



Meeting: **Scrutiny Commission**

Date/Time: **Monday, 12 July 2021 at 10.00 am**

Location: **Council Chamber, County Hall, Glenfield**

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

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

Membership

Mr. M. T. Mullaney CC (Chairman)

Mr. T. Barkley CC Mr. J. Morgan CC
Mrs. H. J. Fryer CC Mrs. R. Page CC
Mr. S. J. Galton CC Mr. T. J. Pendleton CC
Mr. T. Gillard CC Mr J. Poland CC
Mr. Max Hunt CC Mr. T. J. Richardson CC

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

AGENDA

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 9th June 2021	(Pages 5 - 14)
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 interest in respect of items on the agenda	



7. Presentation of Petitions under Standing Order
35
8. Update on Police and Crime Panel Activity Chief Executive (Pages 15 - 22)
- The County Council's representative on the Police and Crime Panel, Mrs D. Taylor CC, has been invited to attend for this item. Mrs Taylor will provide a presentation at the meeting and a copy of the slides are attached to this agenda.
9. 2020/21 Provisional Revenue and Capital Director of (Pages 23 - 66)
Outturn Corporate
Resources
10. Corporate Complaints and Compliments Director of (Pages 67 - 92)
Annual Report Corporate
Resources
11. Leicester and Leicestershire Economic Chief Executive (Pages 93 - 144)
Growth Strategy
- A copy of a report to be considered by the Cabinet at its meeting on 20th July is attached for the consideration of the Commission.
12. Public Engagement Chief Executive (Pages 145 -
162)
13. Date of next meeting
- The next meeting of the Commission is scheduled to take place on 8th September 2021 at 10.30am.
14. Any other items which the Chairman has
decided to take as urgent

QUESTIONING BY MEMBERS OF OVERVIEW AND SCRUTINY

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

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

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

This page is intentionally left blank



Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 9 June 2021.

PRESENT

Mr. M. T. Mullaney CC (in the Chair)

Mrs. H. J. Fryer CC
Mr. S. J. Galton CC
Mr. Max Hunt CC
Mr. J. Morgan CC
Mrs. R. Page CC

Mr. T. J. Pendleton CC
Mr. L. Phillimore CC
Mr J. Poland CC
Mr. T. J. Richardson CC

In attendance

Mr L. Breckon CC

1. Appointment of Chairman.

RESOLVED:

That it be noted that Mr. M. T. Mullaney CC has been appointed Chairman of the Scrutiny Commission for the period ending with the Annual Meeting of the County Council in 2022 in accordance with Article 6.05 of the Constitution.

2. Chairman's Announcement

The Chairman thanked his predecessor, Mr Simon Galton CC, for his past work in chairing the Scrutiny Commission. The Chairman advised that Simon became Chairman of the Commission in 2009, taking over at the point when the findings of an external review conducted by Steve Nicklen of the Local Government Leadership Centre and Jessica Crowe of the Centre for Public Scrutiny had reported its findings, and was instrumental in developing the action plan to respond to the review. This included the development of guides and protocols for conducting scrutiny which still operated today. The Chairman said that Mr Galton's inclusive and apolitical approach had ensured that Scrutiny had been held in high regard both internally and in external assessments.

The Chairman also welcomed Mr Max Hunt CC who had been appointed the new Labour Group leader following the recent elections, taking over the role previously held by Dr Eynon who he thanked for her time as a Scrutiny Commissioner. The Chairman also thanked Mr Bedford, who was now a member of the Cabinet, for his work as a Commissioner.

3. Election of Vice Chairman.

RESOLVED:

That Mrs R. Page CC be elected Vice-Chairman of the Scrutiny Commission for the period ending with the date of the Annual Meeting of the County Council in 2022.

4. Minutes

The minutes of the meeting held on 15th March 2021 were taken as read, confirmed and signed.

5. Question Time.

The following questions, received under Standing Order 34 of the County Council's Constitution, was put to the Chairman of the Scrutiny Commission:

Question asked by Mrs Sharon Scott

“Please can the Chairman confirm that the Strategic Growth Plan (SGP) is no longer fit for purpose and should be reviewed with all urgency and before finalization of any district local plans for the following reasons:

1. The SGP is far too road-based. There is little or no consideration of rail transport, which should be considered a more sustainable option in the light of climate change issues. Large strategic developments are not sustainable if sited close to major road networks since they promote commuting by car and offer poor air quality. The emphasis for future work patterns should be on working from home or commuting by rail, not on building more roads and junctions. The increased likelihood of working from home removes the need to locate housing close to major road networks.
2. The main backbone of the SGP is the proposed A46 Expressway. Midland Connect have stated that they will not be seeking Government funding for this route. This cannot therefore be used as the main artery for growth. Since the proposed A46 Growth Corridor was a key feature of the SGP, the whole basis of the SGP is now flawed. Trying to rely on developers to provide the infrastructure will result in a haphazard mish mash of road structures and is inherently risky.
3. The over-arching aim of the SGP is to redistribute Leicester City's unmet need. However, this needs to be revisited in the light of the Covid pandemic. Many of the changes brought about by the pandemic are likely to become permanent and will completely change Leicester City's needs. It is likely that many people will continue to work from home for at least part of the week which will free up more brownfield sites in Leicester City due to office closures or downsizing. The likelihood of a large scale move to online shopping will also free up brownfield sites in the City which can be repurposed for housing. Leicester City should also be able to repurpose some of its disused retail and commercial buildings for distribution centres to provide 'final mile' delivery for online customers.
4. The SGP concentrates growth in the South West of the County. Following the designation of the East Midlands Airport as a Freeport site, it would make more sense to concentrate development in the North West of the County.
5. A key aim of the SGP was to protect Leicestershire villages from overdevelopment. It fails completely to do this in the case of Sapcote and Stoney Stanton. Indeed, the Council's response to Blaby's local plan questions the description of these settlements as 'medium villages' and suggests a more urban description would be appropriate. I know from speaking to local people that many

residents of these villages settled in the area in the expectation of being able to live in a rural area and place a high value on being able to do so.

6. Current National Government focus shows a shift towards a heavily weighted preference for reuse of brownfield sites for new builds / employment land before using countryside. This is not reflected in the SGP.
7. The SGP fails to promote tourism in the County. Indeed, the Southern Growth area centered on Stoney Stanton SDA and the proposed HNRFI would completely destroy the setting and environment of Burbage Common and Woods, which is currently one of the best bluebell woods in the County and welcomes a large number of visitors both from within and outside of the County.”

Reply by the Chairman

1. The SGP sets out indicative new essential infrastructure to support the housing, employment and other uses that existing and new communities will require in the future to enable ease of movement between communities. For many years planned growth has been ‘bolted on’ to existing communities, with infrastructure secured associated with the specific proposed development. This has meant that over time the cumulative impact on infrastructure has often become great. This is best illustrated through the impact on the Highways network where many parts of the network are operating at, or over capacity.

The vision in the SGP seeks to break this cycle through the provision of new key infrastructure to enable existing communities to grow at a more measured pace, providing new homes and access to jobs and services more easily, and to provide new communities in the form of garden communities, either as sustainable urban extensions or as free standing settlements.

It is too early at this time to say what the longer-term impacts of the pandemic might be on peoples’ economic and social activity, and by extension travel habits. What is clear, is that traffic levels on the area’s road network are continuing to increase as restriction are eased (as they are nationally). Private cars continue to be a key mode of transport, and although strong measures and initiatives are being taken to enable an increase in the use of alternative modes of transport, the reality is that in the more rural areas of Leicestershire cars are likely to form the most appropriate form of transport for longer journeys as other road based modes such as bus services may not be commercially viable.

Travel by rail continues to be considered. The Leicester and Leicestershire Rail Strategy (2017) delivers significant economic benefits from a range of improved and new direct rail services to and from Leicester and Leicestershire including reduced journey times to London and improved links to the north and the Thames Valley.

2. L&L partners are undertaking further evidence to aid the transition of the SGP to delivery through Local Plans, part of this evidence will look at whether a more local orbital solution is required in the future to enable existing and future communities in Leicestershire and the City to access jobs and services. This may be the case even with the increase in home working in the longer term. It is also important to note that Midlands Connect has stated that it’s study conclusion only held true if future growth in Leicester and Leicestershire is delivered in accordance with the

SGP; otherwise, if a different approach were to be taken then an entirely new set of evidence would be required.

3. The City Council is undertaking further work and revisiting evidence it prepared, or had commissioned, to inform its Draft City of Leicester Local Plan last Autumn in light of the accelerated changes we have seen due to the COVID-19 pandemic, BREXIT etc.

The County Council will carefully consider the revisited evidence, and any new evidence, to ensure 'no stone has been left unturned' in maximizing the amount of new development the City can accommodate without adversely effecting environmental quality and minimizing the amount of unmet need to be accommodated in the districts.

4. Significant growth is still directed towards the north west of the County in the SGP due to the location of major employment generators in this area and the location of Coalville and Loughborough. The successful bid to Government for an 'East Midlands Freeport: The UK's Green Gateway for Growth', will require consideration of the scope to co-locate further future residential development close to the three key sites, which will focus on safeguarding our industrial strengths in advanced manufacturing, automotive and logistics and boosting our competitiveness in green opportunities.
5. Settlements in rural areas with a good range of services will continue to form hubs for further expansion as this is one of the most sustainable approaches to providing for growth in rural areas and will help to ensure services such as schools will continue to provide for the local community. A good mix of housing and employment helps to ensure local families and individuals are able to stay living in the area where their support networks exist.
6. The SGP is required to be compliant with the National Planning Policy Framework (NPPF) and although it may not be explicitly stated in the SGP it is the intent that brownfield sites in the 'right' locations are utilized before greenfield sites.
7. The SGP seeks to protect environmental, historic and other assets important to Leicester and Leicestershire. Balancing the need for growth with the protection of assets is a difficult challenge, however, unplanned growth can bring even more unacceptable consequences. As new Local Plans are prepared and come forward new evidence about assets will be gathered and will inform work on Local Plans.

Please note the approved SGP does not include a Southern Growth area designation.

The Chairman advised that Mrs Scott had confirmed to him that she did not have any supplementary questions and so had chosen not to join the meeting.

The Chairman thanked Mrs Scott for taking the time to engage with the Commission and for asking her questions today.

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

The Chief Executive reported that the following questions had been received under Standing Order 7(3) and 7(5) from Mr. M. Hunt CC.

- “1. When, and how, do officers expect to report the level of sectoral unemployment and other labour market indicators in the county to this committee, including the fortunes of the county’s multi-site Enterprise Zone and other major engagements.
2. [Leicester Shire and Rutland Statistics & Research](#) seem to have ceased publication of their Unemployment Bulletin. Is this information still published in a different form and frequency, if so where is the current source?
3. Recently Loughborough’s Brush Traction division of the US Wabtec Corporation closed with an expected loss of 300 high skilled jobs. This also occurred at a particular time when work to address the faults in Hitachi’s rolling stock was available. Was the county’s economic development team able to assist in bringing this situation to the attention of Government Ministers and if so with what response and effect?”

Reply by the Chairman

1. The Scrutiny Commission will receive a report as part of the consultation on the draft Economic Recovery Strategy, currently being developed by the LLEP at its meeting in September. In addition, there are a variety of dashboards available on [LSR-online](#) that look at the current information available including unemployment and universal credit (the latter includes in-work claimants), number of job postings, furlough and estimated employees furloughed by sector. Sectoral unemployment is expected to become clearer in the autumn when the government furlough scheme ends. There is also a Business and Economic Intelligence Update including relevant data published by the LLEP: <https://llep.org.uk/app/uploads/2021/06/LLEP-Business-and-Economic-Intelligence-Update-issue-20.pdf>. The LLEP are happy to add any stakeholders to the distribution list.
2. Prior to the pandemic it was agreed that the unemployment bulletin would no longer be published but that an annual report setting out the current socioeconomic data (population, economic, health etc) would be produced. This is still in development. The resurrection of the bulletin is being considered as part of the Economic Recovery Strategy work. However, the LLEP update (referred to in 1.) contains similar information to the bulletin, including unemployment commentary at district level and may be the best document to convey unemployment information in the future.
3. Following the news of the Brush redundancies being announced, the County Council’s Economic Growth Team have had discussions with Charnwood Borough Council and more recently have received an update from the Department for International Trade (DIT). It is also understood that the Department for Business, Energy & Industrial Strategy (BEIS) are supporting Brush. Further discussions are planned at the Economic Recovery Cell, the LRF multi-agency group chaired by the LLEP.

Supplementary questions

Mr Hunt CC asked on the response to question 3 if there were any outcomes from the discussions with Charnwood Borough Council, for details of the update from the DIT and

whether a further update on discussions from the Economic Recovery Cell could be provided.

At the invitation of the Chairman, the Assistant Chief Executive responded and advised Member that on hearing about the situation at Brush, County Council Officers had made contact with both Charnwood Borough Council and the LLEP (Leicester and Leicestershire Enterprise Partnership) to check what steps were being taken to support the Company and affected employees and to see whether there was any support the County Council could provide. In those discussions, County Council officers were made aware that Ministers were fully aware of the developments at Brush and we were assured that the Department for BEIS and also the DWP were providing the support you would expect in this sort of situation. The Economic Recovery Cell being led by the LLEP was overseeing this activity and there was a meeting of that Cell due to take place in a week or so. The Assistant Chief Executive undertook to provide Mr Hunt with a written update following that meeting on the current state of play.

7. Urgent Items

There were no urgent items for consideration.

8. 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 a district and/or parish councils declared a personal interest in all items on the agenda so far as this was relevant.

Mr L. Phillimore CC declared a personal interest in agenda item 11 (Draft Overview and Scrutiny Annual Report 2020-21) so far as this referenced early years and SEND services as his wife worked in that field.

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

There were no declarations of the party whip.

10. Presentation of Petitions under Standing Order 35.

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

11. Annual Report on the Commercial Strategy

The Commission considered a report of the Director of Corporate Resources which provided an update on the performance of Leicestershire Traded Services during 2020/21 taking account of the impact that Covid 19 restrictions have had on these services. The report also sought the views of the Commission on future plans for recovery and growth. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

The Chairman welcomed Mr L. Breckon CC, the new Cabinet Lead Member for Resources, to the meeting.

In presenting the report the Director highlighted that:

- Last year had been unprecedented in the challenges faced by LTS. Staff had, however, been excellent in managing and mitigating the impacts of Covid 19 so far as this was possible. Services had been reshaped to reduce costs and to make them more resilient to respond to changing circumstances. This and the prudent use of furlough had helped ensure an almost cost neutral position for 2020/21.
- The Council had sought to redeploy staff where possible. Some had been redeployed to support work critical to the fight against Covid, such as test and trace activities.
- The provision of school meals had continued though in an adapted form. The Service had managed the provision of food vouchers and food parcels and had provided other services to schools, such as IT support, to ensure they could continue to operate safely and effectively.
- The Service had operated the Covid Winter Grants Scheme with over 47,000 grants having been issued to people in need during the winter period.
- 2021/22 would be a recovery year and whilst some improvements were already being seen, there were still challenges ahead as restrictions remained in place.

Arising from discussion, the following points were made:

- (i) Members welcomed the report and the analysis provided within the Appendix. However, the Commission requested that in future reports, to help Members understanding of how each service was performing, a breakdown of income across geographical locations be provided. Members suggested this would help identify where improvements might be needed or where closer scrutiny might be required.

Members further raised concerns about the lack of detail regarding forecasted returns. Focus on the Services' overall turnover was not regarded as sufficient to fully understand how the Service was performing given that profitability was a key factor. Particularly as the figures within the report also did not take account of capital finance costs. Whilst it was acknowledged that most services, such as school meals, had low capital costs, these were higher for services like Beaumanor Hall. Without these figures, Members felt it was not clear which services were profitable and performing well, and which were not.

The Director reported that managers information was being improved for operational purposes, acknowledging that more detail was necessary to support both them and members in overseeing the Services' performance. He undertook to provide further financial detail and a breakdown in terms of geographical location in the next annual report.

- (ii) An annual report had understandably not been provided last year. However, a member expressed disappointment that the performance figures for 2019 had not been included in the current update. It was suggested that the inclusion of such figures would have provided a more holistic picture of where the Service was pre-Covid compared to now.

- (iii) Members asked for clarification of the amount of money received from the Government to offset some of the costs of the Service during the year. The Director confirmed that several million pounds had been received through the Government's fees and charges scheme and its furlough scheme. It also received a cultural recovery grant of £250,000 which was used to carry out works to the Century Theatre whilst closed. The Director undertook to provide more detail on the amount received after the meeting.
- (iv) The catering contract secured with several schools in Luton had been entered into with caution, following appropriate due diligence and with an exit strategy put in place. The focus when entering into that contract had been on profitability. The Director confirmed the contract was making a profit as forecasted and the projection was that this would continue.
- (v) Members noted that the Council's Commercial Strategy included plans to seek growth not only in Leicestershire but also out of County to ensure the long-term sustainability and profitability of the Service. In terms of school meals, areas where it was known the profit margins would be sufficient (i.e. likely meet the target of an 8% return) were targeted. This generally meant city areas where there were high pupil numbers and a cluster of schools which would reduce overhead costs such as transport costs. The Director confirmed that generally, focus had been given to Leicester City and areas on the County's borders, though the Service would look more widely where appropriate.
- (vi) Whilst competition was increasing, the County Council's school meal service was doing well; in the region of £1m in income had been generated over the last three years. The Director emphasised, however, that whilst the County Council sought to generate a good return, it also sought to provide a high quality service and highlighted that the LTS School Food Team had been one of only two providers awarded gold standard by the Soil Association.
- (vii) Members were reminded that traded services and school meals had been the subject of two separate scrutiny review panels. Since then, with the support of Members, the Service had grown and, despite the set back of last year, had generated significant income for the County Council which had reduced the level of savings to be found elsewhere. The scrutiny review panel on school meals had identified that these were generally regarded as unsatisfactory, and the Service had since vastly improved its offer with satisfaction levels now being high. Members agreed that whilst the Service needed to be commercially competitive and generate profit, quality would also be important as a public sector provider.
- (viii) The business plan for Beacon Hill had been produced some years ago based on data available at that time. Since then, despite the café having been closed for part of the year, it had been busier than expected. Use of the facility had also altered with many people now preferring takeaway food, rather than eating in. The intention was to review the offer to better match current and expected future customer demand.
- (ix) A member enquired if increased use of take away rather than eat in services meant there had been an increase in waste and litter issues in country parks such as Beacon Hill. The Director reported that there had been an increase in litter last summer. However, park rangers and other volunteers had worked with the County

Council and carried out litter picking in those areas affected which had addressed the issue.

- (x) A member commented on the disparity in the location of country parks across Leicestershire and urged the County Council to look at its land holdings to see if it could secure a more equitable spread across the County. The member suggested that this had become a more evident issue during the pandemic as people's ability to travel outside their area meant not everyone had been able to enjoy these outdoor spaces. The Director agreed that country parks were predominantly located in the North West and middle of Leicestershire with little being located in the North or South. However, he emphasised that this was a historical issue outside of the control of the County Council and to open a new country park would be a very big undertaking. The Council would, however, look at any opportunities that came to light to redress the imbalance.

RESOLVED:

- (a) That the update now provided on the performance of Leicestershire Traded Services during 2020/21 taking account of the impact that Covid 19 restrictions have had on these services, be noted;
- (b) That future annual reports include more detail on capital costs and forecasted returns and provide a breakdown of income across geographical areas;
- (c) That the Director of Corporate Resource provide more detail on the specific amount received from Government which had offset some of LTS costs and loss of income.

12. Draft Overview and Scrutiny Annual Report 2020/21

The Commission considered the draft Overview and Scrutiny Annual Report which summarised some of the key highlights of scrutiny work undertaken during 2020/21. A copy of the report marked 'Agenda Item 11' is filed with these minutes.

Members supported the content of the report and requested that following its consideration by the County Council in July, a link to the report which would be published on the Council's website, be provided to all Members for wider circulation.

Members thanked officers and fellow elected Members across all tiers of local government for the exceptional work undertaken during the last year in responding to the pandemic. Members agreed that the work and dedication shown by all in supporting Leicestershire communities should be recognised.

RESOVLED:

- (a) That the draft Overview and Scrutiny Annual Report 2019/20 be approved for submission to the County Council on 8 July 2020;
- (b) That, following its consideration by the County Council in July, a copy of the Annual Report be provided to all Members for wider circulation.

13. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Commission would be held on 12th July 2021 starting at the earlier time of 10.00am.

10.30 - 11.38 am
09 June 2021

CHAIRMAN

The Police and Crime Panel update 2020-21

15

Agenda Item 8

Performance

- The Panel held 6 public meetings during 2020-21, each of these were by virtual means as permitted under section 78 of the Coronavirus Act 2020.
- The Panel continues to receive quarterly reports on the performance of the Leicestershire Police Force and also the Office of the Police and Crime Commissioner.
- 2020/21 has been an exceptional year with the pandemic and many crime types have generally seen a decrease since Covid particularly with the national lockdown from November 2020.

Q3 performance 2020/21

- **All Crime** - Dips in overall crime coincide with national lockdown changes with significant decreases in burglary offences, vehicle crime and shoplifting. The quarterly comparison shows a reduction in the total number of crimes recorded of 5.7% compared to the same quarter of the previous year.
- **Violence with Injury offences** during the quarter have decreased. However there is an increase of 16.2% when compared to the same quarter last year due to a change in the recording of Violence against the Person offences.
- **Violence without Injury offences** increased 5.7%.
- **Knife offences** - In the most recent quarter the number of knife offences has remained stable. The quarterly comparison shows a 14.8% increase in knife offences, however the figure remains very stable, with a visible decrease in December 2020.
- **Domestic Abuse offences** increased 30.7%. There was a significant reduction in domestic abuse offences in November 2019, since then the monthly volumes recorded have been increasing.
- **Burglary offences** decreased 27%
- **Hate offences** increased 50.2%

Precept and Budget

- At the Panel meeting on 27 January 2021 the Panel approved the Police and Crime Commissioners proposed precept and budget. The proposal was to increase the 2020/21 precept by £15.00 per annum (6.43%) for police purposes to £248.2302 for a band D property.
- Part of the budget proposals were that the total number of police officers within Leicestershire Police would be increased in 2021/22 by 88 officers, funded by the Home Office as part of the government uplift programme, with an additional 50 officers to be recruited supported through precept funds.
- The total cost of the Office of the Police and Crime Commissioner is £1.40m, which is a net increase of £70k from 2020-21. However £20k of that increase was due to external audit charges which was a national issue that increased costs for the year ahead for all Police and Crime Panels.
- 97.3% of the net budget requirement was allocated to the Chief Constable for use on local policing and regional collaborations.

Current position

- Elections in May 2020 were postponed until May 2021 and therefore the new Police and Crime Commissioner's term of office has been reduced to three years.
- On 6th May 2021 Rupert Matthews was elected as the new Police and Crime Commissioner (PCC) replacing Lord Bach who stood down at the end of his extended 5 year term.
- The PCC will be responsible for producing and consulting on a new Police and Crime Plan that sets out local policing priorities within the first year of his term of office.

Statutory Functions of the Panel

The Police and Crime Panel is a scrutiny body who's key purpose is to scrutinise and support the Police and Crime Commissioner in the effective exercise of their role.

Key functions of the panel are to:

- Review the PCC's Police and Crime Plan
- Review the PCC's Annual Report
- Confirm or Veto the PCC's proposed precept
- Confirm or Veto the PCC's proposed appointment of the Chief Constable
- Review certain senior appointments made by the PCC by holding public confirmation hearings



Adding value as part of and beyond the statutory role

Panel Members have continued to:

- Review and scrutinise strategic and funding decisions made by the PCC and challenge how they are holding the Chief Constable to account.
- Make and publish recommendations about actions and decisions taken by the PCC.
- Receive regular updates from and challenge the PCC on matters of current interest and concern.
- Attend training, conferences and liaise with Panels both regionally and nationally to understand the national picture for PCC's and sharing best practice, such as attending the Annual Conference of Police (Fire) and Crime Panels, as well as plenary sessions and policy seminars facilitated by virtual means.

This page is intentionally left blank



SCRUTINY COMMISSION – 12TH JULY 2021

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

2020/21 PROVISIONAL REVENUE AND CAPITAL OUTTURN

Purpose of the Report

1. The purpose of this report is to set out the provisional revenue and capital outturn for 2020/21.

Policy Framework and Previous Decisions

2. The County Council approved the 2020/21 to 2023/24 Medium Term Financial Strategy (MTFS) in February 2020. The key aim of the Strategy is to ensure that the Authority has appropriate resources in place to fund key service demands over the next few years. The Strategy includes the establishment of earmarked funds and the allocation of ongoing revenue budget and capital resources for key priorities.
3. The Cabinet on 22nd June 2021 received a copy of a report setting out the provisional revenue and capital outturn for 2020/21. The Cabinet noted the revenue and capital outturn positions and prudential indicators, and approved the use of the net revenue underspend of £9.9m to fund additional commitments.

Overall Position

Revenue Outturn

4. A summary of the revenue outturn for 2020/21, excluding schools grant, is set out below:

	£000
Updated budget	389,865
Provisional outturn	415,813
Net overspending	25,948
Less additional income	-35,859
Net Underspend	-9,911
Additional Commitments	9,911
Net Position	0

5. Overall there has been a net underspending of £9.9m, which will be used to meet additional commitments detailed later in the report.
6. The 2020-24 MTFS was balanced for 2020/21 and 2021/22, with a gap by 2023/24 of £39m. The additional pressures from Covid-19 have affected the 2020/21 budget but government support and local actions have allowed the position to be managed. However over the medium term the position is only manageable by additional savings and increases in Council Tax. This is a particularly difficult situation for a low-funded authority such as Leicestershire as room for further savings is limited.
7. The County Council has faced a range of uncertainties during 2020/21 that have been far higher than in a usual year, including:
 - Time until normality returns following the Covid-19 pandemic and impact of further lockdowns
 - National Living Wage annual increases
 - DfE commitment to covering SEND (Special Educational Needs and Disabilities) costs
 - Economic influences on service demand and service contributions
 - Tax income (Referendum limits and ability to pay)
 - Commercial / Corporate Asset Investment Fund income
 - Level of pent-up demand
 - Expectations of service provision changed, such as standard of infection control
 - Potential for fundamental change in the Care Home market
 - Capital cost uncertainty / Covid-19.
8. The cost control and related measures that were introduced for the additional costs of Covid-19 have had a significant positive impact.
9. The General Fund stands at £17m as at 31st March 2021, which represents 4.3% of the 2021/22 revenue budget, in line with the County Council's earmarked funds policy and the MTFS approved in February 2021. It is planned to increase the General Fund to £21m by the end of 2024/25 to reflect increasing uncertainty and risks over the medium term and the growth in the County Council's budget.
10. In the 2021-25 MTFS the savings requirement totals £80m, of which £23m still needs to be identified. There are uncertainties in the medium term due to the continuing impacts of Covid-19 on the economy affecting income from local taxation and future central government funding, and the impact on services through changes required for Covid-19.
11. 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 hoped that the County Council should receive more funding as a result of the Fair Funding Review, there is no certainty of this, especially given the wider economic impact of the pandemic. Therefore the MTFS does not include any provision for any additional funding.

Capital Outturn

12. A summary of the capital outturn for 2020/21, excluding schools devolved formula capital, is set out below:

	£000
Updated budget	145,563
Less provisional outturn	105,005
Net Variance	-40,558

13. Overall there has been a net variance of £40.6m compared with the updated budget. This includes net slippage of £38.8m and a net underspend of £1.8m. The net slippage will be carried forward to 2021/22 and future years to fund schemes that were not completed in 2020/21, with the net underspend added to the capital financing earmarked fund.
14. There are indications that the costs of some existing capital schemes are likely to increase (and work is being undertaken to quantify this). Coupled with the wider national picture of increases in the price of construction materials and shortage of construction skills due to, for example, HS2, a review will need to be undertaken over the summer to understand how to deal with the affordability implications. This fits with the ongoing concern regarding the significant financial risk associated with the requirements of infrastructure growth in Leicestershire. Some of the issues being faced may be temporary, but some degree of rationing is likely.
15. Details of the variances and key projects delivered in 2020/21 are included in the report.

DETAILS - REVENUE

16. Appendix A shows the provisional outturn position for 2020/21. 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.
17. The overall net underspend is £9.9m, which has been allocated to a number of additional commitments.
18. The position has improved from a £4.1m underspend reported at period 10. The main changes relate to:
- Adult Social Care - (£1.7m) reduction in the required provision needed to cover non recovery of advance payments from providers due to Covid-19. By year end the average amounts outstanding equate to approximately 4 weeks of payments which are being repaid via instalments or reducing ongoing payments to providers.
 - Environment and Transport - (£1.8m) increase in the underspend on Special Education Needs Transport, due to the difficulties in forecasting arising from the uncertainties related to the take up of travel due to Covid-19.

- Environment and Transport - (£0.9m) increased in underspend across Social Care, Fleet, and Mainstream school transport – arising from an extended period of lower usage due to the January to March Covid-19 lockdown.
- Corporate Resources - Net change of +£1m; reduction in funding drawdown from earmarked funds from the Transformation Fund £3m (general Covid-19 grant used instead), and £1.2m underspend on ICT due to lower than estimated demand for End User Devices for Covid-19 working and staffing vacancies following a restructure.
- Central Grants and Other Income (£1.1m) increased income – additional interest received on private debt investments, and prior year adjustments arising from a review of older purchase orders no longer required.

19. Appendix B gives details of significant variances by departmental revenue budgets for 2020/21.

Children and Families – Schools Budget

20. The overall school budget shows a net £7.0m overspend. This comprises an overspend of £10.4m on the High Needs block and a net underspend of £3.4m on the Schools and Early Years blocks. A separate report on this from the Director of Children and Family Services is also on the agenda for this Cabinet meeting.
21. Nationally concern over the impact of Special Educational Needs and Disability (SEND) reform on High Needs expenditure and the financial difficulties these place on local authorities continues. The position in Leicestershire reflects the national picture.
22. The SEND capital programme is developing additional specialist places with the aim of reducing the reliance on expensive independent sector provision. During 2019/20 a number of these bases welcomed their first cohort of students, with places continuing to be filled during the 2020/21 academic year. The increase in demand, however, has resulted in these places being filled with new pupils and limited the ability to offer places to pupils currently within the independent sector. Due to set-up costs the full financial benefit of the programme will not be seen until future years.
23. The accumulated High Needs deficit at the end of 2020/21 is £17.5m taking account of a £7.1m deficit carried forward from 2019/20.
24. The Department is implementing a number of actions that could, over the course of the MTFs, reduce demand and therefore the overall deficit through the High Needs Development Plan.
25. In March 2021, five councils with DSG deficits secured deals with the Department for Education (DfE) providing them with almost £100m to cover long standing Special Educational Needs and Disability (SEND) deficits. DfE has said it will provide additional funding towards eradicating historic SEND deficits for Stoke on Trent City Council, Richmond upon Thames, Kingston Upon Thames and Hammersmith & Fulham LBCs and Bury MBC should they meet the milestones set out in DSG recovery plans, all of which are facing exceptionally high dedicated

school grant (DSG) deficits. In return, these councils have agreed to make reforms to their SEND services and meet strict savings targets.

26. Overall DSG deficits for these Councils all exceed 10%. The highest for 2020/21 is Kingston at 16.9% and 18% for 2021/22. Leicestershire is way down the table on this with a DSG deficit of 0.8% in 2020/21 and 1.8% in 2021/22. For Leicestershire to hit a 10% threshold, if indeed that was the limit, it would need a DSG deficit of £53.2m for 2020/21 and £57.8m in 2021/22.
27. The Government has yet to complete its review of the SEND system. The risk remains that the reforms could in fact exacerbate the situation.
28. Schools growth 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. There is a £3.3m underspend on this budget which will be transferred to the DSG earmarked fund to fund pupil growth in future years.

