



*Meeting:* **Cabinet**

*Date/Time:* **Friday, 11 February 2022 at 11.00 am**

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

*Contact:* **Mr. M. Hand (Tel. 0116 305 2583)**

*Email:* **matthew.hand@leics.gov.uk**

### **Membership**

Mr. N. J. Rushton CC (Chairman)

Mr. B. L. Pain CC	Mrs H. L. Richardson CC
Mrs D. Taylor CC	Mrs. P. Posnett MBE CC
Mrs. C. M. Radford CC	Mr. R. J. Shepherd CC
Mr. O. O'Shea JP CC	Mr. P. Bedford CC
Mr. L. Breckon JP 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 14 December 2021.		(Pages 3 - 10)
2. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.		
3. Declarations of interest in respect of items on the agenda.		
4. Provisional Medium Term Financial Strategy 2022/23 to 2025/26.	Director of Corporate Resources	(Pages 11 - 270)



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|-----|---|--|-------------------|
| 5.  | Hinckley and Bosworth Borough Council's New Local Plan - Response to Regulation 19 Consultation.      | Chief Executive                          | (Pages 271 - 276) |
| 6.  | Becoming an Anti-Racist Organisation.   | Chief Executive                          | (Pages 277 - 284) |
| 7.  | Leicestershire Rural Framework 2022-2030.   | Chief Executive                          | (Pages 285 - 302) |
| 8.  | Development of a Family Hubs Model in Leicestershire  | Director of Children and Family Services | (Pages 303 - 310) |
| 9.  | Leicestershire's Policy on Admissions to Mainstream Schools: Determination of Admission Arrangements. | Director of Children and Family Services | (Pages 311 - 374) |
| 10. | Items referred from Overview and Scrutiny.  |  |                   |
| 11. | Any other items which the Chairman has decided to take as urgent.                                     |  |                   |
| 12. | Exclusion of the Press and Public.  |  |                   |

The public are likely to be excluded during the following item of business in accordance with Section 100(A) of the Local Government Act 1972:-

Exception to Contract Procedure Rules to Provide Agency Cover.

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|-----|--|--|-------------------|
| 13. | Exception to Contract Procedure Rules to Provide Agency Cover. | Director of Children and Family Services | (Pages 375 - 378) |
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*(Exempt under Paragraphs 3 and 10 of Schedule 12A.)*



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Tuesday, 14 December 2021.

PRESENT

Mrs D. Taylor CC (in the Chair)

Mr. B. L. Pain CC  
Mrs. C. M. Radford CC  
Mr. O. O'Shea JP CC  
Mr. L. Breckon JP CC

Mrs H. L. Richardson CC  
Mrs. P. Posnett MBE CC  
Mr. R. J. Shepherd CC  
Mr. P. Bedford CC

In attendance

Mr. N. J. Rushton CC, Mr, R. Ashman CC, Mrs B. Seaton CC, Mr. T. Parton CC, Mrs M. Wright CC (via MS Teams)

83. Minutes of the previous meeting.

The minutes of the meeting held on 19 November 2021 were taken as read, confirmed and signed.

84. Urgent items.

There were no urgent items for consideration.

85. Declarations of interest.

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

Mr. L. Breckon CC and Mrs L. Richardson CC both declared a personal interest in item 7 (South Leicestershire Local Plan Making Statement of Common Ground) as members of Blaby District Council.

Mr. O. O'Shea CC declared an interest in item 7 (South Leicestershire Local Plan Making Statement of Common Ground) and Item 9 (National Highways Route Strategy Development) as a member of Hinckley and Bosworth Borough Council.

Mr R. J. Shepherd CC, Mrs D. Taylor CC and Mrs C. M. Radford CC all declared a personal interest in item 9 (National Highways Route Strategy Development ) as members of Charnwood Borough Council.

86. Medium Term Financial Strategy 2022/23 to 2025/26 - Proposals for Consultation.

The Cabinet considered a report of the Director of Corporate Resources setting out the proposed Medium Term Financial Strategy for 2022/23 to 2025/26. A copy of the report,

marked 'Agenda Item 4', and a supplementary report with the detailed proposals, which was circulated separately, are filed with these minutes.

Mr Breckon said that this would be a tough MTFs with over £100m of savings needing to be achieved over the next four years alongside the delivery of a £514m Capital scheme to provide highway, transport and school infrastructure.

He added that rising costs and demand for adult and children's social care and SEND provision was placing substantial pressure on the budget and the proposed 3% increase in Council Tax for 2022/23, which included the 1% adult social care levy, was required to help manage the difficult position. The Authority would continue to campaign for Government funding reform which was required in order to break the cycle of service demand and cost pressures having to be met by Council Tax increases and further savings. He urged Leicestershire residents to respond to the Council's consultation exercise.

Mr Rushton said that the proposed 3% increase in Council Tax was necessary in order to meet the significant financial challenges the Council faced and to honour the Conservative Group's Manifesto pledge to protect the most vulnerable. He welcomed the proposed allocation of £28m to support highway maintenance and additional funding to support the commitment to plant 700,000 trees across the County.

#### RESOLVED:

- a) That the proposed Medium Term Financial Strategy, including the 2022/23 revenue budget and capital programme, be approved for consultation and referred to the Overview and Scrutiny Committees and the Scrutiny Commission for consideration;
- b) That the Director of Corporate Resources, following consultation with the Cabinet Lead Member for Resources, be authorised to –
  - I. agree a response to the draft Local Government Finance Settlement;
  - II. decide on the appropriate course of action for the Leicester and Leicestershire Business Rates Pool in 2022/23 and subject to agreement by all member authorities to implement this;
- c) That a further report be submitted to the Cabinet on 11 February 2022;
- d) That the allocation of £28m of one-off funding for additional highways maintenance, additional resilience for capital schemes, to reduce capital borrowing requirements and provide an initial investment fund for carbon reduction initiatives be approved;
- e) That authority be granted to the Chief Executive and the Director of Corporate Resources, following consultation with the Lead Member for Resources, to approve the use of any additional funding which may be made available by the NHS locally to ease the burden on the health and care system, noting that this is likely to be non-recurrent funding for use in the current financial year.

(KEY DECISION)



## REASONS FOR DECISION:

To enable the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept for 2022/23 and to provide a basis for the planning of services over the next four years.

To ensure that the County Council's views on the Local Government Finance Settlement are made known to the Government.

To enable the County Council (alongside the pooling partners) to respond to the Department for Levelling Up, Housing and Communities in respect of the Business Rates Pool within 28 days from the draft Local Government Finance Settlement.

To enable contingency funding no longer required in 2021/22 to be redirected to County Council priorities.

Leicester Leicestershire and Rutland NHS were expected to have significant non-recurrent funding available in the current financial year. Discussions were taking place between the Authority and the NHS regarding the potential to use the money for the benefit of social care services in Leicestershire. The delegation will allow the County Council to agree the best approach with the NHS.

### 87. Provision of In-House Community Life Choices Services (Day Services)

The Cabinet considered a report of the Director of Adults and Communities concerning the outcome of the Community Life Choices (CLC) Framework procurement and the consultation exercise on proposed changes to the provision of the in-house CLC services. A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

Members noted that a petition with over 800 signatures had been submitted to the County Council titled 'Save Roman Way Community Centre', which was accompanied with a number of comments which had been left by some of those who had signed the petition. A copy of the comments is filed with these minutes.

The Cabinet also noted comments submitted by Mr. B. Champion CC, a copy of which is also filed with these minutes.

The Director said that whilst the Council acknowledged the concerns highlighted in some of the consultation responses and comments submitted as part of the 'Save Roman Way Community Centre' petition, the new Framework of external providers would ensure service users were able to continue to access the appropriate support whilst enabling the Council to focus its own in-house services on short term reablement and crisis support.

He added that the Council would carefully manage the transition of the remaining in-house CLC users to alternative provision and contact would be made with families and users to develop personalised transition plans.

Mrs Radford said that the Council had successfully secured the services of many external providers, all of whom had the capacity, personnel and expertise to manage and deliver high quality day care. She reassured service users and their families that they would be able to continue to access the day service provision they expected and rightly deserved.

Mrs Richardson said that the Council acknowledged that change was difficult, especially for the service users concerned, however it was important that the Council ensured they had access to services which were sustainable in the long term. She welcomed the Council's commitment not to close its in-house CLC services until such time when each service user had access to alternative provision which met their needs.

**RESOLVED:**

- a) That the services offered under the new Community Life Choices (CLC) Framework be noted;
- b) That the outcome of the consultation on the proposed changes to the Council's in-house CLC services be noted;
- c) That the changes to the Council's in-house CLC services be agreed as follows:
  - I. The in-house short breaks services integrate a CLC offer as part of people's short breaks stay at the existing facilities in Melton Mowbray, Wigston and Hinckley;
  - II. That all in-house services providing long term maintenance CLC packages be closed and future provision of care and support for existing and new service users be provided via the CLC Framework;
- d) That it be noted that the existing users of the Council's in-house CLC services will be fully supported in their transition to alternative services.

**KEY DECISION:**

**REASONS FOR DECISION:**

The County Council's provision of CLC services has steadily reduced over several years. The COVID-19 pandemic has further affected the demand for Council run services and the Council's capacity to deliver in-house services has been dramatically reduced over the past 18 months as a result of the need to maintain social distancing and other COVID-19 related restrictions, leading to a requirement to consider how best to use the resources available to the Council to deliver the right outcomes for service users.

The Council will re-focus its in-house services on crisis care, short term reablement and enablement, and support for carers through the delivery of a responsive seven day a week service.

Long-term maintenance CLC support can be delivered effectively by external providers. The new CLC Framework started in late November 2021. There are 27 organisations on the new Framework, eight of whom were not on the previous CLC Framework. There are 13 providers who can deliver services for people with Profound and Multiple Learning Disabilities.

**88. Leicestershire Domestic Abuse Reduction Strategy 2022-2024.**

The Cabinet considered a report of the Director of Children and Family Services concerning the Council's draft Domestic Abuse Reduction Strategy and the proposed

approach to establishing a Domestic Abuse Local Partnership Board. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

In response to a question concerning the membership of the Domestic Abuse Local Partnership Board, the Director confirmed that the Board would include a representative on behalf of Health providers, as would the Domestic Abuse Act and Funding Officer Group which would be responsible for progressing the priorities agreed by the Board.

Mrs Taylor said it was important the Council and partners ensured its services were the best they could be in order to support victims of domestic abuse and the development of a Domestic Abuse Strategy and the formation of a dedicated Partnership Board would help make this happen.

Mrs Posnett welcomed that the Strategy had a particular focus on early intervention and prevention and recognised the impact domestic abuse had not only on the victim, but also on their wider family.

Mr Rushton said the Strategy and associated partnership working was crucial and aligned with the Conservative Group's Manifesto to protect the most vulnerable.

#### RESOLVED:

- a) That the consultation responses to date on the draft Leicestershire Domestic Abuse Reduction Strategy 2022 – 2024, be noted;
- b) That the latest version of the draft Strategy, appended to the report, be approved, noting that further amendments may be necessary in order to address any further comments received before the consultation closes on 21 December 2021;
- c) That the Director of Children and Family Services, following consultation with the Lead Member, be authorised to take the necessary steps to finalise and publish the Strategy ahead of the statutory deadline of the 5 January 2022;
- d) That the proposed approach to establishing a Domestic Abuse Local Partnership Board as set out in the report be approved.

#### REASONS FOR DECISION:

The Domestic Abuse Act 2021 places a number of statutory duties on the County Council including the requirement to publish a Domestic Abuse Strategy by 5 January 2022 and to establish a Domestic Abuse Local Partnership Board.

#### 89. South Leicestershire Local Plan Making Statement of Common Ground (November 2021)

The Cabinet considered a report of the Chief Executive which sought approval for the County Council to become a signatory to the South Leicestershire Local Plan Making Statement of Common Ground. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

#### RESOLVED:

- a) That the Cabinet agrees to the County Council becoming a signatory to the South Leicestershire Local Plan Making Statement of Common Ground (November 2021);
- b) That the approach by the district councils concerned in relation to the gathering of evidence and in seeking to align activity in the development of their Local Plans via the Statement of Common Ground be welcomed;
- c) That the Chief Executive be authorised to agree the County Council's response to consultations on Statements of Common Ground and to the County Council becoming a signatory to Statement of Common Ground documents with Leicestershire district councils, Leicester City Council and other neighbouring authorities except where these are considered to be of strategic importance to or have significant policy implications for the Authority, in which case the matter will be referred to the Cabinet.

#### REASONS FOR DECISION:

The Statement of Common Ground is focused on the preparation of joint evidence for three pieces of key evidence required for the next round of plan making in three district areas. Undertaking the preparation of evidence in this way should significantly assist in understanding the evidence across a 'larger than single district' geographical area and the resultant mitigation strategies which arise to support the delivery of key infrastructure. It is in the best interests of the County Council as a key infrastructure provider for communities in Leicestershire to support this proposed joint approach to be taken by three district councils in the south of the County (Blaby District Council, Harborough District Council and Oadby and Wigston Borough Council).

The Statement of Common Ground is largely a statement of fact and intent and is likely to evolve in the future as work on the joint evidence is undertaken. It will help to demonstrate Duty to Co-operate on these matters by the County Council and the three district councils.

The 2018 National Planning Policy Framework (NPPF) requires local planning authorities to produce SoCGs to demonstrate agreement on cross-boundary strategic issues. Not all of these will require consideration by members.

#### 90. Leicestershire Municipal Waste Management Strategy - Public Consultation.

The Cabinet considered a report of the Director of Environment and Transport concerning a proposed approach to public consultation on the Leicestershire Municipal Waste Management Strategy. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

Mr Pain said that the various authorities which formed the Leicestershire Waste Partnership had working well together to develop a draft Strategy which aligned with Government guidance and took account of the revised Environment Act .

#### RESOLVED:

- a) That the proposed approach to the consultation on the review of the Leicestershire Municipal Waste Management Strategy as set out in the report and the appendix, be approved;

- b) That subject to a) above, the Director of Environment and Transport be authorised to finalise the necessary consultation documents;
- c) That it be noted that a further report will be considered by the Cabinet in the summer of 2022 detailing the outcome of the consultation and seeking approval of a final Strategy.

#### REASONS FOR DECISION:

To support the process of a full review of the LMWMS, a public consultation should be undertaken for a period of 12 weeks.

Each authority within the Leicestershire Waste Partnership (LWP), which comprises the County Council, the seven district councils in Leicestershire, and the City Council (as an associate member), is in the process of seeking approval to the approach for the public consultation which forms part of the process of a formal review of a Joint Municipal Waste Management Strategy as per Government's guidelines. A 12-week consultation period will commence in January 2022.

The documents outlined in paragraph 28 of the report are currently being finalised and are subject to further review. Due to timings (the next Cabinet meeting is not due to take place until February 2022), delegation is given to enable the Director of Environment and Transport to approve the supporting documentation on behalf of the Authority before the consultation begins.

#### 91. National Highways Route Strategies Development.

The Cabinet considered a report of the Director of Environment and Transport concerning National Highway's proposed Route Strategies development process and presented a proposed response as the views of the County Council. A copy of the report, marked 'Agenda item 9', is filed with these minutes.

Members noted comments from Mr. Max Hunt CC, a copy of which is filed with these minutes.

The Director said that in light of the comments submitted by Mr Hunt, the County Council's proposed response could be amended to include a request that National Highways improve its air and noise pollution monitoring of new and existing schemes.

Mr Rushton said that it was important the County Council continued to push for Government investment across the County's road network. He added that road pollution and noise were matters of considerable concern for many Leicestershire residents and he therefore supported the Director's proposal to amend the response.

#### RESOLVED:

- a) That the response set out in the Appendix to the report be forwarded to National Highways as the views of the County Council on the proposed Route Strategies development process concerning the Road Investment Strategy 3 (2025 – 2030), subject to it being amended to include a request that National Highways improve its air and noise pollution monitoring of new and existing schemes;

- b) That It be noted that the County Council will continue to work through Midlands Connect (the region's Sub-National Transport Body) to seek to inform decisions to be made by National Highways and the Department for Transport concerning future investment in the County's Strategic Road Network for the Road Investment Strategy Period 3 (2025 to 2030) and beyond.

#### REASONS FOR DECISION:

An effectively functioning Strategic Road Network (SRN) is important to support Leicester and Leicestershire's economy, enable the area's future growth and to address environmental and climate change challenges. National Highways is currently undertaking a consultation exercise as part of developing its evidence base for this Route Strategies process, and the County Council's response will be submitted as part of that exercise.

As the region's Sub-National Transport Body, Midlands Connect brings together key transport bodies from across the Midlands. Amongst other things, its role is to establish regional priorities for investment in the region's SRN and to work with the Department for Transport and National Highways to achieve their delivery.

#### 92. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.

2.00 - 2.48 pm  
14 December 2021

CHAIRMAN



**CABINET – 11<sup>TH</sup> FEBRUARY 2022**

**PROVISIONAL MEDIUM TERM FINANCIAL STRATEGY**  
**2022/23 - 2025/26**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**PART A**

**Purpose of the Report**

1. This report presents the County Council's proposed 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) for approval, following consideration of the draft MTFS by the Cabinet in December 2021 and the Overview and Scrutiny bodies in January and receipt of the Local Government Finance Settlement.

**Recommendations**

2. That the following be recommended to the County Council:
  - (a) That subject to the items below, approval be given to the Medium Term Financial Strategy (MTFS) which incorporates the recommended revenue budget for 2022/23 totalling £471.7m as set out in Appendices A, B and E of this report and includes the growth and savings for that year as set out in Appendix C;
  - (b) That approval be given to the projected provisional revenue budgets for 2023/24, 2024/25 and 2025/26, set out in Appendix B to the report, including the growth and savings for those years as set out in Appendix C, allowing the undertaking of preliminary work, including business case development, consultation and equality and human rights impact assessments, as may be necessary towards achieving the savings specified for those years including savings under development, set out in Appendix D;
  - (c) That approval is given to the early achievement of savings that are included in the MTFS, as may be necessary, along with associated investment costs, subject to the Director of Corporate Resources agreeing to funding being available;
  - (d) That the level of the general fund and earmarked funds as set out in Appendix K be noted and the use of those earmarked funds as indicated in that appendix be approved;

- (e) That the amounts of the County Council's Council Tax for each band of dwelling and the precept payable by each billing authority for 2022/23 be as set out in Appendix M (including 1% for the adult social care precept);
- (f) That the Chief Executive be authorised to issue the necessary precepts to billing authorities in accordance with the budget requirement above and the tax base notified by the District Councils, and to take any other action which may be necessary to give effect to the precepts;
- (g) That approval be given to the 2022/23 to 2025/26 capital programme as set out in Appendix F;
- (h) That the Director of Corporate Resources following consultation with the Lead Member for Resources be authorised to approve new capital schemes, including revenue costs associated with their delivery, shown as future developments in the capital programme, to be funded from funding available;
- (i) That the financial indicators required under the Prudential Code included in Appendix N, Annex 2 be noted and that the following limits be approved:

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Operational boundary for external debt				
i) Borrowing	263	263	311	340
ii) Other long term liabilities	1	1	1	1
<b>TOTAL</b>	<b>264</b>	<b>264</b>	<b>312</b>	<b>341</b>
Authorised limit for external debt				
i) Borrowing	273	273	321	350
ii) Other long term liabilities	1	1	1	1
<b>TOTAL</b>	<b>274</b>	<b>274</b>	<b>322</b>	<b>351</b>

- (j) That the Director of Corporate Resources be authorised to effect movement within the authorised limit for external debt between borrowing and other long-term liabilities;
- (k) That the following borrowing limits be approved for the period 2022/23 to 2025/26:
  - (i) Upper limit on fixed interest exposures 100%;
  - (ii) Upper limit on variable rate exposures 50%;
  - (iii) Maturity of borrowing:-



	<u>Upper Limit</u>	<u>Lower Limit</u>
	%	%
Under 12 months	30	0
12 months and within 24 months	30	0
24 months and within 5 years	50	0
5 years and within 10 years	70	0
10 years and above	100	25

- (iv) An upper limit for principal sums invested for periods longer than 364 days is 10% of the portfolio.
- (l) That the Director of Corporate Resources be authorised to enter into such loans or undertake such arrangements as necessary to finance capital payments in 2022/23, subject to the prudential limits in Appendix N;
- (m) That the Treasury Management Strategy Statement and the Annual Investment Strategy for 2022/23, as set out in Appendix N, be approved including:
  - (i) The Treasury Management Policy Statement, Appendix N; Annex 4;
  - (ii) The Annual Statement of the Annual Minimum Revenue Provision as set out in Appendix N, Annex 1;
- (n) That the Capital Strategy (Appendix G), Corporate Asset Investment Fund Strategy (Appendix H), Risk Management Policy and Strategy (Appendix I), Earmarked Funds Policy (Appendix J) and Insurance Policy (Appendix L) be approved;
- (o) That it be noted that the Leicester and Leicestershire Business Rate Pool will continue for 2022/23;
- (p) That the Director of Corporate Resources following consultation with the Lead Member for Resources be authorised to make any changes to the provisional MTFS which may be required as a result of changes arising between the Cabinet and County Council meetings, noting that any changes will be reported to the County Council on 23<sup>rd</sup> February 2022;
- (q) That the Leicestershire School Funding Formula is unchanged and continues to reflect the National Funding Formula for 2022/23.

### **Reasons for Recommendations**

3. To enable the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept for 2022/23, to allow efficient financial administration during 2022/23 and to provide a basis for the planning of services over the next four years.
4. Continuing an unchanged Leicestershire School Funding Formula for 2022/23 will ensure that it fully reflects the National Funding Formula (NFF).

### **Timetable for Decisions (including Scrutiny)**

5. On 14 December 2021 the Cabinet agreed the proposed MTFS, including the 2022/23 revenue budget and 2022/23 to 2025/26 capital programme, for consultation. The Overview and Scrutiny Committees and the Scrutiny Commission then considered the proposals in January 2022 (the comments of these bodies are attached as Appendix Q).
6. The County Council meets on 23<sup>rd</sup> February 2022 to consider the MTFS including the 2022/23 revenue budget and capital programme. This will enable the 2022/23 budget to be set before the statutory deadline of the end of February 2022.

### **Policy Framework and Previous Decisions**

7. The MTFS is a rolling financial plan that is updated annually. The current MTFS was approved by the County Council on 17<sup>th</sup> February 2021. The County Council's Strategic Plan (agreed by the Council on 6<sup>th</sup> December 2017) outlines the Council's long-term vision for the organisation and the people and place of Leicestershire. An updated version is currently being consulted upon - <https://www.leicestershire.gov.uk/have-your-say/current-engagement/leicestershire-county-council%E2%80%99s-strategic-plan-2022-2026>
8. The key aims of the Plan being consulted on are:
  - Clean, green future;
  - Create communities;
  - Improving opportunities;
  - Strong economy, transport and infrastructure;
  - Keeping people safe and well.
9. The MTFS, along with other plans and strategies such as the Transformation Programme, aligns with these aims and underpins the Strategic Plan's delivery. The closing date for the consultation is the 18<sup>th</sup> February 2022.
10. In December 2021, the Cabinet approved authority to be granted to the Chief Executive and the Director of Corporate Resources, following consultation with the Lead Member for Resources, to approve the use of any additional funding which may be made available by the NHS locally to ease the burden on the health and care system, noting that this is likely to be non-recurrent funding for use in the current financial year.

### **Legal Implications**

11. The Director of Law and Governance has been consulted on this report.
12. The Council's Constitution provides that the budget setting is a function of the full Council which is required to consider the budget calculation in accordance with the provisions set out in Local Government Finance Act 1992. This requires that there be a calculation of the total of the expenditure the Council estimates it will

incur in performing its functions and will charge to the revenue account for the year, such allowance as the Council estimates will be appropriate for contingencies and the financial reserves which the Council's estimates will be appropriate for meeting estimated future expenditure.

13. The Council is required in due course to set a balanced budget and in so doing must have regard to the advice of the Director of Corporate Resources as Chief Finance Officer appointed under s151 Local Government Act 1972. The Council will be required to issue any precept in accordance with s40 Local Government Finance Act 1992 which sets out the information required in the precept; this must be issued before 1 March in the financial year preceding that for which it is issued.
14. The budget does not itself authorise any changes to services and does not assume that changes will be made. Any changes to services will need to be the subject of appropriate consideration by the appropriate decision maker following, where required, consultation and consideration of the impact of the proposed changes on service users, including in particular the impact on different equality groups.
15. The function of the County Council in setting its budget in due course will engage the public sector equality duty which is set out in the Equality and Human Rights Impact Assessment (EHRIA) section below. An overarching and cumulative impact assessment will be available for the County Council when it considers the budget; it is important to note that the duty does not arise at a fixed point in time but is live and enduring and decision makers are required to have 'due regard' to the duty at each stage in the process.
16. The County Council as a major precepting authority is required to consult representatives of business ratepayers.

### **Resource Implications**

17. The MTFS is the key financial plan for the County Council.
18. The County Council is operating in an extremely challenging financial environment following a decade of austerity and spending pressures, particularly from social care and special education needs. The financial position in 2020/21 and 2021/22 has been severely affected by Covid-19 and the on-going financial impacts of the pandemic are still not fully understood. There is also significant uncertainty and risk around future funding levels. This is despite Government announcements in 2019 that austerity was coming to an end.
19. The Office for Budget Responsibility's (OBR's) economic forecast (October 2021) shows a continuing gradual return to some sort of economic normality. However, the impact of Covid-19 will take many years to unwind and as such the Government has very limited room for manoeuvre, above the Spending Review levels, in terms of supporting the public sector to deal with the Covid-19 aftermath and dealing with the pressures of significant demand and cost increases.

20. Public Sector Net Borrowing (PSNB) has totalled £127 billion in the first 7 months of the current financial year. This is down £103 billion (or 45%) on the equivalent periods last year. However, it should be remembered that in 2020/21, PSNB was at its highest ever peace time level.
21. Government spending has fallen by 7% in this 7 month period compared to the same period last year, largely due to the unwinding of the job retention scheme (furlough) and self-employment support schemes.
22. Inflation is expected to remain around 5% for the next few months. The Consumer Price Index (CPI) is expected to peak at about 6% in April 2022 according to the Bank of England, although some commentators are suggesting higher levels
23. It increasingly looks as though many local government services will never return to what might have been considered as 'normal' but what this will actually mean in the medium term is very difficult to forecast. So again this year, the level of uncertainty in the MTFS is greater than would have been the case in recent years. But also the scale of the challenge faced to balance the MTFS by year 4 is much more significant than has been the case in the past.
24. The current MTFS was balanced for years one and two, with a gap of £23m in year four. This revised MTFS balances in year one only with the gap in year four rising to £39m.
25. Delivery of the MTFS requires savings of £94m to be made from 2022/23 to 2025/26. This MTFS sets out in detail £40.0m of savings and proposed reviews that will identify further savings to offset the £39.5m funding gap in 2025/26. A further £14.4m of savings, including on-going cost avoidance from the creation of additional school places, will be required to ensure that High Needs funding can be contained within the Government grant. Strong financial control, plans and discipline will be essential in the delivery of the MTFS.
26. To ensure that the MTFS is a credible financial plan, unavoidable cost pressures have been included as growth. By 2025/26 this represents an investment of £88m, primarily to meet the forecast increase in demand for social care. The MTFS also includes a £72m provision for pay and price inflation. The majority of these pressures are unavoidable due to the nationally set National Living Wage and pay awards.
27. Balancing the budget is a continued challenge. With continual growth in service demand recent MTFS's have tended to show two years of balanced budgets followed by two years of growing deficits. This approach balances the need for sufficient time to identify initiatives that will close the gap without cutting back services excessively. The draft MTFS forecasts the minimum requirement of a balanced budget next year, but the following three years are all in deficit.
28. The deficit forecast in 2023/24 is a concern but manageable whilst the full range of options remain open to the County Council. New savings could be identified or service growth suppressed. A heightened focus on the County Council's

finances is required whilst this situation remains. Reserves will need to be set aside to ensure that the County Council has sufficient time to formulate and deliver savings.

29. The draft four-year capital programme totals £515m. This includes investment for services, road and school infrastructure arising from housing growth in Leicestershire, the corporate asset investment fund, social care accommodation and energy efficiency initiatives. Capital funding available totals £372m with the balance of £143m being temporarily funded from the County Council's internal cash balances.
30. To deal with the challenges that the County Council has faced in recent years, as the lowest funded County Council, a proactive approach has been required. Given the heightened uncertainty the more important it is that the County Council keeps this focus.

### **Circulation under the Local Issues Alert Procedure**

31. This report has been circulated to all Members of the County Council.

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## **PART B**

### **Changes to the draft Budget proposed in December 2021**

32. Changes to the draft budget considered by the Cabinet on 14<sup>th</sup> December 2021 are summarised in the table below:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Shortfall at 14 <sup>th</sup> December 2021	0	11,464	28,979	46,439
<b>Funding changes</b>				
Revenue Support Grant (New Burdens)	-10	-10	-10	-10
Business Rates Section 31 Grant	-1,260	-1,320	-1,350	-1,390
New Homes Bonus Grant	-1,201	0	0	0
Improved Better Care Grant	-520	-520	-520	-520
Social Care Grant	-5,699	-5,699	-5,699	-5,699
Services Grant (2022/23)	-4,265	0	0	0
New Grants (assumed share of £1.6bn -replaced)	8,000	8,000	8,000	8,000
Market Sustainability & Fair Cost of Care	-1,630	-1,630	-1,630	-1,630
Council Tax Precept	584	610	630	650
Council Tax Collection Funds	-2,569	0	0	0
Provision for impact of Covid-19 on funding	-1,000	-1,000	-1,000	-1,000
<b>Budget Equalisation Earmarked Fund – Contribution changes</b>	7,790	-5,700	-7,100	-8,300
<b>Other Changes</b>				
Inflation Contingency	1,630	3,630	3,630	3,630
Leicestershire Grants – increased allocation	150	150	150	150
Other	0	0	-200	-800
<b>Revised Shortfalls</b>	<b>0</b>	<b>7,975</b>	<b>23,880</b>	<b>39,520</b>

33. The changes are as detailed below:

- The County Council last received Revenue Support Grant (RSG) in 2018/19. The provisional Local Government Finance Settlement shows a RSG figure of £10,000 which relates to new burdens funding.
- Business Rates Section 31 Grant – the provisional Settlement includes Section 31 grants reflecting CPI inflation, whereas the final Settlement will be updated to reflect RPI inflation levels, which will increase income to the Council by around £1.3m.
- New Homes Bonus (+£1.2m) updated estimate per the 2022/23 Local Government Finance Settlement. The Settlement includes an additional year of the grant and the remaining legacy amount of £0.9m, in respect of 2019/20, both of which will be phased out by 2023/24.
- Improved Better Care Fund (+£0.5m) updated estimate per the 2022/23 Settlement.

- Social Care Grant (+£5.7m) increased allocation in the Settlement. The allocation includes an adjustment based on the relative levels of funding that Councils can raise from council tax (via the Adult Social Care Precept), which reallocates grant from areas such as County Councils to areas with low council tax levels, particularly in London. This is causing the County Council's share of the national allocation to reduce each year.
- Services Grant 2022/23 (+£4.3m). The Settlement includes a one-off grant of £822m nationally, of which the County Council will receive £4.3m. The Settlement states that "This will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. This grant includes funding for local government costs for the increase in employer National Insurance Contributions" and also that the Government "intends to work closely with local government on how to best use this funding from 2023/24 onwards".
- New Grant 2022/23 (-£8.0m). The draft MTFS included an estimate that the County Council would receive around 0.5% of the additional funding referred to in the Chancellor's Spending Review. That assumption can now be removed and be replaced by the grants announced in the Settlement.
- Market Sustainability and Fair Cost of Care Fund (+£1.6m). The Settlement includes £162m for this new ringfenced funding, of which the County Council will receive £1.63m. The funding is towards the inflationary and demographic pressures facing adults and children's social care services.
- Council tax precept 2022/23 tax bases provided by the District Councils are 0.2% lower than previously anticipated, leading to a £0.6m reduction in income. This is offset by the removal of a £1m provision included in the draft MTFS for the impact of Covid-19 on income levels.
- Provisional council tax collection fund estimates for 2021/22 have now been received from the billing authorities which show an increase of £2.6m compared with the previous estimate.
- The net changes to the 2022/23 budget total £7.8m, which can be contributed to the budget equalisation reserve to provide cover for budget shortfalls in later years. In addition, the latest assessment of the High Needs Block position for 2023/24 to 2025/26 forecasts a reduction in the deficit due to higher than expected government grant allocations, following release of revised information and new guidance by Government. This has allowed for reduced contributions to the budget equalisation reserve of £5.7m, £7.1m and £8.3m. The overall High Needs deficit, by the end of the MTFS, is now forecast to be £63m compared with £86m reported in the draft MTFS report to the Cabinet in December 2021.
- The contribution to the budget equalisation reserve in 2022/23 includes £0.1m to fund a temporary policy officer to implement an anti-racism strategy (£80,000 over 2 years) and to provide funding for Highways closures for the Queen's Platinum Jubilee celebrations in June 2022 (£50,000).

- The central inflation contingency will be increased by £1.6m in 2022/23 to reflect the Market Sustainability and Fair Cost of Care funding referred to above, and then by a further £2m from 2023/24 for increasing estimates of inflation. Overall this provides £29m for inflation in 2022/23 rising to £72m by 2025/26.
- Other changes include, the Financing of Capital and the Bank and Other Interest budgets which have been reduced by £0.2m in 2024/25 and £0.8m in 2025/26 due to the latest forecasts on the financing of the capital programme. An increase of £150,000 per annum for the Leicestershire grants programme has also been included as a result of the better than forecast collection fund surpluses described earlier.

### **Expected Service Reforms**

34. The Government's review of special education needs and disabilities (SEND), initially launched in September 2019, was expected to report in early 2021 but is still awaited. The review is expected to assess how this system has evolved since the introduction of education, health and care plans in 2014, and school funding reform in 2013. It is also expected to look at links with health care provision and about aligning incentives and accountability for schools, colleges and local authorities to make sure they provide the best support for children and young people with SEND. There are serious concerns that the review will not adequately address the affordability of the system.
35. On 1 December 2021 the Government released its long awaited White Paper on social care reform, 'People at the Heart of Care'. The White Paper articulates a 10 year vision for adult social care and provides information on funding proposals over the next 3 years. It sets out how some of the £1.7bn announced at the SR (of the £5.4bn total previously announced) for adult social care reform over the next 3 years will be used for major improvements across the adult social care system to begin to transform the adult social care system in England, such as new investments in:
  - housing and home adaptations
  - technology and digitisation
  - workforce training and wellbeing support
  - support for unpaid carers, and improved information and advice
  - innovation and improvement
36. Within the local government Settlement a new 'Market Sustainability and Fair Cost of Care Fund' was announced to "ensure that local authorities are able to move towards paying a fair cost of care". A total of £1.6m has been allocated to the County Council for 2022/23. To prepare markets, the Government requires local authorities to carry out activities such as:
  - conduct a cost of care exercise to determine the sustainable rates and identify how close they are to it.



