasing demand. Progress on reducing placements at independent schools has been significant, with expenditure reducing, resulting in a saving of £1.7m against this element of the budget. In previous years expenditure with independent schools increased significantly whereas this year additional capacity, particularly through the development of specialist autism units, has been developed and as a result has reduced the number needing independent provision.
18. The Specialist Teaching Service has overspent by £0.4m; transformation of these services was delayed pending the recruitment of a service lead which has delayed the £0.8m MTFs saving. This is partially offset by savings generated through non-recruitment to vacancies pending the restructure of these services. The project to deliver the restructure is now underway but full savings will not be realised until 2018/19.

Local Authority Budget

19. There is an overspend of £3.9m (6.4%) on the local authority budget which is inclusive of additional posts in order to enable the department to deliver the Ofsted action plan where growth of £2m has been formalised within the 2018/19 MTFs. The main variances relate to the following:
20. There is a £2.4m overspend on the Social Care Placement Budget. Over the past five years the County Council has seen a significant growth in its Looked After Children

population, which has risen by 47% (an average of 7% each year, from 375 in March 2012 to 553 in March 2018) The overspend is also due to an increase in the average unit cost of 6% compared with 2016/17 due to the changing mix of placement provision including more children entering care that require residential provision.

21. Many other authorities are experiencing similar pressures with the Local Government Association reporting 75% of Councils overspending and a cumulative pressure of £600 million. Even with the rise the County Council's overall comparative rate of Looked After Children remains low, however the Council's use of residential care is high which, given the very large cost of these kinds of placement, is one of the main drivers for the increase in expenditure in this area. A Care Placement Strategy is being developed as part of the Transformation Programme with the aim of more effectively managing the main aspects of the Looked After Children's system to where possible impact upon demand and reduce costs. An action plan setting out a range of actions aimed to reduce the costs of placements was presented within the Period 4 budget monitoring reports to the Cabinet and the Scrutiny Commission.
22. Social care staffing budgets have overspent by £1.7m. Additional posts have been agreed in order to respond to issues highlighted by the Ofsted inspection in relation to caseloads and to respond to the post-inspection action plan. Pending recruitment it has been necessary to engage agency staff for the additional posts and to provide capacity to cover vacant posts. The 2018/19 MTFS provides growth for these additional posts.
23. Recruitment to Heads of Service is now complete, however the need to engage interim staff pending permanent positions being filled resulted in an overspend of £0.5m within the Directorate.

Adults and Communities

24. The Department has a net underspend of £5.5m which reduces to £5.4m (4.0%) after carry forwards. The main variances are set out below.
25. Residential and Nursing Care is underspent by £5.0m. Expenditure on placements in the financial year is below budget due to additional service user and health income (£3.7m), reduction in the number of service users (£1.6m) and lower average care package costs (£1.0m). This has been offset by backdated arrears relating to the previous years (£1.3m). The department implemented reviews of high cost placements which contributed to the reduction in costs and an action plan to reduce the instance of arrears in future through implementing weekly reviews of quality and timeliness of care packages.
26. Direct Payments (DP) is underspent by £0.6m. This mainly relates to the clawback of unused balances on payment cards (£2.5m), offset by an increase in cost of service user packages (£1.6m). A programme of work was undertaken under MTFS saving 'AC5 Effective Management of Direct Payments and Personal Budget Allocations' to address the issue of over-allocating the initial financial package. Other initiatives have been implemented as a part of the review work and to date include:

- A training plan and accompanying guidance for staff to ensure that they understand how the DP cards work and that they communicate this effectively to their service users when they are set up.
- Checking to ensure that the DP card has been activated and that the service user has set up direct debits appropriately to pay their provider(s).
- Investigating the possibility of paying Direct Payments in arrears to avoid overpayments.
- A social care worker, aligned to the Direct Payment Card team, has been recruited to assist in the clawing back of funds over eight weeks' worth of the value of the Direct Payment.

27. Adult Learning is underspent by £0.5m due to receiving £0.2m of over performance funding in January from the Skills Funding Agency and approximately £0.3m staffing underspend that was previously earmarked as a potential clawback for underperformance but not required.
28. The in-house provision of care services is underspent by £0.5m, due to a combination of lower demand and vacancies being held in advance of the savings requirement.
29. Other staffing and running costs are overspent by £1.0m. This is due to the number of vacancies arising following the departmental restructure being filled with agency staff. The department is in the process of recruiting to the vacant posts which will reduce the agency costs in the future. In addition debts have been rising in recent years requiring additional investment in debt management of £0.25m and there is £0.5m spend on the department's transformation programme.
30. Community Life Choices day services are overspent by £0.5m due to the delay of implementing new contracts, backdated arrears and increased cost of packages.

Public Health

31. The Department has achieved a net underspend of £0.9m. The main variances relate to an underspend on Local Area Co-ordination (£0.4m) due to a change in approach to target the service to priority areas rather than covering the entire County, and an underspend due to reduced numbers of Health Checks being undertaken (£0.2m) which is as a result of a planned change in service delivery. Smaller underspends have resulted from: increased income from Clinical Commissioning Groups and the Office of the Police and Crime Commissioner on mental health and substance misuse contracts and a settlement payment from the previous Stop Smoking service provider. The development of the Programme Delivery Team has offset the underspend, this new staffing structure is linked to departmental savings plans
32. Part of the net underspend is being invested in new Sexual Health Accommodation which is explained in more detail later in the report (paragraph 48 refers).

Environment and Transport

33. There is a net underspend of £1.0m (1.6%), which will be used to support highways maintenance expenditure (see paragraph 48).

Highways

34. There is a net overspend of £0.7m. The main overspends relate to winter maintenance (£1.0m) due to the poor weather conditions, road safety (£0.3m) where a planned contribution from earmarked funds was not taken as there were underspends elsewhere in the Department and reactive maintenance (£0.3m) from a number of critical repairs to for example safety barriers.
35. These are offset by underspends on highways delivery (staffing and administration) (£0.4m) due to vacancies and increased income, highways commissioning (£0.2m) due mainly to additional income, and street lighting energy and maintenance works (£0.2m) due to early realisation of savings.

Transportation

36. There is a net underspend of £0.5m. Underspends on mainstream school transport (£0.9m) due to contract efficiencies and lower demand for services and on public bus services (£0.2m), partly offset by overspends on social care transport (£0.2m), fleet transport (£0.2m), special educational needs transport (£0.1m), and concessionary travel (£0.1m), all of which are demand-led services.

Environment and Waste

37. There is a net underspend of £1.3m. The main underspends are on landfill, (£0.4m, net of additional treatment contract costs), and composting contracts (£0.2m) both due to lower tonnages than forecast including additional diversion to energy-from-waste facilities. Recycling and re-use credits are underspent (£0.3m) mainly due to tonnages being lower than expected. Income (£0.2m) from trade waste is greater than budgeted and additional income from recyclable materials (£0.1m) resulted from the insourcing of the recycling and household waste sites and the recyclable materials market being more buoyant than expected (although these material prices can fluctuate significantly).

Chief Executives

38. The Department has underspent by £0.7m which reduces to £0.5m (5.1%) after carry forward requests. This is mainly due to vacancies and restructurings across the department, £0.3m, and increased income being received by the Trading Standards and Planning functions, £0.2m. In addition there is an underspend of £0.2m as growth for a contribution to the running of the proposed Combined Authority was not required due to a delay in the decision by the Government.

Corporate Resources

39. The Department has underspent by £0.5m (1.4%).

40. There are underspends from staffing and other early savings ahead of future expected savings in ICT, Strategic Finance, Assurance and Property, and the Customer Services Team. These are partly offset by overspend pressures on building maintenance and running costs due to addressing priority needs across the farms, localities, County Hall and School estates, and commercial services.
41. Commercial Services are overspent (£0.3m). Overall LTS increased its contribution from £0.8m to £1.8m over the past year, increasing its margin from 4% to 7%. The main contributors to this success have been School Food, Forestry, Sites Development, HR and Leamis with steady progress in most other service areas. There is a £0.3m shortfall compared to budget relating to a combination of timing issues (phasing of income) and historical issues writing off old debt, reconciliation issues and costs that related to previous years.

Contingency for Inflation

42. The 2017/18 original budget included a £13.3m provision for inflation. A transfer of £5m was made to the Revenue Funding of Capital budget, as the Adults and Communities budget was used instead of the contingency to meet inflation on contracts as a result of previous year underspends continuing into 2017/18. Allocations of £4.9m have been made to departments, mainly relating to the April 2017 pay award, increases in employer pension contributions, the Apprenticeship Levy, inflation required on transport and waste budgets and transfers of additional one-off funding to Environment and Transport for pot hole repairs and school parking issues. The balance of £3.4m has not been required and is shown as an underspend.

Central Items

43. Additional expenditure of £0.8m has been incurred on the Revenue Funding of Capital heading, relating to the transfer of Pooled Property Fund investment income to a separate earmarked fund, to provide funding for future developments.
44. The Central Expenditure budget was underspent by £0.3m, mainly relating to dividend income from the Eastern Shires Purchasing Organisation (ESPO) being higher than originally estimated.
45. Central Grants and Other Income is £1.0m higher than originally budgeted, due to increased bank and other interest, mainly arising from higher balances than originally estimated.
46. The Other Items budget heading is underspent by £0.8m mainly due a detailed review of prior year open purchase orders and car leasing provisions that are no longer required.

Income

47. Additional income of £0.9m 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 previous years. In addition, the Government has made an adjustment to the Business Rates Top Up amount resulting in additional grant of £0.1m.

Additional Commitments

48. The Cabinet on 22nd May 2018 approved the use of £10.3m of the net underspend to fund the following additional commitments:
- Environment and Transport (£2m). This will be used to extend the improved response times in repairing pot-holes funding to two years, to provide funding for the implementation of recommendations on managing school parking issues and to provide general support of highways expenditure in 2018/19.
 - Environment and Transport (£1m). To increase the funding available to further support highways maintenance expenditure. This brings the additional funding for Environment and Transport provided from the current year underspends to a total of £3.7m (including £0.7m allocated by the Cabinet on 15th September 2017).
 - Future capital developments (£6.4m). This comprises £3.3m identified during the year and £3.1m at the outturn. The demand for improvement projects currently exceeds the funding available.
 - Sexual Health Accommodation - £0.5m has been included in the MTFS 2018-22 capital programme as a contribution to Leicester City Council for the refurbishment of a new base for integrated sexual health services in Leicester, to generate ongoing revenue savings.
 - Enabling Growth Activities (£0.4m). Match funding requirements from the County Council to enable existing external funding opportunities to progress and to lever a substantial amount of funds for the county to deliver against the Enabling Growth Plan and 'Strong Economy' outcome priorities.
49. There are other potential commitments that may need to be funded in the future, including:
- Ash Dieback – works to tackle the impact.
 - Claims from external parties, for example 'sleep in' shifts in social care following a recent ruling that workers should be paid the national minimum / national living wage. Third party providers will be liable, as the employing organisation, but they may seek to recover costs from the County Council.
 - Transformation – continued investment which is funded from one-off funding.
50. The above commitments may be funded from the future developments fund if necessary.

2018/19 MTFS amendments

51. As a result of the 2017/18 provisional outturn a high level review has been undertaken of the most significant variations that are expected to continue into 2018/19. The review has shown that the main variations have already been reflected in the 2018/19 budget, having been identified and reported earlier in the year before the budget was

approved in February 2018. However the position on demand-led budgets, mainly in social care, can be volatile. Where underspends continue in 2018/19 these will be managed through the inflation contingency (as in 2017/18) where increases will only be allocated where there is a clear requirement.

52. Highways Maintenance – restorative patching - additional funding, £5m. Following adverse weather and continually reducing government funding for highways maintenance there has been a decline in the condition of the network and increasing demand for reactive maintenance repairs. There are around 1,760 identified areas where patching is required (multiple potholes and other related defects) increasing by about 20 per week. Over the period of the four year MTFS there is forecast to be a shortfall in funding required to tackle the backlog of around £5m. A total of £27m is estimated to be needed compared with funding allocated in the MTFS capital programme of £22m. This is in addition to the £3.7m additional funding allocated in the 2017/18 which is being used to fund works to more quickly respond to customer complaints (14 day repair for customer pot-holes), school parking issues (zig-zag enforcement), and additional highways asset management (crash barriers, street lighting columns and carriageway works).
53. In order to fund the £5m shortfall, the Cabinet on 22nd May 2018 approved that returns generated by the Corporate Asset Investment Fund (CAIF) from rental and investment income of circa £5m over the next two years (that are not yet fully built into the MTFS) be allocated to highways.
54. The CAIF income had been allocated to the future developments earmarked fund in the MTFS 2018. Due to the need to invest in improving the condition of Leicestershire’s roads this can now be specifically assigned. The future developments fund will be replenished by the additional contribution to the fund from the 2017/18 outturn (£3.1m) and additional funding from Business Rates income as explained in the following paragraph.
55. Since the MTFS 2018 was approved in February, business rates income is forecast to be £1.2m higher in 2018/19. Returns provided by the district councils to the Government were not available at the time that the MTFS was compiled and show higher levels of growth than that provided for in the MTFS. The Cabinet on 22nd May 2018 approved that the additional funding in 2018/19 be allocated to the future developments fund. The additional funds are expected to continue in 2019/20 and possibly later years. This will be considered as part of planning for the MTFS 2019.

Business Rates

56. 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”. 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.
57. The Pool held a balance of £6.5m from 2016/17 and previous years, of which £4.5m has been paid to the LLEP during 2017/18 and the balance of £2.0m is retained as a Pool contingency for future years.

58. Provisional outturn results for 2017/18 show a surplus of £6.1m, 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. Subject to external audit, the surplus will be allocated to the LLEP for investment projects in Leicestershire.
59. The pooling partners reviewed the forecast position for 2018/19 in January 2018, which reported an estimated surplus of £6.0m. All partners therefore agreed to continue with the Pool for 2018/19.

Future Developments Fund

60. There is a long list of projects that will potentially require funding over the next four years. These include investment in infrastructure for schools and roads arising from increases in population, investment in Supported Living accommodation, investment in community speed enforcement (depending on the outcome of the pilot), a new records office and collections hub, major IT system replacements (mainly Oracle which the Council has had in place since the early 1990s) and a contribution and underwriting of section 106 developer contributions for the Melton Mowbray distributor road.
61. After the changes to the fund described earlier in the report and higher anticipated returns in later years from the corporate asset investment fund, the latest forecast balance on the future development fund is estimated to be £40m by 2021/22.
62. The list of future developments is continually refreshed and the current requirement exceeds the current funding available. This will need to be managed through prioritisation and identification of alternative funding sources, including contributions from partners.
63. Closing the gap by taking on new loans is not the preferred option, as this increases the requirement for future savings. It is still expected that this situation can be avoided as over the course of the MTFS one or more of the following opportunities will arise:
- Underspend on the County Council revenue budget.
 - Unexpected grants are received to replace previously earmarked County Council resources.
 - Temporary use of the cash supporting earmarked funds in advance of it being required, rather than making short term cash investments.
 - Utilising the annual provision (MRP) made for the repayment of debt that is not required until the 2040s. This is expected to be £6.5m per annum.
 - Delay some of the expenditure until resources are available.
64. This approach forms part of the wider strategy to ensure that the capital programme is deliverable, affordable and the risks are understood, in line with CIPFA's requirements.