Children and Families – Local Authority Budget (Other)

29. There is a net overspend of £3.8m (4.5%). The key factors are described in the following paragraphs.
30. Operational Placements - £2.9m overspend. There has been an 8% increase in the costs relating to Looked after Children (LAC), from the March 2020 position. Whilst the growth built into the MTFs was based on a 14% increase, there has been an increase in unit costs based on the current cohort of children and new placements coming into the system in comparison to projected unit costs made at the time of the preparation of the MTFs. For example, current average weekly external residential unit costs to social care is £4,200 per week compared with a £3,500 per week assumption built into the MTFs growth, an increase of 20%. This increase in average weekly cost exceeded the benefit of lower than budgeted LAC children than originally estimated.
31. Likewise, similar trends were seen across external 16 plus and Independent Fostering Agency (IFA) placements; 16 plus current average weekly unit costs increased to £1,550 compared with £1,000 built into MTFs assumptions, an increase of 55%. IFA current weekly average costs increased to £850 compared with £790 built into MTFs assumptions, an increase of 7.5%.
32. Changes to case law and court directives have had a significant adverse impact on the current budget situation. For example, regarding parent and child placements, the new standard is that there must be a high standard of justification shown by a local authority seeking an order for separation, requiring it to inform the court of all available resources that might remove the need for separation. There are a higher level and increasing number of parent-baby placements entering the system. To date there has been no available in-house provision to meet this demand and so IFA/residential searches are required. If IFAs do not offer a placement, then the court will want to know if there are residential placement offers. An offer from a residential placement will indicate that that

provision is able to safeguard the child, keeping parent-child together and hence meeting this new court directed standard.

33. Investment in in-house provision will start to address some of the pressures outlined above. In March 2020, Cabinet approved £2.5m investment to procure 4 properties to provide additional in-house placements for parent and child and under and over 16 placements as well as an Assessment and Resource hub and this provision is currently being developed.
34. Children's Social Care Staffing - £1.7m overspend. The MTFs had identified growth for the number of staff roles across various service areas based on current demand and need. A number of those roles had been filled with agency workers, given the current challenges around recruitment and retention within social care. Prior to Covid-19, plans had been in place for an intense recruitment drive to help reduce the need for agency workers. However, the pandemic severely disrupted those plans and also required short term reactive measures which involved having to increase workforce capacity to allow for service continuity across statutory services. This subsequently meant such increased capacity had to be met from the agency market at an increased cost. In addition, whilst there have been positive recruitment drives for social workers, a number of new recruits are newly qualified and therefore need to be supported by more qualified social workers in the short term, and unfortunately based on the current demand for qualified experienced social workers, this is also having to be met from the agency market.
35. Supporting Leicestershire Families (SLF) - £1.5m overspend. There is ongoing uncertainty around the continuation of government grant funding for this service. The Spending Review only announced the continuation of the Troubled Families grant (TFG) funding for one year only, 2021/22. To avoid the potential detrimental impact on the service and given the overall net projected underspend for 2020/21, the planned contribution from the SLF earmarked fund for 2020/21 was removed, leaving a higher fund balance to offset the potential that TFG funding will not be extended into 2022/23.
36. Social Care legal costs - £0.9m overspend. There has been an increased volume of new court proceedings being issued, some of which have been very complex, leading to increased costs.
37. Vacancy Management - £1.4m underspend. A planned and measured vacancy management process has been in place across service areas for all non-critical and non-essential job roles for most of the financial year. This directive was in response to the financial pressures across social care and minimised the risk of incurring any non-essential spend. The measures were kept under continual review to ensure the impact on service delivery was kept to a minimum.
38. Asylum Seekers - £1m underspend. Increased Home Office funding rates for this financial year has resulted in a reduced financial pressure on this budget. In addition, the Home Office has very recently agreed to fund and backdate costs for a number of Unaccompanied Asylum-Seeking Children (UASC) for which otherwise it had been assumed no further financial support would be received. In addition, the Council has received DfE funding to reflect some of the additional

costs across this budget area due to the impact of Covid-19. It should be noted that the original budget totalled £2.4m of which £1.5m is funded by the Council and that after the net underspend of £1m, a balance of £0.5m has had to be met by the Council.

Adults and Communities

39. The Department has a net underspend of £5.9m (3.9%). The main variances are reported below.
40. There has been a significant financial impact due to Covid-19 on adult social care which includes making additional payments in the region of £29.2m to care providers to cover additional costs (£3.5m), assistance with cashflow (£11m) which is being repaid by providers, passporting the Infection Control Fund Grant (£12.6m), Rapid Testing Grant (£1.2m) and Workforce Capacity Grant (£0.9m).
41. Other additional Covid-19 expenditure of £0.8m includes supporting shielding, PPE purchases for council services, supporting the management of Covid-19, and food packages for service users being discharged from hospital.
42. These and other additional service user costs (including loss of income) are offset by income of £16.8m from the NHS to support service users being discharged from hospital and £4.5m underspend from staffing, overhead and other budgets mainly due to managing level of staffing vacancies across the department. £1.1m additional Better Care Fund grant was received for social care protection. An additional contribution was received from the NHS CCGs towards the social care costs incurred of £7.3m which enabled some underspends to be placed into an earmarked reserve to support Health Integration projects.
43. The level of demand from the service users for commissioned services is constantly changing with lower numbers for some services and increased costs. As the approach Covid-19 management changes nationally, the impact of all of these changes are being monitored and are continuing to make accurate forecasting of demand for commissioned services very challenging.

Public Health

44. The Department is on budget. There are underspends of £1.3m, mainly due to reducing numbers of health checks to a targeted provision (£0.4m) and reduced demand for sexual health services (£0.9m). The net underspend has been contributed to the Department's earmarked fund for future Public Health programmes.

Environment and Transport

45. There is a net underspend of £6.6m (7.9%).
46. Transport budgets show a net underspend of £4.6m, including underspends of £2.6m on SEN Transport, £0.7m on Social Care Transport, £0.6m on Mainstream

School Transport and £0.6m on Fleet Transport, mainly due to the reduction of services during the Covid-19 pandemic.

47. The Highways Design and Delivery budget is underspent by £1.6m. This is related to additional recharges to capital due to additional funding received for 3 schemes, and vacant posts. Due to Covid-19 recruitment has been slowed and full recruitment for services will continue to be impacted, although any benefit is likely to be offset by additional spend relating to agency staff.
48. The Highways and Transport Network staffing and administration budget is underspent by £0.7m, due to additional fee income (£0.5m) and an underspend on staffing from removing agency staff and creating permanent posts (£0.2m).
49. Waste Management shows a net overspend of £0.4m. The impact of Covid-19 has led to overspends of £1.4m on Landfill and £0.3m on Dry Recycling. These are offset by underspends including £0.6m on Treatment Contracts, £0.4m on staffing and administration, due to staff vacancies and £0.3m on the haulage and waste transfer budget.

Chief Executive's Department

50. The Department has overspent by £1.7m (14.1%) which is mainly due to the Covid-19 Community Grant scheme (£1.6m).
51. There is also an overspend of £0.6m on Legal Services, due to temporary posts agreed for Covid-19 and Adults and Communities additional work, the use of locum resources to cover vacant posts and reduced income from internal recharges and earmarked funds. Savings of £0.4m have been made relating to staff vacancies elsewhere in the Department.

Corporate Resources

52. There is a net overspend of £6.3m (18.7%).
53. Transformation Unit - £3.3m overspend, mainly due to reductions in planned contributions from the earmarked fund as the team and some projects to be funded from the fund, have been diverted to supporting the Council in responding to the impact of Covid-19 on services. So instead these can be funded from the general Covid-19 grant. As a result the forecast shortfall on the Transformation earmarked fund will be improved to continue to fund work to achieve new savings required in the new MTFs and continue work in responding to changes required by Covid-19. Redundancy costs are also paid from the fund and following the withdrawal of the Government's cap on exit payment these will be higher than had been anticipated.
54. Commercial Services - £1.8m overspend. This is primarily related to Covid-19. Commercial Services faced significant challenges during 2019/20 resulting in a budget overspend. Difficult trading conditions continued in 2020/21 and were seriously compounded by the lockdown forcing the scaling back or temporary closure of a number of commercial services, primarily school food. Options are

being developed to address continuing operational losses and develop an optimum portfolio of commercially sustainable services going into 2021/22. This may result in some services discontinuing. The overspend is net of £2.4m furlough income and £1.1m of Sales, Fees and Charges compensation income from MHCLG.

55. Corporate Asset Investment Fund - £1.4m overspend. Operational schemes have performed very strongly with minimal disruption to rent collection and the continued reduction in voids. However, the new developments at Airfield Farm and Loughborough University Science Park were delayed by Covid-19, affecting rental income and setting aside contributions towards a sinking fund for future improvements. The income is expected to recover in 2021/22.
56. Information and Technology - £1.1m overspend, due to £1.5m spend incurred on ICT equipment and software to support working from home during the lockdown period, offset by savings on vacant posts held pending action plans and delays to recruitment as a result of Covid-19.
57. Strategic Property - £0.4m underspend, mainly relating to staffing, arising from a delay due to Covid-19 in recruitment to vacant posts following a staffing review.

Central Contingencies / Central Items

58. Given the level of uncertainty around the financial risks that the Council faces, the MTFS risk contingency of £4m has been transferred to the Budget Equalisation earmarked fund.
59. A balance of £2.2m remaining on the inflation contingency and has been transferred to earmarked funds. £1.9m has been transferred to the Budget Equalisation earmarked fund to provide additional funds to offset potential increased costs from the 2021/22 local government pay negotiations, and £0.3m has been transferred to Insurance earmarked funds to provide funding for increasing premium and self-insurance costs.
60. Revenue Funding of Capital – additional costs of £5.4m. This includes an estimate of £3.4m to cover the shortfall on actual capital receipts in 2020/21 (see later in the report – these are expected to be repaid but multiple years delays), and £2m added to the capital financing fund towards additional costs of Covid-19 on the capital programme in the future.
61. Other items (including prior year adjustments) show a net underspend of £0.7m mainly due to a review of prior year open purchase orders and other liabilities that are no longer expected to be incurred.
62. The budget assumed a requirement to increase the General Fund by £11m to cover the forecast deficit in High Needs funding. That amount has been set aside in the Budget Equalisation earmarked fund.

Central Costs of Covid-19

63. Given the significant uncertainty in the current financial year, a provision of £5.5m was made. A total of £1.5m was used to fund the additional costs of the Fit for the Future project (for back office services) caused by the delay to the planned go live from April 2020. At year end the balance of £4m was set aside in the Covid-19 Budget earmarked fund for Covid related work in future years.
64. The County Council's precepts for Business Rates and Council Tax were collected in full during 2020/21. However, the actual amounts of both income streams received by the district councils during 2020/21 was affected by Covid-19 from a rise in unemployment, reduced numbers of new properties and businesses unable to pay business rates. An initial estimated loss of £15m had been calculated at period 6 based on an overall reduction of 5% which will affect the income available to the County Council when setting future years' budgets. Since then the Government has announced that Councils will be compensated for up to 75% of council tax and business rates income lost as a result of the pandemic. In addition, the Government has extended the furlough scheme from the original end date of 31st October 2020 to the end of September 2021 which reduced the estimated income loss, but detrimental impact in future years is expected. The Government scheme does not compensate for shortfalls in collection performance limiting the benefit received. This resulted in an updated estimated provision of around £5m. As this relates to 2020/21, it is prudent to set aside this funding in this year to offset the anticipated future impact and the amount has been added to a new earmarked fund.

Covid-19 Grants

65. The County Council has received four tranches of Covid-19 general grant from the Government, totaling £34.5m (or on average 0.75%) out of a national total of £4.6bn.
66. The County Council has continued to make claims from the Government's furlough scheme. A total of £3m has been claimed during 2020/21.
67. The Council has also accessed funding from the Government's Sales, Fees and Charges (SPC) scheme during 2020/21, which provides grant support for 75% of losses due to Covid-19. A total of £2.4m has been claimed for 2020/21 and has been credited to departmental budgets to offset the relevant losses incurred.
68. During 2020/21 the Council has also received other specific Covid-19 grants of £43m, which have been used in departments to fund specific Covid-19 initiatives and offset relevant expenditure. These include Contain Funding £18m, Infection Control £13m, Test and Trace £2.3m, and Lateral Flow Test £1.7m.

Business Rates

69. Additional Business Rates income of £1.4m has been received. Retained business rates were £0.4m higher than budgeted. Section 31 grants, to compensate for discounts awarded nationally by Government, were £0.5m higher.

Additional funding of £0.5m arising from the 2019/20 Business Rates Pilot was received and was used as additional revenue funding of capital.

70. The position on the 2020/21 Leicestershire Business Rates Pool is estimated to be £8m. The final position will be based on returns to be submitted by the billing authorities to the Government by the end of June 2021. The Cabinet will be updated on the position when details are available. The surplus is transferred to the Leicester and Leicestershire Enterprise Partnership (LLEP).
71. Due to the success of the Business Rates Pool a total of £40m 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.
72. Due to the position in 2020/21 the Pool has continued in 2021/22. Initial estimates suggest a similar level to the 2020/21 position, but the continuing impact of Covid-19 on business rates income and interventions made by Government make the position difficult to forecast.

Overall Revenue Summary

73. Overall, there is a net underspend of £9.9m. This will be used to fund the following additional spending requirements:
 - Highway priorities £5m – enhanced highway maintenance, community speed management, and member highways fund (the subject of a separate report on the agenda for this meeting).
 - Funding for SEND £2.4m – additional capital investment.
 - Contribution to Transformation earmarked fund £2.2m – continue investment to achieve new savings required in the MTFS.
 - Leicester Cathedral £0.35m – to conclude the reordering of the Cathedral. Leicester City Council will also contribute the same amount.

General Fund and Earmarked Funds

74. The uncommitted General Fund balance as at 31 March 2021 stands at £17m which represents 4.3% of the 2021/22 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.
75. The total level of earmarked funds held as at 31 March 2021 total £156m, comprising those held for revenue purposes of £91m and capital of £65m. In addition funds are held on behalf of schools (£11m deficit) and partnerships (£11m). Earmarked funds are shown in detail in Appendix C. The main earmarked funds are set out below.

Renewals of Vehicles and Equipment (£4.2m)

76. 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.

Corporate Asset Investment Fund (£1.2m)

77. These are funds generated from the Corporate Asset investment Fund and are used for improvement works included within the Fund.

Insurance (£13.8m)

78. Earmarked funds of £8.6m 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.

79. 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

80. 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. Given ongoing uncertainty around the continuation of government grant funding for this service, the planned contribution from the SLF earmarked fund for 2020/21 was removed, leaving a higher fund balance to offset the potential removal of TFG funding in 2022/23.

81. Children and Family Services Developments (£1.2m). This 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

82. Adults and Communities Developments (£5.6m). 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.

Public Health

83. Public Health (£1.8m) – to fund Public Health initiatives within Leicestershire.

Environment and Transport

84. Commuted Sums (£3.2m). 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.
85. Leicester and Leicestershire Integrated Transport Model (LLITM) (£2.1m). 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.

Corporate

86. Transformation Fund (£9.2m). 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.
87. Broadband (£2.4m). 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.
88. Budget Equalisation (£24m) – earmarked fund to manage variations in funding across financial years. This includes the increasing pressures on the High Needs element of the Dedicated Support Grant (DSG) which is in deficit by £17m at the end of 2020/21. The Children and Family Services Department is investigating a number of actions that could over the course of the MTFS to reduce demand and therefore the overall deficit.
89. Covid-19 Council Tax and Business Rates (£5m). Earmarked fund to meet estimated income reductions due to Covid-19.
90. Covid-19 Budget (£4.5m). Funding set aside to deal with potential Covid-19 pressures in future years. This is in addition to the provision made in the MTFS for 2021/22. This funding is to allow the financial position to be managed without taking knee jerk actions. If some of the funding is not required, it can be directed towards other priorities such as the capital programme.

91. Covid-19: Tax Income Guarantee (TIG) compensation (£2.3m). The Government will meet 75% of some elements of reduced council tax and business rates income collected in 2020/21. That grant needs to be reflected in the 2020/21 accounts and set aside in an earmarked fund.
92. Pooled Property Fund(s) (-£23.6m). 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, total investment £25m. 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. The Council also holds investments in Private Debt funds, which include a cumulative unrealised gain of £1.4m, this is offset within the £25m.

Capital

93. Capital Financing (£89.2m). 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 2020/21 and proposed additional funding at year end for Highways Initiatives and SEND investment explained earlier in the report. In addition, when funding actual capital expenditure, and 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.

Other / Partnerships Earmarked Funds

94. Dedicated Schools Grant (deficit of £11.1m). 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
31-3-20	3.2	-0.2	-7.1	-4.1
Changes 2020/21	3.3	0.1	-10.4	-7.0
31-3-21	6.5	-0.1	-17.5	-11.1

95. 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.

96. Health and Social Care Outcomes (£8.9m) used in conjunction with Health partners across Leicestershire. The balance includes a transfer in from Health of £7.3m at year end.
97. Leicestershire and Rutland Sport (£1.4m). 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

98. The updated capital programme for 2020/21 totals £146m, including net slippage of £29m from 2019/20.
99. A summary of the capital outturn for 2020/21, excluding schools devolved formula capital, is set out below:

Programme Area	Updated Budget £000	Actual Expenditure £000	Net Variance £000	%
Children and Family Services	35,793	23,652	(12,141)	66%
Adults and Communities	10,183	8,870	(1,313)	87%
Environment and Transport	64,466	47,559	(16,907)	74%
Chief Executive's	890	551	(339)	62%
Corporate Resources	9,798	6,913	(2,885)	71%
Corporate Programme	24,433	17,460	(6,973)	72%
Total	145,563	105,005	(40,558)	72%

100. 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.	(513)	513	(12,900)	759	(12,141)
Adults and Communities	0	0	(1,559)	246	(1,313)
Environment and Transport	(80)	11	(18,787)	1,949	(16,907)
Chief Executive's	0	0	(387)	48	(339)
Corporate Resources	(1,889)	403	(2,912)	1,513	(2,885)
Corporate Programme	0	50	(7,887)	864	(6,973)
Total	(2,482)	977	(44,432)	5,379	(40,558)
	Net Underspend	1,505	Net Slippage	39,053	

101. The net underspend of £1.5m has been added to the capital financing earmarked fund to reduce the level of internal borrowing required for the new MTFs capital programme. The net slippage of £39.1m has been carried forward to the capital programme 2021-25 to fund delayed projects.

102. 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.
103. Appendix E compares the provisional prudential indicators with those set and agreed by the Council, at its budget meeting in February 2020. These are all within the limits set.
104. A review of the 2021-25 capital programme will be undertaken during the summer 2021 in light of delays to project delivery and emerging financial pressures on large capital projects due to increasing costs of raw materials and increased demand for delivery partners with the required specialist skills for major projects given competition from large national infrastructure initiatives, especially HS2. An updated capital programme will be reported to the Cabinet in September or October.

Children and Family Services

Key Projects Delivered

105. Creation of additional school places successfully completed projects at 9 different schools. 700 new Primary school places and 160 new Secondary school places were delivered. The SEND programme saw the completion of several schemes to support the High Needs Development Plan. Six new units for pupils with either social, emotional and mental health (SEMH) needs, or communication and interaction (C&I) needs were delivered, alongside the delivery of a Post-16 Centre and two new special schools Foxfields Academy (50 place SEMH School) and Fusion Academy (80 place C&I School) completed during 2020/21.

Main Variances

106. The year-end position shows a net variance of £12.1m compared with the updated budget. The main variances are due to slippage on:
- the provision of Primary Places £8.0m due to complex schemes involving several parties, an area that is implementing age range change and the rejection of a planning application,
 - SEND Programme £2m due to delays in identifying sites and a revision of a legal agreement,
 - Strategic Capital Maintenance £1.1m and
 - The timing of the Assessment & Residential Multi-Functional Properties £0.9m slipped by a few months into the current financial year.
107. Additional costs totalling £0.5m have occurred during the year, mainly in relation to the SEND capital programme. This is due to pressures from increasing demand, particularly for specialist equipment within the SEND programme. These have been offset by savings elsewhere across the programme.

Adults and Communities

Key Projects Delivered

108. Social Care Investment Plan (SCIP) – investment of £3m across several properties, including purchase and refurbishment works. Additional works are planned to take place in 2021/22. These sites will provide new accommodation for both transitions and supported living service users.

Main Variances

109. The outturn shows a net variance of £1.3m compared with the updated budget. The main variance is due to slippage on the Hamilton Court/Smith Crescent properties in North West Leicestershire Development of £1.1m pending a review of costs.

Environment and Transport

Key Projects Delivered

110. A total of £21.7m has been spent on the preparation and delivery of major projects in 2020/21, including:

- M1 J23/A512, £13.5m – 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 2020/21 with a completion on site anticipated in June 2021.
- A46 Anstey Lane, £3.0m – the detailed design and construction of improvements to ease congestion and mitigate the Aston Green housing development commenced in 2017/18 and completed in 2020/21.
- Lutterworth East - £0.6m 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, £2.5m – the project to build the distributor road to the north and 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 spring 2022.
- A511 Major Road Network scheme, £0.7m - 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 Spring 2026.
- Waste Transfer station, £0.3m – to provide greater resilience for waste disposal activities across the County and reduce reliance on landfill which have a negative environmental impact. During 2020/21 significant progress on preparatory work was made with a completion on site anticipated in spring 2022.

111. A total £21.6m was also invested in Highways Asset Maintenance,

- £17.3m on carriageways

- £2.0m on footways and rights of way
- £1.0m on bridge maintenance and strengthening
- £0.6m on street lighting maintenance
- £0.4m on flood alleviation
- £0.1m on traffic signal renewal
- £0.2m on other activity including joint sealing.

112. A programme of works at the Recycling and Household Waste Sites (RHWS) has continued to ensure ongoing environmental compliance and efficient service provision. This included significant improvements and a range of preparatory work in readiness for further site enhancement and development in 2021/22.

Main Variances

113. The year-end position shows a net variance of £16.9m compared with the updated budget.

114. The main variances are:

- M1 Junction 23 / A512, £3.6m 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.
- Highways Capital Maintenance Schemes £2.7m slippage - due to challenge fund being provided mid-year and whilst all efforts were made to complete these schemes before the year-end they will not be done until early 2021/22. In addition due to traffic concerns at the East Midlands Airport from the effects of Brexit, a programme near this area had to be postponed and some slippage relating to less work design work being completed for major schemes this year but schemes are still progressing and this will be needed in the future.
- A511 Major Road Network £2.0m slippage – due to delays with surveys which delayed the planning process this then impacted on engaging with contractors and the procurement of works taking longer than anticipated.
- County Council Vehicle Programme £1.5m slippage - due to a process being reviewed with consultants under Fleet Management Review project, therefore the only spend was on replacing essential vehicles.
- Hinckley Hub (National Productivity Investment Fund) £1.3m slippage - due to Covid-19 restriction, with completing trial holes which are needed to be undertaken before construction work and finalising land purchase. In addition, there was a delay in obtaining the licence to access third party land to complete the trial holes and also due to disputes on potential contaminated materials and liability which delayed the land purchase.

Chief Executive's

Key Projects Delivered

115. 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.

Corporate Resources

Key Projects Delivered

116. Investment in the ICT infrastructure of £0.7m:

- Completion of Local Area Network Edge Refresh
- Adaptive Security Appliance Firewall Replacements
- Cyber security mitigations

117. As a direct response to Covid-19 laptops were issued across the workforce to enable people to work safely and effectively from home during government restrictions. Costs of £2.5m were incurred, representing an acceleration of the existing programme whilst paving the way for a much more ambitious roll out of future Ways of Working than previously anticipated.

118. A further £3m has been spent on delivering the Snibston Masterplan, which included works to the children's play area and café on the former Snibston Discovery site. A heritage and mountain bike trail was installed at the County park, together with a cycle path leading to the town centre.

Main Variances

119. The year end position shows a net variance of £2.9m compared with the updated budget.

120. The main variances relate to cancellation of the Watermead Country Park new footbridge, £0.5m.

121. Snibston Country Park Future Strategy land remediation works will now be carried out by the end user and not form part of the scheme resulting in an underspend of £1.6m and slippage on the Workplace Strategy £0.7m due to delays in the works starting at Pennine House and Parkside as a result of COVID-19.

122. The outturn included a £0.4m overspend on development works at Melton, Sysonby farm. The original scheme included grant funding from Homes England. However, following a review of the grant conditions which imposed a requirement to pay Homes England a larger proportion of future receipts from the sale of the site than what could be achieved if the Council funded the works and sold it itself, it was agreed not to accept the grant offer.

Corporate Programme

Key Projects Delivered

123. During 2020/21 the following investments were made as part of the Corporate Asset Investment Fund:

- £11.4m land acquisition and associated costs for planning and consultancy services as part of the East of Lutterworth Strategic Development plan.

- £5.4m for the final phase of works at Loughborough University Science and Enterprise Park (part of a £22m project).

Main Variances

124. The year-end position shows a net variance of £6.9m compared with the updated budget.

125. The main variances relate to:

- Future Developments – £6.6m slippage as schemes were not suitably advanced to require funding. During 2020/21 £5.9m of the fund was used as forward funding of developer contributions towards the Environment and Transport M1 Junction 23 scheme. These will be repaid to the fund in future years.
- Airfield Farm Scheme - slippage of £0.6m. The framework tender was completed which resulted in only two contractors tendering significantly in excess of the budget and a further procurement exercise is taking place.

Capital Receipts

126. The target for new capital receipts for 2020/21 was £4.5m. The actual receipts received were £1.2m, a shortfall of £3.7m. The shortfall is primarily due to discussions with the departments for possible part usage on two sites. The shortfall in 2020/21 will be met from Revenue Funding of Capital as described earlier in the report.

Capital Summary

127. Overall £105m was invested in capital projects in Leicestershire during 2020/21.

128. Overall spend was less than budget by £40.6m. A review of the 2021-25 capital programme will be undertaken during the summer 2021 and reported to the Cabinet in September or October.

Corporate Asset Investment Fund

129. A summary of the Corporate Asset Investment Fund (CAIF) position for 2020/21 is set out below:

Asset Class	Opening Capital Valuation	Capital Incurred 2020/21	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	46,477	5,415	203	52,095	0.4%	2,420	1,268	2.4%
Industrial	12,419	295	-101	12,613	-0.8%	1,320	1,001	7.9%
Distribution	456	0	1	457	0.2%	-3	13	2.8%
Development(N1)	39,464	11,557	-1,265	49,756	-2.5%	0	-68	-0.1%
Rural (N2)	22,522	193	5,745	28,460	25.3%	475	131	0.5%
Other(N3)	4,413	0	275	4,688	6.2%	158	262	5.6%
Pooled Property	24,849	0	-544	24,305	-2.2%	1,000	872	3.6%
Private Debt(N4)	20,276	-3,972	336	16,640	2.1%	1,000	1,088	6.5%
TOTAL (N5)	170,876	13,488	4,650	189,013	2.5%	6,370	4,568	2.5%

(N1) Opening Valuation updated for transfer of LUSEP from Development to Office class in 20/21, £19.3m. Bardon interlink site has been revalued down by £1.3m due to change of use from industrial development to a waste transfer station.

(N2) Includes £5m uplift in valuation of a farm based on an agreed sale price post year end – change of use.

(N3) includes vehicle showroom.

(N4) principal repaid in 20/21 totalling £4.0m, investment is in distribution phase

(N5) Net income includes a £0.3m sinking fund provision and £0.3m bad debt provision

130. During the year, the fund generated net income returns of £4.6m, or 2.5%. If the development classification was excluded, the return would increase to 3.1%.

131. Overall the fund incurred a net capital valuation gain of 2.5% for 20/21 (not cash). Returns were lower than normal due to a general deterioration in rental yields in the property sector caused by Covid-19. 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.

Background Papers

Report to the County Council – 19th February 2020 – Medium Term Financial Strategy 2021-25. <http://politics.leics.gov.uk/documents/s151410/MTFS%202020-24.pdf>

Report to the Cabinet – 22nd June 2021 – 2020/21 Provisional Revenue and Capital Outturn <http://politics.leics.gov.uk/documents/s161900/20-21%20MTFS%20prov%20outturn.pdf>

Circulation under the Local Issues Alert Procedure

None.