- engage with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market (particularly the 65+ residential care market, but also additional pressures to domiciliary care).
  - strengthen capacity to plan for, and execute, greater market oversight (as a result of increased section 18(3) commissioning) and improved market management to ensure markets are well positioned to deliver on our reform ambitions.
  - use this additional funding to genuinely increase fee rates, as appropriate to local circumstances. To fund core pressures, local authorities can make use of over £1 billion of additional resource specifically for social care in 2022 to 2023. This includes the increase in Social Care Grant and the improved Better Care Fund, a 1% adult social care precept and deferred flexibilities from last year's settlement.
37. It is important to be mindful that, whilst it is welcomed that the Government is looking to address these issues, there is no guarantee that it will actually be beneficial to the County Council financially and potentially could increase costs. A significant portion of the funding will be to reduce the contributions that self-funders make towards their care. Leicestershire has significantly more self-funders than the national average, which will cause a disproportionate impact on the County Council if the reforms are underfunded. This has not been reflected in the first funding allocation.

### **Local Government Finance Settlement**

38. The 2022/23 provisional Local Government Finance Settlement was issued on 16<sup>th</sup> December 2021. Local Government legislation requires a period of consultation on the announcement of usually around four weeks, prior to a debate on the final Settlement in the House of Commons.
39. Although the 2021 Spending Review relates to 2022/23 to 2024/25, the Settlement only relates to 2022/23 financial year. Although a one year Settlement leads to uncertainty around medium term funding the SR does at least offer some hope for a reallocation of funding.
40. The main impacts of the provisional Settlement on the draft MTFS are covered in paragraph 33 earlier in the report.
41. Funding for services received through specific grants is not covered by the Settlement, for example: High Needs funding (Dedicated Schools Grant), the Better Care Fund, Public Health Grant and all capital grants. Some amounts for 2022/23 may not be confirmed in the current financial year and the ongoing implications are subject to significant uncertainty.

## **Spending Power**

42. The Government uses a measure of core spending power in assessing an authority's financial position. The County Council's historic annual core spending power from the provisional 2022/23 Settlement is shown below. The key thing to note is that over this period Revenue Support Grant (RSG) had disappeared completely by 2019/20 compared to a figure of £56m in 2015/16 although in compensation for these reductions, additional specific funding streams have increased. Although a degree of certainty would be expected from having no RSG, Government have previously raised the prospect of "negative RSG".

	15/16 £m	16/17 £m	17/18 £m	18/19 £m	19/20 £m	20/21 £m	21/22 £m	22/23 £m
Settlement Funding Assessment: RSG	56.2	37.0	19.5	8.5	0.0	0.0	0.0	0.0
Settlement Funding: Business Rates	60.5	57.4	58.7	60.9	62.9	64.4	65.1	67.0
Council Tax*	233.4	247.6	263.1	285.5	301.6	319.3	336.9	352.5
Improved BCF**	0.0	0.0	9.5	12.4	14.8	17.2	17.2	17.7
New Homes Bonus	3.3	4.3	4.1	3.7	3.7	3.7	2.6	2.1
Transition Grant	0.0	3.3	3.3	0.0	0.0	0.0	0.0	0.0
Adult Social Care Support Grant	0.0	0.0	2.4	1.5	0.0	0.0	0.0	0.0
Winter Pressures Grant#	0.0	0.0	0.0	2.4	2.4	0.0	0.0	0.0
Social Care Grant	0.0	0.0	0.0	0.0	4.1	13.0	14.2	19.9
Market Sustainability	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6
2022/23 Services Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3
Core Spending Power	353.4	349.6	360.6	374.9	389.5	417.6	436.0	465.0

\*Government forecasts of 2022/23 Council tax and Council tax base increases, which are different from those used by the County Council.

\*\* includes one-off Social Care Grant announced in the Budget 2017, and Winter Pressures Grant of £2.4m added from 2020/21.

# Grant shown as part of iBCF from 2020/21.

43. The table shows that 'core spending power' (CSP) increased in cash terms by £111.6m (31.6%) from 2015/16 to 2022/23. With inflation historically running at circa 3% each year this represents a relatively small real terms increase but provides little allowance for increasing populations and the significant increasing service demands local authorities are facing especially around social care and special education needs. This is particularly difficult for Leicestershire which continues to be an area of one of the fastest growing populations nationally.
44. Moreover, the core spending power measure assumes councils increase council tax by the maximum amount permitted, including raising the full adult social care precept. Whilst the County Council has always done this since the adult social care precept was introduced, it is mindful that in doing so it has raised council tax above inflation for a number of years.

45. The Government's assumption, and a factor in the new social care grant allocations, was that the full 3% increase in the adult social care precept would be taken by councils in 2021/22.
46. The Government also assumed that the average tax base growth seen in recent years (2% in the case of the County Council) would be repeated in 2021/22. That assumption had not been adjusted for the adverse impacts of Covid-19 and the actual net increase in the 2021/22 tax base was only 0.5%. As anticipated, the Government has now amended the 2021/22 CSP by -£5.1m to reflect this.
47. There is a relatively smaller overstatement of £0.9m in the 2022/23 CSP, with Council Tax being assumed at £352.5m compared with the proposed Precept of £351.6m. The tax base increase in 2022/23 of 1.3% is a significant improvement on the 0.5% in 2021/22 but is still below the average in recent years.
48. The inherent problem with the current Government methodology to setting funding is that it takes no account of the relative funding position of individual authorities.
49. There are still significant risks due to the uncertainty of future funding levels.

### **Funding Reforms**

50. Local Government funding went through considerable upheaval in the 2010's. Government grants were substantially reduced; Council Tax fell in real terms until 2015 when the Adult Social Care Precept was introduced; since 2013 business rate retention has rewarded councils with a share of local growth; and new grants have been introduced in a piecemeal response to the social care funding crisis.
51. Following increasing complaints about the application of austerity related cuts, in February 2016 the Government announced a 'fair funding review' and reform of business rate retention. The County Council has been a vocal advocate of the reforms, as have a cross-party support group, the County Councils' Network (CCN).
52. More recently the County Council has led the formation of the F20 group of councils which have the unenviable position of facing higher levels of council tax and lower levels of core spending power. The group has been formed to continue to press for reforms and offer practical suggestions to the Government that could be implemented quickly.
53. The County Council has been historically underfunded in comparison with other authorities, including other counties and has for some years been running a campaign to raise awareness of this and to influence the outcome of Government funding reforms. If Leicestershire as an area was funded at the same level as Surrey, it would be £115m per year better off, or £292m, compared to Camden.
54. The Government has accepted many of the arguments put forward and has indicated a preference for a simpler system that recognises the relative need of

areas, rather than just reflecting historic funding levels. Consultation documents on the reforms indicated a positive outcome.

55. Unfortunately, the 'Indicative numbers' for funding allocations to individual councils have never been made available and the reforms postponed from the 2019/20 implementation date.
56. This non-committal stance on reforms may be partly explained by Government's enthusiasm for its Levelling Up agenda. It may also be explained by Government's increased use of specific grants through the Covid-19 crisis to support Local Government. The working assumption is that there will not be any benefit from funding reforms and financial problems will need to be solved locally.
57. The "Other Grants and Funds" section of this report show the main specific grants received. These grants are usually announced late and only for one financial year. The levels for future years are therefore highly uncertain. Some grants are also impacted by economic measures, most notably inflation. To deal with anticipated reductions in future years a £3m allowance has been made for grant reductions in both 2024/25 and 2025/26, reflected as a potential reduction to the Business Rates "Top-up".

### **Business Rates**

58. The two main components of the business rates retention scheme income received by the County Council are the "baseline" and "top up" amounts. The baseline is the County Council's share (9%) of business rates generated locally and the top-up is allocated to the County Council to compensate for the small baseline allocation.
59. When Government makes changes to the national Business Rate Scheme compensation for funding losses are made through a series of grants, referred to as Section 31 grants.
60. The proposed MTFS includes an assumption that the total of the baseline, top up and Section 31 grant elements will be increased by 3.1% in 2022/23, in line with the CPI in September 2021, and that the increase will be received in the form of an additional Section 31 grant from the Government, as the Chancellor of the Exchequer has frozen the "poundage" charged to business for 2022/23 at 2021/22 levels.
61. The Government had indicated its intention for a full reset of baselines in 2020/21 but this was postponed until 2021/22 and, due to the pandemic was deferred again until 2022/23. The Settlement in December 2021 has confirmed that the reset will be deferred again, possibly until 2023/24. This will result in councils losing their share of accumulated growth. For the County Council this amounts to £6m per annum, and the income to the Leicester and Leicestershire Enterprise Partnership (LEEP) from the Leicester and Leicestershire Business Rates Pool would reduce by circa £10m.

62. The Government introduced the Business Rates Retention System from April 2013 and as part of these changes Local Authorities were able to enter into Pools for levy and safety net purposes. Net surpluses are retained locally rather than being returned to the Government as would have been the case if no Pool had existed. The current pooling agreement between the partners allows the surplus to be provided to the LLEP for investment in the wider sub-regional area.
63. The 'Leicester and Leicestershire Pool' for business rates increases the amount of growth that can be retained locally rather than being returned to the Government. In total £41m is forecast to have been retained in Leicestershire since 2013/14, due to the success of the Pool, with a further potential surplus of £10.5m in 2021/22.
64. The partners decided in January 2022 to continue with the Pool in 2022/23. Although the medium-term economic effects of Covid-19 on business rates on overall income are likely to continue to reduce the levels of surpluses that can be achieved, continued pooling is expected to remain beneficial.

### **Council Tax**

65. The Localism Act 2011 provides for residents to instigate local referendums on any local issue and the power to veto excessive Council Tax increases. A cap on the core increase of 2% is in place for County Councils for 2022/23. In addition, they are permitted to raise an additional 1% to fund adult social care (the adult social care precept).
66. The most financially significant decision of any budget is usually the level that Council Tax will be increased by. This is not just a consideration for the current year, it impacts the level of income available ad infinitum. Every 1% Council Tax is increased by is worth £3.4m to the County Council and costs each household in a band D property an additional £14.10 per year. The 2022/23 draft budget assumes a 2.99% increase, which contributes towards a balanced budget. If this increase was not taken service cuts would be the inevitable consequence.
67. The draft MTFS is based on a council tax increase of 2.99% in 2022/23 and 1.99% in each subsequent year. There is likely to be scope to take an additional amount for the Adult Social Care precept in the subsequent years as well but that would be assessed in light of the revised position this time next year.
68. The amounts of the County Council's Council Tax for each band of dwelling and the precept payable by each billing authority for 2022/23 are set out in Appendix M (including 1% for the adult social care precept).

### **2022/23 - 2025/26 Budget**

69. The provisional 2022/23 budget is detailed in Appendix A. The provisional detailed four-year MTFS is set out in Appendix B and is summarised in the table below:

<b>Provisional Budget</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>
Services including inflation	407.6	440.2	461.6	487.9
Add growth	35.5	17.5	17.5	17.4
Less savings	<u>-17.6</u>	<u>-10.5</u>	<u>-5.6</u>	<u>-6.0</u>
	425.5	447.2	473.5	499.3
Central Items	23.0	22.1	23.1	24.9
Less savings	<u>-0.1</u>	<u>0.0</u>	<u>-0.1</u>	<u>0.0</u>
	448.4	469.3	496.5	524.2
Contributions to:				
Budget equalisation earmarked fund	22.3	7.7	9.1	8.9
General Fund	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>Total Spending</b>	<b><u>471.7</u></b>	<b><u>478.0</u></b>	<b><u>506.6</u></b>	<b><u>534.1</u></b>
Funding				
Business Rates	-74.5	-71.3	-70.2	-68.8
Council Tax	-355.2	-363.0	-376.8	-390.1
Central Grants	<u>-42.0</u>	<u>-35.7</u>	<u>-35.7</u>	<u>-35.7</u>
<b>Total Funding</b>	<b><u>-471.7</u></b>	<b><u>-470.0</u></b>	<b><u>-482.7</u></b>	<b><u>-494.6</u></b>
<b>Shortfall</b>	<b><u>0.0</u></b>	<b><u>8.0</u></b>	<b><u>23.9</u></b>	<b><u>39.5</u></b>

70. The MTFS shows a balanced position for 2022/23 and shortfalls of £8m in 2023/24 rising to £39.5m in 2025/26. As set out in the following section there is a range of initiatives currently being developed that will aim to bridge the gap.

### **Savings and Transformation**

71. Overall, the balance between expenditure and income shows a gap of £39.5m by the end of the MTFS period. Whilst the Council is optimistic that some additional funding may be made available to reduce this gap, it is clear that significant additional savings will still be required on top of the £40m that have been identified, £17.8m of which are to be made in 2022/23.
72. This is a challenging task especially given that savings of over £230m have already been delivered over the last twelve years. This was initially driven by the real terms reduction in Government grants, which is in excess of £100m since 2010. In recent years, service demand pressures have become the main driver. The identified savings are shown in Appendix C.
73. The main four-year savings are:
- Children and Family Services (£14.5m). This includes savings of £12.3m from the Defining CFS For the Future Programme. This programme of work aims to improve outcomes for children, young people and their families whilst delivering significant financial savings.
  - Adults and Communities (£15.8m). This includes £6m from additional income, £2.3m from implementation of digital assistive technology to

service users, £1.3m additional BCF/Health income and £1m from the Social Care Investment Plan.

- Public Health (£0.3m) from completing the Early Help and Prevention Review, service redesign and a review of commissioned services.
- Environment and Transport (£3.6m). Savings include £1.1m from the SEN Transport Lean Review, £1m from improved options for the treatment of residual waste and £0.5m from a range of small scale opportunities that form the E&T Continuous Improvement Programme.
- Chief Executive's Department (£0.7m). This includes saving of £0.5m from a review of case management and new ways of working.
- Corporate Resources (£4.9m). This includes £1.6m from increasing returns from the Corporate Asset Investment Fund, savings of £1.4m from the Workplace Strategy / Ways of Working, £0.7m from the Customer and Digital Programme and £0.6m from Commercial Services.

74. Of the £40m identified savings, efficiency savings and additional income account for £39m, and can be grouped into three main types:

- a) Service re-design (£24m)
- b) Better commissioning and procurement (£3m)
- c) Senior management and administration (£1m)
- d) Income (£11m)

75. It is estimated that the proposals would lead to a reduction of around 150 posts (full time equivalents) over the four-year period. However, it is expected that the number of compulsory redundancies will be lower, given the scope to manage the position over the period through staff turnover and vacancy control.

76. Further savings or additional funding will be required to close the budget shortfall of £8m in 2023/24 rising to £39.5m in 2025/26.

77. To help bridge the gap several initiatives are being investigated to generate further savings. Outlines of the proposals have been included as Appendix D, Savings under Development. Once business cases have been completed and appropriate consultation processes taken, savings will be confirmed and included in a future MTFS. This is not a definitive list of all potential savings over the next four years, just the current ideas.

78. The development and ultimate achievement of these savings was already challenging, following a decade of austerity. The pandemic has increased the difficulty of delivery even further by: increasing the urgency of delivery; creating new pressures to be resolved; and reducing people's capacity to work on savings.

79. The MTFS also includes the High Needs Block Development Plan which is reducing costs through increased local provision of places, practice improvements and demand reduction initiatives. The aim of the programme is to ensure that the expenditure can be contained within the allocation through the Dedicated Schools Grant. Savings of £14.4m are planned over the MTFS period.

## **Transforming the way the Council works – Strategic Change**

80. The savings requirements contained within the MTFS remain the central driver for the Council's change portfolio. The body of work contained within the portfolio, refreshed annually, represents savings in excess of £94m, including £14m for SEND. This will be aligned to the MTFS refresh to 2025/26 and will reflect the priorities of the Council's new Strategic Plan.
81. Alongside the need for financial sustainability, this latest refresh of the portfolio retains three further primary programmes of work, each representing key strategic priorities for change. The Council's commitment to reducing the environmental impact of its operations is represented in its Carbon Reduction programme with a clear target to achieve a net zero position by 2030. Improving customer contact through the use of automation and digital technology is a central premise of the Customer and Digital programme. Finally, the Authority's Ways of Working programme is bringing together Technology, People and Workplace change to redefine how it operates and shares its resources.
82. A key emphasis from the new MTFS is a focus on the identification of further internal efficiencies, productivity improvements and effective service decision making, spanning the County Council through a series of priority areas of work. Through evidence-based continuous improvement, this work will help to identify and capture new savings opportunities to be delivered and mitigate where possible the need for future growth in spending.

## **Growth**

83. Over the period of the MTFS, growth of £87.9m is required to meet demand and service pressures with £35.5m required in 2022/23. The main elements of growth are:
  - Children and Family Services (£25.1m). This is mainly due to £19.3m for pressures on the Social Care placements budget arising from increased numbers of Looked After Children and £5.6m for increased Social Care caseloads.
  - Adult Social Care (£35.0m). This is largely the result of an ageing population with increasing care needs and increasing numbers of people with learning disabilities.
  - Environment and Transport (£5.6m). This primarily relates to increased numbers of clients and costs on the Special Educational Needs (SEN) Transport budget (£5.2m).
  - Chief Executive's (£0.3m). This includes additional funding for Leicestershire grants and provision for increased requirements on Trading Standards.
  - Corporate Resources (£1.9m). This mainly relates to cost pressures on Commercial Services (£1.2m) and ICT licence subscriptions and support costs (£0.3m).
  - Corporate Growth (£20.0m). This has been included to act as a contingency for potential further cost pressures in the later years of the MTFS. The amount has been set based upon historic levels of growth incurred. The



contingency reflects that it is not possible to specifically identify all of the growth before the first year of a 4 year MTFS.

84. Details of proposed growth to meet spending pressures are shown in Appendix C.

### **Inflation**

85. The Government's preferred measure of inflation is the CPI. In December 2021 this was 5.4% and it is forecast to peak at 6% in April 2022. The Office for Budget Responsibility (OBR) predicts it will be around 3.9% in 2022/23 (3<sup>rd</sup> quarter 2022), 2.4% in 2023/24 and 2.0% in both 2024/25 and 2025/26.
86. However, the Council's cost base does not always reflect CPI. Energy and fuel increases, for example, have a much more significant impact. The draft MTFS assumes 5% inflation in 2022/23 and 3% per annum over the period 2023/24 to 2025/26.
87. The impact of the National Living Wage (NLW) is particularly significant. In recent years social care costs have been driven up by its continued increases, for which an additional provision has been made. The 2021-25 MTFS reflected the Government's manifesto commitment that the NLW will rise to £10.50 per hour by 2024. The 2020 Spending Review on 25<sup>th</sup> November 2020 included an increase of 2.2% from £8.72 to £8.91, effective from April 2021. Although that increase was lower than anticipated, it was assumed that the lower increase would simply be caught up in future years; the Budget / Spending Review on 27<sup>th</sup> October 2021 included an increase of 6.6% from £8.91 to £9.50, effective from April 2022, which puts the NLW back on track for a rate of around £10.50 by 2024.
88. The MTFS provides an estimated average pay award of 2% each year, with an allowance for higher increases in the lower grades to reflect the impact of the NLW.
89. The central inflation contingency includes provision for an increase of 1% each year in the employer's pension contribution rate, in line with the requirements of the actuarial assessment.
90. Detailed service budgets for 2022/23 are compiled on the basis of no pay or price increases. A central contingency for inflation is held, which will be allocated to services as necessary. The contingency includes a total of £28.8m for 2022/23, rising to £43.5m in 2023/24, £57.9m in 2024/25, and £72.3m in 2025/26. The components of the contingency are provisions for:
- Pay awards £21.7m
  - Pension contribution increases £4.1m
  - National Insurance increase £3.2m
  - National Living Wage/ Adult Social Care fee reviews £29.5m
  - Other running costs, net of income £12.2m
  - ASC reforms £1.6m

## **Central Items**

91. Capital financing costs are expected to rise to £19.5m in 2022/23 (from £19.0m in 2021/22) and then to rise to £22.5m in 2025/26, as a result of the increasing financing requirements for the capital programme.
92. The budget includes revenue funding of capital expenditure, to reduce the overall need for borrowing to fund the capital programme, of £2.5m in 2022/23 and £1.5m in 2023/24 and later years.
93. Interest income relating to Treasury Management investments is budgeted at £1.4m in 2022/23 and is estimated to reduce to £1m by 2025/26 as cash balances are reduced to fund internal borrowing for the capital programme.
94. Central grant income in 2022/23 totals £42.1m and includes:
  - New Homes Bonus Grant £2.1m (£1.2m higher than anticipated; final amount of £0.9m expected in 2023/24)
  - Improved Better Care Grant £14.2m (increased by £0.5m)
  - Social Care Grant £19.9m (increased by £5.7m)
  - Market Sustainability and Fair Cost of Care Fund £1.6m – new funding from 2022/23, reflected in an increase in the inflation contingency
  - Services Grant – one-off funding in 2022/23 £4.3m.

## **Health and Social Care Integration**

### **Better Care Fund (BCF)**

95. Health and Social Care Integration continues to be a top priority for both the County Council and its NHS partners. Developing effective ways to co-ordinate care and integrate services around the person and provide more of this care in community settings are seen nationally and locally as key to improving outcomes and ensuring high quality and sustainable services for the future.
96. The Council has received funding from the NHS through the Better Care Fund (BCF) since 2015/16 in line with levels determined by Government. The BCF's purpose is to help the Council finance the delivery and transformation of integrated health and care services to the residents of Leicestershire, in conjunction with NHS partners.
97. The BCF Policy Framework and Planning Requirements are refreshed regularly and may cover one year or a number of years. The Department of Health and Social Care (DHSC) and the Department for Levelling Up, Housing and Communities (DLUHC) published a Policy Framework for the implementation of the BCF in 2021/22 on 19<sup>th</sup> August 2021. The requirements of the planning process have been focused on continuity, while enabling areas to agree plans for integrated care that support recovery from the pandemic and build on the closer working many systems developed to respond to the impact. NHS England will approve BCF plans in consultation with DHSC and DLUHC.

98. The four national conditions set by the Government in the policy framework for 2021/22 are:
- a) That a BCF plan, including at least the minimum mandated funding to the pooled fund specified in the BCF allocations and grant determinations, must be signed off by the Health and Wellbeing Board, and by the constituent local authorities and CCGs.
  - b) A demonstration of how the area will maintain the level of spending on social care services from the CCG minimum contribution in line with the uplift to the CCG minimum contribution.
  - c) That a specific proportion of the area's allocation is invested in NHS commissioned out of hospital services, which may include seven-day services and adult social care.
  - d) That a clear plan is in place to improve outcomes for people being discharged from hospital.
99. BCF funding for Leicestershire in 2021/22 has been confirmed and is shown in the table below:

	2021/22 £m	
CCG Minimum Allocation	43.7	Level mandated by NHS England
IBCF	17.7	Allocated to local authorities, specifically to meet social care need and assist with alleviating pressures on the NHS, with emphasis on improving hospital discharge, and stabilising the social care provider market.
Disabled Facilities Grant	4.4	Passed to district councils
Total BCF Plan	65.3	

100. £19.4m of the CCG minimum allocation into the BCF is used to sustain adult social care services. The national conditions of the BCF require a certain level of expenditure to be allocated for this purpose. This funding has been crucial in ensuring the Council can maintain a balanced budget, while ensuring that some of its most vulnerable users are protected; unnecessary hospital admissions are avoided; and the good performance on delayed transfers of care from hospital is maintained.
101. In addition to the required level of funding for sustaining social care service provision, a further £6.6m of Leicestershire's BCF funding has been allocated for social care commissioned services in 2021/22. These services are aimed at improving carers' health and wellbeing, safeguarding, mental health discharge, dementia support and crisis response.
102. The balance of the CCG Minimum Allocation £17.7m is allocated for NHS commissioned out of hospital services.

103. The provisional 2022/23 Local Government finance settlement for Leicestershire included an inflationary increase of £0.5m in the improved Better Care Fund (IBCF) grant. Any reduction in the funding for social care from the BCF would place additional pressure on the Council's MTFS, and without this funding there is a real risk that the Council would not be able to manage demand or take forward the wider integration agenda.

### **Other Grants and Funds**

104. There are a number of other specific grants included in the MTFS, for example:

- Public Health – the 2022/23 allocation is assumed to be £25.5m, the same as in 2021/22. The grant is expected to be increased by inflation, although allocations have not been received.
- Education and Skills Funding Agency - £4.1m assumed in line with 2021/22.
- Section 31 Business Rates (Government funding for caps on business rates growth and other Government measures) – an estimate of £8.6m has been included for 2022/23, based on the Local Government Finance Settlement.
- Independent Living Fund – £1.0m assumed for 2022/23, compared with £1.2m in 2021/22.
- Music Education Hubs Grants - £1.3m as in 2021/22.
- Troubled Families Grant – £1.1m assumed.
- Grant funding for partnership delivery of Safe Accommodation duty under the Domestic Abuse Act 2021, £1.1m.
- Schools Block Dedicated Schools Grant, £471m.
- Central Schools Services Dedicated Schools Grant, £3.7m.
- High Needs Dedicated Schools Grant, £95m.
- Early Years Dedicated Schools Grant, £36m.
- New Homes Bonus – £2.1m for 2022/23 reducing to nil by 2023/24, based on the Local Government Finance Settlement.

### **Dedicated Schools Grant Settlement 2022/23**

105. For 2022/23 the Dedicated Schools Grant (DSG) remains calculated in four separate blocks as set out below;

<b>Funding Block</b>	<b>Areas Funded</b>	<b>Basis for Settlement</b>
Schools Block Est £470.7m consisting of; <ul style="list-style-type: none"> <li>• School formula funding £467.6m</li> </ul>	Individual budgets for maintained schools and academies.  Growth funding for the revenue costs of delivering additional mainstream school places and to meet the local authorities duty to ensure a	2022/22 reflects the DfE's intention for a National Funding Formula (NFF) for schools which attributes units of funding to pupil characteristics. The grant settlement is based on; <ul style="list-style-type: none"> <li>• the aggregate of pupil led characteristics for each</li> </ul>

<ul style="list-style-type: none"> <li>• School Growth £3.1m</li> </ul>	<p>sufficient number of school places.</p> <p>DSG is notionally allocated to Leicestershire for all maintained schools and academies. A locally agreed funding formula is applied to this to determine school budgets, for maintained schools these are allocated directly by the local authority, for academies the funding is recouped from the settlement by the Education and Skills Funding Agency (ESFA) who then directly fund academies.</p>	<p>individual school;</p> <ul style="list-style-type: none"> <li>• an allocation for school led factors.</li> </ul> <p>These allocations will be fully delegated to schools.</p> <p>The NFF means that all local authorities receive the same amount of funding for a number of pupil related characteristics. Difference in funding levels relate to the incidence of pupil characteristics rather than differing funding levels</p> <p>The allocation of funding to support new school growth will be retained to meet the future costs of new and expanding schools. In respect of school formula funding this represents a cash increase of 3.9%.</p>
<p>Central School Services Block £3.7m</p>	<p>This funds historic financial commitments related to schools such as premature retirement costs, some budgets related to schools that are centrally retained e.g. admissions, servicing the Schools Forum and school copyright licences. This block now includes funding from the retained duties element of the former Education Services Grant for the responsibilities that local authorities have for all pupils such as school place planning and asset management.</p>	<p>This is distributed through a per pupil allocation basis and is retained by the local authority.</p> <p>The funding allocation for some historic financial commitments is being reduced nationally as the DfE have an expectation that these financial commitments will naturally expire. However, this element of funding meets the cost of historic premature retirement costs for teaching staff that will remain. This will be a financial pressure for the medium term as this funding is phased out but commitments retained.</p>
<p>High Needs Block</p>	<p>Funds special schools and other specialist providers for high needs pupils and</p>	<p>The formula is based upon population of 0-19 year olds and proxy indicators for</p>

£94.8m	<p>students, the pupil referral unit and support services for high needs pupils including high needs students in further education provision.</p> <p>As with the Schools Block this includes funding for special academies and post 16 providers which is recouped by the ESFA who then directly fund academies.</p>	<p>additional educational need including deprivation, ill health, disability and low attainment. Also included is an element based on historic spend. The formula also includes a funding floor to ensure that local authorities do not receive a funding reduction as a result of the introduction of the formula. Leicestershire receives £2.6m through this element.</p> <p>The grant allocation includes the additional funding announced by the DfE following the December Spending Review and is a cash increase of 14%.</p>
Early Years Est £36.1m	<p>Funds the Free Entitlement to Early Education (FEEE) for 2, 3 and 4 year olds and an element of the early learning and childcare service.</p> <p>The grant is based on the universal hourly base rate plus additional needs measured with reference to free school meals, disability living allowance and English as an additional language.</p> <p>The initial settlement is based on the October 2021 census. The grant will be updated in July 2022 for the January census and again in June 2022 for the January 2022 census. The final grant will not be confirmed until June 2023.</p>	<p>The allocation is based on individual pupil characteristics and converted to a rate per hour of participation. Leicestershire receives the lowest rate of £4.61 per hour for 3 and 4 year olds and the lowest rate of £5.57 per hour for disadvantaged 2 year olds.</p> <p>This position is an increase of funding of £0.21 per hour for 2 year old funding and £0.17.</p>
<b>£605.3m</b>	<b>2022/23 Estimated DSG</b>	

106. The 2022/23 MTFS continues to set the overall Schools Budget as a net nil budget at local authority level. However, in 2022/23 there is a funding gap of £9.1m on the High Needs Block which will be carried forward as an overspend against the grant.

## **Schools Block**

107. The DfE have further stated their intention to move to a 'hard' National Funding Formula (NFF) whereby budget allocations for all maintained schools and academies is calculated by the DfE. The NFF funds all pupils at the same rate irrespective of the authority in which they are educated. The NFF uses pupil characteristics each with a nationally set funding rate to generate school level funding to local authorities. Within the NFF only the per pupil entitlement is universal to all, other factors reflect the incidence of additional needs such as deprivation and low prior attainment. Funding levels between local authorities and individual schools within those local authorities will, and continue to, vary as a result of pupil characteristics rather than national funding levels.
108. School funding remains a 'soft' school funding formula for 2022/23 which allows local authorities able to adopt their own funding formula. A consultation was undertaken by the DfE in the summer on the next steps towards a 'hard' formula in which proposals would restrict the local authority flexibility for 2023/24 where a local formula is adopted with a potential hard formula in 2024/25, the outcome of this consultation is unknown at this point.
109. Within the Schools Block, but separate to funding for individual schools, local authorities receive funding for the initial revenue costs of commissioning additional primary and secondary school places. The allocation for 2022/23 is £3.1m The revenue cost of commissioning a new school ranges from £0.5m to £0.8m for a primary and £2.2m to £2.5m for a secondary, depending upon size and opening arrangements. 26 new primary and 3 new secondary schools are expected to be built in Leicestershire in the medium to long term. The revenue requirement for new schools is difficult to assess as it is dependent upon the speed of housing developments, growth in the basic need for additional school places, the school funding formula and the level and the methodology for the DSG growth funding calculation. The DfE summer consultation on school funding proposed moving to a national system to meet the cost of new school growth.

## **School Funding Formula**

110. The NFF delivers a minimum amount of funding per pupil, £4,265 for primary and £5,321 for Key Stage 3 and £5,831 per Key Stage 4 pupil. Despite the overall increase in budget, at individual school level 72 (32% of primary schools) and 7 (16% of secondary schools) remain on the funding floor and is a slight improvement from 40% of primary and 19% of secondary schools for 2021/22. These schools, despite additional funding, may experience a real terms decrease in income. As the funding guarantee is at pupil level, schools with decreases in pupil numbers will see an overall decrease in budget allocation. Schools will also receive grant to offset additional costs including such as those encountered through the Introduction of the Health and Social Care Levy and the Pupil Premium where rates have also increased for 2022/23.
111. The NFF for schools is based upon the 2021 School Census but funding for local authorities is based upon the pupil characteristics recorded on the 2020 school

census. Nationally a concern remains that the number of pupils recorded in receipt of Free School Meals and pupils that trigger deprivation funding may have increased as a result of the Coronavirus Pandemic. Any increase would be unfunded and could result in the cost of fully delivering the NFF being unable to be met from the Schools Block DSG. This position will be reviewed once individual school data from the 2021 Census has been analysed. The national regulations allow for an adjustment within the formula to ensure the budgets for schools can be met from the DSG allocation.

112. It remains possible for local authorities to transfer up to 0.5% of the Schools Block DSG to High Needs following consultation with schools and with the approval of the Schools Forum. Secretary of State approval can be sought where Schools Forum do not agree a transfer, where local authorities wish to transfer more than 0.5% and for local variations to some of the technical aspects of the NFF. Consultation was carried out with schools on two options for a transfer in September to which thirteen responses were received from a total of 271 consultees. Of the twelve complete responses 10 disagreed with the transfer with two in agreement.
113. The Schools Forum were recommended to approve the transfer on 15 November 2021 but voted to reject the transfer. A request for Secretary of State approval for the transfer was submitted for both options set out within the consultation, the Secretary of State has not approved the transfer which would have reduced the deficit by £2.3m for 2022/23. The County Council will continue to seek dialogue with the DfE directly and through MPs.
114. Local authorities are required to submit their funding formula to the ESFA in mid-January.

### **High Needs**

115. 2022/23 is the final year of a three-year settlement for school funding which also provides the High Needs Block. The Spending Review included additional funding within the formula and an additional allocation to reflect the additional costs for providers from the Social Care Levy and other cost pressures.
116. The High Needs DSG is £94.7m and an increase of 14%. The formula allocates funding across a set of pupil-related indicators and also includes an allocation based on historic spend. A review of the formula was expected alongside the publication of the findings of the long awaited national SEND Review. However, this appears to be further delayed.
117. The forecast position on the High Needs element of the DSG is shown below:

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
High Needs Dedicated Schools Grant	-91,393	-95,963	-98,842	-101,807
Additional DSG - 2022/23 settlement	-3,676	-3,676	-3,676	-3,676



Placement Costs	95,163	101,052	109,361	117,271
Other HNB Cost	9,381	9,381	9,381	9,381
Commissioning Cost - New Places	3,131	3,664	3,727	2,221
Invest to Save Project Costs	989	465	0	0
<b>Total Expenditure</b>	<b>108,664</b>	<b>114,562</b>	<b>122,469</b>	<b>128,873</b>
<b>Funding Gap Pre Savings</b>	<b>13,595</b>	<b>14,924</b>	<b>19,952</b>	<b>23,390</b>
Demand Savings	-282	-1,009	-2,048	-3,376
Benefit of Local Provision and Practice Improvements	-4,215	-6,190	-8,844	-11,072
<b>Total Savings</b>	<b>-4,497</b>	<b>-7,200</b>	<b>-10,892</b>	<b>-14,447</b>
<b>Annual Revenue Funding Gap</b>	<b>9,098</b>	<b>7,724</b>	<b>9,060</b>	<b>8,943</b>
<b>2019/20 Deficit Brought Forward</b>	<b>7,062</b>			
<b>2020/21 High Needs Deficit Brought Forward</b>	<b>10,387</b>			
<b>2021/22 High Needs Deficit Brought Forward P6 Forecast</b>	<b>10,521</b>			
<b>Cumulative High Needs Funding Gap</b>	<b>37,068</b>	<b>44,792</b>	<b>53,852</b>	<b>62,794</b>
Surplus (-ve) / Deficit Other DSG Blocks Forward	-8,163	-10,125	-5,497	-997
Surplus (-ve) / Deficit Other DSG Blocks In Year	-1,962	4,628	4,500	997
<b>Dedicated Schools Grant Surplus (-ve) / Deficit</b>	<b>26,943</b>	<b>39,295</b>	<b>52,855</b>	<b>62,794</b>
<b>Surplus / Deficit as % of Total DSG</b>	<b>4%</b>	<b>6%</b>	<b>8%</b>	<b>10%</b>

118. The financial plan will be subject to change following the findings of the diagnostic work currently being completed by Newton Europe. This will reflect any savings opportunities identified and any potential impact on the expected growth trajectory from any internal system changes.
119. National research sets out systematic problems with the SEND system that are responsible for high needs deficits, yet to date there is no response to addressing them by the DfE with the exception of additional funding in the 2022/23 high needs settlement. However, increased funding levels do not provide a solution. Research by the Local Government Association reported that there are structural features of the SEND system which would lead to deficits even if budgets were significantly increased and that local authorities bear all the risk in this area but have no levers with which to influence demand and cost. The DfE have undertaken a review of the SEND system but it is unclear when any findings from that research will be published.
120. Local authorities are now required to carry forward DSG deficits to the following year and may only now contribute to DSG with the approval of the Secretary of State. Whilst this is the approach the DfE have encapsulated in legislation until

2023, it is not a sustainable or reasonable approach. Without the DfE addressing this through additional funding, local authorities will be required to set aside resources to offset the deficit.

