



Meeting: **Scrutiny Commission**

Date/Time: **Monday, 22 June 2020 at 10.30 am**

Location: **Microsoft Teams (broadcast via Sparkenhoe committee room)**

Contact: **Mrs J Twomey (Tel: 0116 305 2583)**

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

Membership

Mr. S. J. Galton CC (Chairman)

Mr. T. Barkley CC Mrs. H. J. Fryer CC
Mr. P. Bedford CC Mr. D. Harrison CC
Mr. D. C. Bill MBE CC Mrs. R. Page CC
Mr. G. A. Boulter CC Mr. A. E. Pearson CC
Dr. T. Eynon CC Mr. T. J. Richardson CC
Dr. R. K. A. Feltham CC Mr. M. B. Wyatt CC

Please note: This meeting will not be open to the public in line with Government advice on public gatherings. The meeting will be webcast live via the Council's website at <http://www.leicestershire.gov.uk>

AGENDA

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 8 April 2020	(Pages 5 - 12)
2. Question Time	
3. Questions asked by members under Standing Order 7(3) and 7(5)	
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda	
5. Declarations of interest in respect of items on the agenda	



6. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16
7. Presentation of Petitions under Standing Order 35
8. Leicester and Leicestershire Enterprise Partnership Economic Recovery Strategy Chief Executive (Pages 13 - 36)

A set of slides is attached which will be presented at the meeting.

The Chief Executive Officer, Mr. Mandip Rai, and the Chair of the LLEP Board, Mr Kevin Harris, will present this item. The Leader of the Council has also been invited to attend.

9. 2019/20 Provisional Revenue and Capital Outturn Director of Corporate Resources (Pages 37 - 74)

The Lead Member for Resources, Mr J. B. Rhodes CC, has been invited to attend for this item.
10. Coronavirus (Covid 19) Impact and Response of the County Council - Recovery Chief Executive and Director of Corporate Resources (Pages 75 - 76)
11. Overview and Scrutiny Annual Report 2019/20 Scrutiny Commission (Pages 77 - 100)

A copy of the draft Annual Report is attached for consideration by the Commission. Subject to approval, the Annual Report will be submitted to the full County Council for consideration at its meeting on Wednesday, 8 July 2020.

12. Date of next meeting

The next meeting of the Commission is scheduled to take place on Wednesday, 2nd September 2020.

13. Any other items which the Chairman has decided to take as urgent

QUESTIONING BY MEMBERS OF OVERVIEW AND SCRUTINY

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

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

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

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Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 8 April 2020.

PRESENT

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

Mr. P. Bedford CC
 Mr. D. C. Bill MBE CC
 Dr. T. Eynon CC
 Dr. R. K. A. Feltham CC
 Mrs. H. J. Fryer CC

Mr. D. Harrison CC
 Mrs. R. Page CC
 Mr. A. E. Pearson CC
 Mr. T. J. Richardson CC
 Mr. M. B. Wyatt CC

82. Minutes of the last meeting

The minutes of the meeting held on 11 March 2020 were taken as read, confirmed and signed.

83. Chairman's Announcement

The Chairman made the following announcement.

“As a country we are going through a very difficult time. I would like to take this opportunity to reassure members and the public that as a Council we are doing all we can to support the most vulnerable in our society. The staff of the County Council have adapted their working practices and are working tirelessly to support and protect the residents of the County.

I am sure that members would wish to join with me to thank all staff involved in delivering direct services and those behind the scenes providing support services for the work to date and ask for them to continue this work for the duration of this emergency.

As mentioned, this meeting is proceeding by skype and is only going to be considering items which have been identified as necessary before they are referred to Cabinet and full Council for approval. Other non-essential items are being deferred and this will be kept under review by the Commissioners over the coming weeks. Skype offers a great opportunity for us to continue to operate meetings, and the Council has adapted and is well set up to manage this. However, the need for meetings must be balanced against other, more pressing matters which the Council is having to respond to.”

84. Question Time

The Chief Executive reported that no questions had been received under Standing Order 34.

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

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

86. Urgent items

There were no urgent items for consideration.

87. 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.

All members of the Commission who were also members of district councils declared a personal interest in all items on the agenda.

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

There were no declarations of the party whip.

89. Presentation of Petitions under Standing Order 35

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

90. Leicestershire County Council's Revised Strategic Plan 2018 - 2022

The Commission considered a report of the Chief Executive which sought its view on the draft revisions made to the Strategic Plan 2018 – 2022 to reflect the Council's declaration of a climate emergency. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Arising from discussion, the following points were raised:

- (i) Members welcomed the revised Strategy and the changes made to reflect the Council's climate change commitments. It was suggested that reference to Parish and Town Council's and other community groups be included in the Plan, as these had enormous capacity to contribute to the delivery of the outcomes identified.
- (ii) Concern was raised about the extent of the Council's ability to influence the local planning process to ensure housing growth in the area did not jeopardise the Council's environmental ambitions. Reassurance was provided that as well as the County Council, all local authorities in the area took climate change seriously. Members noted that whilst the County Council was not a local planning authority it was a consultee on all local neighbourhood plans which it helped shape. Though this process it was able to address issues such as climate change and the meeting of other wider environmental targets.
- (iii) Members noted that the Council's Head of Planning and Historic and Natural Environment chaired the local Chief Planning Officer Group which looked at

detailed approaches to planning matters and at which concerns over environmental performance could be addressed.

- (iv) It was highlighted that the Council's newly formed Growth Unit would play a key role in discussions with partners to ensure growth in the area was delivered in an environmentally sustainable way. The revised Strategic Plan and Environment Strategy would underpin future growth delivery proposals and environmental considerations would therefore play a central role in future growth planning.
- (v) Members noted that the Tranche 2 of the carbon reduction roadmap linked to the Environment Strategy (which it would consider next on the agenda) would look more closely at the delivery of carbon reduction in areas such housing and whilst there was a great challenge in this area for the County and District Councils, both recognised the opportunities available. Members felt this would require a significant change in attitudes to local planning and housing.
- (vi) Members expressed concern that the current circumstances arising from Covid-19 could seriously impact the County and District Councils specifically in terms of s.106 receipts, if timescales set down in contracts overran, and in the delivery of local housing supplies, as developments were put on hold. Members were particularly concerned that the latter could result in future unstructured developments taking place and pressure to priorities growth and the economy to the detriment of environmental ambitions. Members agreed that Government support in this area would be necessary and requested that the Cabinet consider these issues and the need, at some future date, to raise the matter with Government to ensure local authorities were not unduly disadvantaged.
- (vii) A member expressed concern that local planning authorities were required to continue the planning process during the virus outbreak and questioned whether this should be paused. Officers undertook to refer this concern to the Chair of the Chief Officer Planning Group for its consideration.
- (viii) It was acknowledged that the assumptions on which the report had been based would need to be updated to reflect the outbreak of Covid-19 which had impacted significantly on the way the Council was currently operating. Members acknowledged that at present, the Council's priority was to respond to the crisis as it developed. However, they were reassured that recovery planning was already underway, though understandably, this was in its early stages.
- (ix) It was highlighted that the current review had been only a light touch review to reflect the Council's declaration of a climate emergency and Members agreed that to continue to progress this commitment even in the current circumstances was necessary and appropriate. Members agreed that the Council's ambition remained unchanged through specific aspects of its approach might need to be altered because of the Coronavirus outbreak.
- (x) Members noted that a detailed review of the Plan would begin later this year/early next year which would take account of all the circumstances and outcomes arising from the coronavirus outbreak. However, it was suggested that in the short term, the Council's Environment Strategy and related Action

Plan would be best placed to recognise and adapt to specific issues in the short/medium term.

- (xi) This approach was supported by Members, but it was suggested that a preamble be included in the Plan which acknowledged the current circumstances and how the Covid-19 outbreak would impact Council Policy which would need to be addressed at an appropriate time.

AGREED:

- (a) That the comments now made be submitted to the Cabinet at its meeting on 28 April;
- (b) That the concern expressed regarding Government Guidance for local planning authorities to continue with the planning process during the coronavirus outbreak be referred to the Chief Planning Officer Group for consideration.

91. Revised Environment Strategy and Action Plan

The Commission considered a report of the Director of Environment and Transport which sought its views on the draft revised Environment Strategy for 2018-203, the supporting draft revised Action Plan and draft Tranche 1 Carbon Reduction Roadmap. A copy of the report marked 'Agenda item 9' is filed with these minutes.

Arising from discussion, the following points arose:

- (i) Members noted that the Action Plan was a live document and therefore flexible enough to allow for the current circumstances arising from the coronavirus outbreak to be reflected. It was suggested that in the pre-amble to the Action Plan, the outbreak and impact of Covid-19 be recorded and the need for further work as a result acknowledged.
- (ii) It was highlighted that whilst the Council's current environmental ambitions remained unchanged, some of the work and timescales for targets would need to be adjusted given that business as usual was on hold in some areas due to restrictions put in place to fight Covid-19. It was noted that in addition to the Action Plan, the business cases supporting delivery of some initiatives within the Strategy would also need to be considered and refreshed.
- (iii) Members noted the comments of the Environment and Transport Overview and Scrutiny Committee which had also considered the Strategy and agreed that proceeding with the revised Strategy despite current circumstances was right and necessary.
- (iv) Members noted the carbon emissions from the Council's internal operations which fell within Tranche 1 of the carbon reduction roadmap (13,000 tonnes) was much lower than that within Tranche 2 (areas over which the local authorities would have influence) (3.6 million tonnes). Members agreed that Tranche 2 would be much harder to deliver and dependent on joint working with other organisations including District Councils and the LLEP. Members noted that those areas over which the Council was considered *not* to have influence included motorways, power stations and airports which were under

central Government control.

- (v) Members expressed the view that whilst the County Council was not responsible for monitoring air quality, this was a key environmental factor for local residents and the County Council would play its part in the design and construction of roads across the County. Members were reassured that whilst the report had focused on changes made to address the Council's declaration of a climate emergency, the Strategy itself had a total of 6 themes that went beyond climate change, air quality being one of them. These had also been updated and reflected in the revised Action Plan.
- (vi) The impact of Covid-19 on the Council's working practices had been significant with many officers now working from home. It was acknowledged that this had reduced those driving into the office and therefore represented a positive, environmentally. It was agreed that working practices and the benefits of home working on a larger scale may present an opportunity to be looked at in future. A view was raised, however, of the need to ensure this was balanced with the needs of individual staff who might feel isolated working from home and whose mental health and wellbeing might be adversely affected as a result. It was agreed, that a holistic view of any future proposals would be necessary.
- (vii) A lot of work on biodiversity had been undertaken and the Council's Tree Management Strategy had been aligned with the Council's environmental ambitions.
- (viii) HGV transport in the County, particularly on minor routes and in built up residential and rural areas was raised as a concern. Whilst technology was progressing for electric cars, this had not yet extended to commercial vehicles, lorries and HGVs. A suggestion was raised that the use of A and B roads by HGV lorries should be limited, but it was acknowledged that this would require Government intervention and new legislation. Members noted that the Council already worked with partners in addressing environmental matters arising from transport, including, for example, work with the LLEP on the Local Industrial Strategy and its own environment strategies.

AGREED:

That the comments now made be submitted to the Cabinet at its meeting on 28 April.

92. Youth Justice Strategic Plan 2020 - 2023

The Commission considered a report of the Director of Children and Family Services which sought its views on the revised draft Youth Justice Strategic Plan for 2020 – 2023. A copy of the report marked 'Agenda Item 10', is filed with these notes.

Arising from discussion, the following points arose:

- (i) A key area of concern related to the exploitation of children, particularly vulnerable children, but all partners were focused on addressing this. It was noted as a key risk area and so would be heavily monitored under the revised Plan. It was acknowledged that current circumstances meant it was difficult to operate in the usual way as schools which were currently closed, played a key

roll in identifying and reporting such issues.

- (ii) It would be important for the Service to look at the impact of isolation on some families and how this had affected children and young people who might not be being supported in the usual way.
- (iii) The potential release of young offenders because of the coronavirus outbreak would be unlikely to have a significant impact in Leicestershire. The National Probation Service and the Youth Justice Board would be responsible for those released, though the County Council would have a role to play in arranging accommodation. It was expected that only 2 young offenders would be released, and they were coming to the end of their custodial sentence.
- (iv) There was some concern that the Plan was difficult to follow for someone who had little knowledge of the Youth Offending Services (YOS). It was suggested that a glossary of terms and an overall summary be included for the future.
- (v) The Youth Offending Service Management Board was chaired by the Chief Executive of the County Council and the Board involved representatives from the Council's Youth Offending Service, the Police, Probation Service and Health. It had general oversight of all YOS work including those not in education, employment and training (NEET). The Board received a quarterly report and unlike some areas, had good knowledge of where these young people were. Whilst it was not possible for the Service to force young people to engage, knowledge of their location and links with the family through the Early Help and Wellbeing Services meant they could be monitored.
- (vi) It was acknowledged that some young people did not engage due to bad experiences in school and the lack of a support network that would encourage them to take part in EET. Members noted that the Council had introduced additional resources including a psychologist and forensic psychologist that would support this work and help address any such issues. It was noted that it was not possible for one agency to provide the solution so partnership work in this area was key.
- (vii) Members welcomed the excellent work continuing to take place with families and the whole family approach adopted by the Council. Members also supported the work not only to provide support to those subject to youth referral orders which was a statutory requirement, but also first-time entrants. It was agreed that such preventative action was necessary and right, and the likely reason the Council's figures were lower than the national average.
- (viii) In response to a question, Members were advised that the YOS was a County Service and that the City Council YOS operated separately.
- (ix) A request was made that the plan attached at page 105 of the draft Youth Justice Plan be amended to include reference to Oadby and Wigston.

AGREED:

- (a) That the comments now made be referred to the Cabinet at its meeting on 23rd June;

(b) That Officers be requested to amend page 105 of the Plan to include reference to Oadby and Wigston and to consider the comments made regarding the inclusion of a glossary and summary when it was next reviewed.

93. Date of next meeting

RESOLVED:

It was noted that the next meeting of the Commission would be held on 10th June 2020 at 10.30 am.

1 10.30 am – 12.40 pm
08 8 April 2020

CHAIRMAN

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ECONOMIC RECOVERY STRATEGY

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Scrutiny Commission on the development of the Leicester and Leicestershire Economic Recovery Strategy in response to the COVID-19 pandemic and ensuing economic crisis.

2. RECOMMENDATION

The Scrutiny Commission is asked to note the content of the report and Appendix 1.

3. STRUCTURE, PROCESS AND WORKFLOW

- 3.1 There has been significant progress in convening partners and determining the process by which they will work together to develop the Economic Recovery Strategy for Leicester and Leicestershire. The first meeting of the Economic Recovery Cell took place on 15 May and meetings will take place fortnightly going forwards. Subsequent to that meeting the document has been updated and revised to provide greater clarity on structure and process and is attached at Appendix 1. Within the document is a full overview of the structure, process and workflow, set out in three stages:

- Analysis of economic shock
- Creation of short-term economic recovery plans
- Development of a long-term economic recovery strategy

- 3.2 Attached to the document are a further series of schematics illustrating the different elements of the recovery planning structure and process as follows:

- Recovery Planning Process Map
- Impact Assessment Template
- Economic Recovery Planning Structure
- LLR Prepared COVID-19 Recovery Structure
- Economic Recovery Cell Draft Terms of Reference

- 3.3 It should be noted that the impact of COVID-19 is complex and fluid and therefore future changes may be necessary as the situation evolves.

Contacts

Mandip Rai
Chief Executive Officer
LLEP

Kevin Harris
Chair of the LLEP Board



Leicester and Leicestershire Economic Recovery Strategy – Structure and Process

Purpose

1. This document sets out the structure and scope of strategic planning analysis and activity to support economic recovery post COVID 19 in Leicester and Leicestershire.

Context

2. The impact of COVID-19 is expected to result in an unprecedented global economic downturn. Whilst it is expected that the Government will initiate a national economic recovery plan, there is also a parallel requirement to produce a local Economic Recovery Strategy for Leicester and Leicestershire which meets the specific needs of the region and its economic structure.
3. Immediately prior to the onset of COVID-19, the Leicester and Leicestershire Local Enterprise Partnership (LLEP) was in the process of finalising the submission of the Leicester and Leicestershire Local Industrial Strategy (LIS) to Government. The LIS, created in collaboration with businesses, local authorities and other stakeholders and government colleagues, pulled together a robust evidence base which underpinned the actions identified beneath each of the five foundations of productivity: people, business, infrastructure, place and ideas.
4. The LIS Evidence Base and associated Economic Review provided robust evidence of strengths and weaknesses, threats and opportunities. However, the extreme pace of economic change as a result of COVID-19 means that whilst the underlying evidence base is a sound reference point, it is no longer fit for purpose as the basis for a Recovery Strategy. The area will require both a short-term strategy for recovery combined with a longer-term plan for growth. An overarching framework to deliver what is required is attached at Appendix A. The framework is built around three key stages with associated development timescales:

Appendix 1

Stage of Activity	Development Timescale
Analyse economic shock <ul style="list-style-type: none"> • Conduct impact assessment (Appendix E) • Data Analysis • Sector Analysis • Economic Intelligence Updates • Forecast Scenarios 	Immediate and ongoing (May – Dec)
Create short-term economic recovery plans <ul style="list-style-type: none"> • District economic recovery plans • National funding interventions • Local discretionary funding • Repurposing and reallocation of existing funding streams 	Immediate and short-term (May-Aug)
Develop long term economic strategy <ul style="list-style-type: none"> • Agreement of stakeholders on a definition of the 'new' normal and expected size and shape of the changed economy. • Identification of actions required for economic recovery and resilience including opportunities and threats. • Create costed five-year recovery strategy for Leicester and Leicestershire 	Longer term (July – December)

5. Given the fluid nature of the crisis and likelihood of further periods of lockdown, the timescales will necessarily be subject to review as the situation develops.
6. Following the onset of COVID-19 as part of the coordinated Leicester, Leicestershire and Rutland (LLR) emergency response, the LLEP coordinated the LLR Business Cell, comprised of representatives of stakeholder organisations, which fed into the LLR Resilience Forum.
7. As the focus shifted from initial response to recovery planning, the Business Cell transitioned into an Economic Recovery Cell (ERC) from 15 May 2020, in order to coordinate the activities described in Appendix A, and for which a detailed structure chart is provided at Appendix C. The ERC has reporting lines to both the LLR Prepared Recovery Coordinating Group, (for which it covers the business and economy strand, see Appendix C) and the LLEP Economic Recovery Oversight Group, comprised of a group of LLEP Board Directors, which will oversee the development of the Economic Recovery Strategy.
8. The remit of the Economic Recovery Cell will be to have a coordinating role in engaging a wide range of partners to identify issues, intelligence and potential