Equality and Human Rights Implications

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

Appendices

Appendix A - Comparison of 2020/21 Expenditure and the Updated Revenue Budget

Appendix B - Revenue Budget 2020/21 – main variances

Appendix C - Earmarked Fund balances 31/3/21

Appendix D - Variations from the updated 2020/21 capital programme

Appendix E - Prudential Indicators 2020/21

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 2020/21 - OUTTURN STATEMENT

	Updated Budget	Actual Expenditure	Difference from Updated Budget	
	£000	£000	£000	%
Schools Budget				
Schools	72,872	69,607	-3,265	-4.5
Early Years	34,974	34,865	-109	-0.3
DSG Funding	-107,846	-107,846	0	0.0
	<u>0</u>	<u>-3,375</u>	<u>-3,375</u>	
<i>Earmarked fund - start of year</i>			<u>-3,040</u>	
<i>Earmarked fund - end of year</i>			<u>-6,415</u>	
High Needs	73,256	83,678	10,422	14.2
Dedicated Schools Grant (DSG)	-73,256	-73,256	0	0.0
	<u>0</u>	<u>10,422</u>	<u>10,422</u>	
<i>Earmarked fund - start of year</i>			<u>7,090</u>	
<i>Earmarked fund - end of year</i>			<u>17,512</u>	
LA Budget				
Children & Family Services (Other)	82,796	86,560	3,764	4.5
Adults & Communities	150,779	156,719	5,940	3.9
Public Health *	-665	-665	0	n/a
Environment & Transport	83,406	76,832	-6,574	-7.9
Chief Executives	12,268	13,997	1,729	14.1
Corporate Resources	33,749	40,061	6,312	18.7
DSG (Central Dept. recharges)	-2,285	-2,285	0	0.0
MTFS risks contingency	4,000	4,000	0	0.0
Contingency for Inflation	2,234	2,234	0	0.0
Total Services	<u>366,282</u>	<u>377,453</u>	<u>11,171</u>	<u>3.0</u>
Central Items				
Financing of Capital	19,200	18,917	-283	-1.5
Revenue funding of capital	23,900	29,300	5,400	22.6
Revenue funding of capital- use of BR Pilot income	0	453	453	n/a
Central Expenditure	2,724	2,394	-330	-12.1
Central Grants and Other Income	-33,241	-33,552	-311	0.9
Other Items (including prior year adjustments)	0	-653	-653	n/a
Total Central Items	<u>12,583</u>	<u>16,860</u>	<u>4,277</u>	<u>34.0</u>
Contribution to General Fund	11,000	0	-11,000	-100.0
Contribution to Earmarked Reserves	0	11,000	11,000	n/a
Central Costs of Covid-19/ EU Exit	0	5,500	5,500	n/a
Covid-19 impact on Council Tax/Business Rates income	0	5,000	5,000	n/a
Total Spending	<u>389,865</u>	<u>415,813</u>	<u>25,948</u>	<u>6.7</u>
Funding				
Business Rates - Top Up	-40,346	-40,346	0	0.0
Business Rates Baseline / retained	-23,922	-24,367	-445	1.9
S31 Grants - Business Rates	-4,156	-4,615	-459	11.0
Business Rates Pilot 19/20 - one-off additional income	0	-453	-453	n/a
Covid-19 Grant	0	-34,502	-34,502	n/a
Council Tax Collection Funds - net surplus	-2,091	-2,091	0	0.0
Council Tax	-319,350	-319,350	0	0.0
Total Funding	<u>-389,865</u>	<u>-425,724</u>	<u>-35,859</u>	<u>9.2</u>
Net Total	<u>0</u>	<u>-9,911</u>	<u>-9,911</u>	
USE OF UNDERSPEND				
Highway priorities	0	5,000	5,000	
Funding for SEND investments	0	2,400	2,400	
Contribution to Transformation earmarked fund	0	2,161	2,161	
Leicester Cathedral	0	350	350	
	<u>0</u>	<u>9,911</u>	<u>9,911</u>	

* Public Health funded by Grant (£25.2m)

This page is intentionally left blank

Revenue Budget 2020/21 – forecast main variancesChildren and Family ServicesDedicated Schools Grant

There is a net overspend of £7.0m. The main variances are:

	£000	% of Budget
DSG High Needs Block (HNB) earmarked fund drawdown	9,600	n/a
Budget included an estimated HNB drawdown of £9.6m as the planned in year overspend.		
Special Educational Needs and Disabilities (SEND)	1,654	2%
The SEND Capital Programme is developing new resource bases with the aim of reducing the reliance on expensive independent sector places. During 19/20 a number of these bases welcomed their first cohort of students, with more places filled during the 20/21 academic year. 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. Additionally, the numbers of pupils in mainstream settings that receive top-up funding is rising rapidly.		
Early Years / Nursery Education Funding	-109	-0.3%
The underspend is due to the Early Years Dedicated School Grant income being calculated based on pre-Covid January 2020 numbers of children in nurseries. Actual numbers were reduced during the year, although payments were made in Autumn 2020 reflecting the higher of either the actual numbers or the previous Autumn numbers, to help keep the nurseries sustainable. The Department for Education will recalculate Nursery Grant income in the new financial year, allowing for the reduced numbers in January 2021, expecting grant to be clawed back in respect of this.		
Schools Growth	-3,285	-107%
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 underspend has been transferred to the DSG earmarked fund to fund pupil growth in future years.		
High Needs Block Development / Inclusion Partnerships	-369	-27%
The High Needs Recovery Plan included the further development of 4 inclusion projects by the Secondary Education Inclusion Partnerships (SEIPs) which as a result of a change to the approach to inclusion will now not be progressed.		
Education of Children with Medical Needs (CMN)	-239	-44%
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.		
Specialist Services to Vulnerable Groups	-213	-9%
Underspend primarily due to the restructure of the Autism Outreach offer. The savings this has created has enabled the service to meet its own savings target, plus this further underspend.		
Other variances	8	n/a
TOTAL	7,047	n/a

Local Authority Budget

The Local authority budget shows a net overspend of £3.8m (4.5%). The main variances are:

	£000	% of Budget
Children's Social Care Placements	2,913	9%
<p>699 Children in Care at March 21. This represents a 8% LAC (Looked after Children) increase from March 20 Position. Whilst MTFS Growth was based on a 14% increase, there has been an increase in unit costs based on the current cohort of children and new placements coming into system in comparison to projected unit costs made at time of MTFS submission. This has resulted in the current overspend position.</p> <p>For example current average weekly External Residential Unit costs to social care is £4200 p/w (£3500 p/w assumption built into MTFS Growth - 20% increase). Similar trends across external 16 plus and IFA placements. 16plus current average weekly unit costs £1550 vs £1000 built into MTFS assumptions - 55% increase. IFA current weekly average costs £ 850 vs £790 built into MTFS assumptions - 7.5% increase. During the last quarter, a number of children have required a residential placements as result of their very complex needs, and subsequently led to very high cost placements. This helps further explain the reason why the average unit costs have increased above initial projected levels as per the MTFS.</p> <p>In addition, during the financial year, we have seen a direct impact of changes to case law and practice in regards to parent and child placements, and as a result have a direct impact on the projected budget position for this financial year. For example, the new standard is there must be a high standard of justification that must be shown by a local authority seeking an order for separation requiring it to inform the court of all available resources that might remove the need for separation.</p> <p>Because of this, and at the same time seeing a higher level and increasing number of parent-baby placements enter the system, the current position is there is no available in house provision to meet this demand and so IFA/residential searches are required. If IFAs do not offer a placement, then the court will want to know if there are residential placement offers. An offer from a residential placement will indicate that that provision feels able to safeguard the child, keeping parent-child together and hence meeting this new court directed standard.</p> <p>Due to this the number of new entries into residential have exceeded the predicted number for 2020/21 - 9% increase in Residential numbers compared to the projected number of residential placements built into current MTFS assumptions, hence impacting adversely on year end spend position.</p>		
Children's Social Care Staffing	1,686	8%
<p>The MTFS had identified a growth for number of staff roles across various service areas based on current demand and need. A number of those roles had been filled with agency workers, given the current challenges around recruitment and retention within social care. Prior to Covid 19, plans has been in place for a intense recruitment drive and plan to reduce the need for agency workers. However, the current pandemic caused severe disruption to those plans, and not only did short term reactive measures which involved having to increase workforce capacity to allow for service continuity across our statutory services, it subsequently also meant such increased capacity had to be met from the agency market at an increased cost. In addition, whilst we have seen positive recruitment drives for social workers, a number of new recruits are newly qualified and therefore in a lot cases have needed to be supported by more qualified social workers in the short term, and unfortunately based on the current demand for qualified experienced social workers, this is having to be met from the agency market.</p>		
Supporting Leicestershire Families (SLF)	1,500	n/a
<p>The 2020 Spending Review only announced the continuation of Troubled Families grant (TFG) funding for 21/22. Given the overall County Council financial position for 20/21, the planned contribution from the SLF earmarked fund for 20/21 was removed, giving a higher fund balance carried forward to offset the potential removal of TFG funding in 22/23.</p>		
Social Care Legal Costs	892	79%
<p>Overspend due to increased volume of new court proceeding being issued, some of which have been very complex and incurred additional costs.</p>		
Children's Social Care Section 17, 23 and 24 Budgets	309	50%

Increased demand as result of Covid-19. For example, a number of Care leavers subsequently became furloughed and as a result required additional support.		
Vacancy Management across all non essential vacant roles	-1,400	-14%
A planned and measured vacancy management process has been in place across service areas for all non-critical and non-essential job roles for most of the financial year. This directive was in response to the financial pressures across social care and minimised the risk of incurring any non-essential spend. Such measures will be under continual review to ensure the impact on service delivery is kept to a minimum.		
Asylum Seekers Budget	-956	-66%
Increased Home Office funding rates for 20/21 resulted in reduced financial pressure on this budget compared to what had been projected when the budget was set. In addition, the Home Office has very recently agreed to fund and backdate costs for a number of UASC which otherwise had been assumed no further financial support would be received. LCC has also received DFE funding to reflect some of the additional costs across this budget area due to the impact of Covid-19.		
Disabled Children Service	-432	-10%
The demand for and delivery of short breaks has been reduced during the past 12 months, accounting for £213k of this underspend. Further underspends have occurred through reduced demand for aid and adaptive equipment, and vacancy savings within the Occupational Therapy team.		
Education Quality and Inclusion	-248	-20%
Reduction of costs due to Covid-19 and the continuation of virtual learning.		
HR - Premature Retirement Costs	-217	-16%
Reduced demand, some of which is as result of the impact of Covid-19.		
Education Children in Care (Virtual School)	-197	-33%
Reduction of costs due to Covid-19 and subsequent impact on PPP funding allocations required based on in year need.		
Other variances	-86	n/a
TOTAL	3,764	n/a

Adults & Communities

The Department has a net overspend of £5.9m (3.9%). The main variances are:

	£000	% of Budget
Residential Care and Nursing	3,308	5%
The net overspend of £3.3m arises from several areas. Firstly, additional payment costs to providers of £3m (including £1m of additional annual inflation to fees), additional service users costs mainly due to Covid-19 (£6.7m), transitions costs from children's services (£0.9m), payment for Infection Protection Control Grant (£10.3m), payment of Rapid Test Grant (£1.2m), payment of Workforce Capacity Grant (£0.4m) and loss of Income as a result of Covid-19 due to the decline in the chargeable number of service users (£4.9m). These additional costs will be offset by anticipated additional income in the region of £11.6m from the NHS discharge Covid-19 fund, £10.3m from the Infection Control Fund Grant, £1.6m from Rapid Test and Workforce Capacity Grant. There are currently an average of 2,400 service users with an average gross care package cost of £820 per week .		

Community income	3,135	15%
<p>As a result of Covid-19 the decline in the chargeable number of service users (SU) is approximately 400 SU who usually provide approx £84/week of income, therefore the loss of income is £1.0m and the debt provision has been increased by £0.5m. The number of chargeable service users has started to increase and this will continue over time as the effect of Covid-19 and social distancing diminish.</p> <p>Health recharges for Home Care are £650k lower than budgeted which is due to falling service user numbers with CHC (Continuing Health Care) funding likely to be due to new cases being eligible for recharge against the Covid-19 health funding. Agency income for Supported Living of £500k will not be achieved, however this should be compensated for by an equivalent saving on expenditure. The LD Pool income for non-residential SU is below budget by £300k as service user numbers are reducing. The remaining loss is due other Covid-19 related changes.</p>		
Homecare	2,523	13%
<p>There is an overspend due to the costs of Covid-19 hospital discharge patients (£4.7m), provider Covid-19 support payments (£1.3m), Infection Protection Control Fund (IPCF) grant costs (£2.7m), Workforce Capacity Grant (£0.3m) and increased costs of service users (£1.0m). IPCF/Workforce Capacity grant income and NHS Discharge Fund (£7.7m) will net off most of this element of the overspend. Additional impact of April 20 contract inflation estimated at £600k and an increase in the number of service users is also included in the overspend. The forecast for Home Care is based on an average SU number over the year of 2,220 at an average weekly cost per person of £250.</p>		
Additional Other COVID costs	790	n/a
<p>Additional Covid-19 expenditure includes spend of £221k on supporting shielding, £450k on PPE purchases for all council services, £276k on supporting management of Covid-19, £29k on food packages for service users being discharged from hospital and £13k on additional accommodation. This is partially offset by Covid-19 grant income of £166k.</p>		
Direct Payments	786	2%
<p>The overspend is due to a net increase in service user average package costs of 15%, partially offset by a 13% reduction in service users.</p>		
Strategic Commissioning and contract quality	274	16%
<p>Overspend largely due to increased staffing and unbudgeted Covid-19 expenditure. The Social Investment Programme has not utilised the Transformation Fund and this accounts for £122k of the overspend.</p>		
Supported Living Commissioned Services	175	1%
<p>Overspend mainly relates to additional Covid-19 payments to providers (£0.2m), IPCF payments (£0.1m) and Workforce Capacity Fund payments (£0.1m) and growth in the number of service users due to the continuing implementation of the Target Operating Model (TOM) project (£0.3m). Some of these costs are offset by Covid-19 grants (£0.3m). Currently there are on average 350 service users with an increasing average cost of £1,190.</p>		
Reablement (HART) & Crisis Response	-1,132	-23%
<p>Underspend due to staffing vacancies and challenges recruiting during Covid-19. It is expected that additional resources will be recruited to as part of the Target Operating Model (TOM) work to encourage the transfer of volumes out of HTLAH reablement into HART and this work is currently in progress.</p>		
Better Care Fund Contribution	-1,059	-6%
<p>Additional BCF funding was agreed during the year for social care protection and other schemes.</p>		
Community Life Choices (CLC) commissioned services	-711	-13%
<p>Underspend following lockdown and the closure of CLC bases within the independent sector and service users either receiving no service or a vastly reduced service. Discussions are ongoing on a potential new CLC framework.</p>		
Community Life Choices (CLC) / Day Services Team	-596	-23%
<p>Underspend from closure of Community Life Choices (CLC) bases following lockdown and the vacancies that are being held.</p>		

Supported Living, Residential and Short Breaks	-490	-10%
Underspend from closure of Residential and Short Break bases following lockdown and the vacancies that are being held pending an action plan		
Business Support	-259	-14%
Underspend from temporary staffing vacancies, reduced travel, lower printing and other office expenses.		
Care Pathway East- Review Team	-207	-15%
Underspend from temporary staffing vacancies.		
Community Care Finance	-157	-14%
Underspend from temporary staffing vacancies		
Occupational Therapy	-118	-13%
Underspend from temporary staffing vacancies		
Communities and Wellbeing	-105	-2%
Underspend mainly relates to increase grant income (£0.5m) offset by reduction of income due to Libraries, Museums and Heritage sites being closed as a result of Covid-19 and transfers to reserves for Adult learning and improvement to facilities.		
Other variances (under £100k)	-217	n/a
TOTAL	5,940	n/a

Public Health

The Department has a balanced position. The main variances are:

	£000	% of Budget
Public Health Earmarked Fund	1,332	n/a
Net underspend on Public Health budgets offset by a contribution to the Public Health earmarked fund. Uncertainties on future grants and Covid.		
Public Health Leadership	245	-1%
Mainly due to UHL income (£100k) not received and budgeted transfer from earmarked funds of £159k not drawn down.		
Public Advice	159	15%
The overspend is due to the Homelessness Grant, received last year, being transferred to Leicester City Council.		
Sexual Health	-858	-21%
This is a demand led service that has seen a significant lack of activity due to the Covid-19 pandemic, which has been further restricted due to the continued local and national lockdown.		
NHS Health Check Programme	-358	-71%
Non-essential face to face appointments significantly reduced due to Covid-19 and have remained low due to the prioritisation of Covid-19 vaccine delivery.		
Programme Delivery	-263	-38%
The variance is mainly due to a number of programmes that have been delayed/postponed due to Covid-19 (-£186k), reduced value of a contract (-£39k) and additional income (-£25k) from the PCC.		
Weight Management Service	-95	-26%
The variance is due to underspends on staffing (£30k) and running costs (£15k) and the reduced costs of Weight Watchers licences (£50k).		
Other variances	-162	n/a
TOTAL	0	n/a

Environment and Transport

The Department has a net underspend of £6.6m (7.9%). The main variances are:

	£000	% of Budget
Landfill	1,402	17%
Overspend due to increased waste tonnages to landfill during Covid-19 pandemic as people stayed at home. Tonnage has also been sent to more expensive facilities as a result of the Whetstone push wall repairs. The overspend on landfill is partially offset by tonnage reductions on Treatment Contracts (see below).		
Dry Recycling	322	16%
Overspend due to increased tonnages of kerbside dry recycling materials (card, glass, paper, cans and plastic bottles) as a result of more consumption at home during the Covid-19 lockdown pandemic.		
Winter Maintenance	281	17%
Overspend due to the winter maintenance budget being allocated for a mild winter and weather conditions in January and February being colder than expected, leading to the gritters having be used more frequently than budgeted for. In addition the service had to do more salting of paths which is more resource intensive due to Covid-19.		
Recycling & Household Waste	190	6%
Overall outturn position includes £220k overspend due to reduced income at RHW Sites during Covid-19 pandemic and £173k additional costs of reopening RHWS after initial lockdown (costs include welfare units, highways signage, perspex booths and additional cleaning). In addition, there has been an underspend on RHWS haulage due to lower fuel costs, lower bulk haulage costs and avoidance of use of hire vehicles in 2020/21.		
The above overspends have been reduced by additional income from furlough (£83k) and income from the government's Sales, Fees and Charges scheme to partially reimburse lost income (£130k).		
Road Safety	137	13%
Overspend due to less funding returned from Leicester, Leicestershire & Rutland Road Safety Partnership (LLRRSP) than budgeted for and a reserve balance not drawn down.		
Special Education Needs Transport	-2,633	-18%
<p>Underspend of £2.6m due to the impact of Covid-19. This has arisen for several reasons:</p> <ul style="list-style-type: none"> - Increased take up of Personal Transport Budgets which has reduced individual students' transport costs significantly - The delay in commissioning some pupils' transport at the start of the autumn term and paying interim mileage payments instead of actual transport contract costs - The reduction in attendance days at schools and colleges with some pupils remote studying on some days of the week - The choice of some parents to continue to shield even when transport arrangements were put in place - Reduced demand for transport during the first Covid-19 lockdown from April - June 2020 resulting in temporary Covid-19 contract suspensions - The increased number of isolations and school lockdowns during the autumn term due to the high infection rates, particularly in schools - From January the Covid-19 lockdown significantly reduced demand and a large percentage of contracts were reduced to 25% of committed contract costs for January, February and early March. - Snow days – no services ran on at least one of these days 		
Highways Design & Delivery - Staffing, Admin & Depot Overhead Costs	-1,569	-58%
Underspend due to additional recharges to capital due to additional monies received, vacant posts and additional income from the network management team. Due to Covid-19 recruitment has been slowed and full recruitment for services maybe impacted for the whole year there is also additional spend relating to agency staff. This underspend has been offset by not drawing £600k from earmarked funds.		

Social Care Transport	-727	-18%
<p>Underspend arising from cancellation of services due to Covid-19. Also taxi payments were reduced to 25% from April to July 2020 when services were not operating.</p> <p>Whilst Children's Social Care referrals rose in September many Adult Social Care service users remained shielded and contract expenditure remained lower than expected. All adult social care contracts under Covid-19 suspension were terminated at the end of June 2020 and several users did not return until later in the year or were still shielding at the end of the financial year.</p>		
H & T Network Staffing & Admin	-675	-59%
<p>Underspend due to additional fee income S278,S38,S184 and an underspend on staffing from removing agency staff and creating permanent posts.</p>		
Fleet Transport	-627	-339%
<p>Underspend mainly due to the reduction in social care and library fleet operations due to Covid-19. The major spend of the passenger fleet operation is on staff (drivers and escorts) which, while the majority are LCC employees, at times are supplemented by agency staff. The use of agency staff has remained very low as use has been made of drivers and escorts from the social care area of Fleet. Agency staff costs are significantly lower than in 2019/20 (£400k reduction).</p> <p>While the SEN operation from the start of the 2020/21 academic year and into the January - March lockdown period ran near to capacity, there was an overall reduction in passenger fleet operation from lack of social care and middle of the day workings which has led to a reduction in fuel usage, maintenance and insurance costs. However, this has been offset by lack of external income generation which was very limited.</p> <p>Furlough income of £172k has also been received.</p>		
Mainstream School Transport	-599	-17%
<p>Underspend includes £465k due to lower payments when services have not been required. Lockdowns in the summer 2020 and spring 2021 terms reduced taxi expenditure to 25% of committed expenditure for a large proportion of contracts. Further service reductions arose in the autumn 2020 term due to an increased number of Covid-19 lockdowns and self-isolation of children / drivers. Payments were reduced where operators had to suspend contracts due to driver isolation and where contracts were suspended due to pupil isolation or school closure.</p> <p>The underspend also includes additional grant income of £134k that has been received in 2020/21 for Extended Rights to Home to School Travel.</p> <p>Additional costs of £484k to provide additional services to enable social distancing have been incurred. These costs have been fully funded by the DfE Covid-19 Home to School and College Transport grant in 2020/21.</p>		
Treatment Contracts	-593	-6%
<p>Underspend of £406k as a result of reduced tonnages of wood, Refuse Derived Fuel (RDF) waste and hazardous waste due to Recycling and Household Waste Site closures and restricted throughputs, due to Covid-19. Street sweeping waste also lower than budget as some districts suspended their street sweeping service in the early stages of lockdown.</p> <p>Overall underspend also includes £176k under budget position due to less tonnage being sent to Energy from Waste (EfW) treatment plants. Stoke EfW plant has been operating on reduced inputs throughout the year due to maintenance issues.</p>		
Environment & Waste Management Commissioning: Staffing & Admin	-384	-23%
<p>£144k underspend due to multiple staffing vacancies and lower spending on waste initiatives during the pandemic.</p> <p>£240k underspend on Ash Dieback due to social distancing measures on inspections meaning less work can be completed as quickly. Also some communications work has not been completed as communications regarding Covid-19 have taken priority.</p>		

Haulage and Waste Transfer	-267	-13%
Underspend due to a combination of factors. More direct deliveries were made, haulage efficiencies were achieved through increasing payloads and using more efficient routes and an in-year fuel review mechanism has also provided some savings.		
HS2	-183	-44%
Underspend due to planned Government HS2 Phase 2b hybrid Bill process delayed beyond the originally anticipated June 2020 start (to the 2021/2022 financial year at the earliest), so mandatory Parliamentary Agents and consultant support will not be required until that time.		
Environmental Maintenance	-179	-4%
Underspend due to forestry services being unable to find suitable tree surgeons to complete work, theft of equipment creating down time to complete the works and a contractor not starting until April 2021. An increase in gully emptying work has been offset by a reduction in camera van investigations and drainage repairs.		
Composting Contracts	-157	-10%
Volumes of waste were lower than anticipated as a result of reduced tonnages during Covid-19. Recycling and Household Waste Sites were closed in early lockdown and all districts suspended collections for a period to focus on other kerbside collection services.		
Street Lighting Maintenance	-145	-6%
Underspend due to lower maintenance being required on LED replaced street lighting and some structural testing delayed due to street lighting columns being inaccessible.		
Environment & Waste Management Commissioning: Initiatives	-136	-35%
Underspend has arisen as a result of lower spending due to the Covid-19 pandemic. This has affected a range of areas including fewer events, less work in schools and reduced grant applications. Work within the community on food waste prevention has also been impacted.		
Reactive maintenance	-110	-4%
Underspend due to less roadmaking repairs being done due to inclement weather conditions.		
Other variances	78	n/a
TOTAL	-6,574	n/a

Chief Executive's

The Department has an overspend of £1.7m (14.1%). The main variances are:

	£000	% of Budget
Policy & Communities	1,556	91%
The variance is due to the payment of £1.6m for Covid-19 related Community grants and an overspend (£62k) due to recharges to other Departments for The Big Word contract not taking place, offset by minor running cost underspend in Communities.		
Legal Services	565	23%
Additional temporary posts agreed for Covid-19 and A&C additional work (£100k) plus the use of extra Locum resources to cover vacant posts. A number of recharges to other departments have not been processed (£207k) plus a transfer from reserves of £150k not taking place.		
Coroner's Service	135	12%
Overspend against budget as a result of increase in City Coroners costs in addition to an increase in cases requiring PM's/Toxicology/Pathology costs (approx 250 cases increase)		
Democratic Services and Administration	-225	16%
Variance mainly due to staffing vacancies(£145k) and underspend on running costs (£59k).		
Civic Affairs	-95	-57%
The underspend is due to reduced costs as a result of events/hospitality being cancelled/postponed due to the Covid-19 restrictions.		

Planning Services	-75	-16%
The underspend is due to vacant positions not being filled until later in the financial year.		
Growth Unit	-70	-12%
The underspend is due to staffing vacancies offset by transfer from reserve not taking place (+£55k).		
Economic Growth	-50	-10%
Variance due to underspend on staffing (-£138k) and reduced consultant costs (-£14k) offset by a transfer from reserve not taking place (+£111k).		
Other variances	-12	n/a
TOTAL	1,729	n/a

Corporate Resources

The Department has a net overspend of £6.3m (18.7%). The main variances are:

	£000	% of Budget
Transformation Unit	3,272	n/a
Variance due to the transformation team and some project spend being directed to Covid 19 projects which can be funded from the general Covid 19 grant (£3m) and additional costs of non-PC equipment required by staff to adapt to working safely at home (£0.2m).		
Commercial Services	1,835	n/a
A £1.8m outturn overspend is being reported, this is a result of the pandemic and difficult trading continuing from 2019/20. Difficult trading conditions continue and have been seriously compounded by lockdown forcing either the scaling back or temporary closure of a number of commercial services. Recovery plans have been developed, and continue to evolve, to address the position and develop an optimum portfolio of commercially sustainable services on-going. The net overspend is inclusive of £2.4m Furlough income and £1.1m Sales, Fees and Charges compensation grant.		
Corporate Asset Investment Fund	1,413	-59%
Overspend related to delays related to Airfield Farm and LUSEP. Partially Covid-19 related. They are both expected to achieve the expected returns by 21/22.		
Information & Technology	1,120	11%
£1.5m spend incurred on laptops and software to support working from home during the lockdown period, offset by savings on vacant posts held pending action plans and delays to recruitment as a result of Covid-19.		
County Hall	240	20%
Continuation of the 2019/20 overspend (£150k) due to additional cleaning charges, security costs, energy costs and lower income than expected, and additional Covid-19 costs associated with signage and building changes (£90k).		
Health & Safety	55	13%
Overspend as a result of budgeted model including expenditure as an earmarked reserve for Health and Wellbeing and EAP, this transfer of funds has not been brought in to the cost centre.		
Strategic Property	-430	-14%
£0.3m staffing underspend arising from a delay due to Covid-19 in recruitment to vacant posts following a staffing review. Further savings from contract renewal of £38k and review of outstanding rent owed for Locality bases.		
Supported Employment	-183	-30%
Underspend largely as a result of furlough income as vulnerable staff are shielding from the pandemic.		
Learning and Development	-179	-13%
£0.2m underspend as a result of reduction in face to face courses as expected due to Covid-19 lockdown alongside a small amount of income realised from Student support (£12k).		
Commissioning Support Unit	-159	-14%
Underspend due to staff vacancies.		

Customer Service Centre	-138	-6%
Underspend largely driven by two factors: a recruitment freeze in the first half of the year reduced budgeted spend, and CSC received additional funding of £120k from various schemes such as the Contain Fund, CEV shielding work fund and CCG income.		
Facilities Management Premises Support	-128	-14%
Underspend as a result of staff vacancies.		
Property Services Business Support	-109	-24%
Underspend as a result of staff vacancies.		
Major Conditions Improvement Works	-108	-5%
£160k underspend as a result of school maintenance fund work slipping as schools were closed and/or inaccessible to work teams, offset by £60k of additional Covid-19 costs.		
Postal Service	-91	-70%
Underspend as a result of discontinuing the renewal reserve and staff vacancies.		
Business Support	-83	-8%
Underspend as a result staffing savings and a reduction in occupational health referrals and reduction of costs such as mileage, additional reduction in expense as a result the postponement of the Storafire project.		
Strategic Finance	-81	-3%
£160k underspend from vacancies and bank charges below budget. A transfer of £80k of the underspend was made to earmarked reserves to fund potential overspend in 21/22.		
Internal Audit	-78	-18%
Underspend due to staff turnover savings and secondment to support other critical services/Covid-19 recovery.		
Human Resources	-74	-6%
Underspend due to reduction in running costs and delays in staff backfilling as part of Fit for the Future.		
Other variances	218	n/a
TOTAL	6,312	n/a

EARMARKED FUND BALANCES

	Revised Balance 01/04/20 £000	Forecast Balance 31/03/21 £000	Actual Balance 31/03/21 £000
Renewal of Systems, Equipment and Vehicles	3,490	2,490	4,230
Trading Accounts			
Corporate Asset Investment Fund	1,090	840	1,203
Insurance			
General	6,400	6,270	8,201
Schools schemes and risk management	370	350	374
Uninsured loss fund	5,260	5,260	5,247
Committed Balances			
Community Grants	300	300	295
Other			
Children & Family Services			
Supporting Leicestershire Families	1,780	480	1,836
C&FS Developments	1,170	1,020	1,164
Youth Offending	560	450	579
Other	1,130	740	881
Adults & Communities			
A&C Developments	5,000	3,500	5,616
Adult Learning Service	50	50	286
Public Health	460	370	1,807
Environment & Transport			
Commuted Sums	2,890	2,590	3,153
LLITM	2,080	2,000	2,083
Major Projects - advanced design	930	60	579
Waste Developments	550	350	470
Section 38 Income	490	490	487
Other	590	480	526
Chief Executive			
Economic Development-General	510	400	370
Chief Executive Dept Developments	450	360	801
Other	180	30	183
Corporate Resources			
Leicestershire Schools Music Service	160	160	186
Other	400	400	580
Corporate:			
Transformation Fund	7,480	4,000	9,205
Broadband	3,390	4,990	2,356
Business Rates Retention	1,570	570	568
Inquiry and other costs	1,040	230	602
Elections	580	780	777
Other	680	390	451
Government Cash Flow Funding	19,690	0	0
Budget Equalisation	7,100	18,100	24,034
Covid-19 : council tax etc	0	5,000	5,000
Covid-19 Budget (other)	0	0	4,452
Covid-19: Tax Income Guarantee compensation	0	0	2,280
Sub total	77,820	63,500	90,862
Capital Financing (phasing of capital expenditure)	78,990	51,610	89,158
Pooled Property Fund investment *	-23,960	-23,960	-23,627
TOTAL	132,850	91,150	156,393
Schools and Partnerships			
Dedicated Schools Grant	-4,050	-10,690	-11,098
Leicestershire & Rutland Sport	1,460	1,520	1,369
Health & Social Care Outcomes	820	820	8,914
Emergency Management	410	410	610
East Midlands Shared Services - other	270	270	59
Leicestershire Safeguarding Children Board	80	70	99
Leics Social Care Development Group	40	40	33
Total	-970	-7,560	-14

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

This page is intentionally left blank

Capital Budget 2020/21 – main variances**Children and Family Services**

Net variance of £12.1m. The main variances are:

	£000
Provision of Additional School Places	-8,006
<p>1) Shepshed School Places has slipped by £2.5m. This complex scheme involves several parties and sub-projects including the refurbishment of the former Hind Leys and Shepshed High School buildings to create a single high school building and a separate primary provision.</p> <p>2) Ashby Secondary Places scheme has slipped by £1.9m, Secondary schools in the Ashby area are currently implementing age range change - the last area of Leicestershire to do so. This transition time has added a further level of complexity over where and when additional secondary places will be required.</p> <p>3) Coalville Secondary Places has slipped by £1.1m It was initially agreed that this would be used towards a new building at Newbridge High School part of the Apollo Multi-Academy Trust. However Apollo decided to enter into a lease with the developer, instead of purchasing the building outright. S106 contributions cannot be used to fund lease payments. 4) Rothley Primary School - Slippage of £1.0m as Charnwood Borough Council (CBC) has refused the planning application, citing issues with the settlement boundary, the lack of demonstration of a housing need, and being contrary to the Charnwood Local Plan amongst the various reasons for refusal. This will further impact the delivery timeline of this scheme. 5) Fleckney Primary School - Slippage of £1.0m as a Multi Academy Trust that already has a number of primary schools in the area has applied to the DfE to open a primary Free School in the area. If the DfE approve this it could affect what is needed at Fleckney. Therefore further works have been paused awaiting the DfE's decision.</p> <p>6) Oadby Secondary Places has slipped by £0.5m. This is a passported scheme, with payments to the school being made in line with scheme progress. The expected profile of payments is £250k in each of June 21 and August 21. .</p>	
SEND Programme	-1,884
<p>1) Short Stay South slipped by £0.7m due to identification of a site is under consideration.</p> <p>2) Thomas Estley Communication and Interaction Unit slipped by £0.4m due to the scheme needed a revised legal agreement which was signed on 7th April 2021.</p> <p>3) Hinckley Area SEMH Unit has slipped by £0.3m, a number of potential sites are being explored. Discussions are now underway with the Academy.</p> <p>4) Hinckley Parks SEMH Unit slipped by £0.2m. After a number of Covid related delays, the scheme is now out to tender.</p>	
Strategic Capital Maintenance	-1,081
<p>This funding will be used towards much-needed capital maintenance works to existing buildings on the Iveshead site at Shepshed. However the timeline of works is very much dependent on the timeline of the 'Shepshed Masterplan' which itself has slipped significantly.</p>	
Assessment & Residential Multi-Functional Properties	-910
<p>The initial absence and subsequent delay in implementing a minor works contract caused significant delays on this project. Works were expected to start early in the new financial year, although the buildings were being temporarily used for the LA's COVID19 response, so this delayed the start of the scheme.</p>	
Early Help - Building reconfiguration and refurbishment	-69
<p>The initial absence and subsequent delay in implementing a minor works contract caused delays on this project.</p>	
Other variances	-191
TOTAL	-12,141

Adults & Communities

The Department has a net slippage of £1.3m. The main variances are:

	£000
Brookfields Supported Living Scheme (refurbishment)	176

Additional costs incurred relating to 1) internal works to meet the physical needs of a specific service user and 2) external works undertaken to facilitate the independent living environment in a safe and secure way. This will be funded from the balance of the SCIP allocation programme in 2021/22 (£1.6m).	
SCIP - Loughborough, Brooklands Forest Road	61
Additional costs incurred due to lowest tender over budget and unanticipated costs incurred during refurbishment. This will be funded from the balance of the SCIP allocation programme in 2021/22 (£1.6m).	
Hamilton Court/Smith Crescent - NWL Development	-1,052
Slippage of scheme as Department assesses future cohort requirement. The most competitive tender was £400k over budget. All work on the development of the site has stopped until the review has concluded.	
SCIP - Loughborough, New Ashby Court SL scheme	-203
Slippage of final element of works to 2021/22 - scheme expected to be completed in late July 2021.	
SCIP - Specialist Dementia Facility, Coalville	-100
The tender for the appointment of a partner was significantly delayed due to the ongoing impact of Covid-19.	
SCIP - Anstey, Hollow Road Flats	-90
The scheme is due to be completed in early 2021/22.	
Other variances	-105
TOTAL	-1,313

Environment and Transport

The Department has a net slippage of £16.9m. The main variances are:

	£000
Capital Maintenance - Preventative	297
Acceleration due to a lot more deterioration found than expected when completing the surface dressing patching works.	
Highways Capital Maintenance - Bridges Schemes	238
Acceleration due to jobs that required more specialised works than anticipated and delays in start date triggered a compensation event.	
M1 Junction 23 & A512	-3,643
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.	
Highways Capital Maintenance Schemes	-2,716
Slippage due to challenge fund being provided mid-year and whilst all efforts were made to complete these schemes before the year end they will not be done until early 2021/22. In addition due to traffic concerns at the East Midlands Airport from the effects of Brexit, a programme near this area had to be postponed and some slippage relating to less work design work being completed for major schemes this year but schemes are still progressing and this will be needed in the future.	
A511 Major Road Network (MRN)	-1,999
Slippage due to delays with surveys which delayed the planning process this then impacted on engaging with contractors and the procurement of works taking longer than anticipated	
County Council Vehicle Programme	-1,495
Slippage due to a process being reviewed with consultants under Fleet Management Review project, therefore the only spend was on replacing essential vehicles.	
National Productivity Investment Fund (NPIF) - Hinckley Hub	-1,313
Slippage due to delays, due to Covid 19 restriction, with completing trial holes which are needed to be undertaken before construction work and finalising land purchase. In addition there was a delay in obtaining the licence to access third party land to complete the trial holes and also due to disputes on potential contaminated materials and liability which delayed the land purchase.	