### **Central Services Block**

121. The central services block funds school-related expenditure items such as existing school-based premature retirement costs, copyright licences under a national DfE contract for all schools and other historic costs. The settlement is £3.1m for 2022/23 and includes funding transferred in respect of the former teacher pay. The provisional settlement continues an annual reduction of 20% for the Historic Costs element of the settlement but a guarantee remains in place to ensure that funding doesn't decrease below the financial commitment to meet former teacher employment costs. This block also provides an element of funding to support the Education Effectiveness function. The recent funding consultation asked for views on transferring this funding from DSG into the Local Government Funding Settlement from 2023/24.

### **Early Years Block**

122. The provisional settlement is £36.1m and is the only DSG block that takes account of demand changes across the financial year, the final allocation will not be confirmed until June 2023. Nationally funding for early years has increased by £160m and the Spending Review set out further increases in both 2023/24 and 2024/25. For 2022/23 the increase equates to an increase in the hourly rate for 2 year olds of £0.21 per hour and £0.17 for 3 and 4 year olds. Leicestershire remains on the funding floor and receives the lowest rate of funding. The maximum allowable 5% of this block is retained to fund the Early Learning Service which fulfils local authority's statutory duty to ensure sufficiency of places for those parents who request one.

123. There are further increases to the Early Years Pupil Premium of £0.07 and funding for the Disability Access fund increases by £185 to £800 per year which fulfils the local authority's statutory duty to ensure sufficiency of places for those parents that request one.

### **Adequacy of Earmarked Funds and Robustness of Estimates**

124. The Local Government Act 2003 requires the Director of Corporate Resources to report on:

- a) The adequacy of reserves, and
- b) The robustness of the estimates included in the budget.

125. The financial environment continues to be challenging with a number of known major risks over the next few years. These include:

- Ongoing impact of Covid 19.
- Higher inflation levels than currently allowed for in the Inflation contingency.

- Non-achievement of savings and income targets. The requirement for savings and additional income totals £94m over the next four years of which £39m is unidentified. Successful delivery of savings is dependent upon a range of factors, not all of which are in the control of the County Council.
- The financial positions of Health and Social Care are intrinsically linked and of growing importance. Depending on the financial position of the CCG's, the implications for the County Council could be reductions in the funding received through the BCF and additional costs as a result of changes in the NHS, such as the Transforming Care programme that will move more care into the community or the discharge process from hospital.
- Service pressures resulting in an overspend, including demand-led children's and adult social care, particularly on the children's social care and SEN placements budget.
- Continued increase in the National Living Wage, only notified a few months in advance of each financial year. Compounded by higher anticipated wage inflation.
- The strength of the economy dictates the funding of the public sector both directly through council tax and business rate income and indirectly through the influence on Government funding decisions.
- The increasing reliance on income generated from services in other parts of the public sector. Given the much tighter financial environment for the sector it will be challenging to maintain or keep increasing income.
- 2023 is a year which could see the biggest changes to local government for a generation. The following initiatives are all now planned or anticipated to be implemented in that year, although further delays would not be unexpected:
  - Review of Business Rate retention, including significant new responsibilities and a "reset" of the system's baselines (deferred from April 2020).
  - Fair Funding Review, covering redistribution of funding nationally (deferred from April 2020).
  - Health Integration plans implemented (deferred from 2020).
  - Review of SEND reforms.

126. There are a number of ways that risks will be mitigated and reduced. These are summarised below and explained in more detail in the following paragraphs:

- General Fund
- MTFS Contingencies
- Earmarked funds
- Effective risk management arrangements.

### General Fund

127. The General Fund balance is available for unforeseen risks that require short term funding. The forecast balance on the General Fund (non-earmarked fund) at the end of 2021/22 is £18m which represents 3.8% of the net 2022/23 budget

(excluding schools' delegated budgets). It is planned to increase the General Fund to £22m by the end of 2025/26 to reflect increasing uncertainty and risks over the medium term, and to avoid a reduction in the percentage of the net budget covered. These risks come in a variety of forms:

- Legal challenges such as judicial reviews that require a change in savings approach.
- Legislative changes that come with a financial penalty, for example General Data Protection Regulations (GDPR).
- Service provision issues that require investment, for example the capital investment to support the High Needs Block Development Plan.
- Variability in income, particularly from asset investments.
- Ongoing impact of Covid-19.

128. To put the level of resources into context: with the exclusion of schools, the County Council spends nearly £60m a month.

129. The proposed MTFS also includes a MTFS risks contingency of £8m in 2022/23 and later years for other specific key risks that could affect the financial position on an ongoing basis. Examples include:

- The non-achievement of savings.
- Certainty of partner funding, for example the provision of services through the BCF.
- Pressure on demand-led budgets particularly in social care.
- Maintaining the level of investment required to deliver savings.
- New service pressures that arise.

130. If the MTFS risks contingency can be released, 'free' resources are directed toward the Future Developments earmarked fund to reduce the shortfall in capital funding discussed later in this report.

### Earmarked Funds

131. Earmarked funds and balances are held for specific purposes in line with the Council's Earmarked Funds Policy attached as Appendix J.

132. Earmarked funds for revenue purposes (excluding schools and partnerships) are estimated at £85.1m as at 31 March 2022 and earmarked funds for capital funding purposes are estimated at £97.3m, based on the latest information. The forecasts are set out in more detail in Appendix K to this report. The final level of earmarked funds will be subject to the actual expenditure and any partner contributions, e.g. health funding arrangements and specific grants.

133. The main earmarked funds and balances projected at 31 March 2022 are:

- (a) Capital Financing (£97.3m). This fund is used to hold MTFS revenue contributions to match the timing of capital expenditure in the capital programme and also holds the balance of contributions that will be used to fund future developments, mainly capital projects, as they are approved.

- (b) Insurance (£13.3m). Funds are held to meet the estimated cost of future claims to enable the County Council to meet excesses not covered by insurance policies. The levels are informed by recommendations by independent advisors. The insurance earmarked funds includes funding for uninsured losses (£5.3m). This is mainly held to meet additional liabilities arising from Municipal Mutual Insurance Ltd (MMI) that is subject to a run-off of claims following liquidation in 1992 and also of other failed insurers such as The Independent Insurance Company.
- (c) Budget Equalisation Fund (£40.9m) – fund to manage shortfalls in funding across financial years. This includes the increasing pressures on the High Needs element of the Dedicated Support Grant (DSG) which forecasts a deficit of £28m by the end of 2021/22. The fund includes £8m earmarked to offset the forecast 2023/24 net MTFS deficit and a further £5.3m to contribute to the forecast 2024/25 deficit. The intention is to manage these through further ongoing cost reductions.
- (d) Transformation (£4.2m). The fund is used to invest in transformation projects to achieve efficiency savings and also to fund severance costs.
- (e) Covid-19 Council Tax etc (£4m). The fund will be used to offset any longer term reductions in Council Tax and Business Rates as a result of the economic impacts of the pandemic.
- (f) Funds for specific departmental infrastructure, asset renewal and other initiatives (£22.7m).
- (g) Pooled Property investments (-£23.6m) – invested against the balance of earmarked funds held.

134. Grant Thornton UK LLP, the County Council's external auditor, has reviewed the level of earmarked funds held by the County Council in respect of financial sustainability as part of its value for money review of the current MTFS and reported no issues. In their latest audit Grant Thornton commented that "Leicestershire County Council has a good track record of sound financial management. The Council understands the financial risks which it faces and managed these risks by maintaining an appropriate level of reserves and sound financial management".

### School Balances

135. Balances are also held by schools. They are held for two main reasons: firstly, as a contingency against financial risks and secondly, to save to meet planned commitments in future years. The balance at 31<sup>st</sup> March 2021 was £9.7m. The balance at 31<sup>st</sup> March 2022 has not been estimated but is expected to have reduced as a result of spending pressure. It is also affected by the number of schools converting to Academies.

### CIPFA Financial Resilience Index

136. In 2019 CIPFA launched its Financial Resilience Index, which uses key indicators of the financial position of local authorities. The Index received a mixed

reception from the Local Government sector and its impact is reduced by the historic nature of the information. That said it is a reasonable attempt at simplifying the financial appraisal of a complex sector and prompts questions to be asked in key areas that are often overlooked. The Index has recently been updated for the 2020/21 financial statements.

137. The Index contains sixteen financial measures that can be broadly grouped into three categories:

- Levels of reserves, with higher values considered good.
- Hard to reduce expenditure, for example social care, with lower levels good.
- Certainty of income, with higher levels good.

138. For the latest information available, the results are broadly positive, showing the County Council in the lower risk range for most indicators compared with other County Councils. One indicator is rated as high risk, with four rated as medium risk.

- Growth above baseline – high risk. The value of 8% is the highest increase across all County Councils, the level represents £5.4m. A provision has been included in the MTFS should the Council be adversely affected by a business rates reset in 2023/24.
- Change in overall reserves – medium risk. This shows the average change in reserves over the last three years and ranks the Council in the middle range.
- Reserves sustainability measure – medium risk. All County Councils scored medium risk, due to all County Councils reporting an increase in reserves.
- Unallocated reserves – medium risk. The proposed MTFS includes plans to increase the level of the General Fund.
- Change in earmarked reserves – medium risk.

139. Although the 2020/21 position shows that overall risks are increasing, particularly in relation to the level of reserves, the County Council is still in a better position than average.

### Risk Management

140. The Council's Risk Management Policy Statement and Strategy, and Insurance Policy are reviewed annually and are included as Appendix I and L to this report.

141. The Policies were considered and noted by the Corporate Governance Committee on 28 January 2022.

### Robustness of Estimates

142. The Director of Corporate Resources provides detailed guidance notes for Departments to follow when producing their budgets. As well as setting out

certain assumptions such as inflation, these notes set a framework for the effective review and compilation of budget estimates. As a result, all estimates have been reviewed by appropriate staff in departments. In addition, each department's Finance Business Partner has identified the main risk areas in their budget and these have been evaluated by the Director of Corporate Resources. The main risks are described earlier in the report.

143. All savings included in the MTFS have had an initial deliverability assessment so that a realistic financial plan can be presented. Saving initiatives that are at an early stage of development, or require further work to confirm deliverability, have not been included in the MTFS.
144. The Cabinet and the Scrutiny Commission receive regular revenue and capital monitoring reports, budget and outturn reports. In addition, further financial governance reports, including those from the External Auditor are considered by both the Corporate Governance Committee and the Constitution Committee. This comprehensive reporting framework enables members to satisfy themselves about both the financial management and standing of the County Council.

### Conclusion

145. Having taken account of the overall control framework, budget provisions included to support the delivery of transformation, growth to reflect spending pressures, the inclusion of a contingency for MTFS risks and the earmarked funds and balances of the County Council, assurance can be given that the estimates are considered to be robust and the earmarked funds adequate.

### **Concluding Comments – Revenue Position**

146. There are significant uncertainties that could change the financial gap facing the County Council. These can be summarised as uncertainty over funding, cost growth and delivery of savings.
147. Funding uncertainties are predominately driven by Government. Despite the positive “end of austerity” message it is expected that some funding streams will reduce, for example the planned reset of the Business Rate Baseline will remove the benefit of growth. In addition, the position on some specific grants after 2022/23 is uncertain. In line with previous practice the MTFS assumes a reduction in business rates and some grants, albeit at a far lower level than the austerity years.
148. Cost growth manifests itself as either inflationary pressures or service growth. Service growth primarily relates to a growing and ageing population and a large increase in school-age children requiring support, which put huge demands on social care and SEND service.

149. Successful delivery of savings is dependent upon a range of factors, not all of which are in the control of the County Council. All savings included in the MTFS have had an initial deliverability assessment so that a realistic financial plan can be presented. With 2023/24 not forecast to be balanced there is less time to generate new savings and a lower margin of error on delivery. Identifying new savings will be a key activity, a task made harder by the reduced options available.
150. The economic impact and impact on County Council operations of the Covid-19 pandemic has lessened due to the roll-out of vaccinations and refinement of social interventions. The MTFS is built on the assumptions that any reversal in this trend or new requests from Government are fully funded.
151. In addition to these direct uncertainties the County Council is not insulated from financial difficulties of partner organisations. Currently the County Council's ongoing financial plans include £44m of funding related to the BCF. Even a partial loss of this funding would be difficult to manage.
152. Maintained schools and academies are under significant financial pressure; this could affect the County Council through its statutory responsibilities relating to education, for example to ensure the provision of sufficient school places. This pressure also increases the risk of lost commercial income, as schools and academies are the Authority's main commercial trading partner.
153. It is key to note that the delivery of the refreshed MTFS will be even more challenging than usual. Some local authorities, which are better funded than Leicestershire, are already in financial difficulties. The DLUHC has been engaging with 150 local authorities regarding their financial situations during the Covid-19 pandemic, and 10 have agreed exceptional financial support from the Department. The focus on Leicestershire's finances over the past few years, including taking tough decisions on service reductions, has put the Council in a relatively sound position. It is essential that the focus on medium term financial planning and strong financial discipline is maintained.
154. The delivery of this MTFS rests on four factors:
- Managing the short-term cost pressures and anticipated on-going reduction in resources arising from the Covid pandemic.
  - The absolute need to deliver the savings in the MTFS. The key risks are the technical difficulty of some projects and the public acceptance of some savings.
  - The need to have very tight control over demand-led budgets, such as social care and special education needs. Overspends such as those experienced in social care in recent years will put the County Council in a very difficult position with a need to make immediate offsetting savings.
  - The need to manage other risks that could affect the Authority's financial position. These include costs currently being borne by the NHS shifting to local authorities and loss of trading income.



### **Treasury Management Strategy Statement and Annual Investment Strategy**

155. The Treasury Management Strategy Statement and the Treasury Management Annual Investment Strategy must be approved in advance of each financial year by the full Council. Appendix N to this report sets out the combined Treasury Management and Investment Strategy including the Treasury Management Policy Statement for 2022/23.
156. The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
157. The Act requires the Council to set its treasury strategy for borrowing and to prepare an Annual Investment strategy (for Treasury Management investments) set out in the strategy. This sets out the Council's policies for managing its Treasury Management investments and for giving priority to the security and liquidity of those investments. This Strategy should be read in conjunction with the Corporate Asset Investment Fund (CAIF) Strategy (Appendix H), which sets out the Council's approach when considering the acquisition of investments for the purposes of inclusion within the CAIF, and the Capital Strategy (Appendix G), which sets out the Council's approach to determining its medium term capital requirements.
158. The expectation is that there will be no new external borrowing by the County Council in the period covered by this MTFS, namely 2022 to 2026.
159. Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut the Base Rate to 0.10%, it left the Base Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021.
160. It is not expected that the Base Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the Monetary Policy Committee's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%.
161. The Council continues to maintain a low risk approach to the manner in which its list of authorised counterparties is produced and takes advice from Link Asset Services on all aspects of treasury management.
162. The strategies were considered and noted by the Corporate Governance Committee on 28 January 2022.

### **Capital Programme 2022/23 to 2025/26**

163. The overall approach to developing the capital programme has been based on the following key principles:

- To invest in priority areas of growth, including roads, infrastructure, climate change, including the forward funding of projects;
- To invest in projects that generate a positive revenue return (spend to save);
- To invest in ways which support delivery of essential services;
- Passport Government capital grants received for key priorities for highways and education to those departments;
- Maximise the achievement of capital receipts;
- Maximise other sources of income such as bids to the LLEP, section 106 developer contributions and other external funding agencies;
- No or limited prudential borrowing (only if the spend to save returns exceed the borrowing costs).

### **Changes to the draft Capital Programme proposed in December 2021**

164. Since the report to the Cabinet, the overall borrowing requirement is proposed to reduce from £161m to £143m following a review of reserves and contingencies held for Covid-19 which are no longer expected to be required. The latest position shows that much of this provision will not be required and can be freed up to fund additional one-off expenditure. This includes; the £8m remaining balance from the Covid-19 and MTFS risks 2021/22 provision that was reported to the Cabinet on 14<sup>th</sup> December 2021, and £5m set aside in the Council Tax / Business Rates losses reserve at year end in 2020/21.

165. The expenditure profiles of schemes have also been reviewed and updated to reflect the last known position.

166. The proposed capital programme totals £515m over the four years to 2025/26, shown in detail in Appendix F. The programme is funded by a combination of Government grants, capital receipts, external contributions, revenue balances and earmarked funds.

167. The proposed programme and funding are shown below:

### **Draft Capital Programme 2022-26**

	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m
Children and Family Services	35.0	31.5	19.0	8.5	94.0
Adults and Communities	6.9	9.0	6.9	4.4	27.2
Environment and Transport	59.2	77.1	66.0	24.1	226.4
Chief Executive's	0.1	0.4	0.1	0.1	0.7
Corporate Resources	5.2	2.2	1.4	3.7	12.5
Corporate Programme	22.9	40.3	38.5	52.1	153.8
<b>Total</b>	<b>129.3</b>	<b>160.5</b>	<b>131.9</b>	<b>92.9</b>	<b>514.6</b>

Capital Resources 2022-26

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Grants	59.1	64.7	38.6	28.5	190.9
Capital Receipts from sales Revenue/ Earmarked funds	8.7	6.9	6.6	2.0	24.2
Contributions	51.8	24.0	13.6	21.7	111.1
External Contributions	9.7	18.6	14.1	3.2	45.6
<b>Total</b>	<b>129.3</b>	<b>114.2</b>	<b>72.9</b>	<b>55.4</b>	<b>371.8</b>
<b>Funding Required</b>	<b>0.0</b>	<b>46.3</b>	<b>59.0</b>	<b>37.5</b>	<b>142.8</b>

168. Where capital projects are not yet fully developed, or plans agreed, these have been included under the heading of 'Future Developments' under each departmental programme. It is intended that as these schemes are developed during the year, they will be assessed against the balance of available resources and included in the capital programme as appropriate. A fund of £60m is included in the draft capital programme.

169. The proposed programme can be summarised as:

Service Improvements	£236m
Investment for Growth	£124m
Invest to Save	£95m
Future Developments	£60m
<b>Total</b>	<b>£515m</b>

**Funding and Affordability**Forward Funding

170. The County Council recognises the need to forward fund investment in infrastructure projects to enable new schools and roads to be built and unlock growth in Leicestershire before funding, mainly from section 106 developer contributions, is received. This allows a more co-ordinated approach to infrastructure development. The County Council's ability to forward fund, however, is not unlimited. A total of £33m in forward funding is included in the proposed capital programme (in addition to £6m in previous years) that is planned to be repaid in the future. When the expected developer contributions are received they will be earmarked to the capital programme, to reduce the dependency on internal cash balances in the future.

171. Forward funding presents a significant financial commitment for the County Council, but should ensure:

- Opportunities to secure external funding are maximised, through successful bids.

- The final cost of infrastructure investment is reduced (compared with what it would be if construction was delivered incrementally as and when smaller developments come forward).
  - The design is optimised, to the benefit of the local community.
172. There are risks involved in managing and financing a programme of this size. There is reduced scope for funding additional schemes that are identified in the future. And an increased reliance on developer contributions through section 106 agreements means that it may take many years for investment to be repaid. This could be further compounded in the event of an economic slowdown. To this end, support of district councils is essential to ensure the agreements reached with developers mitigate these risks.
173. Given the benefits to Leicestershire that the increased investment will bring it is considered that district councils should share in these risks in a proportionate way. The County Council continues to work with districts in relation to major infrastructure schemes being progressed in their areas; district councils will benefit directly through additional tax revenues and increases in Government grants. However, the circumstances around individual projects vary. Hence individual measures need to be put in place to minimise the risks in each district area.
174. The risk with forward funding is that insufficient or delayed contributions, from developers, will fall upon the County Council. A key determinant in generating sufficient developer contributions is the approach taken by the district council, as the planning authority. The district council will set the local planning context against which section 106 agreements will be agreed and ultimately decide on planning permission.
175. A significant problem associated with funding major infrastructure projects is the way in which capital funding is allocated. Significant resource is required to develop bids which may ultimately be unsuccessful. Whilst it is important that robust business cases are developed to ensure the benefits of the project are sufficient to justify the investment, the fact that successful bids usually also need a degree of match/local funding to supplement grant money means that overall tight capital programmes become even more stretched. The County Council considers that such an approach is unsustainable and needs to be reviewed and will continue to raise this with central government.
176. The East Midlands is disadvantaged in terms of the ability to influence Government and attract investment or devolution opportunities compared to the West Midlands. There is an elected mayor and a combined authority for the West Midlands. Their most recent devolution deal (2017) includes £6m for a housing delivery taskforce, £5m for a construction skills training scheme and £250m to be spent on local intra-city transport priorities. The first devolution deal (2015) included over £1bn investment to boost the West Midlands economy.
177. The County Council is pursuing the possibility of a County Deal with Government which would provide a much more stable and sustainable approach to

infrastructure decisions to be taken, and allow all funding received to be used in a more cost-effective manner.

### Capital Programme Funding

178. The proposed capital programme funding is shown below.

Capital Grants	£191m
Capital Receipts from sales	£24m
Revenue/ Earmarked funds	£111m
External Contributions	£46m
Borrowing (from internal balances)	£143m
<b>Total</b>	<b>£515m</b>

### Capital Grants

179. Grant funding for the capital programme totals £191m across the 2022-26 programme. The majority of grants are awarded by Government departments including the Department for Education (DfE) and the Department for Transport (DfT).

### Children and Family Services

180. Capital grant funding for schools is provided by the DfE. The main grants are:

- a) Basic Need – this grant provides funding for new pupil places by expanding existing schools and academies or by establishing new schools. Funding is determined through an annual submission to the DfE which identifies the need for additional school places in each local authority area. The DfE has announced details of the grant awards for 2022/23 (£8.8m). No details have been announced for future years. An estimate of £3m has been used for 2023/24 to 2025/26.
- b) Strategic Capital Maintenance – this grant provides the maintenance funding for the maintained school asset base. Details of the grant for 2022/23 and future years have not yet been announced. An estimate of £2m per annum is included in the capital programme. It is expected that this grant will continue but will reduce as further schools convert to academy status.
- c) Devolved Formula Capital (DFC) - funding provided to schools. The DfE has not yet announced details of grant allocations. However, an estimate of £0.5m per annum can be made, based on the number of maintained schools.
- d) New (Free) School bid – the programme funding includes an £8m DfE grant to fund a new Social Emotional and Mental Health special school in 2023/24 required as part of the High Needs Development plan.

### Adult Social Care

181. Capital funding for the Disabled Facilities Grant (DFG) programme has not yet been announced. An estimate in line with previous years, £4.4m per annum, has been included in the capital programme.

### Environment and Transport

182. The DfT grants have not yet been announced and so estimates have been included, based on previous years. These include:

- a) Integrated Transport Block - £2.7m p.a. (£10.9m overall).
- b) Maintenance - £9.9m p.a. (£39.5m overall).
- c) Transport Infrastructure Investment Fund (inc. Pot Holes) - £7.9m p.a. (£31.6m overall).

183. Other significant Environment and Transport capital grants included are:

- DfT Melton Mowbray Distributor Road funding - £40.5m (total £49.5m including 2020/21 allocation).
- Housing Infrastructure Fund – Melton Southern Distributor Road - £15.9m (total £18.2m including 2020/21).

### **Capital Receipts**

184. The generation of capital receipts is a key priority for the County Council. The draft capital programme includes an estimate of £24.2m across the four years to 2025/26.

185. The estimate includes potential land sales that are subject to planning permission. In these cases the value of the site is significantly increased when planning permission is approved. However, this also comes with a significant amount of uncertainty and potential for delays. For planning purposes a total of £6m of future estimated sales subject to planning permission has been included.

### **Revenue / Earmarked Funds/ Contributions**

186. To supplement the capital resources available and avoid the need for borrowing £111m of revenue/ reserves funding is being used to fund the programme consisting of:

One-off MTFS 2022-26 revenue contributions	£7m
Departmental earmarked funds	£5m
Capital Financing earmarked fund	£99m
<b>Total</b>	<b>£111m</b>

187. The capital financing earmarked fund temporarily holds previous years' revenue contributions to fund the capital programme until they are required.

188. Supplementary funding is required where schemes cannot be fully funded by alternative sources, such as grants. Examples of this are the replacement of operational assets, such as the vehicle replacement programme and ICT systems.

### **External Contributions and Earmarked Capital Funds**

189. A total of £45.6m is included in the funding of the capital programme 2022-26. All of it relates to section 106 developer contributions.

### **Funding from Internal Balances**

190. A total of £143m in funding required is included within the capital programme to fund the programme and enable investment in schools and highway infrastructure to be made. Over the next 10 to 15 years it is anticipated that circa £39m of this funding will be repaid through the associated developer contributions.
191. Due to the strength of the County Council's balance sheet, it is possible to use internal balances (cash balances) to fund the capital programme on a temporary basis instead of raising new external loans. Levels of cash balances held by the Council comprise the amounts held for earmarked funds, provisions, the Minimum Revenue Provision (MRP) set aside for the repayment of debt and working capital of the Council. The cost of raising external loans currently exceeds the cost of interest lost on cash balances by circa 1.5%.
192. The overall cost of using internal balances to fund £143m of investment is dependent on what happens to interest rates in the coming years. For example, if the Bank of England base rate rises to 1.5%, it is estimated that internal borrowing will cost around £5.7m per annum by 2025/26, comprising MRP of £3.6m and reduced interest from investments of £2.1m. If external loans were to be raised instead, the cost is estimated to be £7.2m per annum on the basis that external borrowing rates would be around 2.5%. But because of the uncertainty on interest rates, this position will be kept under review as part of the treasury management strategy.
193. The County Council's current level of external debt is £263m. As described above this is not assumed to increase during the MTFS. The relative interest rates and cash balances will be kept under review to ensure that this is the right approach.

### **Capital Programme Summary by Department**

194. Over the period of the MTFS, a capital programme of £515m is required of which £129m is planned for 2022/23. The main elements of the 4 year programme are:
- Children and Family Services - £94m. The priorities for the programme are informed by the Council's School Place Planning Strategy and investment in SEND as part of the High Needs Development Plan.

- Adults and Communities - £27m. The programme includes £18m relating to the Disabled Facilities Grant (DFG) programme and schemes for the Social Care Investment Plan (SCIP).
- Environment and Transport - £226m. This relates to Major Schemes such as Melton Mowbray Distributor Road North/East and Southern Sections, Zouch Bridge replacement as well as the Transport Asset Management Programme and the Environment & Waste Programme. Other significant projects include Melton Depot replacement, vehicle replacement and advanced design.
- Chief Executive's - £0.7m, mainly Leicestershire Community Grants.
- Corporate Resources - £12.5m. This mainly relates to investment in ICT, Transformation, Property and Environmental Improvements.
- Corporate Programme - £154m. Investment includes the Corporate Asset Investment Fund (CAIF), the Future Developments fund (subject to business cases), and Major Schemes Portfolio Risk.

### **Capital Summary**

195. The capital programme totals £515m over the four years to 2025/26. The Council recognises the need to fund long term investment and has set a capital programme that includes forward funding of capital infrastructure projects for highways of £33m (£39m cumulative).
196. Longer term infrastructure schemes (outside of the MTFS period) are not included in the programme. Pressure on school places and Leicestershire's infrastructure is expected from population growth, with estimates of a 10% increase in the County's population between 2020 and 2030. It is assumed that section 106 and Government funding will be available at the necessary level.
197. Overall £143m from internal cash balances will be used to fund the cash flow of capital programme. As such there is very limited scope to add further capital schemes to the capital programme. The additional revenue costs arising from this total £5.7m per annum.
198. By their nature, discretionary asset investments, which are made to generate capital receipts or revenue returns, are risky. Whilst this is partially mitigated by the County Council's ability to take a long-term view of investments, removing short-term volatility, it is likely that not all investment will yield returns in line with the business case.
199. A significant portion of the programme enables revenue savings; delays or unsuccessful schemes will directly affect the revenue position.
200. Additional Government investment in housing and infrastructure is increasingly subject to a competitive bidding process and areas with devolution deals are likely to be preferred. For the County Council to access additional funding other organisations, such as the LLEP, need to be operating effectively. The future of LEPs has been under consideration by the Government.



## **Budget Consultation**

201. The County Council has undertaken an annual stakeholder consultation on the draft budget, in addition to the scrutiny review process. The consultation asked for views on the savings plan and the appetite for council tax increases. A report on the outcome of the consultation is attached as Appendix O.
202. Respondents broadly support the proposed budget including the proposed growth and savings plans. Around 52% of respondents supported a Council Tax increase of 3% or more (including the adult social care precept). There was also broad support for the fair funding campaign and general agreement for promoting local government reforms and seeking a devolution deal.
203. A key finding from the detailed 2019 consultation was that respondents felt that support for vulnerable people should be protected. Residential and community support for older people and mental health – plus special educational needs and disabilities, child protection and children in care – were in the top 10 services people did not want to see reduced.
204. The refreshed MTFS as presented continues to represent a good fit with the outcome of the 2019 detailed consultation. Further growth has been provided to ensure service levels can be maintained, despite significant increases in demand. There was also support for investing in land, property and other assets to generate future income streams as well as investing in energy/carbon reduction initiatives. The capital programme provides for investment in these areas.

## **Other Funding Issues**

### **Freeport**

205. The County Council is acting as Lead Authority in relation to the establishment and ongoing activity of the East Midlands Freeport (EMF). The final business case is required to be submitted to the Department for Levelling Up, Housing and Communities (DLUHC) by late February/early March 2022 with a likely designation of EMF soon after, depending on the availability of a legislative timeslot.
206. During the current year the County Council has funded costs around business case development and wider set up costs. Net costs are expected to total around £1m by the end of this current financial year. Agreement has been reached that any costs incurred by the County Council will be recovered from future retained business rates once the sites are up and running. However, this does mean that the County Council is required to cash flow at risk of non-designation.
207. The governance arrangements going forwards are currently being developed through an EMF constitution, which will be agreed and signed off by the EMF Board. The constitution will include measures to protect the overall financial exposure of the County Council in its capacity as Lead Authority/Designated Body. As part of this, consideration is being given to how EMF governance can

link in with that of the East Midlands Development Corporation (The Integrated Rail Plan published in November referred to 'accelerating a delivery vehicle' for the sites identified by the Development Corporation.).

208. The County Council has committed £0.5m per annum, for three years from 2021/22, to the Development Corporation. This contribution will need to be kept under review, depending upon progress of the venture and commitment of local and national partners.

#### Use of 2021/22 Covid-19 Budget / MTFS Risks Contingency

209. Within the current year's revenue budget, provision was made for significant unplanned and expenditure, primarily in relation to the uncertainty on what additional funding would be required to manage the ongoing implications of Covid-19. Along with provision for more general MTFS risks, £36m was set aside.
210. In the December report £28m of this was allocated out as laid out below:
- An additional £8m is allocated for Highways investment, split between 2022/23 and 2023/24.
  - Due to the inflationary cost pressures impacting on the capital programme, £10m is added to the capital programme to cover wider portfolio risks on major capital programme schemes
  - In order to improve financial sustainability, £8m is added to the capital programme to reduce capital borrowing required and provide additional funding for invest to save schemes.
  - An investment fund of £2m is created for carbon reduction schemes, subject to business cases.
211. The remaining balance of £8m was at that point retained to cover unexpected costs up to the end of the financial year, especially in light of the potential additional threats that the Omicron variant looked like posing at the time. At this stage this £8m can now be freed up and is being used to reduce the capital programme shortfall as mentioned in paragraph 164.

#### **Equality and Human Rights Implications**

212. Public authorities are required by law to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation;
  - Advance equality of opportunity between people who share protected characteristics and those who do not; and
  - Foster good relations between people who share protected characteristics and those who do not.
213. Given the nature of the services provided, many aspects of the County Council's MTFS will affect service users who have a protected characteristic under equalities legislation. An assessment of the impact of the proposals on the protected groups must be undertaken at a formative stage prior to any final decisions being made. Such assessments will be undertaken in light of the

potential impact of proposals and the timing of any proposed changes. Those detailed assessments will be revised as the proposals are developed to ensure that decision-makers have information to understand the effect of any service change, policy or practice on people who have a protected characteristic as well as information to enable proper consideration of the mitigation of the impact of any changes on those with a protected characteristic.

214. A high level Equalities and Human Rights Impact assessment of the MTFS 2022-26 has been completed to:
  - Enable decision makers to make decisions on an informed basis which is a necessary component of procedural fairness;
  - Inform decision makers of the potential for equality impacts from the budget changes;
  - Consider the cumulative equality impacts from all changes across all Departments;
  - Provide some background context of the local evidence of cumulative impacts over time from public sector budget cuts.
215. Many of the proposals in the MTFS were agreed as part of the decision to adopt the previous MTFS, and others are amendments to existing plans that have already been agreed. These changes have been included in the EHRIA for completeness.
216. Overall, the assessment finds that the Council's budget changes will have the potential to impact older people, children and young people, working age adults with mental health or disabilities and people with disabilities more than people without these characteristics. This is as expected given the nature of the services provided by the County Council.
217. The Community Insight Survey of 2021 asked a representative sample of Leicestershire residents if they had been affected by service changes. A significantly larger proportion of respondents who were non-White British, non-heterosexual or disabled reported that they had been affected by service changes than the average respondent.
218. There are several areas of the budget where there are opportunities for positive benefits for people with protected characteristics both from the additional investment the Council is making into specialist services and to changes to existing services which offer improved outcomes for users whilst also delivering financial savings.
219. A summary of the findings from this assessment are available as Appendix P to this report.

### **Crime and Disorder Implications**

220. Some aspects of the County Council's MTFS are directed towards providing services which will support the reduction of crime and disorder.