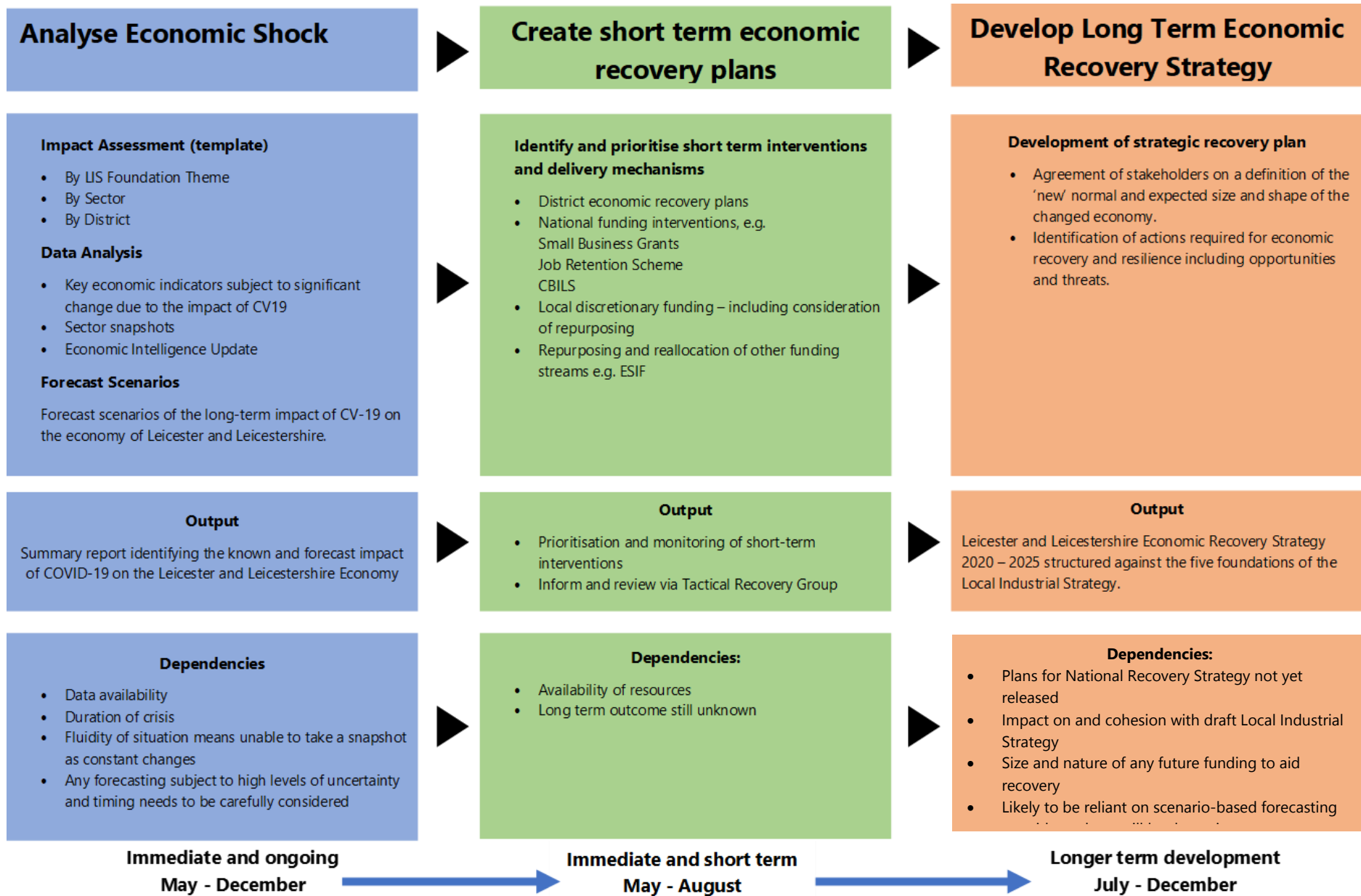
Appendix 1

interventions relating to each of the existing LIS foundations, utilising the knowledge and expertise of established groups and organisations, the full Terms of Reference are attached at Appendix E.

9. Alongside will sit an Economic Analysis Group, similar to the Evidence Base Group convened when developing the LIS, responsible for overseeing the development of a supporting evidence base either through commissioned research or through utilising LLEP and partner capacity and capability. This group will report into both the ERC and the Multi-Agency Information Cell, which again is part of the LLR Recovery structure. The Economic Analysis Group will be established by the end of May.
10. It is estimated that it may take upwards of a year for relevant data sets to be refreshed and updated. Notwithstanding this, there is clearly an immediate need to forecast and scenario plan for anticipated levels of downturn across a range of indicators, some of which may not have previously been taken into consideration in the development of the LIS.

Considerations

- The outline structure may need to be revised when more is known regarding a national economic recovery plan and therefore any timescales for development may be subject to change.
- It may be several months before we are able to assess the impact of COVID-19 on the local economy with any degree of accuracy and prior to that we will be reliant on scenario planning. Any plan needs to be able to flex to accommodate unforeseen shifts in the economy.



Impact Assessment Template Example

The example below is for illustrative purposes only and should be interpreted as a guide to content only and not as a comprehensive analysis of issues relating to the foundation in question.

Foundation: People *(insert as appropriate)*

1. DATA AND FORECAST SCENARIOS *(LLEP to Populate)*

Pre-COVID Baseline Indicators*	Forecast scenario (where available)	Emerging data
<p>LLEP to populate this section with key statistics and datasets relevant to the foundation. <i>For example People section could include:</i></p> <ul style="list-style-type: none"> • <i>Employment statistics by sector and occupation</i> • <i>Unemployment and NEET data</i> • <i>Skills demand</i> • <i>Skills gaps</i> • <i>Predicted sector growth and decline</i> 	<p>(Insert forecasting data as it becomes available illustrating potential shift from base data due to the impact of COVID-19)</p> <p>This section might also include other considerations, e.g. that without an extension of furlough support, there is likely to be a further surge in redundancies.</p>	<p>Insert relevant local data as it becomes available, e.g. unemployment figures, business closures etc.</p>

2. SUMMARY OF CURRENT AND PREDICTED IMPACT OF COVID-19

This section should list known issues relative to the foundation which are emerging from the current COVID-19 crisis

Current

(Following examples are illustrative only, and not a comprehensive review for People section)

- Apprenticeship delivery severely curtailed, with many apprentices furloughed and put on agreed breaks in learning.
- Small training providers may go out of business
- Lower levels of recruitment in universities and colleges
- Provision has switched to online learning where possible but there will be difficulties in providing industry placements and practical learning.

Longer Term implications

- Retraining will be required for those made redundant from contracting sectors to equip them with the skills to enter a new sector.
- Those most at risk of unemployment are likely to be young people and women
- Youth unemployment levels will rise due to contraction of jobs market, lack of apprenticeship offers.

Appendix 1

- HE provision for overseas students likely to reduce

3. WHAT RESOURCES ARE CURRENTLY AVAILABLE TO SUPPORT / ADDRESS THE ISSUES IDENTIFIED ABOVE?

Insert any information on current government or local support, for example for People:

National

- *ESFA Covid-19 post-16 Provider Relief Scheme (for providers of non-levy apprenticeships only)*
- *National Skills Toolkit*
- *Job Retention Scheme*

Local

- *COVID-19 Redundancy and Recruitment Service for Leicester and Leicestershire*

4. WHAT FURTHER INTERVENTION IS REQUIRED TO ENABLE RECOVERY?

What additional funding or other resource is required to address immediate issues for recovery? Are there any sources of funding currently available?

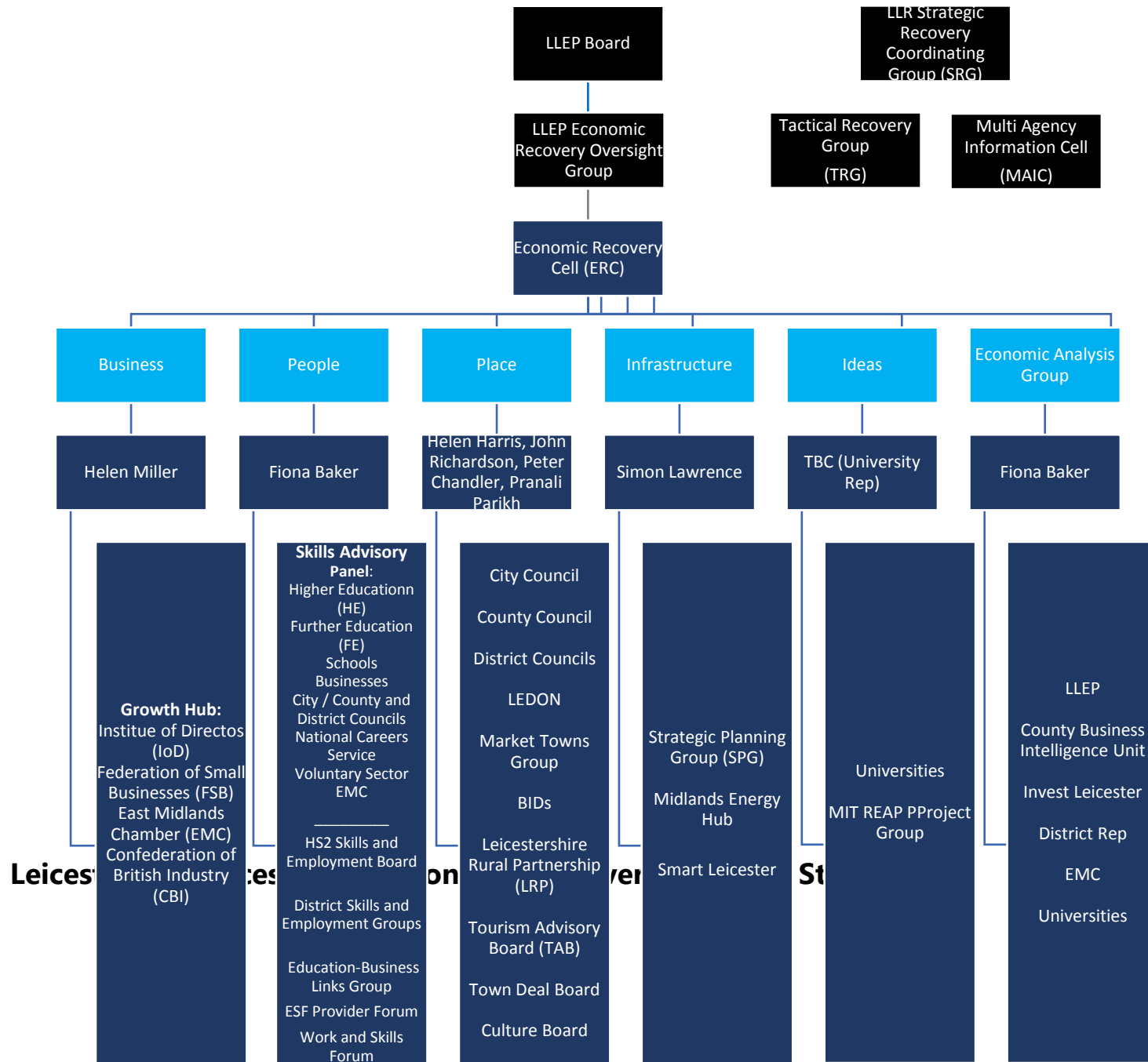
- Repurposing of ESF Reserve Funds to assist in delivery to enable adults to enter the labour market.
- Increased funding for FE sector to allow recovery and enable young people to gain the skills required to enter the changed labour market

5. PROPOSED COST OF INTERVENTION?

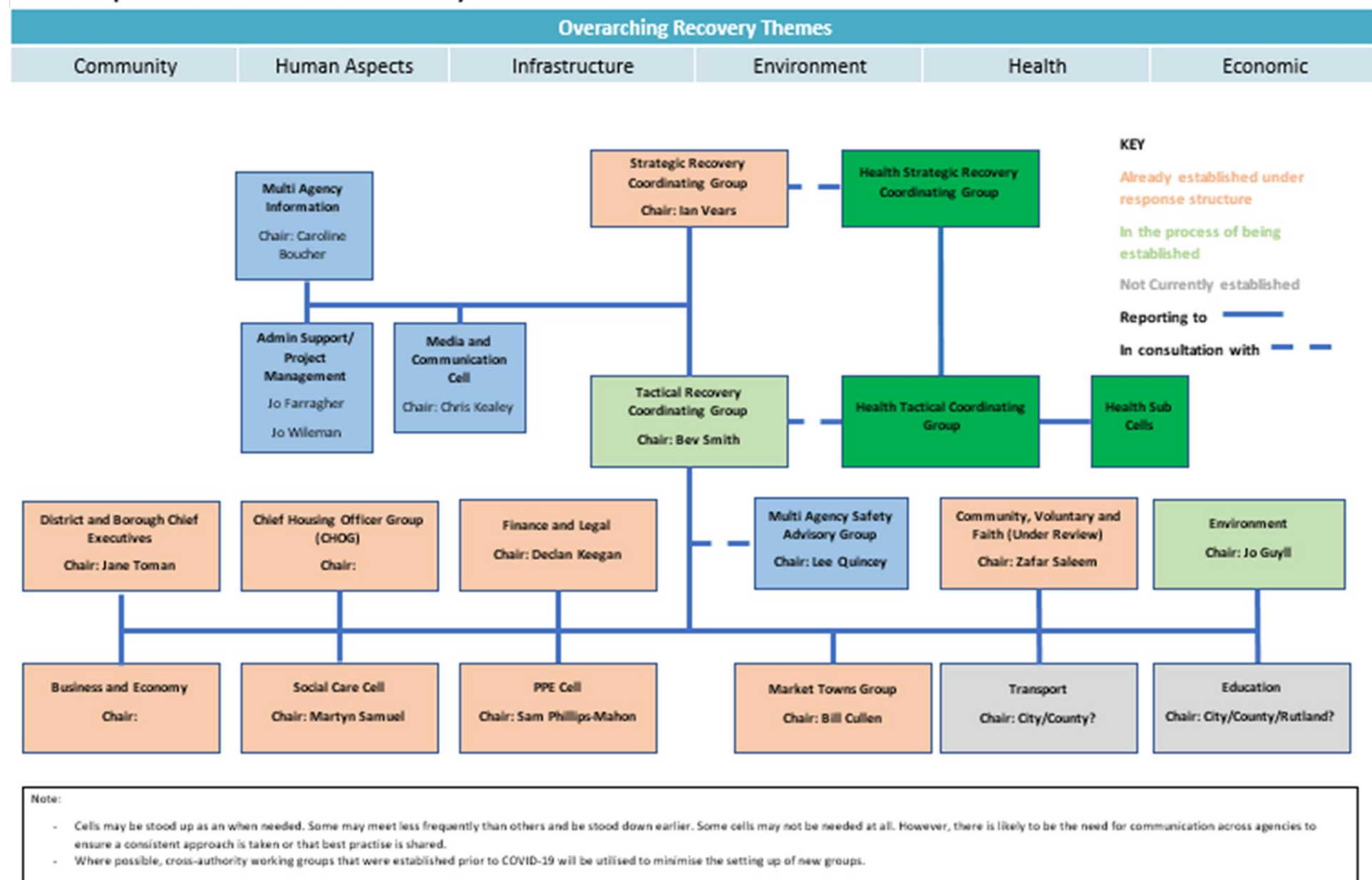
Enter details of any costs associated with proposed interventions and potential sources of funding

*Economic Indicators used in Oxford Economic Review

Appendix 1



LLR Prepared COVID-19 Recovery Structure



Appendix 1

Leicester and Leicestershire Economic Recovery Cell – DRAFT Terms of Reference

Purpose

The purpose of the Economic Recovery Cell is to provide a coordinated analysis of the impact of Covid-19 on the economy of Leicester and Leicestershire and to advise the LLEP oversight group on key decisions that need to be taken on strategy, delivery and funding. This will result in the development of an economic recovery strategy for Leicester and Leicestershire, structured around the existing Local Industrial Strategy Foundations.

Membership

The Leicester and Leicestershire Economic Recovery Cell will be chaired by the LLEP CEO and comprise representatives from:

- Leicester City Council
- Leicestershire County Council
- District Council
- University
- LLEP Skills Advisory Panel
- LLEP Business Board

Structure

A detailed structure chart is attached as an appendix.

Responsibilities

- To consider the known and predictive impact of a range of economic indicators provided by the Economic Analysis Group or through commissioned research, on the economy of Leicester and Leicestershire.
- Working in conjunction with the Economic Analysis Group, the Cell will act as a central coordination point for the collation of economic intelligence, data and emerging issues from member organisations and wider stakeholders.
- To lead on the development of each strand of the Recovery Plan: Place, Business, People, Ideas and Infrastructure to inform the Economic Recovery Strategy.
- Ensure that recommendations are firmly based on robust evidence and analysis.
- Ensure that identified actions are based on an accurate understanding of the economy as it stands now, the best available forecasts of how Covid-19 will affect us, and the most relevant evidence of what works in dealing with the economic impact.
- To understand and identify the economic challenges which Covid-19 places on the area and to identify solutions to any overlaps or gaps in provision, including recommending new areas of focus, and re-alignment of resources.
- To track progress and ensure that actions and resources are constantly monitored to ensure resources are effectively deployed.
- Oversee the commissioning of any additional external support needed to develop the evidence base.
- To provide regular updates to the LLEP Economic Recovery Oversight Group, LLEP Board and LLR Prepared Recovery Coordinating Group

Appendix 1

- To ensure that any strategies and actions consider and fit with any national recovery plans subsequently announced by Government.

Governance

- The Cell will be chaired by the LLEP CEO. The group will provide a full update at each LLEP Board Meeting and to the LLR Prepared Recovery Coordinating Group as required.
- Local authority and university representatives will be required to coordinate the completion of any agreed actions being undertaken by their respective organisations, any consultation required within those organisations and to act as a point of contact.

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Economic Recovery Strategy

Leicestershire County Council Scrutiny Commission
22 June 2020

It's complicated

Data lag ... but multiplicity of predictive reports emerging

Government support likely to delay ultimate impact

Duration and nature of crisis is an unknown

Unprecedented situation – unable to apply historic trends

Wide variance in published best case / worst case scenarios

Economic Recovery Strategy



**Analyse
economic shock**



**Create short-
term economic
recovery plans**



**Develop long
term economic
recovery strategy**

Immediate & ongoing
May – Dec



Immediate & short-term
May – Aug



Longer term
Jul - Dec

Productivity (example scenario)

Leicester and Leicestershire GVA (2018): **£25.6bn**

2020 Best case scenario (PwC):

- **£1.2bn = 5% contraction**

2020 Worst case scenario (PwC):

- **£2.4bn = 10% contraction**

For illustrative purposes only, based on a forecasting models by PwC. Other organisations have published widely varying forecasts in terms of economic contraction. Given this level of variance together with the fluid nature of the crisis this should be interpreted as an example scenario only.