Safety Schemes	-1,218
Slippage due to Covid 19 restrictions stopping work. In addition Parish Council bidded to do general safety works and are yet to claim this and some money is to be used for community speed initiatives. After identifying appropriate schemes there was not enough time to complete these in 20/21 and has slipped to 21/22.	
Advanced Design	-726
Slippage due to reprioritisation of works and when monies will be spent this has meant some money is now not be required this year but will be needed in future years.	
Waste Transfer Station Development	-625
Slippage due to construction not starting until 2021/22 so that detailed pre construction works can be completed in 2020/21, therefore the spend profile has been revised in line with the commencement of the construction works.	
Kibworth Site Redevelopment	-536
Slippage due to construction not due to start until 2021/22 so that detailed pre construction works can be completed in 2020/21, therefore the spend profile has been revised in line with the commencement of the construction works.	
M1 Junction 20A - Advanced Design	-438
Slippage relates to the works with District Council taking longer than anticipated .	
A46 Anstey Lane	-411
Works completed in July 2020. Slippage due to remedial works that will need completing over the next 12 months.	
Zouch Bridge Replacement	-373
Slippage due to revaluation of the best outcomes for the programme and best value for money options which will lead to a tender process.	
Lutterworth East Development - Infrastructure	-358
Slippage due to project being on hold whilst investigating further funding options for the scheme.	
Melton Mowbray Distributor Road - North and East Section	-281
Slippage due to design works did not progress as quickly as anticipated and survey works were delayed due to weather conditions.	
Recycling House Waste Sites - Drainage	-280
Slippage due to additional surveys were required on site which has delayed the commencement of the project.	
Transport Asset Management - Restorative Maintenance	-278
Slippage due to additional DFT funding which funded larger scale maintenance works instead of smaller repair works meaning that some on the roadmender repair works have been delayed until next financial year.	
Transport Asset Management - Network Performance & Reliability	-236
Slippage due to a new cycling and walking strategy being prepared in which there will be a requirement for traffic Counters and therefore the money will be spent in accordance with the strategy that is being prepared	
Coalville Ashby Rd Highway Improvements	-187
Slippage due to restrictions from Covid 19 that delayed the start date of this project.	
Transport Asset Management - Flood Alleviation	-169
Slippage due to revaluation of a large programme which may need additional works such as a pumping station but options are still being explored and some smaller schemes were delayed due to Covid restrictions and resourcing levels.	
Other variances	-160
TOTAL	-16,907

Chief Executives

The Department has a net slippage of £0.3m. The main variances are:

	£000
Rural Broadband Scheme - Phase 3	-387

There was a 3 to 4 month delay in the programme, mainly due to the impact of Covid-19. The scheme is progressing with the delivery of the contract milestones, some of which will be delivered in 2021/22 instead of this financial year.	
Other variances	48
TOTAL	-339

Corporate Resources

The Department has a net slippage of £2.9m. The main variances are:

	£000
Workplace Strategy - End User Device (PC, laptop)	1,513
Overspend relates to additional costs incurred in year to provide laptops and Smartphones to enable staff to work from home safely during Covid restrictions.	
Melton, Sysonby Farm Development	366
Decision taken requiring the developer to be responsible for completing enabling works at their cost therefore not going ahead with the Homes England Grant due to the conditions of the agreement.	
Snibston & Country Park Future Strategy - Land Remediation works	-1,630
Remediation works will now be carried out by the end user and not form part of the scheme resulting in an underspend.	
Workplace Strategy (WPS)	-689
Slippage arising due to delays in the works starting at Pennine House and Parkside as a result of COVID-19.	
Watermead Park Footbridge and Cycleway	-496
Delays to securing necessary planning and other agreements has extended project timelines with a deferral of work start date to 2021/22.	
Ways of Working - Office Infrastructure	-349
As part of the capital refresh funding provision was made to divert funding to cover the revenue cost of the working from home allowance. This included acceleration from later years provision. The underspend represents the return of accelerated funding from 2021/22 and 2022/23.	
Score + (Schools Energy Efficiency Scheme)	-315
Covid restrictions on access to schools visits, alongside indirect impact to staff resourcing as a result of Covid has delayed project progress, as activities scheduled for 2020/21 did not proceed as planned.	
County Hall Solar Panels (additional)	-309
Government funding as part of the Decarbonisation Scheme has substituted this funding requirement, resulting in an underspend.	
ICT - Marval Replacement Programme	-240
Reassessment of future operational model has lead to a pause in the replacement of Marval.	
Energy Efficiency Measures	-150
Project investigations were delayed due to Covid-19 which impacted progress on the planned activities for 2021. Works are expected to resume in 2021/22.	
ICT - Corporate Programme	-138
Focus during 2020/21 was diverted to the response to evolving cyber security threat. This resulted in some elements of the strategic activities outlined within the ICT programme for 2020/21 to be reprioritised.	
County Hall Lift Replacement Scheme	-110
Focus on climate impact and overall re-assessment of strategic priorities led to a delay in the implementation. Project to be realigned along with other County Hall projects relating to recovery and workplace strategies.	
Snibston Electric Vehicle Car Charge Points	-93
Slippage arose as a result of awaiting planning permission for the Solar car port element of this project.	
Other variances	-245
TOTAL	-2,885

Corporate Programme

The programme has a net slippage of £6.9m. The main variances are:

	£000
CAIF - Asset Acquisitions/New Investments	709
Acceleration of funds - £0.6m to East of Lutterworth SDA and £0.1m for Airfield Business Park Phase 3-4 which have been through the approval process and agreed.	
Future Developments	-6,545
Slippage as schemes were not suitably advanced to require funding.	
CAIF - Airfield Business Park Phase 1/2	-592
Framework tender completed which resulted in only two contractors tendering significantly in excess of the budget and a further procurement exercise will need to take place.	
CAIF - Lutterworth East - Planning and Pre-Highway construction Works	-251
Slippage is Highways part of scheme, contribution and works to be agreed in 21/22.	
Industrial Properties General Improvements	-207
Slippage due to Covid which hampered decisions relating to works and letting of properties.	
CAIF - Leaders Farm, Phase 2 - Ind Units and x2 Drive Thru Restaurants	-184
Slippage due to delays in obtaining planning permission.	
Other variances	97
TOTAL	-6,973

This page is intentionally left blank

APPENDIX E**PRUDENTIAL INDICATORS 2020/21**

	Original Indicator	Forecast as at 15/12/2020	Provisional Actual as at 31/03/2021
Actual Capital Financing Costs as a % of Net Revenue Stream	3.80%	3.80%	3.47%
Capital Expenditure (£000's) (excluding Schools devolved formula capital)	161,000	153,000	105,572
Operational Limit for External Debt (£000's)	265,000	265,000	265,000
Authorised Limit for External Debt (£000')	275,000	275,000	275,000
Interest Rate Exposure – Fixed	50-100%	100%	100%
Interest Rate Exposure – Variable	0-50%	0%	0%
Capital Financing Requirement (£000's)	247,000	232,000	232,263
Actual debt as at 31/3/2021 (£000's)	263,100	263,100	263,100

This page is intentionally left blank



SCRUTINY COMMISSION – 12th JULY 2021

CORPORATE COMPLAINTS AND COMPLIMENTS
ANNUAL REPORT 2020 – 2021

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose of Report

1. The purpose of this report is to present for the Commission's consideration the Corporate Complaints and Compliments Annual Report, covering the period from 1 April 2020 to 31 March 2021. This is attached as appendix A to this report.

Background

2. The Complaints and Information Team manages and co-ordinates complaints relating to 3 separate complaints systems:
 - (i) Adult Social Care statutory process;
 - (ii) Children's Social Care statutory process;
 - (iii) Corporate Complaints process – these are complaints relating to other services provided by the Council where there is no access to a statutory complaints' procedure.
3. Corporate Complaints are the primary subject of this report. The corporate complaints service produces an annual report to analyse and provide comment on complaints received during the preceding 12 months.
4. As detail is included in the Annual Report itself, the purpose of this report is to highlight the headline issues emerging from the analysis of complaints activity for 2020/2021
5. Both statutory processes are subject to other reporting processes and separate annual reports on both areas will go to their respective Overview and Scrutiny Committees. This report will, however, include high level comments on each of these.

Headline statistics

Complaints received and outcomes (2019-20 comparative data is in brackets)

6. During 2020-21 the following complaints were received
 - 527 Corporate complaints (432) – a 21% increase
 - 38 Local Government and Social Care Ombudsman enquiries (44) – a 14% decrease
7. 210 Corporate complaints were upheld - which is 40% of the total received (43%)
8. 38 Ombudsman Decisions were made during 2020/21 as follows.
 - 17 Closed after Initial Enquiries
 - 12 Maladministration with Injustice
 - 5 Outside of LGO remit
 - 4 No Fault found after detailed investigation

Response times

9. During 2020-21, complaint response times were impacted by the wider pandemic pressures but remained largely positive (2019-20 figures in brackets):
 - 51% of all complaints received a response within 10 working days (60%)
 - 77% received a response within 20 working days (83%)
 - 97% received a response within the maximum 65 days recommended by LGO (99%)

Issues most frequently complained about

10. The top five issues complained about were as follows:

Travel and Transport Services	69
Waste Management	69
Highway and Footway Maintenance	58
Special Educational Needs (SEN)	38
Environmental Services	21

Local Government and Social Care Ombudsman Complaints

11. There has been a decrease both in the number of Ombudsman decisions and findings of maladministration this year. Financial payments made through the complaints process are expected to have increased from £28.8k to £55k¹.
12. The biggest factor in findings of maladministration continues to be SEN complaints.
13. The Ombudsman issued 2 public reports against the Council during the year. These were around School Admissions / Inclusion Services and Early Years childcare. Both contributed significantly to the costs incurred. Details of these reports and the recommendations made were presented to the Cabinet in February and March 2021.

Compliments

14. There was a reduction in numbers of compliments recorded during the year with 255 across all services (down from 412 in 2019-20). This may be an under-representation and fresh reminders have been issued to teams of the importance of passing these on.

Adult Social Care Statutory Complaints

15. There were 184 adult social care complaints recorded in 2020-21 a decrease of 11% on 2019-20 (208).
16. Response times for social care complaints saw some pressures during the year but remained healthy with 70% responded to within 10 working days and just 9 (5%) exceeding the statutory maximum timescale.
17. Fault was found in 42% of complaints. A slight reduction on previous year (-5%).
18. The Ombudsman investigated 8 social care complaints in 2020-21 and reached adverse findings in 4 instances. This represents a good reduction from previous year (10). Financial payments of £700 were made down from £3.7k in 2019-20.

Children Social Care Statutory Complaints

19. This saw a further decrease in the total number of complaints received. 63 Stage 1 complaints were accepted, down from 118 in 2019-20.
20. The above reduction must be seen within the context of fresh guidance released from the Local Government and Social Care Ombudsman in

¹ This figure depicts worst case scenario. One case continues to be negotiated with a Nursery provider.

November 2019 which the Council is now using to determine eligibility to the statutory procedure. It is much more likely now that if a parent is complaining about injustice to them rather than the child this will be managed as a Corporate Complaint.

21. 88 Childrens Social Care complaints were handled under the Corporate Complaints procedure.
22. Of the 63 complaints considered at Stage 1, 7 requested escalation to Stage 2 (Independent Investigation) equating to 11%. Of these, 3 requested further escalation to Stage 3 of the process (Panel Review) and 2 went on to approach the Ombudsman.
23. Response times for Stage 1 complaints showed some challenges with adhering to the stricter statutory timescale of 20 working days with 62% achieving this. Only 3 complaints (7%) exceeded 40 working days and this was where meetings were trying to be arranged with parents.
24. The Ombudsman investigated 5 children social care complaints in 2020-21 and reached adverse findings in 2 instances. Financial payments of £11.9k were made up from £2.2k in 2019-20.

Recommendations

25. The Commission is asked to:
 - (i) note the contents of the Corporate Complaints Annual Report attached as Appendix A, covering the period 1 April 2020 to 31 March 2021;
 - (ii) provide comment and feedback on the content and analysis within the report.

Circulation under the Local Issues Alert Procedure

None.

Background Papers

Corporate Complaints and Compliments Annual Report 2019 – 2020: Scrutiny Commission – 2 September 2020

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=6177&Ver=4>

Local Government and Social Care Ombudsman Report Regarding Nursery Charges: Cabinet – 5th February 2021

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=6440#A166685>

Local Government and Social Care Ombudsman Report Regarding Provision of Suitable Full Time Education: Cabinet – 23 March 2021

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MID=6441#A167316>

Officer to Contact:

Simon Parsons, Complaints and Information Manager

Tel: 0116 3056243

Email: simon.parsons@leics.gov.uk

List of Appendices

Corporate Complaints and Compliments Annual Report 2020 – 21

Equality and Human Rights Implications

None

This page is intentionally left blank

Complaints



Corporate Complaints & Compliments Annual Report 2020 - 2021

CONTENTS

CONTENTS.....	1
1. Purpose of Report.....	2
2. Complaints and Compliments received in 2020-21.....	2
3. Service Performance 2020-21	9
4. Learning from corporate complaints	11
5. Local Government and Social Care Ombudsman enquiries	13
6. Oversight and support provided by Complaints service.....	16
7. Concluding Comments.....	17
APPENDIX A – Sample of compliments received	18

1. Purpose of Report

- 1.1** To report statistical information on Leicestershire County Council's (LCC) corporate complaints and compliment activity from 1 April 2020 to 31 March 2021.
- 1.2** To provide an open resource to anyone who wishes to scrutinize local services
- 1.3** To outline the key developments and planned improvements to the complaints processes operated by the Council.
- 1.4** To demonstrate how some of the learning from complaints and compliments has been used to shape future service delivery and improve the overall customer experience.

2. Complaints and Compliments received in 2020-21

2.1 Introduction

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

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

In addition, the team deals with a wide range of interactions with customers that do not go on to become formal complaints. These include capturing compliments and comments about all Council services. The Complaints and Information team also look for opportunities to “fix and solve” issues through informal resolution as well as signposting to other organisations or alternative routes of redress as required.

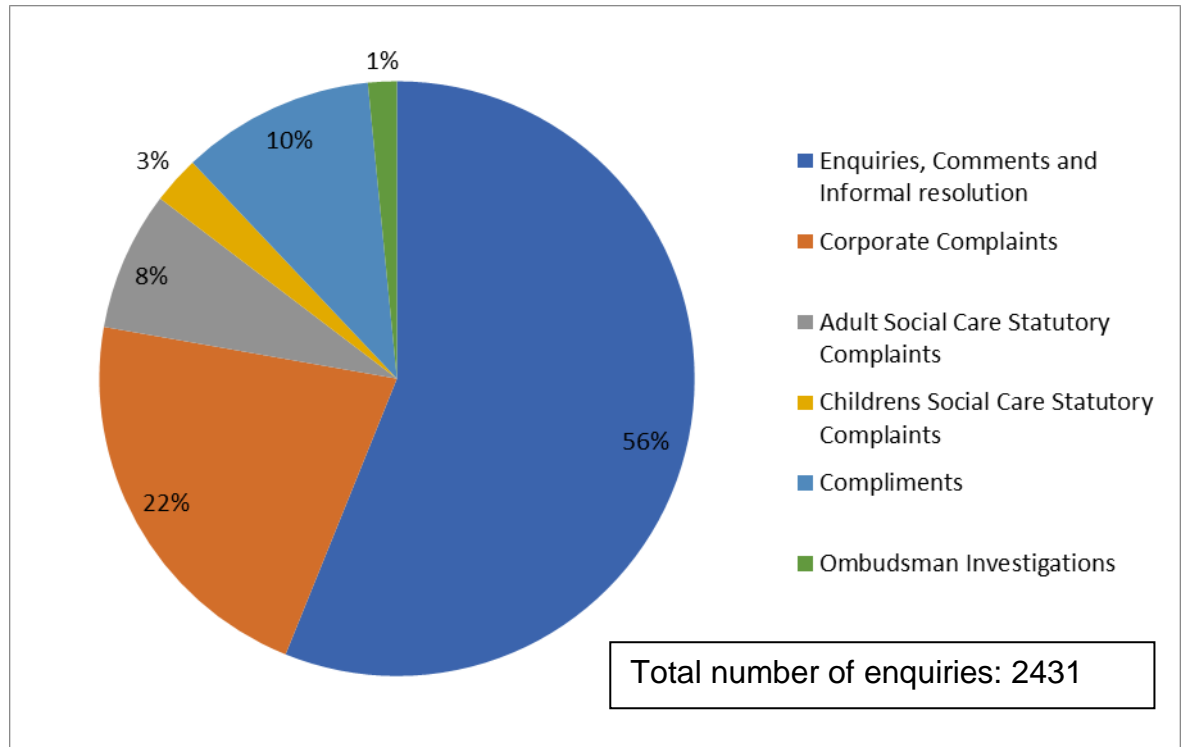
Whilst many of the above queries are quickly resolved, those where exemptions from the complaints procedure apply can often generate significant correspondence and phone calls.

The team also, in liaison with the Director of Law and Governance, manage all complaints that are referred to the Local Government and Social Care Ombudsman (LGO). The Complaints and Information Manager acts as the nominated Link Officer and handles all correspondence between the Council and the Ombudsman.

2.2 Summary of all complaints, compliments and enquiries received in 2020-21

In total, the Complaints Team received and processed 2431 separate enquiries during 2020/2021, as depicted below

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



Following a sharp increase in 2019/20, this year 20/21 has seen a further marginal increase overall (2399).

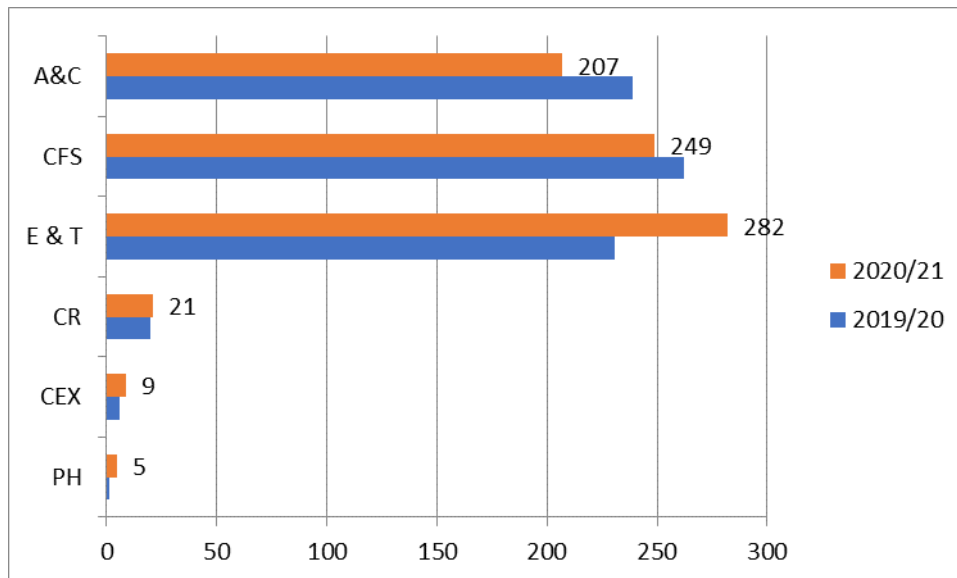
A significant number of enquiries do not need to be formally investigated as complaints but instead the public are assisted by the Complaints and Information team to access the appropriate service or to resolve any difficulties they are having.

These are collated under Enquiries, Comments and Informal Resolution. Further detail is provided on this under Section 2.6. At 56% of the overall volume this is a significant and increasing role for the team.

Contact Type	2019/20	2020/1	% Change
Enquiries, Comments and Informal resolution	1184	1364	+15%
Corporate Complaints	432	527	+21%
Adult Social Care Statutory Complaints	208	184	-11%
Childrens Social Care Statutory Complaints	119	63	-47%
Ombudsman Investigations	44	38	-14%
Compliments	412	215	-48%
	2399	2431	+1%

Formal complaints were received across all departments in 2020-21 as represented in the graphic below, contrasted with the figures for 2019-20.

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

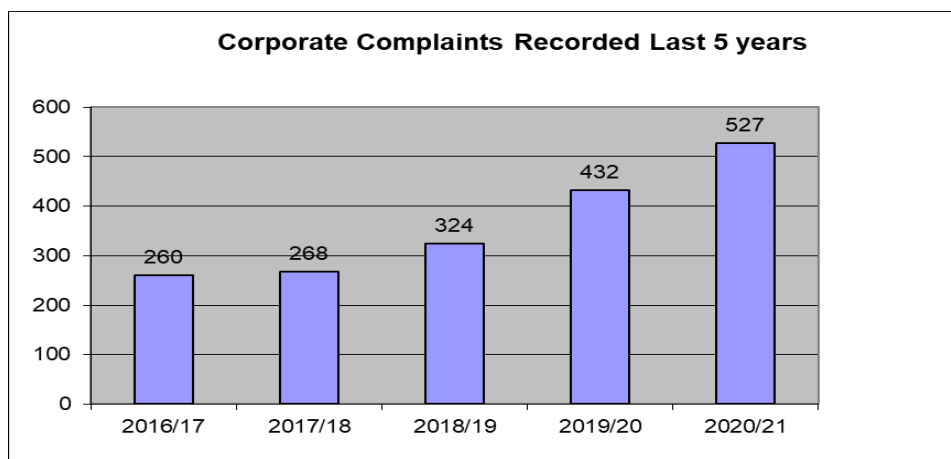


It should be noted that this report and the following analysis relates solely to the Council's corporate complaints and compliments processes

2.3 Corporate Complaints trend analysis

The total number of corporate complaints received increased by 21% during 2020-21. This follows a 33% rise from the previous year and continues the long-term trend of significant increase.

Table 3: Corporate Complaints recorded during the last 5 years



2.4 Analysis of corporate complaint themes and significant changes from 2020-21

A key part of an effective complaints system is to highlight areas for improvement and to seek improvement of those services year on year.

In the 2019-20 corporate complaints annual report, the 5 services detailed below received the most complaints. Comparative data for 2020-21 shows a mixed picture in terms of success in generating improvements.

Service	2019/20	2020/21
Special Educational Needs Assessment	58	38
School and SEN Transport	47	69
Highway and Footway Maintenance	38	48
Environmental Services	36	21
School Admissions and Inclusion Services	23	11

Although there were good reductions in volumes of SEN Assessment complaints during the year, this area remains a focus as early data from 2021-22 suggests it is again rising. There has however been significant work taking place to re-structure the area which will take time to bed in.

Environmental Services (predominantly Grass Cutting and Drainage) saw good reductions in volume as did School Admissions complaints.

Highway and Footway maintenance complaints rose, predominantly to do with lower priority work that was also impacted by the pandemic. It is not flagged as an area of concern.

School and SEN Transport complaints however continued to rise and was a significant pressure point during Quarter 2 and 3. Predominantly concerning delays in arranging transport for SEN students. Again, the pandemic was a factor, but it should not be ignored that this area has seen a steady increase over the last few years in complaints and needs further work to improve how we communicate with parents which was often at the heart of the complaints.

2.5 Analysis of most common corporate complaints in 2020-21

The list below details the 5 most frequent complained about services during 2020-21.¹

Service	2020/21
SEN & School Transport	69
Waste Management	69

¹ This list excludes the 88 complaints about Childrens Social Care and where the complainant lacked access to the statutory complaints procedure. These themes are explored in the Childrens Social Care Annual Report 2020-21

Highway and Footway repair	58
SEN Assessment	38
Environmental Services	21

SEN & School Transport

Most complaints were received around the start of the academic year in September 2020. These were predominantly about delay in commissioning and arranging transport for students. Clearly the pandemic and delays in receiving government guidance played a part but there was also insufficient capacity to handle the resultant enquiries and manage expectations. Additional resources were deployed but it is important to look at how this can be improved for next year's requests.

Waste Management

In June 2020 and as part of service re-design in response to the pandemic, a change was made that required appointments to be made for using the recycling and household waste sites. An electronic booking system was created at pace and inevitably there were some limitations to the technology which led to queries and on occasion complaints.

Of the 69 formal complaints recorded, 35 were generated through issues with the booking system. Removing these figures, the overall numbers are in line with previous years.

It is also worth stating that a substantial number of bookings were made in 2020-21 so this represents a very small number that translated to formal complaints. During the summer of 2022 the requirement for bookings for most individuals will be removed.

Highway and Footway Repairs

Analysis of complaints received under this category show that there is a small number that pertain to high priority "category 1" reports where response timeframes remain consistently good.

Complaints are more prevalent for work assessed as lower priority and to be scheduled in batches along with wider work. The last year has been a challenging landscape and this has been seen in some of this work taking longer to schedule. This remains a challenge as to how we manage public expectations.

SEN Assessment

The most common theme of complaint within this area was around the rigour of sending out EHC plans in a timely fashion and responding to parent enquiries. Some of this has been down to staffing constraints but there have also been several opportunities identified to improve processes and which should help drive improvements moving forwards.

Environmental Services

This service encompasses Drainage and Grass Cutting amongst other categories. These have previously been listed separately in annual reporting but now follow the organisational structure.

It is worth reflecting that historically, Drainage alone was often one of the highest ranked complaints and over the last 3 years there have been significant improvements in the work of this team. There were just 6 complaints recorded around this area last year.

The other principal category is Grass Cutting (15). Again, there have been very similar volumes to last year. It should be noted that this does not include those where it is simply about the grass-cutting policy (e.g. number of cuts, collection of grass cuttings)

2.6 Enquiries and Out of Jurisdiction complaints

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

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

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

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

During 2020-21, the Complaints Team handled 1,364 miscellaneous enquiries consisting of:

- First time requests for service which were passed to the relevant Customer Service Centre or other access point (452)
- Informal resolution within 24 hours. This includes provision of advice and information about Council services and policies (595)
- Providing advice and signposting to the correct organisation e.g. District Councils, Academies, Health (260).
- Providing advice and signposting to alternative procedures for redress, for example internal appeals procedures, subject access requests, HR procedures (93)

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

Wherever possible, the Complaints Team aims to resolve customer complaints and concerns without the need to escalate into the formal complaints process. This is good complaints handling practice with complaints being resolved as close to the point of origin as possible.

This year has highlighted that as services increasingly look to become “digital first” there will be an increase in enquiries that overspill into the Complaints arena. This has been most prevalent with the Waste sites booking system where a few residents have struggled with being able to complete this task online and turned to the complaints process to resolve this.

2.7 Compliments received

255 compliments were recorded across all services during 2020-21. This is down from 2019-20 but is likely under-represented this year due to the pandemic pressures on services maintaining the rigour of sending these through for central collation.

During the year, our Complaints and Compliments webpage has been refreshed to ensure that it is more visible how to make a compliment and there are early signs of more being received through the online channel.