### **Environmental Implications**

221. The MTFS includes schemes to support the Council's response to climate change and to make environmental improvements.

### **Partnership Working and Associated Issues**

222. As part of the efficiency programme and improvements to services, working with partners and service users will be considered along with any impact issues, and they will be consulted on any proposals which affect them.

### **Risk Assessments**

223. As this report states, risks and uncertainties surrounding the financial outlook are significant. The risks are included in the Corporate Risk Register which is regularly updated and reported to the Corporate Governance Committee.

### **Background Papers**

Report to the Cabinet 14 December 2021 – Medium Term Financial Strategy 2022-26 – Proposals for Consultation.

<https://politics.leics.gov.uk/documents/s165746/MTFS%202022-26.pdf>

Report to the County Council on 17<sup>th</sup> February 2021: Medium Term Financial Strategy 2021-25

<https://bit.ly/3uh4ok5>

County Council Strategic Plan

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

### **Appendices**

Appendix A: 2022/23 Revenue Budget

Appendix B: Four Year Revenue Budget 2022/23 to 2025/26

Appendix C: Growth and Savings 2022/23 to 2025/26

Appendix D: Savings under Development

Appendix E: Detailed Revenue Budgets 2022/23

Appendix F: Capital Programme 2022/23 to 2025/26

Appendix G: Capital Strategy

Appendix H: Corporate Asset Investment Fund Strategy

Appendix I: Risk Management Policy and Strategy

Appendix J: Earmarked Funds Policy

Appendix K: Earmarked Funds

Appendix L: Insurance Policy

Appendix M: Council Tax and Precept

Appendix N: Treasury Management Strategy Statement and Annual Investment Strategy

Appendix O: MTFS Consultation Report

Appendix P: Equality and Human Rights Impact Assessment

Appendix Q: Comments of the Overview and Scrutiny Committees and Scrutiny Commission

**APPENDIX A**

**REVENUE BUDGET 2022/23**

	Base including inflation £	Gross Expenditure Growth £	Savings £	Gross Expenditure £	Base including inflation £	Gross Income Growth £	Savings £	Gross Income £	NET TOTAL £
<b>Spending</b>									
<b>Services :</b>									
Children & Family Services	314,383,460	5,435,000	-3,770,000	316,048,460	-225,471,990	0	0	-225,471,990	90,576,470
Adults & Communities	271,227,140	25,840,000	-2,620,000	294,447,140	-114,545,110	0	-8,400,000	-122,945,110	171,502,030
Public Health	26,654,080	0	-100,000	26,554,080	-28,000,170	0	0	-28,000,170	-1,446,090
Environment & Transport	99,780,680	1,845,000	-1,600,000	100,025,680	-16,693,240	0	-110,000	-16,803,240	83,222,440
Chief Executives	16,557,610	510,000	-65,000	17,002,610	-4,102,320	0	-25,000	-4,127,320	12,875,290
Corporate Resources	69,527,030	705,000	-270,000	69,962,030	-36,168,030	1,150,000	-640,000	-35,658,030	34,304,000
	798,130,000	34,335,000	-8,425,000	824,040,000	-424,980,860	1,150,000	-9,175,000	-433,005,860	391,034,140
Dedicated Schools Grant (Central Dept recharges)	0			0	-2,285,000			-2,285,000	-2,285,000
MTFS Risks contingency	8,000,000			8,000,000	0			0	8,000,000
Contingency for inflation	28,778,000			28,778,000	0			0	28,778,000
	834,908,000	34,335,000	-8,425,000	860,818,000	-427,265,860	1,150,000	-9,175,000	-435,290,860	425,527,140
<b>Central Items:</b>									
Financing of capital	22,317,000			22,317,000	-2,817,000			-2,817,000	19,500,000
Revenue funding of capital	2,500,000			2,500,000	0			0	2,500,000
Bank & other interest	0			0	-1,400,000			-1,400,000	-1,400,000
Central expenditure	3,154,000			3,154,000	-705,000		-150,000	-855,000	2,299,000
<b>Total Central Items</b>	27,971,000	0	0	27,971,000	-4,922,000	0	-150,000	-5,072,000	22,899,000
Contribution to budget equalisation earmarked fund	22,290,000			22,290,000	0			0	22,290,000
Contribution to General Fund	1,000,000			1,000,000	0			0	1,000,000
<b>Total Spending</b>	886,169,000	34,335,000	-8,425,000	912,079,000	-432,187,860	1,150,000	-9,325,000	-440,362,860	<b>471,716,140</b>
<b>Funding</b>									
Revenue Support Grant (new burdens)									-9,840
Business Rates - Top Up									-40,346,350
Business Rates Baseline/Retained									-25,528,000
S31 grants - Business Rates									-8,590,000
Council Tax Precept									-351,626,000
Council Tax Collection Fund net deficit / (surplus)									-3,569,580
New Homes Bonus Grant									-2,095,900
Improved Better Care Grant etc.									-14,189,870
Social Care Grant									-19,866,000
Market Sustainability and Fair Cost of Care Fund									-1,629,600
Services Grant 2022/23									-4,265,000
<b>Total Funding</b>									<b>-471,716,140</b>
<b>Council Tax</b>									
Council Tax Base									242,006.61
Band D Council Tax									£1,452.96
Increase on 2021/22 (£1,410.78)									2.99%

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**2022/23 - 2025/26 REVENUE BUDGET \***

	<b>TOTAL 2021/22</b>	Inflation/ Contingencies /Transfers	Growth	Savings	<b>TOTAL 2022/23</b>	Inflation/ Contingencies /Transfers	Growth	Savings	<b>TOTAL 2023/24</b>	Inflation/ Contingencies /Transfers	Growth	Savings	<b>TOTAL 2024/25</b>	Inflation/ Contingencies /Transfers	Growth	Savings	<b>TOTAL 2025/26</b>
	<b>£000</b>	£000	£000	£000	<b>£000</b>	£000	£000	£000	<b>£000</b>	£000	£000	£000	<b>£000</b>	£000	£000	£000	<b>£000</b>
<b>Spending</b>																	
<b>Services :</b>																	
Children & Family Services	89,086	-175	5,435	-3,770	90,576	0	6,260	-3,875	92,961		6,665	-2,690	96,936		6,765	-4,165	99,536
Adults & Communities	151,432	5,250	25,840	-11,020	171,502	0	3,070	-2,480	172,092		3,000	-2,160	172,932		3,100	-100	175,932
Public Health **	-1,323	-23	0	-100	-1,446	0	0	0	-1,446		0	-100	-1,546		0	-90	-1,636
Environment & Transport	81,355	1,732	1,845	-1,710	83,222	0	1,085	-1,580	82,727		1,515	-310	83,932		1,190	0	85,122
Chief Executives	12,458	-3	510	-90	12,875	0	5	-275	12,605		-230	-175	12,200		0	-200	12,000
Corporate Resources	34,089	-730	1,855	-910	34,304	0	-5	-2,275	32,024		0	-210	31,814		0	-1,475	30,339
	367,097	6,052	35,485	-17,600	391,034	0	10,415	-10,485	390,964	0	10,950	-5,645	396,269	0	11,055	-6,030	401,294
DSG (Central Dept recharges)	-2,285	0	0	0	-2,285	0	0	0	-2,285				-2,285				-2,285
Other corporate growth & savings	-350	350	0	0	0	0	7,085	0	7,085		6,550	0	13,635		6,365	0	20,000
MTFS Risks Contingency	8,000	0	0	0	8,000	0	0	0	8,000				8,000				8,000
Covid-19 Budget	28,300	-28,300	0	0	0	0	0	0	0				0				0
Contingency for inflation/ Living Wage	12,550	16,228	0	0	28,778	14,700	0	0	43,478	14,400			57,878	14,400			72,278
	413,312	-5,670	35,485	-17,600	425,527	14,700	17,500	-10,485	447,242	14,400	17,500	-5,645	473,497	14,400	17,420	-6,030	499,287
<b>Central Items:</b>																	
Financing of capital	19,000	500			19,500	500			20,000	900			20,900	1,600			22,500
Revenue funding of capital	2,500	0			2,500	-1,000			1,500	0			1,500				1,500
Bank & other interest	-1,300	-100			-1,400	-200			-1,600	200			-1,400	400			-1,000
Central expenditure	3,049	-600		-150	2,299	-100		-20	2,179	-100		-80	1,999	-100			1,899
<b>Total Services &amp; Central Items</b>	<b>436,561</b>	<b>-5,870</b>	<b>35,485</b>	<b>-17,750</b>	<b>448,426</b>	<b>13,900</b>	<b>17,500</b>	<b>-10,505</b>	<b>469,321</b>	<b>15,400</b>	<b>17,500</b>	<b>-5,725</b>	<b>496,496</b>	<b>16,300</b>	<b>17,420</b>	<b>-6,030</b>	<b>524,186</b>
Contributions to budget equalisation earmarked fun	4,000				22,290				7,700				9,100				8,900
Contributions to/from General Fund	1,000				1,000				1,000				1,000				1,000
<b>Total Spending</b>	<b>441,561</b>				<b>471,716</b>				<b>478,021</b>				<b>506,596</b>				<b>534,086</b>
<b>Funding</b>																	
Revenue Support Grant (new burdens)	0				-10				-10				-10				-10
Business Rates - Top Up	-40,346				-40,346				-41,920				-39,930				-37,790
Business Rates Baseline/Retained	-24,181				-25,528				-20,500				-21,130				-21,670
S31 grants - Business Rates	-4,900				-8,590				-8,930				-9,140				-9,330
Council Tax Precept	-336,934				-351,626				-364,000				-376,820				-390,080
Council Tax Collection Fund net deficit / (surplus)	1,574				-3,569				1,000				0				0
LCTS Grant	-3,566				0				0				0				0
Provision for impact of Covid-19 on funding	9,000				0				0				0				0
New Homes Bonus Grant	-2,621				-2,096				0				0				0
Improved Better Care Grant etc.	-13,670				-14,190				-14,190				-14,190				-14,190
Social Care Grant	-14,167				-19,866				-19,866				-19,866				-19,866
Covid-19 21/22 General Grant	-11,750				0				0				0				0
Market Sustainability and Fair Cost of Care Fund	0				-1,630				-1,630				-1,630				-1,630
Services Grant 2022/23	0				-4,265				0				0				0
<b>Total Funding</b>	<b>-441,561</b>				<b>-471,716</b>				<b>-470,046</b>				<b>-482,716</b>				<b>-494,566</b>
<b>VARIANCE</b>	<b>0</b>				<b>0</b>				<b>7,975</b>				<b>23,880</b>				<b>39,520</b>
<i>Band D Council Tax</i>	<i>£1,410.78</i>				<i>£1,452.96</i>				<i>£1,481.87</i>				<i>£1,511.36</i>				<i>£1,541.44</i>
<i>Increase</i>	<i>4.99%</i>				<i>2.99%</i>				<i>1.99%</i>				<i>1.99%</i>				<i>1.99%</i>

\* provisional for 2023/24 and later years

\*\* preventative expenditure within other Departments' budgets to be identified and absorbed into the ring fenced budget

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**APPENDIX C**

References

2022/23	2023/24	2024/25	2025/26
£000	£000	£000	£000

**GROWTH****CHILDREN & FAMILY SERVICES****Demand & cost increases**

**	G1	Demographic growth- Social Care Placements	2,265	7,715	13,075	19,250
**	G2	Front-line social care staff - increased caseloads	3,100	3,840	5,075	5,595
**	G3	Social Care market premia to support recruitment	20	40	60	80
**	G4	Unaccompanied Asylum Seekers - additional demand	50	100	150	200
<b>TOTAL</b>			<b>5,435</b>	<b>11,695</b>	<b>18,360</b>	<b>25,125</b>

**ADULTS & COMMUNITIES****Demand & cost increases**

**	G5	Older people - new entrants and increasing needs in community based services and residential admissions	15,420	15,980	16,860	17,740
**	G6	Learning Disabilities - new entrants including children transitions and people with complex needs	5,290	6,840	8,090	9,440
**	G7	Mental Health - new entrants in community based services and residential admissions	2,080	2,590	3,020	3,440
**	G8	Physical Disabilities - new entrants in community based services	2,200	2,650	3,090	3,540
	G9	Care pathway market premia and step up to social work	350	350	350	350
	G10	Social Care Investment Programme -staffing resources	500	500	500	500
<b>TOTAL</b>			<b>25,840</b>	<b>28,910</b>	<b>31,910</b>	<b>35,010</b>

**ENVIRONMENT & TRANSPORT****Highways & Transport****Demand & cost increases**

**	G11	Special Educational Needs transport - increased client numbers/costs	1,200	2,300	3,850	5,150
	G12	Resources to support management of risks associated with Capital Programme delivery	265	265	265	265
	G13	Resources to address safety compliance matters across Transport Operations	45	45	45	45
	G14	Passenger Transport Service	150	150	150	150
	G15	Highway Maintenance (LGA subscription saving)	65	65	65	65
<b>Total</b>			<b>1,725</b>	<b>2,825</b>	<b>4,375</b>	<b>5,675</b>

**Environment & Waste****Demand & cost increases**

*	G16	Waste tonnage increases (temporary growth removed)	-100	-100	-100	-100
**	G17	Contribution to Regional Waste Project (temporary growth removed)	0	-15	-50	-50
<b>Total</b>			<b>-100</b>	<b>-115</b>	<b>-150</b>	<b>-150</b>

**Department Wide**

	G18	HGV Driver Market Premia	110	110	110	0
	G19	Hydrotreated Vegetable Oil to replace bunkered diesel (CO2 saving)	110	110	110	110
<b>Total</b>			<b>220</b>	<b>220</b>	<b>220</b>	<b>110</b>

**TOTAL E&T**

<b>1,845</b>	<b>2,930</b>	<b>4,445</b>	<b>5,635</b>
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**CHIEF EXECUTIVES****Demand & cost increases**

	G20	Connectivity (Broadband) Team - core funding until 2023/24; sources of external funding to be explored	5	10	-220	-220
	G21	Midland Engine subscription	20	20	20	20
	G22	Coroner's Service - additional costs from Leicester City due to increase in number of cases	80	80	80	80
	G23	Trading Standards -additional responsibilities placed on the service by the Government and an increase in demand for service delivery	120	120	120	120
	G24	Carbon Reduction Programme	135	135	135	135
	G35	Leicestershire Grants	150	150	150	150
<b>TOTAL</b>			<b>510</b>	<b>515</b>	<b>285</b>	<b>285</b>

References

2022/23	2023/24	2024/25	2025/26
£000	£000	£000	£000

**GROWTH**

**CORPORATE RESOURCES**  
**Demand & cost increases**

*	G25	Customer Service Centre - support service levels (temporary growth removed)	-100	-200	-200	-200
**	G26	ICT license subscriptions and support costs & increased email security	325	325	325	325
	G27	Additional Procurement & Finance support for the Capital Programme	145	145	145	145
	G28	ICT service desk and project support resources to meet increased demands				
			110	110	110	110
	G29	Health, safety & wellbeing - increased demands and legislative changes to fire safety regulations	75	100	100	100
	G30	Pressures arising from additional External Audit requirements	50	50	50	50
	G31	Increased demand for Communications Team	0	70	70	70
	G32	Commercial Services - reduce target	1,150	1,150	1,150	1,150
	G33	Investment in Tree Nurseries	100	100	100	100
		<b>TOTAL</b>	<b>1,855</b>	<b>1,850</b>	<b>1,850</b>	<b>1,850</b>

**CORPORATE GROWTH**

**	G34	Growth contingency	0	7,085	13,635	20,000
		<b>TOTAL</b>	<b>0</b>	<b>7,085</b>	<b>13,635</b>	<b>20,000</b>

**TOTAL GROWTH**

<b>35,485</b>	<b>52,985</b>	<b>70,485</b>	<b>87,905</b>
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<i>Overall net additional growth</i>	17,500	17,500	17,420
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## References

2022/23	2023/24	2024/25	2025/26
£000	£000	£000	£000

**SAVINGS****References used in the following tables**

\* items unchanged from previous Medium Term Financial Strategy

\*\* items included in the previous Medium Term Financial Strategy which have been amended

Eff - Efficiency saving

SR - Service reduction

Inc - Income

**CHILDREN & FAMILY SERVICES**

**	CF1	Eff	Pathways workstream - Focus on prevention, drift and duration of interventions across all pathways	-1,055	-1,270	-1,335	-1,450
**	CF2	Eff	Settings workstream - Reduced care placement costs through growth of in-house capacity & supported lodgings and a review of placements	-2,115	-5,175	-7,250	-10,500
**	CF3	Eff	Disabled Children's Service Enablement Workstream	-100	-200	-250	-300
			<i>Total Defining CFS For the Future Programme</i>	-3,270	-6,645	-8,835	-12,250
**	CF4	Eff	Innovation Partnership - Creation of Assessment & Resource team and Hub and investment in residential accommodation	-250	-500	-750	-1,250
**	CF5	Eff	Departmental efficiency savings	-250	-500	-750	-1,000
			<b>TOTAL</b>	<b>-3,770</b>	<b>-7,645</b>	<b>-10,335</b>	<b>-14,500</b>

**ADULTS & COMMUNITIES****Adult Social Care**

**	AC1	Inc	Increased income from fairer charging and removal of subsidy / aligning increases	-1,100	-1,200	-1,300	-1,400
**	AC2	Eff	Social Care Investment Plan - reduced cost of care	-200	-200	-950	-950
**	AC3	Inc	Additional BCF/Health income	-1,300	-1,300	-1,300	-1,300
**	AC4	Eff	Implementation of Target Operating Model (TOM)	-300	-800	-800	-800
**	AC5	Eff	Implementation of digital assistive technology to service users	-350	-1,000	-2,250	-2,250
**	AC6	Eff	Establishment Review following implementation of TOM programme	-450	-800	-800	-800
*	AC7	Eff	Digital Self Serve financial assessments	-100	-100	-100	-100
**	AC8	Eff	Review of Mental Health pathway and placements	-500	-750	-750	-750
*	AC9	Eff	Review of placements transitioning from Children's	-120	-180	-240	-240
	AC10	Eff	Review of Direct Services/Day Services/Short Breaks	-70	-500	-500	-500
	AC11	Eff	Review Discharge to Assess and other high cost placements	-500	-500	-500	-500
	AC12	Inc	Potential continuation of Health income for additional discharges	-6,000	-6,000	-6,000	-6,000
			<b>Total ASC</b>	<b>-10,990</b>	<b>-13,330</b>	<b>-15,490</b>	<b>-15,590</b>

**Communities and Wellbeing**

**	AC13	Eff/SR	Implementation of revised service for communities and wellbeing	-30	-170	-170	-170
			<b>Total C&amp;W</b>	<b>-30</b>	<b>-170</b>	<b>-170</b>	<b>-170</b>

**TOTAL A&C**

<b>-11,020</b>	<b>-13,500</b>	<b>-15,660</b>	<b>-15,760</b>
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**PUBLIC HEALTH**

*	PH1	Eff/SR	Early Help & Prevention Review - review of externally commissioned prevention services	-65	-65	-65	-65
	PH2	Eff/SR	Redesign of integrated lifestyle service pathways			-100	-100
	PH3	Eff/SR	Review of Commissioned services	-35	-35	-35	-125
			<b>TOTAL</b>	<b>-100</b>	<b>-100</b>	<b>-200</b>	<b>-290</b>

**ENVIRONMENT & TRANSPORT****Highways & Transport**

**	ET1	Eff/SR	Implement Review of Social Care and SEN Transport (Phase 2)	-350	-350	-350	-350
**	ET2	Eff	Temporary Traffic Management	-20	-20	-20	-20
**		Eff/Inc	Street Lighting - design services to developers and installation of street lighting on their behalf	-40	-65	-75	-75
**	ET3			-340	-480	-490	-490
	ET4	Eff/Inc	E&T Continuous Improvement Programme - review of processes and potential income across a range of services				
	ET5	Eff	SEN Transport Lean Review	-710	-1,060	-1,060	-1,060
	ET6	Eff	Passenger Transport Service - develop digital offer	0	0	-150	-150
	ET7	Eff	Small Fleet Servicing	-100	-100	-100	-100
	ET8	Eff	Low level street lighting energy savings	-30	-30	-30	-30
			<b>Total</b>	<b>-1,590</b>	<b>-2,105</b>	<b>-2,275</b>	<b>-2,275</b>

References		2022/23	2023/24	2024/25	2025/26	
		£000	£000	£000	£000	
<b><u>SAVINGS</u></b>						
<b><u>Environment &amp; Waste</u></b>						
**	ET9 Eff/Inc	Recycling & Household Waste Sites service approach	-30	-80	-190	-190
**	ET10 Inc	Trade Waste income	-45	-75	-105	-105
**	ET11 Eff	Future residual waste strategy- reduced disposal costs	0	-985	-985	-985
*	ET12 Eff	Procurement savings from contract renewals	-30	-30	-30	-30
	ET13 Eff	Ashby Canal maintenance	-15	-15	-15	-15
<b>Total</b>			<b>-120</b>	<b>-1,185</b>	<b>-1,325</b>	<b>-1,325</b>
<b>TOTAL E&amp;T</b>			<b>-1,710</b>	<b>-3,290</b>	<b>-3,600</b>	<b>-3,600</b>
<b><u>CHIEF EXECUTIVE</u></b>						
**	CE1 SR/Eff	Staffing (vacancy control and agency reduction)	0	-50	-100	-100
*	CE2 Inc	Planning, Historic and Natural Environment - fee income	-25	-50	-75	-75
	CE3 Eff	Review of Legal Case Management and New Ways of Working	0	-200	-300	-500
	CE4 Eff	LGA subscription saving	-65	-65	-65	-65
<b>TOTAL</b>			<b>-90</b>	<b>-365</b>	<b>-540</b>	<b>-740</b>
<b><u>CORPORATE RESOURCES</u></b>						
**	CR1 Eff	Ways of Working - Use of office space	0	-845	-670	-1,380
**	CR2 Eff/Inc	Increasing Commercial Services contribution	0	-200	-375	-640
*	CR3 Eff	Environment improvements - energy & water	-50	-50	-50	-50
**	CR4 Eff	Increase returns from Corporate Asset Investment Fund	-600	-1,500	-1,600	-1,600
**	CR5 Inc	Place to Live - Accommodation income	-40	-80	-120	-120
	CR6 Eff	Customer & Digital Programme	-70	-180	-180	-680
	CR7 Eff	Operational Finance process improvement	0	-100	-100	-100
	CR8 Eff	Transformation Unit efficiencies	-50	-130	-200	-200
	CR9 Eff	Insurance – integration with Internal Audit and review of cover	-75	-75	-75	-75
	CR10 Eff	Reduced Business Travel	-25	-25	-25	-25
<b>TOTAL</b>			<b>-910</b>	<b>-3,185</b>	<b>-3,395</b>	<b>-4,870</b>
<b><u>CENTRAL ITEMS</u></b>						
**	CI1 Inc	Growth in ESPO income	-150	-170	-250	-250
<b>TOTAL</b>			<b>-150</b>	<b>-170</b>	<b>-250</b>	<b>-250</b>
<b>TOTAL SAVINGS including additional income</b>			<b>-17,750</b>	<b>-28,255</b>	<b>-33,980</b>	<b>-40,010</b>
<b>MTFS net shortfall - savings required</b>				<b>-7,975</b>	<b>-23,880</b>	<b>-39,520</b>
<b>TOTAL SAVINGS REQUIRED - EXCLUDING DSG</b>			<b>-17,750</b>	<b>-36,230</b>	<b>-57,860</b>	<b>-79,530</b>
<b><u>Dedicated Schools Grant - Deficit reduction activity</u></b>						
<b><u>High Needs Development Plan</u></b>						
		Demand savings	-280	-1,010	-2,050	-3,375
		Benefit of local provision & practice improvements	-4,215	-6,190	-8,845	-11,070
			<b>-4,495</b>	<b>-7,200</b>	<b>-10,895</b>	<b>-14,445</b>
<b>TOTAL SAVINGS REQUIRED - INCLUDING DSG</b>			<b>-22,245</b>	<b>-43,430</b>	<b>-68,755</b>	<b>-93,975</b>

**APPENDIX D****Savings Under Development**

This appendix lists areas where departments are looking at the potential for additional savings which are not yet currently developed enough to be able to quantify and build into the detailed savings schedules.

**Children and Family Services****Further savings from the DCFSF programme**

As the Defining Children & Family Services for the Future (DCFSF) programme new ways of working are embedded, further analysis and strategic review will be undertaken to identify potential new opportunities to take forward in the following areas:

- Review non statutory and lower priorities, recognising the upstream value add of early intervention preventative services
- Identifying any services to outsource or bring in-house
- Placement Unit Costs and the Commissioning framework and processes – including 16+ placements and further SCIP investment
- Edge of Care
- Use of Systems & Back Office Support Functions
- Commercial opportunities
- Partnerships – health, education, police, community
- Maximising the potential of grants and funding identified in the Spending Review

As the savings opportunities are identified they will be prioritised based on amount of savings, impact and deliverability.

**Adults and Communities****Digitalisation of service delivery**

Digitalisation of service delivery and support for service users. These include increasing choices in self-service through a digital portal enabling people to undertake online care assessments and complements work already being explored to increase uptake of self-service online financial assessments. Savings would be a mixture of cashable and avoided cost. Crucial to delivering savings in this area will be promoting and steering people towards engaging with service online.

**Digital assistive technology**

Savings of £2.25m have already been built into the main savings programme for this. However, there is likely to be additional scope over and above this figure. This will be reviewed as the programme develops

## **Public Health**

### *Early Help and Prevention*

Explore potential to expand Early Help and Prevention to include a review of services across the authority to ensure interventions are efficient and effective.

### *Internal Infrastructure Costs (Weight Management)*

A review of the infrastructure costs that are paid to organisations will be conducted to determine whether this funding is still needed.

### *Health Checks*

Redesign of the Health Check programme to see what scope there is for delivering this service in a different way whilst still ensuring the statutory element of the service is provided.

### *CCG Prescribing Recharges*

CCGs in Leicestershire currently recharge Public Health for prescription items related to Public Health activity. However, in many authorities this isn't the case. There is an opportunity to ensure a standardised approach as CCGs move towards an integrated care model.

### *Service Efficiencies*

A review of the costs of each interaction with service users to see what opportunities there are to provide services, more efficiently whilst still delivering desired outcomes.

### *Commercialisation of elements of the school offer*

Selling some of the current PH services to schools and workplaces. This will initially be explored in the County, but given the ability of the public health service to deliver services in house, the opportunities to provide services outside Leicestershire could also be explored.

## **Environment & Transport**

### *Expansion of Continuous Improvement approach*

The existing continuous improvement saving is primarily based on the pilot within Highways Delivery. The Department Management Team has agreed to roll out the approach to the other branches of the department to identify further savings within individual teams across the department. Workshops with individual team managers in Environment & Waste and Development & Growth are currently underway, with a proposed £400k target for opportunities identified as a result. Opportunities will be assessed, prioritised and scheduled for delivery over the life of the MTFS.

### *SEN Transport Lean Review*

Potential for savings has been identified by Newton Europe from expanding the use of Fleet Transport. This would allow service users to be transferred from high cost taxi contracts onto Fleet. A further opportunity has been identified to introduce a comprehensive marketing / communications approach to voluntary PTBs to increase take-up further.

*Digital Approach to Home to School Transport*

Newton Europe phase 2 to include end to end integration with Children and Family Service (CFS) and digital delivery. Broader work with C&FS and digital colleagues is being scoped.

*Developer Income*

Work proposed to review the approach to engaging with developers across the Department, identifying opportunities to maximise the income potential. Currently there are a number of approaches in different teams (such as s278, the work in Street Lighting savings, and a previously developed proposal for introduction of pre-app charges in highway development control). There are examples of other authorities that have a single approach to developer engagement that delivers and maximises income from the various activities included.

*Grass Cutting service approach*

Potential to see whether increasing wildflower populations on verges provides opportunities for reductions in grass cutting in urban areas.

*County Wide Parking*

Consider the introduction of on-street parking charges to parking on the highway in bays that are currently waiting time limited in line with available statutory powers.

*Bus Lane & Other Enforcement*

Look at options arising from new powers to enable enforcement of moving traffic offences.

*School Crossing Patrol funding*

School Crossing Patrols are not a statutory function and do not need to be provided. Assuming patrols are to continue then the authority could seek funding from schools or other sources to cover costs.

*Green Driver Training*

The Energy Savings Trust, in the LCC Green Fleet Review, estimate that a 5-10% reduction in fuel use could be achieved through a programme of driver training.

*Conversion to Electric Vehicles*

Work is underway looking at the potential for switching to Electric vehicles (EV). The installation of EV infrastructure and adoption of EV vehicles will be subject to a business case. This will require up-front investment, but it is anticipated that through switching the volume of liquid fuels will decrease, reducing carbon, and it will also lead to reduced expenditure on fuel.

*Future WTS and Trade Waste Commercial Work*

The County Council operates a Waste Transfer Station (WTS) at Loughborough RHWS. With the insourcing of Whetstone RHWS and WTS from 1st April 2021, and the construction of Bardon WTS planned for completion in April 2022 there is an opportunity to look at maximising these assets in terms of opportunities for income generation.

### Impact of DEFRA Resources & Waste Strategy

Three major consultations on statutory reforms that will impact on the authority's existing operations and arrangements have been undertaken during 2021 that could lead to savings:

1. Extended Producer Responsibility (to be launched 2023): making producers pay the full net cost of managing the packaging they place on the market, setting more ambitious targets for producers and introducing clear and consistent labelling for recycling.
2. Deposit Return Scheme (to be launched late 2024): charging consumers a deposit on most drinks containers redeemable on return to designated return points.
3. Consistency in household and business recycling collections: effective through a standardised core set of dry recyclable materials for collection; separate weekly food waste collections and free green waste collection. Underpinning this will be an increase in recycling rates to encourage more recycling.

### **Chief Executive's**

#### Corporate Reviews

The Strategy and Business Intelligence (SBI) service provides a range of services which support and interact with services provided in the Council's other departments. In each of these areas there is good collaboration between SBI and departments but also scope to improve existing working arrangements to avoid potential duplication, improve practice and efficiency and potentially realise savings.

#### Increased Income

Increase in charges in respect of authorised legal work undertaken for external bodies e.g. Leicestershire Fire & Rescue Service and Academy Trusts within Leicestershire; in respect of legal work undertaken in connection with new development e.g. s106 and s38/278 Highways Act agreements and miscellaneous matters that can be charged for e.g. Highway Licenses. Other areas of the department, such as Trading Services, Planning and Democratic Services will also be looked at to see what scope there is for charging other bodies for services provided.

#### Coronial Services

Potential efficiencies could occur from a different operating model for coronial services in the future.

### **Corporate Resources**

#### Salary Sacrifice Shared Cost Additional Voluntary Contributions (AVC)

The department has been approached by a third party about introducing Salary Sacrifice Shared Cost AVC. This approach would provide an NI saving to employers, which is available to the County Council.



### Vacant Properties

Alongside the property estate rationalisation being progressed as part of the Ways of Working Programme, Strategic Property and Operational Property will continue to assess the Council's fluid portfolio of existing and emerging vacant properties and land with a view to determining the most practical and economically advantageous option for using, leasing, renovating and returning to use, or disposing of such assets in each instance..

### Additional CAIF savings

Further schemes could potentially be developed, subject to wider economic, financial return and planning considerations, which would provide increased income from the CAIF

### Insurance Claims

Claims can be received by the authority several decades after the event, making estimation of the liabilities incurred in any year extremely difficult. An external review will be commissioned to ascertain if the annual provisions can be reduced.