Business Sectors – most vulnerable



Aviation

Automotive
manufacturing
(including parts supply
chain)



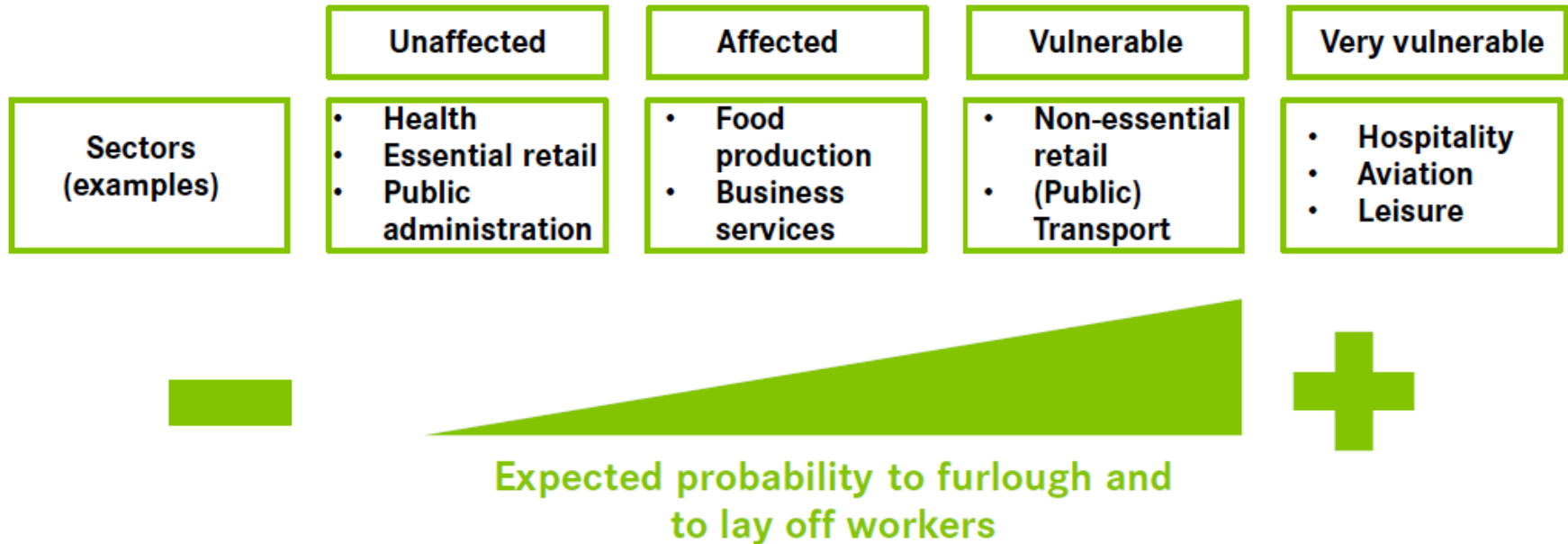
Tourism

Leisure and
entertainment



Hospitality

Centre for Cities Sector Impact



Who will be most affected?



Those aged 18-24



Those without
qualifications



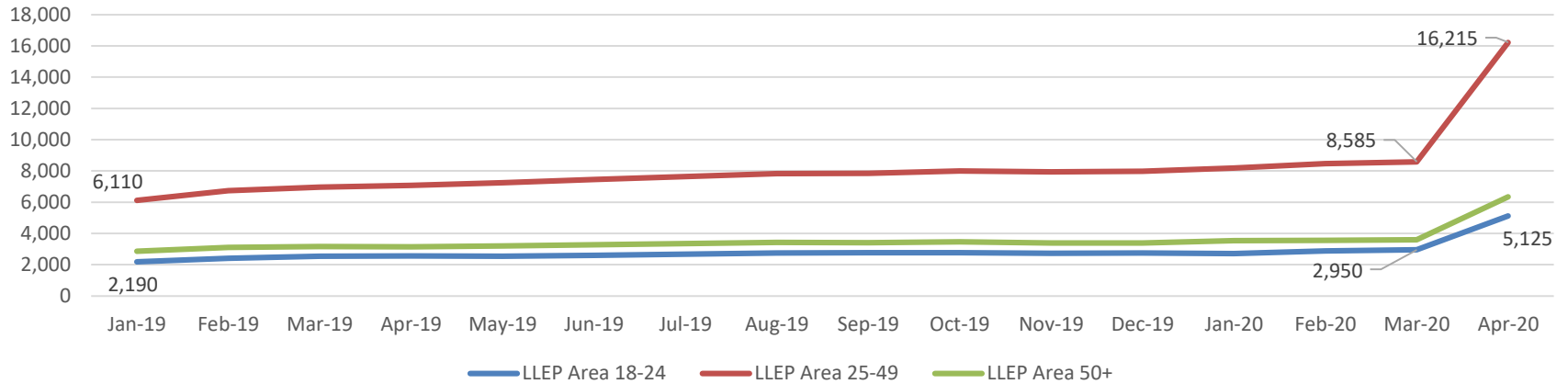
Those who cannot
work from home



Those in industries most at risk
(also most likely to be aged 18-24)

People

LLEP Claimant Count Age



Progress to date

- Economic Recovery Cell Established
- Business & Economic Intelligence Updates issued fortnightly
- Over 80% of Leicester and Leicestershire eligible businesses received Small Business Grant Funding
- Business Support available through Business Gateway Growth Hub
 - Webinars
 - One to one support
- Schools and Colleges reopening – ongoing support throughout from EAN
- District and Town Centre Recovery Plans in development (including night time economy and safe shopping arrangements)
- Initial methodology for scenario based planning (GVA / job numbers)
- Baseline data and data source release mapping

Next Steps

- Mapping of current activities and support in place
- Growth hub and cluster Business Champion establishment
- Draft Impact Assessments against LIS Foundation
- Business Survey completion
- Commission additional analysis
 - Forecast scenario modelling
 - Sector impact
- Establish Economic Analysis Group



SCRUTINY COMMISSION – 22ND JUNE 2020

2019/20 PROVISIONAL REVENUE AND CAPITAL OUTTURN

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of the Report

1. The purpose of this report is to provide information on the provisional revenue and capital outturn for 2019/20 and enable the Commission to consider any comments it may wish to make, which will be reported to the Cabinet.

Policy Framework and Previous Decisions

2. The County Council approved the 2019/20 to 2022/23 Medium Term Financial Strategy (MTFS) in February 2019. The key aim of the Strategy is to ensure that the Authority has appropriate resources in place to fund key service demands over the next few years. The Strategy includes the establishment of earmarked funds and the allocation of ongoing revenue budget and capital resources for key priorities.

Timetable for Decisions

3. A report on the provisional revenue and capital outturn will be considered by the Cabinet on 23rd June 2020 and the comments of the Scrutiny Commission will be reported to the meeting.

Overall Position

Revenue Outturn

4. A summary of the revenue outturn for 2019/20, excluding schools grant, is set out below:

	£000
Updated budget	377,410
Provisional outturn	381,680
Net overspending	4,270
Less additional income	-950
Net overspending	3,320

5. Overall there has been a net overspending of £3.3m, which has been offset by a reduction to the level of revenue funding of capital in 2019/20. This is similar to the

amount that was anticipated and adjusted for within the refresh of the MTFS for 2020-24.

6. The General Fund balance has been increased by £7.3m during 2019/20 and stands at £23.1m as at 31st March 2020, which represents 5.9% of the 2020/21 revenue budget, in line with the County Council's earmarked funds policy and the MTFS approved in February 2020. The Fund will be reviewed again during 2020 taking into account the risks faced by the County Council.
7. The Authority has made significant progress in achieving the savings in the MTFS, but there is still a long way to go. Price and service demand pressures exceeded the inflation contingency for 2019/20 and the overspend has been reflected in the contingency made in the 2020-24 MTFS.
8. In the 2020-24 MTFS the savings requirement totals £80m, of which £39m still needs to be identified. Furthermore, the 2020-24 MTFS predates the additional financial pressures brought about by the Covid-19 pandemic, which will lead to additional costs, the loss of income and difficulties with implementing planned savings and the identification of new savings. There are very strong indications that there will be a significant recession which may lead to a reintroduction of austerity measures by the Government, including reductions to Settlement Funding allocations. Therefore, the identified savings requirement for 2020-24 will increase.
9. The implementation of the Fair Funding Review and the 75% Business Rates Retention Scheme have both been postponed until at least April 2022. Although it is anticipated that the County Council should receive more funding as a result of the Fair Funding Review, the MTFS does not include any provision for any additional funding.
10. Appendix A shows the provisional outturn position for 2019/20. This compares the actual net expenditure incurred with the updated budget. The original budget has been updated for transfers between services and from central contingencies.
11. Appendix B gives details of significant variances on departmental revenue budgets for 2019/20.

Capital Outturn

12. A summary of the capital outturn for 2019/20, excluding schools devolved formula capital, is set out below:

	£000
Updated budget	171,252
Less provisional outturn	113,490
Net Variance	-57,762

13. Overall there has been a net variance of £57.7m compared with the updated budget. This includes net slippage of £56m and a net underspend of £1.7m. The net slippage will be carried forward to 2020/21 and future years to fund schemes

that were not completed in 2019/20, with the net underspend added to the capital financing earmarked fund.

14. Details of the variances and key projects delivered in 2019/20 are included in the report.

DETAILS - REVENUE

Children and Family Services – Schools Budget

15. The overall school budget shows a net £5.8m overspend. This comprises an overspend of £7.0m on the High Needs block and a net underspend of £1.2m on the Schools and Early Years blocks.
16. Nationally concern over the impact of SEND reform on High Needs expenditure and the financial difficulties this places on local authorities is growing. The position in Leicestershire reflects the national picture. During the year demand for packages to support pupils with Education, Health and Care Plans (EHCPs) exceeded that assumed within the High Needs Development Plan by 467 pupils, an increase of 12%; and additional unit costs at special schools by 4% and mainstream schools 11%. There is a net deficit of £7.0m for 2019/20, an increase of £1.3m on the original budget plans.
17. The sufficiency workstream of the High Needs Development Plan has delivered an additional 103 places in the financial year, bringing the cumulative total number of additional places delivered and occupied to 186 by 31 March 2020. However, this additional capacity has not met the increase in overall demand and is the significant factor in the change of position. Without this new capacity pupils would have required independent special school placements.
18. When added to the existing High Needs deficit within the DSG earmarked fund the cumulative High Needs deficit at the end of 2019/20 is £7.1m. This position is allowed by the DfE as a temporary measure pending actions to return the fund into balance in future years.
19. For 2020/21 it is estimated that the expenditure in excess of the grant will be £13m assuming that current demand trends continue. By the end of 2020/21 the estimated accumulated high needs deficit is forecast to be £20m. The Department is investigating a number of actions that could over the course of the MTFS reduce demand and therefore the overall deficit.
20. The Schools and Early Years blocks have underspent by £1.2m. The main variation is a £1.9m underspend on funding budgeted for schools' growth, to meet the revenue cost of commissioning new schools, not being required in 2019/20. The underspend will be held in the DSG earmarked fund to meet future costs, for the expected growth in pupil numbers, which the in-year grant will not cover.

Children and Family Services – Local Authority Budget (Other)

21. There is a net overspend of £3.4m (4.5%).

22. Children's Social Care workforce - £2.9m overspend. The recruitment of social workers is a concern nationally and that position is reflected in Leicestershire resulting in a continued need to use agency workers to fill vacancies. However, the Department's recruitment and retention strategy is embedded, and the use of agency staff is decreasing as additional permanent staff are being appointed. It is anticipated that this position will continue resulting in less reliance on agency staff. A number of newly qualified social workers have been recruited over the last 12 months, who in the short term need to be supported by experienced workers. Maintaining caseloads at a reasonable level is also an increasing pressure across many social care services.
23. Operational Placements - £1.7m overspend. Overall the numbers of looked after children (i.e. in the care of the Authority) are in line with the budget. However, some new placements have entered the system with very high and complicated needs which have resulted in costs of up to £7,500 plus per week, 100% higher than the total average cost of that placement type. The average weekly cost to social care of external residential placements has risen from £3,300 per week at the start of the financial year to £3,800 per week (a 15% increase) by the end of the financial year.
24. Likewise, a similar trend can be seen in the 16-plus provision type, with the average weekly cost to social care of £950 per week at the start of the financial year rising to £1,330 per week (40% increase). Again a similar trend is being seen where new activity coming into the care system is managing need of a higher, more complex type than activity exiting the system. For example, at the end of the financial year, this cohort of children included some provision costing £3,000 per week (200% higher than average cost for this provision type), but potentially could have been costing the Council significantly more had these placements not been stepped down from an external residential placement.
25. The increase in social care staffing and placement costs has been included as growth within the new MTFS.
26. The Children and Families Wellbeing Service budget is underspent by £1.0m, largely due to staff turnover and vacancies.

Adults and Communities

27. The Department has a net underspend of £2.4m (1.6%). The main variances are reported below.
28. Residential Care / Supported Living – net overspend of £0.3m arising from an increase in the cost of care compared with the budget. This position includes the following variances;
- an increase in costs on supported living due to the departmental Target Operating Model (TOM) programme transferring service users to supported living from residential care, which has seen a similar reduction in costs (£1.3m) – savings will materialise in 2020/21 as existing and some temporary enhanced packages of care can be reduced,

- a reduction in residential care costs, and associated income, from the residential learning disabilities pooled budget following changes to the pooling arrangements with Health (£1.1m), and
 - an increase in the provision for unrecoverable debts of £0.2m.
29. Direct Payments / Home Care – a net overspend of £0.2m. Increased service users receiving a Help to Live at Home (HTLAH) service offset by a reduction in the number of service users receiving a Direct Payment.
30. Additional Better Care Fund (BCF) funding of £1.1m was agreed during the year for social care protection and other schemes to reduce demand.
31. Staffing, overhead and other budgets have underspent by a net £1.8m. There is a high level of staffing vacancies across the Department. Some of these have been offset by the use of agency staff or are held in advance of savings.
32. As in previous years the profile of service users and their care needs are constantly changing which may impact on the services commissioned. Overall demand-led expenditure totals circa £180m. In addition the TOM programme is progressing and will be implementing new ways of working which will impact some budgets.

Public Health

33. The Department has a net underspend of £0.1m. This is mainly due to reducing numbers of health checks to a targeted provision and improved software to check claims received, plus better management of contracts for children's services and some additional grant funding. Some of these savings have been offset by increased demand, particularly for sexual health services.

Environment and Transport

34. There is a net overspend of £1.5m (2.1%).
35. Special Educational Needs (SEN) transport is the main variance, reporting a £2.1m overspend for the year. There are increasing numbers of pupils requiring transport provision and in some cases risk assessments and case conferences have highlighted that children require a higher level of transport provision (such as solo travel). Delays in implementing savings are also a factor in the forecast overspend (£0.6m of the overspend), including those relating to the impact of the judicial review.
36. The Public Bus Services budget is overspent by £0.7m. This is partly due to the cost of subsidising additional bus services / routes that became no longer commercially viable during 2018/19 and 2019/20. Delays in the implementation of local bus service savings, as part of the Passenger Transport Policy (PTP) project, has also contributed to the overspend position.
37. These and other overspends were partly offset by a number of underspendings, the most significant of which was on Landfill (0.6m), due to more waste being

diverted from landfill and instead going to Refuse Derived Fuel (RDF) and Energy from Waste (EFW) and tonnages being slightly lower than budgeted.

Chief Executive's

38. The Department has underspent by £0.7m (6.3%) which is mainly due to staff vacancies and general overheads (£0.5m) and increased income (£0.4m) offset by an increase in the costs of the City Coroner's service (£0.2m).

Corporate Resources

39. There is a net overspend of £0.5m (1.3%) which relates to the impact of Covid-19 at the end of the financial year.
40. Commercial Services reported an overspend of £2.6m, due to growth in profit (£0.5m) not being achieved and additional costs arising from the 2019 pay award that could not be fully recovered through increased income levels in the short term. In addition, there have been challenging market conditions, the need for staff reviews across several services, and staff absences. The service has also been affected by Covid-19 by £0.5m which is included in the overall service overspend. A fundamental review of commercial services is being undertaken, especially in light of the longer term impact of Covid-19, to identify and assess the options available to address the longer term financial position.
41. Overall, the position is offset by savings elsewhere within the department, including through managing vacancies in ICT staffing in advance of savings and the early implementation of savings on Insurance, reflecting low levels of claims.

Central

42. The inflation contingency of £13.9m is overspent by £3.2m. The overspend is mainly due to inflation pressures of £9.2m on the Adults and Communities budget, mostly relating to the fee review including implementing new bands and the 2019/20 inflationary uplift, as detailed in a report to the Cabinet on 25 June 2019. This is exceptional compared with previous years (averaging around £4m - £5m). Other pressures include the 2019/20 pay award and an increase to the employer pension contribution rate amounting to £5.3m, and inflation pressures of around £2.6m on highways, transport, waste, energy and other budgets.
43. Central Grants and Other Income budgets are underspent by £0.7m due to an increase in bank interest from higher balances.
44. Other Items (including prior year adjustments) show a net underspend of £2.0m mainly due to a review of prior year open purchase orders and other liabilities that are no longer expected to be incurred.
45. The budget assumed a requirement to increase the General Fund by £6m to cover the forecast deficit in High Needs funding. The worsened position, as set out above, required an additional £1.3m to be contributed to the General Fund in 2019/20 to mitigate the risk that this expenditure cannot be recovered.

46. Additional Business Rates income of £0.5m has been received, mainly relating to an increase in Section 31 grants to compensate for discounts awarded nationally by Government, and additional funding from the national levy account.
47. The Government paid the initial estimate of 2020/21 Section 31 grants of £4.6m at the end of March, as part of its response to the Covid-19 pressures faced by authorities. The £4.6m has been transferred to the Government Cash Flow Funding earmarked fund to be utilised in 2020/21.
48. The Government also paid the first £1.6bn tranche of general Covid-19 grant to local authorities at the end of March. The County Council was allocated £15.1m and that funding has been transferred to the Government Cash Flow Funding earmarked fund and to be utilised to offset Covid-19-related pressures in 2020/21.

Business Rates

49. The latest forecasts for the 2019/20 Leicester and Leicestershire Business Rates Pool and 75% Business Rates Pilot show:
 - Business Rates Pool – a surplus of £8.2m in 2019/20 compared with an original forecast of £8m in January 2019. The surplus is transferred to the Leicester and Leicestershire Enterprise Partnership (LLEP).
 - Business Rates Pilot – a surplus of £14m, to be distributed to the pooling partners. The County Council's share of circa £7m is included in the 2019/20 MTFS as part of the Future Developments Fund. The pilot is for 2019/20 only.
50. Due to the success of the Business Rates Pool a total of £32m will have been retained in Leicestershire, since the first year of operation in 2013/14. The funding, provided to the LLEP, is being used to support a range of infrastructure projects around the County and City. Part of this funding will be received by the County Council to help offset the costs of specific projects which would otherwise need to be funded from the Council's own funding sources.
51. The final position for 2019/20 will be based on returns to be submitted by the billing authorities to the Government. The Cabinet will be updated on the position when details are available.
52. Due to the strong position in 2019/20 the Pool has continued in 2020/21. Initial estimates suggested an improvement on the 2019/20 position, but the impact of Covid-19 on business rates income and interventions made by Government make the position difficult to forecast.

Overall Revenue Summary

53. Overall, there is a net overspend of £3.3m.

54. In order to balance the 2019/20 outturn position the Revenue Funding of Capital budget has been reduced by £3.3m. This is possible given the level of slippage on the capital programme as set out below and was anticipated when compiling the updated MTFS for 2020-24. The overspend has to be repaid which resulted in a reduction to the funding available for the 2020-24 capital programme.
55. For 2020/21, the significant budget pressures reported during 2019/20 were identified early in the financial year and have been reflected in the new 2020-24 MTFS.
56. Additional pressures brought about by Covid-19 will affect 2020/21 and later years, from additional costs, the loss of income and difficulties with implementing planned savings and the identification of new savings. It is highly likely that there will be a significant recession which may lead to a reintroduction of austerity measures by the Government, including reductions to Settlement Funding allocations.