General Fund and Earmarked Funds

65. The uncommitted General Fund balance as at 31 March 2018 stands at £14.8m, which represents 4.1% of the 2018/19 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 and Scrutiny Commission in the autumn.
66. The total level of earmarked funds held for revenue purposes as at 31 March 2018 is £40.0m, excluding the ring-fenced Dedicated Schools Grant earmarked fund and monies held on behalf of other partnerships, which compares to £33.4m as at 31 March 2017. Earmarked funds for capital purposes total £80.7m as at 31 March 2018 compared with £70.1m at 31 March 2017. Earmarked funds are shown in detail in Appendix C. The main earmarked funds are set out below.

Renewals of Vehicles and Equipment (£5.7m)

67. 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.

Industrial Properties (£1.3m)

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

Insurance (£12.6m)

69. Earmarked funds of £7.0m 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
70. The uninsured loss fund of £5.6m 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

71. 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.

72. Children and Family Services Developments (£1.4m). 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

73. Adults and Communities Developments (£2.0m). 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 balance compared to the forecast is due to not having to use the fund in the context of the departmental underspend and changes to the timelines of some transformation projects.

Environment and Transport

74. 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.
75. Leicester and Leicestershire Integrated Transport Model (LLITM) (£2.2m). 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 2 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. Environment and Transport Developments / advanced design (£1.1m). 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.

Corporate

77. Transformation Fund (£14.7m). 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.
78. Broadband (£5.8m). 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 the European Regional Development Fund (ERDF) that required those funds to be spent first and within a set period. The change on the outturn compared with the forecast is due to slippage on the capital programme as explained later in the report.

79. Business Rates Retention (£1.6m). 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 in later years, especially the risk of large appeals and fluctuations in Business Rates income. The fund includes a sum of £0.6m, which represents the County Council's element of the Business Rates Pool contingency of £2m.
80. Inquiry and other costs (£1.2m). This fund is held to provide funding for inquiry and other costs associated with historical child sexual exploitation.
81. Local Authority Mortgage Scheme (-£3.0m). The County Council 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, five years after the date it was advanced, with £5.4m being received in 2017/18 and £3m being due in 2018/19.
82. Pooled Property Fund(s) (-£20.0m). The Cabinet on 11 September 2015 and 11 October 2016 approved the investment of £15m and £10m respectively of the Council's earmarked funds into pooled property funds. To date £20m has been invested with the timing of the final investment of £5m uncertain at this stage. 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 (£56.0m). This fund is used to hold MTFS revenue contributions to fund capital expenditure in future years.
84. Future Developments (£24.7m). This is additional funding to mainly support future capital programme developments, covered earlier in the report. The increase at year-end is due to additional funding allocated from the revenue outturn (£3.1m).

Schools / Partnerships Earmarked Funds

85. Dedicated Schools Grant (DSG) (£2.2m). 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. This fund is earmarked to fund any deficit budget that reverts 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 2017/18.
86. Leicestershire and Rutland Sport (£1.1m). The main purpose of this earmarked fund is to hold partner contributions until expenditure on the agreed activities has been incurred. A significant part of the services' funding from external agencies is uncertain

in nature, so the earmarked fund also allows management of funding variations and a redundancy provision.

CAPITAL PROGRAMME

87. The updated capital programme for 2017/18 totals £93.8m, including funding carried forward from the 2016/17 capital outturn relating to slippage on schemes and funding allocated from the future developments fund (mainly £11.4m for Lichfield South).

88. A summary of the capital outturn for 2017/18, 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	25,487	19,687	(5,800)	77%
Adults and Communities	4,798	4,410	(388)	92%
Env't & Transport - Transportation	32,328	32,808	480	102%
Env't & Transport - Waste Management	320	137	(183)	43%
Chief Executive's	4,817	3,789	(1,028)	79%
Corporate Resources	5,057	3,599	(1,458)	71%
Corporate Programme	20,966	28,446	7,480	136%
Total	93,773	92,876	(897)	99%

89. 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 D.

90. Appendix E compares the provisional prudential indicators with those set and agreed by the Council, at its budget meeting in February 2017. These are all within the limits set except for capital expenditure, £93m, compared with £83m, mainly due to the purchase of Embankment House, Nottingham as part of the Corporate Asset Investment Fund in February 2018. However, this additional expenditure was approved by the County Council as part of the 2018/19 – 2021/22 MTFS.

Children and Family Services

Key Achievements

91. The 2017/18 programme delivered an additional 1,101 school places, saw the completion of the Wigston Area Special School, a new primary School in Birstall, supported the creation of additional places for children with autism and access to capital funding for the expansion of Early Years providers.

Main Variances

92. The year-end position shows net slippage of £5.8m compared with the updated budget. The main variances are reported below.

93. Provision of additional primary places, £4.9m variance. The main variances include:
- Burbage, Sketchley Hill Primary- slippage of (£1.5m) due to a delay in the start of the project following issues identified within the survey relating to highway, tree and ground works.
 - Market Harborough, Farndon Fields Primary - slippage of (£1.5m), project is being delivered by the academy that has redesigned the scheme as a result of affordability issues.
 - Barwell Area Primary – slippage of (£0.9m) – project delayed pending a review of costs and value for money.
 - Hinckley, Richmond Primary - acceleration of £0.6m.
 - Underspends and Unallocated budget – underspend (£1.5m). Underspends across various projects and funding set aside in unallocated budgets not fully used. Funding will be carried forward to 2018/19 for the development of place requirements for September 2018.
94. School Accommodation Programme 10+ - slippage of £0.4m. There is a delay on a scheme at Launde Primary School pending the outcome of an additional funding bid to the Education and Skills Funding Agency.

Adults and Communities

Key Achievements

95. Extra Care Loughborough - the Council successfully contributed towards the provision of 60 new places with the scheme opening on schedule. The site is currently taking new occupants and is forecast to be fully occupied by Autumn 2018.
96. Hinckley, The Trees - the conversion of two existing semi-detached houses into four, self-contained single, long term accommodation units designed for individuals from within the Transforming Care cohort is nearing completion. Since the end of the financial year, this work has been completed.

Main Variances

97. The year end position shows a slippage of £0.4m compared with the updated budget. The main reasons are:
- Replacement of mobile libraries, slippage of £0.3m due to a review of the specification of vehicles needed.
 - Changing Places, £0.2m slippage as no schemes identified, there are 2 potential schemes in 2018/19.
 - Smart Libraries acceleration of £0.1m. Planned works in 2018/19 were completed in advance with the delivery and installation of self-service kiosks.

Environment and Transportation – Transportation

Key Achievements

98. A total of £4.7m has been spent on the Strategic Economic Plan, mostly funded through the Leicester and Leicestershire Enterprise Partnership. Schemes include:

- Lubbethorpe Strategic Employment Site, £0.6m - work at the B4114 junction and the new access into the employment site completed in 2017/18 with minimal disruption to the travelling public; allowing the construction of a new employment site to start.
- A42 J13, £3.2m – Improvements to the junction started in late 2016/17 following the completion of M1 J22 works. These works are now completed, improving traffic flow at this busy junction. To make the most of the improvements they were followed by improvements to a nearby junction funded under the National Productivity Investment Fund.
- Hinckley Phase 3, £0.5m - Phase 3 of the works to improve walking, cycling and public transport provision was completed in autumn 2016 and phase 4 of the scheme has started to be delivered.
- A46 Anstey Lane, £0.2m – the detailed design of improvements to ease congestion and mitigate the effects of the Aston Green housing development have commenced in 2017/18 and will be continued in 2018/19 with a completion on site anticipated in 2019/20
- M1 J23/A512, £0.1m – the detailed design of improvements to ease congestion and provide access to the West of Loughborough housing development have commenced in 2017/18. This will be continued through 2018/19 with a completion on site anticipated in late 2020.

99. The programme to replace all street lights in Leicestershire with LED Lanterns is progressed ahead of schedule with most of the work having been completed in 2017/18. £18.9m was spent on replacing over 68,000 lights. The programme has resulted in a significant reduction in on-going energy costs and the work will be completed shortly.

100. A total of £2.2m has been provided by the National Productivity Investment Fund and was used to deliver the following:

- A511 Tesco roundabout, £1.6m – Improvements to the roundabout were started in 2017/18 along with a new signal junction on the Ashby Bypass which are due to be complete in early 2018/19.
- Ratby Lane Wembley Road £0.6m – improvements to the signal junction were completed in 2017/18.

101. A total £12.0m was also delivered on Highways Asset Maintenance, including:

- £9.7m on carriageways
- £0.3m on footways and rights of way
- £1.5m on bridge maintenance and strengthening
- £0.1m on flood alleviation
- £0.3m on traffic signal renewal
- £0.1m on other activity including joint sealing.

Main Variances

102. The year-end position shows a net acceleration of £0.5m compared with the updated budget. The main variances are reported below:

103. Zouch Bridge – slippage of £1.5m as a result of a protracted land purchase. The Department for Transport has concluded that a Public Inquiry is required which will result in further delay to the start date.
104. Strategic Economic Plan Hinckley Area – slippage of £0.8m. Additional consultation works are being undertaken which has delayed the works until 2018/19.
105. Safety Schemes – slippage of £0.6m, due to a delay in procuring camera cars and average speed cameras as well as completing contractual arrangements.
106. National Productivity Investment Fund – slippage of £0.4m and underspend of £0.2m. Slipped slightly on one scheme but the work will be completed in early 2018/19 and an underspend on a project was due to works costing less than estimated.
107. Melton Depot Replacement – slippage of £0.4m as waiting for a suitable site to be identified.
108. Flood Alleviation scheme – slippage of £0.4m to allow schemes to be undertaken in more appropriate weather conditions and more time needed to develop the projects.
109. Street Lighting LED invest to save scheme – acceleration of £4.8m. Additional installation gangs were contracted to enable early finish and realisation of associated savings.

Environment and Transportation – Waste Management

Key Achievements

110. 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 Variance

111. The year-end position shows a net variance of £0.2m compared with the updated budget. The position is due to slippage on drainage works at Shepshed RHWS that are now expected to be completed in early 2018/19.

Chief Executive's

Key Achievements

112. Rural Broadband Scheme. The County Council is the Lead Body for the Superfast Leicestershire Programme, 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 is underway and expected to be completed

during 2018/19. By the end of Phase 2, 97% of properties in Leicestershire should have access to superfast broadband.

Main Variance

113. The year-end position shows slippage of £1.0m compared with the updated budget. This is due to the Broadband provider not achieving its contractual milestones during 2017/18. An agreement has recently been reached with the provider to be back on track by Summer 2018.

Corporate Resources

Key Achievements

114. Investment in the ICT infrastructure of £1.0m on:

- Security upgrades, a refresh of the Local Area Network (LAN), a replacement for the current Backup Solution and a refresh of the Internet Gateway.
- Implementation of the new Unified Telephony / Skype for Business solution which will replace the old telephony systems. This investment will enable smarter and more efficient working practices, as well as greater synergy with partners.

Main Variances

115. The year-end position shows net slippage of £1.5m compared with the updated budget. The main variances include:

- Loughborough, Pennine House Area Office - £0.6m underspend due to a reduction in the refurbishment works required following a re-scoping exercise.
- ICT Unified Telephony/Skype scheme - £0.3m slippage as deployment to all departments across the Authority will continue until June 2018.
- Snibston Country Park - £0.2m slippage. Plans for the Country Park have now been submitted to the District Council, major works expected to begin in Summer 2018.
- Industrial Properties - £0.2m underspend relates to improve Courtyard Workshops which is now on hold until 2018/19.
- Beacon Hill Investment - £0.1m slippage. Business case and cost of the proposed Café is being reviewed resulting in a delay and work to 2018/19.

Corporate Programme

Key Achievements

116. During 2017/18 the following purchases were made as part of the Corporate Asset Investment Fund:

- Embankment House, £12.6m
- Lichfield South, £11.4m, and

- Land at Lutterworth East, £1.6m.

117. Corporate Energy Strategy - £0.5m has been spent on upgrading lighting, boilers and heating controls at County Council premises.

118. Energy Score + Programme - £0.6m has been spent on Solar PV panels and LED lighting. This will deliver on-going revenue savings for the schemes.

Main Variances

119. The year-end position shows overall net acceleration of £7.5m compared with the updated budget. The main variances are:

- Coalville Workspace Project – slippage of £3.3m. The scheme has been approved and is due to start on site in September 2018 and will be completed by June 2019. Growth Deal funding has been secured.
- Lutterworth East – slippage of £1.0m, a delay in completion of additional land purchases.
- Loughborough University Science Enterprise Park – slippage of £0.7m due to a delay in negotiations with the University.
- Leaders Farm Office Projects – slippage of £0.6m. A full planning application was approved in December 2017, however there are delays in the proposed tenant signing the lease.
- Asset Investment Fund – Embankment House, Nottingham, acceleration from 2018/19 capital programme £12.6m due to earlier completion of purchase than anticipated.
- Energy Strategy Invest to Save – acceleration, £0.6m, on a number of small scale energy efficiency measures, including boilers, heating controls and LED lighting upgrades.

Capital Receipts

120. The actual level of general capital receipts achieved in 2017/18 was £7.0m compared with the target budget of £7.3m. A minor delay has occurred on one large sale (£1.7m) which is now expected to complete in early 2018/19. The shortfall will be managed through overall slippage on the capital programme.

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 County Council -22 February 2017 – Medium Term Financial Strategy 2017/18 to 2020/21

<http://politics.leics.gov.uk/documents/s126527/MTFS%202017%20-2021.pdf>

Report to Cabinet – 23 June 2017 – Provisional Revenue and Capital Outturn 2016/17

<http://politics.leics.gov.uk/documents/s129536/FINAL%20201617%20Provisional%20Revenue%20and%20Capital%20Outturn.pdf>

Report to Cabinet – 15 September 2017 – 2017/18 Medium Term Financial Strategy
Monitoring (Period 4) and Investment Proposals

<http://politics.leics.gov.uk/documents/s131599/MTFS%20Period%204%20Report.pdf>

Circulation under the Local Issues Alert Procedure

None.