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CHILDREN & FAMILY SERVICES DEPARTMENT												
REVENUE BUDGET 2022/23												
Net Budget 2021/22		Employees	Running Expenses	Internal Income	Gross Budget	External Income	Net Budget 2022/23	Schools	Early Years	High Needs	Dedicated Schools Grant	LA Block
£		£	£	£	£	£	£					
1,332,070	C&FS Directorate	1,290,860	80,550	0	1,371,410	-39,340	1,332,070	18,130	43,330	150,800	212,260	1,119,810
2,143,710	C&FS Safeguarding	2,177,680	182,120	0	2,359,800	0	2,359,800	0	0	0	0	2,359,800
112,610	LSCB	301,710	141,800	-69,360	374,150	-261,520	112,630	0	0	0	0	112,630
2,256,320	Safeguarding, Improvement & QA	2,479,390	323,920	-69,360	2,733,950	-261,520	2,472,430	0	0	0	0	2,472,430
1,493,760	Asylum Seekers	468,710	2,129,960	0	2,598,670	-1,000,000	1,598,670	0	0	0	0	1,598,670
4,252,470	C&FS Fostering & Adoption	4,714,530	601,020	-500	5,315,050	-254,290	5,060,760	0	0	0	0	5,060,760
38,345,490	C&FS Operational Placements	0	37,906,700	0	37,906,700	-314,000	37,592,700	0	0	0	0	37,592,700
3,212,530	Children in Care Service	3,071,300	670,160	0	3,741,460	-129,000	3,612,460	0	0	0	0	3,612,460
526,870	Education of Children in Care	817,810	1,638,360	-407,620	2,048,550	-1,521,680	526,870	0	0	0	0	526,870
47,831,120	Children in Care	9,072,350	42,946,200	-408,120	51,610,430	-3,218,970	48,391,460	0	0	0	0	48,391,460
13,618,030	Fieldwork Locality Teams	13,194,300	698,180	-36,990	13,855,490	-29,000	13,826,490	0	0	0	0	13,826,490
1,532,920	Social Care Legal Costs	44,000	1,532,920	0	1,576,920	0	1,576,920	0	0	0	0	1,576,920
15,150,950	Field Social Work	13,238,300	2,231,100	-36,990	15,432,410	-29,000	15,403,410	0	0	0	0	15,403,410
510,000	Practice Excellence	576,500	37,080	-67,580	546,000	-36,000	510,000	0	0	0	0	510,000
8,248,400	C&FS Children & Families Wellbeing	11,043,640	2,323,330	-2,285,460	11,081,510	-3,129,150	7,952,360	0	0	0	0	7,952,360
831,300	Education Sufficiency	1,174,480	116,940	-48,850	1,242,570	-365,200	877,370	384,220	0	0	384,220	493,150
37,475,380	C&FS 0-5 Learning	2,425,520	35,014,010	0	37,439,530	-60,000	37,379,530	0	35,616,330	1,432,010	37,048,340	331,190
415,920	C&FS 5-19 Learning	873,150	263,750	-191,800	945,100	-481,170	463,930	300,790	0	0	300,790	163,140
3,588,970	Inclusion	1,051,400	2,714,710	-27,140	3,738,970	-150,000	3,588,970	0	0	2,645,160	2,645,160	943,810
1,325,050	Oakfield	259,170	1,325,050	0	1,584,220	0	1,584,220	0	0	1,350,820	1,350,820	233,400
42,805,320	Education Quality & inclusion	4,609,240	39,317,520	-218,940	43,707,820	-691,170	43,016,650	300,790	35,616,330	5,427,990	41,345,110	1,671,540
79,482,070	C&FS SEN	1,649,880	93,044,370	-313,030	94,381,220	-252,850	94,128,370	0	0	93,031,450	93,031,450	1,096,920
2,423,670	C&FS Specialist Services to Vulnerable Groups	2,472,210	115,660	0	2,587,870	-164,200	2,423,670	0	0	2,423,670	2,423,670	0
1,095,760	C&FS Psychology Service	1,540,500	55,450	-202,300	1,393,650	-260,500	1,133,150	0	0	0	0	1,133,150
4,118,970	C&FS Disabled Children	910,930	3,111,630	0	4,022,560	0	4,022,560	0	0	0	0	4,022,560
1,059,490	HNB Development Programme	41,660	738,750	0	780,410	0	780,410	0	0	780,410	780,410	0
-5,650,000	DSG Reserve income	0	0	-8,934,170	-8,934,170	0	-8,934,170	0	0	-8,934,170	-8,934,170	0
82,529,960	SEND & Children with Disabilities	6,615,180	97,065,860	-9,449,500	94,231,540	-677,550	93,553,990	0	0	87,301,360	87,301,360	6,252,630
4,980,120	C&FS Business Support	6,336,200	866,610	-1,408,920	5,793,890	0	5,793,890	8,570	272,400	142,110	423,080	5,370,810
2,285,220	Central Charges	0	2,285,220	0	2,285,220	0	2,285,220	1,434,680	210,850	639,690	2,285,220	0
-130	C&FS Finance	0	538,140	-763,000	-224,860	0	-224,860	538,140	0	0	538,140	-763,000
1,489,900	C&FS Human Resources	1,539,900	0	0	1,539,900	-50,000	1,489,900	674,900	0	0	674,900	815,000
821,260	C&FS Commissioning & Planning	799,900	8,250	-44,120	764,030	0	764,030	0	0	0	0	764,030
312,780	C&FS Sub Transformation	55,720	67,120	0	122,840	0	122,840	0	0	0	0	122,840
9,889,150	Business Support & Commissioning	8,731,720	3,765,340	-2,216,040	10,281,020	-50,000	10,231,020	2,656,290	483,250	781,800	3,921,340	6,309,680
-645,000	C&FS Miscellaneous	0	0	0	0	0	0	0	0	0	0	0
-123,280,930	C&FS Dedicated Schools Grant	0	-11,310,190	-400,560	-11,710,750	-122,991,510	-134,702,260	-3,663,200	-36,142,910	-94,896,150	-134,702,260	0
456,632,410	Delegated School Budgets	0	482,621,570	0	482,621,570	-10,340,670	472,280,900	471,046,700	0	1,234,200	472,280,900	0
-455,179,590	Delegated Dedicated Schools Grant	0	0	0	0	-470,742,930	-470,742,930	-470,742,930	0	0	-470,742,930	0
0	Dedicated Schools Grant Recoupment	0	-387,101,020	0	-387,101,020	387,101,020	0	0	0	0	0	0
-122,473,110	C&FS Other	0	84,210,360	-400,560	83,809,800	-216,974,090	-133,164,290	-3,359,430	-36,142,910	-93,661,950	-133,164,290	0
88,911,480	TOTAL CHILDREN & FAMILY SERVICES	58,831,660	272,418,200	-15,201,400	316,048,460	-225,471,990	90,576,470	0	0	0	0	90,576,470

**APPENDIX E**

		ADULTS AND COMMUNITIES					
		REVENUE BUDGET 2022/23					
Net Budget 2021/22 £		Employees £	Running Expenses £	Internal Income £	Gross Budget £	External Income £	Net Budget 2022/23 £
	<b><u>Care Pathway - Older Adults/Mental Health</u></b>						
96,760	Heads of Service & Lead Practitioners (OA/MH)	1,266,770	29,930	0	1,296,700	-677,870	618,830
4,768,750	Older Adults Team	5,633,040	66,540	0	5,699,580	-1,040,590	4,658,990
2,640,990	Working Age Adults Team (Mental Health)	2,688,520	71,690	0	2,760,210	-171,220	2,588,990
5,529,140	Countywide Team (OA/MH)	5,376,560	1,873,980	-300,000	6,950,540	-1,487,730	5,462,810
<b>13,035,640</b>	<b>TOTAL</b>	<b>14,964,890</b>	<b>2,042,140</b>	<b>-300,000</b>	<b>16,707,030</b>	<b>-3,377,410</b>	<b>13,329,620</b>
	<b><u>Care Pathway - Learning Disabilities</u></b>						
551,970	Heads of Service & Lead Practitioners (LD)	504,470	47,500	0	551,970	0	551,970
3,154,300	Working Age Adults Team (Learning Disabilities)	3,223,490	63,020	0	3,286,510	-252,400	3,034,110
695,860	Countywide Team (LD)	881,560	22,630	0	904,190	-212,890	691,300
<b>4,402,130</b>	<b>TOTAL</b>	<b>4,609,520</b>	<b>133,150</b>	<b>0</b>	<b>4,742,670</b>	<b>-465,290</b>	<b>4,277,380</b>
	<b><u>Direct Services</u></b>						
628,140	Direct Services Managers	615,300	5,400	0	620,700	-11,790	608,910
4,770,540	Supported Living, Residential and Short Breaks	4,190,100	189,760	0	4,379,860	-4,000	4,375,860
2,409,520	CLC / Day Services	2,376,650	181,560	-67,850	2,490,360	-61,950	2,428,410
315,810	Shared Lives Team	280,250	39,810	0	320,060	0	320,060
4,622,660	Reablement (HART) & Crisis Response	5,739,270	638,370	0	6,377,640	-1,754,980	4,622,660
1,544,170	Occupational Therapy	1,567,300	33,070	0	1,600,370	-43,400	1,556,970
1,667,860	Aids, Adaptations and Assistive Technology	553,010	1,819,380	0	2,372,390	-704,540	1,667,850
191,180	Direct Services Review	0	105,090	0	105,090	-6,000	99,090
<b>16,149,880</b>	<b>TOTAL</b>	<b>15,321,880</b>	<b>3,012,440</b>	<b>-67,850</b>	<b>18,266,470</b>	<b>-2,586,660</b>	<b>15,679,810</b>
	<b><u>Early Intervention &amp; Prevention</u></b>						
857,210	Extra Care	0	856,190	0	856,190	0	856,190
96,000	Eligible Services	0	361,350	0	361,350	-265,350	96,000
839,880	Secondary (e.g. Carers & Community Assessments)	0	1,227,040	0	1,227,040	-387,150	839,890
380,610	Tertiary (e.g. Advocacy)	0	700,300	-54,000	646,300	-284,620	361,680
<b>2,173,700</b>	<b>TOTAL</b>	<b>0</b>	<b>3,144,880</b>	<b>-54,000</b>	<b>3,090,880</b>	<b>-937,120</b>	<b>2,153,760</b>
	<b><u>Strategic Services</u></b>						
186,260	Heads of Strategic Services	370,300	1,400	0	371,700	0	371,700
1,875,070	Business Support	1,609,150	284,760	-18,840	1,875,070	0	1,875,070
1,132,220	Adult Social Care Finance	1,208,680	-32,300	-8,000	1,168,380	-244,640	923,740
434,180	IT & Information Support	374,780	59,400	0	434,180	0	434,180
1,594,320	Commissioning & Quality	2,467,740	95,760	0	2,563,500	-699,700	1,863,800
<b>5,222,050</b>	<b>TOTAL</b>	<b>6,030,650</b>	<b>409,020</b>	<b>-26,840</b>	<b>6,412,830</b>	<b>-944,340</b>	<b>5,468,490</b>
	<b><u>Demand Led Commissioned Services</u></b>						
60,366,270	Residential & Nursing Care	0	103,357,700	0	103,357,700	-37,145,470	66,212,230
1,631,680	Shared Lives Residential	0	1,631,680	0	1,631,680	0	1,631,680
20,483,820	Supported Living	0	28,577,820	0	28,577,820	0	28,577,820
21,602,040	Home Care	0	31,960,040	0	31,960,040	0	31,960,040
39,687,060	Direct Cash Payments	0	42,994,060	0	42,994,060	-1,162,000	41,832,060
5,948,460	Community Life Choices (CLC)	0	5,914,300	0	5,914,300	0	5,914,300
535,750	Shared Lives - CLC	0	535,750	0	535,750	0	535,750
-21,449,930	Community Income	0	0	0	0	-25,557,900	-25,557,900
<b>128,805,150</b>	<b>TOTAL</b>	<b>0</b>	<b>214,971,350</b>	<b>0</b>	<b>214,971,350</b>	<b>-63,865,370</b>	<b>151,105,980</b>
-19,190,030	<b><u>Better Care Fund (Balance)</u></b>	392,470	17,410,120	0	17,802,590	-44,292,620	-26,490,030
830,770	<b><u>Department Senior Management</u></b>	1,002,230	-77,940	0	924,290	-83,320	840,970
<b>151,429,290</b>	<b>TOTAL ASC</b>	<b>42,321,640</b>	<b>241,045,160</b>	<b>-448,690</b>	<b>282,918,110</b>	<b>-116,552,130</b>	<b>166,365,980</b>
	<b><u>Communities and Wellbeing</u></b>						
366,720	C&W Senior Management	306,250	5,300	-23,000	288,550	0	288,550
1,706,840	Libraries Operational	1,892,070	287,660	-6,700	2,173,030	-439,950	1,733,080
1,110,150	Libraries Resources	255,190	852,470	0	1,107,660	-20,000	1,087,660
826,830	Museums & Heritage	839,770	336,620	0	1,176,390	-356,290	820,100
436,170	Participation	377,220	53,280	0	430,500	0	430,500
847,420	Collections & Learning	1,192,890	313,040	0	1,505,930	-672,610	833,320
0	Externally Funded Projects	130,910	172,750	0	303,660	-303,660	0
200	Adult Learning	4,233,510	738,770	-371,810	4,600,470	-4,600,470	0
-41,590	C&W Efficiencies	0	-57,160	0	-57,160	0	-57,160
<b>5,252,740</b>	<b>TOTAL C&amp;W</b>	<b>9,227,810</b>	<b>2,702,730</b>	<b>-401,510</b>	<b>11,529,030</b>	<b>-6,392,980</b>	<b>5,136,050</b>
<b>156,682,030</b>	<b>TOTAL ADULTS &amp; COMMUNITIES</b>	<b>51,549,450</b>	<b>243,747,890</b>	<b>-850,200</b>	<b>294,447,140</b>	<b>-122,945,110</b>	<b>171,502,030</b>

**PUBLIC HEALTH DEPARTMENT****REVENUE BUDGET 2022/23**

<b>Net Budget 2021/22 £</b>		<b>Employees £</b>	<b>Running Expenses £</b>	<b>Internal Income £</b>	<b>Gross Budget</b>	<b>External Income £</b>	<b>Net Budget 2022/23 £</b>
-25,515,000	<b>Public Health Ring-Fenced Grant</b>	0	0	0	0	-25,515,000	-25,515,000
	<b>Department</b>						
2,171,620	Public Health Leadership	2,196,550	542,000	-4,593,790	-1,855,240	-296,360	-2,151,600
919,210	Local Area Co-ordination	1,701,110	72,830	0	1,773,940	-85,370	1,688,570
543,610	Quit Ready	372,530	259,750	0	632,280	-21,000	611,280
272,030	First Contact Plus	865,130	700	0	865,830	-158,640	707,190
209,010	Other Public Health Services	0	171,510	0	171,510	0	171,510
778,100	Programme Delivery	922,850	829,580	-58,900	1,693,530	-180,330	1,513,200
310,720	Public Health Advice	0	760,720	0	760,720	0	760,720
270,960	Weight Management Service	252,090	41,500	0	293,590	-10,000	283,590
500,000	NHS Health Check programme	0	500,000	0	500,000	0	500,000
5,975,260	<b>Total</b>	<b>6,310,260</b>	<b>3,178,590</b>	<b>-4,652,690</b>	<b>4,836,160</b>	<b>-751,700</b>	<b>4,084,460</b>
8,233,240	<b>0-19 Childrens Public Health</b>	0	9,447,340	-323,000	9,124,340	0	9,124,340
	<b>Safer Communities</b>						
385,260	Domestic Violence	0	434,700	0	434,700	0	434,700
4,076,070	Sexual Health	0	4,286,880	0	4,286,880	-100,000	4,186,880
4,025,930	Substance Misuse	0	4,399,630	0	4,399,630	-215,820	4,183,810
8,487,260	<b>Total</b>	<b>0</b>	<b>9,121,210</b>	<b>0</b>	<b>9,121,210</b>	<b>-315,820</b>	<b>8,805,390</b>
	<b>Physical Activity and Obesity</b>						
1,110,950	Physical Activity	0	1,145,950	0	1,145,950	0	1,145,950
190,000	Obesity Programmes	0	190,000	0	190,000	0	190,000
1,300,950	<b>Total</b>	<b>0</b>	<b>1,335,950</b>	<b>0</b>	<b>1,335,950</b>	<b>0</b>	<b>1,335,950</b>
102,200	<b>Health Protection</b>	608,440	41,830	0	650,270	-1,500	648,770
70,000	<b>Tobacco Control</b>	0	70,000	0	70,000	0	70,000
0	<b>Active Together</b>	1,240,440	1,836,430	-1,660,720	1,416,150	-1,416,150	0
<b>-1,346,090</b>	<b>TOTAL PUBLIC HEALTH</b>	<b>8,159,140</b>	<b>25,031,350</b>	<b>-6,636,410</b>	<b>26,554,080</b>	<b>-28,000,170</b>	<b>-1,446,090</b>

**ENVIRONMENT & TRANSPORT DEPARTMENT****REVENUE BUDGET 2022/23**

Net Budget 2021/22 £		Employees £	Running Expenses £	Internal Income £	Gross Budget £	External Income £	Net Budget 2022/23 £
<b>HIGHWAYS &amp; TRANSPORT</b>							
<b>Development &amp; Growth</b>							
950,550	Development & Growth management AD	1,351,220	289,950	-572,620	1,068,550	-3,000	1,065,550
413,640	HS2	254,980	32,700	-4,950	282,730	-8,000	274,730
<b>H &amp; T Commissioning</b>							
1,803,530	H & T Staffing & Admin	4,405,940	3,274,970	-4,852,400	2,828,510	-926,490	1,902,020
<b>H &amp; T Network Management</b>							
1,280,490	Traffic controls	0	1,309,140	0	1,309,140	-25,000	1,284,140
557,360	Road Safety	487,820	634,770	-411,080	711,510	-209,150	502,360
-1,160	Speed Awareness	216,650	1,544,780	0	1,761,430	-1,761,430	0
205,840	Sustainable Travel	366,790	400,700	-562,930	204,560	0	204,560
758,600	H & T Network Staffing & Admin	4,279,560	60,250	-850,010	3,489,800	-2,709,860	779,940
20	Civil Parking Enforcement	0	1,217,370	0	1,217,370	-1,217,370	0
<b>Highways and Transport Operations</b>							
<b>Highways &amp; Transport Operations Delivery</b>							
1,475,730	Staffing & Admin Delivery	1,842,090	148,240	-479,650	1,510,680	0	1,510,680
1,952,650	Winter Maintenance	0	1,985,150	0	1,985,150	0	1,985,150
103,290	Passenger Fleet	4,072,730	1,541,090	-5,301,030	312,790	-111,760	201,030
2,678,630	SEN Fleet	0	2,678,630	0	2,678,630	0	2,678,630
1,817,390	Social Care Fleet	0	2,053,390	0	2,053,390	-236,000	1,817,390
<b>Highways &amp; Transport Operations Resourcing</b>							
4,483,200	Environmental Maintenance	0	4,555,200	0	4,555,200	-72,000	4,483,200
1,955,500	Reactive Maintenance	0	2,252,700	-297,200	1,955,500	0	1,955,500
3,706,930	Staffing & Admin Resourcing	3,824,800	251,300	-86,000	3,990,100	-106,500	3,883,600
13,819,200	SEN External	40,000	14,315,640	0	14,355,640	-131,700	14,223,940
3,516,300	Mainstream School Transport	0	4,221,500	0	4,221,500	-1,107,600	3,113,900
2,175,400	Social Care External	0	2,282,820	0	2,282,820	-52,800	2,230,020
0	Joint Arrangements	0	353,110	-26,250	326,860	-326,860	0
2,221,230	Public Bus Services	0	3,855,610	-209,470	3,646,140	-1,541,910	2,104,230
-53,310	Fleet Services	569,880	822,410	-1,500,870	-108,580	-50,400	-158,980
<b>Highways &amp; Transport Operations Services</b>							
2,214,860	Street Lighting Maintenance	0	2,275,870	0	2,275,870	-56,340	2,219,530
21,500	Blue badge	0	222,900	0	222,900	-150,250	72,650
397,560	H & T Operations Management	408,390	4,570	-8,600	404,360	0	404,360
-2,049,450	Staffing, Admin & Depot Overheads	9,673,470	3,971,230	-13,068,660	576,040	-2,819,310	-2,243,270
27,500	Cyclic Maintenance	0	27,500	0	27,500	0	27,500
4,977,600	Concessionary Travel	0	4,937,850	0	4,937,850	-23,850	4,914,000
<b>51,410,580</b>	<b>TOTAL</b>	<b>31,794,320</b>	<b>61,521,340</b>	<b>-28,231,720</b>	<b>65,083,940</b>	<b>-13,647,580</b>	<b>51,436,360</b>
<b>ENVIRONMENT &amp; WASTE MANAGEMENT</b>							
419,430	E&W Branch Management	417,350	2,470	0	419,820	0	419,820
<b>Environment &amp; Waste Management Commissioning</b>							
1,263,490	Staffing and Admin	1,449,310	7,700	-132,380	1,324,630	-14,000	1,310,630
788,060	Initiatives	122,630	1,015,400	-109,800	1,028,230	-170,870	857,360
60,000	Recycling & Reuse credits	0	60,000	0	60,000	0	60,000
<b>Waste Management Delivery</b>							
331,710	Staffing & Admin	366,820	3,240	-20,000	350,060	0	350,060
9,343,940	Landfill	0	9,895,290	0	9,895,290	0	9,895,290
8,802,000	Treatment & Contracts	0	8,265,650	0	8,265,650	0	8,265,650
2,209,000	Dry Recycling	0	2,874,000	0	2,874,000	-665,000	2,209,000
1,591,000	Composting Contracts	0	1,591,000	0	1,591,000	0	1,591,000
3,710,640	Recycling & Household Waste	3,021,930	1,265,940	-12,000	4,275,870	-591,290	3,684,580
2,208,370	Haulage & Waste Transfer	572,170	1,701,580	0	2,273,750	-5,000	2,268,750
-1,458,000	Income	0	0	0	0	-1,503,000	-1,503,000
-30,000	WEEE Funding	0	0	0	0	-32,000	-32,000
<b>29,239,640</b>	<b>TOTAL</b>	<b>5,950,210</b>	<b>26,682,270</b>	<b>-274,180</b>	<b>32,358,300</b>	<b>-2,981,160</b>	<b>29,377,140</b>
<b>Departmental &amp; Business Management</b>							
2,012,170	Management & Admin	2,100,770	708,230	-775,100	2,033,900	-6,000	2,027,900
425,200	Departmental Costs	55,250	499,290	-5,000	549,540	-168,500	381,040
<b>2,437,370</b>	<b>TOTAL</b>	<b>2,156,020</b>	<b>1,207,520</b>	<b>-780,100</b>	<b>2,583,440</b>	<b>-174,500</b>	<b>2,408,940</b>
<b>83,087,590</b>	<b>TOTAL ENVIRONMENT &amp; TRANSPORT</b>	<b>39,900,550</b>	<b>89,411,130</b>	<b>-29,286,000</b>	<b>100,025,680</b>	<b>-16,803,240</b>	<b>83,222,440</b>

**CHIEF EXECUTIVE'S DEPARTMENT****REVENUE BUDGET 2022/23**

<b>Budget 2021/22 £</b>		<b>Employees £</b>	<b>Running Expenses £</b>	<b>Internal Income £</b>	<b>Gross Budget</b>	<b>External Income £</b>	<b>Net Budget 2022/23 £</b>
	<b>DEMOCRATIC SERVICES, ADMIN &amp; CIVIC AFFAIRS</b>						
1,354,790	Democratic Services and Administration	1,325,700	92,420	0	1,418,120	-63,330	1,354,790
114,000	Subscriptions	0	69,000	0	69,000	0	69,000
165,900	Civic Affairs	29,040	142,860	0	171,900	-6,000	165,900
<b>1,634,690</b>	<b>TOTAL</b>	<b>1,354,740</b>	<b>304,280</b>	<b>0</b>	<b>1,659,020</b>	<b>-69,330</b>	<b>1,589,690</b>
2,561,950	<b>LEGAL SERVICES</b>	3,665,830	139,460	-608,750	3,196,540	-634,590	2,561,950
	<b>STRATEGY AND BUSINESS INTELLIGENCE</b>						
1,507,590	Business Intelligence	2,148,420	137,410	-524,890	1,760,940	-253,350	1,507,590
1,732,120	Policy and Communities	892,300	1,360,290	-70,470	2,182,120	-300,000	1,882,120
1,273,170	Growth Service	1,263,900	839,140	-425,060	1,677,980	-264,810	1,413,170
412,290	Management and Administration	407,250	5,040	0	412,290	0	412,290
<b>4,925,170</b>	<b>TOTAL</b>	<b>4,711,870</b>	<b>2,341,880</b>	<b>-1,020,420</b>	<b>6,033,330</b>	<b>-818,160</b>	<b>5,215,170</b>
299,730	<b>EMERGENCY MANAGEMENT AND RESILIENCE</b>	653,210	101,600	-124,910	629,900	-330,170	299,730
	<b>REGULATORY SERVICES</b>						
1,602,680	Trading Standards	1,804,830	155,850	-60,000	1,900,680	-178,000	1,722,680
1,095,970	Coroners	236,670	999,300	0	1,235,970	-60,000	1,175,970
-101,940	Registrars	987,570	73,190	0	1,060,760	-1,162,700	-101,940
<b>2,596,710</b>	<b>TOTAL</b>	<b>3,029,070</b>	<b>1,228,340</b>	<b>-60,000</b>	<b>4,197,410</b>	<b>-1,400,700</b>	<b>2,796,710</b>
506,160	<b>PLANNING SERVICES</b>	1,220,620	164,820	-29,910	1,355,530	-874,370	481,160
-69,120	<b>DEPARTMENTAL ITEMS</b>	-88,120	19,000	0	-69,120	0	-69,120
<b>12,455,290</b>	<b>TOTAL CHIEF EXECUTIVES</b>	<b>14,547,220</b>	<b>4,299,380</b>	<b>-1,843,990</b>	<b>17,002,610</b>	<b>-4,127,320</b>	<b>12,875,290</b>

## CORPORATE RESOURCES DEPARTMENT

## REVENUE BUDGET 2022/23

Net Budget 2021/22 £000		Employees £000	Running Expenses £000	Internal Income £000	Gross Budget £000	External Income £000	Net Budget 2022/23 £000
<b>AD Finance, Strategic Property &amp; Commissioning</b>							
2,610,350	Strategic Property	1,945,590	1,243,200	-547,070	2,641,720	-207,570	2,434,150
2,321,810	Audit & Insurance	1,858,490	3,339,500	-1,160,560	4,037,430	-1,830,080	2,207,350
3,811,530	Strategic Finance & Pensions	5,569,580	406,260	-1,683,770	4,292,070	-203,030	4,089,040
386,230	Corporate Resource Other	48,280	94,480	-51,000	91,760	0	91,760
-108,660	Score+ Schemes	0	0	0	0	-108,660	-108,660
1,045,480	Commissioning Support	1,250,540	35,800	-149,000	1,137,340	-12,500	1,124,840
<b>10,066,740</b>		<b>10,672,480</b>	<b>5,119,240</b>	<b>-3,591,400</b>	<b>12,200,320</b>	<b>-2,361,840</b>	<b>9,838,480</b>
<b>1,808,210</b>	<b>East Midlands Shared Services</b>	<b>4,488,610</b>	<b>2,189,540</b>	<b>-310,020</b>	<b>6,368,130</b>	<b>-4,394,370</b>	<b>1,973,760</b>
<b>AD IT, Communications &amp; Digital, Customer Service</b>							
11,231,370	IT	7,352,000	5,860,910	-1,185,700	12,027,210	10,000	12,037,210
1,020,230	Communications & Digital Services	1,321,330	241,500	-535,500	1,027,330	-10,060	1,017,270
2,281,230	Customer Services	2,569,510	-205,600	-129,530	2,234,380	-54,850	2,179,530
<b>14,532,830</b>		<b>11,242,840</b>	<b>5,896,810</b>	<b>-1,850,730</b>	<b>15,288,920</b>	<b>-54,910</b>	<b>15,234,010</b>
<b>Commercialism</b>							
<b>LTS Catering</b>							
86,510	Leisure & Hospitality	555,610	514,630	-31,080	1,039,160	-867,750	171,410
-118,430	Education Catering	11,985,860	6,159,880	-8,279,250	9,866,490	-10,119,120	-252,630
-322,590	Beaumanor	901,210	540,910	-46,690	1,395,430	-1,522,290	-126,860
<b>-354,510</b>		<b>13,442,680</b>	<b>7,215,420</b>	<b>-8,357,020</b>	<b>12,301,080</b>	<b>-12,509,160</b>	<b>-208,080</b>
<b>LTS Professional &amp; Other Services</b>							
-21,920	Bursar Service	198,920	14,540	-59,030	154,430	-176,000	-21,570
-345,300	LEAMIS	703,360	323,400	-933,440	93,320	-490,000	-396,680
-40	Music Service	1,448,110	525,890	0	1,974,000	-1,974,000	0
-94,980	HR Services	1,174,540	57,150	-219,550	1,012,140	-1,117,620	-105,480
<b>-462,240</b>		<b>3,524,930</b>	<b>920,980</b>	<b>-1,212,020</b>	<b>3,233,890</b>	<b>-3,757,620</b>	<b>-523,730</b>
<b>-915,520</b>	<b>LTS Infrastructure</b>	<b>227,500</b>	<b>71,000</b>	<b>-64,140</b>	<b>234,360</b>	<b>0</b>	<b>234,360</b>
<b>-1,732,270</b>	<b>Total Commercialism</b>	<b>17,195,110</b>	<b>8,207,400</b>	<b>-9,633,180</b>	<b>15,769,330</b>	<b>-16,266,780</b>	<b>-497,450</b>
<b>Corporate Services</b>							
<b>Operational Property</b>							
3,491,720	Building Running Costs	251,350	4,169,560	-238,000	4,182,910	-817,610	3,365,300
2,300,000	Building Maintenance	0	3,650,000	-1,350,000	2,300,000	0	2,300,000
2,064,390	Operational Property	1,951,510	213,740	-208,270	1,956,980	0	1,956,980
60,230	Traveller Services	228,890	52,740	-14,950	266,680	-206,290	60,390
<b>7,916,340</b>		<b>2,431,750</b>	<b>8,086,040</b>	<b>-1,811,220</b>	<b>8,706,570</b>	<b>-1,023,900</b>	<b>7,682,670</b>
<b>Corporate Services</b>							
948,880	Business Support Services	929,970	154,650	-126,960	957,660	-13,600	944,060
618,040	Management	683,780	9,610	-33,000	660,390	0	660,390
1,982,550	HR	2,393,900	46,420	-394,690	2,045,630	0	2,045,630
1,387,840	L&D	1,601,140	88,780	-143,960	1,545,960	-159,700	1,386,260
-26,540	LTS Property Services	2,945,810	1,872,890	-4,172,390	646,310	-724,770	-78,460
234,890	Country Parks	525,370	414,240	0	939,610	-744,750	194,860
1,427,200	Transformation	3,639,700	24,930	-2,289,110	1,375,520	0	1,375,520
<b>6,572,860</b>		<b>12,719,670</b>	<b>2,611,520</b>	<b>-7,160,110</b>	<b>8,171,080</b>	<b>-1,642,820</b>	<b>6,528,260</b>
<b>14,489,200</b>		<b>15,151,420</b>	<b>10,697,560</b>	<b>-8,971,330</b>	<b>16,877,650</b>	<b>-2,666,720</b>	<b>14,210,930</b>
<b>Corporate Asset Investment Fund</b>							
-495,800	Rural	0	1,219,200	0	1,219,200	-1,266,500	-47,300
0	Distribution	0	0	0	0	0	0
-1,062,090	Industrial	0	1,376,630	-251,000	1,125,630	-2,969,600	-1,843,970
-2,647,820	Office	0	490,850	0	490,850	-4,077,310	-3,586,460
-1,600,000	Other	0	740,000	-118,000	622,000	-1,600,000	-978,000
<b>-5,805,710</b>		<b>0</b>	<b>3,826,680</b>	<b>-369,000</b>	<b>3,457,680</b>	<b>-9,913,410</b>	<b>-6,455,730</b>
<b>33,359,000</b>	<b>TOTAL CORPORATE RESOURCES</b>	<b>58,750,460</b>	<b>35,937,230</b>	<b>-24,725,660</b>	<b>69,962,030</b>	<b>-35,658,030</b>	<b>34,304,000</b>



**CORPORATE & CENTRAL ITEMS****REVENUE BUDGET 2022/23**

Net Budget 2021/22 £		Employees £	Running Expenses £	Internal Income £	Gross Budget £	External Income £	Net Budget 2022/23 £
<b><u>CORPORATE</u></b>							
-2,285,000	DSG (Central Dept recharges)	0	0	0	0	-2,285,000	-2,285,000
8,000,000	MTFS RISKS CONTINGENCY	0	8,000,000	0	8,000,000	0	8,000,000
28,300,000	COVID-19 BUDGET	0	0	0	0	0	0
4,548,000	CONTINGENCY FOR INFLATION/ LIVING WAGE *	12,400,000	16,378,000	0	28,778,000	0	28,778,000
<b>38,563,000</b>	<b>TOTAL CORPORATE BUDGETS</b>	<b>12,400,000</b>	<b>24,378,000</b>	<b>0</b>	<b>36,778,000</b>	<b>-2,285,000</b>	<b>34,493,000</b>
<b><u>CENTRAL ITEMS</u></b>							
19,000,000	FINANCING OF CAPITAL	0	22,371,000	-54,000	22,317,000	-2,817,000	19,500,000
2,500,000	REVENUE FUNDING OF CAPITAL	0	2,500,000	0	2,500,000	0	2,500,000
<b>CENTRAL EXPENDITURE</b>							
1,500,000	Pensions (pre LGR /LGR)	0	1,400,000	0	1,400,000	0	1,400,000
1,229,000	Members Expenses & Support etc	90,800	1,138,200	0	1,229,000	0	1,229,000
311,000	Flood Defence Levies	0	311,000	0	311,000	0	311,000
200,000	Elections	0	200,000	0	200,000	0	200,000
-691,000	Financial Arrangements	0	235,000	-221,000	14,000	-855,000	-841,000
500,000	LCTS	0	0	0	0	0	0
3,049,000		90,800	3,284,200	-221,000	3,154,000	-855,000	2,299,000
<b>CENTRAL INCOME</b>							
-1,300,000	Bank & Other Interest	0	0	0	0	-1,400,000	-1,400,000
-1,300,000		0	0	0	0	-1,400,000	-1,400,000
<b>23,249,000</b>	<b>TOTAL CENTRAL ITEMS</b>	<b>90,800</b>	<b>28,155,200</b>	<b>-275,000</b>	<b>27,971,000</b>	<b>-5,072,000</b>	<b>22,899,000</b>

\* 2021/22 contingency net of transfers to Departmental budgets

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**CHILDREN & FAMILY SERVICES - CAPITAL PROGRAMME 2022-26**

Estimated Completion Date	Gross Cost of Project £000		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
		<b><u>MAIN GRANT FUNDED PROGRAMME</u></b>					
Mar-26	62,296	<b>Provision of Additional School Places</b>	<b>24,113</b>	<b>19,342</b>	<b>14,591</b>	<b>4,250</b>	<b>62,296</b>
		<b>SEND Programme</b>					
Mar-24	9,000	SEMH Special School - Free School	1,000	8,000			9,000
Mar-23	2,300	Expansion of Special Schools	2,300				2,300
Mar-23	2,612	New/Expansion of Special School	2,612				2,612
		<b>Sub-total - SEND Programme</b>	<b>5,912</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>13,912</b>
Mar-26	8,000	Strategic Capital Maintenance	2,000	2,000	2,000	2,000	8,000
Mar-26	2,000	Schools Devolved Formula Capital	500	500	500	500	2,000
Mar-25	600	Schools Access / Security	200	200	200		600
		<u>Children's Social Care Investment Plan (SCIP)</u>					
Mar-23	2,500	Assessment & Residential - Multi-functional properties x 4	259				259
Mar-23	2,000	Residential Homes - phase1	1,945				1,945
Mar-26	5,000	Residential Homes - subject to business cases	0	1,500	1,750	1,750	5,000
		<b>Other Capital</b>	<b>4,904</b>	<b>4,200</b>	<b>4,450</b>	<b>4,250</b>	<b>17,804</b>
		<b>Overall Total</b>	<b>34,929</b>	<b>31,542</b>	<b>19,041</b>	<b>8,500</b>	<b>94,012</b>

		<b><u>Future Developments - subject to further detail and approved business cases</u></b>					
		New Area Special School					
		Additional School Infrastructure arising from Housing Developments					
		SEN Provision arising from new housing developments					
		Further Residential Opportunities					

**ADULTS & COMMUNITIES - CAPITAL PROGRAMME 2022-26**

Estimated Completion Date	Gross Cost of Project £000		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Mar-26 Mar-23	17,788 30	Disabled Facilities Grant (DFG)	4,447	4,447	4,447	4,447	17,788
		Changing Places/Toilets (Personal Assistance)	30				30
Mar-25 Mar-25	5,500 3,955	<u>Social Care Investment Plan (SCIP):</u>					
		Specialist Dementia Facility - Coalville	1,940	2,550	950		5,440
		SCIP - Additional accommodation schemes to be confirmed	500	1,955	1,500		3,955
		Sub-Total SCIP	2,440	4,505	2,450	0	9,395
		Total A&C	6,917	8,952	6,897	4,447	27,213

		<b><u>Future Developments - subject to further detail and approved business cases</u></b>					
		Records Office					
		Heritage and Learning Collections Hub					
		Adult Accommodation Strategy (Social Care Investment Plan)					
		Digital for A&C					

