



Meeting: **Cabinet**

Date/Time: **Friday, 22 November 2019 at 2.00 pm**

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

Contact: **Anna Poole (Tel. 0116 305 2583)**

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Membership

Mr. N. J. Rushton CC (Chairman)

Mr. R. Blunt CC	Mr. T. J. Pendleton CC
Mr. L. Breckon JP CC	Mr. J. B. Rhodes CC
Mr. I. D. Ould OBE CC	Mrs H. L. Richardson CC
Mr. B. L. Pain CC	Mr. R. J. Shepherd CC

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AGENDA

**Appendices for the agenda items below have been circulated separately. These and the reports can be viewed on the County Council's website at <https://bit.ly/2Qf9vwU>
Copies can also be obtained by contacting the committee officer.**

<u>Item</u>	<u>Report by</u>	
1. Minutes of the meeting held on 22 October 2019.		(Pages 3 - 12)
2. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.		
3. Declarations of interest in respect of items on the agenda.		
4. Outcome of Consultation on the County Council's Priorities.	Director of Corporate Resources	(Pages 13 - 20)



<u>Item</u>	<u>Report by</u>	
5. Special Education Needs and Disabilities - Proposed Transfer of Funding within Dedicated Schools Grant.	Director of Children and Family Services	(Pages 21 - 28)
6. Delivering Growth in Leicestershire: East of Lutterworth Strategic Development Area and Other Projects.	Director of Corporate Resources and Chief Executive	(Pages 29 - 50)
7. Barrow Road/Poole Farm, Quorn Development - Solar Farm and Light Industrial Units.	Director of Corporate Resources	(Pages 51 - 60)
8. Tree Management Strategy.	Director of Corporate Resources	(Pages 61 - 66)
9. Melton Mowbray Local Plan Delivery Partnership - Housing Infrastructure Fund Bid.	Director of Environment and Transport and Director of Corporate Resources	(Pages 67 - 76)
10. A511 Growth Corridor Proposals.	Director of Environment and Transport	(Pages 77 - 90)
11. Annual Delivery Report and Performance Compendium 2019.	Chief Executive	(Pages 91 - 100)
12. Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy 2020-24 - Permission to Consult.	Director of Adults and Communities	(Pages 101 - 108)
13. Annual Report of the Director of Public Health: Leicestershire's Health - Physical Activity - Moving to a Whole Systems Approach.	Director of Public Health	(Pages 109 - 114)
14. Leicestershire Substance Misuse Strategy 2020-2023.	Director of Public Health	(Pages 115 - 122)
15. Response to Consultation on Leicestershire Fire and Rescue Service Integrated Risk Management Plan 2020 - 2024.	Chief Executive	(Pages 123 - 128)
16. Items referred from Overview and Scrutiny.		
17. Any other items which the Chairman has decided to take as urgent.		



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Tuesday, 22 October 2019.

PRESENT

Mr. J. B. Rhodes CC (in the Chair)

Mr. L. Breckon JP CC
Mr. I. D. Ould OBE CC
Mr. B. L. Pain CC

Mr. T. J. Pendleton CC

Apologies

Mr. N. J. Rushton CC, Mr. R. Blunt CC, Mrs H. L. Richardson CC and Mr. R. J. Shepherd CC

In attendance

Mrs. C. M. Radford CC, Mrs. D. Taylor CC, Mr. O. O'Shea CC, Mr. S. J. Galton CC.

321. Minutes of the previous meeting.

The minutes of the meeting held on 13 September were taken as read, confirmed and signed.

322. Urgent items.

There were no urgent items for consideration.

323. 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. L. Breckon CC declared a Personal Interest in item 7 (A Vision for Local Government in Leicestershire) and item 15 (Response to Blaby District Council's New Local Plan Issues and Options Consultation) as a member of Blaby District Council.

324. Special Educational Needs and Disabilities Funding - Latest Funding Position (High Needs Block) and Development of New Provision.

The Cabinet considered a report of the Director of Children and Family Services concerning funding for Special Educational Needs Provision (SEND). A copy of the report marked 'Agenda item 4' is filed with these minutes.

Mr Ould CC said that the Schools' Forum had recently discussed the potential transfer of up to 0.5% from the Schools Block to the High Needs Block and there was a general understanding of the significant financial issues faced by the Council concerning SEND funding.

In response to questions from members the Director confirmed that whilst the Authority would benefit from additional one-off High Needs funding in the region of £5.4m for the 2019/20 financial year, it would not be enough to address the overall deficit which continued to rise.

RESOLVED:

- (a) That the current forecast High Needs Block overspend of £6.1m at the end of the financial year be noted;
- (b) That it be noted that Leicestershire schools and the Schools Forum will be consulted on the proposed transfer of up to 0.5% of Schools Block funding to the High Needs Block for 2020/21 or for 2021/22 to help manage the revenue budget position as soon as the relevant information is available;
- (c) That the Director of Children and Family Services be authorised to apply to the Secretary of State for approval of the transfer at (b) above should it not be agreed by the Schools Forum;
- (d) That the Director of Children and Family Services be authorised:
 - (i) after the necessary consultation, to progress the transfer of Oakfield Short Stay School to new locations in north and south Leicestershire,
 - (ii) following consultation with the Cabinet Lead Member for Children, Families and Safer Communities, to agree a shortlist of potential academy trusts to be recommended to the Department for Education (Regional Schools Commissioner) for a decision on a preferred Trust to operate the new 50-place Social Emotional and Mental Health (SEMH) needs school to be developed on the vacant Oakfield site in Blaby.

(KEY DECISION)

REASONS FOR DECISION:

The High Needs Block, part of the Dedicated Schools Grant (DSG), funds SEND provision and is currently overspent. The High Needs deficit is forecast to increase up to 2020/21 before being recovered in 2024/25. The transfer of up to 0.5% from the Schools Block to the High Needs Block will reduce the overall DSG deficit.

It is a requirement to consult Leicestershire schools and the Schools Forum for proposed transfers of up to 0.5%. Should the Forum not approve the transfer, the Council may seek approval from the Secretary of State; such a request would need to be submitted to the Department for Education (DfE) by 28 November 2019 for a transfer within 2020/21. If the request is made after this date, the transfer would be sought for 2021/22.

The High Needs Development Plan seeks to introduce a number of measures to reduce the forecast overspend and subsequent deficit.

Seeking expressions of interest from suitable academy proposers (sponsors) to operate the new SEMH school in Blaby, is in keeping with the requirements placed upon the Council by section 6A (the Free School Presumption) of the Education and Inspections Act 2006, as introduced by the Education Act 2011. Authorising the Director of Children

and Family Services to agree the shortlist to be recommended to the Regional Schools Commissioner, will help ensure that the process for the new school remains on schedule for September 2020 opening.

Although the transfer of the Oakfield school site to new locations is regarded as outside of the normal DfE 'prescribed alterations' process applicable to the movement of maintained schools (but not Pupil Referral Units), the publication of a Statutory Notice would ensure that the process follows good public law principles of transparency and effective consultation.

325. Request for an Addition to the 2019/20 Capital Programme for the Social Care Accommodation Development Plan.

The Cabinet considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which sought agreement for a process by which the Council could purchase and develop properties to provide additional adult social care accommodation. Approval was also sought for an allocation of £10m to begin the process. A copy of the report marked 'Agenda Item 5' is filed with these minutes.

Members noted the comments of one of the local members Dr. T. Eynon CC, a copy of which is filed with these minutes.

Mr Rhodes CC said that the proposals highlighted the Council's commitment to increase the availability of supported living accommodation which was a positive alternative to residential care.

RESOLVED:

- (a) That £10m be added to the capital programme for the Adults and Communities Department to enable the purchase and development of priority supported living properties and a specialised dementia care facility;
- (b) That with regard to the purchase of assets to fulfil social care accommodation needs identified in the Social Care Accommodation Development Plan:
 - (i) the process will be subject to the governance arrangements outlined in the report;
 - (ii) the Director of Corporate Resources, in exercising his existing delegated powers to purchase property assets for operational purposes, will first consult with the relevant Chief Officer and Cabinet Lead Member(s);
- (c) That the Council-owned property Workspace 17, at Highfield Street, Coalville be developed as a specialist dementia care facility, noting that the overall cost is expected to be in the region of £5.5m.

(KEY DECISION)

REASONS FOR DECISION:

Additional capital funding is necessary to proceed with urgent objectives in the Council's Social Care Accommodation Development Plan and the Adult Social Care Strategy.

The Director of Corporate Resources has delegated powers to purchase land for schemes within the approved capital programme and for other operational purposes, up to a maximum of £2m per transaction. Given the particular requirements of schemes within the Social Care Accommodation Development Plan, a governance process, outlined in Part B of the report, has been developed for this.

The Coalville property is suitable for the development of a much-needed specialist dementia facility.

326. Exceptions to Contract Procedure Rules for Supported Living Provision.

The Cabinet considered a report of the Director of Adults and Communities which sought approval for an exception to the Council's Contract Procedure Rules in respect of three current and two future placements with supported living providers. A copy of the report marked 'Agenda Item 6' is filed with these minutes,

RESOLVED:

- (a) That approval be given to an exception to the Contract Procedure Rules to enable Creative Care, Voyage and Chartwell to provide services for the five individual placements listed in paragraph 8 of the report;
- (b) That in recognition of the special circumstances relating to the delivery of services, and the need to ensure that the individuals' best interests are paramount in any care package commissioned, the Director of Adults and Communities be authorised to engage and commission support from non-framework providers;
- (c) That any exceptions agreed as part of (b) above be included in the Annual Report on Exceptions made to the Corporate Governance Committee.

REASONS FOR DECISION:

The County Council's Contract Procedure Rules (Part 4G of the Constitution) require that, where the estimated value of a contract exceeds £181,302, formal tenders must be invited.

Where the estimated value of the proposed contract exceeds £181,302, Rule 6 (b) (ii) requires the Cabinet to approve an exception to the Rules where this is justified on its merits.

It is considered necessary to commission supported living from non-framework providers for the five individuals for the reasons outlined in the report to ensure the Council is fulfilling its statutory responsibility to meet their care and support needs.

327. A Vision for Local Government in Leicestershire.

The Cabinet considered a report of the Chief Executive which sought the Cabinet's approval for the draft strategic business case for the development of a unitary structure for Local Government in Leicestershire to be presented to the Scrutiny Commission. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

Mr Rhodes CC welcomed the business case and the supporting document produced by PwC which agreed with the Council's assessment that a saving of £30m per annum could

be realised if a unitary council was established. He added that the Scrutiny Commission had provided valuable feedback following its consideration of initial plans earlier in the year and looked forward to its consideration of the proposals.

Mr Breckon CC said that the Council continued to be interested in the views of all external stakeholders and encouraged them to comment on the proposals.

RESOLVED:

- (a) That the draft strategic business case for the development of a unitary structure for Local Government in Leicestershire be approved for engagement with the Scrutiny Commission;
- (b) That the findings of the PwC review of the unitary financial savings proposal for Leicestershire be noted;
- (c) That the draft strategic business case, amended as necessary to take into account the views of the Scrutiny Commission, be submitted to the Cabinet at its meeting on 22 November 2019 for further consideration.

(KEY DECISION)

REASONS FOR DECISION:

To enable the Scrutiny Commission to comment on the draft strategic business case for the development of a unitary structure for Local Government in Leicestershire.

328. Country Parks and Open Spaces Strategy 2019-2029.

The Cabinet considered a report of the Director of Corporate Resources which sought approval to consult on the draft Country Parks Open Spaces Strategy and for the Director to progress the associated action plans. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Mr Rhodes CC said that whilst the maintenance and development of parks and green spaces was not a statutory responsibility of the County Council, they were valued by local residents and a great asset for Leicestershire.

RESOLVED:

- (a) The draft Country Parks and Open Spaces Strategy be referred to the Scrutiny Commission for comment;
- (b) The Director of Corporate Resources be authorised to progress work on action plans for the six main destination Country Parks for consideration by the Scrutiny Commission;
- (c) That the final Country Parks and Open Spaces Strategy be submitted to the Cabinet in early 2020.

REASONS FOR DECISION:

To enable the Scrutiny Commission to comment on the proposed approach for maintaining, preserving and developing the Authority's country parks and open spaces.

329. East of Lutterworth Strategic Development Area.

The Cabinet considered a joint report of the Director of Corporate Resources and Director of Environment and Transport which sought agreement for the allocation of additional resources to support the planning application, pre-highway construction costs and delivery appraisal associated with the East of Lutterworth Strategic Development Area (SDA). A copy of the report marked 'Agenda Item 9' is filed with minutes.

Mr Pendleton CC said that the allocation of additional funding would ensure continued progress with the project, which supported the previously approved Strategic Growth Plan.

RESOLVED:

That additional funding of £4.62m be allocated for delivery of the East of Lutterworth SDA project for work relating to the planning application, pre-highway construction costs and work associated with the delivery options appraisal for the project.

(KEY DECISION)

REASONS FOR DECISION:

To ensure that the delivery of the planning consent, commencement of highway works and the development of the delivery options appraisal are completed in time to ensure the Council complies with the terms of the Homes England Local Authority Accelerated Construction (LAAC) grant funding, which requires construction to start on the residential units by March 2021.

330. Draft Equality Strategy 2020-2024 and Progress Report for 2016-2020.

The Cabinet considered a report of the Chief Executive which detailed progress made in relation to the Council's current Equality Strategy and sought approval for consultation to begin on a Strategy for 2020 – 2024. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

RESOLVED:

- (a) That the work and achievements in promoting equality, diversity, community cohesion and human rights under the eight corporate equalities objectives which were agreed in 2016 and which form the basis of the Equality Strategy 2016-20 be noted;
- (b) That the Council's draft Equality Strategy 2020-24 be approved for consultation.

(KEY DECISION)

REASONS FOR DECISION:

The Council is required under the specific duties of the Equality Act 2010 to publish information to show compliance with the Public Sector Equality Duty and to set and publish specific, measurable equality objectives at least every four years.

To provide continued oversight of work undertaken under the current Equality Strategy 2016-20.

To enable formal consultation on the draft Equality Strategy 2020-24 to be undertaken with a wide range of stakeholders.

331. Development of a New Model for Homelessness Prevention and Housing-Related Support.

The Cabinet considered a report of the Director of Public Health which advised the Cabinet of the outcome of consultation on a proposed new model for homelessness prevention and housing related support. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Mr Ould CC welcomed the proposals and noted that the significant consultation undertaken had significantly shaped the revised approach.

RESOLVED:

- (a) That the comments of the Health Overview and Scrutiny Committee be noted;
- (b) That an external provider be commissioned to deliver a combination of both hostel-based accommodation and outreach housing-related support for people at risk of, or experiencing, homelessness in Leicestershire, which would:
 - (i) reflect the alternative proposal (the 'Consultation Counterproposal') put forward as part of the consultation on changes to the current housing-related support service,
 - (ii) deliver hostel-based accommodation which matches the current level of provision (30 beds),
 - (iii) provide more than 3 full-time equivalent specialist housing-related support workers,
 - (iv) ensure cross-Leicestershire outreach housing-related support and equality of access;
- (c) That the Director of Public Health be authorised
 - (i) to agree the detailed specification of the model for homelessness prevention and housing-related support;
 - (ii) in consultation with the Director of Corporate Resources, to procure services for homelessness prevention and housing-related support in line with the agreed option at (b) above.

(KEY DECISION)

REASONS FOR DECISION:

The consultation indicated mixed support for the initial proposal and the alternative would maintain both the residential and out-reaching housing-related support service provided by an external provider as well as a number of other benefits including sustaining specialist expertise, bringing in added value with extra complementary services, and giving opportunities to build on existing partnership work.

OTHER OPTIONS CONSIDERED:

The original consultation proposal was to decommission the floating outreach service, replacing it with a redesigned community outreach service involving the in-house Local Area Coordination Service (no change was proposed to the in-reach hostel support).

332. Leicestershire Suicide Prevention Programme - "Start a Conversation" and the Suicide Bereavement Support Service.

The Cabinet considered a report of the Director of Public Health which detailed developments in suicide prevention in Leicestershire over the past 12 months. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Mr Breckon CC said that the Suicide Prevention conference held on the 10 September was well attended and the recently launched Suicide Bereavement Support Service would provide vital help for those bereaved by suicide.

RESOLVED:

- (a) That progress with the Leicestershire Suicide Prevention Programme and work to tackle the issue of suicide through the 'Start a Conversation' website and programme be supported;
- (b) That the recent launch of the local Suicide Bereavement Support Service be noted.

REASONS FOR DECISION:

To note progress with the work taking place in Leicestershire to help prevent suicide and support those who have been bereaved.

333. Leicester and Leicestershire Tourism Growth Plan.

The Cabinet considered a report of the Chief Executive which sought approval for a Tourism Growth Plan which had been jointly developed with Leicester City Council. A copy of the report marked 'Agenda item 13' is filed with these minutes.

Mr Pendleton CC said that the Plan had successfully combined the key tourism destinations across Leicester and Leicestershire into a single succinct document which would promote and support tourism businesses.

RESOLVED:

- (a) That the comments of the Scrutiny Commission and response thereto be noted;

- (b) That the Tourism Growth Plan be approved.

REASONS FOR DECISION:

The Plan will provide a framework for the growth of the sector over the next five years. It will help to focus effort, reduce duplication, inform, guide and influence decisions on investment and bring individual partners together to increase their impact. By visualising the area as a single, integrated visitor destination, the sector can achieve more growth, more visitors, more economic value and more jobs. By working collaboratively with Leicester City Council and the district councils, a more joined up approach to developing tourism across the sub-region can be achieved.

334. Proposals from Leicester City Council Regarding the Transforming Cities Fund and Air Quality Directive.

The Cabinet considered a report of the Director of Environment and Transport concerning the development of proposals by Leicester City Council in preparation for a bid to the Transforming Cities Fund and in response to Government's Air Quality Directive. A copy of the report marked 'Agenda Item 14' is filed with these minutes.

Mr Pain CC said that if successful, Leicester City Council would be allocated a share of £840m of Government funding which it had indicated could be spent on initiatives such as improving public transport, cycling and walking provision. Whilst the responsibility for air quality in the area lay with the City Council (in Leicester) and seven district councils (In Leicestershire), improvements as the result of a successful bid could also help the County Council to meet its environmental targets.

RESOLVED:

- (a) That the Cabinet confirms its support in principle for Leicester City Council's
- (i) emerging Tranche 2 proposals to the Transforming Cities Fund (TCF);
 - (ii) proposed response to the Government's Air Quality Directive (AQD);
- (b) That it be noted that the Director of Environment and Transport, following consultation with the Cabinet Lead Member for Environment and Transport, will continue to engage with Leicester City Council in finalising its AQD response and TCF bid;
- (c) That the timescales indicated in the report for submission of the AQD response and TCF bid by Leicester City Council and further work, including consultation be noted;
- (d) That the likely content of the joint TCF bid by Nottingham and Derby City Councils be noted;
- (e) That members be advised of the outcome of Leicester, Derby and Nottingham City Council's TCF bids and Leicester City Council's AQD proposals.

REASONS FOR DECISION:

The Council's support will assist Leicester City Council in its application for funding to improve sustainable transport and enhance transport links and to improve air quality, which will benefit residents of both the City and County.

Continued engagement with the City Council will help ensure that its proposals accord, so far as possible, with the County Council's transport and wider environmental approach and maximise their effectiveness.

335. Response to Blaby District Council's New Local Plan Issues and Options Consultation.

The Cabinet considered a report of the Chief Executive regarding the County Council's response to the consultation issued by Blaby District Council relating to its 'New Local Plan Issues and Options Consultation'. A copy of the report marked 'Agenda Item 15' is filed with these minutes.

Mr Pendleton CC said it was important that district council's local plans aligned with the principles agreed as part of the Leicester and Leicestershire Growth Plan.

RESOLVED:

That the comments set out in paragraphs 18 to 52 and the detailed consultation response appended to the report be approved as the County Council's response to Blaby District Council's New Local Plan Issues and Options Consultation.

REASONS FOR DECISION:

To confirm the County Council's response to Blaby District Council (further to the comments submitted by officers on 10 October). To seek to ensure alignment with the strategic outcomes of the County Council's Strategic Plan, with the Leicester and Leicestershire Strategic Growth Plan, and to influence the content of the Local Plan in the interests of local communities.

336. Waste Transfer Station at Interlink Business Park, Bardon.

The Cabinet considered a report of the Director of Environment and Transport which sought approval for land owned by the Council in Bardon to be used as a waste transfer station. A copy of the report marked 'Agenda Item 16' is filed with these minutes.

RESOLVED:

That the use of the land at the Interlink Business Park, Bardon (indicated on the plan appended to the report) for a waste transfer station be approved subject to a satisfactory full business case being agreed by the Director of Environment and Transport and the Director of Corporate Resources.

REASONS FOR DECISION:

To clarify plans for the use of the Bardon site which has been the subject of various proposals since the cessation of the PFI project in 2011.

337. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.



CABINET – 22ND NOVEMBER 2019

**OUTCOME OF CONSULTATION ON THE COUNTY COUNCIL'S
PRIORITIES**

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to provide the Cabinet with a summary of the findings of the recent consultation exercise on the County Council's priorities which will be used to inform decisions taken as part of the refresh of the Medium Term Financial Strategy (MTFS).

Recommendations

2. It is recommended that the Cabinet notes the results of the public consultation on the County Council's priorities which will be used to inform the development of the Medium Term Financial Strategy for 2020/21 – 2023/24.

Reason for recommendations

3. To ensure future decisions around service delivery in relation to the MTFS are, where possible, taken mindful of the views expressed by residents and other stakeholders.

Timetable for Decisions (including Scrutiny)

4. The Cabinet will be asked to approve the draft MTFS for 2020/21 to 2023/24 for consultation at its meeting on the 17 December 2019, which if approved will take place between the 17 December 2019 and the 18 January 2020. The draft MTFS will be considered by the County Council's Overview and Scrutiny bodies between the 15 and 27 January 2019.
5. The Cabinet will then consider the comments of the scrutiny bodies and responses from the wider consultation process at its meeting on 7 February 2019. The County Council will meet on the 19 February 2019 to consider the final MTFS.

Policy Framework and Previous Decisions

6. The MTFS for 2019/20 to 2022/23 was approved by the County Council in February 2019. The MTFS is currently being reviewed and updated in light of the latest information, including key themes and issues identified through the consultation exercise.
7. The Scrutiny Commission considered the outcomes of the consultation on the Council's priorities at its meeting on the 30 November 2019 and its comments are summarised in Part B of the report.

Resource Implications

8. The MTFS is the key financial plan for the County Council which covers not only the allocation of resources but also how the transformation activity, which allows the County Council to respond to the financial challenge, will be funded. Any resource implications that arise from the outcome of the consultation will be considered when the MTFS is presented to the Cabinet in December 2019.
9. The Director of Law and Governance has been consulted on this report.

Circulation under the Local Issues Alert Procedure

10. A copy of the report has been circulated to all members of the County Council.

Officers to Contact

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Declan Keegan, Assistant Director (Strategic Finance and Property)
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PART B

Background

11. The financial position faced by the County Council remains both serious and extremely challenging. This is particularly the case for a low funded authority such as Leicestershire which has limited scope for further savings given that tough decisions have already been taken, with £200m having been saved since 2010.
12. Increased demand for services, especially around social care and special educational needs and disabilities, coupled with general inflationary pressures including the impact of continued increases to the National Living Wage means that spending pressures will continue to grow at a rate in excess of the resources available. As such further savings will be required. The existing MTFs, which runs until 2022/23, detailed a need for a further £75m of savings to be identified by the end of the fourth year. The MTFs is currently being updated in light of recent and emerging information. However, this is unlikely to significantly alter this long-term savings target.
13. The County Council performs an annual consultation on the draft budget. However, it is important to periodically assess the views of the public, staff and stakeholders that can be used to inform the County Council's future financial priorities. The County Council last undertook a budget consultation of this scale in 2013. It is important that local authorities engage with their local communities and key stakeholders. They have a right to be consulted about the way public money is spent to influence the collective decisions and prioritisation that is being made on their behalf
14. As well as influencing the financial plans of the Council, the consultation findings will also be used to influence other elements of service delivery, with departments considering the results of the consultation when performing service planning.