Equal and Human Rights Implications

There are no direct implications arising from this report.

Appendices

Appendix A - Comparison of 2017/18 Expenditure and the Updated Revenue Budget

Appendix B - Revenue Budget 2017/18 – main variances

Appendix C - Earmarked Fund balances 31/3/18

Appendix D - Variations from the updated 2017/18 capital programme

Appendix E - Prudential Indicators 2017/18

Officers to Contact

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

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

Mr D Keegan, Assistant Director (Strategic Finance and Property), Corporate Resources
Department,

☎0116 305 7668 E-mail Declan.Keegan@leics.gov.uk

**COMPARISON OF 2017/18
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	APPROVED BY CABINET 6 £000		
SERVICES							
CHILDREN & FAMILY SERVICES							
DEDICATED SCHOOLS GRANT							
Delegated	96,358	96,358	0			0	
Centrally Managed	96,377	97,123	746			746	0.8%
Dedicated Schools Grant	-192,735	-192,735	0			0	
Fund 2017/18 overspend from DSG Earmarked Fund	0	-746	-746			-746	n/a
	0	0	0	0	0	0	
OTHER CHILDREN & FAMILY SERVICES	61,680	65,615	3,935			3,935	6.4%
ADULTS & COMMUNITIES	135,763	130,232	-5,531	84		-5,447	-4.0%
PUBLIC HEALTH	160	-736	-896			-896	n/a
ENVIRONMENT & TRANSPORT	67,203	66,159	-1,044			-1,044	-1.6%
CHIEF EXECUTIVES	10,415	9,749	-666	130		-536	-5.1%
CORPORATE RESOURCES	33,121	32,665	-456			-456	-1.4%
DSG for Central Dept recharges	-922	-922	0			0	0.0%
CARBON REDUCTION COMMITMENT	355	180	-175			-175	-49.3%
CONTINGENCY FOR INFLATION	3,405	0	-3,405			-3,405	-100.0%
TOTAL SERVICES	311,180	302,942	-8,238	214	0	-8,024	-2.6%
CENTRAL ITEMS:							
FINANCING OF CAPITAL	22,800	22,753	-47			-47	
REVENUE FUNDING OF CAPITAL	26,950	27,750	800			800	
CENTRAL EXPENDITURE	3,426	3,127	-299			-299	
CENTRAL GRANTS AND OTHER INCOME	-13,956	-14,963	-1,007			-1,007	
OTHER ITEMS (inc prior year adjustments)	0	-796	-796			-796	
TOTAL CENTRAL ITEMS	39,220	37,871	-1,349	0	0	-1,349	-3.4%
TOTAL EXPENDITURE	350,400	340,813	-9,587	214	0	-9,373	-2.7%
INCOME							
REVENUE SUPPORT GRANT	-19,548	-19,548	0			0	
BUSINESS RATES - TOP UP	-37,566	-37,678	-112			-112	
BUSINESS RATES BASELINE / LOCAL SHARE	-21,783	-21,796	-13			-13	
SECTION 31 GRANT - BUSINESS RATES RELIEFS ETC	-1,470	-2,353	-883			-883	
COUNCIL TAX PRECEPT	-263,087	-263,087	0			0	
NET SURPLUS ON COUNCIL TAX COLLECTION FUNDS	-5,596	-5,596	0			0	
TOTAL INCOME	-349,050	-350,058	-1,008	0	0	-1,008	
ADDITIONAL COMMITMENTS							
Temporary extension of Discretionary Discount Fund contributions	0	0	0	100		100	
Environment & Transport	0	2,000	2,000			2,000	
Environment & Transport (underspend) - support highways maintenance	0	1,044	1,044			1,044	
Future Capital Developments (MTFS 2018-22)	0	3,300	3,300			3,300	
Future Capital Developments (outturn 2017/18)	0	3,065	3,065			3,065	
Sexual Health Accommodation	0	480	480			480	
Contribution to Enabling Growth Activities	0	392	392			392	
	0	10,281	10,281	100	0	10,381	
WITHDRAWAL FROM/ADDITION TO COUNTY FUND	1,350	1,036	-314	314	0	0	

GENERAL FUND	
UNCOMMITTED BALANCE 1.04.17	14,806
NET UNDERSPEND	314
CARRY FORWARDS	-314
FORECAST BALANCE 31.03.18	14,806

This page is intentionally left blank

Revenue Budget 2017/18 – Main Variances**Children and Family Services****Dedicated Schools Grant**

There is an overspend of £0.7m, which will be funded from the DSG earmarked fund.

The main variances are:

	£000	% of Budget
High Needs		
Specialist Services to Vulnerable Groups	365	10%
The 2017/18 MTFS included savings of £790k on Specialist Teaching Services which has not been fully achieved, however some of the saving has been achieved by the non recruitment to vacancies and savings in placements of children with Autism Spectrum Disorder (ASD). The project has seen some delay pending the recruitment of a project lead; a lead is now in post and planning is underway and the project is included as a work stream within the High Needs Block Inclusion project. Recent years have seen more pupils with ASD being supported by alternative providers arranged by the Autism Outreach Intensive Support Service; these pupils have been reviewed which has resulted in the delivery of savings.		
Special Educational Needs (SEN)	270	1%
The 2017/18 MTFS included savings of £725k on SEN placements; the required saving has been met in part but the increased school population and increased demand for support is offsetting these savings. A number of actions have been put in place that are showing success in reducing costs; these include Graduated Response through the Oakfield short stay school which is preventing pupils entering into independent placements, an increase in the number of lower cost local placements, more effective transitional planning and strengthening assessment and commissioning arrangements. New provision for children with Autism has been created at Birchwood and Maplewell Hall which has reduced costs by £0.7m		
Education of Children with Medical Needs	257	44%
Pupil numbers have steadily increased. A main provider has stopped taking new cases and alternative more costly provision may be needed if more pupils are identified needing support.		
Other variances	-146	n/a
TOTAL	746	n/a

Local Authority Budget

The Local authority budget shows an overspend of £3.9m (6.4%). The main variances are:

	£000	% of Budget
Social Care Placements	2,432	10%
For 2017/18 the number of looked after children increased by 8% from 510 in March 2017 to 553 in March 2018. The average unit cost for children's placements increased by 6% from 2016/17, but is still a reduction of 8% from the position in 2015/16. The increase in cost in 2017/18 is related to the changing mix of placement provision and a higher than originally expected arrival of children entering care that require residential provision.		
Children's Social Care Field Work Teams/Children in Care Team/ First Response / Child Sexual Exploitation /Practise Excellence /Safeguarding	1,724	13%
Additional staffing costs in line with the agreed post Ofsted action plan, some of which has been covered by agency workers given current difficulty to both retain and recruit social workers.		
Directorate	516	62%
Combination of delays in the next phase of management restructure which is now complete. However the use of consultants was required and contributes to the overall overspend.		
Fostering and Adoption Service	451	18%
Increased demand on service, largely due to the increased volume of fostering assessments which requires additional capacity. Additional costs have also been reflected as a result of the agreed post Ofsted action plan.		
Children's Social Care Legal Costs	545	106%
The number of care cases that have been instructed to issue proceedings continues to rise and results in a budget pressure.		
Unaccompanied Asylum Seeking Children	277	86%
Demand on this budget significantly increased in 2016/17 and continued to do the same this financial year, which has resulted in increased need for additional staffing to manage demand. The majority of these children arrive spontaneously and become the statutory responsibility of the local authority in which they arrive.		
Education learning and Skills - 5-19 Learning - IAG (Information, Advice and Guidance)	-425	-30%
Contract for IAG with Prospects reduced from £1.4m p.a. to £0.7m p.a. from 1st October 2017. MTFS IAG savings contribution has been achieved earlier than expected (originally not expected until 2018/19).		
Targeted Early Help	-718	-7%
Underspends are due to staff vacancies and posts not in Local Government pension scheme.		
Education Quality - 5-19 Learning	-315	-44%
Additional income has been received which has reduced net cost to budget this financial year.		
ICT Developments	-248	-34%
Delays in recruitment and appointment of staff for post implementation developments to MOSAIC.		
Other variances	-304	n/a
TOTAL	3,935	n/a

Adults & Communities

There is a net underspend of £5.5m which reduces to £5.4m (4.0%) after carry forwards.

The main variances are:

	£000	% of Budget
PI Locality Teams	764	28%
Filling vacant staffing posts following Adult Social Care (ASC) workforce strategy has been problematic and whilst recruitment continues, agency staff are used to maintain a safe service and not using earmarked funds of £0.4m to support temporary staffing.		
Complex Mental Health & Emergency Duty Teams	709	28%
Filling vacant staffing posts following Adult Social Care (ASC) workforce strategy has been problematic and whilst recruitment continues, agency staff are used to maintain a safe service.		
Community Life Choices (CLC)	470	9%
Overspend due to delay in implementing new contract, backdated arrears and higher cost of packages.		
Department Senior Management and Transformation Programme	387	n/a
Overspend due to not using earmarked funds of £0.6m for the departments transformation programme due to overall departmental position.		
Whole Life Disability	177	7%
Filling vacant staffing posts following ASC workforce strategy has been problematic and whilst recruitment continues, agency staff are used to maintain a safe service.		
Occupational Therapy	140	12%
Overspend on staffing within the OT teams with reliance on agency staff over the course of the year.		
Community and Wellbeing Savings	125	n/a
Delay in the implementation of Smart Libraries (late 2017) and a change request for the HR action plan to be implemented at the end of the project means that the £0.1m saving within the MTFS is unlikely to be achieved but will be offset by a range of one-off income and underspends through the service (contained within Other variances (under £0.1m) below).		
Residential Care and Nursing	-4,988	-9%
Reduction in number of service users (£1.6m) and lower average cost of packages (£1.0m), offset by care costs relating to previous financial years (£1.3m). Additional health and service user income (£3.7m). There are 2,310 service users with an average gross care package cost of £724 per week.		
Direct Payments (DP)	-646	-2%
The main underspend relates to the clawback of unused balances on direct payment cards of £2.5m, offset by additional costs relating to the previous financial year (£0.1m), an increase in the number of Carers (£0.1m) and an increase in the cost of service users packages (£1.6m). There are 2,741 service users per week receiving an average package of £249.46 and 367 carers per week receiving an average package of £45.49.		
Adult Learning	-512	n/a
Received £200k of unplanned over-performance funding in January and approximately £310k staffing underspend that was previously earmarked as a clawback for underperformance however, the latest data shows that a small clawback was required therefore this led to an underspend.		
Community Income	-450	-2%
Increased income from service users. The position is after a £1.6m budget transfer to Home Care for additional Health income received for additional service users compared with the original budget estimates.		

Community Life Choices (CLC) / Day Services	-487	-14%
Underspends due to decline of new referrals to the in-house service therefore staffing has been scaled down as appropriate, vacancies held pending action plans for co-located services due to take place in November and vacancies as a result of the new CLC strategy implementation.		
Business Support	-363	-20%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy.		
Community Enablement and Reablement Team	-154	-59%
Staffing underspend through vacancies as part of implementing the ASC workforce strategy.		
Provider Service Review	-125	-20%
Staffing underspend through vacancies as part of implementing the Provider Services Review.		
Supported Living	-122	-1%
Underspends due to reduction in average cost of packages		
Other variances (under £100k)	-456	n/a
TOTAL	-5,531	n/a

Public Health

There is a net underspend of £0.9m. The main variances are:

	£000	% of Budget
Public Health Leadership	187	11%
The overspend relates to a number of areas within the budget; reduced income from the University Hospitals of Leicester (UHL) contract, the expansion of the Programme Delivery Team, along with expenditure linked to the expansion of the Local Area Coordination programme which includes the design of a number of websites and systems within the department.		
Local Area Coordination	-425	-43%
The budget had been produced on the basis that there would be a large extension to the pilot, covering all of the County. A decision has since been taken to target the new service to priority areas as identified by the external evaluation. It is intended that the service will move into other areas over time.		
Health Checks	-160	-27%
A lower number of health checks have been carried out as specific groups were invited to attend. This is part of the re developed specification in line with a more targeted approach. This is an area identified for savings in the MTFS.		
Sexual Health	-79	-2%
There is reduced spend on demand led services, including Out Of County providers.		
Other Public Health Services	-80	-20%
There is a £100k underspend on Mental Health promotion activity as funding is being provided by the CCGs.		
Smoking and Tobacco	-117	-15%
This is due to an agreement being reached with the previous provider in relation to an overcharge of £94k in 2016/17		
Public Health Advice	-110	-5%
There is a planned saving of £72k in relation to the decommissioning of a contract mid year by C&FS as part of the Early Help and Prevention Review. This saving is contributing to the MTFS target of £1.5m savings by 2020/21.		
Substance Misuse	-94	-2%
A contribution of £111k has been received from the Office of the Police and Crime Commissioner; this is in respect of the contract with Turning Point.		
Other variances	-18	n/a
TOTAL	-896	n/a

Environment and Transportation

There is a net underspend of £1.0m (1.6%). The main variances are:

	£000	% of Budget
Highways		
Winter Maintenance	989	61%
Additional costs, partly from changes to winter driver shifts/rotas but mostly from additional salt, gritting and snow clearance due to poor weather conditions, especially in December 2017 and March 2018.		
Road Safety	279	109%
Planned contribution from earmarked fund not taken as it can instead be covered from underspends/early realisation of savings elsewhere within the department.		
Reactive Maintenance	265	16%
A number of Safety Critical activities including safety barriers and maintenance works, which needed attention over and above what the budget provided.		
Environmental maintenance - Forestry and Gulley emptying	178	14%
A number of Safety Critical activities which needed attention over and above what the budget provided, additional jetting costs incurred due to the number of blocked gulley's being found, and additional drainage repairs.		
Highways Delivery - Staffing & Admin	-408	-12%
Underspend due to vacancies, lower overheads and additional income from Temporary Traffic Regulation Orders , Fixed Penalty Notices, Section 74 and vehicle renewals, slightly offset by depot costs and a reduction in requirement from earmarked funds.		
Highways Commissioning - Staffing & Admin	-232	-12%
Additional income from S278, S38 and network Data & Intelligence, a reduction in the anticipated costs for agency staff and additional income from the Access fund to pay for work performed by the department, offset by delays in the pre-application advise charges and a reduction in recharges.		
Street Lighting Maintenance	-227	-14%
Underspend on energy costs due to acceleration of the LED programme and savings made on maintenance works.		
Highways & Transportation Management & Training Costs	-118	-15%
Underspend due to vacancies, mostly in trainee posts where post holders have secured permanent posts.		
Transportation		
Social Care Transport	186	5%
Overspend due to cost pressures as a result of increased demand. The recent review of Social Care Transport should reduce levels of spend on Adult Social Care transport costs in 2018/19. Growth for 2018/19 onwards has been included in the new MTFS to fund ongoing demand pressures.		
Fleet Transport	170	56%