## ENVIRONMENT & TRANSPORT - CAPITAL PROGRAMME 2022-26

Estimated Completion Date	Gross Cost of Project £000		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
		<u>Major Schemes</u>					
Mar-25	85,270	Melton Distributor Road - North and East Sections	20,708	29,230	19,660		69,598
Mar-26	37,500	Melton Distributor Road - Southern Section	1,993	3,684	23,441	5,601	34,719
Mar-24	12,430	Zouch Bridge Replacement - Construction and Enabling Works	5,000	5,427			10,427
Mar-26	10,595	County Council Vehicle Replacement Programme	2,995	2,700	2,400	2,500	10,595
Mar-26	12,097	Advance Design / Match Funding	3,068	3,438	3,233	2,358	12,097
Mar-24	5,430	A511/A50 Major Road Network - Advanced design	942	2,429			3,371
Mar-25	10,000	Melton Depot - Replacement	550	8,127	968		9,645
Mar-24	1,700	Leicester and Leicestershire Integrated Transport Model - Refresh	1,250	450			1,700
			<b>36,506</b>	<b>55,485</b>	<b>49,702</b>	<b>10,459</b>	<b>152,152</b>
Mar-26	46,706	<u>Transport Asset Management</u>	0	19,048	14,531	13,127	46,706
Mar-23	2,655	Capital Schemes and Design	2,655				2,655
Mar-23	1,081	Bridges	1,081				1,081
Mar-23	303	Flood Alleviation- Environmental works	303				303
Mar-23	1,730	Street Lighting	1,730				1,730
Mar-23	433	Traffic Signal Renewal	433				433
Mar-23	3,956	Preventative Maintenance - (Surface Dressing)	3,956				3,956
Mar-23	9,022	Restorative (Patching)	9,022				9,022
Mar-23	21	Public rights of way maintenance	21				21
Mar-23	47	Network Performance & Reliability	47				47
Mar-23	5,655	Hinckley Hub (Hawley Road) - National Productivity Investment Fund	0	1,335			1,335
Mar-26	1,100	Safety Schemes	300	300	250	250	1,100
Mar-25	770	Highways Depot Improvements - subject to business case	0	370	400		770
			<b>19,548</b>	<b>21,053</b>	<b>15,181</b>	<b>13,377</b>	<b>69,159</b>
		<u>Environment &amp; Waste</u>					
Mar-23	5,500	Kibworth Site Redevelopment (Commitments b/f)	2,000				2,000
Mar-23	9,000	Waste Transfer Station Development (Commitments b/f)	671	284			955
Mar-26	1,852	Recycling Household Waste Sites - General Improvements	210	232	1,160	250	1,852
Mar-23	75	Recycling Household Waste Sites - Lighting	75				75
Mar-23	340	Mobile Plant	215				215
			<b>3,171</b>	<b>516</b>	<b>1,160</b>	<b>250</b>	<b>5,097</b>
		<b>Total E&amp;T</b>	<b>59,225</b>	<b>77,054</b>	<b>66,043</b>	<b>24,086</b>	<b>226,408</b>

**ENVIRONMENT & TRANSPORT - CAPITAL PROGRAMME 2022-26 (Continued)**

		<b><u>Future Developments - subject to further detail and approved business cases</u></b> RHWS Lighting New Melton RHWS Additional bid development/match funding Lutterworth Spine Road Windrow Composting Facility Compaction equipment Whetstone mobile plant A511 Corridor Green vehicle fleet					
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**CHIEF EXECUTIVES - CAPITAL PROGRAMME 2022-26**

Estimated Completion Date	Gross Cost of Project £000		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Mar-26	400	Leicestershire Grants	100	100	100	100	400
Mar-24	250	Legal - Case Management System - subject to business case	0	250			250
		Total Chief Executives	100	350	100	100	650

		<b><u>Future Developments - subject to further detail and approved business cases</u></b> Rural Broadband Scheme					
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## CORPORATE RESOURCES - CAPITAL PROGRAMME 2022-26

Estimated Completion Date	Gross Cost of Project £000		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Mar-26	700	<u>ICT</u> Network Equipment	0	0	100	600	700
Mar-26	240	Replacement of IT Service Management toolset and User Portal	0	0	0	240	240
Mar-26	100	Remote Access Refresh	50	0	0	50	100
Mar-26	1,700	Hyper-Converged Infrastructure (HCI) Refresh/re-license	200	0	0	1,500	1,700
Mar-23	950	Backup System Replacement	950				950
		Sub total ICT	<b>1,200</b>	<b>0</b>	<b>100</b>	<b>2,390</b>	<b>3,690</b>
		<u>Transformation Unit - Ways of Working</u>					
Mar-24	1,334	Workplace Strategy - Office Infrastructure	1,084	250			1,334
Mar-26	9,400	Workplace Strategy - End User Device (PC, laptop)	1,580	1,209	862	1,293	4,944
Mar-25	1,460	Workplace Strategy - property costs, dilapidations and refurbishments	850	210	400		1,460
		Sub total Transformation Unit	<b>3,514</b>	<b>1,669</b>	<b>1,262</b>	<b>1,293</b>	<b>7,738</b>
		<u>Property Services</u>					
Mar-24	440	County Hall Lift Replacement Scheme	<b>150</b>	<b>130</b>			<b>280</b>
		<u>Country Parks</u>					
Mar-23	63	Bosworth Country Park - ANPR Car Parking	<b>63</b>				<b>63</b>
		<u>Climate Change - Environmental Improvements</u>					
Mar-24	650	Score + (Schools Energy Efficiency Scheme)	330	320			650
Mar-24	90	Electric Vehicle Car Charge Points	0	90			90
Mar-23	15	Minimum Energy Efficiency Standards & Performance Certificates	15				15
		Sub total Energy	<b>345</b>	<b>410</b>	<b>0</b>	<b>0</b>	<b>755</b>
		<b>Total Corporate Resources</b>	<b>5,272</b>	<b>2,209</b>	<b>1,362</b>	<b>3,683</b>	<b>12,526</b>

## **CORPORATE RESOURCES - CAPITAL PROGRAMME 2022-26 (Continued)**

		<b><u>Future Developments - subject to further detail and approved business cases</u></b> Major System Replacements, IAS, Mosaic, Capita One, STADS, PAMS, s106 system <u>ICT Future Development:</u> Remote Access Network Connectivity (Resiliency) WDM Equipment (DC to DC Connectivity Hardware) Telephony Equipment Load Balancers Mobile Smartphone Refresh Solaris Storage <u>Country Parks Future Developments:</u> Potential for further Cafés Country Parks - ANPR ticketless car parking expansion Ashby Woulds Heritage Trail - resurfacing Broombriggs Farm Cottage - refurbishment New Adventure Play Facility <u>Climate Change Future Developments:</u> Energy & Water Strategy - Invest to save Green energy generation Decarbonisation of LCC's Property Estate Score + (Schools Energy Efficiency Scheme)					
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## CORPORATE - CAPITAL PROGRAMME 2022-26

Estimated Completion Date	Gross Cost of Project £000		2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
		<b><u>Corporate Asset Investment Fund (CAIF)</u></b>					
Mar-26	9,400	Airfield Business Park - Phase 3-4	6,300	2,100	0	1,000	9,400
Mar-23	6,390	Quorn Solar Farm	6,178				6,178
Mar-24	2,750	M69 Junction 2 - SDA	900	170			1,070
Mar-24	8,200	Lutterworth Leaders Farm - Drive Thru Restaurants	2,500				2,500
Mar-23	5,000	East of Lutterworth SDA (Planning and Preparatory works)	500	3,500			4,000
Mar-26	1,000	County Farms Estate - General Improvements	250	250	250	250	1,000
Mar-26	1,000	Industrial Properties Estate - General Improvements	250	250	250	250	1,000
Mar-26	48,000	Asset Acquisitions / New Investments - subject to Business Case	5,000	10,000	13,000	20,000	48,000
		Sub total CAIF	<b>21,878</b>	<b>16,270</b>	<b>13,500</b>	<b>21,500</b>	<b>73,148</b>
Mar-26	60,000	<b><u>Future Developments</u> - subject to business cases</b>	<b>1,000</b>	<b>19,000</b>	<b>20,000</b>	<b>20,000</b>	<b>60,000</b>
Mar-26	20,600	<b><u>Major Schemes Portfolio Risk</u></b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>10,600</b>	<b>20,600</b>
		Total Corporate Programme	<b>22,878</b>	<b>40,270</b>	<b>38,500</b>	<b>52,100</b>	<b>153,748</b>

		<b><u>Future Developments - subject to further detail and approved business cases</u></b>					
		Sustainability / Invest to Save Schemes					

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**CAPITAL STRATEGY 2022-2026****Introduction**

This strategy sets out the County Council's approach to compiling the capital programme, its priorities, availability of funding and financial management.

The County Council's capital programme is derived primarily from the Strategic Plan. It aligns with departmental commissioning and service plans to ensure a prioritised, joined up use of resources to maximise outcomes for all Leicestershire service users, citizens and other stakeholders.

This strategy links to the Medium Term Financial Strategy, the Corporate Asset Investment Fund (CAIF) Strategy and the Treasury Management Strategy. The CAIF Strategy sets out the Council's approach to non Treasury Management investments made primarily for the purpose of generating an income and supporting economic development. The level of funding available for the CAIF is determined by the Capital Strategy.

The overall approach to developing the capital programme is based upon the following key principles;

- To invest in priority areas of growth, including roads, infrastructure, economic growth, including forward the forward funding of projects;
- To invest in projects that generate a positive revenue return (spend to save);
- To invest in ways which support delivery of essential services;
- Passport Government capital grants received for key priorities for highways and education to those departments.
- Maximise the achievement of capital receipts.
- Maximise other sources of income such bids to the LLEP, section 106 housing developer contributions and other external funding agencies.
- No or limited prudential borrowing (only if the returns exceed the borrowing costs).

**Funding Sources**

The approach to funding is:

**External Funding**

- Central Government Grants – passport grants to the relevant departments, even when not ring fenced.
- External Grants - maximise bids for funding from external sources including providing matched funding where appropriate to do so, subject to approval of fulfilment conditions and any contingent liabilities.
- External Contributions – maximise section 106 developer claims/ contributions to cover the full capital costs.

**Discretionary Programme**

- Capital Receipts – maximise individual receipts and use to fund the discretionary capital programme.
- Earmarked Capital Receipts – only to be used in situations where this is an unavoidable requirement of an external party, for example, there is a requirement to

gain DfE approval for the disposal of education assets, with the related receipts to be earmarked to education assets. These will be reviewed on a case by case basis to ensure the requirement is met and to consider options for substitution of discretionary funding where appropriate.

- Revenue underspends and surplus earmarked funds – review opportunities as they arise to contribute to the discretionary capital programme.
- Prudential borrowing – only to be used after all other available funding and only then where the incremental costs are fully funded from savings from the new investment. Internal borrowing (from County Council cash balances) would be prioritised over external borrowing.
- Leasing – Due to the County Council's ability to access relatively inexpensive funding rental/ lease proposals need to be appraised to ensure additional benefits justify the financing cost.

#### Other

- Renewal Earmarked Funds – held to make an annual contribution reflecting the life and replacement cost of the asset. Use when the service is externally funded (commercial, partnerships, specific grants) or small scale asset owned by an individual service. Larger more significant assets will be funded through the discretionary capital programme.
- Building Maintenance – funded through the Central Maintenance (revenue) Fund (CMF). Significant lifecycle replacements to be funded through the discretionary capital programme.
- Tax Incremental Financing (TIF) – investment repaid from additional income generated, for example additional Business Rates.

### **Capital Requirements**

#### Children's and Family Services

Demand	£	Funding
Meet demand for new school places.	High	Central Government grants
Meet increasing demand for SEN places	High	Developer contributions (section 106)
Children's Accommodation Strategy	High	Discretionary programme and grants
Maintenance and renewal for:		
Maintained school estate	High	Central Government grants
Children's Centres	Low	Discretionary Programme
Children's social care (minimal demand as commissioned service)	Low	Spend to save

#### Adults and Communities

Demand	£	Funding
Adult Accommodation Strategy	High	Discretionary programme
Disabled Facilities Grant	Mid	Central Government grants
Maintenance and renewal for:		
Libraries & Heritage	Low	Discretionary programme
Community Libraries	Low	Support external funding bids
Adult Social Care (minimal demand from commissioned service)	Low	Spend to save

Public Health

Demand	£	Funding
Public Health (minimal demand from commissioned service)	Low	Spend to save

Environment and Transport

Demand	£	Funding
Maintenance of the highway infrastructure (using asset management principles)	High	Central Government grants/ Discretionary programme
New Waste Transfer Station	High	Discretionary programme
Highways Depot Replacement	High	Discretionary programme
Improvement to the highway infrastructure		External Funding
Major schemes	Mid	Central Gov't grants (inc. LLEP, TIF)
Minor Schemes	Mid	Central Government grants
Advanced Design	Mid	Discretionary programme
County Council vehicle replacement programme	Mid	Discretionary programme
Maintenance and renewal of waste management infrastructure	Mid	Discretionary programme

Chief Executives

Demand	£	Funding
Programme of small shire community grants	Low	Discretionary programme
Other Services	Low	Spend to save, Discretionary programme

Corporate Resources

Demand	£	Funding
ICT Infrastructure		
Renew and expand the current corporate estate	Mid	Discretionary programme
Major ICT upgrades and replacements		Discretionary programme + Spend to save
Property Estate*	Mid	
Regulatory compliance		Discretionary programme
Expansion and replacement		Spend to save
Climate Change		
Environmental Improvements	Mid	Spend to save
Transformation/change	Low	Spend to save

\* maintenance of current properties funded from central maintenance fund (revenue budget)

Corporate Programme

Demand	£	Funding
Corporate Asset Investment Fund	High	Spend to save
Major Schemes Portfolio Risk	Med	Discretionary programme

**Future Developments Programme**

Demand	£	Funding
Including: New Area Special School Children's Social Care Additional School and Highways Infrastructure (from housing growth) Adult Accommodation Strategy Heritage and Learning Collections Hub New Recycling and Household Waste Site Economic Development, e.g. Broadband Major ICT system replacements Country Parks Strategy Climate Change Strategy Sustainability / Invest to Save Schemes	High	Discretionary Funding One off revenue and earmarked fund contributions Reinvest returns Spend to save

**External Funding**

To ensure that funding is at the required level the following approach will be taken.

**Children and Family Services**

Maximise DfE capital grant through up to date capacity assessments and school place data. Submit bids, where appropriate to do so, for additional DfE capital funding when available. Take opportunities to lobby the DfE for additional funding.

**Adults and Communities**

Work with District Councils and other partners to ensure that the Disabled Facilities Grant is at an appropriate level and how it is spent to reduce the costs of adult social care. Take opportunities to lobby the Department of Health for Social Care infrastructure grants.

**Environment and Transport**

Maintain Highways Infrastructure Asset Management Planning Level 3. Invest in advance design and business case development work focused on government priorities to access capital grants (which are increasingly being channelled through bidding processes) and developer funding.

**Section 106 Contributions / Forward Funding**

Maximise section 106 contributions through recovery of the total costs of required developments and regular review of key assumptions used (at least annually). Where funding of capital expenditure is required in advance of the receipt of section 106 income (usually paid on completion of trigger points) projects may require initial cash flow by the County Council or from rescheduling grant expenditure.

The County Council recognises the need to forward fund investment in infrastructure projects to enable new schools and roads to be built and unlock growth in Leicestershire before funding, mainly from section 106 developer contributions, is received. A total of £33m in forward funding is included in the proposed capital programme (in addition to £6m in previous years) that is planned to be repaid in the future. When the expected developer

contributions are received they will be earmarked to the capital programme, to reduce the dependency on internal cash balances in the future.

Forward funding presents a significant financial commitment for the County Council, but should ensure:

- Opportunities to secure external funding are maximised, through successful bids.
- The final cost of infrastructure investment is reduced (compared with what it would be if construction was delivered incrementally as and when smaller developments come forward).
- The design is optimised, to benefit of the local community.

There are risks involved in managing and financing a programme of this size. There is reduced scope for funding additional schemes that are identified in the future. And an increased reliance on developer contributions through section 106 agreements means that it may take many years for investment to be repaid. This could be further compounded in the event of an economic slowdown. To this end, support of district councils is essential to ensure the agreements reached with developers mitigate these risks.

#### Tax Incremental Financing

The County Council will work with District Councils on construction schemes that unlock infrastructure and housing growth and seek agreements to fund the work from linked Council Tax, Business Rates growth and additional New Homes Bonus Scheme grant.

#### Summary

The 4 year capital programme 2022-26 totals £515m. External funding from capital grants, section 106 agreements and third party contributions totals £237m. Without this funding being available schemes of any significant size would not be affordable by the County Council.

#### Discretionary Funding

The discretionary capital programme totals £278m for the period 2022-26. Funding is from the sale of County Council capital assets (capital receipts), MTFS revenue contributions and surplus earmarked funds. Discretionary funding also includes prudential borrowing, which is unsupported by central government with the costs of financing the borrowing undertaken falling on the County Council's revenue budget. A total of £143m of prudential borrowing is included in the 2022-26 capital programme.

#### Capital receipts

Property Services are responsible for identifying additional capital receipts and maximising the sale value of surplus assets. Property Services will seek opportunities to maximise the value of surplus land, for instance by obtaining planning permission. The targets for new capital receipts to fund the capital programme, are:

	General £m	Earmarked £m	Total £m
2022/23	6.0	2.7	8.7
2023/24	6.9	-	6.9
2024/25	6.6	-	6.6

2025/26	2.0	-	2.0
Total	21.5	2.7	24.2

The estimates are higher in the earlier years reflecting the increased confidence in the sale of those assets.

#### Revenue Funding

The capital programme includes a total of £93m in revenue funding of capital.

On-going revenue - £7m (£2.5m in 22/23, then £1.5m from 2023/24 allocated in the MTFS.

One-off revenue - £86m is allocated in the MTFS/ earmarked funds. These have arisen from past:

- Opportunities from underspends – cannot be relied upon going forward.
- MTFS risk contingency
- Surplus earmarked funds no longer required

#### Other

For invest to save schemes, a discount rate of 6% will be used, including inflation, (3.5% for energy projects) as part of the net present value assessment in the business case. Only projects that show a positive return using these rates will be considered for inclusion in the capital programme.

#### Funding from Internal Balances

A total of £143m in funding required is included within the capital programme to fund the programme and enable investment in schools and highway infrastructure to be made. Over the next 10 to 15 years it is anticipated that circa £39m of this funding will be repaid through the associated section 106 developer contributions.

Due to the strength of the County Council's balance sheet, it is possible to use internal balances (cash balances) to fund the capital programme on a temporary basis instead of raising new loans. Levels of cash balances held by the Council, currently £357m, comprise the amounts held for earmarked funds, provisions, Minimum Revenue Provision (MRP) set aside for the repayment of debt, and working capital of the Council. The cost of raising of external loans currently exceeds the cost of interest lost on cash balances by circa 1.5%.

The overall cost of using internal balances to fund £143m of investment is estimated to be £5.7m per annum by 2026, comprising MRP of £3.5m and reduced interest from investments of £2.2m. This is a prudent assessment as the impact will reduce in future years as the funding is repaid.

The County Council's current level of external debt is £263m. As described above this is not anticipated to increase during the MTFS.

#### Affordability

The impact of the discretionary programme on the revenue budget, and forecast at the end of the MTFS is:



<b>£m</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2025/26</b>
Revenue	0.7	1.5	2.5	1.5
MRP	10.0	6.0	6.2	8.8
Interest*	12.6	12.7	12.8	15.0
<b>On-going revenue total</b>	<b>23.3</b>	<b>20.2</b>	<b>21.5</b>	<b>25.3</b>
% Revenue budget	6.2%	5.2%	4.9%	5.1%
Voluntary MRP	0.0	0.0	0.0	0.0
One-off revenue	47.8	30.4	27.5	0.6
<b>One-off revenue</b>	<b>47.8</b>	<b>30.4</b>	<b>27.5</b>	<b>0.6</b>
<b>Total</b>	<b>71.1</b>	<b>43.9</b>	<b>43.9</b>	<b>27.4</b>
% Revenue budget	18.8%	11.3%	11.3%	6.1%

\*includes reduction in income received from transferred debt, plus interest cost of internal borrowing.

To ensure the discretionary programme remains affordable the following approach is taken to manage the MRP and interest charges:

- No new external borrowing to finance capital expenditure unless a scenario arises where external borrowing is more favourable than using internal borrowing. The balance between internal and external borrowing will be managed proactively, with the intention of minimising long-term financing costs.
- Temporarily use internal balances from the overall council cash balances in advance of their designated use.
- Review opportunities to repay debt.
- Re-profiled MRP in 2020/21 to be commensurate with the average age of assets funded from borrowing and delay the impact on the revenue budget. It should be noted that this does not reduce the amount to be set aside but delays the period over which it is to be paid.

#### Capital Financing Requirement

The CFR is the measure of the Council's historic need to borrow for capital purposes. As at 31<sup>st</sup> March 2022 the CFR is forecast to be £226m compared with actual debt of £263m. The difference is a temporary 'over-borrowed' position pending future scheduled debt repayments and new prudential borrowing requirements. The forecast annual cost of borrowing in 2022/23 is £19.5m rising to £22.5m by 2025/26. The financing costs (external interest and MRP) are met from the revenue budget.

The planned use of internal cash balances to fund the four year capital programme will add £143m to the CFR. Together with reductions made by MRP, the CFR is forecast to be £340m by the end of the MTFS (31 March 2026). Assuming no new borrowing is undertaken in this period, actual debt would be £256m at that time, resulting in an under-borrowed position of £84m. This can be managed as interest charges for new debt is forecast to continue to be higher than the interest that can be earned on cash balances.

The detailed approach to this is covered in the Treasury Management Strategy, approved by the County Council annually in February.

#### Financial Management of the Capital Programme

##### Prioritising the Programme

The approach to compiling the capital programme is through a combination of service requirements developed by each relevant department, statutory requirements and asset management planning.

For land and building assets, Strategic Property, in conjunction with service areas, develops all the estate strategies, asset management plans and property elements of the corporate capital and revenue programmes. They seek to ensure that the County Council is making full use of all assets, and any under-performing or surplus assets are identified and dealt with by either their disposal or investment to improve their usage. Outcomes from condition survey information together with on-going reviews of the property portfolio feed into the capital programme and revenue budget. The Corporate Asset Management Plan, which promotes the rationalisation of property assets, reducing running costs and cost effective procurement of property and property services is reported annually to the Cabinet.

The County Council operates the Corporate Asset Investment Fund (CAIF) which invests in assets to achieve both economic development and investment returns. A copy of the CAIF strategy is attached to the MTFS report. The CAIF operates through the Corporate Asset Investment Fund Strategy with a view to:

- Generate an income stream which increases the Council's financial resilience given the decrease in government funding
- Supports the delivery of front line services through increased income generation, or through capital investments that will reduce operating costs.
- Supports the Council's strategic objective of affordable and quality homes through helping to unlock and accelerate developments
- Manage investment risk by investing in diverse sectors
- Meet the objectives of the Council's Corporate Asset Management Plan, Strategic Plan, its Economic Growth Plan and the County-wide Local Industrial Strategy
- Maximise returns on Council owned property assets

Current holdings plus schemes in the 2021/22 capital programme will result in a total holding of £189m. A fund of £71m has been included the draft 2022-26 MTFS to bring the overall CAIF fund to the notional target of achieving a holding of £260m. Appraisal includes external due diligence performed before each purchase.

The corporate programme also includes additional funding of £60m for the Future Developments fund. The Fund is held to contribute towards schemes that have been identified but are not sufficiently detailed for inclusion in the capital programme at this time. There is a long list of projects that may require funding over the next 4 years. These include investment in infrastructure for schools and roads arising from increases in population, investment in health and social care service user accommodation, highways match funding of capital bids, and investment in the efficiency and productivity programme. The list of future developments is continually refreshed. Bids against the fund will be managed through prioritisation and where possible the identification of alternative funding sources. This approach forms part of the wider strategy to ensure that the capital programme is deliverable, affordable and the risks are understood, in line with CIPFA's requirements.

For highways and associated infrastructure needs, the Council's key transport policy document is the Local Transport Plan. This provides the long term strategy within which the Council manages and maintains its network. In light of the continuing financial challenge the

Council's priority is only to add to the highway network where this will help to enable new housing and jobs. Furthermore, additions will normally be considered only in circumstances where specific external funding can be secured to achieve this.

Further improvements to the highway network will require continued pursuit of external resources such as Government grants and developer funding. Government grants include bids to funds including Growth Fund (through the LLEP), the Growth and Housing Fund, the National Productivity Investment Fund, Local Authorities Majors Fund and the Housing Investment Fund. In order to maximise the impact of funding that can be secured for improvements, the County Council is doing more to define the roles of the various elements of the road network so that it is able to target investment where it will be of most benefit, particularly in terms of supporting economic prosperity and growth.

Bids for funding from the discretionary programme require the completion of a capital appraisal form for each project. The forms collate detailed information on the proposed project including justification against strategic outcomes, service objectives, statutory requirements and/or asset management planning, timelines, detailed costings including revenue consequences of the capital investment, and risks to delivery. All bids for land and building projects are also supplemented by a Strategic Property scoping and assessment form. Bids are then prioritised and assessed against the discretionary funding available. The revenue costs and savings associated with approved capital projects are included in the revenue budget.

Where schemes have not yet been fully developed these are included as future developments in the capital programme. As schemes are developed they are assessed against the available resources and included in the capital programme as appropriate.

### Financial Management of Delivery

The key risks to the delivery of the capital programme are overspending against the approved budget, delays in the delivery of projects/programmes thereby delaying the expected benefits, and delays in or non-receipt of external contributions towards the cost of the scheme.

To ensure that capital spending and the delivery of this strategy is effectively managed:

- Programmes being reviewed in light of the most up to date information around funding available and latest priorities.
- All schemes within the programme being monitored regularly, usually monthly.
- Financial progress being reported on a regular basis throughout the year and at year end to the Cabinet and Scrutiny Commission to update them on progress and any significant variations in costs.
- Projects part or wholly funded by external contributions being separately monitored to ensure compliance with any funding conditions applicable.
- All projects are assigned a project manager appropriate to the scale of the scheme.
- The procurement of projects within the capital programme following the Council's approved contract procedure rules and where applicable the Public Contract's Regulations 2015.

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# Corporate Asset Investment Fund

STRATEGY 2022/2026



# FOREWORD



**Lee Breckon**

Lead Member for Resources  
Leicestershire County Council  
and Chair of the Corporate Asset Investment Fund Advisory Board

The Council has a long and strong track record in owning and managing a diverse portfolio of property and other investment assets. In recent years, the Council has taken a more proactive commercial approach to investment expanding the portfolio, thereby boosting the local economy and generating vital income for front line council services.

This strategy helps ensure there is a strong and resilient foundation to the Council's property holdings and that council taxpayers' money is invested safely and wisely to ensure the services can continue to be supported against the background of tight financial settlements from central government.



**Chris Tambini,**

Director of Corporate Resources

The Corporate Asset Investment Fund is an important source of funding for the Council.

As central government support is reducing, it is important for the Council to ensure its long-term financial viability and stability. One important way this is achieved is by becoming more commercial and looking for new and innovative ways to safeguard the Council's services that people of Leicestershire rely on.

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Updated January 2022



# INTRODUCTION

- 1.1 Leicestershire County Council (the Council) owns and manages property and other investments, some of which are held for the purposes of generating income to support front line services. These types of investments are held in and funded through the Corporate Asset Investment Fund (the Fund) which the Council established in 2014.
- 1.2 Such investments have a significant and growing value that represent a means by which the Council can continue to provide high quality services to the people of Leicestershire despite the ongoing pressure on public finances. Since 2014, income generated by the Fund has reduced the amount of savings required to be made, and the impact on service provision to residents and businesses in the County which might otherwise have been adversely affected.
- 1.3 The Corporate Asset Investment Fund Strategy for 2022 to 2026 is aimed at supporting the growth of the Fund to further improve the Council's financial resilience as government grants continue to fall, and demand on services and operating costs continue to rise. It outlines how the Council will look to make investments during this period utilising the Fund and how it will manage these to help achieve the strategic priorities of the Council.
- 1.4 Whilst a key priority is to continue to increase the income/revenue for the Council from its investments, the Strategy sets out processes to ensure this is done in a transparent and safe and secure way, ensuring adequate liquidity should the Council ever need to call upon the capital invested, that risks are properly identified and managed and that performance is monitored continuously.
- 1.5 The Strategy for 2022-26 includes reference to indirect and non-property investments. These forms of investments have gained greater prominence within the Fund which now includes investments in Pooled Property Funds and private debt.
- 1.6 The Strategy is an integral part of the Council's Medium-Term Financial Strategy (MTFS) and intrinsically linked with the Corporate Asset Management Plan (CAMP) and the Treasury Management Strategy and Annual Investment Strategy and it should be read in conjunction with these documents.
- 1.7 The Council is committed to ensuring the Fund owns effective and efficient assets which enhance the environment and biodiversity in the county where possible and improves the lives of communities in the county whilst maximising opportunities to generate secure, long term, income streams such that the Fund is able to assist the Council deliver its front line services.





# STRATEGIC OBJECTIVES

2.1 The aims of this Strategy have been aligned with the five Strategic Outcomes set out in the Council's Strategic Plan (below) which will play a key role, alongside the Medium-Term Financial Strategy, in shaping the Council's investment activities over the next four years. The continued growth of the Fund during 2022 to 2026 will be at the heart of the Council's ability to deliver these objectives and other Council policies and programmes going forward.



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



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



**Keeping People Safe** - People in Leicestershire are safe and protected from harm.



**Great Communities** - Leicestershire communities are thriving and integrated places where people help and support each other and take pride in their local area



**Affordable and Quality Homes** - Leicestershire has a choice of quality homes that people can afford.

2.2 The specific aims of this Strategy are to ensure investments funded or held in the Fund:

- Support the objectives of the Council's MTFS.
- Generate an income stream which increases the Council's financial resilience given the decrease in government funding.
- Supports the delivery of front-line services through increased income generation, or through capital investments that will reduce operating costs.
- Supports the Council's strategic objective of affordable and quality homes through helping to unlock and accelerate developments.
- Manage investment risk by investing in diverse sectors.
- Meet the objectives of the Council's Corporate Asset Management Plan, Strategic Plan, its Economic Growth Plan and the County-wide Local Industrial Strategy.
- Maximise returns on Council owned property assets.

- Support growth in the county and its economic area of influence and ensure there is a more diverse range of properties and land assets available to meet the aims of economic development.
- Support the Council in maximizing the benefit from its financial assets in a risk aware way (not including standard treasury management activity)<sup>1</sup>.

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<sup>1</sup> Treasury Management activity with banks, local authorities and the capital market are not in the scope of this Strategy, such activities being undertaken in accordance with the Treasury Management Strategy and Investment Strategy agreed annually by the County Council.



## LEGAL CONTEXT

- 3.1 Section 12 of the Local Government Act 2003 (the 2003 Act) provides a general power to invest:

*“(a) for any purpose relevant to its functions under any enactment or*

*(b) for the purposes of the prudent management of its financial affairs”*

- 3.2 The power contained in Section 12 (a) cannot be used for investing purely to create a return as this is not considered to be a purpose relevant to the Council’s functions whereas the power in Section 12 (b) may be used for investing to create a return as it may be prudent when used with other measures to manage the Council’s financial affairs.
- 3.3 Section 120 of the Local Government Act 1972 (the 1972 Act) provides the power for the acquisition of land by agreement (whether inside or outside the authority’s area) for the purpose of:
- “Any of their functions under this or any other enactment, or the benefit, improvement or development of their area”*
- 3.4 Acquisition can take place notwithstanding that the land is not immediately required for that purpose.
- 3.5 Further power is conferred upon an authority by the Localism Act 2011 (the 2011 Act). Section 1 of this Act introduced a new General Power of Competence which gave local authorities the power to do anything that individuals generally of full legal capacity may do. This Act is widely drawn and includes reference to commercial activities which do not necessarily have to benefit the local authority’s area. However, this power is subject to a requirement that any actions being carried out for a “commercial purpose” must be done “through a company”, (i.e. a company within the meaning of s.1 (1) Companies Act 2006).
- 3.6 The approach of the County Council to date has been to rely on the powers set out in the 2003 Act. At present, this has not required the setting up of a company for its property and non-property investment activities using the Fund. However, it is likely to be necessary in the future, if the Council wishes to expand and diversify the scope of its investments. Such arrangements are not detailed in this Strategy at this stage.
- 3.7 The Strategy should be read in conjunction with the Capital Strategy, Treasury Management Strategy and Annual Investment Strategy and taken together take into account the statutory guidance issued by the Secretary of State under the Local Government Act 2003.



# INVESTMENT STRATEGY 2022 TO 2026

- 4.1 The Corporate Asset Investment Fund Strategy is a high-level summary of the Council's approach to investments made for the purposes of generating an income. It sets out the criteria and the processes and practices that will be considered and followed when carrying out such activities.
- 4.2 The Strategy developed for 2022 to 2026 has been aligned with the Council's MTFS timetable and reflects the aspiration of the current Capital Programme to invest in assets that will secure a long-term return. It is designed to provide a framework that is flexible enough for the Council to compete in the commercial market whilst ensuring governance processes are in place, full assessments are made, and risks are minimised.

## Use of the Fund

- 4.3 The primary use of the Fund will be to:
  - 4.3.1 develop new or existing assets to meet Council service needs where this will reduce operating costs or, for example, meet local housing needs, whilst at the same time securing a return for the Council;
  - 4.3.2 continue to acquire both parcels of land for development and standalone income producing investments;
  - 4.3.3 continue to make better use of underperforming investment assets already owned by the Council, to redevelop these where appropriate to ensure they meet the needs of local businesses, meet current market expectations and achieve a higher economic return;
  - 4.3.4 maintain progress in the restructuring and rebalancing of the property portfolio (including the use of pooled property funds).
- 4.4 In addition, the Fund includes investment in Private Debt. Approval was granted by the Cabinet in December 2017 to invest up to £20m in private debt. Such investments are covered by the treasury management strategy agreed annually by the County Council. However, the funding, and overall monitoring of these investments are being picked up under the Corporate Asset Investment Fund to reflect the potential higher risk/higher reward nature of the investment and also to provide diversification to the overall portfolio of the Fund.
- 4.5 The Fund will be reviewed, and performance of individual investments assessed on an annual basis. Where performance of an investment cannot be improved to an acceptable level, this will be disposed of. The sale proceeds from such disposals will either be reinvested or directed to other service needs.



## Growth of the Fund

- 4.6 The overall value of the Fund as at 31st March 2021 was £187.4m from which an annual income of approximately £4.5m per annum was derived. The value of the fund is forecast to increase to £189m by 31st March 2022. In addition, there is also underlying growth (capital growth) being achieved on the value of the assets.
- 4.7 An overall target return for the fund is 7%, made up of a combination of capital growth and revenue income.
- 4.8 Decisions on how the investment programme is funded will be defined by the Council's Treasury Management strategy and considered as part of the MTFS.
- 4.9 The current holdings plus schemes in the 2021/22 capital programme will result in a total holding of £189m. A fund of £71m has been included in the draft 2022-26 MTFS to bring the overall CAIF fund to the notional target of achieving a holding of £260m. Appraisal includes external due diligence performed before each purchase.
- 4.10 The County Council has not and does not intend to borrow to fund the investments within the CAIF programme. The proposed investments in CAIF included with the MTFS 2022-26 are entirely funded from revenue reserves. Decisions on the availability and proportionality of funding to fund the Capital Programme, are made through the Capital Strategy (which includes funding for CAIF) are reviewed annually as part of the MTFS, and the Treasury Management Strategy Statement and Annual Investment Strategy. These documents take into account the statutory guidance issued by the Secretary of State under the Local Government Act 2003.