Consultation Methodology

15. The nearly 13-week consultation exercise, which ran between 12 June and 10 September included:
 - a questionnaire – online and sent to households in a special edition of the residents' newsletter Leicestershire Matters
 - an online, interactive tool enabling people to explore the council's budget in more detail
 - residents focus groups/workshops
 - information events with stakeholder organisations and a stakeholder survey
 - information events with council staff and managers
 - public events in each district
16. Over 4,300 people took part in surveys (432 were members of council staff)
 - Just under half of responses came via the online survey (2,026)
 - The majority came via the paper survey distributed in Leicestershire Matters (2,345).

17. The surveys asked respondents the extent to which they thought the council should make reductions in 30 services. They also asked questions on ways of working, the amount of council tax they should be expected to pay, other income, and service improvements, as well as allowing respondents the opportunity to leave comments.
18. The surveys for stakeholders also contained a number of additional open-ended questions.
19. The focus groups were conducted with 72 residents of Leicestershire, independently selected on a representative basis.

Consultation Findings

20. From the survey, the top 10 council services which respondents thought should be reduced were:
 1. Smoking/weight/physical activity
 2. Drug/alcohol/sexual infection
 3. Grass cutting
 4. Travel to school - excluding special educational needs and disability (SEND) transport
 5. Economic growth and grant aid
 6. Street lighting
 7. Adult learning
 8. Museums and records office
 9. Libraries
 10. Minerals and waste planning
21. Most of these services have relatively small budgets.
22. Respondents said the top 10 council services they least wanted to be reduced were:
 1. Older people – enabling independent living in the community
 2. Older people – residential and nursing homes
 3. Road/paths
 4. Gritting
 5. Child protection
 6. Mental health
 7. Waste disposal
 8. Children – in local authority care
 9. SEND (including transport)
 10. Recycling and household waste sites (RHWS)/tips
23. Most of the services that people wanted to protect - especially the care services - have some of the council's largest budgets. The exception being gritting.
24. The focus group findings were broadly comparable to those of the survey, both in terms of the services people most wanted to protect and those where they thought there was some scope for reductions. Participants were more likely to consider budget reductions after the discussions, with pre- and post-workshop

questionnaires used to provide an indication of the extent to which participants changed their opinions. Prior to the discussions, the balance of opinion among residents was that spending should be maintained or increased in all but one service. After the discussions, this balance had shifted and, for 15 of the services considered, a higher proportion of participants were more accepting of budget reductions than increases; having received background information about the council's financial challenges and having discussed the importance of balancing the budget.

25. The majority of respondents supported the different ways of working presented in the survey.:
 - 90% agreed with working more with partners to design integrated services
 - 86% agreed with working more sustainably by utilising renewable energy, reducing carbon and helping protect the environment
 - 85% agreed with finding further efficiencies in processes, procedures and management (incl. using new technology)
 - 81% agreed with reorganising local government to make substantial overall savings in overheads
 - 78% agreed with working more with partners to support the local economy and jobs
 - 74% agreed with handing over the running of specific services to residents, community groups and voluntary organisations
 - 63% agreed with contracting the private or voluntary sector to deliver services. However, a fifth (21%) disagreed with this proposal

26. Participants at the focus groups were keen to see services working more closely together and across geographic boundaries where appropriate, particularly in collaboration with the NHS, and the consideration of a unitary status for the council. They also wanted the council to consider services being run on a more community-orientated basis (if service quality could be maintained), and also for individuals and communities taking more responsibility - either paying more for services or volunteering.

27. When asked about council tax, 50% of survey respondents said that they would be prepared to pay an increase above inflation (3-4% increase in council tax) and 31% preferred an increase in-line with inflation (2% increase in council tax). Only 18% felt council tax should increase below inflation, be frozen, or reduced. The focus groups also showed the majority (77%) favoured increases in line with inflation (37%) or above (40%).

28. There was good support for four of the five listed proposals for increasing income:
 - 91% agreed with campaigning for fairer funding from central government
 - 83% agreed with attracting businesses and investment to increase local business rates income
 - 81% agreed with exploring commercial opportunities to generate income
 - 62% agreed with more investment in land, property and other assets as a source of income

29. Respondents were much less supportive of increased charging for services, with 54% disagreeing with the proposal. However, comments suggested that whilst there was opposition to increased charging for social care services, increased charging for other services, such as on-street parking and entrance to country parks, would be acceptable to some respondents.
30. Respondents to the survey were asked which service areas they felt should be improved in the event of the council's financial prospects being alleviated through a significant efficiency initiative or increased income. The majority of respondents felt the council should improve the 12 service areas listed, to at least some degree (either 'a great deal', 'to some extent', or 'not very much'), if the opportunity arose.
31. For nine of the 12 service areas listed, over half of respondents said they would like to see improvements 'to some extent' or 'a great deal'.
32. The top three services for improvements were:
- Highways - 64% 'to some extent' or 'a great deal'
 - Environment and carbon reduction - 68% 'to some extent' or 'a great deal'
 - Infrastructure to support the economy and population - 65% 'to some extent' or 'a great deal'
33. Respondents were less likely to want to see improvements to:
- Healthy living - 36% said improve 'not at all'
 - Public and school transport (excluding SEND) - 33% 'not at all'
 - Libraries, culture, leisure and adult learning - 30% 'not at all'
34. Respondents had the opportunity to leave written comments. These were analysed and coded. The most popular categories of comment made by respondents in the survey were:
- Protecting services for vulnerable groups, such as those for older people, children, the disabled, those with SEND or mental health difficulties
 - Consider lobbying central government for greater/fairer funding
 - Improve the options for waste management / recycling
 - Reduce the number of managers, and their salaries
 - Reduce the number of councillors, their expenses and allowances
 - Improve road maintenance/safety
 - Stop bureaucracy, inefficiency, waste and duplication
 - Get people to take individual responsibility
 - Join up services/thinking with other departments, districts or city councils
 - Have one single council for the area
35. From the open comments received in the stakeholder survey, numerous areas relating to environment and transport were cited as examples of services currently working well and some also pointed towards good examples of multi-agency/joint working between the council and partners. Several stakeholders voiced concern about communication with the council. Improving efficiency was the main theme in which most stakeholders suggested the council could work differently to save money and improve outcomes. Stakeholders often suggested business services could operate commercially as a source of income. For example, human

resources (HR), legal, and training services could be offered to other public and private organisations.

36. Finally, participants at the focus groups were positive about the opportunity to learn more about how the council worked and to have their say. They recommended that such opportunities should be more frequent
37. More detail on the approach taken to engagement as part of the consultation, together with the key findings and outputs are summarised in the two appendices.
38. The Scrutiny Commission considered the consultation outcomes at its meeting on the 30 October. The Commission asked questions regarding the methodology used for the consultation and whether the sample size was sufficient to be relied on. Members was advised that the consultation outcome was one of a number of exercises to inform the refresh of the MTFS, that focus groups had been used to provide greater depth of analysis and that officers were pleased with the number of respondents. Advice had also been sought from an independent research company who had welcomed the response rate for a consultation of this nature. The Commission noted that respondents would welcome greater investment in highways and suggested that this view should be taken into account by the Cabinet during the refresh of the MTFS.

Equality and Human Rights Implications

39. Departments will complete Equality and Human Rights Impact Assessments (EHRIA) on the 2020-24 four-year MTFS as detailed proposals are developed. A review of the overall impact of the proposals will also be undertaken as part of the MTFS to ensure any cumulative impacts on protected groups are identified.

Background Papers

Report to County Council -20 February 2019 – Medium Term Financial Strategy 2019/20 to 2022/23

<http://politics.leics.gov.uk/documents/s144416/Report%20of%20the%20Cabinet%20-%20MTFS.pdf>

Appendices

- Appendix A – Summary of the consultation process and results.
Appendix B – Summary of findings from the workshops

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CABINET - 22 NOVEMBER 2019

**SPECIAL EDUCATION NEEDS AND DISABILITIES – PROPOSED
TRANSFER OF FUNDING WITHIN DEDICATED SCHOOLS GRANT**

REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the outcome of the consultation with schools on a proposal to transfer up to 0.5% from the Schools Block to the High Needs Block to help manage the revenue budget position.
2. The Cabinet considered a report on the proposed transfer at its previous meeting on 22 October.

Recommendations

3. It is recommended that:
 - (a) The outcome of the consultation on the proposed transfer of 0.5% from the Schools Block of the dedicated Schools Grant to the High Needs Block and the position of Schools Forum be noted;
 - (b) A transfer of funding from the Schools Block to the High Needs Block is not pursued further at the present;
 - (c) It be noted that the Director of Children and Family Services will be working with Leicestershire schools to develop alternative measures to address the High Needs Block deficit;
 - (d) It be noted that should the High Needs Block deficit continue to increase, it may be necessary to consider further measures, including a transfer of funding, in future years.

Reasons for Recommendations

4. Local authorities are able to transfer up to 0.5% of the gross Schools Block funding to High Needs following consultation with schools and with the approval of the Schools Forum. Should the Schools Forum not approve a transfer approval can be sought from the Secretary of State.

5. It is considered that effecting the transfer in 2020/21 at this stage in the High Needs Development Plan may affect the achievability of the overall Plan. Alternative arrangements are being explored to address the funding gap.

Timetable for Decisions (including Scrutiny)

6. The Schools' Forum discussed the High Needs Development Plan and proposed transfer from the DSG to the High Needs Block on 30 September 2019 and voted on the proposal on 6 November.
7. The Children and Families Overview and Scrutiny Committee considered a report on SEND matters at its meeting on 5 November and noted the proposed funding transfer.

Policy Framework and Previous Decisions

8. The Children and Families Act 2014 introduced a number of new duties for local authorities and Clinical Commissioning Groups (CCGs). The County Council's SEND Strategy 2017-2020 outlines these responsibilities and sets out how the Council and its CCG partners will work together to meet these.
9. The Council's Strategic Plan 2018 to 2022 and the Single Outcomes Framework outline its long-term vision for the Leicestershire and are underpinned by other key policies and strategies including the Medium-Term Financial Strategy (MTFS) (reviewed annually) and the Council's Transformation Programme. The proposals in this report reflect the outcomes-based policy and commissioning approach, which includes a long-term vision, activity and spend focused on achieving real and lasting benefits and better integration across the Authority and with partner organisations.
10. In March 2017 the Cabinet received a report on the proposed responses to the second stage of consultation issued by the Department for Education (DfE) on the implementation of the National Funding Formula for Schools and the introduction of a formulaic basis for the distribution of the High Needs Block of the Dedicated Schools Grant in 2018/19. The Cabinet expressed concern about the low levels of High Needs funding in the Dedicated Schools Grant.
11. In January 2018 the Cabinet approved the Leicestershire School Funding formula for 2018/19 and 2019/20.
12. In December 2018 the Cabinet authorised the consultation on the High Needs Block Development Plan, that included proposed developments of SEND provision across the County.
13. In May 2019 the Cabinet noted the outcome of the public consultation and agreed a number of actions to progress the High Needs Development Plan, including development of new SEND provision in maintained schools across the County.

14. In October 2019 the Cabinet noted progress of the High Needs Development plan and, inter alia, authorised the Director of Children and Family Services to apply to the Secretary of State for approval of the transfer of up to 0.5% of the Schools Block funding to the High Needs Block should it not be agreed by Schools Forum.

Resource Implications

15. In Leicestershire the Schools Budget, which includes the High Needs Block, is set at zero, i.e. expenditure is set at the level of grant received. The High Needs Block has been under financial pressure in recent years and moved from an underspend of £2.8m in 2013/14 to an overspend of £2.3m in 2018/19.
16. To date overspends have been met from funding held in the Dedicated Schools Grant Reserve which will record a deficit in 2019/20. Despite the additional money announced by the Secretary of State in September for High Needs (estimated to be around £5.48m for Leicestershire), it remains crucial to realign expenditure to the resources available.
17. Overspend can be carried forward to be recovered from future years' grant with the approval of the Schools' Forum; it is estimated that the High Needs Development Plan results in expenditure aligned with the level of grant in 2022/23 with the deficit fully recovered by 2024/25. It will be necessary to submit an annual report to the DfE on the actions taken to ensure expenditure aligns with allocated grant.
18. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

19. As this is a matter that will affect most areas of the County, a copy of the report is being circulated to all members of the County Council.

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PART B

Background

High Needs Development Plan

20. The High Needs Development Plan is intended to ensure the best possible use of available resources in the High Needs Block to enable the development of new provision and expansion of existing provision in mainstream or special schools. The fundamental driver for change is to support children to be educated locally in inclusive settings that meet their assessed needs. SEND provision needs to be increased significantly to meet rising demand.
21. In order to deliver the changes, considerable revenue and capital investment is taking place. The total projected cost of the revenue investment is £2.8m for the project team a with a further £6.3m to bring the new places into commission over the Plan period. The costs are built into the High Needs Block overspend. The MTFs makes provision for capital investment of £22.3m (a further £10m would be needed for a new area special school). Funding consists of a mixture of funding sources including Basic Need Grant, a bid to the DfE for funding for a Free School, capital receipts and Local Authority capital.
22. Despite the activity within the High Needs Development Plan it is projected there will be a cumulative deficit peaking at £13.5m in 2021/22 before the budget is fully recovered in 2024/25.

Proposed Transfer between the Schools Block and High Needs Block of the DSG

23. As explained in the previous report, consideration was given to transferring money between the Schools Block and the High Needs Block of the DSG to reduce the cumulative deficit.
24. Local authorities are able to transfer up to 0.5% of the gross Schools Block to High Needs following consultation with schools and with the approval of the Schools Forum. Should the Schools' Forum not approve a transfer, approval can be sought from the Secretary of State. Approval would apply only to the year it is enacted.

Views of the Schools Forum

25. On 30 September the Schools Forum considered a report setting out the Council's intention to consult with schools on a transfer of up to 0.5% (circa £2m) for 2020/21.
26. A consultation was then undertaken with schools between 23 October and 31 October 2019. Of the 103 responses received, 84% of respondents either strongly disagreed or tended to disagree with the proposed 0.5% transfer.
27. The consultation also received a large number of comments, most of which concerned the impact of the transfer on individual school's budgets. A

predominant issue was the disproportionate impact of the proposed transfer on schools in areas of high deprivation that are already receiving a lower level of funding.

28. At its meeting on 6 November the Schools Forum unanimously voted against the transfer and made the following statement -

“Schools Forum does not agree to the proposals to transfer £2m/0.5% from schools block and asks Leicestershire County Council to appeal to the Secretary of State to provide for improved funding for high needs SEN, either directly or through improved grant from government. The Forum welcomes the developments to progress the high needs programme and will work in partnership to try and bring forward the proposed actions.”

Considerations

29. The Cabinet at its meeting on 22 October agreed that the Director could apply to the Secretary of State to agree the transfer if the proposal was rejected by the Schools Forum. In considering whether to pursue this option, a number of factors have been taken into account.
30. There is the risk that reducing school funding could result in mainstream schools being less able to accommodate those children requiring support, resulting in more pupils needing high needs support in a specialist placement. A critical element of the High Needs Development Plan is ensuring that, wherever possible, children can remain in mainstream school. The transfer would create a significant risk of a rise in numbers of children leaving mainstream schools.
31. A key element of the High Needs Development Plan is the Council’s work with schools and academies across the County. Schools are working with the Local Authority to deliver the Plan, notably in helping to develop new SEND units and by continuing to provide inclusive education.
32. The proposed 0.5% transfer would have the effect of reducing the High Needs deficit by £2m to £11.4m, but the recovery period would not be reduced (it is expected to be 2024/25 before the budget would be fully recovered).
33. As highlighted in the responses to the consultation, the transfer would disproportionately affect schools which were otherwise set to gain the most from the extra funding announced by the Secretary of State for 2020/21. These schools are the ones which are lower-funded (largely secondary schools located in areas of higher deprivation).

Proposed Action

34. The financial position of the Council remains challenging and it is essential that strong financial control is in place. The rising deficit in the High Needs Block is a major concern. In putting forward the proposed transfer the Authority was very much aware of the pressures affecting schools: despite the growing shortfall in funding it had not sought a transfer for some time.

35. Schools have been engaging exceptionally well with the Local Authority to deliver the High Needs Development Plan and have made it clear that they are committed to working with the Council to secure alternative methods for achieving the £2m savings should the transfer not go ahead.
36. It is considered that these measures and a continued focus on the actions set out in the High Needs Development Plan should deliver the £2m savings that would have been achieved by the transfer. It is therefore recommended that the transfer of funding from the Schools Block to the High Needs Block is not pursued at the present.
37. The Cabinet is asked to note that should the High Needs Block deficit continue to increase in 2020/21, it will be necessary to consider further measures, including a possible transfer. This would be the subject of a further report to members should the need arise.

Equality and Human Rights Implications

38. The HNB Development Plan seeks to ensure equality and equity of opportunity for all Leicestershire children and young people irrespective of their need or locality.
39. There are no equality or human rights implications arising from the recommendations in this report.

Risk Assessment

40. There is a key risk in terms of the above proposals in particular around the Financial/Revenue budget impact - the position on future funding is unclear and expenditure is exceptionally volatile. Changes to the assumptions included in the High Needs Development plan in respect of demand and places available will change the financial model. The position is monitored through the High Needs Board.
41. The risks to the Council arising from the issues outlined above will be kept under regular review and reports made to Members as necessary.

Background Papers

Leicestershire County Council Special Educational Needs and Disability Strategy 2017-2020.

<http://politics.leics.gov.uk/documents/s136003/Appendix%20A%20-%20Leicestershire%20SEND%20Strategy%202017-20.pdf>

Report to the Cabinet on 24 May 2019 – SEND Provision results of consultation on the development of new provisions (High Needs Block Development Plan)

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5603>

Report to the Cabinet on 10 March 2017 – 2018/19 School and High Needs Funding Proposals - <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4859>

Report to the Schools' Forum on 26 November 2018 – High Needs Block Recovery Plan <http://politics.leics.gov.uk/documents/s142495/High%20Needs%20Block%20Recovery%20Planv3.pdf>

Report to the Cabinet on 22 October 2019 - Special Educational Needs and Disabilities Latest Funding Position (High Needs Block) and Development of New Provisions - and minutes of that meeting
<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=5606>

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CABINET – 22 NOVEMBER 2019

**DELIVERING GROWTH IN LEICESTERSHIRE – EAST OF
LUTTERWORTH STRATEGIC DEVELOPMENT AREA AND OTHER
DEVELOPMENT PROJECTS**

**JOINT REPORT OF THE DIRECTOR OF CORPORATE RESOURCES,
AND THE CHIEF EXECUTIVE**

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the outcome of work undertaken to identify the County Council's objectives for the East of Lutterworth Strategic Development Area (SDA) and assess the potential options available for the delivery of the scheme, which could also be applied to other development projects on County Council owned sites. The report sets out the options considered, the preferred approach and how this might be structured.
2. In addition, the report outlines the current position regarding the spine road which forms part of the scheme and the issues to be considered to identify how this will be delivered and funded. This will be affected by the outcome of the Council's HIF (Housing Infrastructure Fund) bid which is still to be determined.

Recommendations

3. It is recommended that:
 - (a) The outcome of the options appraisal for the delivery of the East of Lutterworth SDA scheme be noted;
 - (b) The comments of the Scrutiny Commission on the proposed preferred approach outlined in paragraphs 90 to 94 of this report be noted;
 - (c) The East of Lutterworth SDA scheme be delivered by adopting a hybrid approach utilising option 5 (Joint Venture – Enabling / Development / Operational Partner) and option 2 (Self Development) as outlined in paragraphs 51 to 54 of this report;
 - (d) Consideration of how best to deliver other growth schemes arising in the County and their possible inclusion within the joint venture once established be considered on a project by project basis and subject to further reports to the Scrutiny Commission and the Cabinet as appropriate;

- (e) The specific objectives for the delivery of the Lutterworth East SDA scheme as listed in paragraph 25 be approved;
- (f) The proposed next steps for the project be noted and further reports presented to the Cabinet for approval setting out:
 - (i) the planned procurement approach and scope;
 - (ii) proposals for the establishment, structure and governance of the joint venture through a limited liability partnership;
- (g) The Director of Corporate Resources undertake further member and officer engagement as outlined in paragraph 102 of this report.

Reasons for Recommendations

4. Establishing a joint venture with a strategic private sector partner on a 50/50 basis to fund, develop and manage the Lutterworth scheme most closely aligns to the Council's aspirations for ensuring control over site development whilst sharing risk and obtaining a financial return. Once established the partnership can also be used as a vehicle for the delivery of future sites if deemed appropriate by members. This approach was supported by the Scrutiny Commission on 6 November 2019.
5. The risks generated by self-development of the employment site to the south of Lutterworth East are clearer and more manageable and the financial rewards significant enough to offset these, therefore this area will be developed by the Council independently of the joint venture.
6. The specific objectives developed for delivery of the Lutterworth East SDA reflect the aspiration for a high-quality development in line with the Council's Strategic Plan outcomes whilst also recognising the need to generate financial returns relative to the risks taken during development.

Timetable for Decisions (including Scrutiny)

7. The Scrutiny Commission considered a report on the proposals for the delivery of the Lutterworth East SDA scheme at its meeting on 6 November 2019. Its comments on the proposals are detailed in Part B below.
8. An indicative timetable for the project is also contained in Part B below. If the preferred approach is approved by the Cabinet further work will be undertaken to prepare for the procurement of a joint venture partner(s), details of which are set out below in paragraphs 96 to 102. This is partly dependent, however, on the success of the Council's Highway Infrastructure Fund (HIF).
9. It is intended that a further report will be presented to the Cabinet in March 2020, at which point it is hoped that the outcome of the Council's HIF bid will be known. A clear position on the HIF bid will allow the Council to make a decision in relation to the joint venture procurement process and the funding of the spine road which is a key element of the scheme.

Policy Framework and Previous Decisions

10. In May 2016, the Cabinet resolved to support the promotion of the Lutterworth East SDA scheme in collaboration with other relevant landowners and authorised the Director of Corporate Resources to develop documentation to secure the SDA within Harborough District Council's Local Plan.
11. The Cabinet subsequently considered the detailed financial and resource implications for the project at its meeting in March 2018 and agreed to continue to promote the SDA in the Harborough Local Plan and to develop the site. The Scrutiny Commission on 7 March 2018 received a report setting out progress with the SDA, its inclusion in the emerging Harborough Local Plan and the land assembly required to deliver it. The Commission had indicated its support for the SDA.
12. The County Council's Strategic Plan 2018-22, supported by the Enabling Growth Plan, sets out the Council's objectives for the rationalisation and utilisation of its assets, maximisation of capital receipts, facilitating the delivery of affordable and quality homes and building a strong economy, generating economic growth.
13. The Council's Corporate Asset Investment Fund (CAIF) Strategy for 2019 to 2023, approved by the County Council on 20 February 2019, includes the following aims:
 - (i) To support the objectives of the Council's MTFS (Medium Term Financial Strategy), generate an income, increase the Council's financial resilience and support delivery of frontline services;
 - (ii) To support the aims of the Council's Strategic Plan, in particular delivery of the objective of affordable and quality homes (i.e. ensuring the development provides a choice of quality homes that people can afford);
 - (iii) To support growth in the County and meet the aims of the Economic Growth Plan and the County-wide Local Industrial Strategy;
 - (iv) To manage risk by investing in diverse sectors and ensure a more diverse range of properties are available to meet the aims of economic development.
14. The Scrutiny Commission discussed the Lutterworth SDA when it considered the CAIF Strategy at its meeting on 4 September 2019. It was advised that the County Council would consider establishing structures such as a property company on a needs-driven basis. A property company could be a solution that would enable delivery of the Lutterworth East SDA, generate financial return and could also be used to support the delivery of the Council's social care investment programme.
15. In March 2019 the Cabinet accepted a grant allocation of £14m from Homes England from its Local Authority Accelerated Construction Fund (£8m of which related to the East of Lutterworth SDA) and authorised the Director of Environment and Transport (following consultation with the Director of Corporate Resources, Director of Law and Governance, and Cabinet Lead Member for Resources) to enter into a contract and proceed with Stage 1 of that contract to allow ECI (Early Contractor Involvement) in the design and undertaking of

preliminary works in respect of the proposed construction of the East of Lutterworth spine road and related infrastructure. Funding of £1.5m was allocated to support this work up to November 2019. In October 2019 the Cabinet agreed a further allocation of £3.5m to take the project through to March 2020.