Overspend due to a variety of factors including additional staffing costs due to the need to employ agency staff (£44k) to cover staff sickness absences and extra vehicle repair and maintenance costs (£86k). Income from the transportation of school meals was also lower than expected (£66k lower). This will be reviewed for 2018/19. These overspends are partially offset by underspends elsewhere.		
Special Educational Needs Transport	146	2%
Overspend due to increasing number of pupils and risk assessment process which has identified individuals with more complex needs. The overspend reflects the impact of new transport arrangements for the 2017/18 academic year. Partly offset by savings arising from the introduction of Personal Transport Budgets (PTBs).		
Concessionary Travel & Joint Arrangements	101	2%
Additional costs of £130k relating to bus company concessionary travel payment appeals have been incurred in 2017/18.		
Mainstream School Transport	-858	-18%
Underspend due to contract efficiencies and lower demand for services. Contract savings have been achieved through e-auctions and tendering efficiencies. Lower demand for services is due to policy changes (less eligible pupils) and alternative commercial options being available to parents. School closures due to snow have reduced costs in 2017/18.		
Public Bus Services	-212	-8%
Budget savings were identified when Public Bus Service budgets were set for 2017/18 and these savings were built into budgets as a contingency with a view to this potentially contributing to a future saving, but also as an element of protection against having to subsidise additional bus services/routes where they are no longer commercially viable. An element of the contingency has been spent in 2017/18 but the remaining forecast underspend is £212k.		
Environment & Waste		
Treatment Contracts	292	3%
Extra costs at Energy for Waste plants at Coventry and Stoke due to waste diversion from Landfill.		
Landfill	-716	-11%
Underspend due to diversion of waste from Landfill to more cost-effective Energy for Waste plants. Waste tonnages have also been lower than expected.		
Recycling and Reuse Credits	-316	-9%
2017/18 recycling and reuse credit claims have been lower than expected due to reduced tonnages leading to an in-year forecast underspend of £189k. Also, the level of estimated accruals made at the end of 2016/17 was too high resulting in an additional underspend of £127k.		
Composting Contracts	-201	-12%
Underspend has arisen as a result of lower volumes of green waste due to warm weather (drier and therefore lower growth). Tonnages remained lower than expected throughout the year.		
Income	-196	17%
Extra income from increased trade waste. The cost of processing extra volumes of trade waste have increased costs in the Landfill budget.		
Haulage & Waste Transfer	-114	-8%
Haulage costs underspend (£45k) due to the use of more cost effective haulage routes, agreements with Waste Collection Authorities to reduce tipping away fee payments and lower volumes of waste being transported to the Stoke Energy for Waste plant. Waste Transfer Station underspend (£69k) resulting from early achievement of savings.		
Recycling and Household Waste Sites (RHWS)	-97	-3%
Underspend due to additional income from RHWS recyclable materials in 2017/18 due to income from scrap metal (which was originally forecast to be a cost to LCC but is actually delivering income) and also additional income from reuse. Income from recyclable materials can fluctuate depending on current market rates.		

Departmental & Business Management		
Management & Administration	97	8%
Overspend due to additional spending required for Director and Assistant Director recruitment, consultancy, AECOM Operational Development Support and additional staffing costs for Departmental initiatives.		
Other variances	-52	n/a
TOTAL	-1,044	n/a

Chief Executives

The department has an overall underspend of £0.7m which reduces to £0.5m (5.1%) after carry forwards. The main variances are:

	£000	% of Budget
Registrars	94	39
Income from weddings is lower than expected. In addition there has been a refurbishment of Wigston Registry Office which was not in the budget, this should generate increased income in future.		
Trading Standards	-178	-12%
Increased income for the Ports and Border Project has been received, partly offset by increased agency staff costs to undertake the work, resulting in an overall underspend of 60k. A regional investigation into a rogue trader has also led to additional funding from National Trading Standards Board (NTSB) which has generated an underspend of £50k. Staffing budgets, taking into account the NTSB projects, are underspent by £60k mainly due to the implementation of the new structure and lower than expected agency costs.		
Planning and Historic & Natural Environment	-204	-42%
There are currently 2 FTE posts which have been vacant during the year and have resulted in an underspend of £90k. £90k of the underspend is due to higher than expected planning fee income. Additional income of £20k has been received for Historic Buildings advice and Archaeological Services.		
Strategy & Business Intelligence	-173	-5%
Delay in the commencement of the new Place Management Organisation which is a joint company with the City Council has resulted in a £75k underspend. There are also underspends relating to community grants and a number of vacancies including a Head of Service post.		
Democratic Services and Administration	-91	-6%
Restructuring has resulted in lower staffing costs and also a number of new appointments made at the bottom of the grade.		
Projects	-135	-51%
The government has delayed its decision on the Combined Authority and as a result the growth of £150k has not been required.		
Other variances	21	n/a
TOTAL	-666	n/a

Corporate Resources

There is an underspend of £0.5m (1.4%). The main variances are:

	£000	% of Budget
Maintenance Costs	442	17%
289k higher than budgeted maintenance costs on Council owned buildings due to the number of high priorities this year plus £153k of maintenance works on school buildings above the contributions that schools make. A review of the school contributions and maintenance requirements will be undertaken and a more detailed forensic analysis of general maintenance will be undertaken to create a forward plan for future years.		
Commercial Services	292	15%
Overall LTS has increased its contribution from £0.8m to £1.8m. The main contributors to this success have been School Food, Forestry, Sites Development, HR and Leamis with steady progress in most other service areas. Work is ongoing to increase sales in Print following a significant fall in sales this year. There is a £0.3m shortfall compared to budget relating to a combination of timing issues (phasing of income) and historical issues writing off old debt, reconciliation issues and costs that related to previous years.		
County Farms	160	-34%
Increased repair and maintenance costs have reduced the profit margins for the County Farm portfolio and although adverse to budget, the farms generate £314k of positive contribution. More detailed analysis is being obtained and the portfolio performance will also be reviewed as part of the Corporate Asset Investment Fund. The industrial portfolio returned an additional surplus above budget of c£0.2m which has been transferred to an earmarked fund to support future maintenance requirements.		
Building Costs	158	4%
Various variances including £125k additional costs at the Harborough offices due to increased service charges and recharges for roof and lift works and £40k additional Coroner building costs. Additional costs have been experienced over recent years from developing Anstey Frith House and out of hours spaces for which no additional revenue budget has been provided. Some additional savings have partly compensated from A&C and Recycling sites. A review of all site costs and usage is being undertaken as part of the Workplace Strategy project.		
ICT	-652	-7%
Due to the timing of contract renewals and staff restructures, ICT have delivered their future year savings early.		
Strategic Finance, Assurance & Property	-535	-10%
Savings across the Finance & Audit functions relating to savings achieved early through vacancy management in advance of future savings. Insurance contributes £103k of the saving.		
Human Resources and Learning & Development	-203	-6%
Due to the timing of savings and restructures, HR and L&D have delivered their future savings early. The actual underlying savings achieved are higher than those reported as some temporary posts agreed to be funded out of the Transformation earmarked fund have been funded from here instead.		
Customer Service Team	-176	-9%
The underspend relates to vacancies and attrition as customer service agents continue to progress to social care and other Council roles. Consequently a dip in service has been experienced but complaints have not increased significantly. Robotic type automation is being trialled in 2018 to expedite back office processes (such as reduced rekeying and auto population of information) which should help alleviate pressure and reduce costs.		
Other variances	58	n/a
TOTAL	-456	n/a

EARMARKED FUND BALANCES

	Revised Balance 01/04/17 £000	Forecast Balance 31/03/18 £000	Actual Balance 31/03/18 £000
Renewal of Systems, Equipment and Vehicles			
Children & Family Services	1,800	1,670	1,799
Adults & Communities	70	70	74
Environment & Transport	2,070	2,050	2,117
Corporate Resources	1,530	1,530	1,665
Trading Accounts			
Industrial Properties	1,150	1,450	1,262
Insurance			
General	5,820	6,640	6,558
Schools schemes and risk management	420	420	446
Uninsured loss fund	5,000	5,000	5,557
Committed Balances			
Central Maintenance Fund	390	390	350
Community Grants	300	290	295
Other			
Children & Family Services			
Supporting Leicestershire Families	1,620	1,420	1,584
C&FS Developments	1,440	1,270	1,359
Youth Offending Service	470	470	515
Special Educational Needs Disability (SEND)	840	650	1,110
School Based Planning	690	550	512
Innovation Fund - Practice Excellence	50	130	210
Adults & Communities			
Adults & Communities Developments	0	340	2,012
Communities & Wellbeing Developments	320	190	322
Public Health	400	400	400
Environment & Transport			
Commuted Sums	2,630	2,530	2,590
Civil Parking Enforcement	190	140	198
Waste Developments	730	730	725
Section 38 Income	490	490	487
Section 106	360	510	355
Leicester & Leicestershire Integrated Transport Model (LLITM)	1,230	1,410	2,213
E&T Developments/ advanced design	1,380	1,660	1,129
Other	140	120	1,041
Chief Executive			
Strategy and Business Intelligence	70	0	16
Economic Development	680	290	754
Legal	310	100	149
Signposting and Community Support Service	460	180	228
Chief Executive Dept Developments	590	500	612
Corporate Resources			
Corporate Resources Developments	270	250	192
Leicestershire Schools Music Service	160	160	250
Corporate:			
Transformation Fund	18,290	13,880	14,719
East Midlands Shared Services - IT development	430	190	391
Elections	820	220	177
Broadband	5,450	3,500	5,751
Business Rates Retention	1,410	1,410	1,568
Inquiry and other costs	1,290	1,230	1,168
Car leasing	0	0	124
Local Authority Mortgage Scheme (LAMS)*	-8,400	-3,000	-3,000
Pooled Property Fund investments **	-20,000	-20,000	-19,996
TOTAL	33,360	31,430	39,988
Capital (Revenue Funding)			
Capital Financing (phasing of capital expenditure)	57,390	55,760	56,019
Future Developments	12,710	20,900	24,668
Total	70,100	76,660	80,687
Schools and Partnerships			
Dedicated Schools Grant	2,790	1,690	2,228
Health & Social Care Outcomes	930	930	842
Leicestershire Safeguarding Children Board	60	20	56
Leicestershire & Rutland Sport	910	900	1,107
Centre of Excellence	230	0	0
Leics Social Care Development Group	340	340	102
East Midlands Shared Services - other	510	190	252
Strategic Partnership Development Fund (Child Sexual Exploitation)	100	0	8
Total	5,870	4,070	4,595

* 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

This page is intentionally left blank

Capital Budget 2017/18 – Main Variances**Children and Family Services**

Overall net slippage of £5.8m compared with the updated budget. The main variances

	£000
Provision of additional primary places	-4,853
Burbage Sketchley Hill Primary - slippage £1.5m as a result of unexpected work identified within the survey relating to highway, tree and ground works.	
Market Harborough Farndon Fields Primary -slippage £1.5m - this is a passported scheme being delivered by the academy who have redesigned the scheme as a result of affordability issues.	
Barwell area primary - slippage £0.9m - project delayed pending a review of costs and value for money.	
Hinckley Richmond Primary - acceleration £0.6m - works able to start earlier than planned.	
Unallocated budget / contingencies and underspends - £0.9m .Variances across various projects and funding set aside in unallocated budgets not fully used. Funding will be carried forward to 2018/19 for the development of place requirements for September 2018.	
Wigston Area Special School	-468
Capital programme funding released - included in the original budget pending confirmation of external contribution, now received.	
10+ Structure Change	-362
Delay on scheme at Launde School pending outcome of additional funding bid to ESFA.	
Other variances	-117
TOTAL	-5,800

Adults & Communities

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

	£000
Mobile Libraries	-285
Slippage as further mobile library vehicles are not expected to be purchased in 2017/18. The Cabinet has approved a review of the mobile library service – planning to be undertaken in 18-19 which will require reviewing the specification of vehicle that will be needed.	
Changing Places / Toilets	-214
At this stage there are no schemes identified that could be delivered in 2017/18. Slippage is required for 2 potential schemes in 2018/19.	
Smart Libraries	95
The procurement process for the SMART libraries has been completed and the contract awarded recently. Planned works in 2018/19 were accelerated with the delivery and installation of self-service kiosks in March 2018.	
Other variances	16
TOTAL	-388

Environment and Transportation - Transport

A net acceleration of £0.5m compared with the updated budget. The main variances are:

	£000
LED Street Lighting	4,819

Acceleration of LED replacement scheme, including CMS costs and de-illumination of traffic signs (£4.8m) to enable early finish and early realisation of savings also there has been an acceleration in the column replacement programme (£0.1m).	
A42 Junction 13 and M1 Junction 22 - Major Schemes	236
Additional technical and gas works required on the slip road and additional night time working patterns to ease traffic management.	
M1 Junction 23 and A46 Anstey Lane - Major Schemes	224
Advanced works in preparation for major schemes. Acceleration of scheme funding from Growth and Housing fund.	
Zouch Bridge	-1,500
Slippage due to protracted Land purchase. CPO was expected to take place in 17-18 with construction commencing early 18-19, but will now slip further as it has been confirmed by DfT that there will need to be a Public Enquiry.	
Strategic Economic Plan - Hinckley Area Approach	-753
Additional consultation works are being undertaken which has delayed the works until 2018/19.	
Safety Schemes	-642
Slippage due to delays in procuring camera cars and average speed camera as well as getting the contract signed.	
National Productivity Investment Fund	-549
Slippage on A511 Roundabout scheme. Work will be completed early in 2018/19 and an underspend on a project due to works costing less than originally estimated.	
Melton Depot Replacement	-402
Slippage as awaiting for a suitable site to be identified.	
Flood Alleviation	-387
Some schemes being slipped into 2018/19 so they can be undertaken in more appropriate weather conditions and some schemes not progressing due to more time needed to develop the projects.	
County Council Vehicle Programme	-214
Slippage due to the lead time of ordering and the delivery of vehicles.	
Transport Asset Management - Maintenance	-164
An underspend due to works being planned but some roads have deteriorated beyond remedial works and now require road closures which have longer lead in times and will now occur 2018/19. Also an underspend relating to footways and highway works not being as expensive as anticipated.	
Other variances	-188
TOTAL	480

Environment and Transportation - Waste Management

Slippage of £0.2m compared with the updated budget. The main variance relates to:

	£000
RHWS Improvements - Drainage and General	-183
Shephed RHWS drainage improvement works likely to be completed in early 2018/19, to follow on from works being completed at a different site. Due to current demand at the Loughborough site the acceleration of works cannot be started until 2018/19.	