# INVESTMENT CRITERIA

- 5.1 When investing the Council's financial resources action will be taken to ensure: -
- That principal sums invested are safeguarded as far as possible;
  - That they provide adequate liquidity;
  - That investment returns (or yield) are considered and balanced against potential risk factors.
- 5.2 Once liquidity (the ability to ensure (as far as is practicable) that should the Council wish to divest itself of an asset, it can do so without incurring any material loss) has been confirmed, the following criteria will be considered as appropriate when assessing a potential investment (including developments):
- Security of the principal capital to be invested (both for land acquisitions and development/construction proposals);
  - Return on investment (revenue and capital growth);
  - Sensitivity analysis (i.e. returns pre and post rent reviews, voids assumption, end of life repair/disposal etc.);
  - Any legal issues (restrictive covenants etc.) regarding the title of the land/property;
  - Any potential liabilities (such as land contamination/asbestos);
  - Sustainability (the energy performance of any existing property and its use);
  - Full cost of the acquisition (land value, fees, end of life costs etc.);
  - Fit with the current portfolio;
  - Exit strategy.

In addition, any property investment opportunities will also be considered with particular regard to:

- **Actual income:** The income produced by the asset is the most important element of a potential acquisition. The income from an asset is governed by the lease length, rent review pattern, break options, vacancy rates and management costs.
- **Development potential income:** The total income assuming the site is fully developed (with cash flow timescales).
- **Tenant:** The financial standing and viability of any existing (or potential) tenants' covenants is to be considered.
- **Location:** More weighting is given to acquiring assets or land in an area that is viewed to be economically buoyant and has the ability of sustainable financial and economic growth, over the life time of the investment. There is a need, however, to be mindful of the ratio of investments within and without of the county.
- **Sector:** The strength of the investment or development sector should be considered in relation to its location, rather than in isolation. (e.g. a hotel in Leicester would be scored lower than a hotel in London).



- **Building:** The age and construction of any existing buildings should be taken into account in the decision-making process. This should include how energy efficient the building/s is/are. The potential for future structural repairs, retrofits and refurbishment expenses for both the Fund and the occupiers should be limited as much as possible. The Fund should not purchase a property let on a term which exceeds the economic life expectancy of the buildings.
- 5.3 Once an asset/investment opportunity has been identified, it should be considered as objectively as possible to ensure that the overall aims of the Fund are achieved in a coordinated and measured way.
- 5.4 The adequacy of the estimated financial return will be judged against the certainty of the return materialising, with riskier investments expected to demonstrate a potential for higher returns.



## ENVIRONMENTAL, SOCIAL GOVERNANCE (ESG)

In 2018 the County Council adopted a new environment strategy ('Environment Strategy 2018 - 2030 – delivering a better future') which contains the following commitment:

"The UK Government's recent Clean Growth Strategy underlines the role that local government has in delivering and supporting our evolution to a low carbon society as we respond to these national and international commitments. The urgent need for concerted international action on climate change has been recognised by over 170 countries globally.

The Paris Agreement of 2015 requires countries to work together in limiting global temperature rise to below 1.5 to 2°C, the recognised level established by the Intergovernmental Panel on Climate Change to limit the risks and impacts of climate change. The interconnection between economic development, social equity and inclusion and environmental impacts has also been recognised internationally via the 2030 Agenda for Sustainable Development. In recognition of this the County Council has signed up to UK 100 which commits the Council to achieving 100% clean energy by 2050."

Furthermore, in May 2019, County Councillors unanimously backed a motion calling for more to be done by the authority to cut pollution and declared a climate emergency. Leicestershire County Council now has an aim for its own operations to be carbon neutral by 2030.

In light of this, the Fund will aim to ensure that its developments will be built in as sustainable a manner as possible with the aim of being net zero carbon in the construction phase and as energy efficient to occupy and operate as possible (including the use, where viable, of on-site renewable energy sources).

Furthermore, the developments will achieve net biodiversity gain and also push waste up the Waste Hierarchy by adopting a reduce, reuse, recycle approach to the management of waste particularly during the construction phase.

The wider public health agenda issues such as obesity, mental health, general health and wellbeing will also form part of the decision-making criteria as to what makes a good development design and layout. When deciding how and where to invest, the County Council is cognisant of the economic, social and environment considerations and will seek to ensure that any development it is involved with is a sustainable development. The County Council will ensure that the relevant environmental, social, and governance (ESG) standards are met when seeking to screen potential investments.

- 1 Environmental criteria will be used to consider how the County Council performs in its responsible use and protection of the natural environment through conservation and sustainable practices to enhance ecosystem resilience and human well-being.
- 2 Social criteria will examine how it manages relationships within the communities around the county where the County Council owns assets.
- 3 Governance criteria will ensure that the controls and processes for the Fund are appropriate and followed.





# FINANCIAL RETURNS

## Yield

- 6.1 The level of yield required balances security and liquidity. The term 'yield' can be defined as:

*"The annual return on an investment, expressed as a percentage of the capital value"*

- 6.2 For example, the annual rent received on a property investment is currently £50,000 per year gross. If the property has been valued at £1,000,000 then the revenue yield is 5%:

$$\text{Yield} = \frac{\text{Annual Rental Income}}{\text{Capital Value}} \times 100$$

$$5\% = (50,000 / 1,000,000) \times 100$$

- 6.3 However, in addition there is also the potential capital growth which reflects how the value of an asset changes over time. If, for example, the value of the £1,000,000 investment had risen to £1,025,000 by the end of the first year; this would give capital growth of 2.5% and a combined gross yield / return of 7.5%
- 6.4 The yield figure will reflect the various risks involved in the investment. By and large, the higher the level of uncertainty (e.g. a tenant with a poor credit rating) the higher the required yield would be.
- 6.5 The average/balanced target yield for investments made by the Fund is 7% nominal. There will be costs incurred in managing the Fund and also costs associated with abortive work (feasibility studies, consultant work/staff time unsuccessful acquisitions bids).
- 6.6 Individual lot sizes can each be considered on their merits as long as they conform to the agreed overall portfolio mix.
- 6.7 Assuming that investment/development property is the only asset class of investment that is being considered, the overall return of a standalone investment will vary depending on the market sector, the nature of the property asset acquired and the characteristics of the tenant in the acquired property.
- 6.8 Whilst aiming for a yield of 7%, the Fund will seek to invest in a balanced way over several market sectors and types of investment in order to balance risk with securing the best return on investment.



## Internal Rate of Return

6.9 Whilst yield is a useful measure for assessing the merits of an investment, yield will change over the life of an investment. To give a longer-term perspective, the Internal Rate of Return (IRR) is a metric that is used to assess the strength of an investment. The IRR is the interest rate at which the net present value of all cash flows arising from an investment is equal to zero. In calculating an estimated IRR, a number of assumptions need to be made in terms of projecting future expenditure and income streams including the future capital value of the investment holding. As a guide a minimum IRR of 7% is a high-level assessment for whether an investment is worthwhile.

## Other Balancing Factors

6.10 Other balancing factors to be reviewed regularly with respect to property investments (with the following approximate targets) are:

Location	In County		Out of County	In terms of amount of fund invested.
	75%		25%	
Asset type	Development site		Standalone investment	In terms of amount of fund invested.
	75%		25%	
Tenant Risk	Low	Medium	High Risk	Look for spread of risk (higher risk for small industrial units, lower risk for large office investments/development)
	25%	50%	25%	
Lease length	Short <5 years	Medium 5-10 years	Long 10 years +	Look for spread of leases lengths (shorter for small low value assets, longer for high value investments/developments)
	25%	50%	25%	



## Independent Review

- 6.11 In December 2020 County Council instructed an independent review of the CAIF strategy and the sectors in which it invests. Whilst the review broadly agreed with the Strategy as previously written, some adjustments have been made to the in light of this advice. As can be seen in the Hymans report (Appendix B), the main thrust of the advice is aimed at the pooled investments.
- 6.12 The recommendations on page 16 advises whether to increase, maintain or reduce holdings in each asset class. The recommendations have been considered and for clarity, if the projects in the development pipeline are included, the recommendations are broadly achieved.
- 6.13 Offices – Hymans recommend a maintain / reduce weight however the estimated weight shows a growth in total weight to c22%. A large office building let to a high-quality tenant on a long lease has now completed and explains the increase.
- 6.14 Infrastructure – Hymans recommend a new allocation to infrastructure. The portfolio has a scheme in the pipeline that would contribute towards this target. In addition, the CAIF will engage with LGPS Central, “Central”, (the part owned pension pooling company) who will be delivering infrastructure pooling investment products. The County Council should take a view to leveraging our access to the knowledge and expertise at Central to the benefit of the CAIF. The Pension Fund has a number of long-standing open-ended infrastructure investments which may also be considered when deciding on a relevant weight within this category.
- 6.15 Property core – Hymans recommend a reduction. The weight will naturally reduce as the CAIF invests up to the £260m target. In addition, the CAIF holds a closed ended pooled property funds that have a finite life and as such they will eventually return capital to the fund and reduce the weight. The remaining pooled property funds could also be divested at a time where the valuations and / or investment profiles are in the funds favour.
- 6.16 Private Debt – Hymans recommend a maintain or increase weighting. The fund has invested in a product that will begin to return capital over the coming years and as such a relevant replacement will need to be sourced. Central are in the process of designing a private debt investment product for the eight Local Authorities who are part owners and have an interest in the private debt asset class. The CAIF could leverage the knowledge and experience available. A product from Central is being developed in 2021.
- 6.17 Residential Property – Hymans recommend initiating a new allocation to this class. Again, Central may include residential exposure within their indirect pooled property offering that is yet to be designed. The Pension Fund is also interested in a similar offering and as such it would make sense to understand the overlap and if one product can service both the CAIF and pension fund.
- 6.18 Underpinning the use of Central funding will be subject to potential legal approval surrounding non pension fund assets investing into funds managed by Central.
- 6.19 One recommendation is to invest in income producing residential properties. As per Central Government guidance, any local housing authority that owns 200 or more social dwellings are required to account for them within their Housing Revenue Account. A ‘Local housing authority’ means a district council, a London borough council, the Common Council of the City of London, a metropolitan borough council, a unitary council, or the Council of the Isles of Scilly. County councils, where they are part of a two-tier system (such as Leicestershire County Council), parish councils and town councils are not local housing authorities. Therefore, a trading company would need to be incorporated for the County Council to own such residential assets for income producing means.
- 6.20 The County Council owns a large County Farms Estate as part of the Fund and, where appropriate, brings land forward for development. In the past, when this development has been residential in nature, the County Council



has sold the land with the benefit of planning permission to the private sector to develop. In order to assist in bringing forward the housing numbers the county needs; the County Council is becoming more involved in the planning *and delivery* stages. By being part of the whole development process, not only will the County Council help set the pace of new homes delivery (where it is able) but the financial returns will be enhanced.



# INVESTMENT ASSESSMENTS

- 7.1 This Strategy places emphasis on openness, transparency and consistency. It aims to ensure maximum benefit from the effective purchase and subsequent management of the Council's assets, but within a framework which can be adaptable to market conditions. Within this framework, the Council must act within the appropriate legal framework, in a demonstrably fair and open manner, and consider whole life costs.

## Direct Property Investments

- 7.2 Each proposed direct property investment proposal (including both proposals to acquire and/or develop property) will be subject to a three-stage appraisal process as detailed below, although given the need to respond quickly to opportunities as they become available, a degree of flexibility is required and some of these stages may be combined.

## STAGE 1 - Initial Assessment

- 7.3 The first phase of determining whether a direct property investment opportunity is worth proceeding with consists of a number of separate assessments:
1. Strategic Fit
  2. Risk Profile
  3. Yield Profile
  4. Tenancy Terms
  5. Planning Overview
  6. Site Inspection
  7. Potential capital Growth
  8. Valuation
- 7.4 Strategic Property Services will first prepare an Initial Appraisal Report (IAR) which is intended to answer the basic question – 'is the asset worth acquiring?'.
- 7.5 The IAR considers the likelihood of the proposed investment achieving the return required, the size and barriers to entry of the market, plus its suitability to the Council's own ethical standards, the quantum of risk and complexity, the payback period and how much the Council knows about the proposal (i.e. are there just too many unknowns?). Initial basic property details are also recorded at this time.
- 7.6 The answers to these key points will give a simple yet effective picture of the proposal and will allow an early decision to be made by the Director of Corporate Resources as to whether an investment is worth pursuing.
- 7.7 The process is run by the Strategic Property Services team and the decisions summarised in a regular report to the Director of Corporate Resources.
- 7.8 A challenge can be raised through the Strategic Property Services team, ultimately to the Director of Corporate Resources, but there must be no multiple consideration of the same proposal during the initial process. Once it has been deemed a fail, unless there is a fundamental error in the data provided or a paradigm shift on the proposal itself then the activity must cease.



## STAGE 2 - Financial Appraisal and Business Case

- 7.9 Once the asset/site has passed the initial evaluation, a financial appraisal and business case will be prepared to establish the financial/budgetary implications of acquiring the property at the negotiated price.
- 7.10 An independent property advisory firm will also be consulted on the opportunity and their report made known to the Board if the proposal is progressed beyond stage two.
- 7.11 The aim of the financial appraisal and business case is to assess how the acquisition will perform. It will consider all the acquisition costs and any potential income, the associated risks and then assess whether the asset is a suitable acquisition from a financial perspective. This process will be led by the Strategic Finance Service, but the Director and the Board will be kept advised as projects are assessed and negotiated.

## Other Council Consultees

- 7.12 After the identification of an asset, it will be incumbent on Strategic Property Services as Fund Manager to establish whether there may be constraints on the development or use of the asset.
- 7.13 In some cases, it may be appropriate to seek planning permission for a form of development prior to acquiring land. Strategic Property Services will consult with planning and highways colleagues (and other departments as appropriate) together with external consultants to decide whether planning permission should be sought prior to acquisition (conditional contract).
- 7.14 As part of this consultation, advice will be sought on suitable alternative uses for the site/asset. In case the existing or proposed use becomes unviable in the future, it is useful to have an alternative use value. The relative monetary risk of the investment can be quantified using this information.
- 7.15 Contemporaneously with the planning audit, the Council's legal section will be asked to undertake title searches of the land to ensure that the title is clean and there are no abnormal issues with the land that would be detrimental from a legal perspective.
- 7.16 Any existing or proposed tenant will also be credit checked.

## Valuation

- 7.17 Valuation advice will usually be provided by a professionally qualified member of the Council's Estates team. Where the advice required is particularly specialist or, if otherwise appropriate, valuation advice may be provided by another suitably qualified external surveyor.



## STAGE 3 - Approval to Acquire/Develop

- 7.18 If the investment satisfies both stages one and two of the appraisal process, then on reaching agreement in principle as to the terms of acquisition, a detailed report will be prepared for consideration by the Board. Subject to the Board's support, acquisitions will then either be presented to the Cabinet for approval (necessary due to the size, complexity or risk (financial or reputational) of the proposed investment) or will be progressed by the Director of Corporate Resources under delegated powers. This report will set out how the acquisition is in accordance with agreed Council priorities and this Strategy.
- 7.19 Each business case will be approved by the Director of Corporate Resources (Section 151 officer) prior to presentation and discussion at the Board, which is chaired by the Lead Member for Resources.
- 7.20 All acquisitions shall have the necessary budgetary and relevant approvals before the acquisition is completed.
- 7.21 For clarity any decision that requires an approval of expenditure of more than £100,000 but less than £5 million can be made by the Director of Corporate Resources under the powers delegated by the Council.
- 7.22 Any decision that requires an approval of expenditure of less than £100,000 (and is line with a previous approved budget/scheme) can be made by the Head of Strategic Property Services'.
- 7.23 Any decision that requires an approval of expenditure of more than £5m will require Cabinet approval.
- 7.24 Cabinet approval is required for any 'out-of-county' direct property investment acquisitions.
- 7.25 Any indirect or non-property investment acquisitions 'out-of-county' are within the delegated authority of the Director of Corporate Resources

## Surveys and Instructions

- 7.26 When all appropriate surveys (which must include an asbestos survey where the acquisition involves a building erected prior to 1999) have been satisfactorily completed or provided, the Council's legal services team will be instructed to complete the documentation associated with the acquisition.

## Other Investments

- 7.27 Other investments, such as into pooled property funds and private debt, will be subject to approval as part of the Council's overall financial management processes. This will include a specific report to Cabinet outlining the potential risks and benefits of the investment.



# RISK

- 8.1 In respect of every investment there will be several risks that need to be assessed prior to a project being taken forward and then managed, mitigated and monitored throughout the life of a project. The key risks faced by the County Council in respect of its investment activities are set out below.

## Investment Risk

- 8.2 The main risk with any investment lies with the ability to ensure the ongoing income stream and original investment is maintained and safeguarded.
- 8.3 For direct property, measures can be taken through, for example, ensuring that the tenant is of good covenant and is financially secure.
- 8.4 If the tenant defaults then whilst there are procedures to recover the rent, this is not guaranteed and can be time consuming and costly.
- 8.5 There are also issues with voids (periods of time when the investment is not income producing but the asset is incurring costs such as insurance, security, business rates, repairs etc.).
- 8.6 The ability to attract tenants of sufficient quality/sound covenant will also be affected by the macro-economic situation and more regional/location factors.
- 8.7 Holding an element of the fund in pooled property funds helps to mitigate against these risks although for these, and non-property-based investments, there will always be a dependency on the overall economic situation, including specifically the prevailing interest rate.

## Financing Risk

- 8.8 The Council is to ensure compliance with the Prudential Code for Capital Finance in Local Authorities and ensure liquidity and security of the principal capital and not to tie up resources into long term situations whereby short-term cash needs cannot be met or cannot be met without a significant financial penalty.
- 8.9 The returns generated by the Fund need to reflect the potential for the principal invested to reduce and for lost liquidity. A minimum total nominal return of 6.1% is sought in every investment (3.5% Green Book \* 2.5% average inflation). This is reviewed (at least) annually for changes in the opportunity cost of the Council's resources (e.g. borrowing) and other factors such as inflation and returns available elsewhere. Detail of how financial returns on investments will be assessed is set out in Appendix A of this Strategy below.
- 8.10 Decisions relating to the financing of investment and/or development will be taken in conjunction with the Council's Treasury Management Strategy Statement and Annual Investment Strategy both approved each year as part of the Council's MTFS.





## Reputational Risk

- 8.11 It is important that the reputation of the Council is protected during both times of financial restraint or otherwise in the investments that it makes.

## Development Risk

- 8.12 This risk is specifically associated with developing property and these are higher than those risks associated with acquiring an already built property investment or investing in pooled property funds. This is therefore reflected in the potential returns.
- 8.13 Build cost over runs and delays during the pre and the main construction phases will directly affect the profitability of the scheme and (as above) the risk of not securing a tenant to pay the rent is higher when dealing with new builds.
- 8.14 This can be mitigated by not building speculatively but only with an identified occupier tenant already in place, legally secured through an Agreement to Lease. However, this may not always be the best strategy as some prospective tenants may wish to see the building in place first before entering into a contract. Each of these scenarios will be judged on a merit basis as they arise.
- 8.15 Officers will continue to keep the Director of Corporate Resources updated on projects to ensure that risks are monitored, eradicated or mitigated (or, in project management risk terms, the strategies to be employed are: treat, tolerate, transfer, terminate) where possible.

## Managing Risks

### Direct Property Investment Appraisal Process

- 8.16 In order to minimise the risks associated with any investment being considered the Director of Corporate Resources will:
- 8.16.1 Consider the level of return required from the capital that is invested. Each proposal should review the liquidity of the proposed acquisition and a fully costed exit strategy should the asset underperform and is not capable of being improved.
  - 8.16.2 Undertake a cost/benefit analysis to fully understand the likely returns, identify any hidden costs and include key metrics such Expected Yield, Internal Rate of Return and Payback period.
  - 8.16.3 Undertake a market analysis to ascertain the likelihood of success across a full range of indicators.
  - 8.16.4 Consider the use of external expertise where required to enhance the internal knowledge/ skills of officers and provide a greater level of assurance on the risks and mitigations involved, with the quality of the advice measured through the performance of each individual proposal against the benchmark/ target rate as set in the original business case and reported through to the Board regularly.



- 8.16.5 Produce a risk register for each property investment opportunity and update this annually. As each risk is analysed, a score which is a factor of probability and impact will be calculated (as per chart below) to ascertain the need for prioritising any actions to either tolerate, treat, terminate or transfer each particular highlighted risk.

		Impact (Negative)			
		Minor	Moderate	Major	Critical
		1	2	3	4
Probability	4 Almost Certain	Medium (4)	High (8)	Very High (12)	Very High (16)
	3 Likely	Medium (3)	High (6)	High (9)	Very High (12)
	2 Possible	Low (2)	Medium (4)	High (6)	High (8)
	1 Unlikely	Low (1)	Low (2)	Medium (3)	Medium (4)

- 8.17 The property investments will be considered as part of a diverse asset portfolio, to mitigate the risk associated with any single investment proposal. This diversification will include selecting a range of proposals with mixed payback, investment levels, returns, geographical locations, investment liquidity, specialist's skills and markets.

## Fraud and Corruption

- 8.18 The Director of Corporate Resources will ensure that risks of loss through fraud, error, corruption or other such eventualities in its investment dealings are mitigated as far as is practicable and that these systems and procedures in place to tackle this are robust.
- 8.19 The Director and officers are alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, procedures for verifying and recording the identity of counterparties (e.g. tenants) will be maintained, as will arrangements for reporting suspicions, and ensuring that all members of staff involved in such dealings are properly trained.
- 8.20 Items that will be regularly reviewed as part of every transaction will include:
- 8.20.1 Powers to own property investments
  - 8.20.2 Money laundering risks
  - 8.20.3 Property fraud risks
  - 8.20.4 Changes to property legislation (e.g. Energy Act)
  - 8.20.5 Appropriate third party checks before transacting
  - 8.20.6 Due diligence in transactions
  - 8.20.7 Keeping abreast of impact of legislative changes
  - 8.20.8 Regular inspections of the assets
- 8.21 Full records of the purchase process will be kept in a separate file relating to the property and these records shall include details as to the valuation relied on in making the decision to acquire, the financial appraisal together with consents, approvals and papers recording the decisions taken under delegated powers. Such documents will form part of the public record.



## Member and Officer Oversight

- 8.22 The Council will continue to ensure the prudent management of its investments and for giving priority firstly to the security of the capital.
- 8.23 The Council will continue to ensure that procedures for monitoring, assessing and mitigating the risk of loss of invested sums are robust. The Board will play a vital role in assessing investment proposals early on and thereafter monitoring projects and overall performance of the Fund.
- 8.24 Financial performance of the Fund is monitored by officers and members on a regular basis. The Cabinet and the Scrutiny Commission will receive regular MTFs monitoring reports which include information on the operation of the Fund. These bodies also receive an annual report on investment activity undertaken during each financial year which also provides an update on ongoing projects.
- 8.25 Officers have continuous oversight of matters relating to property assets held for both service delivery and investment purposes. These are monitored through the Asset Management Working Group and the Corporate Property Steering Group chaired by the Director of Corporate Resources.
- 8.26 Effective management and control of risk are prime objectives in the management of the Fund. Any risk identified will form part of the managing departments Risk Register Which will be managed and mitigated and reassessed regularly in accordance with the Council's usual practice. Where appropriate, any significant risks will be captured on the Council's Corporate Risk Register which is overseen and monitored by the Council's Corporate Governance Committee.



## RISK SUMMARY

- 9.1 The Fund is to acquire property investments (where the Fund is purely buying an income stream), property development sites (where the Fund will be involved in finding tenants and building schemes out) and other property/strategic land (where there is an expectation of a future capital gain).
- 9.2 This could be either directly or indirectly as part of the managed fund (pooled property). The Fund is also acquiring debt but not considering, at this stage, investing in other investable assets (commodities, FTSE shares etc.).
- 9.3 The Fund is unlikely to acquire surplus operational property (that is being disposed of) where it has no development potential.
- 9.4 The Council must consider its ability to recall invested funds; including the length of time and the ease and cost with which said investments can be returned in their entirety.
- 9.5 It is important for the Council to consider the key requirement of the Prudential Code which requires authorities not to tie up resources into long term situations whereby short-term cash needs cannot be met or cannot be met without a significant financial penalty. There must be a clear understanding and forecast of short-term cash needs which will need to be fully provided for by the Council before it considers longer term capital tie in.
- 9.6 This portfolio view, as well as individual asset classes, will be regularly reported to the Board, the Cabinet and the Scrutiny Commission.
- 9.7 Each individual proposal will have an exit strategy clearly articulated in the original business case which will provide an indicative timeline for the repayment of capital/returning of funds once the decision has been made to divest, subject to market conditions.



# PERFORMANCE MONITORING/ BENCHMARKING

## 10.1 CIPFA guidance states that: -

**“Performance measurement** is a process designed to calculate the effectiveness of a portfolio or manager's investment returns or borrowing costs, and the application of the resulting data for the purposes of comparison with the performance of other portfolios or managers, or with recognised industry standards or market indices.”

## 10.2 It is clearly important to monitor performance to ensure that any judgements being made are the right ones.

## 10.3 The Fund is subject to regular valuations – with a regular review of investment methods as well as the delivery models. This will also include a regular assessment of the credit worthiness etc. of the Fund's tenants.

## 10.4 It is the Council's aim to achieve a stable long-term surplus, profit and value for money from its investment activities.

## 10.5 As part of the performance reporting of the commercial programme the Board will consider not only new investment proposals, but also ongoing reporting of commercial activity outlining:

10.5.1 the performance of the portfolio,

10.5.2 the future pipeline of opportunities,

10.5.3 the investment forecast,

10.5.4 the risks and mitigations,

10.5.5 the detailed performance and commentary of each investment/ development proposal within the portfolio.

## 10.6 The reporting will be effective enough to allow the Board to support decisions on the future of each investment proposal considering four key outcomes:

**Increase** - the proposal is performing well, and every indicator shows that the Council should increase the amount invested to generate a greater return

**Continue** - the proposal is performing well, and every indicator shows that the Council should continue with the existing levels of investment

**Warning** - the proposal is not performing well and should be closely monitored and remedial action taken. If the proposal's poor performance hasn't been reversed the Board should consider alternate strategies

**Exit/Disinvest/Stop** - the proposal is not performing well, despite the Council's best efforts, the proposal should be considered for closure as soon as practicable and the exit strategy evoked.

## 10.7 The commercial approach of the Council has to be considered against the wider CIPFA financial regulations and MHCLG guidelines.



- 10.8 Each investment made by the Council will need to be regularly valued as part of the year end accounts closure process, with different asset types requiring differing valuation methods and timings.
- 10.9 There will be an annual analysis of the portfolio mix and re-profiling of the portfolio. This includes the current estate as well as new acquisitions. There will be more regular reviews in changeable/volatile economic circumstances.
- 10.10 The Fund should continue to consider its exposure to both macro and local economic downturns and monitor financial market commentaries and reviews on the likely future courses of interest rates, exchange rates and inflation and their potential impact on the property market and yields.
- 10.11 The Fund should allow sufficient flexibility both to take advantage of potentially advantageous changes in market conditions and to mitigate the effects of potentially disadvantageous changes.
- 10.12 Officers will report regularly to the Director of Corporate Resources and will provide an annual report to Cabinet and to the Scrutiny Commission as well as updates throughout the year.
- 10.13 The Fund uses the Investment Property Databank (IPD) Benchmark as its overall performance yardstick.
- 10.14 More financial technical benchmarks such as Expected Yield and Internal rate of Return are also used to provide accounting rigor regarding the Fund's performance.
- 10.15 Other items such as total investment, risk profile, liquidity and exit costs for the individual activities above a certain threshold are summarised in the regular reports to The Board.
- 10.16 The Statutory Guidance on Local Government Investments (3rd Edition) which is issued under s15(1)(a) of the Local Government Act 2003 requires local authorities to develop quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its decisions (para 22 of the Guidance).
- 10.17 Therefore, the Council has adopted the quantitative indicators as recommended by the Guidance (see Appendix A) and these, where appropriate, will form part of the Corporate Asset Investment Fund Annual Report.



## STAFF RESOURCES

11.1 The Fund is managed by the Head of Service with support from colleagues in Strategic Property Services. The Director of Corporate Resources will ensure that there are adequate resources employed to ensure the Fund is managed in a safe and productive manner.



# APPENDIX A

Quantative Performance Indicators		Estimate 2021/22	Estimate 2025/26
Debt to net service expenditure (NSE) ratio	Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.	n/a	n/a
Commercial income to NSE ratio	Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.	1.41%	1.49%
Investment cover ratio	The total net income from property investments, compared to the interest expense.	n/a	n/a
Loan to value ratio	The amount of debt compared to the total asset value.	n/a	n/a
Target income returns	Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.	3.3%	3.1%
Benchmarking of returns	As a measure against other investments and against other council’s property portfolios.	5.3%	5.1%
Gross and net income	The income received from the investment portfolio at a gross level and net level (less costs) over time.	£9.5m	£11.0m
		£6.2m	£8.0m
Operating costs	The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.	£3.2m	£3.0m
Vacancy levels and Tenant exposures for non-financial investments	Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is productive as possible.	10.80%	5.0%
		(23,400 sq. ft.)	(45,000 sq. ft.)
Amount of tenanted farmland disposed of vs acquired	Monitoring the size of the County Farm Estate.	0 acres sold vs	100 acres sold vs
		0 acres acquired (7,401 acres held)	0 acres acquired (7,150 acres held)
Number of tenant farmers	Monitoring how many farmers have taken leases on County Farms Properties with particular reference to new entrants to the farming sector.	1 new letting	2 new letting
		1 new entrant	1 new entrant
Note 1. No borrowing has been incurred to fund CAIF			





## APPENDIX B

Leicestershire County Council Corporate Asset Investment Fund  
Strategy Review Paper  
December 2020  
For and on behalf of Hymans Robertson LLP

Reported to Cabinet (5<sup>th</sup> February 2021) - Agenda Item 486  
<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6440&Ver=4>

Report available at:  
<https://politics.leics.gov.uk/documents/s159432/Appendix%20B%20-%20Hymans%20Robertson%20Review%20Paper.pdf>





# Risk Management

## POLICY STATEMENT AND STRATEGY

### **Document Details:**

Owner/Lead Officer	: Head of Internal Audit & Assurance Service, Corporate Resources Department
Created	: December 2021
Review Arrangements	: Annually
Next Review Date	: December 2022
Ratified by	: Chief Officers (Annually)

## Risk Management Policy Statement

1. The coronavirus continues to impact on most facets of daily life, including a current issue of large scale absences in key public services. In conjunction with its local stakeholders and partners, local government will need to continue to respond to uncertainty and manage high demand on its services and resources well into 2022, and likely beyond should new variants or surges in caseloads arise. Managing staff wellbeing, hybrid working, and demands for high quality IT is challenging. Historic local government funding and spending pressures continue. The problem is exacerbated by continuing delays to the Government's funding reforms and uncertainty around sufficient funding to implement adult social care reforms along with the costs and impacts of a new regulatory framework. Financial pressures supporting growth, infrastructure, and environmental improvement continue to build and have accelerated with elevated inflation. Continuing public expectations alongside concerns about councils having the capacity and capability to respond, are creating continuing change.
2. Local authorities which stimulate effective and efficient risk management and strive to create an environment of 'no surprises' should be in a stronger position to deliver objectives, sustain services, achieve better value for money, and promote good corporate governance both within the organisation itself and in tandem with stakeholders and partners. Successful risk management should balance providing sufficient protection from harm, without stifling development and recognising and grasping opportunity, where calculated risk is accepted and even commended. As shown throughout the pandemic, new layers of complexity and risk will always arise, but they bring new opportunities for innovation, collaboration, transformation, community engagement, and new approaches to service delivery. These include prevention and integration strategies, collaborating with communities and other partners, embracing digital technology, and investment in infrastructure to remain sustainable. Authorities that have ventured into risky commercial property and income generating activities continue to receive intense scrutiny.
3. 'The Strategic Plan 2022-26' (the Plan) sets out the County Council's ambitions and priorities for the next four years. It outlines what it aims to achieve and how it intends to do it. It is based on five strategic outcomes which describe the Council's vision for Leicestershire. The outcomes are broad and aspirational, reflecting the Council's significant and wide-ranging responsibilities and capacity to influence. To ensure that the Plan provides a clear strategic direction for the Council, it includes specific aims and actions to deliver each outcome over the next four years. The Plan also includes sections on the Council's 'enabling services', its Medium Term Financial Strategy and Strategic Change Portfolio. Through its leadership of the F20 Group (low funded local authorities of different political controls) and its expression of interest in a County Deal (supported by all the County's MPs and the seven district councils), the Council hopes that positive responses from Government will help to sustain and improve front line services and ensure housing and economic growth has the necessary infrastructure to benefit individuals, communities and the wider population.
4. Whilst ensuring that the most vulnerable are protected, in order to continue its own fundamental transformation, the Council will embrace an attitude to risk allowing a culture of creativity and innovation, in which in all areas of the business, risks are identified, understood and proactively managed, rather than avoided. Risk management is at the heart of the Council and its key partners. The Council will not shy away from risk but instead seek to proactively manage it. This will allow it not only to meet the needs of the community today, but also be prepared for future challenges.
5. This Policy Statement and supporting Strategy form an integrated framework that supports the Council to effectively manage its risks. The framework provides assurance to its stakeholders, partners and customers that a consistent approach to the management of risks and opportunities of those current, developing and as yet unplanned activities, plays a key role in the delivery and achievement of the vision contained in its Strategic Plan and all of its other plans, strategies and programmes. This Policy Statement and Strategy has the full support of Members and Chief Officers, who are committed to embedding risk management throughout the Council and is reliant upon the co-operation and commitment of all management and employees to ensure that resources are utilised effectively.

Signed:



Title: Chief Executive

Date: January 2022

## Leicestershire County Council Risk Management Strategy

## 1.0 Defining Risk and Risk Management

Under ISO31000:2018 'Risk management – Principles and guidelines'

Risk is defined as:

*The effect of uncertainty on objectives, (where effect is any deviation from the expected positive or negative or both, and can address, create or result in opportunities and threats).*

Risk Management is defined as:

*Coordinated activities to direct and control an organisation with regards to risk*

Leicestershire County Council (the Council) has adopted the following definitions of risk and risk management:

**Risk** is “an uncertain event (or a set of events) that should it (they) occur, will have a (positive or negative) effect on the achievement of the Council's objectives and/or reputation.

A risk is measured in terms of a combination of the likelihood of a perceived threat or an opportunity occurring and the magnitude of its impact on objectives.

**Risk management** is the “systematic application of principles, approach and processes to the identification, assessment, monitoring and taking actions to manage/mitigate the likelihood and/or impact of a risk.” By managing our risk process effectively, we will be in a better position to safeguard against potential threats and exploit potential opportunities to improve services and provide better value for money.

This Risk Management Strategy outlines how the Council will use risk management to successfully deliver corporate, departmental, and service, objectives and priorities.

## 2.0 Why undertake risk management?

### Statutory requirements

Part 2 of the Accounts and Audit Regulations 2015 (Internal Control) places explicit requirements on the Council around risk, that is: -

- Paragraph 3 (c) - the Council must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk;
- Paragraph 4.4 (a - iii) – the Responsible Financial Officer (the Director of Corporate Resources) must determine, on behalf of the Council financial control systems which must include measures to ensure that risk is appropriately managed;
- Paragraph 5 (1) the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management processes.