Resource Implications

16. The County Council was expecting to know the outcome of the Housing Infrastructure Fund (HIF) bid for the South West Leicestershire Sustainable Development Area over the summer. However, a decision is now not expected until the new year. If the bid is successful it would provide £31m towards the costs of the construction of the Spine Road to complement the £8m Local Authority Accelerated Construction (LAAC) already secured.
17. As a result, significant uncertainty still exists around how to fund the spine road, and how this links in with the recommended option for delivery of the East of Lutterworth SDA – option 5 (Joint Venture – Enabling / Development / Operational Partner). The various options for delivery of the spine road are currently being considered. More information on this is included in Part B below.

Circulation under the Local Issues Alert Procedure

A copy of this report has been sent to Mr. B. L. Pain CC and Mrs R. Page CC.

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PART B

Background

18. In 2014 the Council established the Corporate Asset Investment Fund (CAIF) which substantially changed its approach to property investment and how it manages and steers the use of its asset portfolio. The scheme currently being progressed through the CAIF is the East of Lutterworth SDA.
19. Since 2016 when the Cabinet first resolved to take the scheme forward, the Council has sought to acquire all the land within the SDA to ensure the inclusion of the site within the Harborough Local Plan and to ensure the scheme can be delivered in a way that best supports the Council's wider strategic objectives.
20. The SDA in Lutterworth extends to 516 acres of land and the proposed scheme for the site involves the development of 2,750 dwellings, 56 acres of employment land, 2 primary schools, a local community centre, extensive open space and green infrastructure, thus supporting delivery of many of the Council's Strategic Plan objectives in the area.
21. In addition, the scheme will involve major highways work including the construction of a new spine road (providing some traffic relief to Lutterworth), a new motorway bridge, and substantial off-site junction improvements.
22. To date, the County Council has secured most of the site (95% owned with the remaining 5% to be acquired shortly) and the inclusion of the SDA in the recently adopted Harborough Local Plan. It has also submitted a hybrid planning application for the scheme which sets out detail on major highways work and outlines proposals for the remainder of the site. It is expected that this will be determined in January 2020.
23. The concept masterplan for the site (Appendix A) shows an indicative layout of the proposed development.

The Objectives for the Scheme

24. The Council's Strategic Plan sets out its overarching commitment to support growth through the strong economy and affordable and quality homes outcomes, but also in the context of its wider obligations to support the environment, to build safer and healthier communities and to provide services that best support those who are most vulnerable living and working in the area.
25. With those outcomes in mind, the Council has developed its specific objectives against which the East of Lutterworth scheme should be delivered. These have been produced in consultation with members and key officers (details of this engagement are set out in paragraphs 48 and 49 of this report) and are set out below.

Aim – The Council wants to achieve a high-quality mixed tenure community that should act as an exemplary project within the United Kingdom. It should

contribute significantly to the Council's Social Value objectives by creating added social, environmental and economic value both during the development and ongoing operation of the site, by focusing on:

- **Design** – The Council is seeking a scheme with high quality design, including a mix of traditional and modern methods of construction that is delivered based on the principles enshrined in the Lutterworth East Design Code.
- **Environment** – The scheme should promote green infrastructure, minimise the use of resources, encourage the use of renewable energy and enable low carbon living in order to be carbon neutral, and improve biodiversity and enable adaptability to the impacts of climate change.
- **Community** – The design of the scheme should enable a diverse, safe, cohesive, vibrant and integrated community to exist on the site created through well connected community and retail facilities.
- **Public Realm** – The scheme should provide and maintain high quality public realm, giving spaces physical, cultural and social identities that should significantly contribute to people's health, happiness and well-being.
- **Infrastructure** – The design of the scheme should maximise the existing infrastructure and deliver further timely infrastructure of excellent quality that supports the site by providing good, active, safe and sustainable travel connectivity across multiple modes of transportation or negates the need to travel.
- **Economy** – The design of the scheme should develop an economically sustainable environment.
- **Well-being** – In designing the scheme it should provide for a strong emphasis on creating a healthy environment; promoting social and cultural well-being reflecting the needs of those in the local community, and ensuring healthy lifestyles become the default option by design.
- **Education** – Provides good local solutions for high quality teaching and learning for pupils and students of all abilities, helps promote strong routes and good opportunities for employment and further training, and provides integrated and inclusive support for all families.
- **Viability** – the Council requires the scheme to be commercially viable across the life of the project reflecting the level of risk and investment undertaken.
- **Partnership** – the Council is looking for an organisation/s that it can work with to fund, develop, manage and maintain the site throughout the life of the development and with the potential to work together to deliver additional schemes in the future.

- **Programme** – New homes to be delivered faster than current delivery trends for new housing, for which any proposal must be robust and realistic.
- **Risk & Reward** - The Council would expect to receive meaningful financial returns for any participation throughout the development and the operational life of the scheme. The Council will invest its land into any arrangement. It also has some appetite for risk, with this extending to additional investment over the land value if this is required; any such investment must be balanced by commensurate reward.

26. Meeting its overarching Strategic Plan outcomes and the above specific objectives for the Lutterworth scheme will be difficult given the significant financial, demographic and service demand pressures the Council currently faces. Years of austerity and reducing government grants have meant that whilst service demand and operating costs have increased, the Council's income to support frontline services has vastly reduced over the last decade. As a result, like other authorities, the Council is having to consider new ways of working that will enable it to both deliver its identified outcomes and, where possible, generate increased revenue income.

Delivery Considerations

27. The County Council has traditionally sold surplus land and assets by securing planning consent and then seeking best offers from the market. This disposal mechanism has worked well for many years and has passed all the property development risk on to the purchaser with the County Council receiving unconditional land receipts.
28. Given the above pressures facing public bodies many councils are considering the use of more commercial property vehicles that allow them to share in the development and operational risks in return for improved financial returns and greater influence and control during the delivery stages of development and ongoing operation of projects, something not possible if a site is sold in the traditional way.
29. The scale of the East Lutterworth scheme and its potential to deliver so many of the Council's key outcomes meant that consideration of all potential delivery options compared with the Council's traditional approach was deemed appropriate.
30. As agreed by the Cabinet in June 2019, the Council engaged the support of specialist consultants 31ten Consulting (31ten) to help it explore the options available and ensure current best practice is reflected in the appraisal. Their insight has strengthened the Council's understanding of the risks and opportunities associated with the options set out below. They have worked with officers and members to develop the Council's knowledge of the issues and their impact not only on the delivery of the Lutterworth scheme, but also wider aspects of the Council's future asset development plans and obligations, such as adult social care and affordable housing.

Development Options

31. Officers from Strategic Property Services and the Council's new Growth Unit alongside the Council's consultants, 31ten, identified a range of opportunities for both the delivery of the East of Lutterworth SDA site and the Council's wider growth agenda.
32. Focus was given to enabling the Council to retain some level of control over the development to ensure it can best achieve its Strategic Plan outcomes and those which could also financially be more beneficial to the Authority in the longer term.
33. The options assessed were -

Option 1 – Disposal with Planning Permission

34. This option is the approach that has traditionally been adopted by the Council and was used as a baseline against which the other options were compared.

Option 2 – Self Development

35. This would involve the Council carrying out the construction of the entire housing and commercial development.

Option 3 – Joint Venture – Enabling Partner

36. The term joint venture describes a range of different commercial partnership arrangements which would involve the Council plus one or more partners. Under such an arrangement, each partner contributes resources to the venture and a new business (a limited liability partnership or limited company) is created in which the Council and its partner(s) collaborate together, sharing the risks and benefits associated with the venture(s). The resources contributed by either party may include land, capital, experienced staff and/or other equipment or assets. Under this option the Council would enter into a partnership with a development/investment partner. The site is then enabled by the partnership and serviced plots sold on to the market. All services to establish the planning consents, removal of development issues, etc. would be undertaken by the joint venture partnership. The Council would likely receive a land receipt and a share of the profit from enablement.

Option 4 – Joint Venture – Development Partner

37. Under this option the Council enters into a partnership with a development/investment partner. The site is then enabled, and the residential and commercial elements are developed by the Joint Venture. The Council would likely receive a land receipt and take a share of the development profit.

Option 5 – Joint Venture – Enabling / Development / Operational Partner

38. Under this approach the Council enters into a 50/50 partnership with a strategic partner. The site is then enabled by the Joint Venture, a number of the sites are

then developed by the Partnership whilst other plots are disposed of to other developers, and any operational elements are owned and operated by the partnership over the long term. The Council would likely receive a land receipt and take a share of the development/operational profit, which could include private rental and commercial income.

Options Appraisal

39. In order to undertake an Options Appraisal of each of these solutions it was first necessary to define the criteria against which the options would be compared.
40. A set of criteria was developed by 31ten in partnership with the Council that best reflected the Council's objectives for the scheme and its broader strategic aims. A weighting was then applied to each based on their importance to the Council as articulated in the objectives. Based on the balance of project objectives 30% was allocated to financial criteria and 70% to non-financial. Each option would receive a proportion of the weighted percentage based on its performance against that criteria.

No	Criteria	Weighting	Explanation
Financial			
1	Financial Return	30%	The likely financial return to the Council from the option.
Non-Financial			
2	Level of control	10%	The level of control the Council would have over the delivery of the project including the exemplary nature of the project / sustainability
3	Scalability	8%	The scalability of the approach across the County for other projects / priorities
4	Procurement Timeline	6%	The length of time taken to get on site to deliver the project
5	Likelihood of market interest	7%	The potential of the market delivering the role defined by the option
6	Development Risk	9%	Exposure to build cost risk for the scheme including construction costs, issues in the ground etc.
7	Sales / rental Risk	9%	Exposure to the sales value and rental value risk from the scheme.
8	Operational Risk	9%	Exposure to operational risk for the retained elements of the site
9	Balance of risk vs reward	12%	Is the balance of risk the Council would be taking commensurate with the reward it desires

41. In order to conclude on the scoring against each criterion significant research was undertaken on each of the options and how they would apply to Lutterworth East and potential additional projects with the Council. This was completed by undertaking the following:
- A desktop assessment of the advantages and disadvantages.
 - Comparison with other solutions in the market and best practice.
 - A risk and financial assessment.
 - Soft Market testing.
 - Member and officer engagement.
42. To undertake this appraisal certain assumptions have had to be made. These have included:
- Spine Road works - It has been assumed that the highway works regarding the construction of the spine road will be managed separately outside of the JV and that the Council would utilise a combination of funding sources to achieve this including the LAAC and HIF funding. At the time of undertaking the appraisal work, the outcome of the Council's HIF funding bid to support, in part, the cost of constructing the road was and remains unknown. Further details regarding this is set out below.
 - The delivery solution would take responsibility for the delivery of all elements within the redline of the site (indicative plan attached as Appendix B).
 - That any procurements are undertaken efficiently but in line with relevant regulations.
 - Third party expertise is used to support the Council as appropriate through all of the options.

Outcome of the Options Appraisal and Soft Market Testing

43. An assessment of the advantages and disadvantages of the above options as well as the risks and financial implications of each is set out in detail in Appendix C. A summary of the key findings is set out below.
44. This analysis demonstrates that each of the options offer a variety of advantages and disadvantages to the Council, however the Joint Venture options most closely match the Council's aspirations in terms of sharing risk, accessing appropriate skills, retaining control to secure its Strategic Plan outcomes and generating a financial return.

Soft Market Testing

45. Officers engaged with the market by way of soft market testing (SMT) to better understand the level of interest from relevant third-party organisations in pursuing the Lutterworth East SDA scheme and wider property development opportunities with the County Council. In particular the purpose of this SMT exercise was to allow and enable potentially interested organisations with appropriate expertise and relevant experience to:
- Outline and generate initial views/ideas around the delivery routes for the project, the scope and the potential procurement strategy (noting this is with no commitment to themselves or the Council);
 - Engage with the Council to understand its challenges, intentions and desired outcomes;
 - Provide informal input to help shape and refine the Council's technical requirements;
 - Inform the Council of current market developments and cite examples of best practice across the public sector; and
 - Explore potential options and solutions available to the Council.
46. The outcomes of this process provided detailed feedback to the Council around 12 key themes, as shown in Appendix D.
47. On balance this engagement strongly supported a partnership approach to the delivery of Lutterworth East through a joint venture approach, preferably as Master Developer and potentially operator of retained assets in line with Option 5 (Joint Venture – Enabling/Development/Operational Partner).

Member and Officer Engagement

48. As part of the appraisal process both members and officers were consulted to identify the key objectives for the delivery of the Lutterworth East scheme (as set out earlier in this report in paragraph 18). Officers were involved from all departments to ensure the Council's wider strategic objectives were captured. This included a workshop session with key officers and a presentation to the Council's Corporate Management Team.
49. A cross party briefing was also held involving members of the Corporate Asset Investment Fund Advisory Board and the Scrutiny Commissioners. This was led by 31ten to obtain feedback on the objectives identified and which helped shape the soft market testing with potential private sector partners.

The Preferred Delivery Approach for East of Lutterworth SDA

50. The outcome of the options appraisal is summarised in the table below.

No.	Criteria	Weighting	Option 1 Disposal		Option 2 Self Dev't		Option 3 JV Enabling		Option 4 JV Dev't		Option 5 JV Enable / Dev / Operate	
Financial												
1	Financial Return	30%	1	6%	5	30%	2	12%	3	18%	4	24%
Non-Financial												
2	Level of control	10%	1	2%	5	10%	2	4%	3	6%	4	8%
3	Scalability	8%	1	2%	2	3%	3	5%	3	5%	5	8%
4	Procurement Timeline	6%	5	6%	3	4%	4	5%	4	5%	4	5%
5	Likelihood of market interest	7%	2	3%	3	4%	5	7%	5	7%	4	6%
6	Development Risk	9%	5	9%	1	2%	3	5%	3	5%	3	5%
7	Sales / rental Risk	9%	5	9%	1	2%	5	9%	3	5%	3	5%
8	Operational Risk	9%	5	9%	1	2%	5	9%	5	9%	3	5%
9	Balance of risk vs reward	12%	1	2%	2	5%	3	7%	4	10%	5	12%
Total			26	48%	23	61%	32	63%	33	70%	35	79%
Ranking				5		4		3		2		1

51. The preferred approach from this analysis is Option 5, a 50/50 Joint Venture partnership with a strategic partner to enable and develop the site and any operational elements being then owned and operated by the partnership over the long term.
52. The Council has made clear that there are some elements of the site that it would wish to develop itself as it feels the balance of risk and reward for these elements would score more highly as these risks are clearer and more manageable and the financial rewards significant enough to offset these risks. In particular this relates to the distribution and commercial uses to the south of the site. To test this scenario a further appraisal was undertaken of these elements. This approach highlighted a significantly higher score for Option 2 – self-development as a result of the market interest and balance of risk and reward elements scoring more highly.
53. The recommended approach going forward is therefore a hybrid option between Options 2 and 5 whereby the Council would establish a joint venture for the majority of the site and would remove the employment sites which it would self-develop.
54. It should be noted that this approach enables the delivery of the site within the redline (shown on the indicative red line plan – Appendix B) and also enables the Council to deliver any additional elements it wishes outside of this structure, and indeed purchase any completed elements it wishes from the joint venture as investments, for example private rented housing to generate additional income streams for the Council.

Proposed approach for other Growth Schemes

55. The objectives identified as part of the appraisal process established that the success of the joint venture in delivering the Lutterworth scheme should determine whether or not consideration is given to further growth schemes being

delivered in this way. In order for this to be achieved effectively the option of the Council adding additional schemes to the partnership would be included within the scope of the procurement of the partner. Thus, enabling this partnership to be used for these schemes subject to it delivering successfully on Lutterworth East. The process through which additional schemes are added to the partnership would be something considered and assessed as new schemes arise and will be the subject of reports to the Scrutiny Commission and the Cabinet as appropriate.

What might a Joint Venture look like for the County Council

56. As mentioned above, there are a range of different commercial joint venture partnership arrangements which can be adopted with each partner contributing resources to the venture.
57. A new business (a limited company or limited liability partnership) is created in which the Council and its partner(s) collaborate, sharing the risks and benefits associated with the venture. The resources contributed by either party may include land, capital, experienced staff and/or other equipment or assets.
58. For Lutterworth it is proposed that the County Council will put in its land and the private sector partner (PSP) would contribute cash and other resources. Given that the Council owns the whole site its contribution will be substantial, and a partner will need to equally match this (it is proposed that the venture will be a 50:50 partnership). Senior debt will then be sought to fund the remaining costs. The returns from the development will then be used to repay the debt, repay the investment of the Council and its partner and then any surplus profits shared.
59. The proposed joint venture will be for the development of the scheme, but also its operation (such as by maintaining the public realm and green infrastructure and also perhaps in a landlord capacity for the retail, community and commercial uses).
60. It is intended that the joint venture will be in place for a period of 30 years, after which it would cease. This will give time for the development to be completed (currently targeted for mid-2036), but also allow for 14 years (approximately) of ongoing management until 2050 which coincides with the Strategic Growth Plan.
61. Through the proposed joint venture the Council will share in the risks associated with funding, development and operation which over the lifetime of the scheme will not be insubstantial and will include risks around accessing funding, construction, sales, rental, and the financial position of its partner and the partnership vehicle. However, to balance these risks, it will benefit from commensurate rewards through sharing in the profits from the scheme as a result of the development and operational activity. These returns are likely to be realised across the 30-year life of the scheme and will flow from its activities. These will not be all in up front capital receipts, or exit returns, it is more likely to correspond with major phases and decisions on disposing of assets or retaining them within the partnership. As 50/50 member of the partnership the Council will have equal say over these decisions.

Structure of the proposed Joint Venture

62. Early consideration has been given to the most appropriate vehicle through which the Council will work with a Private Sector Partners (PSP). It is proposed that creating a limited liability partnership (LLP) would be the most appropriate way forward.
63. An LLP is a body corporate with a legal personality separate from that of its members (i.e. the joint venture partner organisations). An LLP can do anything that a person can do, including holding property, entering into contracts, employing people, suing and being sued. It functions in many ways in the same way as a limited company.
64. One significant difference is that corporation tax does not apply to an LLP. The income of the LLP is assessed for tax in the hands of the members. This can avoid profits being subject to tax at joint venture and owner level and can allow local authorities to benefit from their tax position. This tax treatment is why an LLP is the standard legal form for these sorts of projects and is being proposed instead of any other entity as the joint venture vehicle.
65. There is a subsidiary question as to whether the Council enters into the LLP directly or through a wholly owned company. Both approaches are quite common in the market and the most appropriate approach for the Council will be determined in light of more detailed legal advice. Whether or not the Council enters into the LLP via a company will not affect the overall commercial arrangements, the level of Council control or its relationship with the PSP or joint venture. This question will be the subject of further reports as appropriate.
66. The LLP will own the assets of the business and be liable for its own debts. The members of the LLP act as its agents and only have liability up to the amount they have contributed to the LLP. An LLP maintains accounting records, prepares and delivers audited annual accounts to the Registrar of Companies, and submits an annual return in a similar manner to companies.
67. The LLP will be governed by an LLP Agreement (LLPA) which will be entered into by the Council, the private sector partner in the joint venture and the LLP. This is a private document and sets out the roles and responsibilities of the parties. It will be a 50/50 deadlocked joint venture, meaning that where the partners do not agree on a course of action the partnership will be in deadlock. This reflects the proposed 50/50 split of each party's investment into the joint venture and ensures one partner cannot act without support from the other. An exit strategy will be written into the LLP Agreement in the event of a complete deadlock
68. The LLP will have a Board which will contain an equal number of representatives from each member organisation, appointed and replaced by that member organisation. There will also be an opportunity to appoint non-executive directors to the Board that could bring in wider expertise and act as an independent party on the Board. The Board will produce a business plan for the LLP which will

require the approval of each member organisation. The Board are responsible for the day to day operation of the LLP in accordance with the business plan.

69. The LLPA will contain a delegation policy which details a list of reserved matters which are those material matters in respect of which the Board may not act unless it is either approved by the LLP members directly or included in an approved business plan.
70. The Council will exercise its function (i.e. determine the reserved matters) as a member of the LLP either through the Cabinet or a committee of the Cabinet. They are likely to appoint an individual who will liaise with and present their position to the LLP.
71. Further work to develop the best structure for a limited liability partnership (including legal, operational and staffing arrangements) will be undertaken and member and officer engagement will be necessary to establish the preferred governance and management arrangements for the partnership in accordance with appropriate legal advice (see the 'Next Steps' section below).

Procuring a Joint Venture Partner(s)

72. The Council's financial, strategic and legal consultants, 31ten and Bevan Brittan, have provided advice on the route forward for securing a joint venture partner or partners. Given the scale of the scheme and the size of the contract to be awarded, the procurement tender will need to be advertised in the Official Journal of the European Union (OJEU) and a process of competitive dialogue undertaken. This takes into consideration the need for a transparent, regulated process alongside the desire to attract the best solutions from the market. The outcome of leaving the EU will not affect the proposed procurement approach.
73. A competitive dialogue process will provide the County Council with the opportunity of gaining greater understanding as to what the market can provide and the ability to question and shape the eventual solution.
74. In short, bidders will be able to develop their own proposals in response to the County Council's objectives and only when their proposals are developed to sufficient detail are tenderers invited to submit competitive bids. Appendix E gives an overview of the OJEU procedure and the stages for the competitive dialogue process.
75. The procurement will take approximately 9 months to complete and the outcome of this process will therefore be reported to the Cabinet and the Scrutiny Commission late next year. Approval at that time will also be sought from the Cabinet of the outcome and that the procurement has been run in line with their requirements. The selection process will be undertaken by the Chief Executive with support from other Chief Officers, guidance from the Council's consultants 31ten and Bevan Brittan and following consultation with the Leader and Deputy Leader throughout.

76. EU procurement is highly regulated and potentially open to challenge from unsuccessful organisations. Therefore, it is important the County Council in undertaking this procurement provides a clear picture to the market of what it requires in terms of how a partnership would operate, the control it desires, the risks it is willing to take, as well as the reward it desires, the delivery of the scheme, how the resultant assets will be managed and future ownership arrangements. Officer and Member input into the early stages of preparing for the procurement process are therefore critical.
77. In order to ensure the Council's procurement process is robust more detailed work will be undertaken with both Members and Officers to establish the parameters of the procurement, the joint venture and the establishment of a limited liability partnership and future expectations for the scheme.
78. To secure the specialist commercial, financial and legal advice and expertise needed to support this process the Council will continue to engage 31ten. They will lead this process with involvement from Council officers in procurement, legal, growth, finance and strategic property and the Council's external legal advisors, Bevan Brittan.

Construction of Spine Road

79. The overall cost for the construction of the spine road is estimated to be £86m. This includes the Early Contractor Involvement (ECI) and preconstruction costs in designing the road (£4m which was approved by the Cabinet in March and October 2019).
80. The County Council has been successful in securing Local Authority Accelerated Construction (LAAC) funding of £8.08m from Homes England to support these works.
81. The LAAC Programme was set up by the Government to support local authorities in enabling sites for housing development through infrastructure works, planning and technical expertise and site remediation.
82. At Lutterworth East this will part fund the site access from the A4304 and the first section of the Spine Road running north from the A4304, bridging the River Swift and to the southern edge of the proposed new housing. There are certain conditions attached to this funding, the key one being that works to build the first house on site must begin in March 2021.
83. As part of a bid relating to the South West Leicestershire Sustainable Development Area (SDA) which includes the East of Lutterworth SDA, the County Council has also applied for Housing Infrastructure Fund (HIF) grant monies. This is also funding managed by Homes England and established by the Government to deliver new physical infrastructure to support delivery of new additional homes that otherwise would not be built and to make a meaningful difference to overall housing supply.