General Fund and Earmarked Funds

57. The uncommitted General Fund balance as at 31 March 2020 stands at £23.1m (after an addition of £7.3m in 2019/20) which represents 5.9% of the 2020/21 revenue budget, in line with the County Council's earmarked funds policy. The MTFS includes further analysis of the County Council's earmarked funds including the reasons for holding them.
58. The total level of earmarked funds held for revenue purposes as at 31 March 2020 is £46.4m, excluding the ring-fenced Dedicated Schools Grant earmarked fund and monies held on behalf of partnerships, which compares to £36.5m as at 31 March 2019. Earmarked funds for capital purposes total £78.6m as at 31 March 2020 compared with £99.9m at 31 March 2019. Earmarked funds are shown in detail in Appendix C. The main earmarked funds are set out below.

Renewals of Vehicles and Equipment (£3.3m)

59. Departments hold earmarked funds for the future replacement of vehicles (the County Council has a fleet of around 350 vehicles) and equipment such as ICT.

Industrial Properties (£1.1m)

60. These are funds generated from the industrial property portfolio. The fund is used for improvement works included within the capital programme.

Insurance (£12.0m)

61. Earmarked funds of £6.8m are held to meet the estimated cost of future claims to enable the Council to meet excesses not covered by insurance policies and smooth fluctuations in claims between years. The levels are informed by advice from independent advisors. Excesses include:

- Property damage (including fire) £500,000

- Public / Employers' liability £375,000
- Professional indemnity £25,000
- Fidelity guarantee £100,000
- Money – completely self-insured.

62. The uninsured loss fund of £5.2m is required mainly to meet potential liabilities arising from Municipal Mutual Insurance (MMI) that is subject to a run-off of claims following liquidation in 1992. The fund also covers the period before the Council purchased insurance cover and any other uninsured losses.

Children and Family Services

63. Supporting Leicestershire Families (£1.8m). This earmarked fund is used to fund the Supporting Leicestershire Families service which is providing early help and intervention services for vulnerable families across Leicestershire.
64. Children and Family Services Developments (£1.1m). This fund provides funding for a number of projects such as improving management information, information access and retention and responding to changing requirements as a result of OfSTED and legislation.

Adults and Communities

65. Adults and Communities Developments (£5.0m). This earmarked fund is held to fund a number of investments in maintaining social care service levels and assisting the Department in achieving its transformation. The increase in the fund balance compared to the forecast is due to an underspend on 2019/20 improved Better Care Fund (iBCF) funding. The usage of the fund is agreed with partners and is planned to be used on health integration projects in 2020/21 and later years.

Environment and Transport

66. Commuted Sums (£3.1m). This funding, received from housing developers, is used to cover future revenue costs arising from developer schemes, where the specifications are over and above standard developments (e.g. block paving, bollards or trees adjacent to the highway). These liabilities can arise many years after the funding is received and therefore the balance on this earmarked fund has built up over time.
67. Leicester and Leicestershire Integrated Transport Model (LLITM) (£2.2m). This earmarked fund is income from charging other local authorities for using the model. Surplus income is added into the fund and will be used to finance activity to refresh the model when required in around 2 years' time.
68. Other £1.1m. These earmarked funds will be used to manage funding of schemes where grant awards and scheme expenditure relate to/occur in different years and will also will fund plant renewal for highway services.

Corporate

69. Transformation Fund (£7.5m). The fund is used to invest in transformation projects to achieve efficiency savings and also to fund severance costs. To achieve the level of savings within the MTFS the Council will need to change significantly, and this will require major investment, including in some of the core 'building blocks' of transformation such as improvements to data quality, and improvements to digital services enabling more self-service.
70. Broadband (£3.4m). This fund was established to allow the development of super-fast broadband within Leicestershire. There is a significant time lag in spending County Council funds as a result of securing grant funding from Central Government and the European Regional Development Fund (ERDF) that required those funds to be spent first and within a set period.
71. Business Rates Retention (£1.6m). This fund was established following the introduction of the Business Rates Retention system in 2013 and is held as a contingency to fund potential shortfalls in business rates income in later years, especially the risk of large appeals and fluctuations in Business Rates income. The fund includes a sum of £0.6m, which represents the County Council's element of the Business Rates Pool contingency of £2m.
72. Inquiry and other costs (£1.0m). This fund is held to provide funding for inquiry and other costs associated with historical child sexual exploitation.
73. Pooled Property Fund(s) (-£24.0m). The Cabinet on 11 September 2015 and 11 October 2016 approved the investment of £15m and £10m respectively of the Council's earmarked funds into pooled property funds. The investments are held to achieve higher returns than if the funds were invested as cash. The investment is funded from the overall balance of earmarked funds and can be realised in the future when required. A cumulative unrealised gain of £1.0m is also included with the fund.
74. Government Cash Flow Funding (£19.7m). The Government paid the first instalment of general Covid-19 grant (£15.1m) and the 2020/21 Business Rates Section 31 grant (£4.6m) in late March 2020. These amounts have been set aside in this new earmarked fund and will be used to fund expenditure in 2020/21.

Capital

75. Capital Financing (£78.6m). This fund is used to hold MTFS revenue contributions required to fund the approved capital programme in future years. The increase at year-end is due to the overall level of slippage on the capital programme in 2019/20. As revenue funding is less restricted than capital funding, which can only be used to fund new capital expenditure, balances from this fund have been used last. The fund also includes the balance on the future developments fund which is used to support mainly future capital programme developments. This element of the fund has been fully committed but not all spend has yet been incurred. The balance will be held in the capital financing fund to fund the outstanding commitments.

Other / Partnerships Earmarked Funds

76. Dedicated Schools Grant (deficit of £4.1m). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations. This fund is earmarked to meet the revenue costs of commissioning places in new schools, early years and to support pressures on the high needs block. A summary is shown below:

	Schools Block	Early Years Block	High Needs Block	Total
	£m	£m	£m	£m
31-3-19	1.3	0.5	-0.1	1.7
Changes 2019/20	1.9	-0.7	-7.0	-5.8
31-3-20	3.2	-0.2	-7.1	-4.1

77. Within the schools block funding, future DSG allocations for schools growth will be retained and added to the earmarked fund to support the revenue costs of commissioning new schools. The deficit on the high needs block will increase in the medium term until the savings arising from the High Needs Development Plan are delivered. In the short term the surplus on the schools block will partially offset the high needs deficit. The expectation of the Development Plan is to replenish the DSG earmarked fund so that new school funding is not impacted.
78. Leicestershire and Rutland Sport (£1.5m). The main purpose of this earmarked fund is to hold partner contributions until expenditure on the agreed activities has been incurred. A significant part of the services' funding from external agencies is uncertain in nature, so the earmarked fund also allows management of funding variations and a redundancy provision.

CAPITAL PROGRAMME

79. The updated capital programme for 2019/20 totals £171m, including net slippage of £19m from 2018/19.
80. A summary of the capital outturn for 2019/20, excluding schools devolved formula capital, is set out below:

Programme Area	Updated Budget £000	Actual Expenditure £000	Net Variance £000	%
Children and Family Services	25,939	22,747	(3,192)	88%
Adults and Communities	14,083	7,338	(6,745)	52%
Environment and Transport	73,829	40,564	(33,265)	55%
Chief Executive's	710	96	(614)	14%
Corporate Resources	10,908	4,554	(6,354)	42%
Corporate Programme	45,783	38,191	(7,592)	83%
Total	171,252	113,490	(57,762)	66%

81. A summary of the net variance is shown below:

Programme Area	Underspend £000	Overspend £000	Slippage £000	Accelera- tion £000	Total £000
Children and Family Servs.	(1,160)	1,217	(6,547)	3,296	(3,192)
Adults and Communities	(489)	110	(6,373)	7	(6,745)
Environment and Transport	(410)	49	(34,232)	1,328	(33,265)
Chief Executive's	(0)	0	(614)	0	(614)
Corporate Resources	(56)	152	(6,623)	173	(6,354)
Corporate Programme	(1,276)	152	(12,531)	6,063	(7,592)
Total	(3,390)	1,681	(66,920)	10,867	(57,762)
	Net Underspend	1,709	Net Slippage	56,053	

82. The net underspend of £1.7m has been added to the capital financing earmarked fund to offset the shortfall on capital receipts, described later in the report. The net slippage of £56.1m has been carried forward to the capital programme 2020-24 to fund delayed projects.

83. A summary of the key projects delivered and main variations are set out below. Further details of the main variations are provided in Appendix D.

84. Appendix E compares the provisional prudential indicators with those set and agreed by the Council, at its budget meeting in February 2019. These are all within the limits set.

Children and Family Services

Key Projects Delivered

85. Creation of additional school places successfully completed projects at 12 different schools. 1,000 new Primary school places and 32 new Secondary school places were delivered. The SEND programme saw the completion of several schemes to support the High Needs Development Plan. Five new units for pupils with either social, emotional and mental health needs, or communication and interaction needs were delivered, alongside the expansion of existing specialist provisions across the County. Work has also commenced on two new special schools and a number of additional units that will be completed during 2020/21.

Main Variances

86. The year-end position shows a net variance of £3.2m compared with the updated budget. The main variances are due to slippage on the provision of Primary Places £3m, Early Help Building (refurbishment) £0.3m, Strategic Capital Maintenance £0.3m and acceleration of SEND Programme £0.5m.

Adults and Communities

Key Projects Delivered

87. Smart Libraries - completed the installation of Smart technology across Leicestershire libraries to allow library members self-access to the buildings outside of staffed hours.
88. Changing Places - a further two schemes were completed in 2019/20. The facilities are located at John Storer House in Loughborough and Bassett Street Community Hub in South Wigston.
89. New Ashby Court Transitions and Supported Living Scheme - the property purchase was completed in 2019/20 with refurbishment works planned to take place in 2020/21. The site will provide new accommodation for both Transitions and Supported Living service users.

Main Variances

90. The outturn shows a net variance of £6.7m compared with the updated budget. The main variances are due to slippage on the Record Office Relocation £3m, Hamilton Court/Smith Crescent – North West Leicestershire Development £2.5m, Brookfields Supported Living Scheme (refurbishment) £0.4m and Hinckley The Trees (refurbishment) £0.3m.

Environment and Transport

Key Projects Delivered

91. A total of £19.2m has been spent on the preparation of major projects, including:
 - M1 J23/A512, £7.1m – the detailed design and construction of improvements to ease congestion and provide access to the West of Loughborough housing development commenced in 2017/18. This major scheme has continued through 2019/20 with a completion on site anticipated in spring 2021.
 - A46 Anstey Lane, £6.1m – the detailed design and construction of improvements to ease congestion and mitigate the Aston Green housing development commenced in 2017/18 and continued in 2019/20 with a completion on site anticipated in summer 2020.
 - Lutterworth East - £2.4m to design highway improvements and provide access to proposed new housing development in Lutterworth (this programme is being paused until funding can be secured).
 - Melton Mowbray Eastern Distributor Road, £2.1m – the project to build the distributor road to the east of Melton Mowbray to ease congestion in the town centre and facilitate growth commenced in 2017/18 with anticipated on site advance works starting 2021.
 - A511 Major Road Network scheme, £0.9m - to tackle longstanding congestion and traffic related problems on the A511 between Leicester (M1

Junction 22) and the A42 commenced 2019/20 with a completion on site anticipated in December 2024.

92. A total £14.9m was also invested in Highways Asset Maintenance,
- £12.5m on carriageways
 - £0.6m on footways and rights of way
 - £0.6m on bridge maintenance and strengthening
 - £0.4m on flood alleviation
 - £0.2m on traffic signal renewal
 - £0.6m on other activity including joint sealing.
93. A programme of works at the Recycling and Household Waste Sites (RHWS) and Waste Transfer Stations (WTS) has continued to ensure ongoing environmental compliance and efficient service provision. This included significant improvements at Shepshed Civic Amenity Site and a range of preparatory work in readiness for further site enhancement and development in 2020/21.

Main Variances

94. The year-end position shows a net variance of £33.3m compared with the updated budget.
95. The main variances are:
- M1 Junction 23 / A512, £8.1m slippage - due to delays in the legal agreement being signed with the developers. There was also a delay in mobilisation due to issues with access to the site. The agreement has now been signed and construction works have started.
 - Hinckley Hub (National Productivity Investment Fund) £5.3m slippage - due to delays in negotiating with land owners and Gas Works which restricted road works in the area. This has meant that work could only start in March 2020.
 - Waste Transfer Station Development £4.6m slippage - due to work commencing later than anticipated while identifying a suitable site. A site has now been identified at Bardon and the scheme can now progress.
 - Melton Depot Replacement £3.9m slippage - there is currently no prospect of moving to a new depot site until the Melton Distributor Road is completed and the contractor has moved out.
 - Lutterworth East Spine Road £2.2m slippage – initial preparatory works. The Council was unsuccessful with a funding bid for the main project which has now been paused while options are being considered.
 - Zouch Bridge £2.1m slippage - after a review of the programme due to increased costs and a Cabinet report earlier in the year.
 - County Council Vehicle Programme £1.8m slippage - due to a fleet management review. Whilst the review and the outcomes are considered there is a pause on replacing the fleet.
 - Advanced Design £1.2m slippage - due to unsuccessful bid, delaying work and study work for other projects not yet commenced.

Chief Executive's

Key Projects Delivered

96. Rural Broadband Scheme; the County Council has committed to seeking all available options to achieve universal superfast broadband coverage across the County. Phase 3 of the Superfast Leicestershire programme is a key component in working towards this commitment and BT was awarded the contract as the delivery partner on 6 August 2019. Initial deployment of Phase 3, covering the west of the County, is to be completed over two years.
97. SHIRE Community Solutions Grants. The grant provides funding of up to £10,000 per scheme to voluntary and community sector organisations for community based projects that are focused on supporting vulnerable and disadvantaged people and communities. £100,000 was awarded and paid out in 2019/20.

Main Variance

98. The year-end position shows a net variance of £0.6m. This is due to delays on phase 3 of the Rural Broadband Scheme relating to the East Leicestershire Programme which is being retendered.

Corporate Resources

Key Projects Delivered

99. Investment in the ICT infrastructure of £0.9m:
- New Storage Area Network
 - Completion of the Rollout of Windows 10 and Microsoft Office 2016 to all Council users to replace Windows 7.
 - Replacement of the Session Border Controllers and Load balancers
100. Investment of £1.4m in the Fit for the Future project.
101. A further £1m has been spent on delivering the Snibston Masterplan, which is due to complete in Summer 2020 and will encompass a new Country Park on the site of the Snibston Discovery site, alongside bike tracks and an extended café offering.

Main Variances

102. The year-end position shows a net variance of £6.4m compared with the updated budget.
103. The main variances relate to slippage on the Watermead Country Park new footbridge £1.8m while discussions between partners continue as to the viability of the scheme; Snibston Country Park Future Strategy land remediation works £1.8m due to the site being investigated for potential use for the Adults and Communities Social Care Improvement Programme (SCIP); and Snibston Country

Park Future Strategy £1.7m due to a delay in finalising the Section 106 agreement.

Corporate Programme

Key Projects Delivered

104. During 2019/20 the following investments were made as part of the Corporate Asset Investment Fund:

- £14.9m land acquisition and associated costs for planning and consultancy services as part of the East of Lutterworth Strategic Development plan.
- £13.9m for works at Loughborough University Science and Enterprise Park (part of £22m project).
- £4.7m to further develop Airfield Farm, in Market Harborough.
- £3m development of new industrial units at Coalville Workspace, Vulcan Way.
- £0.5m improvement works to Industrial Properties and Farms owned by the Council.

105. Corporate Energy Strategy, £0.3m investment in upgraded lighting, boilers and heating controls at County Council premises.

Main Variances

106. The year-end position shows a net variance of £7.6m compared with the updated budget.

107. The main variances relate to the Corporate Asset Investment Fund:

- East of Lutterworth Strategic Development Area (land purchase for residential and employment development) – £9.7m slippage, with the final two parcels of land purchase being completed in April 2020.
- Airfield Farm scheme slippage of £0.7m for small snagging works subsequent to completion, alongside a £1m underspend as the project team were able to procure a lower cost construction package.
- LUSEP scheme acceleration of £5.4m.

108. In addition, slippage has also occurred on the Energy Strategy programme, £1.9m as a result of staff changes and a delay to some schemes being delivered.

Capital Receipts

109. The target for new capital receipts for 2019/20 was £9.6m. The actual receipts received were £2m, a shortfall of £7.6m. The shortfall is primarily due to delays with three large planned sales where planning permission is required. Of these £3m is now expected to be received in 2020/21. An adjustment for the delays and shortfall was included within the MTFS 2020-24.

Capital Summary

110. Overall £113m was invested in capital projects in Leicestershire during 2019/20. This was the highest level of investment in at least the last fifteen years.

111. Overall spend was less than budget by £58m. This was mainly due to major highways projects which require complex agreements with multiple partners.

Corporate Asset Investment Fund

112. A summary of the Corporate Asset Investment Fund (CAIF) position for 2019/20 is set out below:

Asset Class	Opening Capital Valuation	Capital Incurred 2019/20	Change in Valuation	Closing Capital Valuation	Change in Capital Value	Target Net Income	Actual Net Income	Net Income Return
	£000	£000	£000	£000	%	£000	£000	%
Office	27,657	0	-497	27,160	-1.8%	2,373	1,733	6.4%
Industrial	12,479	245	-305	12,419	-2.4%	594	971	7.8%
Distribution	456	1	-1	456	-0.2%	0	24	5.2%
Development(N1)	22,161	37,347	-728	58,780	-1.2%	83	-268	-0.5%
Rural	20,585	313	1,624	22,522	7.8%	463	265	1.2%
Other(N2)	4,344	0	69	4,413	1.6%	276	227	5.1%
Pooled Property	23,110	2,500	-761	24,849	-3.0%	1,000	972	3.9%
Private Debt(N3)	20,890	-757	143	20,276	0.7%	1,000	608	3.0%
TOTAL	131,682	39,649	-456	170,875	-0.3%	5,789	4,532	2.7%

(N1) includes downward adjustment to the opening capital value for the LUSEP project of £12.9m.

(N2) includes vehicle showroom

(N3) principal repaid in 19/20 £0.8m, and unrealised income £0.6m paid on maturity

113. During the year, the fund generated net income returns of £4.5m, or 2.7%. If the development classification was excluded, the return would increase to 4.8%.

114. Overall the fund incurred a net capital valuation loss of 0.3% for 2019/20 (not cash). Returns were lower than normal due to a general deterioration in rental yields in the property sector. This reflects the state of the wider property market. Some of these will return. Property is a long term investment that will incur periods of variation, but over the longer term it is expected that these will recover in value. More detailed information will be provided in the annual CAIF performance report to the Cabinet in September.

115. The downward adjustment for the opening valuation on the LUSEP project related to a technical change on the valuation, which was based on the pre-let lease

agreement on full rental returns, prior to the completion of the scheme. This avoids a double count between the capital additions and the capital valuation.

Background Papers

Report to the County Council – 20th 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>

<http://politics.leics.gov.uk/documents/s144417/MTFS%2019-23%20-%20Cab%208-2-19%20v4%20final.pdf>

Report to the Cabinet – 24th May 2019 – 2018/19 Provisional Revenue and Capital Outturn

<http://politics.leics.gov.uk/documents/s145939/201819%20Provisional%20Revenue%20and%20Capital%20Outturn.pdf>

Circulation under the Local Issues Alert Procedures

None.