Chief Executives

Slippage of £1.0m compared with the updated budget. The variance relates to:

	£000
Rural Broadband Scheme	-1,027

The underspend is due to the provider, BT, not achieving its contractual milestones during 17/18. An agreement has recently been reached with the provider to be back on track by Summer 2018.

Corporate Resources

Underspend of £0.6m and slippage of £0.9m compared with the updated budget.
The main variances are:

	£000
Loughborough, Pennine House Area Office	-557
Underspend due to a rescoping of the refurbishment works required.	
ICT - Unified Telephony / Skype	-270
Deployment of the Skype for Business hardware (and subsequent implementation) to all departments across County Hall and to satellite offices will continue into June, requiring an element of budget to be slipped into 2018/19.	
Snibston Country Park Future Strategy	-221
Plans for Country Park have now been submitted to the Planning Authority. Major works expected to commence in Summer 2018, with budget slipping to fund these works	
Industrial Properties General Improvements	-169
Underspend on this programme relates to a scheme to improve Courtyard Workshops which is now on hold until 2018/19. Variance will be slipped into 2018/19 to fund the works then.	
Beacon Hill Café and Education Centre	-148
Business case and cost of proposed Café at Beacon Hill is now being reviewed and, as such, the scheme will be delayed into the next financial year.	
County Hall Maintenance Major Works	-148
Part of the programme has not been completed in year and will be delayed to 2018/19.	
ICT - various refresh schemes	-70
Following the tender exercise, elements of the required ICT hardware refresh programme have been procured for less than originally budgeted, resulting in an underspend.	
Other variances	-71
TOTAL	-1,458

Corporate Programme

Net acceleration of £7.5m compared with the updated budget. The main variances are:

	£000
CAIF - Embankment House, Nottingham	12,603
Acceleration of investment scheme due to early completion of purchase than anticipated.	
Energy Strategy	628
Acceleration of programme due to identification of suitable schemes and cost efficiencies achieved from bringing works forward.	
CAIF - Coalville Workspace Project	-3,308
The scheme is currently being redesigned as it is financially unviable and will then be re-costed and re-programmed. Revised timescales to align with Growth Deal 2 and sale of Workspace 17.	
CAIF - Lutterworth East (Additional Land Purchases)	-1,049
Delay in completion of the next phase of the programme.	
CAIF - Loughborough University Science & Enterprise Park (LUSEP)	-651
Slippage due to delay in negotiations with the University.	
CAIF - Leaders Farm Office Projects	-608

Full planning application submitted in August 2017 and approved on 14th December 2017. Delay in proposed tenant signing lease.	
CAIF - Harborough Accelerator Zone (Airfield Farm)	-164
A revised scheme is being developed which has delayed progress. The new scheme is being included in the new MTFS 2018-22	
Other variances	29
TOTAL	7,480

APPENDIX E**PRUDENTIAL INDICATORS 2017/18**

	Original Indicator	Forecast as at 19/01/2018	Provisional Actual as at 31/03/2018
Actual Capital Financing Costs as a % of Net Revenue Stream	5.95%	5.94%	5.74%
Capital Expenditure (£000's) (excluding Schools devolved formula capital)	83,100	83,400	93,267
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)	257,000	257,000	257,000
Actual debt as at 31/3/2018 (£000's)			264,600

This page is intentionally left blank



SCRUTINY COMMISSION: 6th JUNE 2018

OUTLINE COMMERCIAL STRATEGY AND WORKPLAN 2018-2022

REPORT OF DIRECTOR OF CORPORATE RESOURCES

Purpose of report

1. The purpose of this report is to seek the views of the Commission on the Outline Commercial Strategy and Workplan 2018-2022 as part of the consultation prior to the Strategy being considered by Cabinet on July 6th 2018.

Policy Framework and Previous Decisions

2. In November 2013, at a meeting of the Scrutiny Commission, a report on the progress made on traded services was considered. The Director of Corporate Resources welcomed the opportunity to have Elected Members involved in the process of reviewing and shaping the Council's future approach to trading.
3. At that meeting there was agreement that it was important to continue trading and to retain and build upon existing business, particularly in relation to schools.
4. A Scrutiny Review Panel commenced a Review of Traded Services in June 2014 reporting to Cabinet on 19th November 2014. The Cabinet accepted the recommendations of the Panel and asked the Chief Executive to ensure that they were acted upon.
5. With the continued financial pressure on the County Council the requirement to raise additional revenue has become a key element of the Council's Transformation Programme and has been specifically included in the County Council's MTFS since 17th February 2016.
6. In June 2016 the Scrutiny Commission received an update on the progress that had been made in delivering the recommendations of the Scrutiny Review Panel.

Background

7. Given the scale of the financial challenges facing the Council it has, in recent years, had to adopt a more commercial approach.
8. There have been some notable successes in the work undertaken so far, partly within Departments and partly through the stand – alone Trading Unit, Leicestershire Traded Services (LTS) brand, such as:

- The LTS surplus grew by c. £900k last financial year as a result of efficiencies, cost control and additional sales.
- The customer base has increased both in terms of other public bodies such as other Local Authorities, Police Forces, Fire Services in Leicestershire and surrounding areas as well as schools in Leicester City, Rutland and Nottinghamshire.
- An online trading platform has been created, allowing customers to log on, view the services they buy, renew annual service agreements, book on courses and buy new services. In April 2018 approximately £500,000 of renewals were made on line.
- Significant work has been undertaken to understand fully costs and margins and to start creating profit and loss accounts for key commercial service areas. New financial process have been introduced to record future sales, monitor progress against stretching targets and control spend better.
- A programme of engagement and negotiation with suppliers has delivered significant savings on third party costs and staff are becoming more accomplished and confident in taking a more commercial approach with suppliers.
- The initial branding work has been developed further with campaigns targeted at specific markets, the online presence has been expanded particularly in those areas trading with the public and annual marketing plans promote different services in line with buying patterns of customers.
- School Food has been particularly successful and is winning new customers in Leicester City and developing relationships with Schools and Colleges in other neighbouring geographical areas.
- A four year business plan has been produced so that managers have a very clear understanding of their current and future financial targets which allows them to carefully control costs and plan ahead for growth.

LTS Summary Plan	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
	£	£	£	£	£
External	13,200	14,900	15,300	15,600	15,900
Internal	9,000	9,000	9,100	8,800	8,800
Sales	22,200	23,900	24,400	24,400	24,700
Capital Financing	-100	-100	0	0	0
Indirect Employee	-100	-100	-100	-100	-100
Premises Related Expenditure	-1,000	-1,100	-1,000	-1,000	-1,000
Staffing	-12,100	-13,400	-13,600	-13,300	-13,200
Supplies & Services	-7,300	-6,900	-6,700	-6,400	-6,400
Support Services	0	0	0	0	0
Third Party & Transfer Payments	-100	-100	-100	-100	-100
Transport	-300	-300	-300	-300	-300
Operating Costs	-21,000	-22,000	-21,800	-21,200	-21,100
Net Operating Contribution	1,200	1,900	2,600	3,200	3,600

- In other trading areas ESPO surplus has grown from £1m to nearly £4.5m over the last three years.
 - EMSS has taken on the majority of Leicester City schools, is at an advanced stage with health providers in Nottingham to establish an EMSS health service arm, and has a joint venture arrangement with a private sector partner to review debt collection processes at other local authorities.
9. However, there have been some areas where progress could have been quicker particularly in relation to setting up alternative operating models to enable trading with the private sector or to establish joint ventures. To increase the pace of change and ensure that trading income makes an increasing and meaningful contribution to the Council's budget a step change in approach is required and an outline Commercial Strategy has been developed.

Commercial Strategy

10. The Outline Commercial Strategy is attached at Appendix 1. It proposes 3 workstreams which will develop and embed a more commercial approach across the Council and generate additional resources. The three workstreams are:

Embedding Commercial Awareness and Skills – training and development for managers, commercial skills added to leadership competency frameworks and a toolkit for service reviews.

Enhancing current trading activities – investing in trading areas to build on the success of LTS, applying similar models of financial control, costing, product development, sales and marketing across the Council. Highways Development Works and Services to Schools will be the initial priorities.

Developing new models of service delivery – examining options for different models of service delivery, trading and joint ventures.

We will also create a small Commercial Development Team which will work alongside departments and the Transformation Unit to deliver programmes of work and create a Commercial Delivery Board to oversee the Councils' commercial activity and monitor the delivery of this strategy.

A detailed programme of activity along with milestones and outcomes will be developed over the coming months and presented to the first meeting of the Commercial Delivery Board for agreement in September 2018.

Governance

11. A Commercial Strategy Annual Report will be prepared and considered by the Cabinet and the Scrutiny Commission in June. The Strategy will subsequently be updated as required.
12. Proposals relating to options for different models of service delivery, trading and joint ventures will be subject to the existing decision making protocols, briefings, scrutiny and Cabinet approval.

13. An internal Commercial Delivery Board will be created which will oversee progress of the Commercial Strategy, the performance of Traded Services and agree and review Business Cases.

Consultation

14. Chief Officers and relevant officer within departments were consulted as part of the development of the Commercial Strategy and their comments incorporated into the strategy and work plans.
15. This report forms part of the consultation with the Overview and Scrutiny Committee prior to it being considered by the Cabinet on 6th July 2018.

Resource Implications

16. In order to identify and generate additional resources there will be the need for extra capacity and skills to support departments. The specific details are currently being developed and are likely to be in the region of £200k on the basis that the activity will generate far in excess of this investment.

Timetable for Decisions

17. The Strategy is being considered by the Cabinet on July 6th 2018 and the views expressed by Scrutiny will be reported to the Cabinet.

Conclusions

18. This report is to update Scrutiny Committee on the progress being made by Leicestershire Traded Services and invite comments from members on the Outline Commercial Strategy and Workplan.

Background papers

Traded Services - Scrutiny Commission - 6 November 2013
<http://politics.leics.gov.uk/documents/s88211/Traded%20Services.pdf>

Final Report of the Scrutiny Review Panel on Traded Services - Scrutiny Commission - 5 November 2014
<http://politics.leics.gov.uk/documents/s96835/Final%20Report%20of%20the%20Scrutiny%20Review%20Panel%20on%20Traded%20Services.pdf>

Update on Leicestershire Traded Services - Scrutiny Commission 15 June 2016
<http://politics.leics.gov.uk/documents/s119765/Update%20on%20Leicestershire%20Trade%20Services.pdf>

Circulation under the Local Issues Alert Procedure

None

Equality and Human Rights Implications

19. There are no equality or human rights implications arising directly from the recommendations in this report.

Appendices

Appendix 1 Outline Commercial Strategy and Workplan 2018 – 2022

Officer to Contact

Neville Wilkinson Head of Commercial Services

Telephone: 0116 305 5040

Email: nev.wilkinson@leics.gov.uk

This page is intentionally left blank

Outline Commercial Strategy and Work Plan 2018 - 2022



Introduction

The Council's last Commercial Strategy was produced in 2013 and reviewed by a Scrutiny Panel, in October 2014. The broad outcomes of both the Strategy and the Panel were for the County Council to provide direction and a commercial focus to those services that traded predominately with Schools.

Leicestershire Traded Services (LTS) was subsequently created by bringing those services in Corporate Resources together, creating a new brand and introducing a commercial approach involving sales, marketing and regular financial reporting. In 2017/18 LTS increased the contribution it makes to the County Council by £900k. It has a target to increase the contribution it makes from trading by £2m by 2020.

However, the financial position for the council continues to be challenging, as the Council is required to deliver more efficiencies, whilst remaining as one of the lowest funded councils in the country. We know that the funding gap for the Council is likely to grow and social care spending continues to absorb a rising proportion of Council resources. Our current predictions estimate that we will need to deliver additional savings of around £ 50m over the period 2018/19 to 2021/22.



Why do we need a Commercial Strategy?

This strategy has been developed to increase the pace of change, to increase the impact that trading income has on the Council's budgets and to support the Council's vision to become more sustainable, modern and effective.



Where are we now?

We undertook a facilitated review of the Council's approach to commercialism and its findings were:

- There is a mixed ambition to trade and be commercial.
- There is an opportunity to apply a more consistent approach to pricing and costing models to improve margins.
- The Council could develop a holistic view of its customers and which services they buy from the Council.
- Services are focused on cost reductions as a means of achieving financial targets as opposed to trading.
- Across the Council there is a lack of understanding of the role of LTS and whether all commercial activity should transfer into LTS or remain within departments
- There is a lack of a commercial framework with guiding principles that support commercialisation including, for example, impact on terms and conditions and a two-tier workforce, investment to support commercial trading, and the use of alternative service delivery models.

Our Commercial Vision

‘The Council has an ambition to be a major and profitable provider of services locally and nationally to both the public and private sectors. Surpluses will be used to offset reductions in government funding and re-invested in local front line services to meet the needs of local people and businesses in Leicestershire. In doing so it will invest to ensure it has the right capacity and capability and commercial culture that is cost and risk conscious, customer focused and innovative.’



We will achieve this vision by:

Embedding Commercial Awareness and Skills – training and development for managers, commercial skills added to leadership competency frameworks and a toolkit for service reviews.

Enhancing current trading activities – investing in trading areas to build on the success of LTS, applying similar models of financial control, costing, product development, sales and marketing across the Council.

Developing new models of service delivery – examining options for different models of service delivery, trading and joint ventures.

We will create a small Commercial Development Team which will work alongside departments and the Transformation Unit to deliver programmes of work.

We will create a Commercial Delivery Board to oversee the Councils’ commercial activity and monitor the delivery of this strategy.