84. It was anticipated initially that a decision on this bid would have been made during the summer of 2019. However, at the time of writing this report the County Council is still awaiting a decision. If the bid is successful, this will provide up to a further £31m towards the cost of constructing the spine road.
85. In terms of delivery of the road the Council has a number of options from funding/delivering this entirely to passing some or all of this to be funded/delivered through the joint venture.
86. The greater contribution the Council makes to funding the road, the more the County Council will benefit from the fact that the value of its land is likely to be significantly higher, requiring a greater match funding contribution from the joint venture partner, as each parcel of land is rolled out for development. The scale of the liability of the road that falls on the joint venture will be a very significant factor in determining whether organisations are interested in bidding to become the Council's partner, and therefore the financial submissions received from tenderers as part of the procurement process. The more liability the joint venture is expected to pick up in terms of funding the spine road, the less beneficial their bids are likely to be for the County Council, and potentially this may dissuade some tenderers from bidding.
87. It is possible to split the delivery of the spine road into 2 separate phases. This would obviously add to the overall cost of delivery, but also timescales, meaning it would be highly unlikely the LAAC funding requirements could be met. Also, it is expected that a planning permission trigger will require that the whole distributor road is completed about the time the 500th house (out of 2,750 in total) is in place. As such, as the requirement is early in the development timeline, it would be preferable to commission and deliver the entire road in one single phase if possible.
88. The implications of the various scenarios are currently being considered. It is intended that the proposed way forward will be presented to the Cabinet in March 2020 when it is hoped a decision on the Council's HIF bid will have been made.

Public Consultation

89. Over the summer, the County Council undertook a 13-week public consultation on its priorities, to which it received over 4,300 responses. Questions relating to how the County Council raised income were specifically tailored to elicit views on the Authority's approach to growth and economic development. 81% of respondents agreed that the County Council should explore commercial opportunities to generate income and 66% of respondent agreed that the County Council should make more investments in land, property and other assets as a source of income. These responses demonstrate that there is general support for the County Council's direction of travel.

Comments from the Scrutiny Commission

90. The Scrutiny Commission at its meeting on 6th November considered a report concerning the objectives for the delivery of the scheme and the proposed

approach as detailed above.

91. The Commission supported the objectives identified as these would be crucial in delivering an exemplar development which would be innovative and aspirational and provide a template for the future.
92. The proposal for 40% of the houses built on site to be affordable housing and for the ambition of the development to be carbon friendly were particularly welcomed. With regard to affordable housing the Commission asked that as part of the procurement and delivery approach consideration be given to a range of housing options and to the potential establishment of a housing company to manage any housing that would subsequently be owned by the Council, whether private or affordable. Officers advised that this would be a consideration and work had already begun on this.
93. The Commission supported the outcome of the options appraisal and soft market testing which concluded that a joint venture with a strategic private sector partner(s) to enable, develop and operate the site offered the best chance of delivering to the objectives of the scheme.
94. The Commission noted that the proposed approach would be a departure from previous practice and therefore carried additional financial risks. However, whilst acknowledging these additional risks, members were of the view that these would be outweighed by the rewards, particularly to the reputation of the Council in delivering a successful exemplar project.

Current planned timetable for delivery

95. The current time line for the next stages in the delivery of the Lutterworth East SDA scheme are outlined below:

November 2019	Cabinet report setting out information presented to the Scrutiny Commission in this report and seeking approval of the preferred delivery option and the identified objectives.
January 2020	Planning permission expected to be determined subject by Harborough District Council to a s106 planning agreement, also expected to be completed in January 2020.
March 2020	Report to Cabinet seeking approval of (1) funding options for the spine road; (2) to enter into contract for the construction of the spine road subject to receipt and agreement of final costs; (3) approval to proceed with the joint venture procurement; (4) approval of the key aspects of the structure of the joint venture and the procurement documentation.

June 2020	Delivery of spine road commences.
December 2020	Preferred Partner for the Joint Venture selected.
	Report to Cabinet (and Scrutiny Commission) seeking approval to award contract to preferred bidder.
February / March 2021	Joint Venture established and contracts signed with the Council's Preferred Partner.

Next Steps/Ongoing Activity

96. **Scope of the Procurement** – Detailed work on the scope of the procurement and the documents to be supplied to support this will be undertaken to set out the parameters of what the Council is seeking from a private sector partner. This will include the Council's policy position on a number of areas, its aspirations from the scheme, the structure of the procurement and the specific evaluation approach to be used to select its partner.
97. **Objectives for the joint venture** - These were established as part of the assessment appraisal following consultation with both members and officers. However, further work will be required to understand how these can be delivered. Delivery of the Council's wider Strategic Plan outcomes will be a priority however, this has to be balanced against the viability of the scheme overall and the benefit of securing a good financial return which can be reinvested to support the delivery of wider Council services and objectives.
98. **Risk appetite** - Any joint venture arrangement would need to be structured in a way that best addresses the Council's risk appetite, desire for control and the level of finance and funding that it is able and willing to commit and invest. A suitable partner will be an organisation that has best alignment to the Council's objectives and interests and this will need to be determined prior to commencement of the procurement process.
99. **Limited Liability Partnership** - Consideration of the governance and management arrangements for the partnership and how this will link with the Council's internal governance structure and processes will be necessary to ensure the Partnership retains a degree of flexibility that enables it to deliver the objectives identified by the Council, whilst also ensuring the Council retains an overall degree of control and oversight throughout the project. A report will need to be prepared and presented to the Cabinet in due course setting out the structure of the LLP. This report is likely to be exempt as it will contain details that, if made public, could jeopardise the procurement process.
100. **Design Code** – Both a summary and detailed Design Code is being prepared and a draft version will be completed in November. This will be used to frame the overall vision and concept for the Lutterworth East scheme, linking to the Council's Strategic Outcomes and setting out a coherent and consistent design approach to be considered by developers.

101. **Spine Road** - As outlined above the implications of the various scenarios for the delivery of the spine road are currently being considered. Regard will need to be had to how these will impact the proposals for a joint venture as set out in this report. Discussions with Homes England will continue to seek confirmation of the Council's HIF funding bid as early as possible.

Further Member and Officer Engagement

102. The above work will be undertaken by officers with significant input from members. Given the timeframe and the need for a degree of confidentiality so as not to jeopardise the proposed procurement process, informal workshops will be held with both officers and members prior to the procurement process being undertaken to complete this work. The feedback received in these workshops will be captured in the planned report to the Cabinet in March 2020.

Risks Assessment

103. The Lutterworth East SDA is a large and complex project that requires upfront investment in order to generate future financial returns over a long timeframe which will be highly sensitive to key assumptions and external factors such as the state of the housing market and the wider economic climate.
104. There are also potential political, reputational and financial risks involved with the proposed joint venture approach as this is dependent on a strong partnership and therefore contingent on the Council finding an appropriate partner.
105. The Council is mindful of this and appropriate governance arrangements have been put in place to continually monitor the project. A Growth Delivery Board is chaired by the Chief Executive and updates are also regularly provided to the Corporate Asset Investment Fund Advisory Board and Lead Members as appropriate.

Equality and Human Rights Implications

106. There are no Equality and Human Rights Implications directly arising from this report. Implications associated with the future development of the SDA will be subject to an Equality and Human Rights Impact Assessment as appropriate prior to decisions being made.

Environmental Impact

107. A full Environmental Impact Assessment was submitted as part of the planning application for the Lutterworth East SDA.

Background Papers

Minutes from Cabinet meeting on 9 May 2016 -

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4602&Ver=4>

Report to the Cabinet on 29 March 2019 “East of Lutterworth Strategic Development Area - Homes England Funding and Early Contractor Involvement”

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5601>

Report to the Cabinet on 13 September 2019 “Corporate Asset Investment Fund Annual Performance Report 2018-19 and Strategy Update for 2019 to 2023”.

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5605>

Leicestershire County Council Strategic Plan 2018-22

<https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>

Minutes of Scrutiny Commission meeting on 4 September 2019 -

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=5698&Ver=4>

Report to the Cabinet on 22 October 2019 “East of Lutterworth Strategic Development Area”

<http://politics.leics.gov.uk/documents/s148885/Lutterworth%20East%20SDA%208.10.19SLdbv2%20FINAL.pdf>

Appendices

Appendix A – Site Plan

Appendix B – Indicative redline (Joint Venture) Plan

Appendix C – Advantages and Disadvantages Options Appraisal

Appendix D – Soft Market Testing Outcomes

Appendix E – Procurement Process

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CABINET – 22ND NOVEMBER 2019

BARROW ROAD/POOLE FARM, QUORN DEVELOPMENT - SOLAR FARM AND LIGHT INDUSTRIAL UNITS

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to present the outcome of the further financial analysis of the proposed development, as requested by the Cabinet in May 2018, and to seek the Cabinet's approval to submit a planning application for a solar farm and light industrial units on land owned by the Council in Quorn. The Cabinet is also asked to agree the funding to build the first phase of the scheme if planning permission is granted.

Recommendation

2. It is recommended that: -
 - (a) The Director of Corporate Resources be authorised to submit a planning application for the commercial development of a new solar farm and light industrial units at Quorn as detailed in this report;
 - (b) That subject to planning consent being granted, construction of the first phase of the development - the solar farm and Barrow Road units - be approved subject to a maximum cost of £14 million;
 - (c) That a further report be made to the Cabinet when it is considered that construction of phase two of the development - light industrial units at Poole Farm - is viable.

Reasons for Recommendation

3. The development of the Council-owned land will provide the Authority with future revenue income and support environmental and economic objectives.

Timetable for Decisions (including Scrutiny)

4. Subject to approval by the Cabinet, it is intended that a planning application would be submitted to the County Council's Development and Regulatory Board in December 2019.

5. Both the solar farm and industrial units at Barrow Road are planned to be operational in the 2021/22 financial year.

Policy Framework and Previous Decisions

6. The Council's Corporate Asset Investment Fund Strategy (agreed by the Cabinet in September 2017) requires the Fund to be used to add to the Council's portfolio of land assets to:
 - a. Ensure that there is more diverse range of properties available to meet the aims of economic development;
 - b. Increase the size of the portfolio;
 - c. Improve the quality of land and property available;
 - d. Ensure the sustainability of the County Farms and industrial portfolio by replacing land sold to generate capital receipts and;
 - e. Provide a revenue income stream to support ongoing service delivery.
7. In February 2018 the Council agreed the Medium Term Financial Strategy 2018/19 - 2021/22 (MTFS), the key financial plan for the Authority. It includes savings of £37m over the four years, noting the need for further savings to bridge a budget shortfall forecast by 2021/22.
8. The County Council's Strategic Plan 2018 - 2022 sets out the Authority's five strategic outcomes, one of which is a Strong Economy; for Leicestershire to have a growing and resilient economy so that people and businesses can fulfil their potential. The Council can help deliver this outcome directly through the acquisition of land to support economic growth.
9. The Corporate Energy and Water Strategy 2017 - 2021 contains a target to increase the renewable proportion of energy consumed by the Council by 1% year-on-year based on 2013/14 consumption. The Strategy also details the need to generate income in order to support the MTFS. The income generated through the sale of electricity would support this target.
10. The Council's Environment Strategy, adopted in 2018, notes the role of local government in delivering and supporting creation of a low carbon society, the urgent need for action on climate change, and the interconnection between economic development, social equity/inclusion and environmental impacts.
11. In 2018 the Council signed up to UK 100, committing to achieving 100% clean energy by 2050. In May 2019 Councillors unanimously called for more to be done by the Authority to cut pollution and declared a climate emergency; the Council now aims for its own operations to be carbon neutral by 2030.
12. In May 2018 the Cabinet received a report on the proposed developments at Quorn and agreed that work be undertaken to enable the submission of a planning application and that further financial analysis be undertaken, with a particular focus on the solar farm.
13. A report on the Corporate Asset Investment Fund Annual Performance Report 2018-19 and Strategy Update 2019-2023, considered by the Cabinet on 13 September, had

been updated to reflect the Council's declaration of a climate emergency and the commitments within its new Environment Strategy for 2018-2030.

Resource Implications

14. The County Council faces a very difficult financial outlook including a savings requirement of £75m of which £20m is currently unidentified. This gap is expected to grow in later years.
15. The proposed Strategy envisages growing the Corporate Asset Investment Fund (CAIF) over the next 5 to 10 years, the exact level of investment being dependent on the availability of good investments and funding. The expectation is that the returns (both revenue income and capital growth) generated by the CAIF will have a meaningful impact on the Council's funding gap.
16. The first phase of the Quorn scheme - the solar farm and the light industrial units off Barrow Road - would have a maximum capital cost of £14m (including the cost of preparing and submitting the planning application, charges by Western Power Distribution for the connection and contingency) and is expected to generate an average annual return over a 5-year period of £834,000 through the letting of commercial units and the sale of electricity from the solar farm.
17. Further financial information relating to each element of the proposal and detailed financial estimates and risks are given in Part B of this report.
18. The Director of Law and Governance has been consulted on this report.

Circulation under Local Issues Alert procedure

19. This report will be circulated to Mrs H. Fryer CC (Quorn and Barrow division).

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PART B

Background

20. The Council-owned site comprises three parcels of land (shown on the location plan in Appendix A) which are currently held under grazing licences. The land lies to the north of the A6 between Quorn and Barrow-upon-Soar in Charnwood -
- i. Solar Farm site which is located south-west of the River Soar and comprises 62 acres of grazing land.
 - ii. Barrow Road which comprises 2.35 acres of pastureland bound on all four sides by roads including Barrow Road and the A6.
 - iii. Poole Farm which comprises 2.27 acres of agricultural land and several redundant associated agricultural buildings.
21. The first phase of the scheme would involve the solar farm and Barrow Road units, proposals for which are detailed below.

Solar Farm

22. The 62-acre solar farm would be accessed from Barrow Road. The River Soar runs along the north-east boundary of the site as do overhead powerlines. Severn Trent operates a sewage plant towards the northern end and the site is crossed by hedgerows. The site is shown at Appendix B.
23. The scheme would comprise a series of parallel rows of photovoltaic (PV) panels with direct connection to the National Grid. Due to flood risk, some frames will be near 2 metres above ground level (detailed drawings will be prepared to accompany the planning application).
24. Following feasibility studies and discussions with Western Power Distribution, the proposal is for a 10-megawatt power farm, enough to generate 8.79 megawatt hours per annum. This would be enough electricity to supply around 2,500 homes and is just under half of the energy used by the buildings the Council occupies and street lighting for the County.
25. The average income generated by the Solar Farm for the first five years (£444,000 per annum) is modelled on a prudent basis and generates a 25-year Net Present Value of £51,000 with an associated Internal Rate of Return (IRR) of 6.2%.
26. The capital cost is currently assessed to be £6.4m. A more detailed cost estimate will be conducted and a full procurement exercise will take place before awarding a construction contract.
27. There may be potential to increase the income from the solar farm following preliminary discussions with Severn Trent Water which operates a sewage treatment works next door to the site.

Barrow Road

28. It is proposed to use this site for a 45,500 sq. ft (slightly larger than previously reported due to a more efficient layout) single-storey light industrial development which would be split into 9 units, ranging in size from 2,500 sq. ft to 4,500k sq. ft, delivered in a single phase. The scheme would to be accessed from the link road between the southbound A6 and Barrow Road. This is illustrated in Appendix C.
29. Officers are in discussion with architects and environmental engineering consultants to achieve a zero-carbon rating on the development (or as close as possible to zero if not financially viable to be actually zero-carbon). It may include technologies such as wind turbines, solar roof panels and water heating, LED lighting, rainwater harvesting, heat recovery ventilation, triple glazing, and electric vehicle charging. It is expected that occupiers would be local small and medium sized enterprises.
30. The capital cost of the scheme (assuming a BREEAM sustainability assessment of very good) is currently estimated at £7.6m and the average annual income for the first five years is £390,000 per annum.
31. The 25-year Net Present Value for this part of the overall scheme is £6.1m with an associated IRR of 10.1%.

Poole Farm

32. It is intended that the Poole Farm site would be used for 30,915 sq. ft. of light industrial/office space, which would replace redundant farm buildings on the site. Again, the size has slightly increased from previously reported scheme due to a more efficient scheme being designed. These would be of the same type and construction as those at Barrow Road, with 5 units of two inward-facing terraces (of 3 units and 2 units respectively). Proposed access is via Barrow Road and the site would be linked to the A6 by an improved access road. This is shown in Appendix D.
33. It is not clear at present as to whether there is sufficient demand for these units as well as those at Barrow Road and the cost of the access road would not be insignificant. These would therefore form the second phase of the development if required; included in the planning application but to be the subject of a further Cabinet report if funding to build it is required.

The Planning Process

34. Following pre-application advice, it is intended that a single planning application would be submitted for the three developments. In this way, both the solar and commercial elements will be determined as a single comprehensive and complementary development. It will also negate the need to make a separate future application for Poole Farm.
35. As indicated in the previous report to the Cabinet (May 2018), the planning application would be submitted to the County Council as the Planning Authority: in accordance with Regulation 3 of the Town and Country Planning General Regulations 1992. Under this Regulation, the Council determines planning applications for development which it is carrying out, or which is being carried out on its behalf.

36. Prior to the submission of the planning application, officers will consult with the Soar Valley and Grand Union Canal Partnerships, the owners of Pillings Lock Marina, local allotment holders, and other stakeholders such as Quorn Parish Council.
37. Once the planning application has been submitted, public consultation would be undertaken by the County Council as the local planning authority as part of the statutory planning process. This would again include Charnwood Borough Council, statutory undertakers (e.g. Severn Trent Water, the Environment Agency), and the parish council.

Financial Estimates and Risks

38. Financial model shows that the Phase 1 of the development - the solar farm and Barrow Road units - would generate an average annual return over a 5-year period of £834,000. This is the revenue generated from the letting of Barrow Road and the sale of electricity from the solar farm.
39. To secure such revenue, it will be necessary to gain detailed planning permission for Phase 1 and meet construction costs of the development. Details of the development costs (as of November 2019) are set out in the table below, along with a timeline as and when expenditure is likely to occur.

Description	2020/21	2021/22	Total
Barrow Road Industrial Units	£2m	£4.15m	£6.15m
Solar Farm	£6m	£0.4m	£6.4m
Contingency	£0.7m	£0.75m	£1.45m
TOTAL	£8.7m	£5.3m	£14m

Solar Farm

40. While government subsidies for renewable energy have now finished, income for the solar farm will be generated from the sale of electricity to third parties. This will be achieved by entering into commercial agreements. The Council is currently in discussions with parties who are interested in securing long-term renewable energy. This includes neighbours (including Severn Trent Water) who can receive 'directly wired' electricity – at a higher return to the Council – and energy suppliers who can purchase volumes of solar energy. Selling to energy suppliers delivers a lower return for the Council as this electricity passes through the grid and is therefore subject to the costs associated with this. The figures provided are based on selling the electricity to an energy supplier.

41. The generation, sale and purchase of electricity is heavily regulated, and the solar farm may be subject to both decreases and increases in running costs in the future because of changes in policy or regulation.
42. The financial return modelled on the Council's standard 25-year net present value model takes into account the currently depressed wholesale electricity price which as at August 2019 is circa 20% lower than the average of the previous 12 months. It is assumed that wholesale prices will return to historical averages 2 years after commissioning and a prudent growth rate of 2% per annum is assumed, in line with Office of National Statistics inflation estimates. As at September 2019, Consumer Price Inflation (CPI) is 1.7% and Retail Price Index (RPI) is 2.4%.
(Note: Both CPI and RPI both include a 'basket of goods' on which price changes are calculated although the basket varies between the two measures. RPI, for example includes certain 'housing costs' that are excluded from the CPI basket such as council tax and buildings insurance. In addition, the actual calculation method between the 2 measures differs which produces a difference in the aggregated inflation value had the 2 baskets been identical. In general, the CPI method of calculation produces a lower inflation number.)
43. The key assumptions for the solar farm are capital expenditure to build, income received per kilowatt hour of electricity generated and inflation of energy costs. The sensitivity on IRR is shown below for energy income and inflation of income. The base case assumes that at year 3 the Council would receive 6.37p / kwh which then increases at 2.00% per annum.

IRR sensitivity:

		Wholesale energy income £/kwh Yr 3 - 25				
		0.0586	0.0611	0.0637	0.0662	0.0688
Energy cost inflation	1.40%	4.1%	4.8%	5.5%	5.8%	6.8%
	1.60%	4.3%	5.0%	5.6%	6.0%	6.9%
	1.80%	4.7%	5.4%	6.0%	6.4%	7.3%
	2.00%	4.9%	5.5%	6.2%	6.5%	7.4%
	2.20%	5.0%	5.7%	6.3%	6.6%	7.5%
	2.40%	5.1%	5.8%	6.4%	6.7%	7.6%
	2.60%	5.5%	6.2%	6.8%	7.1%	8.0%

Barrow Road Units

44. The key assumptions used for the Barrow Road development are cost to build and inflation on the £8 per square foot tenant rental. The sensitivity on IRR for both the build cost and rental inflation are shown below. The base case for Barrow Road assumes rental inflation at 3.5% per annum based on the view that a zero-carbon proposition is more attractive to a tenant. The Council has in past calculations used 2.5% rental inflation, which in this case still produces a favourable return over 25 years.

IRR sensitivity:

		Rental inflation				
		2.50%	3.00%	3.50%	3.75%	4.00%
Build cost	6,460,000	10.9%	11.1%	11.4%	11.5%	11.6%
	6,840,000	10.5%	10.7%	10.9%	11.0%	11.1%
	7,220,000	10.1%	10.3%	10.5%	10.6%	10.7%
	7,600,000	9.7%	9.9%	10.1%	10.2%	10.3%
	7,980,000	9.3%	9.5%	9.7%	9.8%	9.9%
	8,360,000	9.0%	9.2%	9.4%	9.5%	9.6%
	8,740,000	8.7%	8.9%	9.1%	9.2%	9.3%

Equality and Human Rights Implications

45. There are no equality and human rights implications directly arising from the recommendations in this report. The planning application will be subject to an Equality and Human Rights Impact Assessment as appropriate prior to a decision being made.

Environmental Implications

46. The proposed development would support aims set out in the Council's Environment Strategy to help delivering and support a low carbon society whilst supporting the local economy.

47. Through the introduction and management of extensive natural grassland, new trees, shrub and hedgerow planting the Council will be providing carbon sequestration within soils and vegetation. This contributes to reducing the Climate Change impacts by reducing carbon in the atmosphere whilst also supporting Biodiversity enhancement. The habitat improvements such as planting more native plant species will help insect pollinators. Adding in bird nesting sites, new ponds and management of vegetation along the river will strengthen and aid the habitat connectivity along the Soar corridor for species such as Barn Owl and Water Vole. The River Soar Corridor is identified by organisations such as the Leicestershire and Rutland Wildlife Trust, Environment Agency, Rivers Trust and others as a strategic location for biodiversity enhancements.