Equality and Human Rights Implications

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

Appendices

Appendix A - Comparison of 2019/20 Expenditure and the Updated Revenue Budget

Appendix B - Revenue Budget 2019/20 – main variances

Appendix C- Earmarked Fund balances 31/3/20

Appendix D - Variations from the updated 2019/20 capital programme

Appendix E - Prudential Indicators 2019/20

Officers to Contact

Mr C Tambini, Director of Corporate Resources

Corporate Resources Department

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

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

Resources Department

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

REVENUE BUDGET 2019/20 - OUTTURN STATEMENT

	Updated Budget	Actual Expenditure	Difference from Updated Budget	
	£000	£000	£000	%
<u>Schools Budget</u>				
Schools	94,724	92,814	-1,910	-2.0
Early Years	34,427	35,106	679	2.0
DSG Funding	-129,151	-129,151	0	0.0
	0	-1,231	-1,231	
<i>Earmarked fund - start of year</i>			-1,809	
<i>Earmarked fund - end of year</i>			-3,040	
High Needs	67,354	74,344	6,990	10.4
Dedicated Schools Grant (DSG)	-67,354	-67,354	0	0.0
	0	6,990	6,990	
<i>Earmarked fund - start of year</i>			100	
<i>Earmarked fund - end of year</i>			7,090	
<u>LA Budget</u>				
Children & Family Services (Other)	75,125	78,500	3,375	4.5
Adults & Communities	148,209	145,820	-2,389	-1.6
Public Health *	220	83	-137	n/a
Environment & Transport	69,653	71,124	1,471	2.1
Chief Executives	10,973	10,279	-694	-6.3
Corporate Resources	34,124	34,584	460	1.3
DSG (Central Dept. recharges)	-2,379	-2,379	0	0.0
Other corporate savings	-253	0	253	-100.0
Contingency for Inflation	-3,197	0	3,197	-100.0
Total Services	332,475	338,011	5,536	1.7
<u>Central Items</u>				
Financing of Capital	22,600	22,594	-6	0.0
Revenue funding of capital	31,360	31,360	0	0.0
Revenue funding of capital- use of BR Pilot income	6,600	7,094	494	7.5
Central Expenditure	2,812	2,588	-224	-8.0
Central Grants and Other Income	-24,437	-25,175	-738	3.0
Other Items (including prior year adjustments)	0	-2,092	-2,092	n/a
Total Central Items	38,935	36,369	-2,566	-6.6
Contribution to General Fund	6,000	7,300	1,300	21.7
Total Spending	377,410	381,680	4,270	1.1
<u>Funding</u>				
Business Rates - Top Up	-39,674	-39,700	-26	0.1
Business Rates Baseline / retained	-23,455	-23,300	155	-0.7
S31 Grants - Business Rates	-3,585	-3,962	-377	10.5
Business Rates - Levy surplus	-934	-1,142	-208	22.3
Business Rates Pilot - one-off additional income	-6,600	-7,094	-494	7.5
Council Tax Collection Funds - net surplus	-1,539	-1,539	0	0.0
Council Tax	-301,623	-301,623	0	0.0
Total Funding	-377,410	-378,360	-950	0.3
Net Total	0	3,320	3,320	

* Public Health funded by Grant (£24.2m)

General Fund:

Uncommitted Fund b/f	15,806
Increase	7,300
Closing bal	23,106

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Revenue Budget 2019/20 – main variances**Children and Family Services****Dedicated Schools Grant (DSG)**

There is a net overspend of £5.8m. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) Reserve Drawdown	5,675	100%
Budget includes an estimated HNB drawdown of £5.6m as the planned in year overspend.		
Special Educational Needs	2,594	4%
The SEND Capital Programme is developing new resource bases with the aim of reducing the reliance on expensive independent sector places. A number of these bases have recently taken their first cohort of students. The increase in demand however has resulted in these places being filled with new demand as opposed to having the desired impact on existing numbers. Due to set-up costs the full effect of the programme won't be seen until future years. Savings against budget have been made in certain provision areas for the current year, but the increased school population and increased demand for support is far exceeding these savings. Additionally, the final choice of place often isn't made until the young people get their exam results in August and is not known at the time of budget setting.		
Early Years / Nursery Education Funding	679	n/a
Increased numbers over the autumn and spring terms has resulted in a overspend during this financial year.		
Schools Growth	-1,852	n/a
This funding has been earmarked to help meet the revenue costs associated with new schools and also for meeting the costs of some funding protection for schools with falling rolls as a result of age range change in other schools. The funding requirements have now been confirmed and a subsequent underspend of £1.9m in 19/20; this will be transferred to the DSG earmarked fund to fund pupil growth in future years.		
High Needs Block Development / Inclusion Partnerships	-1,028	59%
The High Needs Recovery Plan included the further development of 4 inclusion projects by the Secondary Education Inclusion Partnerships (SEIP's) which as a result of the development of the approach to inclusion will now not be progressed. The Recovery Plan also included a number of staffing posts that were recruited to later than expected.		
Education of Children with Medical Needs (CMN)	-342	-59%
Following implementation of the Inclusion Service Review Action Plan, Case reviews have decreased the numbers of young people in the system who are supported back into education at an earlier stage. The underspend is also due to the recoupment of funding from schools for CMN placements.		
Education Sufficiency - Schools Admissions	-58	-35%
Vacant posts recruited to for only part of the year. Also increased income streams via an increase in levels of fines and school appeals.		
Other variances	91	n/a
TOTAL	5,759	n/a

Local Authority Budget

The Local authority budget is overspent by £3.4m (4.5%). The main variances are:

	£000	% of Budget
Operational Placements	1,738	6%
<p>Leicestershire's LAC number at 31/3/2019 was 586 and 12 months on, this number has risen to 646 (10% increase). Although the budget was set on a basis of a 11% increase, the main driver for the current overspend is because some of the children that entered the system have really high and complicated needs which have resulted in weekly costs (£7,500 plus per week) 100% higher than the total average cost of that placement type. Furthermore, whilst the net increase of placement provision has been relatively stable, the increase in the average weekly cost of provision is one of the main drivers behind the current overspend.</p> <p>For example, at the end of the financial year, the average weekly cost to social care of external residential placements has risen from £3,300 per week at the start of the financial year to £3,800 per week currently (15% increase). This is being driven by new placements entering the system at a higher cost than those exiting the system, mainly due to new placements having increased complex needs and also market factors which together have contributed to the increased weekly cost of placements to children's social care.</p> <p>Likewise, a similar trend can be seen in our 16 plus provision type, with the average weekly cost to social care £950 per week at the start of the financial year rising to £1,330 per week by the end of the financial year (40% increase). Again, a similar trend is being seen where new activity hitting the system is managing need of a higher, more complex type than activity exiting the system. For example, at the end of the financial year, this cohort of children included over a half dozen children costing £3,000 per week (200% higher than average cost for this provision type), but potentially could have been costing LCC significantly more had these placements not been stepped down from an external residential placement.</p>		
Children's Social Care Field Work Teams / First Response / Safeguarding	1,662	14%
<p>Recruitment and retention pressures among the Children Social workers workforce across various teams have resulted in a number of positions being filled by agency workers. There has also been increased staffing levels in some services to manage workload capacity based on demand and to provide Assessed and Supported Year in Employment (ASYE) support.</p>		
Children in Care Service	609	31%
<p>Legislation changes around the Personal Advisor duty has resulted in budget pressures for 2019/20. The Act has extended the duty for local authorities to provide support for young people through personal advisors from age 21 to age 25. Recruitment and retention pressures among the Children Social workers workforce across various teams have resulted in a number of vacant positions being filled by agency workers. There is also increased staffing levels in some teams to manage workload capacity based on demand and to provide Assessed and Supported Year in Employment (ASYE) support.</p>		
Fostering & Adoption Service	608	19%
<p>Increased volumes of assessments which require completing in relation to kinship, mainstream and adoption has resulted in externally commissioning these assessments to ensure compliance within court timescales. There is also increased staffing levels in some teams to manage workload capacity based on demand - especially in regards to Kinship care where numbers are increasing above what was expected.</p>		
Asylum Seekers	278	41%
<p>Demand on this budget has significantly increased over the last couple of financial years and has done also this financial year, which has resulted in increased need for additional staffing to manage demand. The majority of these children arrive 'spontaneously' and on arrival are the statutory responsibility of the local authority in which they arrive. The Home Office have increased funding rates this financial year, which based on 18/19 activity, has reduced this years budget pressure by approx £230k, but nevertheless is still not sufficient to plug the overall budget pressure for this financial year.</p>		
Social Care Legal Costs	199	18%
<p>The number of care cases that have been instructed to issue proceedings continues to be needs led, and resulted in the year end position to be overspent with actual need in 19/20 exceeding the budget set, through a combination of volume of proceeding and complexity which at times required counsel and experts to support specific cases.</p>		
Children and Families Wellbeing Service	-960	-10%
<p>Largely due to a combination of staff turnover and in year vacancies.</p>		
Disabled Children Service	-297	-7%
<p>Staff turnover and in year vacancies in addition to reduced demand on direct payments budget.</p>		

Business Support	-158	-4%
Staff turnover and in year vacancies.		
CFS HR - School Redundancies	-129	-9%
Planned HR action plans have had to be delayed as a direct result of the impact of Covid 19.		
Education Children in Care - Virtual School	-128	-21%
Increased Pupil Premium Plus (PPP) income above levels expected which has supported planned expenditure.		
Other variances	-47	n/a
TOTAL	3,375	n/a

Adults & Communities

The Department has a net underspend of £2.4m (1.6%). The main variances are:

	£000	% of Budget
Homecare	1,711	10%
Additional maintenance hours have been commissioned as a result of increased service user numbers receiving a HTLAH service compared with the budget. Current average number of service users is 1870 with an average weekly cost of £197.(Outturn 18/19: Average service users 1770 and weekly cost of £184). This should be considered in conjunction of the decreasing numbers of service users in weekly Direct Payments and the underspend being reported there. Also, over the course of the year additional service users with Homecare packages as part of implementation and rollout of the TOM work to reduce the number of residential care admissions, whilst at the same time reducing the average package size per service user through better commissioning practice.		
Supported Living	1,293	8%
Overspend is a result of the Target Operating Model (TOM) programme a target of moving 5 LD service users per month out from Residential Care into Supported Living. In 2019/20 there are an additional 40 service users receiving Supported Living which is in line with the TOM target. There will now be a delay in further placements due to COVID 19. The opening of the Brookfields during 2020/21 will create additional capacity for service users. There will be a corresponding underspend on Residential Care service user numbers which offsets this		
Care Pathway West - Countywide Services	181	14%
Overspend on staffing budget relating to covering vacancies offset by underspends elsewhere on staffing.		
Community Life Choices (CLC) commissioned services	129	2%
There are approximately 590 service users with an average weekly cost of £100k, which is marginally higher than expected.		
Care Pathway West- Heads of Service & Lead Practitioners	112	NA
Overspend on HOS of £19k relates to staffing cost for AD for temporary cover and £93k relates to old invoices for the Care Act.		
Early Help and Prevention - Carers and community assessment	112	37%
An under accrual of costs from prior years leading to an overspend against this year's budget.		
Commissioning & Quality	109	7%
Additional consultants costs of £100k to support commissioning and staffing overspend of £69k, partly offset by underspends on other items.		
Direct Payments	-1,507	-4%
The underspend is due to the net impact of a 6.9% reduction in number of service users and a 10.4% increase in package price equating to a decrease of £1.5m in total. - There were an average of 2,310 service users per week receiving an average package of £331.89 (2018/19 Outturn: Annual average 2,498 per week with an average package of £292.11). - There were approximately 791 Carers per week receiving an average packaged of £46.60 (2018/19 Outturn: Annual average 492 Carers per week with an average package of £45.32).		
Better Care Fund Contribution	-1,163	-7%
Additional BCF funding was agreed during the year for social care protection and for Invest To Save schemes to reduce demand.		

Residential Care and Nursing	-933	1%
As part of the TOM programme approximately 40 service users have transferred to supported living which has resulted in reduced residential expenditure, c£1.3m. In addition, changes to the LD pool budget arrangements have resulted in a £1.3m reduction in Health related residential care spend offset by a similar reduction in health income. The overall position is also affected by an increase in the provision for unrecoverable debts, £0.2m. There has also been an increase in the average cost of packages due to more complex needs and other fee increases, partly offset by a reduction of the number of service users, net increase of £0.3m. There are an average of 2,377 service users and an average gross care package cost of £770 per week.		
Reablement (HART) & Crisis Response	-687	-15%
Underspend due to staffing vacancies and on travel costs. It is expected that additional resources will be recruited to as part of the Target Operating Model (TOM) work to encourage the transfer from HTLAH reablement into HART however at this stage this has not occurred. A full review will be undertaken once the TOM work is completed.		
Community Life Choices (CLC) / Day Services Team	-629	-22%
Underspend due to changes within the services and service users (CLC policy) and vacancies being held pending the implementation of action plans for co-location as part of saving AC6. Review of service users is still ongoing, action plan will take place once this has occurred.		
Business Support	-315	-17%
Staffing vacancies pending possible changes to internal service during 2020/21.		
Supported Living, Residential and Short Breaks	-302	6%
There has been a reduction in the number of service users at Hamilton Court residential and no new placements being made. Due to this there are staff savings and vacancies at Hamilton Court and The Trees.		
Care Pathway West - Older Adults Team	-144	-5%
Underspend due to staffing vacancies.		
Care Pathway East - Working Age Adults Team	-135	-7%
Underspend due to staffing vacancies.		
Community Care Finance	-120	-11%
Underspend due to staffing vacancies.		
Other variances	-101	n/a
TOTAL	-2,389	n/a

Public Health

The Department has a net underspend of £0.1m. The main variances are:

	£000	% of Budget
Public Health Leadership	249	-1%
Due to underspends elsewhere within the Department, the transfer from earmarked funds to balance the budget is no longer required.		
Sexual Health	134	3%
Sexual Health Services are predominantly paid on activity based demand, with lags in activity data making forecasting difficult. The key areas of budget variation are: Out of Area Genitourinary medicine (GUM) +£52k, CCG Prescribing Costs +£33k and reduced income from CCG +£26k.		
Public Health Advice	-165	-12%
The department received an unexpected grant to support work on the homelessness agenda which they were able to use to support the redesign of the current service to develop longer term saving plans as well as an extension of existing provision whilst this work was carried out. This enabled the department to deliver savings early which was then offset against overspends in sexual health.		
NHS Health Check programme	-147	-27%
Public Health extract data directly from GP surgeries rather than waiting for returns to be submitted; the improved data analysis also reduces the number of duplicate health check claims made. Quarter 1 to 3 claims were 47% lower than the same period in 2018/19 and, therefore, this has resulted in an underspend for 2019/20.		
0-19 Children's Public Health	-81	-1%
Cessation of the Understanding and Managing Risk contract. This contributes to the MTFs savings.		
Other Public Health Services	-71	-26%
A number of potential projects haven't materialised and funding has been received from the NHS for a number of joint PH/NHS initiatives.		
Other variances	-56	n/a
TOTAL	-137	n/a

Environment and Transport

The Department has a net overspend of £1.5m (2.1%). The main variances are:

	£000	% of Budget
Special Educational Needs	2,103	19%
<p>As forecasted and previously reported throughout the majority of 2019/20, there is a significant overspend on SEN transport. This is largely due to continuing growth in demand of users on the previous year, increased solo contracts and greater complexity of transport provision to meet passengers' needs resulting in an average increase in the daily cost of users. The cost per day of providing SEN transport rose rapidly during 2018/19 after budgets were set for 2019/20, and these factors further increased the variance throughout the year.</p> <p>Detailed analysis shows that whilst the proportion of leavers from the service has remained relatively consistent, the number of new entrants to the service is rising significantly - a trend which can also be seen in the number of students with EHCPs and demand on the High Needs Block.</p> <p>The savings associated with the SEN Policy change were not achieved and an increase in expenditure (estimated £400k) resulted due in part to the financial impact of the decision to pause the SEN Post 16 Policy change which resulted in an approximately 285 post 16-18 pupils being awarded traditional transport in July 2019 and the additional cost of contracting transport for these students after the transport review period had been completed leading to less efficient transport planning.</p> <p>A further saving of £200k that was due to be delivered from implementing an Alternative Fleet Provision was been suspended whilst work was undertaken on the SEN post-16 PTB pause. Additionally, £72k of legal costs for the Judicial Review are included in the outturn position.</p>		
Public Bus Services	716	35%
<p>Overspend partly due to the cost of subsidising additional bus services / routes that became no longer commercially viable during 2018/19 and 2019/20.</p> <p>Local bus service savings were being implemented during 2019/20 as part of the Passenger Transport Policy (PTP) project. Phasing and delays in implementing some savings has also contributed to the overspend position.</p> <p>In addition to this, Park and Ride site cost have been higher than budget, income from the P&R employers' parking scheme has been lower than expected and income from concessionary travel reimbursements has been lower than the budgeted figure.</p>		
Reactive Maintenance (Structural & Safety)	486	28%
<p>Overspend due to number of out of hours responsive calls, additional costs for Safety barrier retensioning works for safety critical works and additional resources required to repair defects within policy times.</p>		
Environmental Maintenance	377	10%
<p>Overspend due increased gully clearing and drainage works from higher number of defects being identified which require resolving.</p>		
Recycling & Household Waste Sites	276	9%
<p>Overspend due to lower than anticipated income for recyclables. This area has a lot more recycling of paper, textiles and scrap metal prices and the price for these has fallen during 2019/20.</p>		
Treatment Contracts	264	2%
<p>More waste went to Refuse Derived Fuel (RDF) and Energy from Waste (EfW) in 2019/20 and less to landfill (see below). This led to an overspend on treatment contracts and an underspend on landfill.</p>		
Social Care Transport	211	6%
<p>Overspend related to increased spending on adult social care transport in 2019/20. Outturn position also affected by non-achievement of planned savings.</p>		
Winter	169	6%
<p>A number of routes required gritting at the start of the financial year. The budget is set for a mild winter but the levels of gritting required during the winter exceeded this level.</p>		
Management and Training Costs	116	14%
<p>Overspend relates to additional agency staff supporting contracts for the department and implementing new processes. In addition the new AD post had been budgeted for 6 months however due to finding an appropriate candidate this post was filled early.</p>		

Concessionary Travel and Joint Arrangements	115	2%
Overspend due to additional anticipated concessionary travel reimbursement costs to one bus operator relating to the period from 2017/18 to 2019/20. These estimated costs have arisen following a review of payments made for the past three years as requested by the DfT. This review considered the methodology for splitting bus routes between rural and non-rural journeys. Further work still needs to be undertaken to confirm the figures, but a reserve creditor has been entered to recognise the likely cost. This is likely to also have an impact on future year budgets.		
Speed Awareness	110	n/a
Overspend due to maintenance contract of average speed camera, the first year of the maintenance was included in the tender for average speed cameras and subsequent years had additional costs. The pilot was only anticipated for one year but was extended thus meaning additional maintenance requirements for the assets to keep routes safe.		
Traffic Controls	110	9%
Overspend relates to additional surveys and red routing for safety reasons		
Landfill	-556	-9%
Underspend arose due to more waste going to Refuse Derived Fuel (RDF) and Energy from Waste (EFW) rather than landfill. In addition, tonnages were also slightly lower than budgeted.		
Highways Design & Delivery - Staffing, Admin & Depot Overhead Costs	-434	29%
Additional income generated from large capital projects being worked on by Engineering services department. There is also additional demand in network management team which is generating additional income and also recharges to capital from highways Delivery works is higher than budgeted.		
Staffing & Admin Commissioning	-429	-30%
Additional contribution from capital related works and also S106 travel packs sent out and therefore additional staffing contributions.		
Street Lighting Maintenance	-398	-15%
Underspend due to reduced resources able to deliver works programme on non illuminated signs, underspend on energy budgets and CMS hosting costs not as high as anticipated in addition some works due to take place in March were not able to be completed due to COVID and so this increased the underspend.		
Dry Recycling	-282	-15%
Whilst income from recyclable materials has dropped over the year, initially it was higher than forecast which has resulted in an underspend. This is due to favourable prices for plastics.		
Haulage & Waste Transfer	-266	-15%
Haulage underspend of £147k was achieved. This underspend arose due to lower waste tonnages and more haulage to non landfill treatment which is lower cost on the whole. In addition to this, an underspend of £119k was realised for Waste Transfer Station, largely due to WTS compensation payments for previous years' performance and savings on contract hire following purchase of two loading shovels.		
Staffing & Admin (H & T Network management)	-259	-69%
Additional income from S278, S38 & S184 and additional recharges to capital works offset by a reduction in pre-planning application income.		
Mainstream School Transport	-197	-5%
Underspend due to a reduction in pupil numbers and fewer contracted services required.		
Waste Income	-178	13%
Underspend due to additional tonnages from trade waste.		
HS2	-170	-43%
Underspend: budget set using other authorities broad estimates as a benchmark. In the first year of LCC direct HS2 expenditure has been lower than anticipated. However should the HS2 review be favourable, demand in this service is anticipated to increase.		
Ash Dieback	-118	-30%
The underspend relates to the number of claims for Ash Dieback being lower than anticipated. Whilst the Ash Dieback work continues to increase a new process is required so that works relating to Ash Dieback and general forestry work can be separately identified, which has meant a lower number of claims in 19/20 than anticipated. The new process to separate these works will be in place for 20/21 so that Ash Dieback work and general forestry works can be separately identified.		
Departmental Costs	-111	-26%
Underspend has arisen largely due to an underspend on the computing services budget. This has arisen due to lower than expected costs on software licences.		