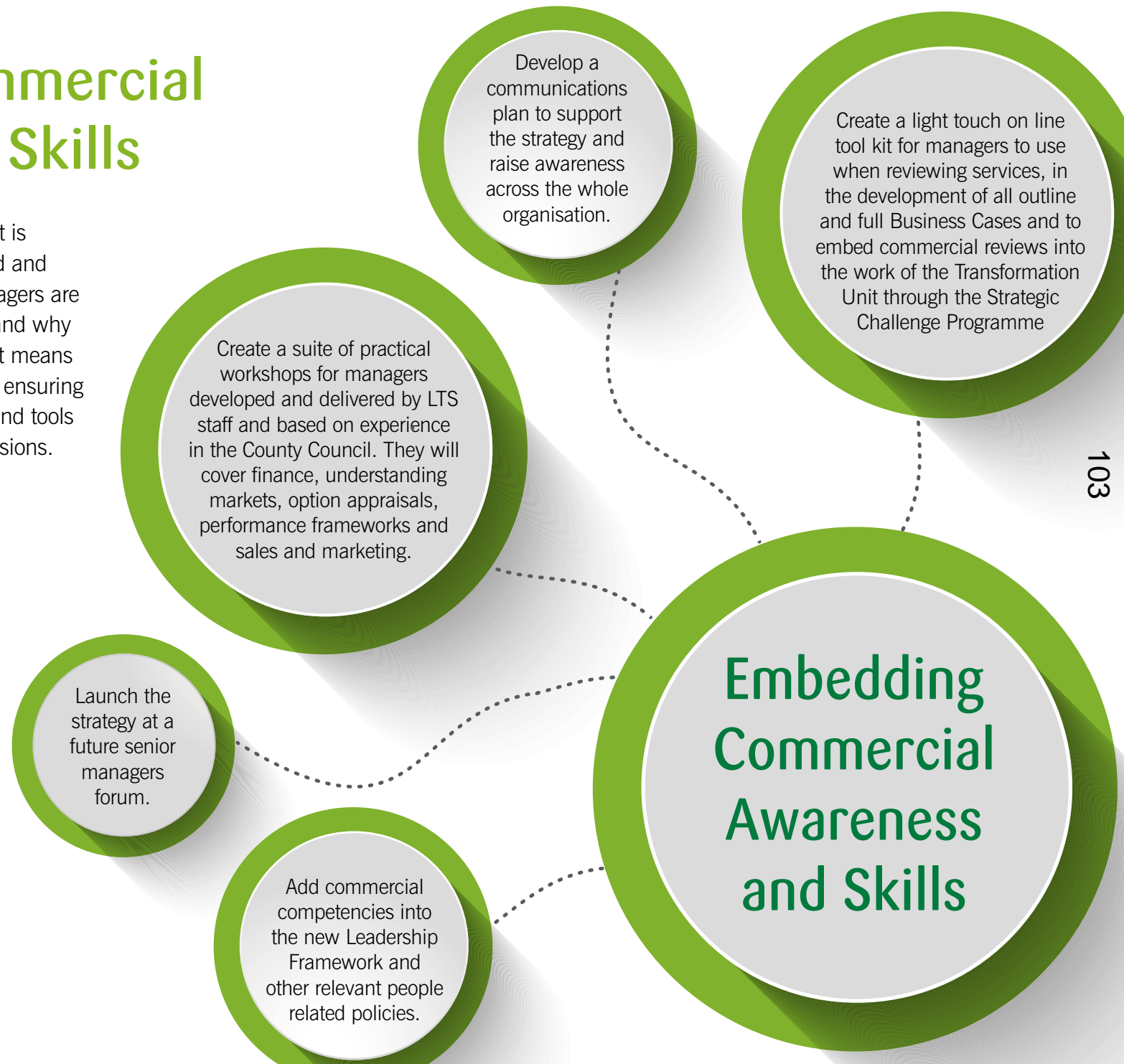
We will produce a Commercial Strategy Annual Report which will be considered by Cabinet and Scrutiny in June and subsequently update the Strategy as required.

A detailed programme of activity along with milestones and outcomes will be developed over the coming months and presented to the first meeting of the Commercial Delivery Board for agreement in September 2018.

Embedding Commercial Awareness and Skills

In order to create a commercial culture that is cost and risk conscious, customer focussed and innovative we need to make sure our managers are aware of the commercial strategy, understand why we want to be more commercial, what that means for them and get them to buy into it before ensuring that they have the right skills, knowledge and tools to be confident in making commercial decisions.

In order to do by September 2018 we will:



Enhancing Current Trading Activities

Leicestershire Traded Services is made up of catering services, property services, the music service and professional and business services including HR and its customer base is predominantly Schools and Academies. It increased the contribution it makes to the County Council by £900k in 2017/18 through a combination of new sales, cost and supplier cost reductions. It is targeted to increase its contribution by £2m by 2020.

Over the past 2 years these services have undergone significant cultural change in terms of understanding cost, financial management, reporting and focussing on sales and marketing.

There are many other services that already trade across all departments of the County Council such as highways, heritage and services to schools and this element of the strategy aims to review and improve current trading operations as well as build on the achievements in LTS. We will begin this work by working with departments to:



We will pilot this approach in Highways Development Work & Services to Schools and then develop a programme of work from the services listed below through a ‘Dragons Den’ process to identify the areas with most potential.

	Chief Executives	Environment and Transport	Children’s and Family Services	Adults and Communities
Enhancing current trading activities	Legal Services Trading Standards Registrars Planning BI	Ash Die Back Vehicle access Street lighting Winter maintenance Taxis Network intelligence Highway Development Work	Fostering Services to Schools First Response	Adult Learning Heritage Creative Learning Short Breaks Direct Payments Low cost care

- We will also:
- Develop a cross council programme of reviews by September 2018
 - Report performance to the Commercial Delivery Board

	Corporate Resources	Public Health	EMMS	
Enhancing current trading activities	Commissioning ICT Audit TU Insurance Pensions Communications and Design	Existing LTS Services eg: HR L and D Leamis Catering Property	School based support Development of Consultancy offer (after initial evaluation) Health Impact Assessment (after initial evaluation)	Finance Payroll

Developing new models of service delivery

There are a number of potential areas where there may be both financial and non-financial advantages gained by forming different trading vehicles, joint ventures or partnerships or insourcing some services. In discussions with Chief Officers a number of potential areas for examination have been identified.

Our aim is to maximise the advantages of developing new models of service delivery. We will do this by supporting departments in researching and developing new models in Highways development work, Reablement and Residential Care and the Children's Services Partnership.

This will build on the work departments have already completed in these areas. It will involve input from both departmental specialists and a number of Support Services. The aim is to identify a clear direction of travel in Highways and Adults Services by Autumn 2018. Commercial Specialists and the Transformation Unit will be available to support the development of commercial projects that arise from the proposed Children's Services Project.





SCRUTINY COMMISSION – 6 JUNE 2018

**CORPORATE COMPLAINTS AND COMPLIMENTS ANNUAL REPORT
2017 – 2018**

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of Report

1. The purpose of this report is to present for the Commission's consideration the Corporate Complaints and Compliments Annual Report, covering the period 1 April 2017 to 31 March 2018. This is attached as appendix A to this report.

Policy Framework and Previous Decisions

2. A new Corporate Complaints Procedure was adopted by the Authority in April 2010 which requires an Annual Report to be produced, analysing and reviewing complaints received during the preceding 12 months.

Background

3. The Customer Relations Team manages and co-ordinates complaints relating to 3 separate complaints systems –
 - (i) Adult Social Care statutory process;
 - (ii) Children's Social Care statutory process;
 - (iii) Corporate Complaints process – these are complaints relating to other services provided by the Council where there is no other form of redress.
4. This third category is the subject of this report. Both statutory processes are subject to other reporting processes and annual reports on both areas will follow in autumn 2018 to the respective Overview and Scrutiny Committees.
5. As detail is included in the Annual Report itself, the purpose of this report is to highlight the headline issues emerging from the analysis of complaints activity for 2017/2018.

Headline statistics

Complaints received and outcomes (2017-18 comparative data in brackets)

6. During 2017-18 the following complaints were received

- 268 Corporate complaints (260) – a 3% increase
 - 47 Local Government and Social Care Ombudsman (LGO) enquiries (44) – a 7% increase
7. 101 Corporate complaints were upheld - which is 38% of the total received (36%)
8. 40 Ombudsman decisions were made during 2017/18 as follows:
- 10 Closed after initial enquiries;
 - 7 No fault found after full investigation;
 - 14 Outside of LGO remit;
 - 5 Premature;
 - 4 Maladministration with injustice;

Response times

9. During 2017-18, complaint response times were broadly similar to the previous year but remain above internal targets (2016-17 figures in brackets):
- 65% of all complaints received a response within 10 working days (69%);
 - 90% received a response within 20 working days (90%);
 - 99% received a response within the maximum 65 days recommended by LGO (99%).

Issues complained about and numbers upheld

10. The top three issues complained about were as follows

- | | |
|--------------------------------|--------------------|
| • Delays in providing services | 55 or 21% of cases |
| • Quality of Work | 44 or 16% of cases |
| • Professional decision making | 41 or 15% of cases |

11. The top three issues most likely to be upheld were as follows

- | | |
|-------------------------------|------------------------|
| • Accuracy of Information | upheld in 61% of cases |
| • Quality of work | upheld in 53% of cases |
| • Delay in providing services | upheld in 51% of cases |

12. Of the complaints adjudicated on by the Ombudsman, financial remedies totalled just £50. The figure for 2016-17 was £1,025

New Developments

13. "Effective complaints handling" training continues to be delivered to managers within the organisation. Feedback from delegates has been positive and in many cases the quality of responses has demonstrably improved.
14. Work continues on enhancing our complaints toolkit to help managers access guidance and templates when responding to complaints

15. Procurement of a single consolidated system for management of complaints, freedom of information (FOI) requests and subject access (SAR) requests. This should offer administrative benefits and enhanced reporting capabilities.

Recommendations

16. The Commission is asked to:

- (i) note the contents of the Corporate Complaints Annual Report, covering the period 1 April 2016 to 31 March 2017.
- (ii) provide comment and feedback on the content and analysis within the Report.

Circulation under the Local Issues Alert Procedure

None.

Background Papers

Corporate Complaints and Compliments Annual Report 2016 – 2017: Scrutiny Commission – 19 July 2017

Officer to Contact:

Simon Parsons, Complaints Manager
Tel: 0116 3056243
Email: simon.parsons@leics.gov.uk

List of Appendices

Corporate Complaints and Compliments Annual Report 2017 – 18

Equality and Human Rights Implications

None

This page is intentionally left blank



Complaints



Corporate Complaints & Compliments Annual Report 2017 - 2018

CONTENTS

	Page
1. Purpose of Report	2
2. Complaints & Compliments received in 2017-18	2
3. Service Performance 2017-18	8
4. Learning from corporate complaints	11
5. Local Government Ombudsman enquiries	13
6. Oversight and Support provided by Complaints team	15
7. Work Priorities for 2017/2018	16
8. Concluding Comments	16
9. Appendix A – Examples of compliments received	17

1. Purpose of Report

- 1.1 To report statistical information to Members and Officers detailing Leicestershire County Council's (LCC) corporate complaints and compliment activity from 1st April 2017 to 31st March 2018.
- 1.2 To provide an open resource to anyone who wishes to scrutinize local services
- 1.3 To outline the key developments and planned improvements to the complaints processes operated by the Council.
- 1.4 To consider how some of the learning from complaints and compliments and can be used to improve the overall customer experience.

2. Complaints and Compliments received in 2017-18

2.1 Introduction

The Complaints Team manages and co-ordinates complaints relating to 3 separate complaints systems –

- i) Adult Social Care statutory process
- ii) Children's Social Care statutory process
- iii) Corporate Complaints process – these are complaints relating to other services provided by the Council where there is no access to a statutory complaints procedure.

In addition, the team deals with a wide range of interactions with customers that do not go on to become formal complaints. These include general queries, as well as matters which are exempt from consideration under our complaints policies. Further detail is provided in Section 2.4.

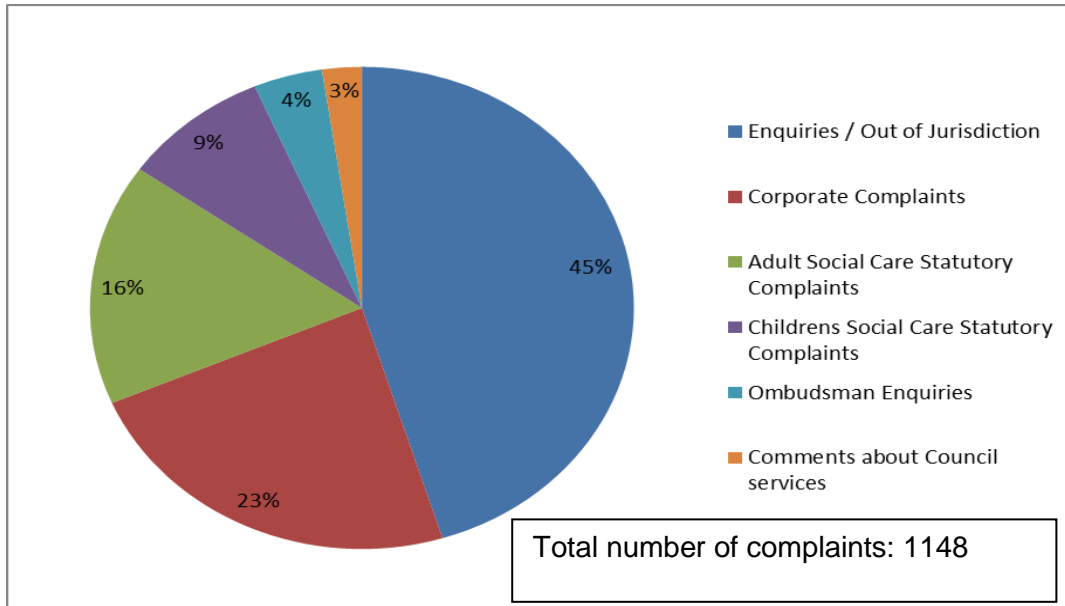
Whilst many of the queries are quickly resolved, those where exemptions from the complaints procedure apply can often generate significant correspondence and phone calls.

Finally, in liaison with the Director of Law and Governance, the team also manages all complaints that are referred to the Local Government Ombudsman. The Complaints Manager acts as the nominated Link Officer and handles all correspondence between the Council and the Ombudsman.

2.2 Summary of all complaints received in 2017-18

In total, the Complaints Team received and processed 1148 enquiries during 2017/2018, as depicted below

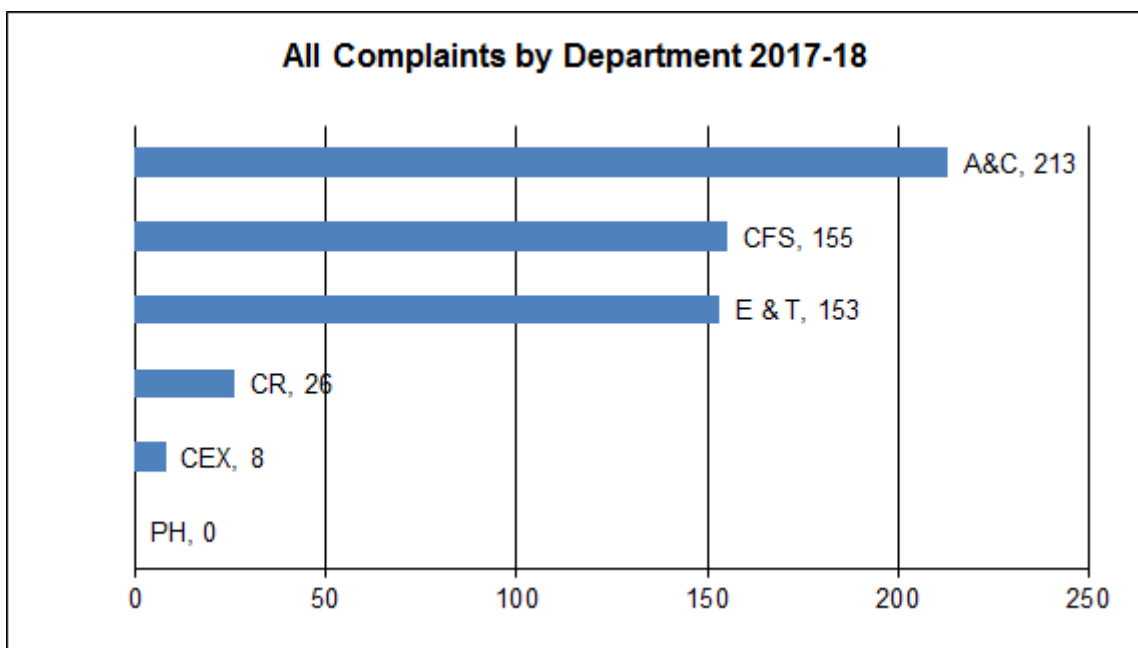
Table 1: Breakdown of all complaints and enquiries received by the Complaints team



This represents an overall slight decrease of 5% on prior year (1208)

Complaints were received across all departments in 2017-18 with the exception of Public Health. The graphic below segments all complaints by department.