Appendices

Appendix A – Plan showing all 3 plots for development

Appendix B – Solar Farm site

Appendix C – Barrow Road site

Appendix D – Poole Farm site

Background Papers

Report to the Cabinet on 15 September 2017 – Draft Corporate Asset Investment Fund Strategy 2017/18 - <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4863&Ver=4>

Report to the County Council on 6 December 2017 – Strategic Plan and Single Outcomes Framework - <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MID=5104>

Report to the Cabinet on 1 May 2018 – Proposed Developments in Quorn: Solar Farm and Light Industrial Units - <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5180&Ver=4>

Report to the Scrutiny Commission on 4 September 2019 - Draft Corporate Asset Investment Fund Annual Performance 2018-19 and Strategy 2019 -23
<http://politics.leics.gov.uk/documents/s147810/CAIF%20Annual%20Report%20and%20Strategy.pdf>

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CABINET – 22ND NOVEMBER 2019

TREE MANAGEMENT STRATEGY

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's support for the draft Tree Management Strategy which sets out the approach for the management of the County Council's trees and woodlands and includes a tree management and planting programme.
2. The draft Strategy also aims to raise the profile, value and appreciation of trees in the County, to help manage the impact of Ash Dieback, and to meet the challenge of adapting to climate change over the ensuing decades.
3. The draft Tree Management Strategy and the associated Tree Management and Planting Plan are attached as Appendix A and Appendix B to this report respectively.

Recommendations

4. It is recommended
 - (a) That the draft Tree Management Strategy and Tree Management and Planting Plan be supported and referred to the Environment and Transport Overview and Scrutiny Committee for comment;
 - (b) That it be noted that a further report will be submitted to the Cabinet in March 2020 presenting the final Tree Management Strategy and Tree Management and Planting Plan for approval.

Reasons for Recommendation

5. The County Council has a legal duty to manage and maintain all trees on County Council-owned land, in parks and open spaces and on the public highway.
6. The draft Tree Management Strategy and associated Plan set out standards for the management of the tree resource under the stewardship of the County Council which comply with nationally recognised codes of practice and will mitigate the risk (e.g. of insurance claims) as well as helping to protect trees and woodlands as a valuable natural asset to Leicestershire.

7. It is intended to carry out some consultation with partner agencies and specialist groups (such as the National Forest Company and Woodland Trust) to inform the final Strategy and to seek feedback from the Environment and Transport Overview and Scrutiny Committee.

Timetable for Decisions (including Scrutiny)

8. The Environment and Transport Overview and Scrutiny Committee will receive a report at its meeting on 16 January 2020.

Policy Framework and Previous Decisions

9. The County Council has developed a Strategic Plan and a “shared vision” across the Council that it wants people to experience in their daily lives and all other County Council plans and strategies seek to align with this vision. The Strategic Plan recognises the importance of the natural environment and the countryside which makes Leicestershire an attractive place to live and work. Leicestershire’s trees and woodland provide multiple benefits that improve the quality of life for citizens and communities.
10. The draft Strategy accords with the Council’s Environment Strategy and complements the Energy Strategy and Carbon Reduction Plan. The Council has declared a Climate Emergency and is committed to achieving carbon neutrality from its own operations by 2030.
11. Set within this context, the underlying principle of the “Tree Management Strategy” will be to use the Authority’s tree assets to improve the quality of life for the citizens and communities and support the Council in delivering its wider ecological and environmental strategic objectives.
12. In March 2011 the Cabinet agreed the current Tree Management Strategy.
13. In July 2018 the Cabinet agreed the Ash Dieback Action Plan, which was aligned with the above iteration of the Tree Management Strategy.

Resource Implications

14. There are no resources implications arising from the recommendations in this report. The proposed tree planting initiatives will be funded and financed that have been already allocated through the Medium-Term Financial Strategy (MTFS) to support the response to Ash Dieback and forestry programme.
15. Officers will seek match-fund specific initiatives and the members will be updated as appropriate.
16. Any future funding requirements that might emerge from the implementation of the Tree Management Strategy or the spread of Ash Dieback will require individual business cases to be developed and approved.

Circulation under the Local Issues Alert Procedure

17. A copy of this report will be circulated to all members.

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PART B

Background

18. The County Council is responsible for managing approximately 82,000 individual tree specimens and over 400 hectares of woodland on its land holdings. It has a legal duty to manage and maintain all trees on council-owned land, in its parks and open spaces, and all trees on the public highway.
19. The County Council receives approximately 10,000 enquiries each year regarding the tree management. Many of these relate to safety and nuisance issues (e.g. branches overhanging the highway) but also include requests for specialist advice and guidance from residents and landowners.
20. In 1994, the government published “Sustainable Development, the UK Strategy and Urban Tree Strategies”. Subsequently the former Department of the Environment along with the former Office of the Deputy Prime Minister supported and encouraged the production of tree management strategies by local authorities.
21. The County Council produced its first Tree Management Strategy in 2008 and this was later revised in 2013. A further revision of the Strategy will refresh tree management practice and procedure in line with best practice and ever-changing legislation and to also align work with the Authority’s strategic priorities.

Ash Dieback

22. The challenges posed by the Ash Dieback disease now present within Leicestershire, are being addressed through the Council’s Ash Dieback Action Plan. Ash Dieback, sometimes known as “*Chalara*” is caused by a fungal pathogen and affects *Fraxinus Excelsior* (Ash) and other *Fraxinus* species and was first detected in Leicestershire in 2012.
23. Since the decline of Elm in the late 1970’s, Ash has become the most common native tree within the Leicestershire rural landscape and is common across farms, woodlands and along road corridors.
24. Once infected a high proportion of trees will die (the rate of decline varies according to the age, health and condition of the tree). There are over 500,000 Ash trees in Leicestershire, many of which are on adopted highway verges or adjacent to areas of public use. As the Highway Authority, the Council is responsible for maintaining the safety of all road users.

Operational Arrangements

25. The strategic management of the Council’s tree assets is the responsibility of the Forestry Team within the Corporate Resources Department.

26. Tree maintenance on open spaces and country parks is undertaken by an external contractor; this is an established working relationship and economically viable. However, the current contract expires in 2022 and officers are considering conducting market assessments to determine if the current operating model should continue or if there is an alternative viable delivery model.
27. Staff within the Operational Highways section in the Environment and Transport Department currently undertake the tree maintenance work on the highway network.

Revised Draft Strategy

28. The draft Strategy:
 - Recognises the value that trees provide in relation to meeting the Authority's carbon and environmental agendas.
 - Sets out standards that adhere to nationally recognised codes of practice.
 - Proposes how parks, open spaces, hedge rows and woodlands will be maintained so that trees continue to provide aesthetic, biodiversity, and natural capital value.
 - Recommends a risk management-based approach to mitigate against insurance claims arising from damage to property and or personal injury caused by trees.

Consultation

29. The draft the Tree Management Strategy has been circulated internally, including to Council departments that require tree management services, namely Environment and Transport, Insurance and Legal Services and feedback from this has informed the draft document.
30. The draft Tree Management Strategy and accompanying Plan will be referred for comment to a number of organisations which have particular expertise in this area of work such as the National Forest Company, the Forestry Commission and the Woodland Trust.
31. The Environment and Transport Overview and Scrutiny Committee will be asked for its comments on the draft Strategy at its meeting in January 2020.

Conclusion

32. Trees are part of what makes Leicestershire a great place to live. As well as their aesthetic value, they provide enormous ecological and environmental benefits and make a huge contribution to the health and wellbeing of residents. The Tree Management Strategy will enable the Council to preserve and develop its tree stock and to maximise the associated benefits.

33. The Strategy also defines clear standards for the Authority to manage its trees in accordance with relevant national guidelines.
34. The draft Strategy considers the key activities required to manage an extensive tree population effectively and aims to guide future planning and ensure that a consistent, high-quality approach is taken across the County.
35. Climate change, population growth and the increasing pressures on the land can put trees and woodlands at risk, as well as pests and diseases. A proactive approach is needed to tree management and to planting more trees across Leicestershire for current and future generations.

Equality and Human Rights Implications

36. There are no equality or human rights implications arising from the recommendations of this report. Any future change to the Council's policies, procedures, functions and services because of the strategy or associated action plans will be the subject of an Equality and Human Rights Impact Assessment.

Risk Assessment

37. A key aspect of this Strategy is to minimise legal risk and to ensure that the County Council meets its statutory obligations in relation to the management of trees.

Background Papers

Leicestershire County Council Strategic Plan 2018-2022

<https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2019/6/27/LCC-Strategic-Plan-2018-22.pdf>

Report to the Cabinet on 6 July 2018 "Ash Dieback" and minutes of that meeting

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5412>

Tree Management Strategy (published 2011)

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=3122>

Appendices

Appendix A - Tree Management Strategy

Appendix B - Tree Management and Planting Plan 2019-2021

**CABINET – 22ND NOVEMBER 2019****MELTON MOWBRAY LOCAL PLAN DELIVERY PARTNERSHIP
- HIF BID UPDATE****REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT
AND THE DIRECTOR OF CORPORATE RESOURCES****PART A****Purpose of the Report**

1. The purpose of this report is to advise the Cabinet of the success of the Housing Infrastructure Fund (HIF) bid for the southern section of the Melton Mowbray Distributor Road (MMDR), and discussions with Melton Borough Council (MBC) in relation to a risk-sharing agreement regarding support for the County Council in the remaining funding of the road and related infrastructure.

Recommendations

2. It is recommended that:
 - (a) The implications of the broad principles agreed with Melton Borough Council (MBC), set out in paragraph 37 of the report that will feed into the risk-sharing agreement be noted;
 - (b) The Director of Corporate Resources and the Director of Law and Governance, following consultation with the Cabinet Lead Member for Resources, be authorised to finalise and enter into the risk-sharing agreement with MBC prior to signing of the agreement with Homes England for the HIF funding (expected to be in place by the end of the financial year);
 - (c) The HIF funding be accepted, for the reasons set out in paragraphs 22 to 31 of this report;
 - (d) The Director of Environment and Transport, in consultation with the Director of Corporate Resources and the Director of Law and Governance and following consultation with the Cabinet Lead Members for Resources and Environment and Transport, be authorised to take the necessary actions to deliver the MMDR northern eastern and southern sections.

Reason for Recommendations

3. Following the Cabinet decision of May 2019 officers have continued to work to develop a suitable risk-sharing agreement to support the funding of the MMDR and other infrastructure, required to support MBC's Local Plan.
4. The financial risk faced by the County Council in delivering the infrastructure, principally the MMDR and schools, necessary to support growth in Melton is significant. The introduction of risk-sharing arrangements with MBC and maximising developer contributions helps to manage better these risks and share these in a way that is proportionate and fair.

Timetable for Decisions (including Scrutiny)

5. Subject to approval of the recommendations above, officers will work with Homes England to finalise the funding agreement for the HIF award and progress delivery of the MMDR southern section at the earliest opportunity.

Policy Framework and Previous Decisions

6. In September 2015 the Cabinet agreed that the Council should work jointly with MBC to identify a preferred corridor for [what was then referred to as] an outer relief road for Melton Mowbray.
7. In December 2018 the Cabinet considered a report of the Director of Environment and Transport, which set out the Council's intention to pursue two HIF bids, one of which related to the southern section of the MMDR. It was resolved that, should a bid be successful, a further report be submitted to the Cabinet, prior to acceptance of funding by the Council.
8. In May 2019 the Cabinet considered a joint report of the Director of Corporate Resources and the Chief Executive setting out the financial challenges faced by the County Council arising from the significant housing and business growth planned across Leicestershire and the infrastructure required to support this. To mitigate the cost impact, it supported the development of risk-sharing agreements with district councils to enable the County Council to forward fund the significant infrastructure costs through the use of additional tax revenues, in advance of developer funding becoming available.

Resource Implications

9. The level of transport investment required to support growth across Melton is substantial. As an example, the County Council's commitment (and potential financial exposure) to deliver the scale of infrastructure required to support growth in Melton will require around £160m gross investment - roughly £100m for roads and £60m for schools. The local burden is reduced due to the funding awarded from the Local Authority Majors Fund (£49m for the northern and eastern sections) and the HIF bid (£15m for the southern section). It is then expected that most of the remaining costs will be recouped in later years

through developer contributions. Nonetheless, it will require significant forward funding from the County Council leading to significant risks to the Authority.

10. The requirement for significant match funding and at-risk business case development for highways infrastructure will be an increasing barrier to bringing schemes forward. Discussions with MBC have led to an outline agreement for a risk-sharing arrangement that would see an estimated £6m being contributed from MBC towards highway infrastructure over the period to 2035/36. This will offset some of the County Council's forward funding and developer shortfall risks in relation to infrastructure.
11. The requirement of acceptance of the HIF bid is that equivalent contributions received from developers under the planning process will be recycled into facilitating other housing schemes in Leicestershire.
12. As part of the contracting process with Homes England, the County Council will also need to put in place appropriate monitoring arrangements to ensure that the reinvestment can be quantified and achieves its shared objective of unlocking further housing aligned with the Strategic Growth Plan.
13. The £13m match funding to make up the full £28m required to deliver the Southern Section of the MMDR will be built into the updated Capital Programme/MTFS refresh. However, the process of initial facilitation work to meet the timescales to begin working on site in 2023 will need to commence this financial year. It is proposed that this is met from accelerating funding already provided in the capital programme for the Northern and Eastern sections.

Legal Implications

14. The HIF Forward Funding Guidance published by Government sets out that bidding local authorities are responsible for ensuring that any funding they are awarded will be spent in accordance with all applicable legal requirements, including planning law. Any development decisions for specific proposals must go through the normal planning process.
15. Additionally, any funding awarded has to be spent in accordance with state aid provisions, public procurement law requirements and general public law issues such as the Public Sector Equality Duty.
16. The Government's expectation is that the content of HIF bids should remain confidential. However, this does not remove the need for the Council to comply with Freedom of Information legislation and Environmental Information Regulations (FOIA/EIR). In that regard any requests under FOIA/EIR in respect to the scheme referred to in this report would be considered against, as necessary, the public interest factors for and against disclosure and applicable exemptions. It is understood that Government will release high level project information with the announcement of successful bids (project name, funding amount, number of houses).

17. As it stands the agreement with MBC is only at a high level. It will need to be fully developed in the coming months and agreed with MBC. Work on this requires to be progressed.
18. The Director of Law and Governance has been consulted on the content of this report.

Circulation under Local Issues Alert Procedures

19. This report has been circulated to all members of the County Council.

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PART B

Background

20. Construction of a MMDR is a key element of a wider Melton Mowbray Transport Strategy (MMTS), which has been in development (paragraph 43 provides further details). The known infrastructure costs to build the whole of the MMDR (northern/eastern and southern sections) and provide appropriate schools are in the region of £160m. A Government grant of £49m has already been secured (subject to Full Business Case) towards the delivery costs of the northern and eastern sections, for which the County Council has already invested £4m, at risk.
21. The successful HIF bid towards delivery of the southern section of the MMDR has secured an additional £15m, but this still leaves an estimated balance of around £100m to be identified. Section 106 agreements already in place will contribute £7m of this.

Housing Infrastructure Fund (HIF) Offer

22. The HIF offers funding to local authorities for infrastructure to support the delivery of new homes across the country. It is a capital grant programme, which, like almost all new Government sources of funding, is being awarded via a competitive bidding process. It also requires an element of match funding. The specific bid for the Southern Section of the MMDR included total costs estimated at £28m, of which £13m would need to be funded locally.
23. After an initial assessment and development of the proposal, the County Council submitted a bid for monies from the HIF in March 2019. The primary focus of this scheme is to facilitate/accelerate the full potential of the planned development and additional development potential on the south side of Melton Mowbray, comprising the Melton South Sustainable Urban Neighbourhood. This will bring forward the early delivery of the southern section of the MMDR. The County Council was notified on 1 November that this bid had been successful.

The importance of the HIF bid and links to current Plans/Strategies

24. *Supporting delivery of the Strategic Growth Plan (SGP):* The County Council has a strong track record of securing funding for, and the delivery of, transport infrastructure to enable growth, delivering on its strategic outcomes to promote a strong economy and to ensure a supply of quality and affordable homes. Melton Mowbray is identified as a 'Key Centre for Regeneration and Growth' in the SGP.
25. The Melton South Sustainable Neighbourhood (SN) is a key development area identified in the Melton Local Plan. Following extensive consultation during 2016-2017, the Local Plan underwent Examination, and following the Inspector's Report was formally adopted in October 2018.
26. As part of the objectives of the local plan Policy SS2 identifies the need to build a minimum of 6,125 houses and provide 51 hectares of employment land within the borough of Melton to 2036, of which a minimum of 3,980 houses and 31

hectares of employment land are proposed within the town of Melton Mowbray itself. Melton Mowbray is therefore the key focus for growth.

27. For Melton Mowbray South, the Local Plan sets out the need for the MMDR South scheme, which represents a continuation of the eastern MMDR alignment to further unlock housing and employment development as part of the Melton South SN.
28. Policies SS4 and EC1 propose the development of a minimum of 2,000 homes, 20 hectares of employment land and associated community facilities, including a new local centre and primary school, on land to the south of Kirby Lane. The site extends to over 85 hectares of housing land.
29. The infrastructure that the HIF funding was requested for is confirmed as a requirement of Local Plan, its transport Evidence Base, and supporting information as part of Outline Planning Applications. The Local Plan Inspector's Report endorses the approach taken, identifying the scheme as critical and necessary infrastructure.
30. *Reflecting 'market' interest:* The bid was aligned to an area where there is already strong market interest in bringing forward development, namely a previous outline planning application for the development of 1,500 dwellings as part of the Melton South SN. The transport infrastructure that would be funded from successful HIF bids will help to support, enable or accelerate these growth proposals.
31. *Community benefits:* Concerns have been expressed by some residents in the south of Melton Mowbray that growth proposals for the town could result in additional traffic that would use unsuitable roads, with negative impacts on their areas. The transport improvements that the HIF bids would deliver would help to address these issues.
32. This is an important opportunity to secure significant investment in transport infrastructure to enable growth. Were this current opportunity to be missed, it would not remove the need to deliver new housing in Melton Mowbray; it would mean, however, that growth would take place at a slower pace and in a way much less likely to deliver the transport infrastructure required to support growth in a coordinated fashion.
33. Whilst the bid aligns with the Melton Local Plan and will help to support / enable development where there is already known to be market interest, it is important to stress that acceptance of the bid is not intended to prejudice the proper consideration of any specific development locations or proposals as they come forward through the planning process, including through the development of future Local Plans.

Risks and cost sharing

34. Likely conditions associated with the HIF funding include period payments (usually 6 months); delivery being on track (if not payments might be withheld);

funding being spent only on capital costs and there being an agreed delivery date for the scheme. This will be discussed with Homes England

35. The working assumption is that Government grants and s106 developer contributions will fill any funding gaps. However, as is normal with any development, s106 developer funding is not recouped until a development has been granted planning permission and reached certain stages of occupation. There is therefore a requirement for the County Council to forward fund the project (the estimated cost of which is £13.2m for the Southern section), which puts it at significant risk, given that securing and maximising the necessary level of s106 developer contributions is outside of its control, this being managed by MBC as local planning authority.
36. The proposed risk-sharing agreed with MBC relates to the remaining road infrastructure costs (not funded by grant) in relation to the northern/eastern and southern sections of the MMDR. It will need to be finalised prior to signing of the agreement with Homes England, which is expected to be in place by the end of this financial year.
37. The legal risk-sharing agreement will be based on the following already agreed broad principles:
 - Ensuring additional tax revenues from Council Tax and New Homes Bonus generated from the consequential housing in the area are utilised to support the forward funding of the scheme and cover any potential ongoing funding shortfall. This will also go towards mitigating the risk that developer contributions fall short of the overall scheme costs;
 - Any growth in business rate revenues will be retained to cover internal costs of scheme delivery;
 - No funds are diverted from what MBC requires to deliver its Medium Term Financial Strategy;
 - Actively seeking contributions from other sources such as the business rate pool, business rate pilot and other Government funding streams to fund the infrastructure;
 - Ensuring developer funding from the proposed developments are maximised and secured as early in the development as possible;
 - Uses existing governance mechanisms for the Melton Mowbray Transport Strategy;
 - The agreement would be subject to amendment where funding streams are amended or reviewed;
 - The agreement is time-limited to 2035/36;
 - Agreeing viability assessment methodology and transparency of outcome.

Consultation

38. The HIF process does not provide for public consultations to be undertaken on bids; in many respects the confidential nature of matters including specific development sector information counters against being able to meaningfully conduct such consultations.

39. However, the Melton Local Plan, which provides the statutory planning policy for the Melton Southern SN and the MMDR, has been informed by extensive public involvement and has been subject to an examination in public (EIP). The EIP Inspector fully endorsed the growth proposals for Melton Mowbray and the proposals for the MMDR and the Local Plan have been duly adopted on that basis. Overall, there is general public support for the MMDR and the extensive consultation that took place as part of the planning application for the North and East sections MMDR resulted in very few objections.
40. Following successful award of HIF funding further consultation would be undertaken as planning permission for the MMDR southern section still needs to be progressed.
41. As and when specific proposals come forward through the planning process for any further growth in Melton, they will be subject to statutory consultation processes.

Next Steps

42. Subject to the Cabinet's acceptance of HIF funding, the proposals will be fully developed, with a view to delivering the transport infrastructure in the required timeframe (Spring 2019 to 2023/24). Officers will work closely with the developers along the MMDR Southern section as they submit the necessary planning applications through 2020.
43. Work will continue to develop the complete MMTS. In essence, the MMTS will provide the basis for the future development and delivery of a wider range of transport measures that will complement the MMDR and further support the future growth of the town. Such measures, the delivery of which is likely to be through a mixture of public and private (developer) funding, are likely to include traffic management (e.g. road resigning and reclassifications); improvements for walking and cycling, and measures to support and promote use of passenger transport. The MMTS will be subject to further reports to the Cabinet as necessary.

Conclusion

44. The County Council has a strong track record of securing funding to deliver transport infrastructure to enable growth, supporting the delivery of its strategic outcomes to promote a strong economy and to ensure a supply of quality and affordable homes. Despite this, there remain considerable challenges in seeking to meet the future housing (and job) needs of the area's changing and growing population.
45. The Housing Infrastructure Fund (HIF) award offers a significant opportunity for the County Council to support the delivery of the Melton Local Plan which sets out the need for the MMDR southern scheme, a continuation of the eastern MMDR alignment to further unlock housing and employment development as part of the Melton South SN.

46. It also provides opportunities to enable better integration and co-ordination of transport infrastructure with the new development. This should benefit local communities in areas close to proposed new development locations and help to address often expressed community concerns that when development happens the transport infrastructure required to mitigate its highway impacts is not provided in a sufficiently timely fashion.
47. The risk-sharing agreement with MBC will go some way to mitigate against the financial risk for the County Council in accepting the HIF funding and delivering the infrastructure.

Equality and Human Rights Implications

48. The MMDR Southern section was identified in the Melton Local Plan as essential for the delivery of the planned growth in the district. The Plan itself was subject to an Equality and Human Rights Impact Assessment. Any future scheme will be subject to further assessment in line with the County Council's policy and procedures, more detailed assessments of specific proposals will be undertaken as they come forward through the planning process.

Environmental Implications

49. An environmental impacts study was carried out as part of the HIF bid development process to inform the WebTAG assessment. In accordance with relevant regulatory requirements, more detailed assessments of the specific proposals will be undertaken as they come forward through the planning process.

Background Papers

Report to the County Council – 20th February 2019 - The County Council's Medium Term Financial Strategy for 2019/20 to 2022/23
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=5125&Ver=4>

Report to the Cabinet - 24th May 2019 - Supporting Growth in Leicestershire
<http://politics.leics.gov.uk/documents/s145945/Supporting%20Growth%20in%20Leicestershire.pdf>

Report to the Cabinet - 18th December 2018 - Housing Infrastructure Fund
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5793&Ver=4>

Report to the Cabinet – 23rd November 2018 – Leicester and Leicestershire Strategic Growth Plan 2018 - 2050
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5185&Ver=4>

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CABINET – 22 NOVEMBER 2019

A511 GROWTH CORRIDOR PROPOSALS

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the recent consultation regarding the A511 Growth Corridor proposals, to seek continued support for the prioritisation and delivery of the scheme and approval for the necessary delegations to facilitate this.
2. The A511 proposals consist of a range of measures, including improvements to 8 junctions, an extension to the Bardon Link Road being provided as part of the South East Coalville development, and a dual carriageway between Thornborough Road and Whitwick Road in Coalville.