Composting Contracts	-110	-7%
Underspend due to lower tonnages of green waste and also some green waste collection services were stood down in March due to Covid-19.		
Waste Initiatives	-88	-28%
Underspend includes £42k underspend in Climate Action Plan budget. Although projects have been identified, not all expenditure was incurred during 2019/20. Outturn position also includes a variety on small underspends on Waste and Environment initiatives.		
Other variances	14	n/a
TOTAL	1,471	n/a

Chief Executives

The Department has a net underspend of £0.7m (6.3%). The main variances are:

	£000	% of Budget
Coroners	172	17%
The overall trend is an increase in the volume and complexity of cases as a result of an increase in population numbers and a change in the scope of inquests subject to coronial inquiry. The contribution to Leicester City Council was substantially above the budgeted amount this financial year.		
Business Intelligence	69	6%
Overspend is due to additional C&FS work, additional Tableau consultancy/training costs and a reduction in income from University Hospitals of Leicester (UHL) and schools.		
Planning Services	-286	-64%
Two major planning applications were received early in the financial year and a further application was received in October.		
Legal Services	-110	-5%
Staffing vacancies are the main cause of the underspend. Solicitor posts, which were vacant at the beginning of the financial year, are still proving difficult to recruit to. This is offset by an £80k variance on recharges.		
Democratic and Admin	-190	-13%
A review of the staffing structure has resulted in a large underspend. Agency staff have only remained in post until the end of December 2019.		
Trading Standards	-167	-11%
The underspend is due to a delay in recruiting to vacancies, underspend against specialist training and additional income late in the financial year from National Trading Standards.		
Registrars	-80	50%
Wedding Certificate income was above budget which offset minor overspends on staff and running costs.		
Other variances	-102	n/a
TOTAL	-694	n/a

Corporate Resources

The Department has a net overspend of £0.5m (1.3%). The main variances are:

	£000	% of Budget
Commercial Services	2,626	-97%
Continuing challenges from a 2018/19 outturn overspend of £0.4m, pay inflation of £0.8m (incorporating the impact of the National Living Wage) and the 2019/20 savings target of £0.5m meant that 2019/20 was a tough trading year for Commercial Services. Challenging market conditions, the need for staff reviews across several services, staff absences and the impact of Covid-19 have all provided further challenges. Overall the service was just in surplus, returning a net contribution of £74,000 compared with a budgeted contribution of £2.7m.		
Major Improvements Work	190	8%
Overspend significantly due to investment in large programmed schemes aimed at reducing ongoing costs through proactively targeting work at buildings/blocks which required frequent reactive maintenance work.		

Customer Service Centre	166	8%
The Customer Service Centre is facing increased pressures and has only achieved previous years savings target as a result of one off savings from attrition. In order to maintain service levels, the business has agreed to over recruit by ten posts to ensure attrition is covered. Additionally, Customer Service assistants have recently had their posts regraded, increasing expenditure by £70k per annum. Additional workloads were also experienced from changes in legislation from August 2019 regarding Blue Badge eligibility for people with		
County Hall & Locality Offices	162	6%
There is considerable pressure on premises related spend for council offices throughout the county. There are increased security, cleaning, lower income than expected and energy efficiency schemes being implemented later than budgeted for. Covid-19 has also had an impact e.g. signage, cleaning and sanitary measures.		
Libraries & Community Premises Costs	137	13%
Relates to the rates bill (£109k) for the Industrial Heritage Museum "Snibston" which is subject to a rating appeal but has not progressed enough to have reasonable certainty to accrue possible repayment. Also additional security costs at the Snibston site £40k.		
Vacant Properties	84	54%
Overspend due to significant costs related to securing properties.		
Information & Technology	-1,057	-11%
The Information & Technology Service have carried some vacancies since last financial year awaiting an Action Plan to review middle management of the service. The action plan is now completed, and posts are starting to be filled, but some vacancies still exist, resulting in underspends across the service.		
Insurance	-710	-18%
Early achievement of MTFS savings in relation to contributions to liabilities. Earmarked funds held are at an appropriate level and the service are able to bring forward this saving which would see contribution to earmarked funds reduce from £1.1m to £0.8m. In addition, it has been possible to reduce the uninsured losses earmarked fund due to a reduction in estimated liabilities.		
Corporate Projects / Unallocated	-573	n/a
Contributions from earmarked funds including reduced provision required for doubtful debts		
Strategic Finance - Accounting	-210	-9%
Staffing vacancies £0.1m and earmarked fund release £0.1m		
Learning and Development	-136	n/a
Reduced use to contribute to overall departmental position		
Other variances	-220	n/a
TOTAL	459	n/a

EARMARKED FUND BALANCES

	Revised Balance 01/04/19 £000	Forecast Balance 31/03/20 £000	Actual Balance 31/03/20 £000
Renewal of Systems, Equipment and Vehicles			
Children & Family Services	1,370	770	1,076
Adults & Communities	70	70	74
Environment & Transport	1,000	830	926
Corporate Resources	1,710	1,260	1,195
Trading Accounts			
Industrial Properties	1,560	1,310	1,094
Insurance			
General	7,100	7,620	6,400
Schools schemes and risk management	510	510	374
Uninsured loss fund	5,330	5,330	5,258
Committed Balances			
Central Maintenance Fund	110	0	0
Community Grants	300	300	295
Other			
Children & Family Services			
Supporting Leicestershire Families	1,580	1,690	1,781
C&FS Developments	1,510	1,010	1,129
Youth Offending Service	570	550	560
Special Educational Needs Disability (SEND)	0	0	0
School Based Planning	390	210	186
Innovation Fund - Practical Excellence	210	210	210
Adults & Communities			
A&C Developments	5,580	4,090	4,998
Adult Learning Service	0	0	46
Public Health	320	320	458
Environment & Transport			
Commuted Sums	3,050	2,590	3,136
E&T Developments/ advanced design	790	250	344
Civil Parking Enforcement	330	230	260
Waste Developments	730	530	554
Section 38 Income	490	50	487
Section 106	240	100	127
Leicester & Leicestershire Integrated Transport Model (LLITM)	2,350	2,230	2,183
Other	1,340	910	1,076
Chief Executive			
Community Planning	20	0	16
Economic Development-General	650	510	512
Legal	150	150	149
Signposting and Community Support Service	80	20	18
Chief Executive Developments	450	450	451
Corporate Resources			
Corporate Resources Developments	260	180	50
Leicestershire Schools Music Service	230	100	160
Other	80	80	347
Corporate:			
Transformation Fund	11,710	7,650	7,478
East Midlands Shared Services - IT development	390	390	391
Elections	380	580	577
Broadband	3,620	3,210	3,388
Business Rates Retention	2,500	1,570	1,568
Inquiry and other costs	1,160	910	1,035
Corporate Projects	400	0	164
Car Leasing	0	0	128
Pooled Property Fund investment *	-24,110	-24,110	-23,962
Government Cash Flow Funding	0	0	19,687
TOTAL	36,510	24,660	46,384
Capital (Revenue Funding)			
Capital Financing (phasing of capital expenditure)	99,850	42,660	78,605
Total	99,850	42,660	78,605
Schools and Partnerships			
Dedicated Schools Grant	1,710	-3,900	-4,051
Health & Social Care Outcomes	820	820	819
Leicestershire Safeguarding Children Board	50	20	83
East Midlands UASC Recruitment Project	0	0	679
Domestic Abuse – Pooled Budget	0	0	52
Leicestershire & Rutland Sport	1,330	1,230	1,455
Leics Social Care Development Group	40	0	41
East Midlands Shared Services - other	250	200	272
Emergency Management	270	270	414
Total	4,470	-1,360	-236

* Pooled Property Fund investments - funded from the overall balance of earmarked funds

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Capital Budget 2019/20 – main variances**Children and Family Services**

Net variance of £3.2m. The main variances are:

	£000
Provision of Additional Primary Places	-3,047
<p>1) Project at Blaby Thistly Meadow has slipped by £1.4m due to planning issues as the site is on a flood plain, the structure will have to be raised up to overcome the problem.</p> <p>2) A project at Thurnby Fernvale has slipped by £0.8m, due to issues with ownership of the brook which runs along the site and an easement to Severn Trent which required a full re-design of the scheme which delayed the programme. The project is now expected to complete during the Summer break in time for the new academic year.</p> <p>3) Rothley Primary Phase 1 has slipped by £0.5m due to delay in implementing a minor works contract as well as planning difficulties. In the absence of the Minor Works frameworks the scheme went to a larger contractor from the SCAPE framework which proved to be too costly due to the small scale of the project and made the scheme unviable. The site is constrained and therefore had to be re-designed to make the scheme deliverable within the budget allocation. The re-design and procurement issues have delayed the programme.</p> <p>4) Newbold Verdon has underspent by £0.5m. The original scheme was costed at £1.5m. However subsequently the project was cost effectively redesigned through more efficient use of planned spaces, reducing the overall size of the build.</p>	
SEND Programme	511
<p>In order to deliver the High Needs Recovery Plan and enable lower cost local places to be available to deliver the required revenue saving a number of schemes to create capacity in special needs units and special schools were accelerated.</p>	
Early Help - Building reconfiguration and refurbishment	-296
<p>This relates to the reconfiguration and refurbishment of three buildings to be used by Early Help. The initial absence and subsequent delay in implementing a corporate Minor Works Contract, has caused significant delays on this project. Works were expected to start early in the new financial year, although the buildings are currently being temporarily used for the LA's COVID19 response, so this may delay the start of the scheme. Only fees have been incurred in 19/20, with the remainder of the budget to be slipped into 20/21.</p>	
Strategic Capital Maintenance	-286
<p>Due to the nature of the works that fall under this heading, elements of works that were ordered were not able to be completed during term-time and had been scheduled for the Easter break. Therefore slippage due to the timing of Easter this year (falling entirely in the next financial year).</p>	
Other variances	-74
TOTAL	-3,192

Adults & Communities

The Department has a net slippage of £6.7m. The main variances are:

	£000
Records Office Relocation	-2,989
<p>A Partner workshop took place on 6 September 2019 to confirm the detailed working relationships. The business case has required a major re-write due to the number of significant changes to the design and was submitted to the Departmental Transformation Delivery Board on 15th January. There was a delay to the appointment of the design architect and issues with contracts. Therefore delaying to commencement of work, this was further exacerbated by the impact of Covid-19, this has led to slippage into 2020/21 and 2021/22. The programme is still expected to deliver within the overall approved budget.</p>	
Hamilton Court/Smith Crescent - NWL Development	-2,451
<p>Slippage due to change of programme of works and procurement route. Pre-construction works completed in January 2020 after which construction works commenced. The project is expected to complete in 2021/22.</p>	

Brookfields Supported Living Scheme (refurbishment)	-378
Programme of works schedule for late in 2019/20 leading to slippage. Work on-site was then paused at onset of Covid-19 when the lockdown started until social distancing measures could be put in place on-site, the scheme is expected to complete in 2020/21.	
Hinckley, The Trees (refurbishment)	-339
Project delayed while confirming requirements. Work then on-site paused at onset of Covid-19 when the lockdown started until social distancing measures could be put in place on-site. The works recommenced on site on 14th April with further approved welfare and social distancing measures in place.	
SCIP - Sileby, Heathcotes Drive	-243
The property purchase was going to be completed in late March but was put on hold due to the Covid-19 situation. It is anticipated that the purchase will progress in 2020/21.	
HART Rostering System	-146
The system tender value was significantly below the estimated value, £105k. The balance of £41k relates to slippage on system implementation. The implementation of the system started in mid-May and the expectation is that the system will be live by July 2020.	
Mobile Library Vehicles	-133
The final vehicle was delivered in 2019/20. No further expenditure on mobile library vehicles is anticipated. The surplus is an underspend.	
Other variances	-65
TOTAL	-6,744

Environment and Transport

The Department has a net slippage of £33.3m. The main variances are:

	£000
Melton Mowbray Eastern Distributor Road	224
Acceleration due to pre-construction and additional ground investigation works.	
Capital Maintenance - Preventative	197
Overspend due to the demand on pre surface dressing work being higher than anticipated from increasing deterioration of the roads.	
M1 Junction 23 & A512	-8,094
Slippage due to delays in the legal agreement being signed with the developers. There was also a delay in mobilisation due to issues with access to the site. The agreement has now been signed and construction works have started. Grant funding from DfT has timings attached to it and so this funding will be used first to ensure conditions are met.	
National Productivity Investment Fund (NPIF) - Hinckley Hub	-5,316
Slippage of budget due to delay in negotiating with land owners and Gas Works which restricted road works in the area. This has meant that work could only start in March 2020 and so minimal expenditure occurred this year. Careful monitoring will take place as the funding is time limited and due to expire March 2021. The project will first spend any NPIF and time sensitive money which will help to mitigate this risk.	
Waste Transfer Station Development	-4,562
Slippage due to work commencing later than anticipated while identifying a suitable site. A site has now been identified at Bardon and the scheme can now progress. However, due to the delays the project will now mostly fall in 2020/21.	
Melton Depot - Replacement	-3,851
The Winter 2019/20 service was provided out of existing depot due to one-year extension of lease being granted. Winter 2020/21 onwards there is currently no prospect of moving to the new depot site until the Melton Distributor Road is completed and contractor has moved out and so short term options are being investigated. Design work will continue on the long term option but this cannot be developed at this time.	
Lutterworth East - Road	-2,194
Slippage due to full allocation of budget in this financial year (additional budget agreed mid year) whereas some of the spend will now be in 2020/21 as per the latest information from contractor. The Council was unsuccessful with a funding bid for this project so work will be paused for now.	

Zouch Bridge Replacement	-2,051
Delays to the programme following increased cost estimates resulting in a review of the programme and a cabinet report relating to funding.	
County Council Vehicle Programme	-1,781
Slippage of budget due to a fleet management review which is now complete with actions and outcomes being considered. Whilst the outcomes are being considered there is a pause on replacing the fleet.	
Advanced Design	-1,211
Slippage due to unsuccessful bid, delaying work and study work for other projects not yet commenced.	
A511 Major Road Network (MRN)	-613
Slippage due to delays with regards to signing of contract with suppliers and planning works.	
A46 Anstey Lane	-608
Slippage due to time taken to ensure that the best value for money was being received and external funders acceptance of the overall cost of the scheme. Latest forecast based on Contractors programme of works.	
Capital Maintenance - Restorative	-540
Slippage in programme due to resources being reallocated to other safety critical works which were required to ensure the network was kept safe after high levels of rainfall.	
M1 Junction 20a	-413
Slippage due to works being progressed more slowly as there is a decision to be taken by the strategic growth board on how to progress this project in relation to Lutterworth East.	
Capital Maintenance - West Lane / Victoria Road	-406
Slippage due to remedial works still being actioned on the project which will now occur in 20/21.	
Kibworth Site Redevelopment	-374
Slippage due to progress being slower than planned as dependencies with another project required a revised delivery timeframe is now in place.	
Croft Office Block Improvements	-361
Underspend due to the project being stopped as savings identified for the scheme to go ahead were not achievable.	
Flood Alleviation Schemes	-322
Slippage due to several small programmes being delayed until next financial year and a contribution confirmed from the Local levy for which works will commence next year.	
Design Fees	-296
Slippage due to lower than anticipated design fees on projects but with bigger projects in the future MTFS these costs are expected to start to increase.	
Traffic Counter Renewals and Surveys	-224
Slippage due to trial period for new equipment which if successful will be procured next year.	
Other variances	-470
TOTAL	-33,266

Chief Executives

The Department has a net slippage of £0.6m. The main variances are:

	£000
Rural Broadband Scheme - Phase 3	-610
Phase 3 contract let for West Leicestershire. East Leicestershire programme had to be re-tendered as no credible bids were received and the previous main contractor did not submit a bid. The new procurement process is now underway.	
Other variances	-4
TOTAL	-614

Corporate Resources

The Department has a net slippage of £6.4m. The main variances are:

	£000
Workplace Strategy - End User Device (PC, laptop)	173
Acceleration of agreed budget for 2020/21 to forward fund work to procure laptops for A&C to support the Target Operating Model initiative.	
Watermead Park Footbridge and Cycleway	-1,836
The scheme is now on hold as one of the landowners on which the bridge will be located is reconsidering their involvement in the project. Conversations are continuing between County Council, Leicester City Council and the land owners on the potential viability of this scheme.	
Snibston & Country Park Future Strategy - Land Remediation works	-1,824
Works to remediate the land have been put on hold, while the site is investigated for potential use by the Social Care Investment Programme (SCIP).	
Snibston & Country Park Future Strategy - Masterplan	-1,683
The anticipated budget has not been spent as originally profiled as there was a delay in signing the S106 agreement, leading to a delay in the planning decision being issued. The work and budget will slip into 2020/21 to be completed.	
Workplace Strategy (WPS)	-497
Budget was built in for Workplace Strategy related schemes which would derive savings related to CR3. Workplace Strategy Business Case was been approved by CMT and work will now begin to progress. Funding will be slipped into 20/21 when roll out of the WPS was due to begin but may be reconsidered in light of the current Covid-19 pandemic.	
ICT - LAN Edge Refresh (Remote Sites)	-450
Equipment orders placed on 3rd March, but delivery has been delayed due to Covid-19. The latest estimate is delivery after June 2020.	
ICT - Marval Replacement Programme	-120
Two year programme is due to begin in 2020/21 as other priorities and calls on resources have taken precedence.	
Firewall Replacement	-100
Programme is due to begin in 2020/21 as other priorities and calls on resources have taken precedence.	
Other variances	-18
TOTAL	-6,355