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

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

3. Service Performance 2020-21

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

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

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

3.1 Responsiveness to corporate complaints

Table 4: Corporate Complaints Performance against timescales

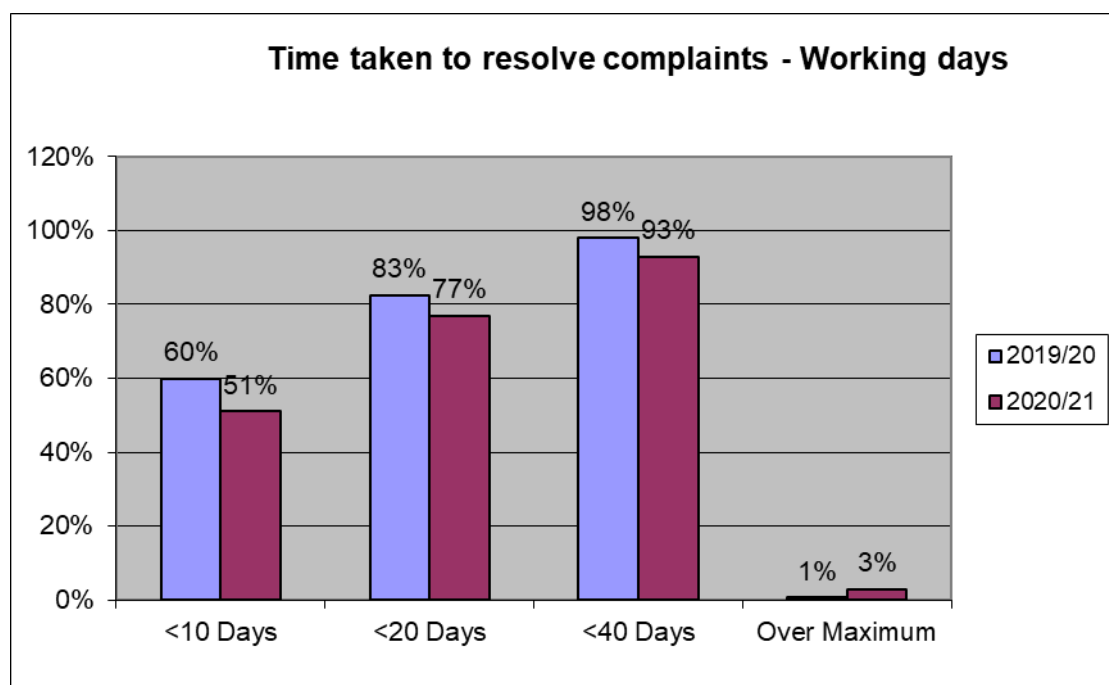


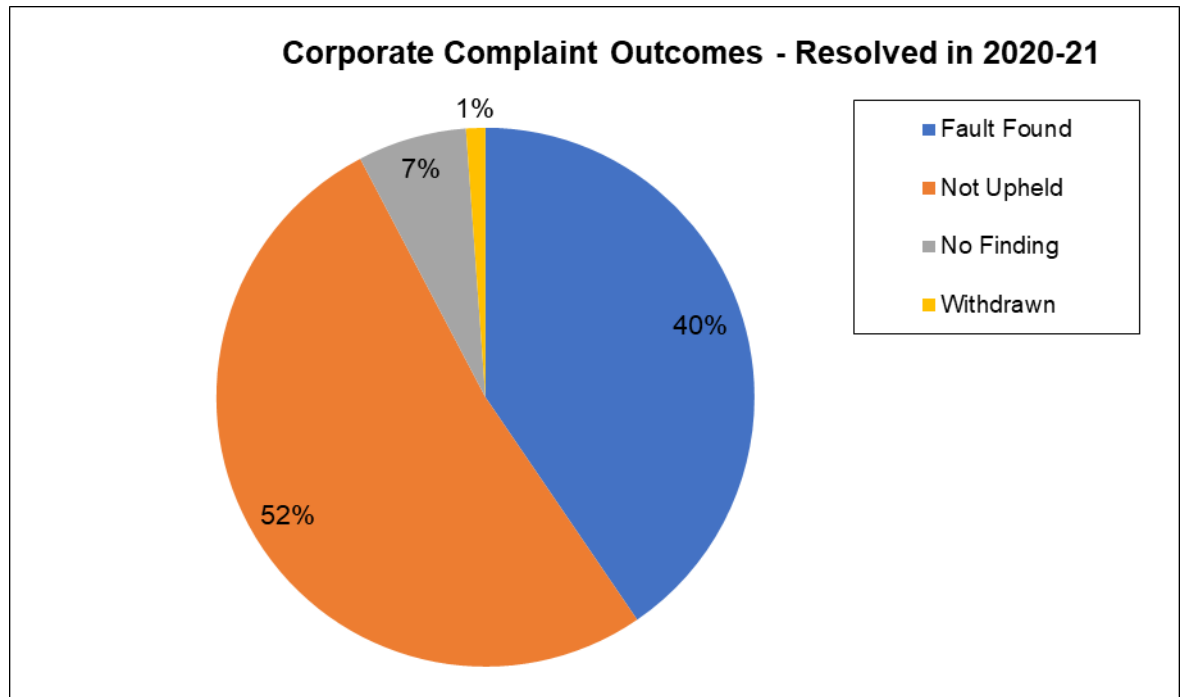
Table 4 above shows a summary of time taken to respond to complaints, providing a comparison between the current reporting year and the previous one.

Unsurprisingly there has been some pressure on services responding to complaints this year particularly at the height of the pandemic. It is encouraging however to note that 77% of all corporate complaints were still responded to within 20 working days and just 17 (3%) took longer than our policy maximum of 65 working days to complete the process.

The Local Government and Social Care Ombudsman issued guidance during the year that it would take a sympathetic view to complaint response timescales but stressed the importance of clear communication with complainants to manage expectations. This is routinely done by the Complaints and Information team.

3.2 Corporate Complaint Outcomes & Resolutions

Table 5: Corporate complaints recorded by outcome.



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

Table 5 above shows that 210 (40%) complaints were upheld to some extent following investigation, this is a slight drop from 2019-20 (43%)

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

Prompt acceptance and ownership of any mistakes can help prevent costly complaint escalation.

4. Learning from corporate complaints

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

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

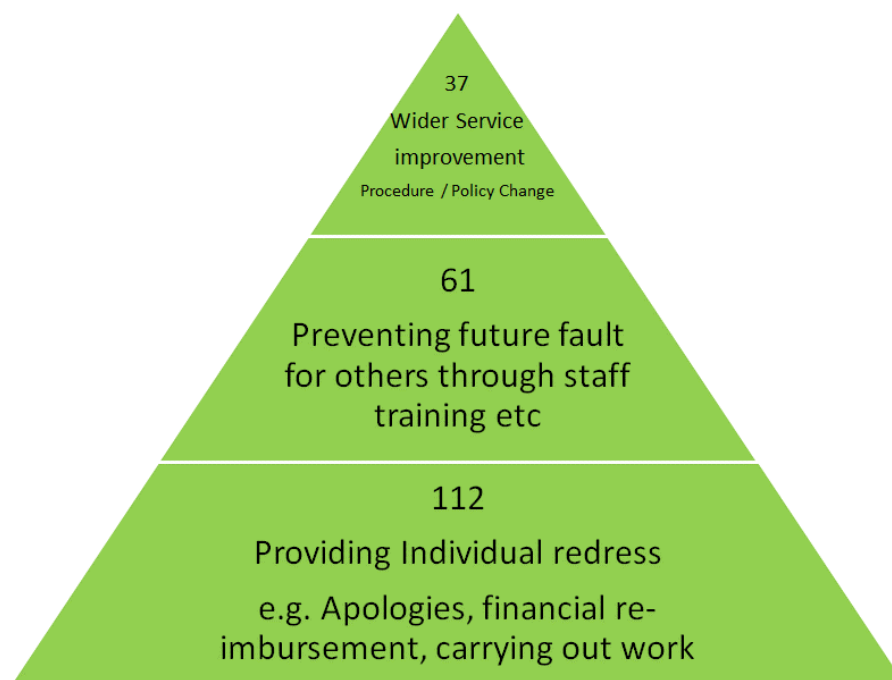
Occasionally issues will be identified that need to be addressed over and above the original complaint. The Complaints Team will always try to look at the “bigger picture” to ensure that residents receive the best possible service from the Council

4.1 Remedial actions taken from resolved complaints 2020-21

All the 210 complaints where fault has been found have been reviewed to ascertain what action the relevant department has taken, both in remedying the fault, and any wider learning to avoid such issues occurring in the future.

Remedial action typically consists of both individual redress (e.g. apology, carrying out overdue work) and wider actions that may affect many. The diagram below shows the actions taken during 2020-21. 48% of complaints upheld resulted in actions that should improve service for other residents. This is very similar to 2019-20 and shows continued efforts to learn from complainants’ experiences and to improve things for the wider public.

Table 6: Summary of actions taken following complaint investigation



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

You complained that	We Have
The computers at Loughborough library was slow and unusable	We arranged a refreshment of the equipment to improve their performance
Highways works gang were not maintaining sufficient social distance whilst undertaking works	We updated our guidance to operational teams on this important area
The issuing of a Blue Badge renewal was delayed	We identified training needs for the officer dealing with this enquiry
The number of van slots for attending waste sites is too limited	We increased the availability of these for the sites
There is a lack of clarity around what can be recycled at the Waste sites	We listened to the feedback and have made some changes to the web content to clarify this.
A bench at Watermead Country Park was in disrepair	We inspected all the benches and identified a number to go onto the schedule of works and this work is now being undertaken
We are not clear enough with families about the Section 47 process	We agreed to create new information leaflets on this subject to improve public understanding
SEN Officers do not respond quickly enough to queries	We have added extra business support to respond to routine enquiries and free up capacity of SEN Officers for more complex issues
The Waste staff were unhelpful in dealing with enquiries	We received many compliments for this site but took the opportunity to deliver some customer care training for the individual involved
We started transport provision without a meet and greet	This was a judgement call that it was better to start the provision than delay but reminded all staff of the need to communicate clearly if making that decision.
We delayed in consulting with Schools over whether they could meet need the educational needs of a child	There was an opportunity to improve how we monitor completion of these and other tasks. New processes introduced

5. Local Government and Social Care Ombudsman enquiries

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

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

The Ombudsman publishes some headline information on each Council's performance every year, although at time of writing this report this information has not been released. This data is expected late July 2021 and will be reported through the Corporate Governance Committee in November 2021.

It is important therefore to note that the figures below are the details the Council holds for LGO enquiries. Coupled with this, there has been a change in how we record complaints which means that premature complaints can no longer be reported on

5.1 New enquiries made by the Local Government Ombudsman 20120-21

During the year 2020-21, the Local Government Ombudsman opened new enquiries into 25 complaints. This can be further segmented by department and alongside the last 2 year's figures:

Department	2020/21	2019/202	2018/19
Environment and Transport	13	7	7
Children and Family Services	7	20	13
Adults and Communities	3	15	10
Corporate Resources	1	1	1
Chief Executives	1	1	0
Multiple departments	0	0	1
TOTAL	25	44	32

It should be noted that the LGO paused casework for some 3 months during the pandemic and this will have impacted on the volume of new enquiries received. However, it is pleasing to see the reduction in new enquiries regarding Adult Social Care.

5.2 Decisions made by the Local Government and Social Care Ombudsman 2020-21

The LGO issued Final Decisions on 38 cases during the year. Ombudsman complaints can take several months to conclude so some will relate to complaints received in 2019/20. The outcomes reached were as follows:

- Five identified as outside of the Ombudsman's remit and discontinued on this basis

- Seventeen were closed after initial enquiries (the Assessment stage) with no further action. Typically, this is where the LGO feel they are unlikely to find any fault or are satisfied with the Council's response.
- Four were closed after detailed investigation and with no maladministration found
- Twelve cases of maladministration and injustice were found

The numbers of cases where the Ombudsman highlighted maladministration reduced slightly from 18 in 2019-20

Two Public reports were issued against the Council during the year. This marks the first public reports issued against the Council since 2013. The Ombudsman uses Public Reports for several reasons including to highlight topical issues and highlight significant fault and learning.

Benchmarking with statistical comparative neighbours will be undertaken and reported to Corporate Governance Committee following receipt of the Council's Annual Review Letter expected in late July 2021.

Six of the twelve maladministration findings related to corporate services with brief details set out below:

Education & SEND

Case 1 – Nursery Education: Unfair top up charged by Nursery – Issued as Public Report

Mr F complained that he was charged a “top-up” by a Nursery provider for childcare that should have been free.

The Council initially challenged the findings but upon review accepted that there were clear issues with the transparency of invoicing operated by the Nursery provider.

The Council agreed to a compensatory payment of £1,200 and apologised to Mr Roche. It provided updated guidance for all providers on charging and their obligations to ensure the entitlement to 30 hours care was completely free of charge. It also committed to identifying whether any other families were affected by this issue at the Market Harborough setting and to take appropriate action in response.

Case 2 – School Admissions / Inclusion Services: Issued as Public Report

Mrs B complained that the Council failed to provide full time education for her daughter following a house move.

The Council had already accepted fault which resulted in a significant period of missed education. There were failings in how services linked together and in how the Fair Access Protocol was applied.

The Council agreed to a compensatory payment of £7,500 and a comprehensive action plan including procedural reviews and staff training.

Case 3 – SEN:

Mrs C complained that the Council had failed to ensure provision of the education and therapy named within her daughter's EHCP

The Ombudsman found fault both that therapy provision had not been commissioned and that the Council had unreasonably delayed responding to a Tribunal Order.

The Council agreed to make compensatory payments of £1,200 in recognition of missed provision and time and trouble. It also agreed to review processes around responding to Tribunal Orders.

Case 4 – SEN:

Mrs D complained that the Council delayed issuing an EHCP following an annual review meeting.

The Council accepted the Ombudsman finding and agreed to a compensatory payment of £100 recognising the time and trouble raising the complaint.

Case 5 – SEN and Disabled Childrens:

Mrs E complained that the Council had failed to notify of cessation of Public Law Outline (PLO) proceedings and had not ensured the content of an EHCP plan was delivered appropriately

The Council apologised for the delay in notifying of PLO proceedings being ceased and agreed to make payments of £447.50 in recognition of any distress and some missed therapy provision. It also agreed to re-imburse for some therapy sessions which had been privately procured.

School and SEN Transport**Case 6 – SEN Transport:**

Mrs B complained that the Council changed the transport provision for her son without adequate notice and delayed in carrying out a risk assessment process

The Council accepted the findings and whilst the Ombudsman investigated had already resolved the transport issue by a change of provider. A reminder to all staff of the importance of ensuring notice was provided whenever changes to transport were proposed was issued.

6. Oversight and support provided by Complaints service

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

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

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

In-house training focused on the core techniques of investigation and responding to complaints has been paused this year. This was initially to the pandemic pressures but also some resourcing pressures. This offer will be resumed in 2021.

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

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

Quarterly complaints reports are produced and presented to Departmental Management Teams or Senior Leadership Teams as appropriate.

7. Concluding Comments

This has been a challenging year with services having to adapt to the pandemic pressures and there has continued to be a rise in corporate complaints recorded.

Despite these increases, responsiveness to complaints remains largely good evidenced by the 97% of complaints resolved within our policy timescale. There was also a clear reduction in the number of adverse decisions made by the Ombudsman during the year, recognition that the implementation of the “review” stage is helping mitigate these.

This report highlights specific concerns around SEN Transport and adopts a cautious position on the reduction in SEN / EHCP complaints. Although volumes have reduced this year, it remains the area the Council has seen the most adverse decisions by the Ombudsman, and it is too early to tell whether the extensive improvement work undertaken has resolved all of the underlying issues.

APPENDIX A – Sample of compliments received

- Thank you to the Highways Team for the great resurfacing work. Accommodated residents really well on the day– **Highways Operations**
- Thank you Kanan for doing a great job supporting schools and– **SENA**
- 16 separate compliments to the team at Mountsorrel refuse centre for doing a great job in difficult times – **Waste Management**
- Thank you to the Highways team for your succinct and comprehensive briefing and answering questions on behalf of residents and Parish Council– **Highways Schemes**
- Thank you to Debbie and team for your response regarding the proposed road closure petition– **Network Management**
- Thank you for your time and support today with the traveller challenge at Willow Farm Business park – **MATU**
- Thank you for all your help, support and organising contractors throughout the flood issue at Pennine House. – **Operational Property**
- Thank you to Lee for taking the time to reply to the request for relocation of Start of Speed Limit – **Traffic Management**
- Thank you to Amy and team for the hard work and dedication shown during the recent heavy and torrential weather – **Drainage team**
- Thank you to the SEN transport team for arranging transport for my son – **SEN Transport**
- Thank you to Ashley, Gareth and Kevin for all your support with the reduced service for year 10 students – **School Transport**
- Thank you to Peter and the forestry team for your excellent work completed on Hathern Road - **Forestry**
- Thank you, E&T team, for the refreshed white lines painted on the roads. They look great - **Highways**
- Thank you to the Post 16 team for all your help and support – **SENA**
- Special thanks to Peter in the risk assessment team for his care and expertise with the risk assessment. – **SEN Transport**
- Thank you, Edwin & staff, for your prompt response and actions in alleviating our concerns regarding the flooding problems on Chapel Street. - **Environmental Services**

This page is intentionally left blank



CABINET – 20 JULY 2021

**LEICESTER AND LEICESTERSHIRE ECONOMIC GROWTH
STRATEGY**

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is seek the Cabinet's view on the consultation draft of the Economic Growth Strategy prepared by Cambridge Econometrics on behalf of the Leicester and Leicestershire Enterprise Partnership (LLEP) and attached as the appendix to this report.
2. The Cabinet is recommended to request some amendments to the draft Strategy, to reflect the officer comments which are summarised in this report.

Recommendations.

3. It is recommended that:-
 - a) The comments of the Scrutiny Commission made at its meeting on 12 July be noted;
 - b) The Leicester and Leicestershire Enterprise Partnership be requested to make some further revisions to the draft Strategy to address
 - (i) the comments set out in paragraphs 27 to 30 of this report;
 - (ii) any issues arising from County Council departments (to be submitted to the LLEP by the end of July);
 - c) That subject to the revisions at b) above being made the Economic Growth Strategy for Leicester and Leicestershire be welcomed.

Reasons for Recommendations

4. In the absence of a Strategic Economic Plan or Local Industrial Strategy for Leicester and Leicestershire, it is crucial the subregion establishes a clear vision for the economy, not least given the impact of the pandemic on businesses and individuals, and that the agreed strategy properly reflects the unique challenges and opportunities that exist in the County.

5. At the Cabinet meeting on 22 June 2021 it was agreed that the LLEP be advised of officer observations on the pre-consultation draft and that these be included in the version issued for formal consultation. This report sets out where further amendments to the consultation draft are considered necessary.
6. County Council departments have recently received the draft Strategy for comment and have been asked to submit comments by the end of July.

Timetable for Decisions (including Scrutiny)

7. The draft Strategy will be considered by the Scrutiny Commission on 12 July and the Scrutiny Commission's comments will be reported to the Cabinet.
8. It is intended that the final draft Strategy will be considered by the LLEP Board on 19 August and subject to the Board's approval, published on the 31 August.

Policy Framework and Previous Decisions

9. The Council's Strategic Plan (agreed in December 2017), supported by the Council's Enabling Growth Plan, outlines the Council's long-term vision for the people and place of Leicestershire and sets the Council's five key outcomes for 2018 to 2022, which include building a strong economy, supporting wellbeing and opportunity, developing greater communities and keeping people safe.
10. In June 2020 the Council's 'Covid-19 Recovery Strategy 2020-2021' was presented to Cabinet. Key objectives for economic recovery were defined including addressing the significant impact of Covid-19 on the labour market and re-skilling Leicestershire's residents to be able to compete in the changed local economy; including upscaling digital skills and tackling digital isolation, skills for a zero-carbon economy and supporting cohorts most affected by the Covid-19 lockdown (for example, those not in employment, education or training, young people and the over-50s).
11. In October 2020 the Cabinet considered a report entitled 'Coronavirus (Covid-19) Impact and Response of the County Council – Recovery' regarding the effect on county employment levels and job vacancies and outlining actions already being undertaken to mitigate economic damage including £750,000 of Business Recovery funding. The report recognised that further work would need to be undertaken to support the economy stating that options such as Kickstart, further rural rollout of Broadband and supporting the Council's commitment to a zero-carbon economy would all be explored.
12. On 5 February 2021 the Cabinet agreed the County Council would support the Kickstart Programme and establish a 2 year Work+ project as part of its efforts to assist economic recovery in the County. It was also noted the Council was supporting businesses via the Business Recovery Grant and Community Pub programme and continued support for the roll-out of the Broadband Programme. The Cabinet agreed that the Council should work to deliver a green economic recovery.

13. On 22 June 2021, the Cabinet expressed its support for the development of the Strategy. It noted the officer comments on the pre-consultation draft for consideration of the LLEP, and that the draft Strategy would be considered at its next meeting.
14. The LLEP Board met on the 24 June and approved a revision to the draft Strategy for public consultation between 28 June 2021 and 30 July 2021.

Resource Implications

15. There are no new financial implications to the County Council identified at this stage.

Circulation under the Local Issues Alert Procedure

16. None.

Officers to Contact

Tom Purnell, Assistant Chief Executive
Chief Executive's Department
Tel: 0116 305 7019 Email: tom.purnell@leics.gov.uk

Simon Lawrence, Head of the Growth Unit & Major Programmes
Chief Executive's Department
Tel: 0116 305 7243 Email: simon.lawrence@leics.gov.uk

PART B

Impact of Covid-19

17. The impact of the Covid-19 pandemic is unprecedented. Evidence collected reinforces the view that Leicestershire businesses have been severely impacted, with some sectors more so than others and with many individuals still to face the consequences of the ending of the furlough scheme.
18. Since March 2020, the claimant rate for Job Seekers Allowance in Leicestershire has increased from 1.6% to 3.9% of the working age population. This is compared to 5.2% in the LLEP area in April 2021, 7.7% in Leicester, 3.3% in Rutland, 5.5% in the East Midlands, and 6.5% percent in England.
19. Leicester City is showing a slower recovery with job postings lower at the end of 2020 than any time in 2019, although this is now on an upward trend. Leicestershire districts have shown a strong recovery although they have also been affected by the third national lockdown.

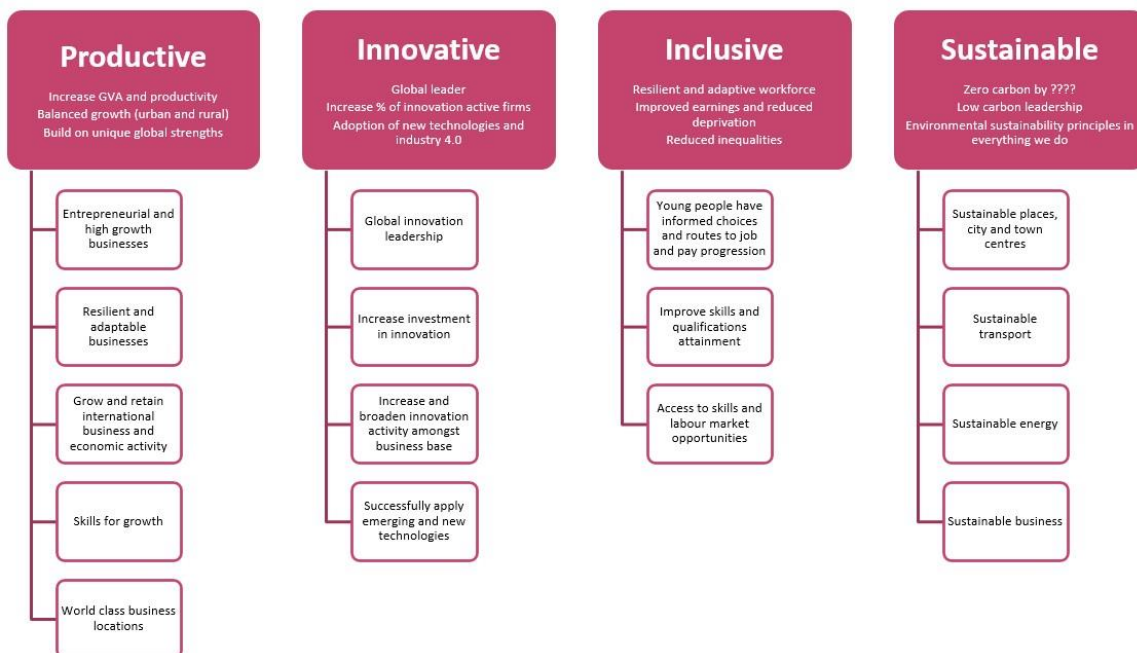
Economic Growth Strategy Development

20. The Strategy has been in development since March 2021 and has been the focus of four LLEP Board workshops to date.
21. The Economic Recovery Cell (ERC), chaired by the LLEP and part of the wider Leicestershire Resilience Forum's governance structure put in place to oversee the response to and recovery from, the pandemic, has also had responsibility for supporting the development of the strategy. The County Council is represented by the Head of the Growth Service on the ERC.
22. The LLEP Board workshops have provided an opportunity for Board members to share views on a pre-consultation draft ahead of the stakeholder consultation running between 28 June and 30 July 2021. The County Council has been represented by the Leader of the Council and the Cabinet Lead Member for Ways of Working and Recovery.
23. The officer observations noted by the Cabinet on 22 June have been shared with the LLEP, resulting in some amendments to the consultation draft. More details are given below.
24. The consultation draft Strategy (appended to this report) has been circulated to all relevant County Council departments for more detailed officer comments to be collated and returned by the end of July to the LLEP.
25. The development of the strategy, led by the LLEP is being undertaken with the backdrop of the ongoing national review of Local Enterprise Partnerships. The outcome of this national review is thought now to be due in the autumn. The impact on the LLEPs role more generally and specifically in relation to the delivery of this strategy, is unknown.

Strategy Vision

26. The Strategy aims to reflect the substantial progress made over the last 10 years, in defining what the Leicester and Leicestershire economy has achieved and how it continues to develop, especially in terms of science and knowledge-based businesses.
27. The mission statement produced for the Strategy is as follows; *Using our local capabilities, innovations and skills – we seek to build a productive, innovative, inclusive and sustainable community at the cutting edge of science, technology and engineering by 2030.*
28. The framework of the strategy is around four key aims and corresponding priorities, beneath each aim. The aims reflect the Government's policy priorities and funding opportunities coming through.

Strategy Framework



Officer Observations on the Draft Economic Growth Strategy

29. The County Council has provided views on documentation presented to the LLEP Board workshops during the development of the Strategy. Following receipt of the first draft document on 7 June, officers have made a number of observations, as set out in the Cabinet report on 22 June.
30. The Strategy recognises Leicestershire's location as key to providing the right conditions for growth and rightly celebrates past successes and builds upon these, focusing on developing the knowledge-led sectors. The case studies provide a good balance of activity taking place under each priority area and demonstrate that, despite the pandemic, the area can deliver and maintain growth.

31. The framework for the Strategy, set out above, reflecting the Government's wider ambitions for growth, is considered suitable.
32. Officers have conducted an initial review of the revised consultation draft and observations are set out below. Further, more detailed observations will be presented to LLEP officers and to the LLEP Board following the conclusion of an internal consultation involving all County Council departments. At present it is considered that -
 - a) The document needs to reflect more accurately the challenges and opportunities in the Leicester and Leicestershire economy as well as how these will be overcome.
 - b) The final document needs to be clearer on the approach to delivering the commitments set out in the Strategy including the development of an action plan, with partners' responsibilities and funding streams clearly identified.
 - c) Whilst the County Council's declaration of a Climate Emergency is mentioned there is a need to place more emphasis on the importance of this issue and the need to act now in order to achieve the tight timescales.
 - d) The Strategy needs to reflect the national policy context into which it fits – devolution White Paper, UK Shared Prosperity Fund and Levelling up Agenda for example.
 - e) References to rural issues within the document are limited and fail to acknowledge the wider role rural areas play in tourism and related sectors as well as the need to refer to physical and digital connectivity issues in rural areas.
 - f) There is also a need to acknowledge the fragility of the supply chain with Agriculture as highlighted in the pandemic as well as a need to increase technology and diversification within the sector.
 - g) The final Strategy needs to reflect the significance towns and market towns play in the rural economy of the County and the need to regenerate and re-purpose the centres as a result of the changes to the retail environment.
 - h) The draft Strategy now makes reference to HS2 but only from a transport perspective; it fails to recognise the wider economic impact of the line.
 - i) The draft Strategy now makes reference to the Leicester/Leicestershire Strategic Growth Plan to 2050, but greater emphasis needs to be placed on its role in supporting and defining inward investment opportunities for the County.

Equality and Human Rights Implications

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

Background Papers

Reports to the Cabinet on 23 June and 20 October 2020 regarding the Coronavirus Impact and Response of the County Council

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=5996&Ver=4>

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=5998&Ver=4>

Report to the Cabinet on 5 February 2021 – Supporting Economic Recovery in Leicestershire

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=6440&Ver=4>

Report to the Cabinet on 22 June 2021 - Leicester and Leicestershire Economic Growth Strategy

<http://politics.leics.gov.uk/ieListDocuments.aspx?CIId=135&MIId=6444&Ver=4>

Appendix

Consultation draft of the Economic Growth Strategy

This page is intentionally left blank



Leicester & Leicestershire

Economic Growth Strategy 2021-2030

Consultation Draft

Version 1.8

15 June 2021

Foreword

Using our local capabilities, innovations and skills – we will build a productive, innovative, inclusive and sustainable economy at the cutting edge of science and technology that supports healthy people and a healthy planet

Leicester and Leicestershire has undergone a transformation over the past decade – into an innovative, technology-led and knowledge economy. These new and evolving strengths, alongside existing strengths and advantages will help us to overcome the impacts of Covid-19 and challenges of the EU transition. It is important to also acknowledge the need to deliver economic participation and prosperity for all residents and to accelerate progress towards a carbon neutral future.

From the post-covid recovery, to the future impact of new technologies and international trading arrangements - the future is uncertain. Important national policy decisions that will impact local economies are also being formulated, and we will know their priorities, objectives and potential resources later in 2021 and 2022.

This strategy sets out the broad ambitions and for Leicester and Leicestershire that will inform future funding bids and resource prioritisation

Despite the current economic and policy uncertainties, we are best identifying and being informed about our main challenges and opportunities. This strategy sets out ambitions, objectives and priorities for the next ten years – intended to be used as a commissioning document for seeking funding, allocating funding and making decisions of what to prioritise over the coming years.

The strategy is ambitious – it sets out the short-term measures that we need to undertake to recover from the Covid-19 pandemic and transition to new trading arrangements after leaving the EU. The Leicester and Leicestershire Economic Growth Strategy describes how, using our local capabilities, innovations and skills – we seek to build a productive, innovative, inclusive and sustainable community at the cutting edge of science, technology and engineering by 2030.

The next steps are to develop delivery plans and secure resources

The strategy presented here is not an action plan or delivery document - these will come later in 2021 and 2022. Building on our track record, we can deliver. Leicester and Leicestershire has a fantastic track record in delivery, in transforming the region into a knowledge- and technology- led economy. We have successfully delivered a range of transformative local and national policy initiatives, such as our Enterprise Zone sites. We are poised to further capitalise on initiatives such as the East Midlands Freeport. Working together, we can deliver 2021-2030 Economic Growth Strategy.

Contents

FOREWORD	2
CONTENTS	3
OUR MISSION	4
OUR STRATEGY	7
PRODUCTIVE	13
INNOVATIVE	22
INCLUSIVE	29
SUSTAINABLE	36

Our Mission

Welcome to Leicester and Leicestershire – a leading and fast-growing centre of science, technology and knowledge-industries in the UK

This new Economic Growth Strategy for 2021-2030 seeks to deliver recovery and growth, building on the successful transformation of the local economy over the past 10 years

Leicester and Leicestershire's Economic Growth Strategy for 2021-2030 seeks to deliver a successful recovery from the Covid-19 pandemic and further capitalise on the phenomenal transformation of the local economy over the past 10 years. Pre-Covid, Leicester and Leicestershire generated £24.5 billion in GVA, with 42,000 businesses and 538,000 jobs, and testament to its resilience and growth potential, we expect this to increase to £30.2 billion and 568,000 jobs by 2030.

Building on the global R&D and entrepreneurial expertise of Leicester and Leicestershire's three Universities, and excellence in science and engineering, the region is now home to several UK and world-leading centres of new technology and innovation in space and earth observation, sports science, life sciences, IT and cyber technologies, and automotive engineering. Leicester and Leicestershire is also the UK's central logistics hub, having gained significant jobs and investment due to the area's strategic location. Agriculture and Food & drink production remains a key sector in Leicester and Leicestershire, producing £1.8 billion in GVA and accounting for 43,900 jobs.

With the opportunity to create up to 60,000 new skilled jobs in the East Midlands Freeport

Another significant new opportunity is the East Midlands Freeport, which could create up to 60,000 new skilled jobs in the region. Based around the East Midlands Airport and Gateway Industrial Cluster (EMAGIC) in North West Leicestershire, Unipers Ratcliffe-on-Soar power station site in Rushcliffe in Nottinghamshire and the East Midlands Intermodal Park (EMIP) in South Derbyshire, the Freeport will bring significant investment to develop and drive innovation, alternative energy sources and green technology supporting SME's and large regional employers, including Rolls-Royce, Toyota, and Alstom (formerly Bombardier). The East Midlands Freeport bid was submitted in February 2021 by a consortium led by the Local Enterprise Partnerships representing Leicester, Leicestershire, Derby, Derbyshire, Nottingham and Nottinghamshire. It included private sector businesses and local authorities, with support from universities, business groups, local MPs and the proposed East Midlands Development Corporation.

A successful, accessible location for business with world-class science and enterprise parks, and vibrant urban and rural areas

Alongside a reputation for a high quality of life and mixture of a dynamic city and vibrant rural towns and areas, Leicester and Leicestershire provides some of the best sites in the UK for science, technology, professional services and logistics businesses in the most central, accessible location in the UK.

Leicester & Leicestershire suffered from higher case-loads of Covid-19, and the impacts on tourism and hospitality sectors has been significant, and cannot be underestimated. However, the diversity of the local economy has provided some resilience, and there have been fewer job losses compared

to the national average. And for some sectors in Leicester and Leicestershire, such as logistics, life sciences, and online retail, demand and growth has been buoyant over the past year.