Recommendations

3. It is recommended that:
 - (a) The proposed improvements to eight junctions along the A511, including a Bardon Link Road extension to south-east Coalville, and dual carriageway between Thornborough Road and Whitwick Road as shown in the plan in Appendix A to the report, be supported;
 - (b) The existing funding allocation of £4m capital funding be used to:
 - (i) Develop and submit a planning application for the extension to the Bardon Link Road,
 - (ii) Undertake all necessary preparations to progress the scheme to Full Business Case (FBC) and, subject to DfT approval, delivery;
 - (c) The Director of Environment and Transport, in consultation with the Director of Corporate Resources and the Director of Law and Governance and following consultation with the Cabinet Lead Members for Environment and Transport and Resources be authorised to submit the FBC to the DfT for approval and to take the necessary actions to deliver the MRN A511 Growth Corridor scheme subject to (d) below;
 - (d) A further report be submitted to the Cabinet prior to submission of a planning application to include, amongst other things -

- (i) The detailed design and updated cost estimates for the scheme which will form the basis for the planning application;
- (ii) Requests for approval to make and implement any required Compulsory Purchase Orders and associated statutory orders;
- (iii) The updated cost-sharing agreement with North West Leicestershire District Council.

Reason for Recommendations

4. Following the Cabinet decision of March 2019 to support development of a package of measures which meet the criteria for MRN finding, officers have continued to work on the proposals for the A511 corridor and are confident that they will provide value for money.
5. Whilst the Coalville Contribution Strategy provides a means of financing individual schemes, the delivery of the package of measures in the A511 scheme would be in a piecemeal fashion over a long period, as delivery of each of the individual proposals could only be carried out when developer funding became available or central government funding could be secured.
6. The MRN funding of up to £50m provides the best opportunity to ensure that all the mitigation identified through planning can be delivered whilst minimising the disruption to the public. To bid for this, it is necessary for the County Council to commit funding of £4m to prepare a business case.
7. Authorising the Director to proceed with actions to deliver the scheme up to the submission of a planning application will ensure that it is progressed at the earliest opportunity.

Timetable for Decisions (including Scrutiny)

8. The Environment and Transport Overview and Scrutiny Commission considered this matter on 7 November. Its comments are set out in Part B of this report.
9. Officer representatives from North West Leicestershire District Council and the County Council are meeting in December to consider a refresh of the current cost sharing agreement between the two authorities with regard to the financing of the A511 Growth Corridor and it is intended that the outcome of these discussions will be reported to the Cabinet in June 2020.
10. As previously agreed, the Outline Business Case (OBC) for the package of measures proposed will be submitted to the DfT in December 2019 and it is expected that the County Council will be advised of the outcome in late spring or early summer 2020.
11. If the OBC is successful, then submission of a planning application for the Bardon Link Road Extension is scheduled in August 2020. The planning

determination period is 16 weeks, so a decision would be expected by late January/early February 2021. This will provide an opportunity to carry out further consultation with residents and stakeholders.

12. Funding for MRN schemes is not available until April 2022. This will provide sufficient time for work to be carried out to enable the FBC to be submitted for approval.
13. Subject to securing the funding, construction of the scheme is expected to commence in Spring 2022.

Policy Framework and Previous Decisions

14. In March 2011 the County Council approved the third Leicestershire Local Transport Plan (LTP3). This contains six strategic transport goals, of which Goal 1 is to have a transport system that supports a prosperous economy and provides successfully for population growth. The LTP3 sets out the Council's approach to achieving this, namely to improve the management of the road network and continuing to address congestion issues.
15. In March 2014 the Cabinet approved the principles set out in the Leicester and Leicestershire Enterprise Partnership's (LLEP) Strategic Economic Plan, which prioritises support for the economy of Market Towns and rural Leicestershire.
16. The County Council's Enabling Growth Action Plan (approved in March 2015) supports the development of Market Towns for employment land as a priority and includes a specific action to work with North West Leicestershire District Council to plan for the future growth in the area and in particular Coalville.
17. In November 2015 the Environment and Transport Overview and Scrutiny Committee was advised that given the significant opposition to making any changes to Hugglescote Crossroads, officers would not be recommending that any changes be made to the crossroads and that future highways improvement work in the area be focused on the A511.
18. In March 2019 the Cabinet agreed to the development of the Strategic Outline Business Case (SOBC) and the OBC for the MRN A511 Growth Corridor scheme. It authorised the Director of Environment and Transport to prepare and submit bids, as appropriate, to secure external funding for delivery of schemes identified in the Highways Capital Programme.
19. In May 2019 the Cabinet considered a joint report of the Director of Corporate Resources and the Chief Executive regarding the financial challenges faced by the Council arising from the housing and business growth planned across Leicestershire and the infrastructure required to support this. The Cabinet agreed that cost-sharing agreements with district councils were needed for the Council to forward-fund the significant infrastructure costs through the use of additional tax revenues, in advance of developer funding becoming available.

Resource Implications

20. The total cost of the A511 Growth Corridor scheme is currently £49m including further development costs, of which £42m is expected to be met from DfT funding should the Major Road Network Bid be successful.
21. The remaining financial commitment of £7m is to be funded from the Coalville Contribution Strategy (the means by which funds are collected from developers to fund transport infrastructure in North West Leicestershire, as agreed with North West Leicestershire District Council). As some of this £7m will need to be financed in advance of receipt of this funding it is proposed that it is forward-funded through the County Council's capital programme. This does involve a risk if the developer funding does not fully materialise. It is proposed therefore that discussions take place with North West Leicestershire District Council to formalise the existing agreement and so minimise potential risks to this funding.
22. To ensure work on the proposals could take place to secure central government funding, approval given by Cabinet on 29 March 2019 for £4m of capital funding to develop the scheme to FBC and delivery. This will need to be fully funded by the County Council and will not be recouped if the bid is unsuccessful. It is intended that this will be funded from the Highways capital programme.
23. This funding has enabled an SOBC to be submitted in July 2019 and will enable the OBC to be submitted in December. In October 2019 the DfT announced that scheme development funding had been awarded to help work on the OBC. The amount of funding confirmed by DfT is £1.28m, and the Cabinet is asked to agree to the use of £4m capital, which would give a total of £5.28m. £1.5m of this is available is expected to be spent in 2019/20 to complete the OBC for submission to the DfT, with the remaining £3.78m profiled through 2020/21 and 2021/22 to enable work to submit a planning application, carry out statutory procedures and carry out work necessary to prepare the scheme for delivery.
24. The Director of Corporate Resources has been consulted on the content of this report.

Legal Implications

25. Wherever possible the acquisition of land and rights will be conducted by negotiation and agreement with landowners, but it is likely that the Compulsory Purchase process pursuant to the Highways Act 1980 and the Acquisition of Land Act 1981 will be critical for procurement of the land and rights along the route.
26. The Director of Law and Governance has been consulted on the content of this report.

Circulation under Local Issues Alert Procedures

This report has been circulated to members representing the electoral divisions that are affected by the proposals: Mr. D. Harrison CC, Mrs D. Taylor CC, Dr. T. Eynon CC, Mr. M. Wyatt CC, Mr. T. Gillard CC, Mr. P. Bedford and Mr. N. Rushton CC.

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PART B

Background

27. Congestion on the A511 Growth Corridor has been a long-standing issue recognised by both North West Leicestershire District Council and Leicestershire County Council; this can be dated back to 2008 when the Coalville Transport Strategy (CTS) was developed and investigated junctions on the corridor requiring improvement to facilitate housing growth in Coalville and Ashby.
28. An outcome of the CTS was the implementation of the Coalville Contribution Strategy (CCS) to help facilitate the delivery of improvements along the corridor. However insufficient funding has currently been received from the CCS to deliver the range of improvements required for the corridor. Due to this, issues along the corridor have become increasingly pronounced and are likely to be exacerbated further by increases in background traffic and the significant levels of growth planned for the town as part of the Local Plan.
29. The A511 Growth Corridor is recognised by Leicester and Leicestershire Enterprise Partnership (LEEP) in its Strategic Economic Plan (SEP) as one of five Growth Areas. The SEP states through appropriate investment and improvements along the corridor, there is the potential to deliver at least 5,275 houses and 25ha of employment land. Importantly, a significant number of the committed dwellings (3,500) are on sites which are collectively referred to as south-east Coalville.
30. More importantly, one of the main HS2 Phase 2b construction compounds is to be located near the A42 Junction 13, which forms the westernmost end of the A511 Growth Corridor. Accessibility to the compound will potentially have major traffic implications on the corridor. The HS2 Phase 2 work is programmed to start mid-2023 so it is desirable that the major works on the A511 Growth Corridor are largely completed by then.
31. Implementation of the scheme will provide the breathing space to enable a wider transport strategy for Coalville and the surrounding area to address localised traffic issues, public transport improvements and walking and cycling connectivity; building on the work done as part of the Local Sustainable Transport Fund in 2012 and 2013.

DfT Major Road Network Bid (July 2019)

32. The Council submitted the Major Road Network bid to the DfT in July 2019, requesting funding of up to £1.5m to prepare an OBC by December 2019 with a potential scheme construction start date of 2022. This is the only bid submitted across the East Midlands to the MRN funding pot.
33. In October 2019 the DfT announced that the bid was successful, with £1.28m funding awarded to commence work on the OBC from July 2019. However, the

DfT requested that the OBC should be prepared for submission by December 2019, with a potential construction start date of Spring 2022.

Outline Business Case Preparation and Submission

34. The DfT requires much more detailed information about the overall costs and projected benefits of the scheme in order to decide on the award of construction funding. This information is provided in the OBC which, to comply with DfT requirements, needs to comprise the following key components (often referred to as ‘the five cases’):
- i. A ‘Strategic Case’ explaining how the scheme is supported by a robust case for change and fits with wider policy objectives.
 - ii. An ‘Economic Case’ demonstrating that the scheme represents value for money.
 - iii. A ‘Financial Case’ showing that the scheme is affordable.
 - iv. A ‘Commercial Case’ demonstrating that the scheme is commercially viable to deliver.
 - v. A ‘Management Case’ showing that the scheme is achievable.
35. A summary of the OBC is set out in Appendix B to this report.

Consultation

Consultation process

36. A four-week public consultation took place between 26 September and 23 October 2017, based on a package of improvements to eight junctions, including an extension to the Bardon Link Road being provided as part of the South East Coalville development, and a proposed dual carriageway between Thornborough Road and Whitwick Road as shown in the plan in Appendix A to the report.
37. The range of measures to address the identified issues along the corridor that were included in the consultation were improvements at:
- i. J1 – Hoo Ash Roundabout
 - ii. J2 – Thornborough Road Roundabout
 - iii. J3 – Dualling between Thornborough Road and Whitwick Road
 - iv. J4 – Whitwick Road Roundabout
 - v. J5 – Broom Leys Junction
 - vi. J6 – Bardon Road Roundabout, including the extension to the Bardon Link Road
 - vii. J7 – Birch Tree Roundabout
 - viii. J8 – Flying Horse Roundabout
 - ix. J9 – Field Head Roundabout.
38. The consultation comprised:
- An on-line consultation questionnaire (also available in paper format on request) on the County Council’s website.
 - Public Exhibitions, which were attended by around 200 people.

39. To maximise publicity and encourage the public response the Council ensured that there was coverage in Coalville Times, Leicester Mercury, and parish newsletters as well as local radio and television coverage. A total of 2000 local residents and businesses within 200 metres of the A511 route were sent letters, and social media alerts were also used. Members were kept informed before and during the consultation.

Consultation responses

40. Full details of the consultation feedback can be viewed on the County Council's website at <https://www.leicestershire.gov.uk/roads-and-travel/road-maintenance/A511MRN>. The key issues are set out in Appendix C to this report and are summarised below.
41. The principle opportunity for consultees to comment was through the consultation questionnaire. In total, 224 responses were received to this, online or by post, and demonstrated a good overall level of support.
42. Six responses to the consultation questions were presented:
- Strongly Agree
 - Tend to agree
 - Neither Agree nor disagree
 - Tend to disagree
 - Strongly disagree
 - Don't know
- As usual, unless either of the strongly agree/disagree options had prominence the two 'agree' and 'disagree' options have been aggregated together.
43. 80% of respondents agreed that the A511 already suffers from congestion and delays; 90% of respondents agreed that minimising the impact on residents was important, and 85% of respondents agreed that minimising the impact on the environment was important.
44. A total of 49% of respondents disagreed with the overall proposed scheme outlined in the supporting statement. When asked to elaborate, the majority of comments indicated that the respondent wanted a relief road, or for the A511 to be widened; it was felt that individual junction improvements did not go far enough, or that until people travelled sustainably and use cycling, buses and walking when they can, the problems will remain.
45. The majority of respondents (between 54% and 42%) supported the individual junction proposals with the exceptions being Broom Leys Crossroads (42% for and 41% against) and the Flying Horse Roundabout (36% for and 54% against).
46. When asked to elaborate, most comments regarding Broom Leys Crossroads and the Flying Horse Roundabout indicated that those opposed to these junction improvements did not support the right turn restrictions. The concerns regarding the dual carriageway related either to concerns that other sections of

the A511 were not being dualled or that the increase in road capacity from the dualling would attract additional traffic.

Comments of the Environment and Transport Overview and Scrutiny Committee

47. A site visit for members of the Committee had taken place on 4 November and Members agreed that had been very helpful in highlighting the issues along the route.
48. Members noted comments from Dr. Terri Eynon CC, one of the local members. The Director undertook to reply in detail to Dr. Eynon on the points raised in her submission but responded on the main aspects as follows:
 - *Assurance that the Junction 6, the Bardon Link Road, was deliverable.* In view of the long lead-in, officers were already liaising with Network Rail and landowners whose land would need to be acquired for the scheme.
 - *The feasibility of a walk/cycle path into Coalville.* The cycle path along the disused railway by the link road would be added to the Coalville Cycle Strategy and officers would consider how it could best be progressed.
 - *Assurance that the Stephenson's Way roundabout will have the capacity to cope with the traffic.* Officers had undertaken traffic simulations up to 2030 to help ensure that the roundabout could cope with future pressure.
 - *A harmonisation of the speed limits along the A511.* This had been the subject of long and detailed discussion. The Council would always manage speeds as per national criteria.
49. The Committee noted that many who responded to the consultation wanted the proposals to go further. The Director explained that the Council was only able to bid for up to £50m MRN funding but was in discussion with the DfT as to how the scheme might be developed further to promote sustainable travel. With limited land available along the A511 it was doubtful that a bus lane could be added. It was unlikely that more Government funding would be available.
50. Some reservations were expressed regarding shared-use cycle and walking paths, in view, for instance, of increased use of mobility scooters.
51. It was noted that the scheme would improve air quality by easing congestion and preventing stop-start movement, notably at the Birch Tree Roundabout, one of the worst areas for air quality.
52. Members were pleased to hear that the Council had recently received a "Planning for Natural Environment" award for the Melton Mowbray distributor road and would apply the same approach to the A511 scheme with a mix of coniferous and deciduous tree planting.
53. It was noted that the Council was seeking to agree cost-sharing arrangements with North West Leicestershire District Council in view of the considerable forward-funding commitment required, but that planning agreements already in place would suffice to cover the costs incurred.

54. The Committee supported the proposals but asked the Director to continue to seek to incorporate sustainable travel measures in the scheme. Mr. B. L. Pain CC, the Cabinet Lead Member for Environment and Transport, agreed there was more to do to show how the scheme would address current problems.

Response to feedback

55. Whilst most respondents agreed that congestion along the A511 is bad and will only get worse, overall the feedback was that the proposals did not go far enough. Some concerns were raised over the lack of provision of a relief road and widening of the A511, which cannot be delivered through the MRN funding, which is limited to a maximum of £50m. However, in response to comments received, further design work to junctions such as Broom Leys Crossroads and Flying Horse Roundabout will be carried out to ascertain if there are further improvements that can be made within the MRN criteria.
56. Early discussion with DfT has indicated that the scheme has opportunities to include public transport, cycling and walking given this is a key route for local employers in the Bardon area for trips under 1km from Coalville. However, under current transport assessment any delays to motorised traffic that could be the result of interventions to assist walking, cycling and public transport can cause a negative impact on the business case as a result of the delays incurred. Whilst DfT has offered to explore opportunities in these areas it does not have sufficient resources to provide such advice until after the OBC is submitted. It is therefore intended that an addendum to the OBC will be submitted to identify opportunities to promote public transport, cycling and walking, along with associated costs. This would enable the DfT to consider these interventions and how they can contribute to the overall benefits of the proposed A511 scheme.
57. Due to the tight timescales for submission of the OBC, the previously recommended package of measures will be used but making it clear that suitable amendments to the package of measures will be undertaken before submitting a FBC to maximise the benefits that public transport, cycling and walking facilities can make to the scheme. This may also provide an opportunity to carry out further design work to junctions such as Broom Leys Crossroads and Flying Horse Roundabout, whilst being able to demonstrate positive transport benefits.

Delivery and Funding of the Scheme

58. The scheme for which DfT MRN funding is being sought (via the OBC) only includes the recommended package as this has a higher benefit/cost ratio (BCR) than the full package which includes opportunities to promote public transport, cycling and walking and therefore produce the best chance of securing funding for this route.
59. As referenced in Part A of this report, in advance of notification of the outcome of the OBC, £4m Capital funding has been allocated to assist in the completion of scheme design/preparatory work including discharging planning conditions,

continuing with detailed design, dealing with land issues and stopping up orders, liaising with partner/stakeholder organisations, and project-managing the ongoing development of the scheme to 'shovel ready' stage. In addition to this there is the £1.28m funding awarded by the DfT for work on the OBC.

60. Also in Part A of this report, it is outlined that the total cost of the scheme is approximately £49m, including further development costs, of which circa £42m will be met from DfT funding (subject to a successful bid), meaning that in broad terms there is an additional financial commitment from the County Council in advance of funds from the Coalville Contribution Strategy that will be in the region of £7m, of which £4m is already allocated from capital funding and £1.28m is being provided in development funding from the DfT.
61. It is expected that, in the absence of MRN funding being awarded, a number of the junction improvements would be delivered through developer contributions over the Local Plan period, i.e. up to 2036. Correspondingly, the receipt of MRN funding would have the dual effect of plugging the funding shortfall whilst simultaneously substantially accelerating delivery of mitigation from commercial and residential development already approved.

Next Steps

62. The deadline for OBC submission is December 2019. A decision on the outcome of this is not expected until April 2020 at the earliest.
63. If successful, the bid is expected to result in the award of further DfT funding in Spring/Summer 2020 towards scheme construction, which would commit the County Council and delivery partners to meeting the timescales, costs and match funding assumptions set out within the OBC.
64. To date, the scheme has undergone the outline design process. In order to meet the timescales for planning submission the next stage would be to progress detailed design and alignment which will only be confirmed via the planning application process. This work needs to commence before the outcome of the bid is known.
65. Further environmental survey and design work will be progressed during the next phase of the scheme to give a fuller understanding of environmental impacts and potential mitigation required. This information would be presented during any future consultation. This work will also need to commence before the outcome of the bid is known.
66. If the OBC is successful, then submission of a planning application for the Bardon Link Road Extension is expected in August 2020. The planning determination period is 16 weeks, so a decision would be expected by late January 2021/early February 2021. This will provide an opportunity to carry out further consultation with residents and stakeholders on the full list of the A511 scheme proposals which will confirm the final proposals including any changes which have been made since the consultation and which may arise from detailed design and survey work on the scheme.

67. As part of this commitment the County Council would be required to start preparing the scheme planning application and associated statutory orders (including CPO and Traffic Orders) during winter 2019 and spring 2020 prior to the DfT's announcement on MRN funding bid. As such, this work would effectively be carried out 'at risk' that DfT funding was not awarded at the end of the process. However, even if this should be the case, the work would not be unproductive as it would help prepare the scheme for future bid opportunities.
68. The recent consultation agrees with the need for improvement on the A511 corridor but would like the proposals to go further. Further work will be required to shape the final package of measures as a result of the consultation as well as to reflect further survey work and the detailed design process.

Conclusion

69. The financial risk of delivering the scheme will, in part, be mitigated by a cost sharing agreement between the County Council and North West Leicestershire District Council. Whilst it is hoped that the MRN Fund will enable construction of the A511 Growth Corridor to commence in 2022, the preparatory work will ensure that the project is 'shovel ready' for any other funding opportunities that arise.
70. In the context of planned growth, the A511 Growth Corridor scheme will have considerable benefits for North West Leicestershire especially Coalville, and indeed for Leicestershire and the wider region. As well as addressing existing traffic delays and congestion in and around Coalville, the scheme will support the expansion and economic growth in the area as well as making sure the route is HS2-ready.

Equality and Human Rights Implications

71. An Equality and Human Rights Impact Assessment (EHRIA) Screening has been produced and is attached as Appendix D. It was produced in order to understand the potential impacts, both negative and positive, on protected characteristic groups. Comments have been sought from Public Health and the Departmental Equalities Group.
72. The conclusion of this screening is that there are a number of potential impacts that could affect groups with protected characteristics across North West Leicestershire. In particular groups most likely be affected are younger people, older people, people with disabilities and low income/deprived groups. At this stage there is insufficient clear evidence as to the level or direction of these impacts in terms of equalities and therefore it is proposed that the impact assessment is updated as the details of the scheme progresses, as well as undertaking further consultation with relevant groups and organisations.
73. As further evidence emerges through the design and consultation process on the impact of detailed proposals on those with protected characteristics,

mitigation measures will be suggested to minimise or avoid potential negative impacts. This will be in addition to recommendations for advancing equality of opportunity for those with protected characteristics. A monitoring plan will also be developed to ensure that impacts are monitored throughout the design and development of the proposed scheme, as well as through construction and operation stages.

Environmental Implications

74. Currently a small section of the A511 around the Broom Leys junction is designated as an Air Quality Management Area (AQMA). Without intervention to ease the current and future levels of congestion along the A511 there is a likelihood that air quality objectives will not be met at other locations, leading to the need to declare more AQMAs along the route. The scheme offers the opportunity to reduce exhaust emissions through reducing acceleration/deceleration events, thus reducing particulates due to tyre and brake wear that such events cause. The proposed scheme also provides an opportunity to contribute to improving biodiversity through thoughtful landscaping. The table below sets out how the proposed scheme is aligned to the carbon reduction and biodiversity and habitat commitment set out in the County Council's Environment Strategy.

Aim	Objective	Actions taken
A. Reduce the Council's own greenhouse gas emissions and those in the wider County where it has influence	A2. Contribute to the reduction of greenhouse gas emissions across the County.	Reduce exhaust emissions through reducing acceleration/deceleration events
F. Reduce the environmental impacts of travel and transport	F4. Work with partners to reduce greenhouse gas and other pollutant emissions from the local transport network.	
G. Have due regard for biodiversity throughout all of the Council's activities and seek to improve the biodiversity value of its land and influence improvements in the wider County.	G4. Work with partners to support wider biodiversity improvements across Leicestershire.	As part of the detailed design, opportunities to improve biodiversity within the green areas of highway land will be considered.

75. The potential to promote short journeys by promoting sustainable transport will also contribute to the Council's commitment to tackling climate change.

Background Papers

Report to the Cabinet 29 March 2019. 'Environment and Transport 2019/20 Highways Capital Programme and Highways Transportation Work Programme':
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5601&Ver=4>

Report to the Cabinet 16 March 2015. 'Enabling Growth Plan':
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=4360&Ver=4>

Report to the Cabinet 5 March 2014. 'Strategic Economic Plan and City Deal':
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=3988&Ver=4>

Report to the County Council 23 March 2011. 'Final Draft Local Transport Plan (LTP3) Proposals':
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=3057&Ver=4>

Consultation Report
<https://www.leicestershire.gov.uk/roads-and-travel/road-maintenance/A511MRN>

Appendices

- Appendix A - Overall Scheme Plan
- Appendix B - Outline Business Case summary
- Appendix C - Summary of Consultation Comments
- Appendix D - Equality and Human Rights Impact Assessment



CABINET – 22 NOVEMBER 2019

**ANNUAL DELIVERY REPORT AND PERFORMANCE COMPENDIUM
2019**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to present the draft Annual Delivery Report and Performance Compendium for 2019 which set out the Council's performance over the past year. The Delivery Report itself (Appendix A) focuses largely on delivery against County Council priorities as set out in the Council's Strategic Plan 2018-22 and other main service strategies. The Performance Compendium (Appendix B) includes information on comparative funding and performance, savings plans and transformation requirements, service pressures and risks.