Corporate Programme

The programme has a net slippage of £7.6m. The main variances are:

	£000
CAIF - Loughborough University Science & Enterprise Park (LUSEP)	5,399
The scheme was accelerated to enable the tenant to complete possession in summer 2020. There are some additional snagging works to be undertaken, including the fit out of the second floor, for which £510k additional budget was agreed by Cabinet (171219) and added to the 20/21 Capital Programme.	
CAIF - Lutterworth East Development (Phase 2)	436
Further work is being undertaken in relation to the initial delivery stage of the project. This includes costs associated with the delivery options appraisal, alongside designing the first phase development platforms, establishing the design code and providing a utilities strategy. Acceleration of £1.1m in 2020/21	
CAIF - Quorn Barrow Road Industrial Units	108
The scheme was accelerated in advance of works in 2020/21.	
CAIF - Sysonby Farm site preparation	105
Initial site preparation in advance of works in 2020/21. Funding will be accelerated from 20/21.	
CAIF - East of Lutterworth SDA	-9,689

The completion of the purchase of the final two parcels of land associated with this scheme was completed just after year end, at the beginning of April 2020.	
Energy Strategy	-1,922
Schemes progressing, but often takes significant time for schemes to be approved and progress to operational stage. As such, majority of budget has slipped into next financial year, but should be required as a number of schools are in conversation with the LCC Energy team to progress. Slippage also due to a changeover in staff within the Energy team, alongside additional work required to support reducing Carbon emissions which has deflected staff time elsewhere.	
CAIF - Airfield Business Park Phase 1	-1,785
Build now complete, although with a few snagging issues to be resolved. Includes £1m underspend in part due to procuring a lower cost construction package through the OJEU process alongside some changes to the scheme	
Industrial Properties General Improvements	-233
Reduced spend in 2019/20 as schemes started later than planned and then delays due to Covid 19.	
CAIF - Leaders Farm Site Infrastructure	-146
Scheme now completed. Underspend as a result of works to top road off and ground works being lower cost than anticipated.	
Other variances	135
TOTAL	-7,592

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APPENDIX E**PRUDENTIAL INDICATORS 2019/20**

	Original Indicator	Forecast as at 20/01/2020	Provisional Actual as at 31/03/2020
Actual Capital Financing Costs as a % of Net Revenue Stream	5.40%	4.90%	4.90%
Capital Expenditure (£000's) (excluding Schools devolved formula capital)	160,000	137,300	113,490
Operational Limit for External Debt (£000's)	265,300	265,300	265,300
Authorised Limit for External Debt (£000')	275,300	275,300	275,300
Interest Rate Exposure – Fixed	50-100%	100%	100 %
Interest Rate Exposure – Variable	0-50%	0%	0 %
Capital Financing Requirement (£000's)	247,000	238,000	238,484
Actual debt as at 31/3/2020 (£000's)	263,600	263,600	263,600

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CABINET – 23 JUNE 2020

CORONAVIRUS (COVID-19) IMPACT AND RESPONSE OF THE COUNTY COUNCIL – RECOVERY AND FINANCIAL IMPACT

JOINT REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF CORPORATE RESOURCES

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the plans to support the recovery of functions and services in the context of the Covid-19 pandemic and the financial impact on the County Council. A supplementary report will be circulated to members nearer the time.

Recommendations

2. The Cabinet is asked to have regard to the information in this and the subsequent supplementary report.

Reason for Recommendations

3. To advise on the plans in place to support the recovery of the Council's functions and services.

Background

4. Coronaviruses are a family of viruses common across the world in animals and humans. COVID-19 is the illness seen in people infected with a new strain of coronavirus not previously seen in humans and began in Wuhan Province in China in December 2019. This has since spread to most parts of the world.
5. The Cabinet has considered reports regarding the impact of the coronavirus pandemic at its meetings in March, April and May. These have covered issues such as the impact of the virus across Leicestershire, the Council's plans to respond, the joint working with partners, and the financial implications for the Authority. The Cabinet has noted the Council's work to help the most vulnerable and its focused efforts on critical services, established a voluntary and community sector support scheme, and noted the significant financial impact that Covid-19 is having on the Council's finances.

6. A supplementary paper to this report is being produced by officers. This will focus on the latest financial position and recovery work that is taking place across the Authority.
7. Members continue to receive regular updates including on the latest public health information and guidance, issues pertaining to service areas, and resilience and co-ordinating activity being undertaken by the Local Resilience Forum and the Council. These can be seen at -
[Coronavirus updates \(https://bit.ly/3dPU1IZ\)](https://bit.ly/3dPU1IZ)

Circulation under the Local Alerts Procedure

8. This and the supplementary report will be circulated to all members of the County Council.

Officers to Contact

Tom Purnell, Assistant Chief Executive

Tom.Purnell@leics.gov.uk

0116 305 7019

Chris Tambini, Director of Corporate Resources

Chris.tambini@leics.gov.uk

0116 305 6119

Lauren Haslam, Director of Law and Governance

Lauren.Haslam@leics.gov.uk

0116 305 6240



Overview and Scrutiny Annual Report 2019/20



What is Overview and Scrutiny?

Some Council meetings, such as the Cabinet, are “decision making” bodies. Overview and Scrutiny does not make decisions but is instead made up of several bodies who monitor and influence those meetings that do. The Overview and Scrutiny role, carried out by non-Cabinet members, is designed to support the work of the Council in the following ways:

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

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

In addition to the committee-based work they carry out, Overview and Scrutiny Committees can also initiate task and finish work to look at a particular issue in more detail. Scrutiny Review Panels, as they are known, are made up of usually five members and their recommendations, which may suggest a change in policy or service provision, are submitted to the relevant parent committee prior to consideration by the Cabinet.

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

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

Foreword by the Scrutiny Commissioners

As we began to prepare this annual report at the end of the 2019/20 financial year unprecedented changes were being made across the Country to tackle the coronavirus outbreak. As a country we are going through a very difficult time and everyone has been affected in some way. The County Council has been doing all it can to support the most vulnerable in our society and staff have adapted their working practices, working tirelessly to support and protect the residents of the County. We wish to thank all staff involved in the delivery of direct services, and those behind the scenes providing support, for all their hard work.

One significant change arising from the coronavirus pandemic has been to the operation of the Council's public meetings. The government has temporarily removed the legal requirement for local authorities to hold public meetings in person. The County Council has quickly adapted and made use of the technology available to hold public meetings virtually, therefore continuing to make critical decisions on the delivery of its services for Leicestershire residents in a way that is both transparent and accessible to the public. Where appropriate, scrutiny will continue to play a key role in that process, ensuring local democracy continues to thrive in this difficult time. The Scrutiny Commission successfully held its first virtual meeting on 8th April 2020 and that meeting was webcast live allowing the public to engage in the process whilst still following government advice to stay at home.

Looking back over the last 12 months environmental concerns have been at the top of the agenda for a number of our committees. We are taking every opportunity to ensure that environmental considerations form part of every policy and decision, whether in relation to the carbon friendly nature of our plans for economic development, the need for major transport infrastructure to also promote sustainable travel and tackle air quality issues or the need for the health and social care economy to make environmental and sustainability issues a priority. We are pleased that the Council's Strategic Plan and Environment Strategy have been amended to reflect the climate emergency and look forward to monitoring achievements against the targets that have been set, noting that some of these will need to be reviewed in light of the coronavirus outbreak.

As our own response to the climate emergency declared by the County Council in May 2019, the Environment and Transport Overview and Scrutiny Committee has taken the lead and started a successful trial of paperless meetings. We hope to see this rolled out across all overview and scrutiny committee meetings by the end of the year. Unknowingly, this work has proved invaluable in managing meetings during the coronavirus outbreak. As a result of the processes established during the trial, the Council's Democratic Services team have been able to implement paperless meetings for all Council committees, enabling officers to operate from home in line with government guidance.

The level of public interest in our work has continued to grow, with a record 33 questions being asked by members of the public, 10 questions from elected members and our health overview and scrutiny committees have had two agenda items put forward by the public. We hope to see this continue and will work to raise awareness in local communities of the role of overview and scrutiny.

Elsewhere, we have continued to hold our Cabinet colleagues to account for the performance and delivery of services within their portfolios. Each Scrutiny body has received regular performance updates and whilst we have been reassured that in many areas departments are performing well, we have also highlighted a range of issues where performance was below expectations and we will be seeking to address these going forward. Issues raised have included slippage in the capital programme and the need for clearer delivery plans for the Council's major infrastructure projects (the Scrutiny Commission), biodiversity and emissions (Environment and Transport), cancer wait metrics and delayed transfers of care (Health) and the completion of assessments within the 45 day time limit (Children and Families). We will also continue to monitor the progress of transformation projects such as the transition to SMART libraries and the implementation of the Target Operating Model across the Adults and Communities Department.

We are grateful to our Cabinet colleagues for attending our meetings and answering our questions. We would also like to place on record our appreciation for the support and advice of officers, who play a valuable role in supporting us and the scrutiny process.

This Annual Report is not a complete commentary of everything we have achieved this past year; rather it is a summary of some key highlights of our work during 2019/20. We hope it reflects the variety of issues we have considered during another busy year and that you enjoy reading it. You can of course find out more about our meetings [here](#).



Simon Galton CC



Peter Bedford CC



Terri Eynon CC



Rosita Page CC

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

1.

The Scrutiny Commission

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

Highlights

Leicester and Leicestershire Enterprise Partnership (LLEP) and Local Industrial Strategy

We heard from the Chief Executive of the LLEP on two occasions. In June we were brought up-to-date with how the LLEP works and its financial position, including the process it uses to allocate funds. We were pleased to hear that these tended to be directed to support areas which were not growing so fast and that every project had to demonstrate that it would deliver economic benefits for Leicester and Leicestershire.

In September, we discussed the Local Industrial Strategy (LIS). We supported the areas of focus that had been identified and made several suggestions. In terms of infrastructure, we felt the LIS needed to respond to climate change through consideration of cycleways and electric charging points for vehicles. We also emphasised the importance of digital connectivity. Looking at education, we asked the LLEP to make a case to the Government to improve further education in Leicester and Leicestershire. We also suggested that the LLEP should lobby the Government to provide incentives for attracting knowledge-based business into the area.

Tourism Growth Plan

When we were given the opportunity to comment on the draft Tourism Growth Plan, we raised several concerns. These focused on the lack of reference to Leicestershire's industrial heritage, and to the variety of smaller museums and tourist attractions across Leicestershire. We also felt that the Plan needed to respond to the ways in which tourism was changing and consider new developments such as the extension to Fosse Park. We were really pleased to see that our comments were taken on board and reflected in the final version of the Plan, which was agreed by the Cabinet in October.

Unitary Business Case

We spent a lot of time last year looking at the proposals for a unitary authority for Leicestershire, and this autumn we were consulted on the business case itself. We noted that support from District Council Leaders remained lacking and continued to have concerns about how the business case would be received by the Government. However, we were pleased to see that some of the proposals in the business case had been changed following our earlier feedback, especially those relating to democracy at a locality level. Planning decisions would now be taken at a locality level by members representing the local area, there were firm proposals for working with parish and town councils and the proposals for Area Committees suggested they would make a real difference in their localities. At the end of the meeting, we concluded that most members appeared supportive of the business case, although a minority remained concerned or were opposed to the proposal.

Economic Growth

We have been following the development of the scheme for the East of Lutterworth Strategic Development Area with interest and received an update in November where we were consulted on the potential options available for delivery of the scheme. We supported the proposal for a 50/50 Joint Venture partnership with a strategic partner to be explored, noting that the approach is a departure from previous practice and therefore carries additional financial risks. We felt that the risks were outweighed by the potential rewards, particularly to the reputation of the Council from delivering a successful exemplar project. We were pleased to see the proposals for 40% affordable housing and for the ambition of the development being carbon friendly.

In November we were also advised of a potential Strategic Development Area at Junction 2 of the M69. We noted that this proposal was at a very early stage and had been identified through the call by Blaby District Council for potential sites to be identified as part of their local plan process. We commented that the County Council owned land could be useful in protecting and providing a green space between any new developments and the villages of Sapcote and Stoney Stanton. We also expressed concern about local employment opportunities and the type and cost of housing involved but were advised that this would need to be considered in the Local Plan process.

Medium Term Financial Strategy

We had an interesting discussion with the Leader and Deputy Leader at our meeting in January. We welcomed their insight into national developments such as the Fair Funding Review, Devolution White Paper, Comprehensive Spending Review and changes to the New Homes Bonus, all of which would have an impact on Leicestershire's finances.

The Council's financial position has been challenging since 2021, so we were pleased to see the first budget since that time which included a meaningful increase in funding from Central Government. We understand that, despite this, the budget contains several challenges and risks, notably the Special Educational Needs and Disabilities (SEND) budget, which we will continue to have oversight of through our regular MTFS monitoring reports. We felt that, overall, the MTFS represented good financial management but recognised that opportunities to make savings in the future were limited.

Equality Strategy 2020-2024

We welcomed the opportunity to comment on the draft Equality Strategy. We felt that staff had done their absolute best in consulting on the Strategy and engaging with interested groups but were still disappointed with the level of response. The Council's consultation process is an area we have identified for more in-depth scrutiny in the coming year. We felt that the Strategy itself addressed all the right areas but made some suggestions about the need for consistency of language and greater clarity to show that the focus was on equity of outcome rather than equality. We also identified the need to talk about human rights responsibilities, not just the rights themselves.

Environment Strategy and Strategic Plan

Having been considered by the Environment and Transport Overview and Scrutiny Committee, the Commission took a broader view of the revised Environment Strategy and Strategic Plan and its impact across all Council departments. Despite the outbreak of Covid-19 members welcomed plans to proceed with the proposed revised documents in response to the Council's declaration of a climate emergency since its ambitions in this regard remained unchanged.

We noted that the coronavirus outbreak would impact timescales for targets as business as usual was put on hold in some areas due to the restrictions put in place. However, we were pleased to note that the Environment Strategy Action Plan was sufficiently flexible to take account of this and suggested this be updated to record the need for further work as a result. We noted plans to undertake a further full review later this year of the Strategic Plan which would also allow for the impact of Covid-19 to be considered against wider policy commitments. The Commission will be pleased to see the outcome of that review at the appropriate time.

Whilst there are many negatives arising from the coronavirus pandemic, the Commission highlighted the changes to working practices which appeared to be showing a positive impact environmentally and we were pleased to hear that this step change in how we live and work could offer a positive 'kick-start' to our journey to net zero. However, we also raised concerns that a focus on rebuilding the local economy in future months could put pressure on local planning authorities to prioritise housing growth over the Council's environmental ambitions and we asked the Cabinet to consider the need to seek central government support in this area.



2.

Adults and Communities

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

Highlights

Home Care Service: Post November 2020

The Cabinet, in February 2020, approved the proposals for the new Home Care service. Prior to the decision, we considered and commented on a number of detailed reports outlining the proposed way forward for the new service. We asked officers to consider whether a longer-term contract could provide greater service stability and were pleased that consideration was being given to carers receiving the appropriate remuneration for non-contact time, such as for the travel required to carry out their duties.

We fully supported the proposals set out in the report we received in January 2020 and commended officers on the excellent work that had been undertaken so far; it was particularly reassuring to see that lessons learnt from the previous procurement had been used to design and shape the future service. This included a phased approach to implementation and different pricing bands to reflect rurality and the difficulties experienced in providing services in some of the more rural areas.



Adult Social Care Target Operating Model

In June and November 2019, we received updates on the progress of developing and implementing the Adult Social Care Target Operating Model, including the benefits the Department had already begun to realise in the early stages of the programme.

We received assurance that the approach being adopted was not about cutting services but instead, focussed on service improvement. It was pleasing to note the intention that the predicted non-cashable savings would be re-invested back into the Department to improve service quality and customer satisfaction.

It was reassuring that the additional capacity already identified was being used to improve the service user review process and that new cases were being assessed more quickly, with a higher rate of reviews also taking place for long-term service users.

Next Steps in Library Provision

At our meeting in September 2019, we received an update on the progress with and provided comments on the options for shaping the future direction of library services. We provided feedback on our experiences and those of our constituents whilst visiting a number of community-managed libraries. Overall, this was positive, as these libraries were seen to be thriving and embodying a positive community spirit.

We noted the challenges that some community managed libraries will face when the tapered funding from the County Council ceased. We welcomed the innovative approach that some community managed libraries, such as Earl Shilton, had been taking to source new funding streams in order to sustain services. We were advised that a report on the findings of the review, being commissioned by the Department on this matter, would be provided to us at a future meeting.

Adults and Communities Department Ambitions and Draft Strategy 2020-24

We were pleased to note that the Strategy would be integrated across the Department and confirmed our support of the draft Strategy and the proposals for the consultation, although we did suggest some amendments. At our suggestion, an additional question has been added to the questionnaire to seek views on how the department could improve the service user experience.

We also requested that consideration be made to the language used within the Strategy (and the associated documentation), prior to Cabinet approval being sought for the public consultation to proceed, to ensure this was as clear and understandable as possible. It was felt that some of the headings and definitions in particular, could be strengthened and better aligned to the consultation survey questions.

3.

Children and Families

The Children and Families Overview and Scrutiny Committee looks at issues around social service provision for children and families, educational attainment at schools and academies and youth support services. It also monitors the performance and activities of the Leicestershire Children and Young People's Partnership Board, the Local Safeguarding Children Board, the Children's Social Care Panel and any other partnerships as appropriate that are associated with the executive functions outlined above.

Highlights

Special Educational Needs and Disabilities (SEND) Developments

Throughout the year, we received updates on the development of new SEND provisions as part of the High Needs Block Development Plan and the results of associated public consultation. We were informed that the 2018/19 year end budget position for the High Needs Block was an overspend of £2.3m but the department had been able to use reserves and some underspend within the Dedicated Schools Grant to offset this. An increase in expenditure was anticipated for the next three years before a reduction would be seen in 2022/23.

We acknowledged that Leicestershire was one of the lowest funded authorities in the country and expressed concern that a continued increase in the number of Education Health and Care Plans (EHCPs) would not be sustainable without additional funding. However, we were reassured that although financial pressures continued to increase, the service remained committed to supporting children in the best way.

We also heard about the work undertaken around the provision of short break services to families where a child had a disability. Although we felt that the changes appeared to be positive, we agreed that it would be useful to receive a specific report on this work at a future meeting. A further progress update was received at our meeting on 3 March 2020. This primarily detailed the work undertaken by the Children and Family Wellbeing Service in relation to short breaks, direct payments, summer schemes and domiciliary care.

At our meeting in November 2019, we received a further update on SEND improvements. We welcomed the Parliamentary Review of SEND reforms and also noted the development of the Oakfield site and the delivery of the Social, Emotional and Mental Health school by September 2020.

Recruitment and Retention

We welcomed the continued success in the recruitment and retention of permanent staff. There were still vacant posts and we acknowledged that agency staff were still being used, partly to cover these vacancies. A dedicated strategy had been developed and of the 24 identified actions in the implementation plan, 20 had been completed. As a Committee, we agreed that we would continue to monitor progress by receiving regular updates.