Table 2 – All complaints (statutory and non-statutory) by Department

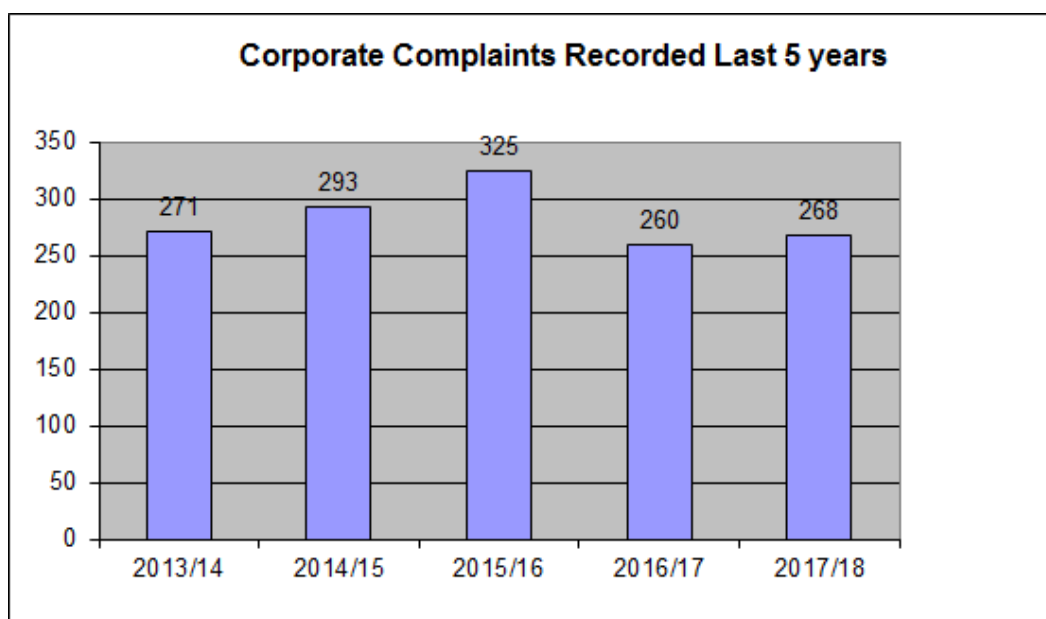


2.3 Corporate Complaints trend analysis

This report relates solely to the Council's corporate complaints and compliments processes.

The total number of corporate complaints received increased very slightly during 2017-18 following a significant reduction in 2016-17. The long term trend shows a stable and consistent volume.

Table 3: Corporate Complaints recorded during the last 5 years



2.4 Analysis of corporate complaint themes and significant changes from 2016-17

A key part of an effective complaints system is to highlight areas for improvement and to seek improvement of those services year on year. During 2016-17 the 5 services detailed below received the most complaints. The comparative data for 2017-18 shows significant reductions in volumes received.

Service	2016 / 17	2017 / 18
Traffic & Safety concerns ¹	18	14
Footway & Carriageway condition	16	5
Network Management (Utility Companies)	16	15
Recycling & Household Waste sites	16	15
Grass Cutting	13	7

¹ This includes traffic calming requests, parking concerns, safe walking and cycling routes and requests for crossing points

It is pleasing to see a continuing downward trend in grass-cutting complaints. This is down to improvements made to information available online which, quickly and dynamically, enables residents to find information about when grass cuts are due and whether issues have been reported. This has also led to a 57% reduction in contact to the Customer Service Centre.

The other big improvement to note is around complaints about repairs to highways or footways. This report does not take a view on the overall number of requests being made, which are high given the severe winter, but rather shows good evidence that when reported, prompt action is being taken. Delay in responding has previously been at the heart of these complaints so this reduction provides good evidence of improvement in this area also.

Whilst the above are notable successes, it is also important that all of the areas identified previously have seen a relative reduction in complaints received this year.

2.5 Analysis of most common corporate complaints in 2017-18

There have also been several new areas which have featured prominently this year and the list below details the 5 most frequent areas complained about during 2017-18

Service	2017 / 18
Travel and Transport Services	32
Gullies, Drainage & Flooding issues	23
Special Educational Need (SEN) / Education and Health Care Plan (EHCP) Assessments	15
Network Management (Utility Companies)	15
Recycling & Household Waste sites	15

For Travel and Transport services, a rise in complaints this year was expected. A full review of fleet arrangements has been undertaken which saw a number of instances whereby SEN students received an unwelcome change to their transport provision.

Although the volume of complaints was less than anticipated (9) it largely explains the increase from 2016-17 volumes.

Flooding and drainage is a complex area and often not straightforward to resolve. Nevertheless, complaints intelligence suggests this is an area we can improve on. There have been a number of poor customer journeys exposed through complaints consideration with unreasonable delay and lack of expectation management being the key failure points. The Environment and Transport senior management team have fully accepted these concerns and have a number of plans in place to generate service improvement.

The final new theme is around SEN assessments. This is another complex area and where complaints can have overlap into other appeals procedures (Tribunal). The main themes were about delay or “drift” in care planning or placement decision making.

2.6 Enquiries and Out of Jurisdiction complaints

As well as managing formal complaints, the Complaints Team is also well placed to proactively assist customers where they simply looking for assistance or struggling to contact the service they need.

Many such matters can be quickly and informally put right and where this is the case, the intervention is not formally recorded as a complaint. Our complaints policy specifies a window of opportunity of up to 24 hours to achieve such informal resolution. In all instances the complaints team will track the case to ensure resolution is made.

Similarly under our policy a request for service is not a complaint (e.g. a request for service could be a request to repair a pot-hole). A complaint would generally only arise should the request for service not be properly dealt with or there is evidence this has been reported previously.

The Complaints Team regularly handles calls of this nature and takes ownership of the case, liaising with the department to ensure they are responded to promptly.

During 2017-18, the Complaints Team handled 519 miscellaneous interactions, consisting of:

- Requests for service which were passed to the relevant Customer Service Centre or other access point (185)
- Informal resolution within 24 hours (167)
- On-going correspondence around complaints which have already been considered and responded to (81)
- Providing advice and signposting to the correct organisation e.g. District Councils, Academies, Health (47).
- Providing advice and signposting to alternative procedures for redress, for example internal appeals procedures, subject access requests, HR procedures (39)

Sometimes, these are simple matters for the team to resolve. Others can be extremely difficult cases; especially when managing expectations and where nothing more can be achieved through the complaints process.

Wherever possible, the Complaints Team aims to resolve customer complaints and concerns without the need to escalate into the formal complaints process. This is good complaints handling practice with complaints being resolved as close to the point of origin as possible. It is encouraging to see that 167 such cases were able to be resolved at this stage

During 2017-18, the complaints team did however receive a significantly higher number of calls which were simply that callers were unable to contact officers dealing with enquiries. This suggests further work is required on ensuring that all staff are aware of the Council's commitments to customer services and prompt acknowledgement of calls.

These are all important issues as prompt communication and resolution both enhances the reputation of the Council and helps avoid costly escalations both internally and to the Local Government Ombudsman.

2.7 Compliments received

188 compliments were recorded across all services during 2017-18, a reduction on the recorded numbers in 2016-17.

It is always encouraging to see visibility of the good work that is being delivered by the Council and it will remain a topic for discussion with departments to encourage and promote sending compliments in for central collation

A small selection of the compliments received about corporate services can be found in Appendix A of this document.

3. Service Performance 2017-18

The key performance indicators for speed of response, outcomes, causes and identified learning are linked to complaints that have been *resolved* within any given reporting period rather than received.

This is important as it ensures that full data sets are able to be presented, both to departments on a quarterly basis, and at year end. It also avoids the scenario whereby Ombudsman findings of maladministration might not appear in annual reports (where outcomes are not known at the time of production).

It follows from all of the above that the figures presented below will not match the data presented in section two of this report which focused on complaints *received*.

3.1 Responsiveness to corporate complaints

Table 4: Corporate Complaints Performance against timescales

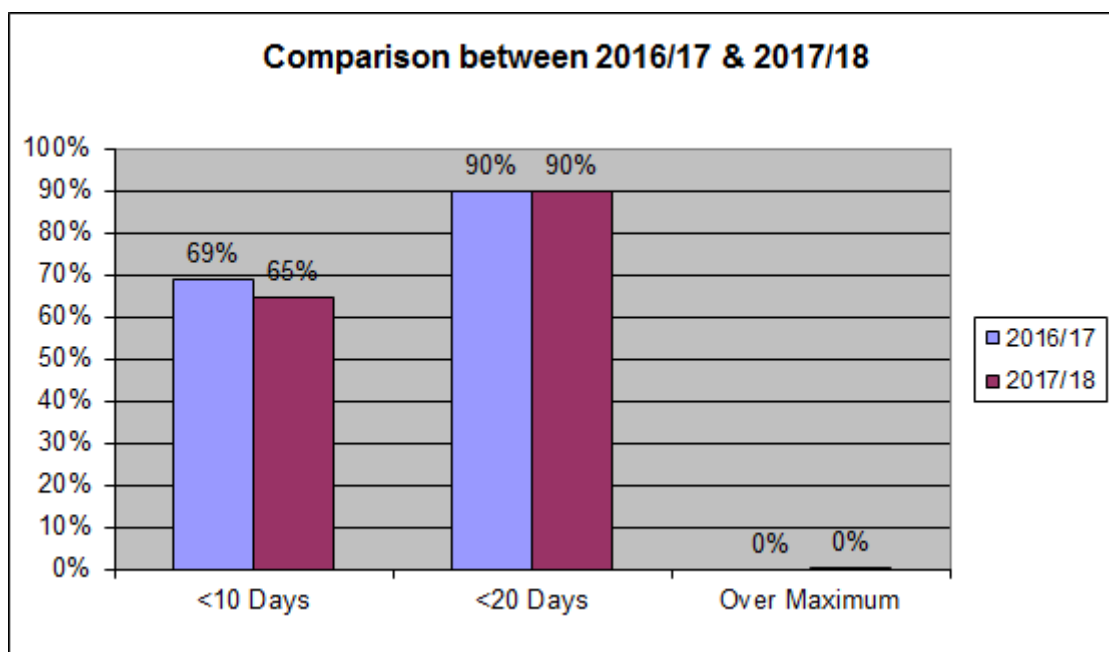


Table 4 above shows a summary of time taken to respond to complaints, providing a comparison between the current reporting year and the previous one.

The table above shows fairly consistent performance and adherence to our key performance indicators of 60% within 10 working days and 90% within 20 working days.

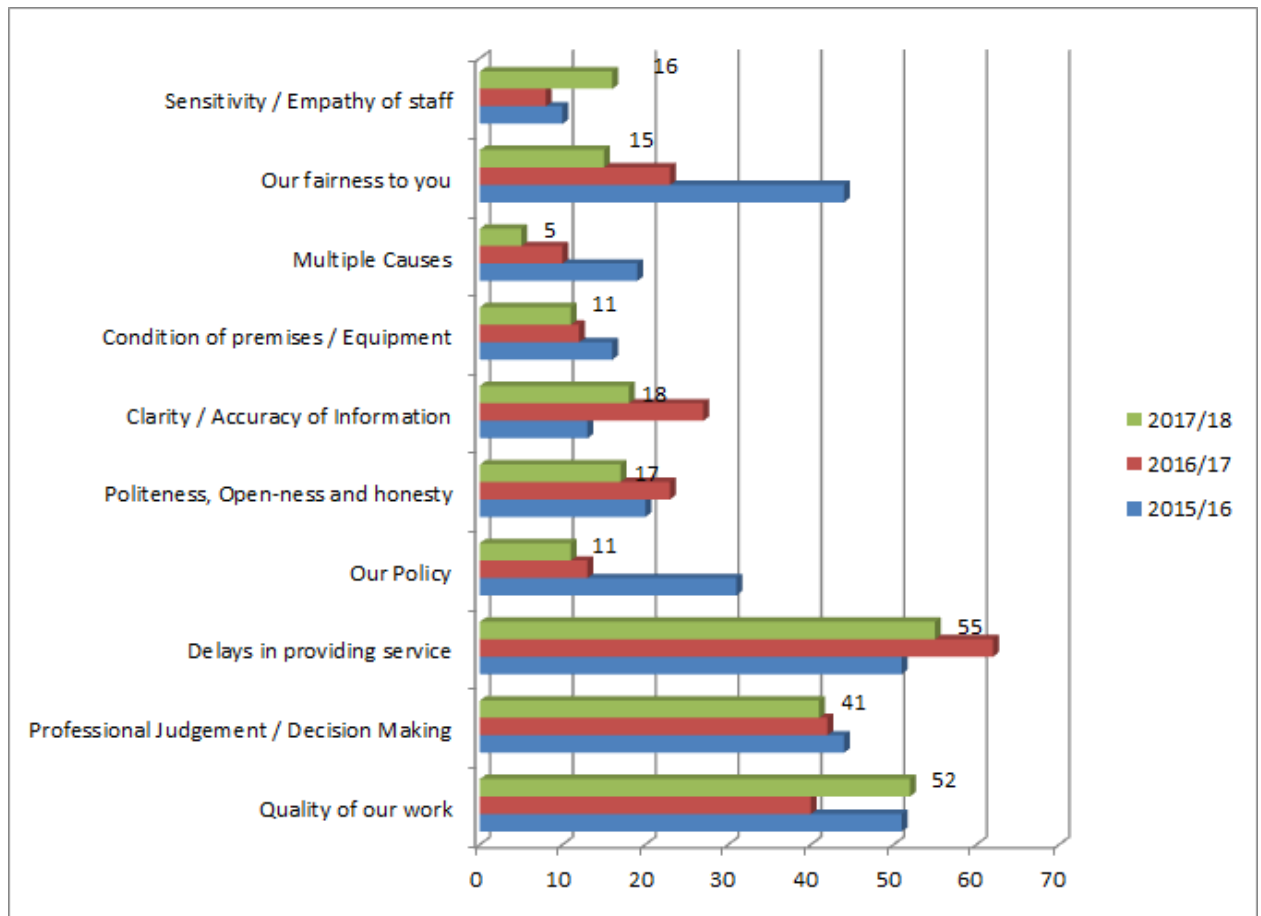
Just 1 complaint was not concluded within 65 working days. This was delayed due to a number of cancelled resolution meetings which had been offered by the department.