Recommendations

2. It is recommended that:
 - (a) The overall progress during 2018/19 in delivering on the Council's Strategic Priorities, securing transformation, and mitigating the impact of national funding reductions, as set out in the draft Annual Delivery Report, be noted;
 - (b) The current comparative funding and performance position, service pressures and risks set out in the Performance Compendium be noted;
 - (c) It be noted that whilst the provision of resources through the business rates retention pilot in 2019/20 and extra resources for 2020/21 is welcomed, the delay in implementing the national fair funding system has created significant uncertainties in the medium term with risks to being able to address the many service challenges and priorities facing the County;
 - (d) The Council continues to press its case for a fairer funding settlement and pursue other major savings initiatives;
 - (e) The Chief Executive, following consultation with the Leader, be authorised to make any amendments to the draft Annual Delivery Report and Performance Compendium prior to its submission to the County Council on 4 December 2019 for approval.

Reason for Recommendations

3. It is best practice in performance management, implicit in the LGA Sector-Led approach to local authority performance and part of the Council's Internal Governance Framework, to undertake a review of overall progress at the end of the year and to benchmark performance against comparable authorities. It is also good practice to produce an annual performance report and ensure that it is scrutinised, transparent, and made publicly available.
4. The Council is poorly funded in comparison with other local authorities and this, until addressed, will continue to impact on delivery, performance and council tax levels.
5. The draft Report and Compendium may be modified to reflect comments made by the Cabinet as well as to include any final national comparative data which becomes available prior to its consideration by full Council.

Timetable for Decisions (including Scrutiny)

6. The draft Annual Delivery Report and Performance Compendium 2019 were considered by the Scrutiny Commission on 30 October. The views of the Commission are set out in Part B of the report. The Annual Delivery Report and Compendium is scheduled for consideration by the County Council at its meeting on 4 December.

Policy Framework and Previous Decisions

7. The Annual Delivery Report and Performance Compendium 2019 forms part of the County Council's Policy Framework. The information outlined in the report provides performance data which will help the Council and its partners to ensure services continue to meet standards, provide value for money, and that outcomes are being achieved for local people.
8. The five priority outcome themes in the Council's Strategic Plan encompass a number of supporting outcomes which together form the overall Single Outcomes Framework which set clear priorities for the Authority and enables more effective deployment and targeting of resources. The Annual Performance Report includes an assessment of progress in relation to the Outcomes Framework.

Resource Implications

9. The report has no direct resource implications.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

10. The draft Annual Delivery Report and Performance Compendium appended to this report cover County Council delivery over the last 12 months or so. They draw largely on 2018/19 data, although older data and benchmarking is included where more up to date information is not available. In some cases, the data is more recent, such as the summer 2019 school examination results.
11. The assessment of performance has been divided into two parts – the Annual Delivery Report, the first part, is narrative, describing delivery, progress with implementing agreed plans and strategies, and achievements over the last 12 months. It largely focuses on performance against County Council priorities for community outcomes as set out in its Strategic Plan 2018-22 and other main service strategies.
12. The second part is the ‘performance compendium’ which contains information on:
 - Current inequality in funding and the Council’s Fair Funding campaign and proposals;
 - Current savings plans and future transformation requirements;
 - National and local service pressures and corporate risks;
 - Comparative performance, cost and service benchmarking 2017/18 including lower comparative performing areas;
 - 2018/19 end of year performance figures and a summary of progress towards the 2018/22 Strategic Plan outcomes.
13. Comparative data is sourced from a range of acknowledged data sources including the Local Government Association (LG Inform) national data system, Public Health and Adult Social Care Outcomes Framework data, OFSTED and Department for Education data sets, national highways survey, statutory returns, and Chartered Institute of Public Finance and Accountancy (CIPFA) data. There is some comparative data still to be published - notably some educational attainment and children’s social care data, which are due to be published by December 2019. The overall Council benchmarking position for 2018/19 will be updated at that point.
14. The appended Annual Report is a draft document and will continue to be developed to incorporate points made by the Cabinet as well as the inclusion of any final national comparative data which becomes available prior to its consideration by the County Council on 4 December. The final Annual Report will be published on the County Council website (<http://www.leics.gov.uk>) together with a shorter summary version.

Delivery Narrative Summary

15. Overall analysis of the narrative shows some strong examples of both delivery across the theme outcome areas and transformation to meet savings requirements. There are good plans, financial management and governance in place supporting delivery and improvement.
16. The Council has established a Strategic Plan Delivery Group at officer level in order to coordinate the commissioning of activity to ensure maximum delivery against the new Outcomes Framework. A number of outcome advisory boards with chief officer champions, lead officers and delivery groups also support the work.
17. The report has substantial sections on economy and transport, housing, health and wellbeing and safer communities, children and families' delivery, reflecting a range of work going on to meet priority outcomes in these theme areas.
18. The report also includes a full section on delivery of the communities' outcome priority (including environment and culture work), drawing on work taking place in relation to the refreshed Communities Strategy and supported by the corporate Communities Team, communities' section of the Adults and Communities Department and Public Health activity such as local area coordinators. A separate shorter section covers key corporate services and enablers.

Performance Data Analysis

19. Initial analysis of 2018/19 end of year data shows that out of 178 metrics (excluding schools and crime), 84 service metrics improved, 39 saw no real change, and 55 got worse. For 11 service metrics the 'direction of travel' cannot be determined, usually due to changes in indicator definitions or due to the addition of new indicators. A detailed summary of progress on the indicators is set out in the Performance Compendium along with the actual detailed data and dashboards.
20. Based on current comparative analysis, out of 150 indicators 39 are top quartile, 48 second quartile, 34 third quartile and 29 fourth quartile. In late 2018 the Council was identified by the consulting firm iMPower as the most productive council using a range of performance and spend measures.

Fair Funding

21. The report analysis identifies that low funding remains the Council's Achilles heel. Leicestershire remains the lowest-funded county council in the country with greater risks to service delivery as a result. If it was funded at the same level as Surrey it would be £101m better off. London Boroughs are particularly prevalent at the top of the funding league table. An analysis by PwC found that councils in London had a surplus in funding of £2.4bn between 2015 and 2020.
22. The list of county authorities with serious financial issues continues to grow including Northamptonshire, Somerset, Lancashire, East Sussex, Norfolk,

Buckinghamshire, West Sussex, Suffolk and Surrey – with some counties moving towards providing services only to the statutory minimum level.

23. Last year the Council published a new simplified funding model based on factors that drive demand for local services. It allocates money fairly based on need and narrows the gap between the highest and lowest funded councils. If implemented, the model would unlock up to an extra £47m for Leicestershire. The extent of service reductions made has already affected most areas of service delivery and some areas of performance, and further cuts will put other areas at risk.
24. Rising demand means that over the period of the Medium-Term Financial Strategy, growth is required due to pressures related to child placements, school places, learning disabilities, support for children with Special Educational Needs and Disabilities (SEND), waste disposal, and the ageing population. As a result, the Council needs to save a further £55m, £20m of which is as yet unidentified. The current transformation programme and areas of service reduction are highlighted in the appended report and will require difficult decisions to continue to be taken.

National and Local Service Demands and Pressures

25. In March 2018, the National Audit Office (NAO) issued a report on the financial sustainability of local authorities. The report found that the financial position of the sector had worsened markedly, particularly for authorities with social care responsibilities with signs of real financial pressure and trends that would not be sustainable over the medium term. 10.8% of single tier authorities and counties had less than three years' worth of reserves left at the current rate of use, with enhanced risks to services. The trajectory for local government was moving towards a narrow core offer increasingly centred on social care. The NAO also found the Government lacked a long-term funding plan for local government and noted the absence of monitoring of the impact of funding reductions.
26. CIPFA and the Institute for Government also reported on the performance of public services. The report (Performance Tracker) raised serious concerns about the quality of prisons, adult social care and libraries, with growing recruitment and retention difficulties across a range of services. National spending on health was crowding out other spending and locally spending on social care was following the same pattern, at the expense of other services such as libraries, waste and trading standards, with more costs being passed to citizens.
27. The Care Quality Commission, in its annual report on health and care, highlights continuing challenges around demand and funding, coupled with significant workforce recruitment/retention pressures. Workforce problems were having a direct impact on people's care and the adult social care market remained fragile with providers continuing to close contracts. People did not always have good experiences of care and had difficulties in trying to get care and support. Sometimes people did not get the care they needed until too late and things had seriously worsened for them. Locally 17% of adult social care providers require improvement, as well as the service looking to increase overall satisfaction with social care as reported through the social care user survey.

28. In relation to children's services, there continues to be a range of demands and pressures including on prevention budgets, increased numbers of children coming into care and placements, more child mental health issues (fuelled partly by social media), qualitative improvements to meet higher regulatory practice standards, SEND high needs block pressures and Education Health and Care Plans and wider family pressures related to welfare provision and homelessness. Low comparative funding for public health and trading standards also creates additional risks to the delivery of priority outcomes.

29. The service pressures section of the compendium highlights a number of reports this year that continue to identify pressures on county services, residents and continued good outcomes in addition to the paragraph above, including passenger transport, air quality, knife crime, community cohesion, climate change, emergency management and workforce recruitment, and wellbeing.

Improvement Plans Delivery

30. Given the significant financial challenges, demand, and delivery pressures facing the Council there is a need to maintain the strong delivery focus and take forward a number of agreed strategies and improvement plans. There is also some time lag in the performance data and from actual delivery on the ground. Areas for continued focus include: -

- The Fair Funding Campaign, other major savings initiatives and seeking more sustainable funding for local services.
- Continuing to implement the Strategic Plan and Outcomes Framework, and associated strategies relating to housing delivery and communities, the Medium-Term Financial Strategy and Strategic Change Programme.
- Taking forward actions arising from the Climate Emergency Declaration and a refreshed Environment Strategy.
- Progressing the continued delivery of improvements to meet demand pressures on children's social care and SEND.
- Maintaining the good progress on health and care integration and pressing for a government solution to the challenges in adult social care.
- Implementing a new Local Industrial Strategy and the new Growth Unit to ensure effective management of major growth projects to enable the benefits to be achieved.
- Delivering on strategies to address current and new public health challenges such as obesity, diabetes, physical activity, child and adult mental ill health, and issues associated with poor air quality.
- Continuing partnership working with the Police and Crime Commissioner to pursue improvements in overall crime rates.

- Championing educational excellence and improved outcomes in targeted areas.
- Maintaining the focus on supporting workforce health and wellbeing and helping to reduce staff sickness absence.
- Continuing to enhance business intelligence, performance and contract quality monitoring, and feedback processes so that any service quality issues are detected and addressed at the earliest opportunity.

Views of the Scrutiny Commission

31. The report was considered by the Scrutiny Commission at its meeting on 30 October 2019. The Commission generally welcomed receipt of the report and its usefulness in tracking progress and identifying possible areas for scrutiny attention. In particular, the Commission felt that it was helpful to have an overview of key delivery items during the year together in one place. The Commission also felt that the widening of the report's content over the last year or two to include a broader range of information on service funding, pressures and risks had provided a more balanced over-view of service delivery and performance issues.
32. The Commission raised a number of particular points including the need to ensure that the increased (17%) of care homes requiring improvement locally and work to tackle this were given attention, whether there was sufficient homeless provision outside of the 30 places based in Loughborough, some of the implications of clients managing their own personal budgets and care, whether significant infrastructure plans which had not yet been fully delivered should actually be included in the report and a couple of factual changes related to an independent living scheme. The later point has been amended in the revised report attached.

Equality and Human Rights Implications

33. There are no equality and human rights implications directly arising from this report. The draft Annual Delivery Report and draft Performance Compendium incorporate the progress of the County Council against key equalities commitments and indicators.

Background Papers

Report to the Scrutiny Commission – 30 October 2019 -

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=6064&Ver=4>

Leicestershire County Council Strategic Plan 2018-22

<https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan>

National Audit Office Report – Sustainability of Local Authorities

<https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>

Care Quality Commission – The State of Health Care and Adult Social Care in England – 2017/18 and 2018/19

<https://www.cqc.org.uk/publications/major-report/state-care>

CIPFA/Institute for Government – Performance Tracker 2018. A data driven analysis of the performance of public services

<https://www.instituteforgovernment.org.uk/publications/performance-tracker-2018>

Local Government Association: LG Inform Benchmarking System

<https://lginform.local.gov.uk/>

Appendices

Appendix A - Draft Leicestershire County Council Annual Delivery Report 2019

Appendix B - Draft Performance Compendium 2019

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CABINET – 22 NOVEMBER 2019

**DELIVERING WELLBEING AND OPPORTUNITY IN
LEICESTERSHIRE: ADULTS AND COMMUNITIES DEPARTMENT
AMBITIONS AND STRATEGY 2020-24 – PERMISSION TO CONSULT**

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

PART A

Purpose of the Report

- 1 The purpose of this report is to seek the Cabinet's approval to consult on the draft '*Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy for 2020–2024*'.

Recommendations

- 2 It is recommended that:
 - a) The draft '*Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy for 2020–2024*' (attached as Appendix A to this report), and the associated consultation document (attached as Appendix B) be approved for consultation;
 - b) A further report be submitted to the Cabinet in summer 2020 presenting the outcome of the consultation and the final Strategy for approval.

Reasons for Recommendations

- 3 The Director of Adults and Communities requires the Cabinet's permission to undertake a formal consultation exercise on the ambitions and Strategy for adult social care, library, museums and heritage, and adult learning service delivery in the coming four-year period.
- 4 The draft Strategy for 2020-24 has been developed to fulfil statutory duties and provide a basis for the Adult and Communities Department's vision, planning, commissioning and delivery of services up until 2024.
- 5 The views of service users and other stakeholders are necessary to inform the Department's future approach and to determine how this can be best achieved through the provision and commissioning of services.

Timetable for Decisions (including Scrutiny)

- 6 Subject to the Cabinet's approval a 14-week public consultation will run from the 16 December 2019 to 22 March 2020.
- 7 The Adults and Communities Overview and Scrutiny Committee considered the draft Strategy at its meeting on the 11 November and was supportive of the approach. Its comments will be reported to the Cabinet.
- 8 The outcome of the consultation will be reported to the Adults and Communities Scrutiny Committee on 8 June 2020, with a view to the final Strategy being approved by the Cabinet on 23 June 2019.

Policy Framework and Previous Decisions

- 9 The draft Strategy 2020-24 will align to the County Council's Strategic Plan for 2018-22 '*Working Together for the Benefit of Everyone*' and aims to set out how the Adults and Communities Department will contribute to the delivery and achievement of the Council's five strategic outcomes.
- 10 It will support the delivery of the County Council's statutory duties for library and heritage under the Public Libraries and Museums Act 1964 and for adult social care under the Care Act 2014. There are also national policy and statutory guidance as defined by the Department of Health and Social Care, policy requirements for the integration of health and social care, the national programme of change for Learning Disabilities, and requirements that come with the receipt of Education and Skills Funding Agency funding for adult education.
- 11 The draft Strategy provides a framework for policy on, investment in and delivery of services by the Department, working with its partners.
- 12 The Department currently has an Adult Social Care Vision and Strategy, '*Promoting Independence, Supporting Communities*'; and a Communities and Wellbeing Strategy '*Providing Less, Supporting More*'. These strategies were respectively approved by Cabinet on 5 February 2016 and 18 July 2016 and cover the period 2016 to 2020.
- 13 The Adults and Communities Overview and Scrutiny Committee discussed and commented on the draft Strategy and consultation process at its meeting on the 11 November. The Committee's was supportive of the proposals; its comments will be reported to the Cabinet and taken into account alongside responses during the formal consultation period.

Resources Implications

- 14 The Strategy, incorporating the new target operating model for adult social care, will continue to ensure that the County Council makes best possible use of its resources. It will also focus attention on driving improved customer experience through the most appropriate targeting of resources. The Department will

maintain the sustainability of services whilst ensuring the best outcomes for people using the inherent strengths of people and communities.

- 15 There is a small cost associated with the consultation, and provision of information about the Strategy in a range of accessible formats such as easy-read and a dedicated video. This cost will be met from existing Adults and Communities budgets.
- 16 The Strategy will set the direction for the development of policy, strategic priorities, demand management and resource allocation in the department during the four-year period. It will provide the context within which budgets are produced and presented through the Medium Term Financial Strategy.
- 17 The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

- 18 This report will be circulated to all Members of the County Council.

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PART B**Background**

- 19 The Adults and Communities Department has developed a new integrated draft Strategy from 2020 to 2024, setting out the vision and ambition for its services. As part of its commitment to engagement with the citizens of Leicestershire, the Council therefore wishes to consult on the draft document, titled *Delivering Wellbeing and Opportunity in Leicestershire: Adults and Communities Department Ambitions and Strategy for 2020 – 2024*, attached as Appendix A to this report.
- 20 The draft Strategy builds on the current Adult Social Care, Adult Learning and Community and Wellbeing Service strategies. It recognises the value of bringing together all the Department’s work into a single Strategy which recognises the County Council’s role in promoting wellbeing.
- 21 The ambition at the heart of the Strategy is to improve wellbeing for the people and communities of Leicestershire including their levels of happiness, prosperity and satisfaction with life, along with their sense of meaning, purpose and connection. It also sets out other ambitions for the Department (pages 5–6 of the Strategy) including:
- Improved customer experience and satisfaction;
 - Promoting wellbeing through universal services;
 - Investment in social care accommodation;
 - Promoting independence;
 - Working effectively with partners.
 - Providing high quality information and advice;
 - Building a flexible, talented, motivated workforce including apprentices;
 - Seamless transition from children to adult services;
 - Improved use of technology;
- 22 Within this frame of wellbeing, the Strategy sets out the Department’s strategic approach for helping those at risk of or in need of support, so that they can maximise their independence. As with the current Strategies this will be through a layered approach of preventing, reducing, delaying and meeting need (page 8). The Strategy sets out what this approach will mean for people, providing a vision for each layer (from overall wellbeing to meeting need), and the actions the Department and its partners will take to achieve this vision (pages 9-17).
- 23 The design and delivery of services will continue to be based on the “right” model, to ensure the right people (i.e. those who are at risk or need support to maximise their independence) are receiving the right services, at the right time, in the right place and the Council is working with the right partners (page 7).
- 24 The Strategy goes on to set out the already well-established approach to monitoring and managing performance (page 18). This includes departmental monitoring of a number of performance metrics against the Adult Social Care

Outcomes Framework (ASCOF), and Communities and Wellbeing metrics. Each of the ASCOF domains have been aligned to the 2016-20 Adult Social Care Strategy (Prevent, Reduce, Delay, Meet), an approach that will continue under the 2020-24 Strategy.

- 25 The Department is developing an Adult Social Care Quality Framework with indicators against the following domains:
- Gaining or re-gaining independence;
 - Efficiency;
 - Service user and carer feedback;
 - Service user and carer aspirations.
- 26 The approach will be combined with indicators for Adult Learning Services and Communities and Wellbeing, to present a comprehensive overview of delivery against the new Strategy. Other examples of performance metrics for ongoing strategic priority developments and activities within the Department relate to:
- Digital technology;
 - Health and social care integration including sustainability and transformation and transforming care;
 - Workforce sustainability;
 - Sustaining cultural services;
 - Adult learning participation;
 - Delivery of a new county records office.
- 27 Individual programmes and projects and their quantified indicators of success will be, as they are now, set out within the Department's annual business plan, and associated project documentation.

Consultation

- 28 Key strategic partners including the Department's Engagement Advisory Panel have contributed to the development of the draft Strategy. Partners welcomed the use of wellbeing as an overarching layer and recognised the success of previous strategies, including the effectiveness of the strategic framework and delivery models. The consensus was that the prevent, reduce, delay and meet model is working and should continue, and the emphasis within this model of utilising personal and community strengths as the starting point is good practice.
- 29 Subject to the Cabinet's approval a 14-week public consultation will run from 16 December 2019 to 22 March 2020, allowing time for Christmas and New Year.
- 30 The public consultation will involve targeted engagement with adult social care service users including those with learning disabilities, mental health issues, older adults and those transitioning from the County Council's services for young people. It will also actively engage people who use the Council's libraries, adult learning, museums, heritage and public record services.
- 31 The consultation and engagement will be promoted through a variety of methods, including social media channels, and media suitable for those not able

to use the internet. The draft consultation document is attached as Appendix B; it will be adapted into a range of formats to meet differing needs including:

- Easy Read versions of the Strategy and consultation questions;
- Accessible video describing the Strategy and how people can feed back. It will include British Sign Language, dementia friendly captioning, be scripted into plain English and will be inclusive of different learning styles. This approach was suggested by and will be co-produced with the department's Engagement Advisory Panel which is comprised of representative service users and carers;
- Strategy and consultation questions on the Authority's website;
- Consultation and engagement events to reach as wide an audience as possible including at provider forums, Community Managed Libraries meetings, the Communities Summit, Parish Clerk meetings, specific service user group sessions such as dementia cafes, mental health social drop-ins and the Equalities Challenge Group.

- 32 Feedback from the public consultation will be analysed and where appropriate incorporated into the final Strategy.
- 33 The Adults and Communities Overview and Scrutiny Committee discussed the draft Strategy at its meeting on 11 November 2019 and will receive a further report on the outcome of the consultation prior to seeking Cabinet approval.

Equality and Human Rights Implications

- 34 An Equalities and Human Rights Impact Assessment (EHRIA) screening has been produced. This will be a benchmark for the impact of the Strategy on the people and communities of Leicestershire, including users of adult social care services. The screening concludes that the Strategy is expected to have a positive impact. Despite this, a full EHRIA will be produced following the end of the public consultation to ensure that the Strategy identifies any areas of differential impact for those with protected characteristics, and where future actions need to be targeted.

Environmental Impact

- 35 The County Council declared a Climate Emergency at its meeting on 15 May 2019. As a major service delivery and commissioning department, Adults and Communities contributes to carbon emissions through its operations, and through the services of its contracted providers.
- 36 The Department will consider how the impact of its operations can be mitigated through the Strategy and has developed an action plan which will:
- Reduce the amount of waste produced;
 - Increase the level of recycling;
 - Reduce the amount of paper used;
 - Reduce business mileage;
 - Increase the number of staff that have completed environmental awareness e-learning;

- Implement mitigation measures identified in the corporate climate change risk register;
- Identify work required with contracted providers to reduce their environmental impact.

Partnership Working

37 Delivery of the Strategy will require the Department to maintain and develop effective working relationships with a range of partners including but not limited to colleagues across all other County Council departments, community libraries, cultural organisations, voluntary and community groups, NHS, District Councils, Leicester City and Rutland Councils, blue light services, and social care service providers. All partners will be consulted on the draft Strategy; the department has arrangements in place for the ongoing strategic management of these relationships.

Risks

38 The main strategic risk to achieving the ambitions and objectives in the new Strategy is the availability of funding for adult social care and universal community and wellbeing services. The Adults and Communities Department and wider County Council's effective management of this risk will depend on the level and management of demand for social care services, support needed and transfer of responsibilities by partner organisations, in particular the NHS, improvement in delivery and efficiency of internal and commissioned services, and workforce recruitment and retention.

Background Papers

Working Together for the Benefit of Everyone: Leicestershire County Council's Strategic Plan 2018-22

<https://bit.ly/32WcrCq>

Promoting Independence, Supporting Communities: Our Vision and Strategy for Adult Social Care 2016 – 2020

<https://bit.ly/2paQ5OZ>

Providing Less, Supporting More: Our Vision and Strategy for Communities and Wellbeing

<https://bit.ly/349UdqU>

Report to Adults and Communities Overview and Scrutiny Committee: 11 November 2019 – Consultation on the Adults and Communities Department Ambitions and Draft Strategy 2020-24 –

http://politics.leics.gov.uk/documents/s149258/Final_Draft%20AC%20Strategy%202020-24.pdf

Appendices

Appendix A - Draft Delivering Wellbeing and Opportunity: Adults and Communities Department Ambitions and Strategy for 2020 – 2024.