Annual Report of the Local Safeguarding Children Board

At our meeting in September 2019, we received the final annual report of the Local Safeguarding Children Board prior to it being replaced by multi-agency safeguarding arrangements which would be managed through the Leicestershire and Rutland Safeguarding Children Partnership. During the discussion, concern was raised around the increase in the number of children who were electively home educated. This was subsequently the subject of a separate report, but we received reassurance around the robust monitoring and work being undertaken by the Inclusion Team. Concern was also raised that over one fifth of children who went missing in Leicestershire and Rutland who were looked after children, had been placed in the county from elsewhere. The issues of missing and elective home education had been identified as key areas to monitor by the new Partnership.

Adverse Childhood Experiences (ACEs)

We received a presentation on ACEs and heard that the County Council was undertaking a range of work to help prevent ACEs, including a renewed focus on the first 1001 critical days of a child's life. We also welcomed that the Children and Family Wellbeing Service had developed evidence based approaches to parenting to help reduce parental conflict and that the Children and Families Partnership would be holding multi-agency workshop events to develop the work around ACEs.

Corporate Parenting Strategy

We welcomed the revised Corporate Parenting Strategy, in particular the section on the responsibility of elected members as corporate parents. The Scrutiny Review Panel had recommended the introduction of three member champions in the specific areas of education, training and work, housing and accommodation and health and meetings had now been arranged. We were also extremely pleased that the department had agreed with district/borough councils that care leavers up to the age of 25 would not pay council tax.



Ofsted Inspection

At our meeting on 5 November 2019, we received an update on the outcome from the Ofsted inspection which had taken place in September and October. The Director informed the Committee that Ofsted had been clear that progress had been made since the last inspection in 2016, it had acknowledged that significant improvements had been made across all areas and identified positive impacts for children in some service areas. However, whilst services for children in care and overall leadership were good, they were not experiencing consistently good practice enough across all services. As a result, the overall judgement remained one of 'requires improvement'. We were very disappointed with this outcome as we felt that this did not reflect the significant progress achieved by the department and Ofsted had identified a number of strengths and had confirmed that children in Leicestershire were experiencing better outcomes. The Director reported that six recommendations had been set out in the report and the department had produced an action plan to respond to these. We acknowledged that the department was currently in the third year of its four year continuous improvement action plan and the recommendations from the 2019 inspection would fit into the existing themes already recorded in the ongoing action plan. We look forward to receiving further progress updates.

Children's Social Care Investment Plan

At our meeting in January 2020, we heard that approval had been given to a design brief around residential provision. This was further detailed at our meeting on 3 March 2020. The proposal contained three elements which would be delivered in two phases. Phase one was the development of an Assessment and Resource Team who would work with young people in an outreach capacity. Phase two included the creation of a Hub containing three assessment beds and three multi-functional properties. Further work still needed to be undertaken and we will receive an update on the residential design brief in September 2020 and a general progress update in March 2021.

4.

Environment and Transport

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

Highlights

Public Participation

As a committee scrutinising the provision of universal services, we have noticed increased public participation via petitions, questions and representations covering a variety of subjects including Special Educational Needs and Disabilities (SEND) Transport, Public Transport, Active Travel Modes, Hugglescote Road Traffic Issues, the Proposed Bardon Waste Transfer Site and peat usage by the County Council.

A511 Improvements

In November we undertook a site visit to consider the growth proposals for the A511. The scheme will help to improve congestion, unlock further homes and jobs in the area and improve journey times for residents and users of the corridor. It will also help to improve the resilience of the A42 and M1 – which are 'gateways' to the East Midlands Airport. These improvements are seen as essential to boost housing and employment in an area of Leicestershire which is rapidly growing. Whilst welcoming the scheme and its objectives to alleviate the current issues around air quality and congestion, we remained concerned that the Scheme did not give adequate consideration to sustainable transport options and urged the Council and Lead Member to continue to engage and lobby the Department for Transport to include sustainable transport in its restrictive funding formula.

Flooding

Following the extreme weather events of October and November 2019 we considered a report on the actions the County Council has taken as Lead Local Flood Authority and Highways Authority. This report clarified the responsibility of the Council and other Risk Management Authorities. We raised concern about the increased extreme weather events and the role within the planning process for new developments. Arising from the discussion, we agreed to set up a Flooding Scrutiny Review Panel to undertake a more detailed investigation of the concerns raised by Members and residents.

Tree Management Strategy

We were consulted on the draft Tree Management Strategy and Planting Plan and supported officers dialogue with partners such as the National Forest Company to increase forestry in Leicestershire. We also felt that the Strategy needed to go further to act as an inspirational document for all Leicestershire tree owners, not just as a guide for the County Council. We are pleased that our comments have been taken on board and included in the final version of the Strategy that has been approved by the Cabinet.



Revised Environment Strategy and Revised Strategic Plan

We welcomed the return of the revised Environment Strategy and Strategic Plan with stronger wording to reflect the climate emergency. We were pleased with work officers were undertaking to help address the climate emergency agreed in May 2019. While it is clear that most emissions in Leicestershire are not directly under the Council's control, we welcomed the proposal for a second tranche of the Carbon Reduction Plan, which will look at how the Council could influence and address wider issues within Leicestershire.

Leicester and Leicestershire Strategic Transport Priorities

We received the draft Leicester and Leicestershire Strategic Transport Priorities as part of the public consultation. We welcomed mention of the possible re-opening of the Leicester to Burton railway line to aid the connectivity of places along the route and requested it was referenced more consistently throughout the document. We highlighted concerns in relation to the connectivity of public transport around Leicestershire, the lack of integration between modes of travel and the lack of reference to journeys to work within the plan. We also felt that the plan conflated county towns, cities and villages within Leicestershire, and recommended that it was revised to consider the issues faced by each. We hope that the Government's proposed funding for public transport will help address our concerns and look at how rural mobility could be evolved.

5.

Health

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

Highlights

Primary Care Networks

We have been closely monitoring the development of Primary Care Networks (PCNs) across Leicester, Leicestershire and Rutland and the issue was on the agenda at two separate Committee meetings. We have taken note of the population criteria for PCNs and the geographical area covered by individual PCNs including the fact that not all PCNs are contiguous with county boundaries. We have sought reassurances on how the changes relating to GP Practices would be explained to the public and what the impact on the public would be.

Given the additional staffing that PCNs will require, particularly pharmacists and physiotherapists, we raised concerns regarding recruitment and retention of staff. In response, reassurances were received regarding work which was ongoing to promote Leicester, Leicestershire and Rutland as a good place to live and work in the NHS. In addition, we noted that an international recruitment campaign had taken place which resulted in 16 new GPs for Leicestershire and a further 16 were to be recruited in 2020.

We have regularly raised concerns regarding whether the primary care infrastructure would be able to meet the housing growth in Leicestershire and whether maximum use is being made of Section 106 of the Town and Country Planning Act 1990. We have been reassured by the CCGs that these issues are being considered as part of development of the Primary Care Estates Strategy, including through mapping the condition of buildings and what they could be used for. We look forward to hearing about the results of this review at a future Committee meeting.

Director of Public Health

During the year we have scrutinised the work of the County Council's Public Health Department including the proposals for the new model for Homelessness and Housing, the Substance Misuse Strategy and the Suicide Prevention Strategy and Action Plan.

We were pleased that the model for homeless and housing built on the work of First Contact Plus and Local Area Co-ordinators but sought reassurances that there was capacity within those services to meet the demand.

We noted the good work being carried out by Turning Point in relation to substance misuse, though noted that Turning Point were increasingly managing people addicted to prescription drugs which was not part of their core remit. We were pleased that work was taking place to prevent people becoming addicted to prescription drugs in the first place.

We were reassured that the Suicide Prevention Strategy gave consideration to the overlap between physical and mental health and that there were services available to provide mental health support for those patients with long term physical disabilities.



Community Services in West Leicestershire

Over the year we have scrutinised West Leicestershire CCG regarding Community Services in both Hinckley and Ashby de la Zouch. The issue which received the most publicity was the proposed reinstatement and relocation of the x-ray machine at Hinckley and District Hospital ahead of formal public consultation on the remaining services at Hinckley. We supported the proposal to install the new x-ray equipment directly into Hinckley Health Centre but were pleased to hear that the wider consultation would not be prejudiced by the decision to locate the x-ray machine at the hospital.

During the year we received representations from Ashby de la Zouch Civic Society raising concerns that the new community services in Ashby had not materialised as promised. Representatives from the Civic Society and West Leicestershire CCG were invited to a meeting to explain their position and we gained reassurances from the CCG that work was taking place to ensure the community services were adequate. We have resolved to monitor progress and will consider the matter again at a future Committee meeting.

QIPP

In June 2019 the Committee received an update on the 2018/19 Quality, Innovation, Productivity and Prevention (QIPP) programme and the planned 2019/20 QIPP programme. We raised concerns that the savings target identified in the programme was unrealistic. We also asked the CCGs to ensure that the QIPP schemes did not have a negative impact on service users and gained reassurances that impact assessments were carried out. In March 2020 we reviewed the 2019/20 QIPP programme and noted that the savings target had not been reached. We are pleased that the CCGs are now being more realistic about their ability to deliver savings.

Healthwatch

We have received reports from Healthwatch Leicester and Leicestershire in relation to patients' experience of health services in the County and used them to hold health providers to account for performance. In particular, these reports have focused on discharge from acute settings, prescribing and medication management. We gained reassurances that when patients were discharged from hospital they were provided with sufficient medication.

We were pleased that UHL recognised the need for improvements to the speed and efficiency of the discharge process and that measures had been taken to address the problem, including adding pharmacists to ward rounds and ensuring prescriptions were written earlier in the discharge process so they were ready as soon as the patient was able to leave hospital.

Single Strategic Commissioner

We have considered the options set out by the CCGs regarding the role and form of a Single Strategic Commissioner for an integrated care system in Leicester, Leicestershire and Rutland, and have voiced strong support for the option to form one new Clinical Commissioning Group for the whole area.

Joint Scrutiny

Members of the Health Overview and Scrutiny Committee have also attended meetings of the Leicestershire, Leicester and Rutland Health Overview and Scrutiny Committee where issues such as Community Services Redesign, the acute and maternity services reconfiguration at UHL and the £450 million investment in Leicester's Hospitals have been discussed.

6.

Scrutiny Review Panels

Scrutiny Reviews represent an opportunity for Overview and Scrutiny Members to delve deeper into a particular subject or issue to find out more, speak to the individuals responsible and recommend any ways in which things might be improved at a level of scrutiny not always possible within the time limits and formal setting associated with Committee meetings.

Highlights

Consolidation of Level 3 Intensive Care Services

Recognising the high levels of public concern regarding the lack of public consultation on proposals to transfer level 3 (i.e. for the 'sickest of the sick') intensive care unit beds from the General Hospital to the Glenfield Hospital and the Leicester Royal Infirmary, we considered this issue over the course of two meetings in September. We heard representations from a number of members of the public who were opposed to the proposals, which had been put forward on the grounds of clinical safety.

We recognised the strong clinical case supporting the proposal to move these services, but expressed deep regret that the CCGs and the University Hospitals of Leicester (UHL) did not listen to public calls for increased engagement and consultation after the Business Case had been approved by their Boards in November 2017. We requested regular updates on the matter, including any concerns that are raised regarding the implementation of the proposals. The Committee also voted to request the CCGs and UHL to undertake public consultation before continuing with their proposals, as we were not convinced that the reasons given precluded the responsibility to carry out public consultation.

Leicestershire Partnership NHS Trust – CQC Inspection

We had significant concerns following the publication of LPT's CQC report, which gave LPT an overall rating of 'requires improvement' and found the 'well led' domain to be inadequate. We are disappointed with LPT's lack of progress; this is the fourth CQC inspection to find that the Trust requires improvement and the majority of concerns raised this time have also been raised previously.

We noted that the Chief Executive of LPT is taking early retirement and a number of senior posts are either new or interim appointments. However, this did not give us sufficient assurance that the issues relating to leadership are being addressed and we will continue to monitor performance in this area closely.

Corporate Parenting

Following the completion of the Corporate Parenting Review Panel in June 2019, it is really pleasing to see that the Panel's recommendations have been followed. The revised Corporate Parenting Strategy, which was approved by the Council in February 2020, includes the clear role description for elected members; a training session has been held for all members and, most importantly, we now have three member champions for Education, Training and Work, Accommodation, and Housing. These member champions have already started their work.

The member champion for Housing, Geoff Welsh CC, has met with district council Chief Executives to discuss the development of a covenant setting out how the district councils will work in partnership with the County Council. This covenant includes the following four things: allocation policies to remove the local connection for care leavers, to provide housing skills training to all, to include debt advice and tenancy support, trying to get the Citizen's Advice Bureau to offer specific money and budgeting advice and to support care leavers when moving into properties by decorating them and giving handy person support.

Multi Academy Trusts

The Children and Families Services department has a good relationship with Multi Academy Trusts (MATs), nevertheless there is currently a perceived gap in the relationship between elected members and MATs. Following some concerns raised by members regarding accountability, engagement and the effectiveness of MATs, we agreed to undertake a scrutiny review in this area.

The Panel met on four occasions and heard from the Chief Executive Officers (CEOs) of two MATs in Leicestershire. We recommended that MATs be encouraged to appoint elected members to their local governing bodies, as this will ensure better alignment between MATs, members and the County Council. We also recommended that the Academy CEO network group be asked to consider arranging visits to local schools for elected members in order to develop and maintain a local link. We felt that details of local elected members should be sent to relevant schools to enable them to make contact, should they wish, and that the Children and Families Overview and Scrutiny Committee should receive an annual progress report from the Schools Effectiveness Team. Finally, we recommended that further work should take place to ensure that members understand how and where to raise concerns around a MAT.

We are delighted that the Cabinet accepted all recommendations and look forward to seeing a strengthening of the relationship between elected members and MATs in the future.

Flooding

We are setting up a Scrutiny Review Panel to consider the role of the County Council as Lead Local Flooding Authority (LLFA) and its links with other Risk Management Authorities. Although the County Council has a good relationship with partners involved in responding to flooding, there is current interest amongst members regarding accountability, engagement and the effectiveness of existing structures. Members are particularly interested in how the LLFA co-ordinates and effect actions from partners. The lack of influence the LLFA has over recommendations arising from its Section 19 Investigations and its influences over other risk management authorities are also causes for concern.

We look forward to seeing the outcome of this review.

7.

Looking ahead to 2020/21

A key area of focus for the future will inevitably be the impact of the Coronavirus including its impact on services and the Council's finances. We will also need to look at what lessons can be learnt from the Council's response to the crisis and plans for recovery both in the short, medium and longer term.

Environmental concerns will continue to play a large part in our work during 2020/21. We will look carefully at the new ways of working implemented as a result of the coronavirus pandemic and assess whether we should be changing any of our practices in the long term. Our ambition is for a greater number of meetings to be paperless and for meetings to be held remotely where appropriate.

We will continue to keep a close eye on the budget pressures facing the County Council, particularly those relating to SEND and children's social care. Given its size, we will also be monitoring closely the delivery of the Capital Programme. The following topics will also be considered:

Scrutiny Commission

The Scrutiny Commission will maintain oversight of the Council's budget and finances, including the performance of the Capital Programme. We will continue to focus on economic development including through more regular scrutiny of the Leicester and Leicestershire Enterprise Partnership (LLEP) and our oversight of the use of the Corporate Asset Investment Fund. We will also look closely at the Council's consultation processes and the arrangement made across departments to support communities.

Adults and Communities Overview and Scrutiny Committee

There is no doubt that we will need look at how services have been affected by the Coronavirus outbreak and monitor the process for recovery, particularly where residential care is concerned. As well as our usual oversight of performance and complaints, we also plan to review the status of community managed libraries and the museums accreditation and collection policy. We will also keep updated on the plans to move the Records Office and will continue to monitor the implementation of the Target Operating Model across the Department.

Children and Families Overview and Scrutiny Committee

We will continue to receive regular updates around the Ofsted Continuous Improvement Action Plan and Recruitment and Retention and we will monitor performance against the targets set within that Plan. We will also receive the inspection report of the SEND Service, a progress update on the new Multi-Agency Safeguarding Arrangements, the Children's Social Care Investment Plan, an update on the Children and Family Wellbeing Service, the High Needs Development Plan and the Children's Innovation Partnership.

Environment and Transport Overview and Scrutiny Committee

Looking ahead the Committee will remain focused on the Council's response to the climate emergency and how it hopes to expand its work to influence wider county emissions. As part of this we also hope to start looking more in depth at the issue of biodiversity within Leicestershire. We will continue to monitor performance and scrutinise policy changes to Community and Passenger Transport, as well as SEND Transport following the conclusion of the judicial review. The Committee will also use the opportunity to oversee development of major roads or projects across the County to the benefit of the communities they affect.

Health Overview and Scrutiny Committee

It will be only right for us to look at the impact of the coronavirus on the NHS and Public Health. Subject to both areas being able to resume business as usual, we intend to consider changes to daytime minor injury services and community services in the Hinckley area. We have also asked to receive reports on cancer performance and will continue to monitor the position regarding delayed transfers of care. We will also keep an eye on structural changes made by the CCGs and ensure that quality of service is not affected. Through the Joint Health Overview and Scrutiny Committee we intend to respond to the consultation on the reconfiguration of services at the University Hospitals of Leicester and to monitor the transformation of mental health services by Leicestershire Partnership Trust.

Overview and Scrutiny in Numbers: 2019/20



Overview and Scrutiny Members 2019/20

The Scrutiny Commission

Tom Barkley CC
 Peter Bedford CC
 David Bill MBE CC
 Bill Boulter CC
 Dr Terri Eynon CC
 Dr Kevin Feltham CC
 Hilary Fryer CC
 Simon Galton CC (Chairman)
 Dan Harrison CC
 Rosita Page CC
 Alan Pearson CC
 Terry Richardson CC
 Michael Wyatt CC

Adults and Communities

Dr Paul Bremner CC
 Linda Broadley CC
 Bill Crooks CC
 Hilary Fryer CC
 Bill Liquorish JP CC
 Jewel Miah CC
 Ted Parton CC
 Terry Richardson CC (Chairman)
 Maggie Wright CC

Environment and Transport

David Bill MBE, CC
 Bill Boulter CC
 Dan Harrison CC
 Max Hunt CC
 Jonathan Morgan CC
 Alan Pearson CC (Chairman)
 Les Phillimore CC
 James Poland CC
 Janice Richards CC

Children and Families

Dr Kevin Feltham CC
 Hilary Fryer CC (Chairman)
 Jeffrey Kaufman CC
 Canon Carolyn Lewis
 Rosita Page CC
 Ted Parton CC
 Brenda Seaton CC
 Sean Sheahan CC
 Geoff Welsh CC
 Amanda Wright CC

Health

Tom Barkley CC
 David Bill MBE CC
 Dr Kevin Feltham CC (Chairman)
 Tony Gillard CC
 Amanda Hack CC
 Dr Sarah Hill CC
 Jonathan Morgan CC
 Brenda Seaton CC
 Maggie Wright CC

Overview and Scrutiny Annual Report 2019/20
Democratic Services
Chief Executive's Department
Leicestershire County Council

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



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