Covid-19 has accelerated and exacerbated existing trends

As elsewhere, the Covid-19 pandemic has impacted workers on low pay and facing job insecurity the most. 117,000 jobs are classified as 'vulnerable' due to Covid-19, of which 58,000 are in Hospitality, Tourism and retail and 30,000 are in Manufacturing. There has been a contraction in job vacancies and hiring, with young people particularly affected by a reduction in entry level positions and places on apprenticeships. This has led to further inequalities and concentrations of disadvantage, and has increased the future risk of unemployment and job insecurity facing lower-skilled residents and workers.

Covid-19 has also impacted business continuity, resilience, supply chains, and market demand. The capacity and capability of many SMEs has been significantly stretched in terms of their resilience and financial health. The pace of acceleration in the digital transformation of businesses and public services, and skills has meant that changes occurred in months that would otherwise have taken years. Rural areas have also been significantly impacted, with disruptions to both harvesting and the demand for agricultural produce, as well as supply chain disruptions in the Food & drink sector. Access to the countryside has also played a significant role during the Covid-19 lockdowns and curtailment of international travel and tourism.

Impacts of Covid-19 on the Leicester & Leicestershire Economy



Covid-19 caseloads

70% higher than national average in February 2021



Covid-19 has amplified existing inequalities

in our communities, and the impacts have been uneven both spatially and according to income group, age, ethnicity and gender.

Employers have been **less likely** to have made **redundancies**



117,000 or 24.3% of jobs classed as 'vulnerable' due to Covid-19



By 2030, as a legacy of the pandemic, the Leicester and Leicestershire economy could expect to have in the region of 1,600 fewer jobs, output £800 million lower, and a workforce £1,300 per annum less productive.

Leicester and Leicestershire – a thriving location for business and talent

Leicester and Leicestershire has transformed into a leading technology and knowledge-based economy over the past 10 years

The region's universities (De Montfort University, University of Leicester and Loughborough University) and businesses have demonstrated that they are world-class at Sports science, Space, Advanced engineering, and Automotive sectors, The Life sciences, Health, ICT, Professional services and Logistics. The region's three world class universities are integrated with the local economy and local business base, all leveraging international research expertise into local economic development and delivering their own entrepreneurship and innovation initiatives. Leicester and Leicestershire's further education Colleges are business-focused and are helping to improve SME participation in apprenticeships.

With the potential to reach critical mass in terms of the techno-entrepreneurial economy

This progress has culminated in the delivery of a range of modern science, technology and business sites – with HE, R&D and enterprise support built-in – including the Loughborough University Science and Enterprise Park, MIRA Technology Park, Charnwood Campus Life Sciences Opportunity Zone, SEGRO Logistics Park, Leicester International Gateway and SpacePark Leicester. Alongside this, the region also hosts leading commercial R&D activity and expertise in firms such as 3M Group, the AI Institute, PepsiCo and IBM. The recently announced East Midlands Freeport will also provide a significant boost to Leicester and Leicestershire.

Using our local capabilities, innovations and skills – we will build a productive, innovative, inclusive and sustainable economy at the cutting edge of science and technology that supports healthy people and a healthy planet.

Our Strategy: 4 pillars

Using our local capabilities, innovations and skills – we will build a productive, innovative, inclusive and sustainable economy at the cutting edge of science and technology that supports healthy people and a healthy planet.

PRODUCTIVE

Grow GVA and productivity, continue to develop a leading science and technology-led economy

1. Entrepreneurial, resilient and high growth businesses
2. Attract and grow international business and economic activity
3. Skills for growth
4. World class business locations

INNOVATIVE

Global innovation leadership, increase innovation activities across the whole business base

1. Global innovation leadership
2. Increase and broaden innovation activity amongst businesses
3. Successfully pioneer and apply emerging and new technologies

INCLUSIVE

Create a resilient, adaptive workforce where all residents have access to skills and career progression

1. Informed choices and routes to job and skills progression
2. Improve skills and qualifications attainment for all
3. Improve incomes, reduced economic exclusion and poverty

SUSTAINABLE

A leader in low carbon solutions, with sustainability principles built into everything we do

1. Sustainable places, city and town centres
2. Sustainable transport and connectivity
3. Sustainable energy
4. Sustainable business

Diversity is our strength

Leicester and Leicestershire benefits from a thriving, multicultural city at its heart ringed by distinctive and independent towns and beautiful and productive rural areas

Leicester and Leicestershire has one of the most central locations in the country, enjoying road, rail and air links with the rest of the UK and the world. The region's strengths lie in its diverse nature and global connections and this offers a wide range of opportunities for businesses, residents and potential investors.

Leicester is renowned for its young and dynamic multi-cultural population, with thriving south Asian, Somali and eastern European communities that are fluent in over 100 different languages. Leicestershire is renowned for its ring of distinctive and independent towns including Loughborough, Melton Mowbray, Market Harborough, Hinckley, Ashby-de-la-Zouch and Coalville. Each of these towns is an important economic centre in its own right and a focal point for their local communities. In between Leicester and its surrounding towns and villages are varied and beautiful rural areas that are rich in natural capital. Leicestershire is predominantly a rural county, with the majority of Melton and Harborough districts in the east being classified as rural, as well as large parts of Hinckley and Bosworth borough and North West Leicestershire district to the west.

Building a healthy, sustainable economy

Balancing the need to provide jobs and industries of the future along with the need to enhance environmental sustainability and health

The world is facing three interconnected global emergencies: climate change, resource exploitation and biodiversity loss. Only by transitioning to a low carbon economy, creating a circular economy and recovering lost biodiversity can irreversible change be avoided, and our natural environment and resources be protected for future generations. The adoption of low carbon technologies and the efficient use of resources is one of the greatest industrial opportunities of our time, transforming existing industries and creating new ones as the UK moves to a more resource efficient economy.

Healthy people

The Covid-19 pandemic has illustrated the significant role that health plays in our economy and society, and the need to incorporate health into strategic thinking. Like the rest of the UK, Leicester and Leicestershire has an ageing population. In the period up to 2030, the number of people over 65 is expected to increase by 55,000, representing 70 per cent of the forecast growth in population. This will create new demands from technology, products and services and will alter patterns of working and participation in the economy. De Montfort University, in collaboration with two local healthcare providers and Age UK - has established the Leicester Academy for the Study of Ageing to research the challenges that come with ageing, using multi-disciplinary approaches to develop solutions.

Building sustainability principles into everything we do

Leicester and Leicestershire is ready to meet these challenges. The local authorities have recently declared a climate emergency and are leading the way in moving towards carbon neutrality. Leicestershire County Council has committed itself to achieving net zero carbon by 2030 for its own

operational emissions and to work with partners and the government to achieve net zero carbon for Leicestershire by 2050 or before. Leicester City Council has also committed to setting a target for achieving net zero carbon for the city as part of reviewing the Sustainability Action Plan in response to the need to act by 2030. Leicester and Leicestershire are also developing new strengths in sectors such as low carbon, space and life sciences that are creating new knowledge-based jobs and business opportunities. This is emphasised in the fourth pillar of this Strategy: Sustainable with the ambition of becoming a leader in low carbon solutions, with sustainability principles built into everything we do.

Delivering healthy and sustainable growth

To deliver healthy, sustainable growth and support the AI and Data and Low Carbon Grand Challenges, Leicester and Leicestershire will create more high value jobs in sectors such as low carbon, space and life sciences. It will deliver Space Park Leicester to create a new centre of excellence for Earth Observation and satellite technology and create a low carbon and circular economy business cluster at LUSEP. It will create new sustainable and affordable housing for its population and will develop and encourage more sustainable forms of transport to mitigate the impacts of climate change. It will increase targeted foreign direct investment in the low carbon sector and support the development of renewable energy from local sources. It will also support businesses to become more energy efficient and move towards carbon neutrality.

Leicester and Leicestershire – your partner in growth

A successful track record of working in partnership to win government funding to deliver transformative projects

Partnership is the major strength of Leicester and Leicestershire, with local authorities, businesses, universities and the Local Enterprise Partnership working together to deliver a more successful, inclusive and sustainable economy.

Leicester and Leicestershire has delivered a number of nationally important projects over the past decade, using its 2014 City Deal and Growth Deal funding. The region achieved Enterprise Zone status for two Enterprise Zones - covering four separate sites, including the UK's only automotive focused Enterprise Zone, the UK's first designated Life Sciences Opportunities Zone, and two new Manufacturing Zones in Leicester and Melton Mowbray.

Funding was also secured from the Satellite Applications Catapult support for the Manufacturing, Engineering, Technology and Earth Observation Centre (METEOR) at Space Park Leicester. Related to this, the Department for International Trade has relaunched the Leicester Space Park HPO (High Potential Opportunity) as part of the UK Space Sector COVID Support Plan (SSCSP)

More recently, the East Midlands Airport and Gateway Industrial Cluster (EMAGIC) sites in North West Leicestershire were selected for Freeport Status. The East Midlands Freeport consortium will now work with the government to develop the proposals into an Outline Business Case providing further information on how the Freeport will be delivered. If awarded, this will provide a significant boost to manufacturing and logistics industries in the region.

The economic strategy aligns with the Strategic Growth Plan which sets out housing and development aspirations

Leicester and Leicestershire has clear and well-developed plans in place to support sustainable future growth. In 2018, the nine local authorities (Leicester City Council, and Leicester County Council and the 7 district authorities of Blaby, Charnwood, Harborough, Hinckley and Bosworth, Melton, North West Leicestershire, and Oadby and Wigston) and Leicester and Leicestershire Local Enterprise Partnership agreed a Strategic Growth Plan setting out their aspirations for the development of new housing and infrastructure in the period up to 2050. This identified that around 187,000 new dwellings will be needed between 2011 and 2050 to house the area's growing population, with 96,580 required by 2031 and a further 90,516 by 2050. In addition, it was also estimated that between 367 and 423 hectares of employment land will be required by 2031 to meet future demand.

Ensuring everyone can benefit from economic success

Significant progress has been made in the provision of youth, employment and careers services, with the Enterprise Adviser Network, Careers Hub and Youth Employment Hub. In addition, projects like the Leicester Employment Hub, Construction Skills Hub and area ESF programmes support both young people and adults, along with the DWP and National Careers Service offers. Loughborough College, in partnership with Loughborough University and Charnwood Borough Council, has led a project to open a new Careers and Enterprise Hub in Loughborough town centre, which supports all ages. While Leicester and Leicestershire hosts world-leading universities and has many well-qualified residents, its overall educational attainment lags behind the rest of the UK, and this is reflected in lower pay. By 2030, it is forecast that 42 per cent of jobs within Leicester and Leicestershire will require Level 4+ qualifications. Demand for Level 2 and Level 3 jobs are also both forecast to grow by around 5 per cent. A key challenge will therefore be to improve educational attainment and increase the number of higher-level qualifications and skills in order to meet the increasing demand for higher-skilled workers within the area. Increasing graduate retention is part of the solution.

Collaborating to succeed

Part of the Midlands Engine, working with neighbouring cities and localities

Leicester and Leicestershire's central location provides it with many exciting opportunities to work with areas in both the Midlands and the wider UK on issues of common economic interest that will help to implement the objectives of Building Back Better. This will include developing cross-border physical assets to create new employment opportunities as well as developing collaborative approaches with neighbouring areas such as Coventry and Warwickshire, and Derbyshire and Nottinghamshire to improve growth and productivity in key sectors.

To the north Leicester and Leicestershire has collaborated with Derbyshire and Nottinghamshire over the development of the East Midlands Freeport Proposals Airport, and continues to collaborate over East Midlands Airport and High Speed 2 to ensure that the delivery of these key infrastructure assets benefit the local area. This will be supported by the creation of a new East Midlands Development Corporation, which will focus on developing an area straddling the north Leicestershire and south Nottinghamshire borders. The establishment of the new National Defence Rehabilitation Centre, as well as existing assets such as Charnwood Campus and BioCity

Nottingham, also offers the opportunity for Leicestershire and Nottinghamshire to work jointly to develop an East Midlands life sciences cluster.

Such cross-border collaboration already exists through initiatives such as the Midlands Engine as well as the new Loughborough Area of Innovation (LAI) - a multi-partner initiative, linking Loughborough, Leicester, Nottingham and Derby – led by Loughborough University. This new Economic Growth Strategic aligns with Midlands Engine priorities including support for the East Midlands Development Corporation developments at The East Midlands Hub HS2 Station, East Midlands Airport and Ratcliffe-on-Soar Power Station; and helping to drive forward the Ten Point Plan for Green Growth in the Midlands Engine.

Further, Leicester and Leicestershire is integral to several Midlands Connect (the transport improvement authority for the East and West Midlands) priorities over the next 10 years. These include support for the A46 Corridor, A5 Improvement Corridor, and A511 Growth Corridor - with the potential to accommodate thousands of new homes and jobs. The Midlands Connect £3.5 billion plan to revolutionise the Midlands rail network would also bring significant benefits to Leicester and Leicestershire, providing electrification and HS2 compatible services. The HS2 railway line will pass through Leicestershire to the north of the County, creating extra capacity for high-speed railway journeys and freeing up space 2.5 million tonnes of freight each day, with access to the network from the nearby station of Toton in Nottinghamshire.

Next steps

Board approval and public consultation

This is the first draft of the strategy. Once it has gained approval from the Leicester and Leicestershire Local Enterprise Partnership Board, it will be put out to public consultation. Then any further contributions will be taken on board and the strategy will be finalised and published.

Developing delivery plans and securing resources

This strategy sets out the broad ambitions for Leicester and Leicestershire that will inform future funding bids and resource prioritisation. This strategy sets out ambitions, objectives and priorities for the next ten years – intended to be used as a commissioning document for seeking funding, allocating funding and making decisions on what to prioritise over the coming years. Working with partners, we will develop delivery plans and secure resources for the individual pillars and priorities within the Strategy.

PRODUCTIVE

Increase GVA and productivity, continue to develop a leading science and technology-led economy

Priorities

1. Entrepreneurial, resilient and high growth businesses

Continuing to build an entrepreneurial region, further improving rates of enterprise start-up and scale-up, and helping businesses recover after the pandemic. Reflecting the strong role of SMEs in the Leicester and Leicestershire economy, we will achieve high rates of entrepreneurship and start-up and help businesses realise their ambitions with high growth business support and advice. We will continue to support the key growth sectors of Life sciences, Space and earth observation, Sports and sport science, Advanced engineering, ICT, Food and drink, Logistics and professional and financial services – as well as the locally important sectors of Agriculture, Textiles, Creative and cultural, Construction, Tourism and the visitor economy, and the voluntary and non-profit sectors. We will provide ongoing support to business recovering from Covid-19 and adapting to the new trading relationships with the EU.

2. Attract and grow international business and economic activity

Support the contribution that international trade and investment makes to economic growth, productivity and the creation of high-skill and high value jobs; and renew our efforts to develop the visitor economy. Leicester and Leicestershire is a prime location for international businesses – with 18 per cent of all businesses exporting overseas in 2020, and multinational firms such as 3M, IBM and PepsiCo operating here. We will continue to secure inward investment, and retain and grow our existing international businesses. We will develop and implement the Freeport strategy and provide support for SMEs to export. The Tourism and visitor economy is also a significant and growing sector, that needs support to recover from the Covid-19 pandemic.

3. Skills for growth

Build relationships and joint initiatives to meet the skills needs of employers and the future economy. Knowledge intensive jobs will grow over the next decade. In previous years, skills shortages could be met by attracting overseas workers. In future employers will be much more reliant on in local workers and skills. We will meet this challenge by matching the skills supply to the needs of employers and increasing graduate employment and retention. FE Colleges, Universities and employers will work together to increase the take-up of apprenticeships and vocational learning. There will be a need to encourage life-long learning, and to improve skills attainment across the broad range of diverse sectors in the Leicester and Leicestershire economy. Another key aim is to help employers improve their HR and skills development capabilities and practices.

4. World class business locations

Providing the business sites and locations needed to become a world-class location for science, technology and professional services. Leicester and Leicestershire has transformed its business locations and premises since 2010, with sites such as Loughborough University Science and Enterprise Park, MIRA Technology Park, Charnwood Campus Life Sciences Opportunity Zone, SEGRO Logistics Park, Leicester International Gateway and SpacePark Leicester. Over the past 10 years, brand new Grade A office, technology and manufacturing premises have been built to accommodate 5,000 high-technology jobs. Within the principles of the Strategy for Growth, which sets out the region's strategic land use and planning policies, we aim to provide enough Grade A space for 10,000 more jobs.

PRODUCTIVE - Priority 1: Entrepreneurial, resilient and high growth businesses

Continue to build an entrepreneurial region, further improving rates of enterprise start-up and scale-up and helping businesses recover after the pandemic

The Leicester and Leicestershire economy is dominated by small businesses - with 89.8 per cent of businesses micro-sized (employing less than 0-9 people). Building on Growth Hub support and expanding on successful initiatives such as the MIT Regional Entrepreneurship Acceleration Program (REAP), we can continue the substantial progress made in the last 10 years, as evidenced by the growth in number of businesses (+ 20% between 2014 and 2019), and improvements in start-up and survival rates that are higher than the national average. Businesses will continue to be supported through the uncertain recovery period and the EU transition. The Leicester and Leicestershire MIT REAP Ideas Taskforce has provided a detailed analysis of the opportunities and challenges facing the region, resulting in the "Bootstraps and Beacons" strategy which combines an approach that seeks to upscale productivity and enhance existing innovation infrastructure.

We will continue to support the key growth sectors of Life sciences, Space and earth observation, Sports and sport science, Advanced engineering, ICT, Food and drink, Logistics and professional and financial services – as well as the locally important sectors of Agriculture, Textiles, Creative and cultural, Construction, Tourism and the visitor economy, and the voluntary and non-profit sectors. We will provide ongoing support to business recovering from Covid-19, adapting to the new trading relationships with the EU, and reflecting the specific needs and issues affecting rural businesses and the agricultural economy.

PRODUCTIVE – Priority 1: Entrepreneurial, resilient and high growth businesses		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. High rates of entrepreneurship and start up	By drawing together and enhancing existing provision, develop and coordinate a cohesive framework for local start-up support, to meet increased demand for support.	Within the existing Growth Hub, Create a local framework for start-up support to support self-employment, entrepreneurship and non-profit organisations - including support for key groups such as those newly unemployed, graduates, young people, women and rural residents.
2. Helping businesses realise their growth ambitions	Develop formal partnerships and resources to deliver the MIT REAP framework.	High growth business support and peer networks, with MIT REAP as the primary vehicle.
3. Support growth in key sectors and knowledge-based businesses	Continue to support life sciences, space and earth observation, sports and sport science, advanced engineering, ICT, food and drink, logistics and professional and financial services.	Provide for the next stages of growth and networking space and premises; integrate growth sector needs into skills pathways and careers guidance. Provide scale-up support to businesses.
4. Resilient and adaptable businesses	Provision of ongoing advice and support to business through the Business Gateway Growth Hub. Sector recovery and supply chain plans and effective targeting of support of industries affected by Brexit and Covid-19.	Diagnostic and peer support networks and services for ongoing business resilience across the diverse range of sectors within the Leicester and Leicestershire economy.

CASE STUDY: INCREASING AND BROADENING BUSINESS INNOVATION ACTIVITY**MIT REAP Programme**

The MIT Regional Entrepreneurship Acceleration Program (REAP) is a powerful global initiative that engages with communities to supercharge innovation and entrepreneurship ecosystems and transform economies. Members of the Ideas Taskforce, who led the implementation of the MIT REAP initiative in Leicester and Leicestershire, include representatives from Natwest, the British Business Bank, PPL PRS Ltd, RSM, Loughborough, Leicester and De Montfort Universities, Innovate UK and local SME's, DPI Ltd and Aristec Ltd.

The MIT REAP exercise acknowledged the excellence of Leicestershire's three universities and the affiliated Space Park in Leicester, SportPark at Loughborough University, and De Montfort University's excellence in AI and cybersecurity as significant opportunities. The Life Sciences Opportunities Zone at Charnwood Campus, Loughborough, and Horiba Mira at Hinckley institute were also highlighted. However, this exercise also exposed the additional challenges presented by Leicestershire's low-skilled workforce and low wage economy, together with a high concentration of micro businesses and mature manufacturing SMEs, which limits the capacity for knowledge-intensive growth.

The final strategy "Bootstraps and Beacons" combines an approach that seeks to upscale productivity and enhance the existing infrastructure 'pulling the manufacturing base by its bootstraps' through the introduction of Industry 4.0 capabilities and while driving a culture of innovation, supported by Leicester and Leicestershire's distinctive beacons in space, life sciences, sport, health, AI and cybersecurity. It proposed a mixed mode strategy tackling skills and mentoring, investment, value creation, market capture, networking, knowledge exchange, commercialisation, and with advanced services and spaces to drive innovation. Bootstrap support would extend the reach and depth of existing business provision to focus support around better use of assets, skills, and spaces, which allow the market to work more effectively.

PRODUCTIVE - Priority 2: Attract and grow international business and the visitor economy

Support the contribution that international trade and investment makes to economic growth, productivity and the creation of high-skill and high value jobs; and renew our efforts to develop the visitor economy

Leicester and Leicestershire is a prime location for international businesses – with 18 per cent of all businesses exporting overseas in 2020, and 83 per cent of exporters selling to markets in the EU. Advanced manufacturing specialisms in Food and beverages, Machinery, Transport, and Computer, electronic and optical products are key exporters. Professional, scientific and technical industries are also major exporters. Over the next 10 years, businesses must adapt to the new challenges and opportunities posed by Covid-19 and Brexit, as illustrated by the value of goods exported from the UK declining by 16 per cent throughout 2020 – the largest drop since comparable records began.

Cultural, leisure and tourism industries generated £1.88bn for the local economy in 2019, but have been highly disrupted by the pandemic and social distancing measures. Tourism, hospitality and retail accounted for 58,000 (50 per cent of all) Covid-vulnerable jobs in Leicester and Leicestershire. Prior to the pandemic, there were plans in place to develop the visitor economy further by developing awareness of Leicester and Leicestershire as a destination. Now, support is needed for the sector's recovery as well as strengthening and differentiating it in the long-term.

PRODUCTIVE – Priority 2: Grow and retain international business		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Secure inward investment	Refresh the approach to international branding, marketing and attracting inward investment – identifying key sectors and investment opportunities.	Implement new inward investment and place marketing approach.
2. Grow existing international businesses	Encourage and support international business expansion, including in the Freeport site.	Account management and support plans for major international businesses.
3. Increase trade and exporting	Develop and implement the Freeport strategy and SME support for exporting, identifying key sectors and opportunities.	Support businesses to export and take advantage of the Freeport.
4. Develop visitor economy offer	Continue to deliver the Tourism Recovery Framework that has been developed by the Tourism Advisory Board.	Build the visitor offer and branding around key USPs such as sports, culture, leisure and the natural environment.

CASE STUDY: ATTRACT AND GROW INTERNATIONAL BUSINESS**The IBM Leicester Client Innovation Centre**

IBM is a globally integrated enterprise operating in over 170 countries. Today, the company has around 20,000 employees in the UK, bringing innovative solutions to a diverse client base to help solve some of their toughest business challenges.

In 2015, IBM announced it was setting up a new base in Leicester. The Leicester Client Innovation Centre is IBM's first in the UK and enables the hi-tech giant to extend its technology services to UK-based clients. The Centre provides a range of IT services, including software development and support services to clients across all industry sectors. It employs graduates and experienced professionals who have technical backgrounds or who show an aptitude for IT and want to pursue a career in the industry.

CASE STUDY: ATTRACT AND GROW INTERNATIONAL BUSINESS**The Access Group Global HQ**

In November 2020, a new Global HQ for The Access Group was completed on the Loughborough University Science and Enterprise Park (LUSEP) – the largest single-occupier office deal in Leicestershire since the millennium began. The Access Group, a leading provider of business management software to mid-sized organisations, has more than 35,000 customers across commercial and not-for-profit sectors. Founded in 1991, Access employs more than 3,000 staff with a significant number based in the Midlands. Links to Loughborough University go back several years since the firm opened its technical development and support centre at LUSEP in 2016

PRODUCTIVE - Priority 3: Skills for growth

Continue to build relationships and joint initiatives to meet the skills needs of employers and the future economy

Knowledge intensive services are forming an increasing share of the local workforce – comprising 238,600 jobs in 2018, and increasing by 2 per cent per year since 2000. Scientific and technical occupations support 34,100 jobs - around seven per cent of the total workforce, and representing one-in-eight additional jobs generated across the area since the year 2000.

Local skills needs will also be driven by the shortfall in overseas workers, caused by Covid-19 and the fall in EU workers coming to, and remaining in the locality and the wider UK. Sectors that are particularly vulnerable include Distribution, Hotels and restaurants, Textiles, Food and drink, Banking, Finance and insurance, Public administration, Education and Health and social care, and Agriculture. There will be a need to encourage life-long learning, and to improve skills attainment across the broad range of diverse sectors in the Leicester and Leicestershire economy

PRODUCTIVE – Priority 3: Skills for growth		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Match skills supply to the demands of employers and the economy	Secure a Wave 2 Institute of Technology (IoT) to provide higher technical qualifications and digital skills linked to the needs of the economy.	Continue to produce current and accurate labour market intelligence to inform the development of curricula in FE, HE and other provision.
2. Increase graduate employment and retention	Continue to support graduate careers and retention initiatives of the three universities.	Incorporate graduate skills into enterprise support, innovation, and growth initiatives.
3. Increase take-up of apprenticeships	An Apprenticeship Action Plan to address the decline in apprenticeships due to Covid-19.	Advice, support and peer networks to promote apprenticeship take up.
4. Help employers improve their HR and skills development capabilities and practices	Progress the MIT REAP recommendations for advanced manufacturing technology skills development for SME staff.	FE and HE collaboration to provide training for the manufacturing workforce to enable adoption of new technologies.

CASE STUDY: SKILLS FOR GROWTH

MIRA Technology Institute

MIRA Technology Institute (MTI) is a 24,500 sq. ft. bespoke global centre for skills on the grounds of the MIRA Technology Park. It is a unique partnership led by North Warwickshire and South Leicestershire College, HORIBA MIRA, Coventry University, Loughborough University and the University of Leicester – providing businesses and individuals with a bespoke curriculum aimed at satisfying an ever-increasing need for specialist skills in the UK automotive sector, focusing particularly on disruptive technologies, such as electrification and driverless cars.

MTI delivers specialist skills and qualifications to industry leaders, engineers, technicians and other professionals working, or aspiring to work, in the automotive sector, helping them to develop essential skills that are key to fuelling their career ambitions and their employer's business success. With an ambition to constantly create learning opportunities in the cutting-edge technologies required to develop innovative and inspiring products, MTI's aim is to improve transport in all of its forms for future generations.

CASE STUDY: SKILLS FOR GROWTH**De Montfort University**

De Montfort University has developed a wide range of skills-based partnerships working with stakeholders in Leicester and Leicestershire, placing high importance on the value of research, knowledge exchange and graduate careers to support regional growth.

In 2020, students helped drive forward recruitment in the logistics industry by devising marketing campaigns in partnership with Leicestershire-based Pall-Ex. The freight network challenged students to help tackle the industry's nationwide skills shortage, with a live brief to develop a fully integrated marketing communications recruitment campaign to appeal to Generation Z. The partnership will continue into 2021 as Pall-Ex challenges students to develop ongoing marketing campaigns.

As the Covid-19 pandemic gathered pace in March 2020 and Leicester went into lockdown, DMU launched a completely new digital support scheme for SMEs, connecting students' tech skills with local businesses needing immediate help to go online. In total, 23 small businesses were matched virtually with students, who helped them create digital marketing plans, develop their websites and set up digital booking systems. Sarah Ludden-Roughley, Director of Inicio Private Tuition, commented: "Our volunteer student was professional, talented and understanding of how tough things must be for a business affected by the Covid-19 restrictions. We used her skills to promote our online offering, as this was a brand-new version of our business model and, as a result, we had no advertising ready for it."

Flexible forms of business support build on DMU's fully funded graduate internship programme, running since 2013. To date, DMU has committed a total of £1.6M to fully fund 200 graduate internships a year in the LLEP region. This has supplied local businesses with a flow of graduate skills to carry out work ranging from database development to new brand design. Many successful outcomes have resulted from this standing internship offer - for example, local companies including Eazi-Business and Insight Consultancy both went on to recruit their interns due to the value they brought to the company, and both now occupy senior roles.

CASE STUDY: SKILLS FOR GROWTH**Topps Tiles partners with Leicester College**

Leicester College has been supporting Topps Tiles with skills training including apprenticeships and professional development of existing employees within the Topps Tiles HQ in Leicester. This has included the delivery of a range of business/management apprenticeships for employees in distinct business functions, including business support, customer service, Information Technology, and Senior Management.

Topps Tiles approached Leicester College to discuss the potential for the College to support them in overcoming the current skills gap concerns, through the development and delivery of a contextualised Wall and Floor Tiling Apprenticeship programme with the College delivering the training with industry input from Topps Tiles and BAL. As part of this Topps Tiles will support with the apprenticeship training for local Leicestershire SME traders that recruit a Wall and Floor Tiling apprentice to the individual business. Leicester College will lead on the dedicated recruitment and attraction support for the traders and apprenticeship training delivery.

From this close working partnership between the College and Topps Tiles, the College has been identified by Topps Tiles as their preferred provider for work-based skills training. This includes identifying potential new opportunities and skills gaps where the College is able to support Topps Tiles, its suppliers and members (SME traders).

PRODUCTIVE - Priority 4: World class business locations

Provide the business sites and locations needed to become a world-class location for science, technology and professional services

Leicester and Leicestershire has transformed its provision of world class business locations and premises since 2010, with sites such as Loughborough University Science and Enterprise Park, MIRA Technology Park, Charnwood Campus Life Sciences Opportunity Zone, SEGRO Logistics Park, Leicester International Gateway and SpacePark Leicester. Over the past 10 years, brand new Grade A office, technology and manufacturing premises have been built to accommodate 5,000 high-technology jobs.

PRODUCTIVE – Priority 4: World class business locations		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Provide more employment sites and premises for growth	Maintaining confidence and momentum of development of strategic sites and the Freeport.	Preparing for the next phases of extensions to existing sites, including move-on space for start-ups and SMEs, and larger-scale office, technology, manufacturing and logistics sites and premises.
2. Renew existing employment sites and premises where there is demand	Ensuring that strategic assets and buildings are retained for employment use where this is viable.	Reinventing and renewing town centres and place-shaping, and understanding and delivering how employment sites and premises play a role in this.
3. Ensure infrastructure capacity and capability supports growth	Supporting the reintroduction and improvement of efficient and affordable public transport services and maintaining momentum in delivering strategically important road and rail projects.	Supporting strategic infrastructure projects as identified in the Leicester and Leicestershire Strategic Growth Plan.

CASE STUDY: WORLD CLASS BUSINESS LOCATIONS

Loughborough University Science and Enterprise Park

Situated just one mile from junction 23 of the M1, Loughborough University Science and Enterprise Park (LUSEP) is one of the most accessible science parks in the UK and at 106 hectares is also one of the largest.

Surrounded by high-quality parkland, the first phase of LUSEP is already home to a thriving science and research community leading the way in energy and low carbon technologies, advanced engineering, and sports technology. It brings together over 75 high-tech companies from dynamic start-ups to R&D facilities of global brands, together with national sports governing bodies, a world-class research-intensive university and a vast pool of graduate talent.

The scale of potential development across this site means that there are considerable possibilities for the creation of new clusters for knowledge-based businesses and associated high value manufacturing. The site's proximity to Loughborough University provides unique opportunities for organisations to benefit from a campus partner package of R&D, specialist research facilities, graduate recruitment, and business, conference and leisure services.