Appendix B - Draft consultation document.

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CABINET – 22 NOVEMBER 2019

**ANNUAL REPORT OF THE DIRECTOR OF PUBLIC HEALTH:
LEICESTERSHIRE'S HEALTH – PHYSICAL ACTIVITY – MOVING TO
A WHOLE SYSTEMS APPROACH**

REPORT OF THE DIRECTOR OF PUBLIC HEALTH

PART A

Purpose of the Report

1. The purpose of this report is to present the Director of Public Health's Annual Report for 2019 "Leicestershire's Health – Physical Activity – Moving to a Whole System Approach" which is appended to this paper.

Recommendations

2. It is recommended that;
 - (a) The recommendations contained within the Director of Public Health Annual Report 2019 be supported;
 - (b) It be noted that the Annual Report will be submitted to the County Council on 4 December 2019.

Reasons for Recommendation

3. The Director of Public Health's (DPH) Annual Report is a statutory independent report on the health of the population of Leicestershire.
4. To enable the County Council to consider the Report, which will help inform future commissioning decisions.

Timetable for Decisions (including Scrutiny)

5. The Annual Report was considered by the Health Overview and Scrutiny Committee on 13 November and its comments will be reported to the Cabinet.

Policy Framework and Previous Decisions

6. Last year's report gave an overview of the challenges posed by multi-morbidity and frailty and the 2019 Annual Report includes an update on progress against the recommendations previously agreed.

Resource Implications

7. There are no resource implications arising directly from this report. The recommendations set out in the Annual Report will inform commissioning decisions relating to the priorities for public health.

Circulation under the Local Issues Alert Procedure

8. A copy of this report will be circulated to all members of the County Council.

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PART B

Background

9. The Director of Public Health's Annual Report is a statutory independent report on the health of the population of Leicestershire. It aims to improve the health and wellbeing of the people of Leicestershire by reporting publicly and independently on trends and gaps in the health and wellbeing of the population and by making recommendations for improvement to a wide range of bodies, such as the NHS organisations, district councils, and the community and voluntary sector.

10. One of the roles of the Director of Public Health is to be an independent advocate for the health of their population. The Annual Reports are the main way by which Directors of Public Health make their conclusions known to the public.

Summary of the Annual Report

11. This year's report presents data on physical activity across Leicestershire. Physical inactivity directly contributes to one in six deaths in the UK. Around a quarter of the population are classified as inactive, failing to achieve a minimum of 30 minutes of activity per week. Across Leicestershire, the percentage of physically active adults (64.3%) is significantly worse than the national average (66.3%). Similarly, the percentage of adults walking for travel at least three days a week is significantly worse than the national average.

12. A complex set of circumstances have contributed, nationally and internationally, to this decline in physical activity. Changes in social, cultural, and economic trends have contributed to people participating in less physical activity whilst the introduction of more technology at home and in the workplace has encouraged sedentary behaviours, coupled with an over reliance on cars and motorised transport.

13. The approach outlined in the report accepts that there is no one solution to address such an ingrained problem and that local action to promote healthy weight across the life course requires a coordinated collaborative approach across many different organisations. The report identifies seven key components to a successful physical activity system:
 - i. Active Environment
 - ii. Active Travel
 - iii. Active early years and schools
 - iv. Active people and families
 - v. Active workplace and workforces
 - vi. Active communities
 - vii. Physical activity as medicine

14. The report recommends that policy makers and public sector organisations should adopt the seven components set out above as the basis of thinking about their approach to improving physical activity levels. In doing so they should be

underpinned by strong systems leadership, active policy and partnerships and research. A summary of how each of the seven key components can be delivered is set out below

Active Environment

15. Organisations across Leicestershire need to work towards a future where active design principles are embedded in planning policy and are central to planning decisions across Leicestershire. This will be facilitated by the development of healthy planning design guidance, currently being produced, which would ideally be adopted by all district councils. Further work is also needed to promote the use of the County's green assets for physical activity purposes.

Active travel

16. Public Health will continue to seek opportunities to work closely with local planning authorities to increase provision of active travel and high-quality walking infrastructure within new developments. Developers will be encouraged to ensure newly built areas promote cycling and walking as the preferred means of transport and the adoption of 20mph limits/zones where appropriate. The 'extended workforce' pilot role of Sport England, where a shared post between Sport England and Leicester-Shire and Rutland Sport is helping to deliver 'active design' strategy locally to meet key strategic challenges.

Active early years and schools

17. Public Health will advocate additional work in pre-school settings and with parents generally, to promote 'active play' and by encouraging the uptake of the Whole School Approach to Physical Activity (WSAPA) programme across all Leicestershire schools. All schools working with Sport and Physical Activity Networks in Leicestershire have begun working towards taking a Whole School approach".

Active people and families

18. Leicestershire's district councils all provide a comprehensive programme of events and campaigns throughout the year to increase physical activity, aimed at all ages and abilities and at addressing barriers to participation. Lessons learnt from these programmes will help identify and better target opportunities to promote affordable and flexible physical activity through culture and leisure services.

Active workplaces and workforces

19. Public Health, working jointly with Leicestershire and Rutland Sport, will work with employers to encourage a health needs assessment of their workforce and to introduce interventions to reduce sedentary time at work and support people as they transition into retirement to continue to be active.

Active communities

20. Active communities sit at the heart of a systems approach to physical activity. More research and community engagement is needed to understand how to break down social and cultural barriers to participation and local programmes need to use this intelligence to achieve a better, more equitable, participation.

Physical activities as medicine

21. Public Health will promote the opportunity for health professionals to prescribe physical activities such as guided walking, gardening or light conservation work which are viable alternatives to attending a gym or prescribing unnecessary medicines.
22. By pursuing coordinated action across the seven components detailed above it is envisaged activity levels in Leicestershire will increase to, and remain, above that of the national average within three years. Learning from areas of best practice, such as Greater Manchester where activity levels are now above the national average, will also help inform the whole systems approach.

Equality and Human Rights Implications

23. Implementation of the Report's recommendations would have a positive impact on health inequalities.

Partnership Working and associated issues

24. The recommendations within this report focus on actions across agencies that will improve the population's health. The basis of the report is improving population health in partnership with other key agencies.

Background Papers

Director of Public Health Annual Report 2018

http://www.lsr-online.org/reports/director_of_public_health_annual_reports

Appendix

Annual Report of the Director of Public Health 2019.

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CABINET – 22 NOVEMBER 2019

LEICESTERSHIRE SUBSTANCE MISUSE STRATEGY 2020-23

REPORT OF THE DIRECTOR OF PUBLIC HEALTH

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the outcome of the consultation on the draft Leicestershire Substance Misuse Strategy 2020-23 and to seek approval of a final version.

Recommendations

2. It is recommended that;
 - (a) The outcome of the consultation on the Leicestershire Substance Misuse Strategy be noted;
 - (b) The Leicestershire Substance Misuse Strategy 2020-23 (attached as Appendix B to this report) be approved;
 - (c) The Director of Public Health, following consultation with the Lead Member for Health, be authorised to produce an Implementation Plan to deliver upon the priorities set out in the Strategy.

Reasons for Recommendation

3. The Leicestershire Substance Misuse Strategy 2020-23 has been developed in recognition of the need to coordinate substance misuse related work across the Council. Developing a strategy that is endorsed by the Council will set an agreed direction for substance misuse service provision across Leicestershire.
4. An eight-week public consultation took place from July to September seeking feedback on the draft Strategy. Feedback from the consultation has been incorporated into the final Strategy.
5. The development of an implementation plan, which will deliver upon the priorities set out in the Strategy, will be led by the Director of Public Health and the wider Public Health Team.

Timetable for Decisions (including Scrutiny)

6. On 25 June 2019, the Cabinet approved commencement of an eight-week consultation on the draft Strategy, which ran from July to September 2019.
7. The draft Strategy was considered by the Health and Overview Scrutiny Committee on 11 September 2019 as part of the consultation and a summary of its comments are included in Part B of the report.

Policy Framework and Previous Decisions

8. A condition of the public health grant requires local authorities to provide an accessible drug and alcohol treatment and recovery system while having regard to reducing health inequalities. Considerable progress has been made over recent years in reducing the harm caused by drug and alcohol misuse in Leicestershire. However, the changing landscape of substance misuse needs in the local population coupled with increasing financial pressures faced by commissioners and partner organisations means there is a need to review the existing approach to substance misuse service provision to ensure the availability of appropriate, accessible and equitable services to the local population.
9. The priorities that form the Strategy align with the following outcomes from the Leicestershire County Council's Strategic Plan 2018-22 which was approved by the County Council on 6 December 2017:

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

Keeping people safe: People in Leicestershire are safe and protected from harm.

Great Communities: Leicestershire communities are thriving and integrated places where people help and support each other and take pride in their area.
10. The Strategy seeks to build on elements of the Health and Wellbeing strategy and the work already underway to strengthen the links between health and wellbeing and community safety.

Resource Implications

11. There are no immediate resource implications arising from the Strategy. Any costs will be met via existing resources.

Circulation under the Local Issues Alert Procedure

12. This report will be circulated to all members of the Council.

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PART B

Background

13. Drug and alcohol misuse impacts on people's lives in many ways. Providing treatment and support to people with alcohol and/or drug problems can have a significant beneficial impact not just for the individual, but for their families and their community. Preventing people from developing alcohol and drug problems and reducing their dependency on alcohol and drugs not only improves their individual health and wellbeing but also reduces the burden on health and social care services.
14. It is known that growing up in an environment where there is substance misuse is a significant factor impacting on childhood adversity and trauma, which itself leads to a higher risk of those children developing alcohol and drug problems and engaging in health harming behaviours in adulthood.
15. Public Health England estimates that for Leicestershire, investment in treatment services for individuals with drug misuse reduces crime by 23% and for alcohol misuse is 48%, with total financial benefits to social care of £1.3million per annum and economic benefits of £7.5million per annum. Alcohol treatment provides a return on investment of £3 for every £1 invested. Drug treatment provides a return on investment of £4 for every £1 invested.
16. A comprehensive Leicestershire Joint Strategic Needs Assessment (JSNA) for drug misuse and alcohol misuse in adults was completed by the Health and Wellbeing Board in March 2019. The JSNA highlighted that considerable progress had been made over recent years in reducing the harm caused by drug and alcohol misuse in Leicestershire. However, the changing landscape of substance misuse needs in the local population means there is a need to review the existing approach to substance misuse service provision to ensure the ongoing delivery of appropriate, accessible and equitable services to our local population.
17. The Leicestershire Substance Misuse Strategy 2020-23 utilises evidence from the JSNA to recognise achievements made thus far across the Council and outlines the key priorities for the next three years (detailed at paragraph 23 of the report) to further reduce the harm caused by substance misuse. The Strategy also recognises the need to continue to utilise existing partnerships such as the Health and Wellbeing Board and the Leicestershire Safer Communities Strategy Board in developing a partnership approach to addressing the problems associated with drug and alcohol misuse in Leicestershire.

Consultation on the draft Strategy

18. An eight-week consultation on the draft Strategy took place from 8 July until 2 September 2019. 8 responses were received through an online questionnaire and additional feedback was collated from focus group sessions with

substance misuse service providers and service users. A summary of the consultation responses is included at Appendix A. Respondents included: Adult Social Care Services, University of Hospitals Leicester, district level community safety partnerships, Corporate Services, service providers and service users.

19. The Key findings from the public consultation were;
 - a. Overall the draft Strategy was well received with many reporting it was timely and required in order to help provide focus to substance misuse work across Leicestershire.
 - b. There was substantial support for developing a partnership approach.
 - c. None of the feedback alluded to the priorities being incorrect.
 - d. Some responses mentioned the lack of detail within the draft Strategy and questioned how the priorities would be delivered/achieved. This will be developed as part of an implementation plan which will be produced once the Strategy has been approved.
 - e. Other feedback focused on operational issues at a local level, for example, the need to have supported accommodation, the need to strengthen community outreach services and 1-2-1 support for individuals with substance misuse issues, and the need for systematic monitoring of the health of individuals following recovery. This level of detail will be explored as part of the future work to recommission substance misuse services.

20. Overall the consultation responses supported the Strategy's proposed approach. Based on consultation feedback, some amendments have been made to the detail under each priority:
 - Priority 1 has been amended to consider practitioner training at a local level.
 - Priority 2 has been amended to reflect the benefits of having alcohol care teams within the local hospitals and recognition for a process by which friends/family of those needing help can also seek support.
 - Priority 3 has been amended to consider support for other vulnerable cohorts such as victims of domestic abuse.
 - Priority 4 has been amended to place greater emphasis on physical health consequences as a result of substance misuse and on how to reduce alcohol related harm.
 - Priority 5 has been amended to strengthen the links at a local level to Joint Action Groups and Community Safety Partnerships.

21. The draft strategy was considered by the Health Overview Scrutiny Committee on 11 September. The Committee supported the Strategy and welcomed the feedback received through the consultation which overall had been positive and supported the proposed approach.

22. The Committee noted that in order to address the increasing problem of painkiller abuse, delivery of Priority 1 of the Strategy would include provision to educate people to prevent them becoming addicted to prescription drugs in the first place, whilst Priority 3 of the Strategy would include setting up an

individual treatment service for those addicted to prescription medicine. The Committee also noted that as a result of consultation feedback the draft Strategy had been amended to include further detail on how alcohol problems would be managed, whilst further consideration would be given as to how greater partnership working could take place.

Overview of the Strategy

23. The Leicestershire Substance Misuse Strategy 2020-23 is appended to this report as Appendix B. There are five priorities that form the Strategy which are set out below:
- i. **Raise awareness and prevent the harms of drug and alcohol misuse particularly for those at greatest risk.** This will be delivered by developing a sustainable prevention offer in relation to drug and alcohol misuse and by developing a coordinated approach to communications and campaigns relating to drugs and alcohol across local partners such as district councils and NHS organisations.
 - ii. **Develop a coordinated approach to early identification of individuals exposed to the harmful effects of drug and/or alcohol misuse.** This will be delivered by ensuring that LCC Public Health and Children and Family Services continue to work together to strengthen the whole family approach to those exposed to the harmful impact of drug and/or alcohol misuse. There is also an opportunity to optimise the link between the commissioned drug and alcohol treatment service and local hospital alcohol care teams once they are established.
 - iii. **Develop an approach to the provision of treatment and recovery services that is responsive to the changing trends in drug and alcohol addiction among residents of Leicestershire.** This will be delivered through an agreed approach to commissioning substance misuse services over the next three years with endorsement from all relevant commissioning organisations (e.g. NHS England).
 - iv. **Reduce ill health and deaths as a result of alcohol and drug misuse.** This will be delivered by ensuring harm reduction interventions form an ongoing component of substance misuse treatment provision.
 - v. **Ensure a joined up and timely response to changing patterns of substance misuse and emerging issues relating to substance misuse.** This will be delivered by setting up a substance misuse partnership group involving local service providers, voluntary sector organisations, commissioning organisations and partners. This group will meet regularly and feed into strategic groups such as the Health and Wellbeing Board, Leicestershire Safer Communities Strategy Board and the Strategic Partnership Board.

24. An implementation plan will be developed and led by Public Health to deliver the Strategy. Progress against the implementation plan will be monitored by the Director of Public Health and the Public Health Departmental Management Team. Progress information will also be shared with partners and key stakeholders to ensure alignment across the system.

Equality and Human Rights Implications

25. As part of the development of the final Strategy a screening Equality Human Rights Impact Assessment (EHRIA) has been undertaken to identify equality and human rights issues that needed to be incorporated into the final Strategy. The screening EIHRA concluded that a full EIHRA was not required.

Crime and Disorder Implications

26. Substance misuse has far reaching impacts on individual health, families and communities. There are clear links between substance misuse, crime and community safety. Meeting the health needs of people in contact with the criminal justice system can help to achieve reductions in crime, reduce offending and improve the individual's health.

Partnership Working and Associated Issues

27. The draft strategy outlines a partnership approach to managing the problems associated with drug and alcohol misuse in Leicestershire. The priorities identified within this strategy have been developed based on an understanding of needs in relation to substance misuse.

Background Papers

Report to the Cabinet 25 June 2019: Draft Leicestershire Substance Misuse Strategy 2020-23 <http://politics.leics.gov.uk/documents/s146576/Leicestershire%20Substance%20Misuse%20Strategy%202020-23.pdf>

Leicestershire Joint Strategic Needs Assessment 2018-21: Substance Misuse in Adults <http://www.lsr-online.org/uploads/substance-misuse-in-adults.pdf>

Leicestershire Joint Strategic Needs Assessment 2018-21: Alcohol Misuse in Adults <http://www.lsr-online.org/uploads/alcohol-misuse-in-adults.pdf>

Report to the County Council – 6 December 2019 – Strategic Plan 2018 – 22 <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=5104&Ver=4>

Appendices

Appendix A - Summary of Consultation Responses

Appendix B - Draft Leicestershire Substance Misuse Strategy 2020-23

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CABINET – 22 NOVEMBER 2019

RESPONSE TO CONSULTATION ON LEICESTERSHIRE FIRE AND RESCUE SERVICE INTEGRATED RISK MANAGEMENT PLAN 2020 - 2024

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to seek the Cabinet's approval for the County Council's response to the consultation issued by the Leicestershire Fire and Rescue Service relating to its Integrated Risk Management Plan (IRMP) 2020-2024.

Recommendations

2. It is recommended that the response set out in Appendix B to this report be approved for submission to the Leicestershire Fire and Rescue Service as the views of the County Council.

Reasons for Recommendation

3. To enable the views of the County Council to be submitted to the Leicestershire Fire and Rescue Service.

Timetable for Decisions (including Scrutiny)

4. The Scrutiny Commission considered the matter on 6 November 2019 and its comments are set out in Part B of this report.
5. Subject to approval by the Cabinet, the County Council's response will be submitted before the consultation deadline of 25 November 2019.

Policy Framework and Previous Decisions

6. The Scrutiny Commission was consulted on the current Integrated Risk Management Plan 2016-20 and considered this at meetings on 4 and 9 November 2015. Comments were submitted to the Cabinet and, due to the controversial nature of the proposals at that time, a debate was held at the full Council meeting in December 2015.

7. The Combined Fire Authority approved the proposals in the IRMP 2020-24 for consultation at its meeting on 19 June 2019.

Resource Implications

8. There are no direct resource implications for the County Council arising from these proposals.

Circulation under the Local Issues Alert Procedure

9. None.

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PART B

Background

10. An IRMP must assess all foreseeable fire and rescue-related risks to local communities and put in place arrangements to respond to and deal with them. It must cover at least a three-year period, be regularly reviewed, reflect local risk, be developed through consultation and be accessible and cost-effective. The planning process should also have regard for cross border, multi-agency risks and national incidents.
11. When the Fire and Rescue Service develops an IRMP it engages with multiple partners and uses a variety of sources to review existing risks and identify new ones. These sources include: historical incident data, demographic data, performance data, high risk location information and local development strategies. The impact of wider changes in society, including government policy, economic growth and technological progress, is also considered.
12. For emergency response capability, the key areas considered are: availability of resources, response times to incidents and the individual station demand profiles. The Fire and Rescue Service also considers its prevention and protection activities in its future planning, reviewing the use and allocation of available resources to mitigate the impact of identified risks.
13. All this data and information helps the Fire and Rescue Service to understand the needs of its communities, identify locations of potential peak demand, and assess its capacity to respond. It is also used to anticipate trends that may result in an increase in demand as well as opportunities to reduce the current levels.
14. The current IRMP was consulted on in 2016 and is valid until 2020. Leicestershire Fire and Rescue Service has completed all the agreed changes, including: implementing the Day Crewing Plus (DCP) duty system in Wigston, the Day Crewing (DC) duty system at Market Harborough and Lutterworth and introducing the five Tactical Response Vehicles (TRVs) at various locations within the service.
15. Appendix A to this report provides the detail on how the 2020-2024 IRMP has been constructed and some of the high-level data used to identify and support the proposals.

Proposals within the IRMP

16. The proposals within the IRMP are:
 - i. To use fire engines flexibly, aiming to attend life threatening incidents in an average of 10 minutes;
 - ii. To use fire fighters efficiently and flexibly to maximise our appliance availability;

- iii. To purchase a second high-reach appliance to replace the older one of the two vehicles;
- iv. To continue to undertake education and enforcement activities, targeting those most at risk;
- v. To continue to collaborate with other blue light services and partner agencies to support the purpose of safer people, safer places;
- vi. To enable staff to do the right thing to help communities;
- vii. To implement alternative crewing arrangements in the event of the Service moving away from the current Day Crewing Plus duty system.

17. More detail on these proposals is given in Appendix A.

Consultation

18. Leicestershire Fire and Rescue Service is undertaking a 12-week public consultation on the IRMP which began on 3 September and will close on 25 November 2019. Consultation feedback will be presented to the Combined Fire Authority at an extra-ordinary meeting on 22 January 2020 and a formal consultation summary report will be presented to its meeting on 5 February 2020, where it will be asked to agree which proposals should be progressed.

Comments of the Scrutiny Commission

19. The Scrutiny Commission considered the proposed response to the consultation at its meeting on 6 November. In response to members' questions and comments the Commission was advised that -
- a) The work undertaken by Firefighters as First Responders was done on a voluntary basis in support of the Ambulance Service and should not be seen as a replacement for the Ambulance Service;
 - b) Where a firefighter undertook to assist or support members of the public in an emergency which is not directly related to the work of the Service they would be covered for insurance purposes so long as they had notified 'Control';
 - c) Negotiations were underway with recognised Trade Unions on moving away from the current Day Crewing Plus duty system. The Fire Brigades Union was insisting that such negotiations should be conducted at national and not at local level and this issue has now been referred to the Joint Secretaries. There were a significant number of firefighters who were working or willing to work to new arrangements and it was hoped agreement could be reached on a new duty system.
 - d) Some firefighters and Unions remained concerned about the use of Tactical Fire Vehicles. These had been introduced to supplement the existing fleet of Fire Engines and the current IRMP did not propose any reduction in the number of Fire Engines. Since the introduction of Tactical Fire Vehicles there has been an improvement in response times particularly in rural areas;

- e) The estate was reviewed regularly, and the most recent review concluded that the current Fire Stations were in the right locations to serve the needs of the area. The estate was reviewed on a regular basis and new and proposed developments considered in such reviews. A number of Fire Stations required works to be undertaken and new location is being sought for the training centre. It should be noted that the Estates review sat outside the IRMP;
- f) Whilst there was no legal requirement to attend flooding incidents the Service would continue to do so;
- g) When fire engines were involved in an incident the Control room would redeploy resources based on a risk assessment to ensure cover;
- h) The Home Office was conducting a review of the specialist vehicles currently located at Southern Fire Station. These vehicles were part of the National Resilience Asset.

Draft Response

- 20. The draft response attached at Appendix B has been compiled following feedback on the proposals from County Council Departments and consideration by the Scrutiny Commission.

Equality and Human Rights Implications

- 21. Leicestershire Fire and Rescue Service will undertake an Equality Impact Assessment on all approved proposals.

Background Papers

Report to the Combined Fire Authority 19 June 2019 – Integrated Risk Management Plan 2020-2024 – Proposals

<https://leics-fire.gov.uk/wp-content/uploads/2019/06/irmp-2020-2024-proposals-final.pdf>

<https://leics-fire.gov.uk/wp-content/uploads/2019/06/appendix-a-irmp-2020-2024-proposals-document-final.pdf>

Appendices

Appendix A – Integrated Risk Management Plan 2020-2024 Consultation Proposals
Appendix B – Leicestershire County Council's Draft Response

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