3.2 Primary cause of corporate complaints

All complaints are analysed by the Complaints Team to try to establish the principal cause. Whilst in some instances, complaints do cover multiple issues and it would not be right to focus on one specific area, this can prove an instructive way of understanding where the organisation needs to target improvement.

The graphic below shows the comparative data for the preceding 3 years

Table 5 – What were complaints about?



There are no noteworthy changes this year, with delay remaining the most commonly identified trigger of complaint.

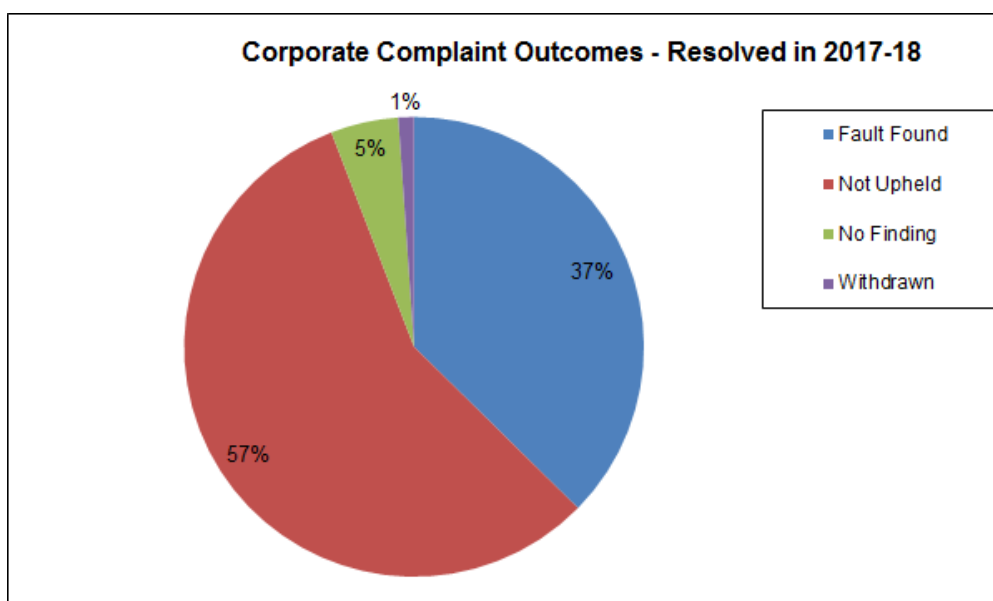
As identified in Section 2.3, there have been some areas where we have significantly improved our response times to enquiries, however there is clearly more still to be done to both improve our responsiveness and / or expectation management.

The full breakdown of complaint causes and their respective outcome appears in table 6 below.

Table 6: Corporate Complaint Causes

Cause	Number	% Fault Found
Accuracy / Clarity of Information	18	61%
Quality of our Work	44	53%
Delays in providing services	55	51%
Sensitivity / Empathy of staff	16	48%
Politeness, Openess and Honesty	17	35%
Our Fairness to you	15	27%
Multiple	5	20%
Condition of our premises or infrastructure	11	18%
Professional Judgement / Decision making	41	15%
Our Policy	11	9%

3.3 Corporate Complaint Outcomes & Resolutions

Table 7: Corporate complaints recorded by outcome.

In order to align with Local Ombudsman data classification and simplify our own reporting, the Council no longer differentiates between whether a complaint was partly or fully upheld. Instead, the Complaints team will assess all complaints responded to and classify as either “Fault Found” or “Not Upheld”

Table 7 above shows that 37% of complaints were upheld following investigation, this is in line with 2016-17 (36%) and expected range.

Thirteen complaints were resolved with no finding. This is where there was insufficient evidence to make a finding (e.g. two irreconcilable versions of events)

4. Learning from corporate complaints

Complaints are a valuable source of information which can help to identify recurring or underlying problems and potential improvements. We know that numbers alone do not tell everything about the attitude towards complaints and how they are responded to locally. Arguably of more importance is to understand the impact those complaints have on people and to learn the lessons from complaints to improve the experience for others.

Lessons can usually be learned from complaints that were upheld but also in some instances where no fault was found but the Authority recognises that improvements to services can be made.

Occasionally during the course of an investigation issues will be identified that need to be addressed over and above the original complaint. The Complaints Team will always try to look at the “bigger picture” to ensure that residents receive the best possible service from the Council

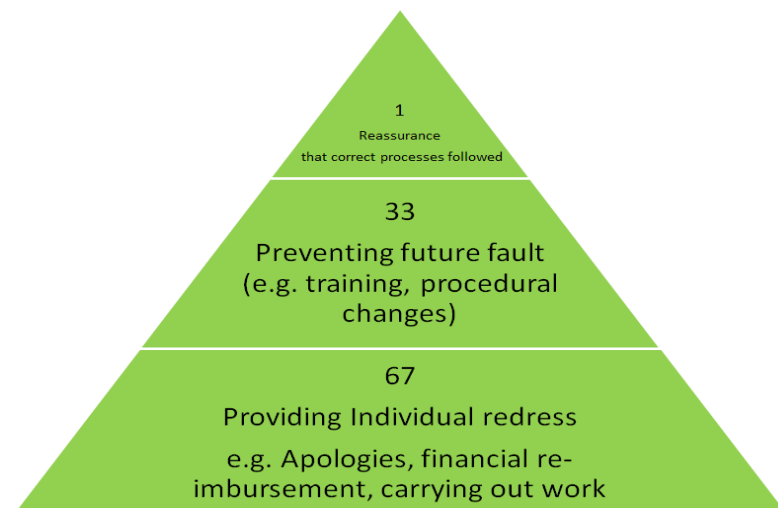
4.1 Remedial actions taken from resolved complaints 2017-18

All of the 101 complaints where fault has been found have been reviewed by the Complaints Team to ascertain what action the relevant department has taken, both in remedying the fault, and any wider learning to avoid such issues occurring in the future.

Remedial action typically consists of both individual redress (e.g. apology, carrying out overdue work) and wider actions that may affect many. On occasions, fault has already been remedied so the complaints process is used to re-assure that appropriate action has been taken.

The diagram below shows the actions taken during 2017-18. 33% of complaints upheld resulted in actions that should improve service for other residents. This is a slight reduction on 2016-17 (38%)

Table 8: Summary of actions taken following complaint investigation



A sample of positive improvements the Council has made is set out below.

You complained that	We Have
One of our taxi contractors was running an unsafe and unreliable service	Terminated the contract following thorough investigation and other concerns received
You mixed up my daughter's details and contacted the wrong school re her placement	Apologised and reviewed processes the team used in handling multiple requests
Carer support grants are not processed in a timely way	Reviewed the process for this within our customer service centre and taken on ring-fenced resource to improve the position
You don't make it clear enough that your waste sites restrict entry 5 minutes before closing	Reviewed the content on our web-site to make this clear and installed clearer signage at sites.
You don't provide any feedback on what is happening once a request is with the drainage team	Set in place a number of long term actions to bring about improvements in this area

5. Local Government and Social Care Ombudsman enquiries

Should a complainant remain dissatisfied following internal consideration of their complaint, they can take their complaint to the Local Government and Social Care Ombudsman to seek independent investigation.

The Ombudsman will usually check with the Authority whether or not the complaint has exhausted the Local Authority's complaints procedure. Where this has not been done, the Ombudsman will usually refer the complaint back to the Authority, to give us an opportunity to attempt to resolve the complainant's concerns through our internal complaints processes first.

The Ombudsman publishes some headline information on each Council's performance every year, although at time of writing this report this information has not been released. This data is expected late July 2018 and will be reported through the Corporate Governance Committee in October 2018.

It is important therefore to note that the figures below are the details the Council holds for LGO enquiries.

5.1 New enquiries made to the Local Government Ombudsman 2017-18

During the year 2017-18, the Local Government Ombudsman made 47 new enquiries of the County Council. This can be further segmented by department and alongside last year's figures:

Department	2017/18	2016/17
Environment and Transport	9	13
Children and Family Services (includes social care)	19	13
Adults and Communities (includes social care)	14	14
Corporate Resources	0	2
Chief Executives	5	2

5.2 Decisions made by the Local Government Ombudsman 2017-18

The LGO made Final Decisions on 40 cases during the year with outcomes recorded as:

- Five identified as premature and referred back to the Council for further consideration under the appropriate complaints procedure.
- Fourteen identified as outside of the Ombudsman's remit and discontinued on this basis
- Ten were closed after initial enquiries (the Assessment stage) with no further action. Typically this is where the LGO feel they are unlikely to find any fault or are satisfied with the Council's response.

- Seven were closed after detailed investigation and with no maladministration found

- Four cases of maladministration and injustice

The numbers of cases where the Ombudsman highlighted maladministration reduced significantly this year (12 in 2016-17) and this is a good indicator of the Council's improvement in identifying and remedying any fault appropriately through our complaints procedure.

Only one of the four maladministration findings related to corporate services with brief details set out below:

Case 1 – Chief Executives:

Mrs A complained about a School Admissions appeal panel. The Ombudsman found procedural fault in that the Council had considered the matter on the wrong terms.

The LGO recommended that a fresh appeal hearing be heard which the Council agreed to.

The remaining 3 cases where fault was found relate to either Adults or Childrens Social Care and details will appear within the respective statutory reports.

6. Oversight and support provided by Complaints service

The Complaints Team continues to support departments to both manage and learn from complaints. The key services offered by the team are:

1. Complaints advice and support
2. Production of Performance Reports
3. Liaison with the Local Government and Social Care Ombudsman
4. Quality Assurance of complaint responses
5. Complaint handling training for managers
6. Acting as a critical friend to challenge service practice
7. Support with persistent and unreasonable complainants

The Complaints Manager offers regular assistance in a number of complex cases and to act as a single point of contact within the Authority. This helps manage protracted disputes and ensures consistent responses are issued.

In line with the Council's Unreasonable Complainants Policy, the Complaints Manager also supports departments with managing challenging complainants. This can include seeking to restrict contact with the organisation due to the frequency of contact and the impact on officer time. Two such protocols have been issued in the last 12 months.

Complaints training continues to be offered to departments, including a new course focusing on investigation and response techniques. This has been well received and contributes to the positive cultural improvements.

Assistance continues to be routinely provided to managers in drafting comprehensive responses to complaint investigations. This helps ensure a consistency of response and that due process is followed.

Quarterly complaints reports are produced and presented to Departmental Management Teams or Senior Leadership Teams as appropriate. The Complaints Manager also regularly meets quarterly with each department's Intelligent Client to talk through complaints matters.

The Complaints Manager is the Chair of the Eastern Region complaints managers group which represents the interests of some 18 local authority complaints professionals and ensures knowledge of the latest policy developments across all complaint types. This group allows for the sharing of good practice in complaints resolution.

7. Complaints service priorities for 2018-19

During 2018/19, the Complaints team will focus on a number of key priorities, as follows:

- Procurement and implementation of a new complaints, FOI and subject access requests (SAR) case management system.
- Continuing to improve the resource library for Managers responding to complaints and encourage more self-help.
- Continue the roll-out of complaints training to managers
- Maintain the low levels of maladministration findings by the Local Government and Social Care Ombudsman
- Maintain and further improve the Council's strong track record of timely complaint responses.

8. Concluding Comments

Although the overall volume of corporate complaints did increase in 2017-18, this was not by a significant factor.

Customer service improvements have been seen in high volume services such as Grass cutting and gritting which has helped limit this increase and more importantly reduce frustrations over lack of information in these areas.

Despite the ongoing pressures on service delivery, there has not been an impact on responsiveness to complaints and the Council is achieving against target in this area. The absence of any significant findings of fault by the Ombudsman suggests that for the most part complaints are dealt with openly and fairly.

Notwithstanding this, there remain clear opportunities to improve in a number of areas and the Complaints Manager will continue to work with senior leadership teams to effectively utilise complaints intelligence to support positive improvements to service delivery.

APPENDIX A – Sample of compliments received

- Your contractor did an excellent job and went the extra mile to tidy the site. I would just like to thank you again for the way in which you dealt with my complaint so swiftly – **Public Rights of Way and Complaints**
- Whenever I ring adult social care I am impressed by the kind professional help I receive from the customer services team...I'm sure they must have a very high workload but I have always been treated with care and patience and offered appropriate advice – **Customer Service Centre**
- Thank you to Jamie and Bernard for resolving a situation quickly. I just wanted to express my gratitude for supporting it – thank you. – **Highways Schemes**
- I visited Lutterworth Recycling centre today to deposit some rubbish. I am currently suffering from a knee injury which is affecting my mobility. The staff were so incredibly helpful – **Waste Management**
- Thank you so much for everything today Paula. Superb customer service. – **School Admissions**
- I just wanted to let the department know that I think that the report (risk assessment) is an excellent one and true to O's needs and difficulties. It is worded thoughtfully and ensures that any potential triggers can be avoided or coped with – **SEN Transport**
- The website is a pleasure to use, clear, fast, easy to navigate. I found the answer to my query in a couple of quick clicks, thank you. - **Digital Services**
- I would just like to thank you and your team for sorting out the nuisance lamp outside our property. It may have taken a little longer than hoped but it has certainly made a big difference to our quality of life - **Streetlighting**
- I went today to arrange a copy of my marriage certificate at County Hall Registration office. Wonderful service from the lady who took my details and from the receptionist – **Registration Services**
- I called and spoke to Sadie to try and see what I have to do and can I just say she was lovely. I was a little upset as I was dropping off some clothes and belongings from a family member that had died, and felt the parking ticket was a bit too much for me at the moment. Her kind words made me feel a lot better. So thank you to Sadie – **Notice Processing Unit**
- Yesterday morning Main Street and Beacon Road in Woodhouse Eaves had been gritted. These roads aren't normally done, so it was great to see the hard working staff providing additional support and keeping everyone moving. Great work – **Winter Maintenance**