The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth

The Strategic Growth Plan (2018) has been prepared by the ten partner organisations in Leicester & Leicestershire to provide a long-term vision that will address the challenges and opportunities facing the region. It is a non-statutory plan but it sets out the agreed strategy for the period to 2050. The strategy will be delivered through Local Plans. This Economic Growth Strategy (2021-2030) adopts and aligns with the principles and priorities outlined in the Strategic Growth Plan (2018), as highlighted below.

Five building blocks

- I. Working with Leicester and Leicestershire's existing, and distinctive settlement pattern
- II. Understanding national policies, bringing benefits to the area but controlling excessive development pressures
- III. Understand the local economy and how it is supported by the Government's Midlands Engine Strategy (2017)
- IV. Understand the road and rail improvements highlighted in the Midlands Engine Strategy (2017)
- V. Protect environmental, historic and other assets

Four priorities:

1. Creating conditions for investment and growth – balancing the need for new housing and jobs with protection of our environment and built heritage
2. Achieving a step change in the way that growth is delivered – focusing more development on strategic locations – which will allow better planned communities in terms of housing, employment, transport and services
3. Securing essential infrastructure that is needed to make this happen – taking advantage of proposals to improve national and regional networks. This includes the provision of local public services as well as transport.
4. Maintaining the essential qualities of Leicester and Leicestershire and delivering high quality development – delivering 21st century garden towns, villages and suburbs

A Spatial strategy that...

- > Acknowledges scale of growth already in the pipeline as the result of local plans and planning permissions
- > Builds upon known road and rail infrastructure opportunities or commitments
- > Acknowledges that Leicester plays a role as the 'central city' supporting the market towns and rural areas, providing more jobs, leisure, arts, culture and entertainment facilities with strategy regeneration of the Waterside
- > Provides sites for housing and new jobs that make full use of existing services and infrastructure within Leicester City, increase capacity on the radial roads and improve public transport, cycling and walking
- > Prioritises the 'expressway' proposal for the A46 that is critical to many elements of this strategy, with the potential to accommodate 38,000 new homes and additional new jobs
- > Supports Leicestershire International Gateway
- > Prioritises the A5 Improvement Corridor to reduce congestion and deliver planned housing growth and industrial sites
- > Designates Melton Mowbray as a key centre for regeneration and growth
- > Designates the Managed Growth Areas of: Coalville, Hinckley, Loughborough, Lutterworth, and Market Harborough –applying the principles of sustainable growth and town centre regeneration
- > Limits growth in villages and rural areas to provide for local needs

More details at: <https://www.llstrategicgrowthplan.org.uk/>

INNOVATIVE

Global innovation leadership and increasing innovation activities across the whole business base

Priorities

1. Global innovation leadership

Supporting our outstanding R&D strengths and innovation achievements. All three universities in Leicester and Leicestershire are leaders in life sciences and health research and development. Loughborough University is world leading in sports science and technologies. Leicester is a world-leading hub for space and space-enabled industry driven by the University of Leicester. Research excellence in Leicestershire's higher education institutions includes 43 industry centres of excellence: 16 at Loughborough University; 16 at the University of Leicester; and 11 at De Montfort University. All universities are successful in commercialising their cutting-edge research and developing spin-out businesses. The corporate R&D facilities of 3M, IBM and PepsiCo are located here. We will further build on this by growing and expanding existing innovation and R&D strengths, and developing new ones. We will increase investment and activity in R&D and innovation and lever existing innovation and R&D capabilities from our leading corporations.

2. Increase and broaden innovation activity amongst businesses

Increase innovation activity amongst the wider SME and business base. Although the rate of innovation is low amongst the business base, there is significant interest in innovation and knowledge exchange amongst SMEs, and the MIT Regional Entrepreneurship Accelerator Programme has set out a tailored strategy to supercharge innovation and entrepreneurship in the region. Its main recommendations are to boost collaborative networks, improve innovation adoption and the skills needed for this, and to improve the rate of innovation amongst 'bootstrap' businesses – which form the majority of SMEs in Leicester and Leicestershire.

3. Successfully pioneer and apply emerging and new technologies

Helping businesses to successfully pioneer and apply emerging and new technologies to become more competitive and resilient. Many of those businesses who had, or applied the digital systems and online platforms to their businesses during the Covid-19 pandemic survived and were successful. All three universities in the region have specialisms in ICT, artificial intelligence, high performance computing, cyber security and digital technology – and are actively helping local businesses. Industry 4.0 will provide our advanced manufacturers with a competitive edge in future years. Business performance and success depends on technology and innovation adoption and transformation.

INNOVATIVE - Priority 1: Global innovation leadership

Support our outstanding R&D strengths and innovation achievements

All three universities in Leicester and Leicestershire are leaders in life sciences and health research and development. Loughborough University is world leading in sports science and technologies. Leicester is a world-leading hub for space and space-enabled industry driven by the University of Leicester. Research excellence in Leicestershire's higher education institutions includes 43 industry centres of excellence: 16 at Loughborough University; 16 at the University of Leicester; and 11 at De Montfort University.

Leicester and Leicestershire's universities are already successful in commercialising their cutting-edge research and developing spin-out businesses. Examples include the University of Leicester's MIP Diagnostics Ltd, Loughborough University's Sports Dynamics Ltd and De Montfort University's Game Changer Biotech. Leicestershire's university spin-outs generated £12.75m of turnover in 2017/18. Leicestershire is home to the largest automotive testing facility in the UK at MIRA Technology Park, which leads on the development of autonomous vehicles and commands a vast advanced manufacturing supply chain to the UK and the world. Corporate R&D facilities include the 3M Group, AI Institute, PepsiCo and IBM.

INNOVATIVE – Priority 1: Global innovation leadership		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Grow and expand existing innovation and R&D strengths	Establish and resource the LLEP Innovation Board to drive forward accelerated innovation priorities.	Support expansion and growth of existing R&D strengths.
2. Develop new innovation and R&D strengths	Ensure the R&D sector has sufficient skills, capabilities and support to successfully retain and attract new R&D programmes.	Facilitate commercialisation and knowledge exchange with new R&D strengths.
3. Increase investment and activity in R&D and innovation	Support current R&D funding bids, innovation and knowledge transfer initiatives. Increase public and private investment in R&D and innovation.	Increase business R&D expenditure and number of businesses that are innovation active. Increase public and private investment in R&D and innovation.
4. Lever existing innovation and R&D capabilities including corporates	Retain and expand existing corporate and business R&D functions, and attract new ones.	Lever existing corporate R&D capabilities into new sources of open innovation and local value creation.

CASE STUDY: GLOBAL INNOVATION LEADERSHIP**SpacePark Leicester**

By 2030, the global space market is expected to increase by 80 per cent to £400bn. Since 2000, the UK space market has also trebled in size, with an ambition to grow from 6.5 per cent of the global space economy to 10 per cent by 2030. This is equivalent to £40bn and will provide an additional 100,000 jobs. Based near the National Space Centre, Space Park Leicester is home to the Leicester Institute for Space and Earth Observation, one of the University of Leicester's flagship research institutes, along with first-class teaching and laboratory facilities. SpacePark Leicester provides a significant global hub for businesses, researchers, academia and innovation. It enables collaboration between the University of Leicester and the private sector, creating high-quality, knowledge-based jobs, building the skills base and contributing to economic growth and the resilience of the economy. The first phase of the project has delivered a 4,800 m² facility for Earth Observation, business hosting and teaching. Additional phases will include an industry-academic collaborative environment on next-generation space engineering and AI data labs; and a Low-Cost Access to Space Manufacturing Facility for satellite constellations.

INNOVATIVE - Priority 2: Increase and broaden innovation activity amongst businesses

Increase innovation activity amongst the wider SME and business base

25.6 per cent of Leicester and Leicestershire firms that innovate are involved in active collaborations, ranking 36th out of 38 LEPs – there remains progress to be made in this. The latest economic data suggests that R&D expenditure was equivalent to 1.5 per cent of GVA for Leicestershire, Rutland and Northamptonshire – which continues to fall behind the UK average (1.7 per cent), and government target of 3 per cent in the longer-term.

43 per cent of establishments that have invested in digital technologies expect to need new skills as a result; 11 per cent expect to need to recruit them (rising to 20 per cent during Covid restrictions) while 37 per cent expect to need to develop them within their existing workforce (31 per cent during Covid restrictions). There is significant interest in knowledge exchange - there were 28,000 attendees at HE events in 2017/18 and there has been 10,000 attendees each year at Leicester Business Festival and Innovation Week.

The MIT Regional Entrepreneurship Acceleration Program (REAP) is a powerful global initiative that engages with communities to supercharge innovation and entrepreneurship ecosystems and transform economies. The Leicester and Leicestershire Ideas Taskforce has taken this forward, with a detailed analysis of the opportunities and challenges facing the region, and its “Bootstraps and Beacons” which combines an approach that seeks to upscale productivity and enhance existing innovation infrastructure.

INNOVATIVE – Priority 2: Increase and broaden business innovation activity		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Collaborative networks	Drive up opportunities for collaboration, knowledge exchange, pooling of resources, and applied problem solving. Provide Mentoring and peer network support.	Develop new venues for knowledge exchange to encourage cross-fertilisation of skills from high R&D to low R&D businesses and sectors.
2. Innovation adoption	Improve the culture of innovation, and awareness of the business performance benefits.	Sector-focused accelerator programmes to improve connections and technology transfer between technology leaders and SMEs.
3. Innovation for bootstrap businesses	Develop support to accelerate incremental innovation undertaken in the majority of SMEs.	Develop skills and capabilities for innovation; provide risk/investment finance for innovation.

CASE STUDY: INCREASING AND BROADENING BUSINESS INNOVATION ACTIVITY**Cyber Security at De Montfort University**

De Montfort University has been recognised for conducting world-leading cyber security research, having been named the East Midlands' first 'Academic Centre of Excellence in Cyber Security Research' (ACE-CSR). The ACE-CSR scheme is one of a number of initiatives in the Government's National Cyber Security Strategy: 'Protecting and Promoting the UK in a Digital World', which outlines how it is working with academia and industry to make the UK more resilient to cyber-attacks.

The National Cyber Security Centre (NCSC) and the Engineering and Physical Sciences Research Council (EPSRC) have recognised DMU as an ACE-CSR, thanks to its pioneering research in incident response and cyber threat intelligence, industrial control systems and sociotechnical security working closely with partners including Airbus, Rolls Royce, Deloitte and BT.

INNOVATIVE - Priority 3: Successfully pioneer and apply emerging and new technologies

Businesses can successfully pioneer and apply emerging and new technologies to become more competitive and resilient

There were two types of business during the pandemic – those with the digital systems that meant their business and workforce were already online and could be rapidly digitally enabled – and those with very little digital presence and capability. There has been a big difference in the performance of these two types of business.

In 2020, 25 per cent of Leicester and Leicestershire businesses provided the facility for customers to order and pay for goods or services on their website. 20 per cent of businesses with an internet presence increased the facility for customers to do this during 2020. 45 per cent of Leicester and Leicestershire businesses have invested in digital technologies over the past 2 years, with an increase in 2020.

All three Universities in Leicester and Leicestershire have successful research specialisms in ICT, AI, high performance computing and digital technology, and support small businesses. The University of Leicester has an award-winning data centre, a high-performance computing research lab and offers support for spinout companies. It's School of Informatics conducts research in, and offers courses in knowledge discovery, machine learning, algorithms complexity and engineering, interaction design, software modelling evolution, validation and verification. De Montfort University's Innovation Centre is central to Leicester's digital tech scene and it has research expertise, and runs courses in computer science, artificial intelligence, software engineering, cyber security and digital forensics. Loughborough University's Department of Computer Science has research specialisms in Vision, AI, Autonomous and Human Centred Systems; Networks and Systems (NetSys); and Theoretical Computer Science (TCS) – and works in collaboration with organisations including BAE Systems, Toyota, Apical, Jennic, Arqiva, Sure, Sensinode and Rolls-Royce.

INNOVATIVE – Priority 3: Successfully pioneer and apply emerging and new technologies

Objective	Short-term (2021-23)	Long-term (2021-30)
1. Help SMEs with digital transformation	Provide support to enable digital transformation in SMEs across a range of sectors.	Events, support materials and peer networks to demonstrate leading practice in digital business.
2. Help SMEs adopt and use emerging technologies	Development of business and university networks to support and advise on technology adoption.	Skills support for workforce to enable adoption of new technologies.
3. Lead the implementation of Industry 4.0	Audit current Industry 4.0 implementation and develop a peer network.	Provide support to manufacturing and engineering firms to implement Industry 4.0.

CASE STUDY: SUCCESSFULLY POINEER AND APPLY EMERGING AND NEW TECHNOLOGIES**MIRA Technology Park**

MIRA Technology Park is a global provider of pioneering engineering, research and test services to the automotive, defence, aerospace and rail sectors. It is a world class centre of excellence in transport technology set in an outstanding 842-acre campus environment. Located at the geographical centre of the UK's automotive sector, the 2m sq. ft. Technology Park provides bespoke property solutions for customers by designing and delivering buildings to meet their R&D needs, alongside an existing range of flexible office, laboratory and workshop space.

HORIBA MIRA works in close collaboration with vehicle manufacturers and suppliers around the world, providing comprehensive support ranging from individual product tests to turnkey engineering design, development and build programmes. MIRA Technology Park offers global transport technology businesses a world class location to establish their European R&D operations with immediate access to essential product development resources – test facilities, engineering knowhow and workshop/office space; over £300m of test facilities; 100km of specialised proving ground and 480 technical staff; and clustering with over 30 OEMs and Tier 1 suppliers. The MIRA Technology Institute also delivers specialist skills for the global automotive industry.

INCLUSIVE

Create a resilient, adaptive workforce where all residents can have access to skills and career progression

Priorities

1. Informed choices and routes to job and skills progression

Deliver services to prevent increases in youth unemployment, provide employer-led skills development, progression pathways and increase apprenticeships. Significant progress has been made in the provision of youth, employment and careers services, with the Enterprise Adviser Network, Careers Hub and Youth Employment Hub. In addition, projects like the Leicester Employment Hub, Construction Skills Hub and area ESF programmes support both young people and adults, along with the DWP and National Careers Service offers. We can make further progress on ensuring successful youth transitions from school into work, providing routes and pathways to job and skills progression, building on the improvements made to careers guidance so far. An important aim is to improve the quality, number and take-up of apprenticeships – particularly after the decline in participation over recent years.

2. Improve skills and qualifications attainment for all

Reduce the flow of low skilled, poorly qualified individuals into adulthood, and address low qualifications and skills attainment in adults. While Leicester and Leicestershire has many well-qualified residents, its overall educational attainment lags behind the rest of the UK, and this is reflected in lower pay. We will seek to help school pupils catch up with learning missed during the pandemic and continue to improve education attainment standards. We will continue to develop strategies and joint working between employers, FE, HE and training providers for in-work training and skills. Support for adult education and skills is also an objective, particularly for those made redundant or changing careers. Core and soft skills will also be emphasised, particularly as they can help to reduce long-term unemployment and youth disengagement with work and training.

3. Improve incomes, reduce economic exclusion and poverty

Increase access to education, training and work opportunities for all communities and residents. Covid-19 has compounded and deepened the pockets of deprivation in Leicester and Leicestershire. Prior to the pandemic, around 24 per cent of neighbourhoods (LSOAs) in Leicester were among the 10 per cent most deprived nationally. While many rural areas appear to lack the deprivation of urban areas, poorer access to public services due to greater distances and irregular public transport can place barriers to services in more remote areas. More expensive house prices in sought after rural areas also puts housing out of reach for many. Low pay continues to be a concern in Leicester and Leicestershire. This priority aims to address the education and skills foundations of labour market exclusion and low pay. It seeks to improve educational attainment and help pupils catch up with learning lost during the pandemic; and continue to improve in-work and work-related training and skills. Improving adult education and skills are also an objective, as are core and soft skills, which helps to build employability and resilience.

INCLUSIVE - Priority 1: Informed choices and routes to job and skills progression

Deliver services to prevent increases in youth unemployment, provide employer-led skills development, progression pathways and increase apprenticeships

With a younger workforce than the national average in Leicester and Leicestershire, significant progress has been made in the provision of youth and careers services – including the Enterprise Advisor Network, Career Hub, Employment Hub, Construction Skills Hub and Youth Employment Hub, and established capacity and expertise in the non-profit and voluntary sectors. These needs will continue, with particular short-term pressures to ensure that support is in place for the young people at higher risk of unemployment and income loss during the pandemic. Longer-term, there are opportunities from government policy changes with the introduction of T-Levels and the Adult Skills White Paper. Addressing the significant fall (reflected nationally) in apprenticeship starts and participation is also a key objective.

INCLUSIVE – Priority 1: Informed choices and routes to job and skills progression		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Successful youth transitions from school into work	Prevent young people becoming 'not in education, employment and training' (NEET), with support services and national programme delivery.	Sector representatives, FE and HE institutions work jointly to deliver an integrated FE and HE employer-led skills and guidance system.
2. Provide routes and pathways to job and skills progression	Identify pathways into employment and youth engagement in emerging, highly productive and buoyant sectors.	Integrated FE, HE, training provider and employer-led skills infrastructure for the low carbon, health, life sciences and logistics sectors.
3. Maintain and improve careers guidance	Continuity in the provision of Careers Hub and Youth Employment Hub services.	Continue to enhance careers and guidance services, including provision of labour market intelligence.
4. Improve quality, number and take-up of apprenticeships	Apprenticeship Strategy with businesses and delivery partners.	Increase apprenticeship numbers and take-up, supporting SMEs with this.

CASE STUDY: YOUNG PEOPLE HAVE INFORMED CHOICES AND ROUTES TO JOB AND SKILLS PROGRESSION

Careers Hub

The Leicester and Leicestershire Careers Hub consists of 20 schools from across the area, with nine city schools and eleven county schools and at least one school from each of the seven Leicestershire boroughs and districts. The Careers Hub provides careers information and advice in each school and college, aiming to improve careers outcomes for all young people. Each school or college has a dedicated Careers Leader, who are either part of or have a direct link to their Senior Leadership Team. They work with other senior leaders, Enterprise Coordinators and their Enterprise Adviser to develop a vision for the institution's careers provision that includes high aspirations for all learners, making sure that they meet the Gatsby Benchmarks (The eight Gatsby Benchmarks are the foundation of the Careers Strategy, a statutory requirement for secondary schools and colleges) by the end of 2020.

CASE STUDY: YOUNG PEOPLE HAVE INFORMED CHOICES AND ROUTES TO JOB AND SKILLS PROGRESSION**Leicester College Construction Skills Certification**

Leicester College has launched a new four-week CSCS Construction Card Course level 1 that will enable students to qualify for a Construction Skills Certification Scheme (CSCS) Green Card, required by contractors and major house builders to work on-site. By completing this course, students (both with or without previous experience in the construction sector) will also have the opportunity to qualify for a Traffic Marshal (Banksman) certificate of competence. Contractors and major house builders require their workers to hold a valid CSCS card and a Banksman license award would further increase employment opportunities. This course is delivered in partnership with Lendlease Construction, RMF (Construction Training Academy Ltd) and Jobcentre Plus. All students who successfully complete the course will receive a guaranteed interview with RMF.

INCLUSIVE - Priority 2: Improve skills and qualifications attainment

Reduce the flow of low skilled, poorly qualified individuals into adulthood, and address low qualifications and skills attainment in adults

While Leicester and Leicestershire has many well-qualified residents, its overall educational attainment lags behind the rest of the UK, and this is reflected in lower pay - in 2018, workplace earnings per week were over £60 below the English average, while resident earnings were over £50 lower.

By 2030, it is forecast that 42 per cent of jobs within Leicester and Leicestershire will require Level 4+ qualifications. Demand for Level 2 and Level 3 jobs are also both forecast to grow by around 5 per cent, while other or no qualifications are forecast to contract as a share of the LLEP total. A key challenge will therefore be to improve educational attainment and increase the number of higher-level qualifications and skills in order to meet the growing number of higher skilled jobs within the area.

Although the number of reported skills gaps in Leicester and Leicestershire has been falling in recent years, in 2017, 60 per cent of businesses still reported skill gaps within their existing workforce. The three most frequently identified skills needs by employers were communications, management and supervisory, and technical, practical or job specific skills. Core and soft skills were also emphasised.

INCLUSIVE – Priority 2: Improve skills and qualifications attainment		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Formal education and training	Help school pupils catch up with learning missed during the pandemic.	Continue to improve educational attainment standards, and reduce the share of school leavers with no qualifications.
2. In-work and work-related training and skills	Continue to develop strategies and joint working between employers, FE, HE and training providers.	Raise the levels of technical and work-related skills across the workforce.
3. Adult education and skills	Support for adult education and skills, particularly those made redundant or changing careers.	Reduce the number of residents with no qualifications.
4. Core and soft skills	Provide core and soft skills training development as part of youth unemployment and NEET initiatives, and as part of redundancy response.	Integrate core and soft skills into apprenticeships and other training programmes.

CASE STUDY: IMPROVE SKILLS AND QUALIFICATIONS ATTAINMENT**Loughborough College Careers and Enterprise Hub**

Loughborough College, in partnership with Loughborough University and Charnwood Borough Council, led a project to open a new Careers and Enterprise Hub in Loughborough town centre in 2021 – as part of the Loughborough Town Deal. The project aims to provide local people with access to learning, training and support services in the post-Covid economy and help fill the skills gap identified in the LLEP Economic Growth Strategy including communication skills, problem solving and resilience which are cited as the main issues for local people. At the local level the hub will provide a physical portal for those most economically at risk into skills and enterprise. The Hub will also be a delivery location for the government's Kickstart Scheme which will enable employers to offer six-month job placements for 16-24-year-olds at risk of long-term unemployment. Residents with business ideas will also be able to access specialist expertise and facilities at Loughborough University by initially accessing services at the Hub.

INCLUSIVE - Priority 3: Improve incomes, reduce economic exclusion and poverty

Increase access to education, training and work opportunities for all communities and residents

Within Leicester and Leicestershire, the labour market impact of Covid-19 has largely been a 'Leicester story'; 4 in 10 of those out of work in the county reside in the city, which has accounted for half of all new unemployment claims in Leicester and Leicestershire. These increases have largely been within deprived parts of the city already afflicted with high levels of worklessness and deprivation. Although the rate of redundancies is lower in Leicester and Leicestershire than nationally, the risks to workers remain.

Covid-19 has compounded and deepened the pockets of deprivation in Leicester and Leicestershire. Prior to the pandemic, around 24 per cent of neighbourhoods in Leicester are among the 10 percent most deprived nationally. While many rural areas appear to lack the deprivation of urban areas, poorer access to public services due to greater distances and irregular public transport can place barriers to services in more remote areas. More expensive house prices in sought after rural areas also puts housing out of reach for many. Low pay continues to be a concern in Leicester and Leicestershire.

The Covid-19 pandemic has laid bare the digital divide in society, with some residents and communities unable to afford devices, lacking the skills to use them, or in the case of some rural areas, cannot access high speed broadband or 4G or 5G mobile phone services. Employer surveys and consultations have identified that digital skills are expected to become more important - in particular, social media, basic digital literacy and data manipulation and presentation skills.

INCLUSIVE – Priority 4: Improve incomes, reduce economic exclusion and poverty

Objective	Short-term (2021-23)	Long-term (2021-30)
1. Real living wage	Develop a strategy to support the Real Living Wage for employers and employees	Provide advice and support to employers to implement the Real Living Wage
2. Redundancy response	Set up the Covid-19 Redundancy And Recruitment Service, involving LLEP, Futures, Leicester Employment Hub, the non-profit and voluntary sector and the Department of Work and Pensions	Operate the Redundancy and Recruitment Service and deliver effective careers, employment and retraining advice to redundant workers through DWP, NCS and other partners.
3. Reduce digital poverty	Deliver Leicester and Leicestershire Digital Skills partnership to address digital skills deficiencies in the workplace and wider society.	Identify and deliver further initiatives to reduce digital poverty.

CASE STUDY: INCREASE ACCESS TO EDUCATION, TRAINING AND WORK OPPORTUNITIES FOR ALL COMMUNITIES AND RESIDENTS**Barratt Developments and SMB Group's Construction Partnership and Social Mobility Pledge**

The SMB Group, a successful merge of two Leicestershire colleges, Stephenson Colleges and Brooksby Melton Colleges, covers a wider range of vocational provision and has some very strong employer links.

One of their thriving partnerships is their work with Barratt Developments, a huge Bardon-based construction company. SMB engaged with Barratts to support them with challenges related to building a pipeline of joinery and bricklaying skills, starting with a pilot programme two years ago.

In addition, Barrett's has created a new action plan to address social mobility as a barrier to career opportunities in the housebuilding sector. Barrett's approached SMB for a venue to launch this new Social Mobility Pledge. The Social Mobility Pledge was launched by former Secretary of State for Education Rt Hon Justine Greening – co-founder of the initiative.

The SMB Group offers a range of different apprenticeships and full-time study programmes, offering different routes into the Construction industry and therefore working towards meeting the needs of local skills gaps.

CASE STUDY: INCREASE ACCESS TO EDUCATION, TRAINING AND WORK OPPORTUNITIES FOR ALL COMMUNITIES AND RESIDENTS**Reaching People: The University of Leicester and Leicester College supporting leaders and managers in the voluntary sector**

The focus of the training support identified with Reaching People was specifically targeted on developing team leaders and managers within the voluntary sector and supporting their professional development. This was enabled by the University of Leicester utilising a significant amount of their apprenticeship levy through the levy transfer facility, enabling identified local Leicestershire SME charities to benefit 100% training cost of apprenticeship training provided by the University for their identified apprentices. Leicester College worked with local voluntary sector employers promoting the potential support to Reaching People and its delivery partners.

To date three Leicestershire based, voluntary sector employers have taken up and benefitted from the apprenticeship training support. Going forwards the University have committed to using their levy to fund more opportunities for local Leicestershire SME voluntary/charitable organisations, and we expect the numbers of key local support service organisations to continue to grow, that benefit from the apprenticeship training opportunities.

SUSTAINABLE

A leader in low carbon solutions, with sustainability principles built into everything we do

Priorities

1. Sustainable places, city and town centres

Create adaptable and resilient town and city centres, deliver sustainable sites for housing and jobs in strategic locations that can be serviced by sustainable transport, and protect the environment and built heritage. City and town centres have been impacted significantly by the pandemic, with local retail (excluding food) and leisure footfall up to 80% lower during the past year, whilst the shift to online shopping has accelerated. The demand for new homes continues to increase. Development and redevelopment must be delivered sustainably, going forward. Homes must be affordable and green, and sites for new employment space and premises must be low carbon developments.

2. Sustainable transport and connectivity

Build and promote sustainable modes of transport, decarbonize road transport and improve broadband connectivity. To provide planned and sustainable housing growth to support the needs of its expanding population, Leicester and Leicestershire will support the implementation of the Strategic Growth Plan to deliver the 187,096 new dwellings that it is estimated will be needed by 2050. This will require rail improvements, and increased modal shift from private to public transport. Road improvements to the A46 and A5 are vital to housing and employment growth, but at the same time decarbonising road transport and improving internet connectivity, particularly for rural areas, are also required to meet sustainable development goals.

3. Sustainable energy

Increase renewable energy generation and implement smart energy networks. Renewable energy could generate 6,700 gigawatt hours per year – enough to meet total electricity demand in the region today, and in 2050. To achieve this, 125 megawatts of renewable energy generation needs to be installed every year up to 2050. Another barrier to energy efficiency is that power networks are stressed, and more efficient energy infrastructure and networks need to be installed, including 'smart streets' networks.

4. Sustainable business

Support business decarbonization and sustainable business practices. To achieve carbon saving targets and increase the environmental sustainability of the local economy – businesses will need to decarbonise and adapt to new business models and conditions. This will involve support for resource and energy efficiency measures amongst businesses, and helping businesses adapt to greener supply chains and the circular economy model. Businesses will require advice and support for the low carbon transition, including low carbon skills pathways and provision.

SUSTAINABLE - Priority 1: Sustainable places, city and town centres

Create adaptable and resilient town and city centres, deliver sustainable sites for housing and jobs in strategic locations that can be serviced by sustainable transport, and protect the environment and built heritage

City and Town Centres have been impacted significantly by the pandemic, with retail (excluding food) and leisure footfall up to 80 per cent lower during the past year, whilst the shift to online shopping has accelerated.

Leicester and Leicestershire's population is growing and more homes will need to be built to provide affordable places for everyone to live. Yet at the same time its natural environment and built heritage also need to be protected to ensure that they are preserved for future generations. Analysis from the 2018 Energy Infrastructure Strategy suggests that insulation improvements to the domestic housing stock alone would save close to 500 ktCO₂ annually, bringing fuel bill savings of £100m for domestic consumers and £50m for businesses each year.

The natural capital assets of Leicestershire have an annual value of £388.45 million, with agricultural habitats generating £180.91 million annually. There is a risk that future development does not consider natural capital and green infrastructure. Threats such as air pollution are continuing unabated. There is a need to restore and regenerate urban environments.

SUSTAINABLE – Priority 1: Sustainable places, city and town centres		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Sustainable development and renewal of city and town centres	Support the economic viability and vitality of town centres and the city centre during recovery from the Covid-19 pandemic. Continue the development of a range of Business Improvement District, City and Town Centre Recovery Plans, utilising funding opportunities such as the Towns Fund and Levelling Up Fund.	Support and enable the sustainable transition and adaptation of town and city centres into new uses including residential and business use. Continue to make the case for east-west rail improvements.
2. Sustainable and affordable housing supply	Demonstrate exemplar low carbon developments, particularly on publicly owned land.	Building low-carbon housing with energy-saving heating and lighting, and solar panels. Installing energy efficiency measures on the existing housing stock.
3. Enhance biodiversity and preserve natural capital	Develop a Natural Capital Investment Plan, and deliver the roadmap the recent Natural Capital Review Report set out for Leicestershire.	Deliver the Natural Capital Investment Plan to minimising the loss of existing habitats and the impacts of development and encouraging innovative land use.
4. Sustainable sites and buildings for economic growth	Demonstrate exemplar low carbon developments, particularly on publicly owned land.	Create new, low-carbon business units and managed workspaces for start-ups and small companies. Retrofit energy efficiency to existing buildings.

CASE STUDY: SUSTAINABLE PLACES, CITY AND TOWN CENTRES**Transforming Cities Fund**

Leicester is one of twelve areas to be chosen to bid for the DfT's £1.2 billion Transforming Cities Fund, aimed at improving local productivity through sustainable transport projects.

The City Council is working with partners, including the County Council, bus and rail operators, to develop a major works programme to deliver the 'Connected Leicester Hub and Spoke Plan'. The vision is to transform central Leicestershire into Britain's most sustainable and prosperous place to live and work, by delivering an ambitious programme of public and sustainable transport schemes that will support city, regional and national economic growth.

The strategy would address transport barriers to growth by delivering sustainable transport provision across the City Centre and also connecting to the North West /South West sectors of the city where major employment hubs are located, and large-scale housing/employment urban extensions are underway or planned.

The programme will focus on providing high quality public transport, cycling and walking corridors on key radial routes into the city; fully integrated and connected city centre transport hubs; new and enhanced electric park and ride services; and making journeys easier and quicker through use of coordinated smart ticketing and quality travel information.

The council has secured £8.4m initially to deliver cycling and walking corridor improvements linking to the city centre and electrification of the Birstall Park & Ride service.

CASE STUDY: SUSTAINABLE PLACES, CITY AND TOWN CENTRES**Enhance biodiversity and preserve natural capital: The National Forest**

The National Forest was established 25 years ago to link the two ancient forests of Charnwood and Needwood and spans the counties of Leicestershire, Derbyshire and Staffordshire. Since its inception, over 9 million trees have been planted across 200 square miles and forest cover has increased from 6 per cent to 21 per cent, creating a new mixed habitat forest.

This landscape once scarred by clay and coal extraction is being restored to patchworks of woodland which support: new low carbon and circular economies; an increase in social capital through community interaction; new habitats for wildlife; and green infrastructure to sequester carbon, reduce flooding and improve water and air quality.

The National Forest provides a more sustainable and positive future for the next generation and has also boosted the local economy by creating jobs in the woodland and tourism industries and has great potential as a healthy outdoor activity destination, with over 10 million people within 90 minutes travel distance.

SUSTAINABLE - Priority 2: Sustainable transport and connectivity

Build and promote sustainable modes of transport, decarbonize road transport and improve broadband connectivity

To provide planned and sustainable housing growth to support the needs of its expanding population, Leicester and Leicestershire will support the implementation of the Strategic Growth Plan to deliver the 187,096 new dwellings that it is estimated will be needed by 2050. This will include the A46 Priority Growth Corridor, Leicestershire International Gateway, A5 Improvement Corridor, regeneration and growth of Melton Mowbray, as well as areas of managed growth in Local Plans. It is critical to support local road and rail improvements, especially sustainable forms of transport, and ensure that rural transport provision effectively links people to jobs. To address rural isolation and connectivity, there is a need to improve rural broadband, Wi-Fi and 5G connectivity, focussing on specific rural blackspots.

SUSTAINABLE – Priority 2: Sustainable transport and connectivity		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Improve rail infrastructure and services	Accelerate the pipeline of local rail infrastructure projects, in order to generate commitment and investment.	Improve East-West Rail speeds and connectivity and Leicester Railway Station.
2. Improve public and modal shift to sustainable forms of transport	Ensure the effective restoration of public transport services after the pandemic.	Promote sustainable modes of transport including walking and cycling.
3. Decarbonise road transport	Identify opportunities to add further green credentials to current transport plans.	Expand zero and ultra-low emissions vehicles and charging, including HGV refuelling. Support zero emissions connectivity and wider uptake of such vehicles by the public sector, private sector.
4. Connected places, households and businesses to reduce carbon emissions	Improve digital connectivity through broadband, Wi-Fi and 5G connectivity, particularly in rural blackspots.	Develop a plan for SME adoption of 5G technologies. Improve network connectivity, particularly in rural blackspots.

CASE STUDY: SUSTAINABLE TRANSPORT AND CONNECTIVITY

Superfast Leicestershire

The Superfast Leicestershire programme is bringing superfast broadband to as many premises in Leicestershire as possible. As of 2019, more than 75,000 homes and business have received high speed broadband with a minimum speed of at least 24Mbps, while all premises now have access to at least 2Mbps.

The programme is being led by Leicestershire County Council in partnership with BT with support from the other local authorities, government, European Regional Development Fund and Leicester and Leicestershire Enterprise Partnership from the Local Growth Fund.

Since 2013, superfast coverage in Leicestershire has increased from 81 per cent to 96 per cent, with plans in place to further extend coverage over coming years.

SUSTAINABLE - Priority 3: Sustainable energy

Increase renewable energy generation and implement smart energy networks

Progress has been made in the development of an Energy Infrastructure Strategy for Leicester and Leicestershire in 2018 – which suggested that the majority of the technical potential for renewable electricity in the region remains unexploited. Renewable energy could generate 6,700 GWh/yr – enough to meet total electricity demand in the region today, and in 2050. This potential is dominated by wind (6,000 GWh/yr remaining potential) with the remainder from solar PV, biomass, energy-from-waste and other sources. If deployed to its full potential, this would require 125 MW of renewable energy generation to be installed annually in the Leicester and Leicestershire region between now and 2050.

Another barrier to low carbon energy is that power networks in the region are stressed, and there is little headroom in electricity generation, or for more efficient, flexible power grids. A central objective set out in the Clean Growth Strategy is to enable a smarter, more flexible system by expanding interconnection, electricity storage and demand side response (DSR). Energy storage is an opportunity, particularly the need to rapidly scale up electric battery production in the UK.

SUSTAINABLE – Priority 3: Sustainable energy		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Increase renewable energy generation, use and storage	Identify strategic sites and initiatives for renewable energy generation, storage and battery production.	Increase local renewable energy generation in wind, biomass, biogas, hydro and solar PV. Explore opportunities for energy storage facilities and battery manufacture.
2. More efficient energy infrastructure and networks	Develop initiatives to monitor energy generated by local renewable sources. Deliver 'smart streets' demonstration sites showcasing the latest approaches to energy efficiency, smart controls, batteries and other innovations.	Create a smarter, flexible electricity grid. Integrate smart streets into new housing and employment site developments.

CASE STUDY: SUSTAINABLE ENERGY**Energy Infrastructure Strategy for Leicester and Leicestershire (2018)**

This strategy suggested that the majority of the technical potential for renewable electricity in the region remains unexploited. Renewable energy could generate 6,700 GWh/yr – enough to meet total electricity demand in the region today, and in 2050. This potential is dominated by wind (6,000 GWh/yr remaining potential) with the remainder from solar PV, biomass, energy-from-waste and other sources. If deployed to its full potential, this would require 125 MW of renewable energy generation to be installed annually in the Leicester and Leicestershire region between now and 2050.

Natural gas is consumed mostly to meet heating and hot water demand in homes, businesses and industry, and oil is consumed mainly in the transport sector. In order to decarbonise these sectors, further energy efficiency and a transition to alternative, low carbon fuels for heating and transport are necessary. For heating, this could include electricity (in heat pumps or modern electric heating), bioenergy (solid biomass or renewable gas), waste heat and/or low carbon hydrogen; for transport, this could be achieved by deploying electric vehicles (EVs) and/or hydrogen-based fuel cell electric vehicles (FCEVs).

The strategy highlighted opportunities for addressing carbon reductions further including: home improvements and insulation; exemplar low carbon development on publicly owned land; a one-stop shop for energy efficiency retrofit; accelerating the shift to low carbon transport; supporting electric cars and vans; a strategic plan for HGV refuelling and rapid charging hubs; delivering clean, smart, flexible power; providing a more efficient, flexible and smart electricity grid; and increasing renewable energy generation capacity.

SUSTAINABLE - Priority 4: Sustainable business

Support business decarbonization and sustainable business practices

Existing business activities will need to be decarbonised, and there are business opportunities from developments such as renewable energy. Current strengths in Leicester and Leicestershire Low Carbon Environmental Goods and Services (LCEGS) sub-sector strengths include Wind, Building Technologies, Alternative Fuels, and Photovoltaics. Yet significant skills gaps are present in the region in Production Engineers, Power Distribution Engineers, and Technicians.

SUSTAINABLE – Priority 4: Sustainable business		
Objective	Short-term (2021-23)	Long-term (2021-30)
1. Resource and energy efficiency	Engage with local and regional low and zero carbon programmes to ensure matches with local business and clusters.	Provide advice and support for business resource and energy efficiency.
2. Circular economy and supply chains	Map out zero carbon and circular economy business opportunities within the local economy. Create a new waste strategy to increase and improve recycling.	Enterprise support and advice to develop low carbon and sustainable supply chains.
3. Low carbon transition planning and support	Business focus group and peer network to transfer best practice in reducing emissions and environmental impact.	Guidance and training to support business decarbonisation and sustainability.
4. Low carbon skills pathways and provision	Set out the investment requirements for our local zero carbon development needs and work with partners to match the associated training and skills routes and business opportunities.	Develop capacity among local providers for the delivery of training in low carbon technologies.

CASE STUDY: SUSTAINABLE BUSINESS

The Green BELLE project: providing grants for low carbon, energy efficient improvements to business premises

The Green BELLE (Business Energy in Leicester and Leicestershire) project can provide grants of up to £7,000 to small and medium-sized businesses (SMEs) to help cover the costs of low carbon, energy-efficient improvements to their premises. The project is run by Leicester City Council's sustainability service with support from Leicestershire County Council. So far, the scheme has provided £550,000 of grant support to 101 local businesses. It is estimated that this has result in carbon savings of around 900tCO₂e per year – equivalent to the total carbon footprint of around 280 typical homes.

Green BELLE grants can be used as support for a wide range of low-carbon and energy-efficient measures, such as installing efficient heating systems, low-energy lighting, insulation, or solar PV panels. Grants can be awarded to cover up to half of the total costs, with the remaining amount required from the business as match-funding. Businesses have also benefited from significant reductions in their energy bills as a result of improvements made through the Green BELLE scheme.

CASE STUDY: SUSTAINABLE BUSINESS**Cenex: the UK's first Centre of Excellence for Low Carbon and Fuel Cell technologies**

Based in Loughborough, Cenex was established as the UK's first Centre of Excellence for Low Carbon and Fuel Cell technologies in 2005.

Cenex focuses on low emission transport & associated energy infrastructure and operates as an independent, not-for-profit research technology organisation (RTO) and consultancy, specialising in project delivery, innovation support and market development.

Recently, Cenex launched the first of a series of documents explaining the latest low emission road transport technologies alongside a four-week online course. The three "Insight" documents, available below, cover battery electric and hydrogen fuel cell vehicles and their required infrastructure, including how each works, the suitable applications for each technology, and the benefits and limitations.

This page is intentionally left blank



SCRUTINY COMMISSION – 12th JULY 2021

PUBLIC ENGAGEMENT

REPORT OF THE CHIEF EXECUTIVE

Purpose of the Report

1. The purpose of this report is to update the Scrutiny Commission on recent activity regarding Leicestershire County Council's approach to public engagement and formal consultation.
2. Accompanying this report for information is the Leicestershire County Council Consultation and Engagement Principles document which has recently been developed in response to changes in the Council's approach to public engagement in light of the pandemic and feedback received from officers, the public and Members during the last 12 months.

Policy Framework and Previous Decisions

3. The recent activity and ongoing work on engagement reflects progress against objectives in the Council's current Communities Strategy and the Great Communities Strategic Objective Framework. Both officers' ongoing work and the Engagement Principles appended are aligned with the forthcoming refresh of the Communities Strategy.

Background

4. The Council has a strong record of engaging with communities on changes to its services and strategies. The approach adopted reflects the Council's values of openness and transparency, it facilitates trust and shows respect and enables the Council to build strong relationships with its residents, service users and local businesses. For many of the Council's services and strategies there is a statutory duty to consult, or there may be other legal grounds for consultation. The Council has always sought to ensure it proactively engages with those affected by or in receipt of its services to ensure it can take informed decisions about the provision of those services and more efficient implementation of change.
5. The Council's high standards, and the level of investment in engagement and consultation activity have been recognised by the Consultation Institute, the UK's national body for public engagement. Historically, the County Council has particularly excelled at formal consultations on specific changes. This is the result of strong governance, good preparation and smooth delivery. It is also because officers value feedback from local communities.

6. The range of tools that officers draw on when engaging, and the standards of excellence the Council expects of staff, have been tried and tested across hundreds of consultations. The frequent use of quantitative methods (such as surveys) alongside more qualitative methods (such as focus groups) have proven to be a robust approach, providing sound insight, and surviving legal challenge.
7. The Consultation and Engagement Principles have been developed to improve on the Council's existing good practice. In particular, the document was developed in response to the Council's experience of consultation during the pandemic, where many activities were moved online and to recognise the national shift toward greater community involvement and the practices and culture this requires. Officers recognise that whilst an innovative digital approach has many strengths, it will exclude some people, and the Council must be aware of who these communities are and how best to involve them in other ways.
8. The Council is also now looking to sign up to the Consultation Charter as detailed below.

Proposed new Consultation and Engagement Principles

9. The County Council's Consultation and Engagement Principles have been developed to reflect a wide variety of influences over the last 12 months, from the changes to how the Council engages with the public necessitated by the pandemic, to cross-Council discussions with officers in the Engagement Hub, and feedback from the public and dialogue with elected Members.
10. The Principles document summarises the Council's vision for engagement with external stakeholders, from those who are dependent on support from the Council to individuals who want to have a say on issues such as climate change. The document states the values that should underpin engagement work across all service departments. It will be made available for members of the public to read, in addition to Council officers and elected Members.
11. The key points in the document are:
 - Moving towards more of a continuous engagement approach, rather than one-off consultation.
 - Closing the loop: creating feedback mechanisms that evidence how seriously the Council takes what people tell it.
 - Our methods: drawing on our tools to maximise the effectiveness of the engagement work that we do – to understand both 'what' people think and 'why' they hold a particular view.
 - Involving communities who may not typically have their voice heard – understanding who these groups are, their needs and targeting our approach effectively.

- Best practice: making sure that our corporate messages, training and support create consistent good practice and create a culture of excellence.
 - Elected Members have an important role to play in promotion and in representation.
12. The key principles that should underpin all our engagement activity are being *Inclusive, Transparent* and *Meaningful*. Articulating these values is intended to set a corporate benchmark for all engagement activity, reinforced within individual initiatives and through Council-wide channels. Officers will continue to reflect on and adapt this approach to best reflect the feedback and comments of those who use it.
 13. The role of elected Members is one of the key themes for future work referenced in the document. Members may wish to play a role in the County Council's consultation and engagement activity. This will often involve promoting consultation and engagement to the communities they represent. The new Elected Member Portal has a link to all current consultations and, where consultations are considered to have a significant impact on residents across Leicestershire, Members will receive notification via the Cabinet report that a consultation is due to start. Members will also be involved in responding to consultations through the scrutiny process. Where a consultation has a significant impact on a particular electoral division, the local member will be notified by the service area in the usual way. A local member may receive representations from the communities they represent and choose to advocate for these communities on a matter which is the subject of consultation.
 14. The Principles document will be presented to the Cabinet at its meeting on 8th September 2021 and the comments of the Commission will be included in that report.

Engagement undertaken with Members, Officers and the public

15. The Consultation and Engagement Principles document has been created following feedback received from officers, Members and the public during 2020 and 2021.

Resident feedback

16. The 'Conversations about Covid' project was the main vehicle for getting information from local people that could inform the approach to engagement and the Consultation and Engagement Principles in particular. This project ran from January to May 2021 and sought to understand the impact of the pandemic on a wide range of different groups across the County using informal facilitated online conversations. Officers spoke with older Asian women, foodbank coordinators and users, adult and youth volunteers, children in care, and parent-carers of young people with SEND, amongst other groups. The conversations touched on the experience of the pandemic, but also what participants wanted to see from the Council going forwards. The issues varied between the groups but a need for more frequent channels of communication, easier ways to find material on the website,

differing levels of digital exclusion, and the need to feel listened to were common themes. The resulting Principles document will be shared with those who participated in the project for them to comment on and to shape our approach in the future.

Officer Feedback

17. The primary forum for getting feedback from officers across the Council was the Engagement Hub, which meets every other month. This is an informal group of officers from all departments who are involved in public engagement activity. The function of the Hub is to ensure that Council engagement initiatives are joined-up and efficient, for officers to get advice and support, and to reinforce the Council's standards of best practice. Drafts of the Principles document were shared with the group for comment, and detailed suggestions were received that served to refine the Principles, and to ensure that the document reflected our existing high standards of activity across different areas of work.

Member Feedback

18. An All Member Briefing was held in November 2020, chaired by Mrs L. Richardson CC, the then Lead Member for Communities. The briefing provided Members with an overview of the Council's existing approach to engagement and consultation, the rationale for our approach and the proposed shift in emphasis toward more continuous engagement rather than one-off consultations, the resources available to service staff, and areas for development resulting from Covid-19 and other pressures.
19. Members also received a presentation by Paul Parsons, Associate at the Consultation Institute, the UK's national body for setting guidelines around consultation, based on emerging trends and case law. This provided Members with a wider view of what is expected from a good consultation and provided assurance that the Council's current processes met with best practice.
20. Key areas raised by Members for future development included:
 - Greater use of qualitative approaches, video and more accessible language: the Principles document states our commitment to using a narrative and qualitative approach.
 - Improved assurances around the inclusion of marginalised communities and hard to reach groups including rural, older and young people: the Principles document references these particular target groups.
 - Improved communication, the identification of options and any preferred option prior to a formal consultation taking place: Officers are now encouraged to state the principles and decisions that have informed any options.

- The provision of improved feedback to residents: ‘Closing the loop’ is a key area of change identified in the document.
 - Improved communication on how strategies affect services: Officers are changing their approach to engaging on strategies, focussing on the practical implications for, or personal experiences of the people we consult with.
 - Greater clarity on why a consultation is being undertaken and the process that will follow: Scrutiny of any supporting information is provided by officers working at the corporate centre to ensure the rationale and process is made very clear.
21. As part of the forthcoming refresh of the Communities Strategy and to further inform the approach to future community engagement, a Scrutiny Workshop was held in February 2021. This provided an opportunity for discussion with Members around current community engagement activity taking place across departments and how this has been affected by the Covid-19 pandemic. Members were invited to take part in small group discussions and share their experiences of the last year, focusing on the way in which communities had organised themselves prior to and during the pandemic, and, looking to the future, what the Council and Members could do to support this activity.

The Consultation Institute’s Charter

22. Following Members’ suggestion at the All Member Briefing in 2020, the Council is now in a position to sign up to the Consultation Institute’s Charter and officers are currently exploring the process and appropriate communications for this. A copy of the Charter is attached as Appendix B.
23. The Charter is a set of standards created by the Consultation Institute, the UK’s national body for consultation and engagement, to guide public bodies in the way that they use public consultation within decision-making processes. As the approach to consultation is typically shaped by English Common Law, there is no one widely recognised set of standards covering consultations. The value of the Charter is in its clear and succinct articulation of best practice, which reflects both emerging case law and historic rulings.
24. The Charter comprises seven ‘best practice principles’, which are: Integrity, Visibility, Accessibility, Transparency, Disclosure, Fair Interpretation and Publication. Each principle is underpinned by direction on the policy, processes and behaviours that should govern the authority that is consulting and the individuals who are being consulted.
25. There are many benefits to becoming a signatory to the Charter. The Charter provides external validation of the Council’s existing commitment to excellence in public consultation. Relatedly, local communities can be assured of the Council’s investment in this area and understand the standards to which they can hold the Council. The Charter also provides a clear source of authority on how officers should approach and deliver public engagement activity, which can be used to

support training across the organisation. The process of signing up to the Charter has already enabled a programme of staff training with an officer workshop and online training module made available. The Charter will form a core part of building knowledge and skills in this area going forwards.

26. Officers propose to use a programme of further training and communications to launch the Charter at the council. This will also be an opportunity to ensure a broader understanding of our own corporate principles through the new Principles document. The Principles document and detail of the Charter will be hosted on the engagement pages of the County Council's website.

Equalities and Human Rights Implications

27. The Engagement Principles explicitly emphasise the importance of an inclusive, tailored and proactive approach to engaging with individuals with protected characteristics. It facilitates broadening and deepening this work to ensure that we are reaching all those who have a stake in an issue, using external channels and internal forums such as the Leicestershire Equalities Challenge Group.

Background Papers

28. None.

Circulation under the Local Issues Alert Procedure

29. Once the Consultation Charter is signed up to, we will launch this internally and externally with a programme of communications. This work will also signpost people to the Consultation & Engagement Principles. Circulation via the Members' and Managers' Digest emails will form part of the programme of communications.

Officers to Contact

Tom Purnell
Assistant Chief Executive
0116 3057019
Tom.Purnell@leics.gov.uk

Elizabeth Watkins
Engagement & Consultation Manager
0116 3051152
Elizabeth.watkins@leics.gov.uk

Leon Charikar
Policy Manager
0116 3051336
Leon.charikar@leics.gov.uk

List of Appendices

Appendix A: Leicestershire County Council Consultation & Engagement Principles

Appendix B: The Consultation Charter

This page is intentionally left blank

Leicestershire County Council
Consultation & Engagement Principles

1. Introduction

When the council is considering how best to improve policies, services, or assets, or decide what the future direction of the organisation might be, ideas are typically invited from members of the public within a process known as 'engagement'. In some cases, there is a statutory obligation to get feedback from service users and interested parties; in other cases, talking to people is just the best way to get good information on how the council can improve. But as well providing valuable insight and data, engagement enables strong relationships to arise between the council and local communities.

This document describes the current way that the council engages with residents and businesses, and the vision for future engagement. It also sets out the key principles, tools and methods that will enable the council to realise this vision.

2. What do we mean by 'Engagement' and 'Consultation'?

'Engagement' is when the council reaches out to talk with local people to exchange information and views on something that affects both parties. Engagement can cover any subject, from the council's long-term corporate priorities to specific changes in a particular village. The activity involved can range from informing residents of a change to delegating decisions to a community. It is a flexible approach that facilitates mutual trust and understanding.

'Consultation' is just one form of engagement. The council has a statutory obligation to run consultations on some kinds of changes. Consultations have [specific standards](#) and timescales that the council must follow to ensure that the consultation is meaningful and that the council is not subject to legal challenge. Consultations are more formal and time-specified forms of engagement.

3. Context

The council has a strong record of engaging with communities on services and strategies. The council engages because it is the right thing to do in the spirit of openness and transparency; it facilitates trust and shows respect, as well as enabling the council to build strong relationships with local communities. Proactive engagement also facilitates informed decisions on council services and more efficient implementation of changes.

The range of tools that officers draw on when engaging, and the standards of excellence the council expects of staff, have been tried and tested across hundreds of consultations. The frequent use of quantitative methods (such as surveys) alongside more qualitative methods (such as focus groups) have proven to be a robust approach, providing sound insight, and surviving legal challenge.

Historically, the council has particularly excelled at formal consultations on specific changes. This is the result of strong governance, good preparation, and delivery, and because the feedback received is valued by staff and Members.

The Covid-19 pandemic has brought engagement into focus for councils as both local authorities and citizens have had to face new challenges. Councils are adapting to lower levels of trust amongst some

communities, to citizens feeling less enfranchised and less able to exert influence over local government decisions, coupled with fear of cuts and service changes.

Recognising these challenges, the council aims to change the process of engagement in the following ways:

- ***Closing the Loop***: Ensuring that the council communicates how feedback and ideas have influenced final decisions (and if the feedback has not influenced the final decision, that this is stated and justified). This builds democratic goodwill amongst local communities and mitigates against any belief that engagement is not sincere.
- ***Using a wider range of methods***: Engagement can be approached in many different ways and the council's methods should facilitate each engagement exercise being maximally insightful, inclusive, and robust. Whilst the time-proven use of surveys indicates 'what' people think, making use of narrative or qualitative approaches, videos, and user forums can show more about 'why' local people hold the views they do.
- ***Engaging marginalised communities***: Some members of local communities may struggle to engage with the council so the approach must facilitate full participation from groups such as older people, children, and young people, those with protected characteristics, and rural communities. In addition to the equalities processes already in place, officers should make best use of data on the digital literacy and needs of different groups, offer both printed and digital materials, and advertise through a range of media using accessible language.
- ***Reinforcing best practice***: In addition to the existing council standards and tools, joining the Consultation Institute's Charter will enable officers to better understand the national standards governing this policy area. [The Consultation Institute](#) is a national body that sets and promotes standards of excellence for engagement activity, reflecting current case law, regulation, and emerging trends.

4. Adapting to a changing landscape

How people access information and what they expect from local government have shifted over the last few years. Many citizens are now be able to instantly access information and communicate with the council via their smart phones. The Covid-19 pandemic resulted in dramatic changes to services and citizens' lives, and there are many changes still to come. The council therefore needs to ensure communities' voices are heard as services evolve. Ensuring that engagement is future-proofed will better enable the council to understand what quality, cost-effective services look like to those who need them.

Looking ahead, some of the key themes are:

- ***Thinking in terms of engagement, not just consultation***: putting in place a variety of mechanisms to talk to people on an ongoing basis about a wide range of issues, both raised by the council and by citizens. This includes early informal engagement with the relevant communities and elected Members on emerging areas of change.

- ***Widening and deepening our engagement:*** ensuring that the council understands the needs and interests of service users and other interested parties; and that engagement methods are tailored to maximise involvement from all those who have a stake in an issue.
- ***Investing in relationships with end users:*** prioritising staff capacity and tools to ensure that the council can build and sustain relationships with our communities over time; engagement will offer large dividends to service design and delivery where the appropriate resources are put in place.
- ***Drawing on the role of elected Members:*** ensuring that officers use the insight into communities that Members have to shape planned activity; and using Members' networks to increase engagement. To continue with the governance provided by Cabinet and Scrutiny Commission.

5. The council's engagement principles

These three principles state the most fundamental characteristics of the council's engagement activity and provide the foundation for any planned engagement work.

Inclusive

Involve all those who have a stake in an issue by understanding local communities, actively reaching out to different groups, and tailoring the approach.

Transparent

Build trust with citizens by being open and clear about reasons and decision-making.

Meaningful

Engagement activity is sufficiently well defined and well executed such that local people are able to participate fully and effectively influence decisions.

6. Engagement Methods and Tools

The council has a range of support and tools that officers can draw on to design and implement effective engagement. As well as being held to national standards of best practice, officers are expected to be able to define the success criteria for their engagement activity at the outset, with reference to the target groups to engage and the outcomes to be achieved.

The council's engagement methods and tools include:

- Dedicated support staff at the corporate centre across the Policy Team, Business Intelligence Service, Communications, Democratic Services and Legal
- Engagement Hub meetings for staff to connect activity, troubleshoot and access training
- Access to diverse service users and community groups, including Leicestershire Equalities Challenge Group and the Leicestershire & Rutland Association of Local Councils
- Intranet site for staff to self-serve on best practice and get support
- Corporate website pages to promote and host engagement activity
- A wide range of surveying and data tools: Snap Survey, Confers, Mentimeter, MS Forms

- Expertise in qualitative methods including interviewing and focus groups
- Expertise in quantitative methods including data analysis and statistical techniques
- Access to data to track engagement and review previous consultations
- Targeted publicity across a range of media
- Links to the [Consultation Institute](#) for external advice and national trends

6. Evolution

It is likely that the communities the council serves and how the council operates will continue to change at pace over the coming years. This document is therefore a work in progress that will be reviewed and adapted as officers engage with staff, elected Members and local people.

For further information about the council's engagement approach, please contact:

Elizabeth Watkins
Engagement & Consultation Manager,
Chief Executive's Policy Team,
Leicestershire County Council
Elizabeth.Watkins@leics.gov.uk
0116 3051152

The Consultation Charter

The Consultation Institute
Centre of Excellence, Baystrait House,
Station Road, Biggleswade,
Beds SG18 8AL
01767 318350
www.consultationinstitute.org

2021

The Consultation Charter

Introduction & Rationale

Taking important policy decisions today both in Public bodies and in the Private and Voluntary Sectors is a far cry from the traditional ways of decision-making.

Two seminal trends drive the change. One is the steady growth in *transparency*, which is evident well beyond organisations, which are democratically accountable. The other is an increase in popular *participation*, as greater awareness and new technologies enable more people to express an opinion on important issues.

These and a number of other factors all contribute towards an explosion of activity - loosely called consultation, but also known as public participation, engagement or a range of other terminology. (See the *Glossary of Consultation Terms* - currently available to Institute Members)

Unsurprisingly, the sheer amount of consultation has led to a wide range of output and outcomes, ranging from poor to excellent and there is much scope to introduce improved standards and to encourage innovation.

There are, as yet few recognised standards covering consultation, and the Institute has therefore adopted this **Charter** whilst more detailed standards emerge. Since its initial publication, it has received widespread support, and is now observed by many organisations worldwide.

In addition to our other services, after completion of the Consultation Charter course, the Institute invites organisations to formally sign the Consultation Charter and publicise that they have done so. This action signifies publicly that the organisation has accepted the principles of the Charter, and commits to implementing them across their consultation and engagement practice.

Consultation is the dynamic process of dialogue between individuals or **groups**, based upon a genuine exchange of views, with the objective of influencing decisions, policies or programmes of action.

Best Practice Principles

For consultation to yield its true benefits and to assist in the process of evidence based decision-making, it needs to take account of seven *Best Practice* principles. In applying these *Best Practice* principles, organisations should also have regard to the law, the particular circumstances of the specific consultation, and to ongoing custom and practice.

We believe that these seven principles apply to almost every consultation exercise. In addition to signing this document, organisations are encouraged to publicise their commitment, and clearly publish a copy of this document so that stakeholder organisations and other consultees are aware of the standards that they can expect. In addition, the Institute will publish a list of names of organisations who have signed the Consultation Charter

We also encourage organisations to recommit on a regular basis to these *Best Practice* principles. The Consultation Institute reviews its list of signatories to this Charter every two years, and will remove the names of those who have not recommitted. We will endeavour to remind you near the time your commitment has lapsed.

Principle 1 The **INTEGRITY** of Consultation

The process must have an honest intention. The *Consultor* must be willing to listen to the views advanced by *consultees*, and be prepared to be influenced when making subsequent decisions.

If the decisions subject to consultation have already been taken, it is a waste of consultees' time and a fraud upon all participants to undertake a purposeless exercise, and breaches the principle of Consultation Integrity.

Principle 2 The **VISIBILITY** of Consultation

All those who have a justifiable right to participate in a consultation should be made reasonably aware of the exercise. For *Closed Consultations*¹, this will be less demanding than for *Open Consultations*.

¹ Where the audience only consists of fully identified stakeholders

Visibility is also important for decision-makers who should have full awareness of any consultation exercise, which is relevant to decisions they are about to take.

Principle 3 The **ACCESSIBILITY** of Consultation

Consultees must be able to have reasonable access to the exercise. This means that the methods chosen must be appropriate for the intended audience and that effective means are used to cater for the special needs of ‘seldom heard’ groups and others with special requirements.

New technology and social media offers an ever-wider choice of consultation mechanism, but consultors must always ensure that the ‘Digital Divide’ does not disenfranchise citizens or stakeholders

Principle 4 The **TRANSPARENCY** of Consultation

Many Consultations are highly public, and rightly so. Indeed the principle of Transparency and the Freedom of Information Act 2000 requires that stakeholder invitation lists, *consultee* responses and consultation results be published. But this should only occur with the express or implied consent of participants. *Consultors* who intend to publish details of respondents and their responses have a duty to ensure that this is understood by all participants.

Consultation submissions will be published unless specific exemptions apply. *Freedom of Information Act* requests can be used to seek access to data previously kept hidden².

Consultees rightly expect full transparency of the governance arrangements applicable to a consultation and the decision-making process which will follow. They will also expect explanations for decisions taken following a consultation.

² But note that the Data Protection Act 1988 applies to information of a “**personal nature**”

Principle 5 The **DISCLOSURE** obligations in Consultation

For consultation to succeed, and to encourage a measure of trust between the parties, it is important to provide for reasonable disclosure of relevant information.

Consultors are under a duty to disclose information which could materially influence the nature and extend of *consultees'* responses. In particular, areas where decisions have effectively been taken already, and where *consultee* views cannot influence the situation, should be disclosed.

Consultees are also under a duty to disclose certain information. If a representative body expresses a view on behalf of its members, it should inform the *consultor* of the presence of any significant minority opinion within its membership, and be prepared to estimate the extent to which it is held.

Principle 6 The **FAIR INTERPRETATION** of Consultation

Information and viewpoints gathered through Consultation exercises have to be collated and assessed, and this task must be undertaken promptly and objectively.

In general, decision-makers should not normally be personally involved with primary analysis and interpretation of consultation data, and the use of external data analysts has many advantages.

Where *consultors* use weighting methods to assist in the assessment process, this must be disclosed to participants and to decision-makers relying on the consultation output.

Principle 7 The **PUBLICATION** of Consultation

Participants in a consultation exercise have a proper expectation that they will see both the output and the outcome of the process. Except in certain Closed or Internal consultations, the assumption should be that publication in a form accessible to the consultee would follow within a reasonable time after the conclusion of the exercise.



It is the responsibility of a *consultor* to publish an adequate feedback document, consisting of consultation output, preferably in advance of decisions being taken.

Where no publication is intended, it is the duty of the consultor to disclose this when initially inviting stakeholders or the public to participate

Signed on behalf of: _____

by: _____

on: _____

Signed on behalf of: The Consultation Institute

by: Keith McCallum

on: 28 June 2021