### Constitutional requirements

The Council's Corporate Governance Committee (the Committee) has delegated functions<sup>1</sup> regarding risk management namely: -

- Article 9.03 (Corporate Governance Matters) states at (a) that the Committee has a general role for the promotion and maintenance within the Authority of high standards in relation to the operation of the Council's Local Code of Corporate Governance<sup>2</sup> and in particular to ensure (i) that an adequate risk management framework and associated control environment is in place.
- Responsibility for functions states at 3(h) that the Committee has a responsibility to monitor the arrangements for the identification, monitoring and management of strategic and operational risk within the Council.

Additionally, Section D: General scheme of delegation to Chief Officers, states at section 5 (h) that any exercise of delegated powers by officers, shall have identified and managed appropriate strategic and operational risks within the officer's area of responsibility.

<sup>1</sup> These align to the oversight of risk management arrangements as being a core function of a local government Audit Committee as referred to in CIPFA's Guidance on Audit Committees 2018.

<sup>2</sup> The Council's Local Code of Corporate Governance (2019) complies with the 'Delivering Good Governance in Local Government; Framework' (2016), specifically Principle F which advises that good governance is promoted when there is management of risks and performance through robust internal control and strong public financial management.

### 3.0 Benefits of risk management

Risk management is a tool that forms part of the governance system of the organisation. When applied appropriately it can bring multiple benefits as set-out in the table below: -

Improved efficiency of operations	Better delivery of intended outcomes	Maximises Opportunities
Protected reputation of the Council	Supports the achievement of the Council's objectives	Reduced losses arising from workplace accidents & illnesses
Better mitigation of key risks	Demonstrates good governance	Enhanced political and community support
Protection of budgets from unexpected financial losses or Increased ability to secure funding	Increased effectiveness of business change programmes and projects	Protection of Council Assets
Fewer unwelcome surprises	Improved management information to inform decision making	Improved planning

### 4.0 Risk Management Strategy objectives

The objectives of the Council's Risk Management Strategy are to:

- Integrate risk management fully into the culture of the Council and into its corporate and departmental service planning processes (including new ways of working following the coronavirus pandemic). This will support the achievement of the Council's outcomes;
- Ensure that there is an effective framework for identifying, assessing, managing/mitigating, reviewing and reporting and communicating risks across the Council;
- Improve the communication of the Council's approach to and importance of risk management;
- Improve the coordination of risk management activity across the Council;
- Ensure that Chief Officers, Members, Corporate Governance Committee and external stakeholders can obtain necessary assurance that the Council is mitigating the risks of not achieving key priorities and thus complying with corporate governance practice;
- Manage risk in accordance with best practice and ensure compliance with statutory requirements
- Maintain clear roles, responsibility and reporting lines for risk management within the Council.
- Measure and partake in regular comparison and benchmarking activity.

## **5.0 Risk Appetite and Risk Tolerance**

The Council recognises that only by taking risks can it achieve its aims and deliver beneficial outcomes to its stakeholders.

The Institute of Risk Management (IRM) defines risk appetite as, “the amount of risk an organisation is willing to take in order to meet its strategic objectives”. A range of appetites exist for different risks and these may change over time.

Risk tolerance is defined as, “the boundaries of risk taking outside of which the organisation is not prepared to venture in the pursuit of its strategic objectives”.

Risk appetite and risk tolerance help an organisation determine what high, medium and low (i.e. red, amber and green zones on the risk matrix) risk is. In deciding this, the organisation can:

- More effectively prioritise risks for mitigating actions
- Better allocate resources
- Demonstrate consistent and more robust decision making
- Clarify the thresholds above which risks need to be escalated in order that they are brought to the attention of senior management and/or Members.

The Chief Officers have collectively agreed that the Council exists in a high-risk environment and that this is likely to continue. This will mean continuing to develop an understanding of

acceptable risk levels (high, medium or low), depending on their impact and likelihood. Defining levels allows risks to be prioritised, and appropriate actions assigned so that the management of identified risks will be proportionate to the decision being made, or the size of the impact on service delivery.

The Council will take risks in a controlled manner, reducing exposure to a level deemed acceptable. In order to take advantage of opportunities, the Council will support innovation and the imaginative use of resources. However, the Council will seek to control all highly probable risks which have the potential to:

- Cause significant harm to service users, staff and the public;
- Severely compromise the Council's reputation;
- Significantly impact on finances;
- Significantly impact on the environment
- Jeopardise the Council's ability to undertake its core purpose;
- Threaten the Council's compliance with law and regulation
- Create opportunity for fraud and corruption or inadvertent loss through error

Taking the above into consideration, the Council's current **overall** risk appetite is defined as 'Open'. This means that the Council is prepared to consider all delivery options and select those with the highest probability of productive outcomes even where there are elevated levels of associated risk. However, the Council's risk appetite is determined by individual circumstances depending on the activity. There will be areas where greater risk will be taken in supporting innovation in service delivery. These occasions will be offset by times when it maintains a lower than cautious appetite for example, in matters of compliance with law and public confidence in the Council. Risk appetite can therefore be varied for specific risks, provided this is approved by appropriate officers and/or Members.

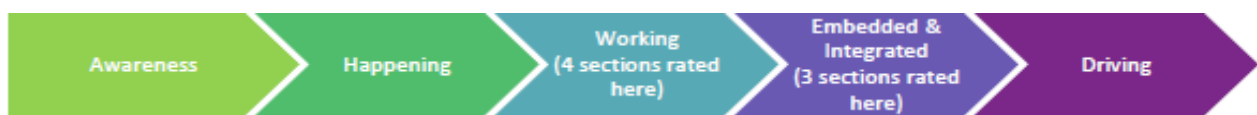
The Council will review risk appetite and tolerance annually to ensure risks are being managed adequately. Please refer to Annexes 1 and 2 for further details.

## 6.0 Risk Management Maturity

All organisations are on a risk management journey with differing levels of risk management maturity. Risk management maturity refers to how well-established risk management is as a discipline across the organisation.

The Council continues to review its current risk management capability to help it direct resources in the areas that need improvement and further development, ensuring the risk management arrangements remain fit for purpose in this changing environment.

The Association of Local Authority Risk Managers (ALARM) has developed and published a National Performance Model for Risk Management in Public Services to illustrate what good risk management looks like in a public service organisation. There are 5 levels.





During 2018 an independent review of the Council's risk management arrangements was undertaken by a managing agent of the Council's insurers. The overall conclusion reported was: -

*The Council continues to demonstrate a fundamental commitment to embrace risk management as an essential management practice and embed it within the organisational culture. This commitment is evident as many of the essential building blocks needed to maximise the risk management potential of the organisation are now in place, including:*

- *Risk architecture: defined roles and responsibilities, and robust communication and reporting structures.*
- *Risk strategy: a corporate risk strategy and policy.*
- *Risk protocols: risk guidelines, rules and procedures, methodologies, tools and techniques*

*This report considers that the work undertaken by the Council since publication of the previous independent review (2012) **has further strengthened the Council's position in respect of risk management standards and practices, thus increasing the likelihood of it attaining the higher grading of 'risk management is embedded and integrated' (4) if it were to formally benchmark itself utilising the ALARM/CIPFA Benchmarking criteria**.*

Progress continues to be made to implement the report recommendations.

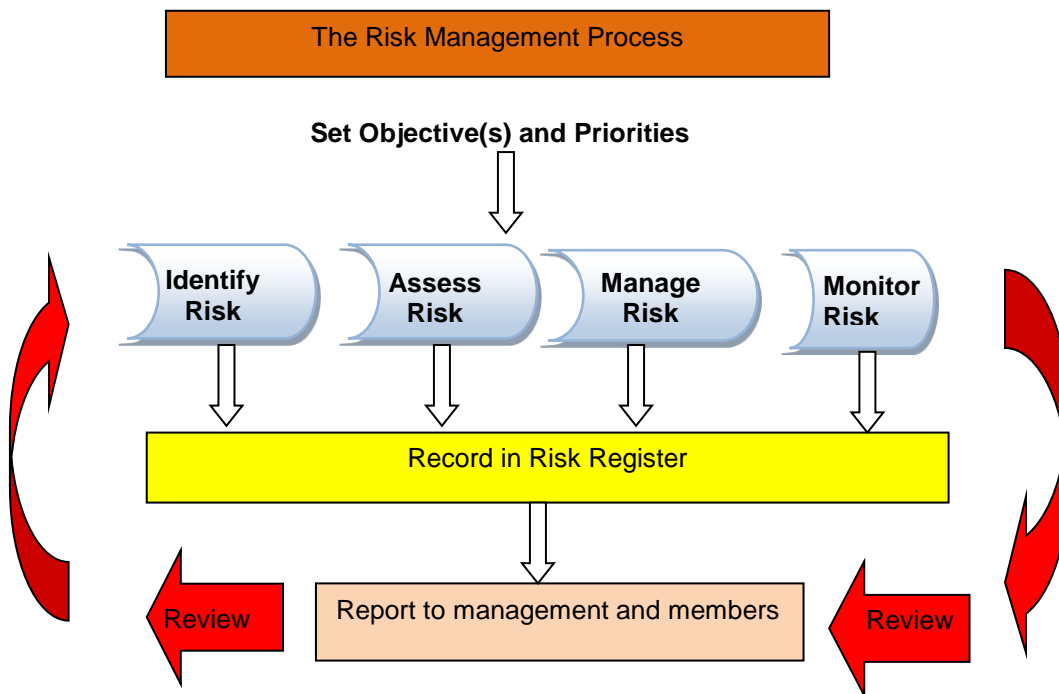
The Council also networks and shares information with other similar organisations e.g. East Midlands Counties Risk Management Group (7 County Councils) which enables the Council to benchmark its position.

The External Auditor Grant Thornton reported positively on the Council's risk management framework as part of its work on the 2020-21 Value for Money arrangements. The Council plans to evaluate its risk maturity against ALARM guidance on a three-yearly frequency (maximum<sup>1</sup>). The next review is planned for spring 2022.

1. Chief Officers have the opportunity at each annual policy review to determine if, because of future events, the tri-annual risk maturity assessment should be more frequent.

## 7.0 The Risk Management Approach and Process

Risk management is a continual process involving the identification and assessment of risks, prioritisation of them and the implementation of actions to mitigate both the likelihood of them occurring and the impact if they did. The Council's approach to risk management will be proportionate to the decision being made or the impact of the risk, to enable the Council to manage risks in a consistent manner, at all levels.



Explanations of the stages within the risk management process: -

Identify risk	Clarify Objective(s) and Priorities from the Council's Service Planning process and identify risks (or opportunities) which might prevent, delay (or alternatively escalate) achievement of the Council's objectives and determine what are the consequences if this occurs
Assess risk	Assess the inherent risk (Impact & Likelihood) using the Council's risk assessment criteria prior to the application of any existing/known controls i.e. evaluate the "Original risk score" Decide and agree the course of action – treat, tolerate, transfer, terminate or take the opportunity.
Manage risk	Identification and assessment of the controls/actions already in place to mitigate each risk to arrive at the "Current Risk score". If Current Risk score is still high even with controls: <ul style="list-style-type: none"> <li>• Is the score correct?</li> <li>• Determine the best way to manage the risks e.g. terminate, treat, transfer, tolerate or take the opportunity</li> </ul>

	<ul style="list-style-type: none"> <li>• Determine whether the cost of implementing further mitigating control is merited when compared to the risk reduction benefits achieved.</li> <li>• Development of further SMART actions and assign target dates and responsible officers to achieve the desired “Target Risk score”.</li> </ul>
Monitor, Review and Report	Use the Risk Management Matrix and Risk Tolerance levels to determine the frequency of review, monitoring, risk escalation and reporting.

Annex 2 provides details of the risk measurement criteria, risk map, risk escalation and reporting arrangements.

## 8.0 Application - Service, Department, Corporate & Specialist Risks

It is essential that risk management is used as a tool to assist good management and to provide assurances to relevant stakeholders that adequate measures have been taken to manage risks. To support this, risk management has been integrated into the planning process. By using the risk methodology, key risks facing the Council, or a particular service area will be identified and managed. The escalation of risks ensures that Senior Management has a clearer picture on risks facing service areas. This helps in overall decision-making processes by allowing the allocation of resources or review of areas of concern.

There is an established framework in which consistent application of the process should ensure the flow of appropriate risk information across the Council as follows:



### Service and Department Risks:

The Council's Risk Management Strategy requires that risks linked to delivery of Service and/or Departmental priorities are identified, along with appropriate mitigating actions. A risk assessment exercise must be carried out on all new service/business plans. Risks which may affect delivery of Departmental priorities must be logged in the Departmental Risk Register.

Heads of Service are responsible for identifying risks arising from their service plans, assessing their likelihood of occurrence and potential impact using the Risk Matrix Criteria and logging them, if necessary, in their Departmental Risk Registers for review at DMT regularly, setting clear accountability for managing risks and undertaking further actions/additional controls within the defined timescales. Departmental Risk Champions are available to support the identification and assessment of risks.

Corporate (and high ranking Departmental) risks - Corporate Risk Register

This process will provide Chief Officers and Members with a central record of corporate risks, to ensure consideration is given to high ranking, strategic cross cutting (or Departmental) risks that could impact the financial, political or reputational arena.

- Each quarter, Departmental Risk Champions and management teams will review Department Registers to identify and consider risks for escalation to the CRR, either individually or consolidated from Departmental Risk Registers;
- The Internal Audit Service will confirm that the quarterly reviews have been consistently undertaken, provide a level of challenge to the outcomes and co-ordinate the production and reporting of the CRR, through to Chief Officers and Corporate Governance Committee.
- Whilst most risks are expected to come through this route it might not capture all of the strategic risks facing the Council. Therefore, horizon scanning, information from relevant publications and minutes from key meetings will also provide a basis for including additional risks on the CRR.

**Specialist areas of risk**Covid19: Service Response & Recovery Risks

For 2021/22 the Corporate Strategic Planning Group (formerly the Recovery Group) developed a Covid19 operational recovery strategy to ensure that the Council continued to operate in a safe environment through the use of interim service recovery plans. For 2022/23, service planning is anticipated to transition to a new Business as Usual approach, managed through departments, whilst reflecting the ongoing need to respond to any service changes required by the impacts of the pandemic.

This process is supported by an ongoing retention of the weekly Resilience Planning Group (RPG) and the Crisis Management Group (CMG) to provide an immediate corporate response to any emerging risks where required.

Project, Programme and Portfolio Risks

Risks which could impact on achieving the objectives of projects or programmes will be managed through the appropriate Project or Programme Board and associated governance structures. However, where Project or Programme risks impact upon strategic or departmental objectives then consideration should be given as to whether those risks should be identified, assessed and escalated to the appropriate, Departmental, Portfolio or Corporate Risk Register. In the case of Projects and Programmes, the decision to escalate to a departmental, portfolio or corporate level, is ultimately the responsibility of the relevant Senior Responsible Officer (SRO) or Sponsor, supported by the appropriate Project or Programme Board.

When a project or programme is closed, the relevant closure report should identify any risks (or issues) that need to transfer to Business as Usual (BAU) ensuring specific and appropriate ownership is identified and clearly articulated. Where appropriate these risks may need to be escalated to the relevant Departmental or Corporate Risk Register.

## Partnerships

Risks which could impact on achieving the partnerships objectives will be managed through the appropriate Partnership Board and associated governance structures. However, where partnership risks impact upon strategic or departmental objectives then consideration should be given as to whether those risks should be identified, assessed, and escalated to the appropriate Departmental or Corporate Risk Register. The Council's approach for identifying, assessing and managing risk within partnerships will be developed over the forthcoming year.

## Health, Safety & Wellbeing Risks

The Health, Safety & Wellbeing Service provides advice and guidance to managers and staff on all aspects of Health, Safety and Wellbeing. In addition to providing advice and support, the Health, Safety & Wellbeing Service also helps to monitor the performance of the organisation through audits and inspections, set targets for continual improvement, provide operational training and awareness for staff and also respond to accidents / incidents in order to ensure they are adequately investigated, and the likelihood of further harm is reduced. Regular reports are provided to the Departmental Management Teams, the Chief Executive, Chief Officers, and the relevant Scrutiny Board. A separate risk assessment process is in place.

## Resilience and Business Continuity

Business Continuity Management (BCM) is complementary to a risk management framework that sets out to understand the risks to the council, and the consequences of those risks. By focusing on the impact of disruption, BCM identifies the services which the council must deliver as a priority and can identify what is required for the council to continue to meet its obligations. Through BCM, the council can recognise what needs to be done before an incident occurs to protect its people, premises, technology, information, supply chain, stakeholders, reputation and importantly the services that the council delivers to the people of Leicestershire. With that recognition, the Council can then take a realistic view on the responses that are likely to be needed as and when a disruption occurs, so that it can be confident that it will manage any consequences without unacceptable delay in delivering its services.

The Resilience and Business Continuity Team co-ordinates the preparation of business continuity and response plans both at the corporate, departmental and levels. Such plans aim to minimise the likelihood and/or impact of a business interruption by identifying and prioritising critical functions as well as the resource requirements, roles and responsibility requirements in response to allow appropriate planning to take place.

The Resilience and Business Continuity Team presents an annual report to Corporate Governance Committee

## Risk Financing

Risk financing is the process which determines the optimal balance between retaining and transferring risk within an organisation. It also addresses the financial management of retained risk and may best be defined as money consumed in losses, funded either from internal resources or from the purchase of 'external' insurance (such as the catastrophe cover provided by the Council's external insurers) which acts as a risk transfer mechanism which reduces the financial risk to the Council. Simply put, it is how an organisation will pay for loss events in the most effective and least costly way possible. Risk financing involves the identification of risks,

determining how to finance them, and monitoring the effectiveness of the financing technique chosen. Self-insurance and commercial insurance policies are options for risk transfer schemes though the effectiveness of each depends on the size of the organisation, its financial situation, the risks it faces, and its overall objectives. Risk financing seeks to choose the option that is the least costly, but that also ensures that the organisation has the financial resources available to continue its objectives after a loss event occurs.

Under normal circumstances the Council is largely self-insured but transfers the larger risks to insurance companies by contributing premiums. In the event of a financial loss, the Council is entitled to indemnity, subject to the terms and conditions that are in place.

The Insurance Service provides a comprehensive and professional insurance service including arranging insurance provisions and other related insurance activities as well as managing new and outstanding claims.

Insurance activity will be regularly reported to Corporate Governance Committee.

### Property and Occupants Risk Management

Following the tragic events of both the Grenfell Tower fire and high-profile terrorism attacks during 2017, a group was established, initially to review fire safety risk across the Council's owned and procured properties but was widened to incorporate the Council's identification and management of terrorism risk. The group contains a wide breadth of representatives from the Council's services and has regular inputs from the Council's insurers, risk management partners and brokers and links to the emergency 'blue light' services.

The Group reports to the Director of Corporate Resources (quarterly), Chief Officers as and when required if a significant matter arises but also annually to note work undertaken, findings and progress and agree the next year's plan of work, and annually to the Corporate Governance Committee.

### Counter Fraud

The Internal Audit Service undertakes a biennial Fraud Risk Assessment (FRA). This process, along with other intelligence received, acknowledges the risk of fraud throughout the Council and is an integral step towards how countering the risk is developed and arranged. Scoring (impact and likelihood) is derived through discussions with individual service leads to give them the opportunity to consider whether scores remain reasonable or whether there have been any changes during the previous year that may lead to necessity to amend scores, e.g. national picture, known frauds, additional controls introduced, and increased or decreased metrics/values. Recognising fraud in this manner ensures there is a comprehensive understanding and knowledge about where potential fraud and bribery /corruption is more likely to occur and the scale of potential losses. This in turn directs the Council's overall Anti-Fraud and Corruption Strategy and further allows the Council to direct counter-fraud resources accordingly. Consequently, this influences the internal audit annual planning process. Furthermore, it reiterates responsibility to service managers for managing fraud risk in their service areas.

Regular updates are provided to the Corporate Governance Committee on counter fraud and related initiatives.

## Information & Technology (I&T) and Data Protection Risks

A safe and secure I&T infrastructure underpins the working of the Council, both technically and in terms of data protection. To support this, I&T Service holds and maintains its own divisional risk register which, where appropriate will feed through to the Departmental and Corporate Registers. Regarding data protection, the Information Governance Team develop, maintain and monitor compliance with a wide range of policies designed to protect information and data.

Regarding the ever increasing threat to cyber security, the Council has established a Technical Security Officer role with responsibility for identifying emerging threats and risks, maintaining the cyber risk register and planning and delivering ongoing activities to implement mitigations. The Officer reports to the Information Security Controls Group which is a forum for cyber security policy, risk, strategy and best practice. Active threats are shared with other councils through Warning, Advisory and Reporting Points (WARPs) and takes guidance from the National Cyber Security Centre (NCSC). Cyber security is integrated into the corporate risk management process.

## Climate Change Risks

The Climate Change Committee (CCC) is an independent, statutory body established under the Climate Change Act 2008. Its purpose is to advise the UK on emissions targets and to report to Parliament on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change. The CCC publishes an Independent Assessment of UK Climate Risk (to inform Government). The Government then publishes its own Climate Change Risk Assessment (known as CCRA) which endorses and summarises the CCC's independent assessment, sets out the overall government approach, responds in detail to those priority risks identified by the CCC and finally it produces a National Adaptation Programme. Officers in the Environment Policy & Strategy team refer to the CCC's Independent Assessment of UK Climate Risk and the Government's corresponding risk assessment in order to influence their work identifying high priority risks that have some relevance to the County Council. Officers have identified three groups of services based on their key functions in relation to climate and weather-related risks. They conduct interviews to identify, review and assess risks, and review main policy documents and service risk registers. Planned developments to help reduce identified risks will be reported in early 2022.

## **Support**

The above processes will be supported by the following:

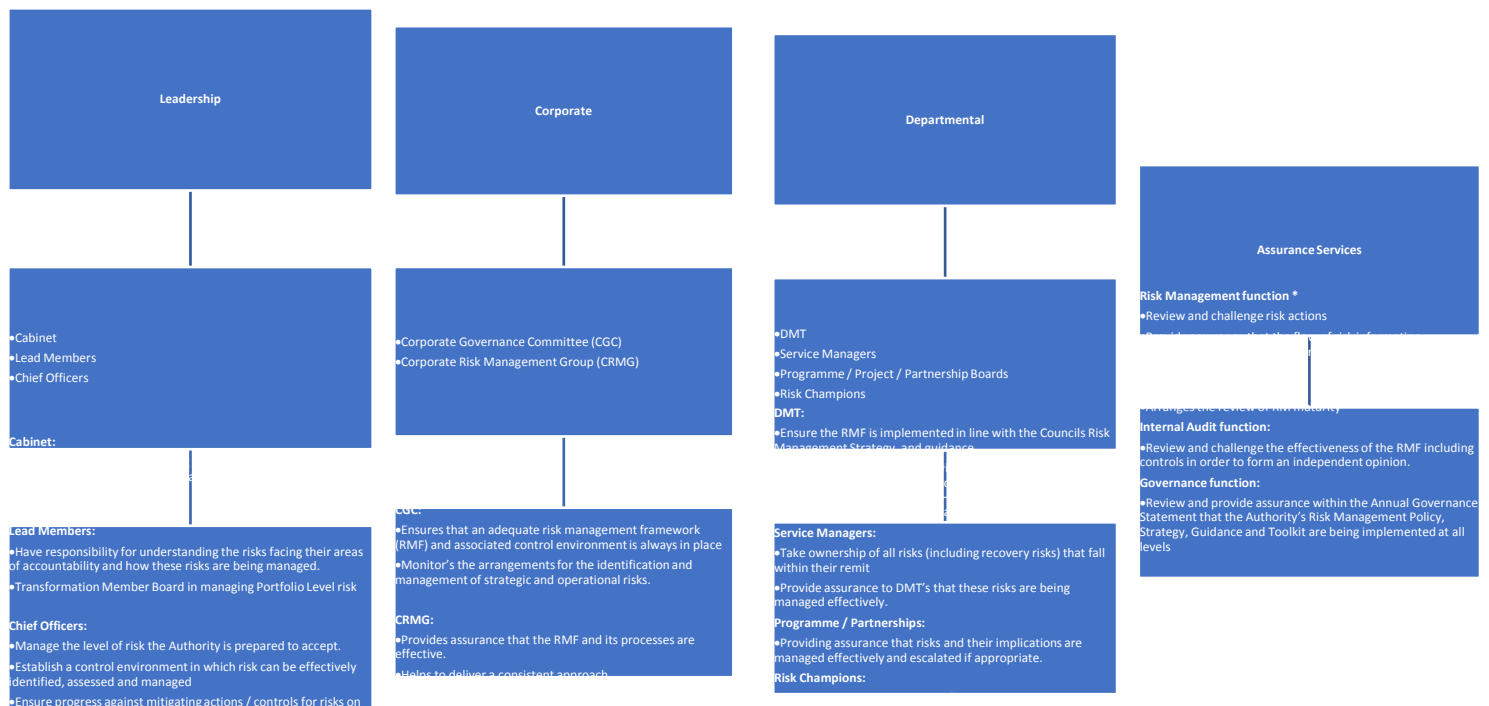
- Ownership of risks (at appropriate levels) assigned to Chief Officers, managers and partners, with clear roles, responsibilities and reporting lines within the Council;
- Incorporating risk management into corporate, service and business planning and strategic and partnership working;
- Use of the Risk Management Toolkit throughout the Council
- Providing relevant training on risk management to officers and Members of the Council that supports the development of wider competencies;
- Learning from best practice and continual improvement;
- Seeking best practice through inter-authority groups and other professional bodies e.g. the Association of Local Authority Risk Managers (ALARM).

## **9.0 Risk Management Roles and Responsibilities - structure**

The following structure is unique to the Council and is influenced by its risk management maturity, resource capacities, skills sets, internal operations and existing operating structures. The Council's risk management framework aligns to existing structures and reporting lines.



Full details of risk management roles and responsibilities can be found in Annex 3.

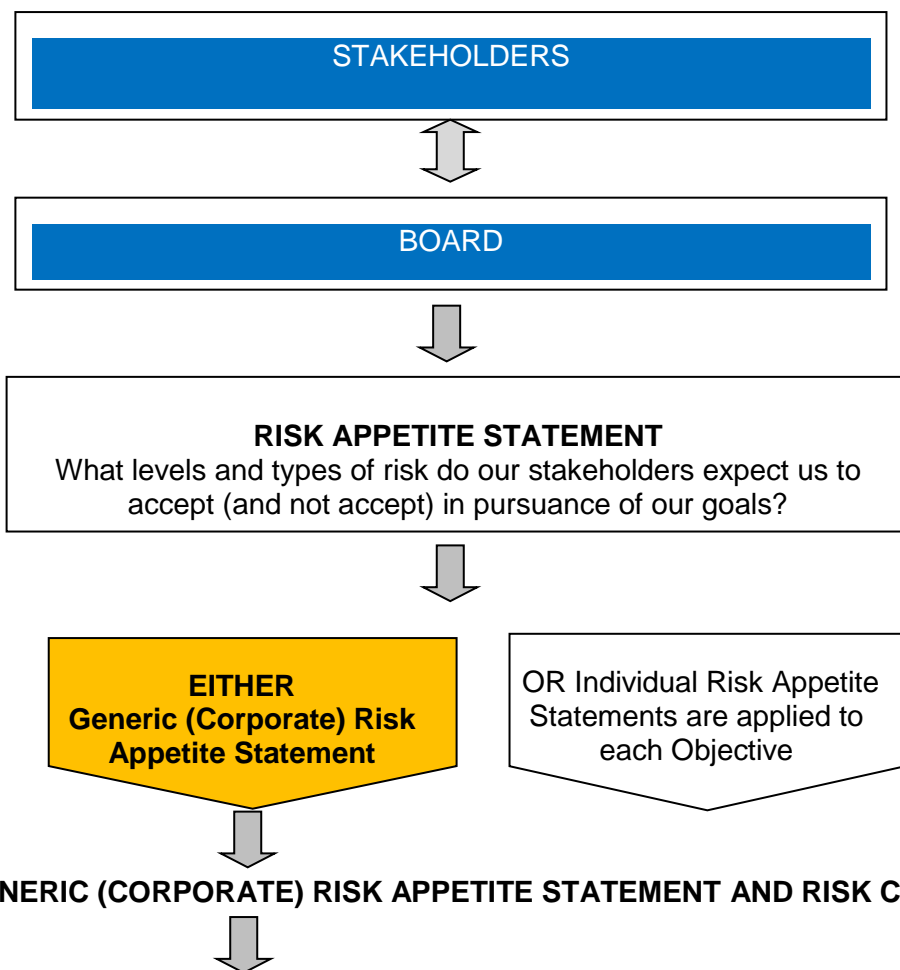


## **10. Continuous Improvement**

Regulators and risk management professionals indicate that it is good practice to continuously improve risk management methodologies in line with recommendations from regular assessments and adapt to changing economic conditions.

To this effect, the Council's Risk Management Policy, Strategy, Guidance and related documents will be reviewed at the specified frequency or after the release of new legislation or government guidance that affects risk governance, internal controls, financial management or the regulatory regime for public service organisations. They will also be reviewed following the results of any audit /review by Internal Audit Service or an external third party.

## Risk Appetite



AVOID	No appetite. Not prepared to accept any risks.	<b>Risk Categories Examples:</b>
AVERSE	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return.	Health & Safety, Business Critical systems, Customers, Safeguarding, Data Security, People, Climate Change /Extreme Weather
CAUTIOUS	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.	Delivery partners, Non - critical systems,
MODERATE	Tending always towards exposure to only modest levels of risk in order to achieve acceptable, but possibly unambitious outcomes.	
OPEN	Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.	Leadership; Devolution; Growth and Infrastructure Collaboration; Alternative delivery models; Integration; Transformation; Digital; Commercial trading, Property investment, Suppliers.
HUNGRY	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.	

## Risk Impact Measurement Criteria

Scale	Description	Departmental Service Plan	Internal Operations	People	Reputation	Financial per annum / per loss *
1	Negligible	Little impact to objectives in service plan	Limited disruption to operations and service quality satisfactory	Minor injuries	Public concern restricted to local complaints	<£50k
2	Minor	Minor impact to service as objectives in service plan are not met	Short term disruption to operations resulting in a minor adverse impact on partnerships and minimal reduction in service quality.	Minor Injury to those in the Council's care	Minor adverse local / public / media attention and complaints	£50k-£250k Minimal effect on budget/cost
3	Moderate	Considerable fall in service as objectives in service plan are not met	Sustained moderate level disruption to operations / Relevant partnership relationships strained / Service quality not satisfactory	Potential for minor physical injuries / Stressful experience	Adverse local media public attention	£250k - £500k Small increase on budget/cost: Handled within the team/service
4	Major	Major impact to services as objectives in service plan are not met.	Serious disruption to operations with relationships in major partnerships affected / Service quality not acceptable with adverse impact on front line services. Significant disruption of core activities. Key targets missed.	Exposure to dangerous conditions creating potential for serious physical or mental harm	Serious negative regional criticism, with some national coverage	£500-£750k. Significant increase in budget/cost. Service budgets exceeded
5	Very High/Critical	Significant fall/failure in service as objectives in service plan are not met	Long term serious interruption to operations / Major partnerships under threat / Service quality not acceptable with impact on front line services	Exposure to dangerous conditions leading to potential loss of life or permanent physical/mental damage. Life threatening or multiple serious injuries	Prolonged regional and national condemnation, with serious damage to the reputation of the organisation i.e. front-page headlines, TV. Possible criminal, or high profile, civil action against the Council, members or officers	>£750k Large increase on budget/cost. Impact on whole council

\* Note that a different financial rating is used for the pension fund investments

### Risk Likelihood Measurement Criteria

Rating Scale	Likelihood	Example of Loss/Event Frequency	Probability %
1	Very rare/unlikely	EXCEPTIONAL event. This will probably never happen/recur.	<20%
2	Unlikely	Event NOT EXPECTED. Do not expect it to happen/recur, but it is possible it may do so.	20-40%
3	Possible	LITTLE LIKELIHOOD of event occurring. It might happen or recur occasionally.	40-60%
4	Probable /Likely	Event is MORE THAN LIKELY to occur. Will probably happen/recur, but it is not a persisting issue.	60-80%
5	Almost Certain	Reasonable to expect that the event WILL undoubtedly happen/recur, possibly frequently.	>80%

### Risk Scoring Matrix

<u>Impact</u>						
5	Very High/Critical	5	10	15	20	25
4	Major	4	8	12	16	20
3	Moderate	3	6	9	12	15
2	Minor	2	4	6	8	10
1	Negligible	1	2	3	4	5
		1	2	3	4	5
		Very Rare/Unlikely	Unlikely	Possible/Likely	Probable/Likely	Almost certain
		<u>Likelihood*</u>				

\*(Likelihood of risk occurring over lifetime of objective (i.e. 12 mths)

## Risk Tolerance/Reporting Criteria

<u>Tolerance Levels</u>	<u>Original /Current Risk Score</u>	<u>Expected Actions by Risk and Action Owners</u>	
White	1 to 2	Controls	No action required
		Monitoring =	No action required
		Escalation =	No action required
Low	3 to 6	Accept Risk or Maintain Controls	Existing controls may be sufficient. No additional controls are required unless they can be implemented at very low cost (in terms of time, money, and effort). Actions to further reduce these risks are assigned low priority.
		Monitoring =	Review six monthly /Reporting to Service Area
		Escalation =	Service Area manager
Medium	8 to 12	Maintain Controls or Further Controls to reduce rating	Controls required but consider in light of 4 Ts-Consideration should be as to whether the risks can be lowered, where applicable, to a tolerable level, but the costs of additional risk reduction measures should be taken into account (time, money and effort).
		Monitoring =	Continued Proactive Monitoring/Review at quarterly / Reporting to DMT
		Escalation =	Business Partners / Relevant AD / DMT
High	15 to 25	Further Action/Controls to reduce rating	Controls and further actions necessary. Substantial efforts should be made to reduce the risk. Arrangements should be made to ensure that existing controls are maintained. The risk reduction measures should be implemented within a defined time period.
		Monitoring =	Continued Proactive Quarterly Monitoring / Report to CGC
		Escalation =	Chief Officers /Lead Member

A Departmental risk with a current risk score of 15 or more **must** be escalated to the Chief Officers (either as an addition to the Corporate Risk Register, or as an emerging risk for further debate). Risks with a current risk score of 15 will still appear on Department's registers but should only be excluded from the Corporate Risk Register after debate and approval from Chief Officers.

### Risk Management Roles & Responsibilities – Detail

#### **Leadership:**

##### Cabinet

Understands the key risks facing the Council, determines the level of risk and ensures risk management is delivered to mitigate risks by:

- Ensuring that a risk management framework has been established and embedded;
- Approving both the Council's Risk Management and Risk Financing Policy Statements and Strategies as part of the Medium-Term Financial Strategy;
- Ensuring relevant risk considerations (if relevant) are included within reports which may have significant strategic policy or operational implications

##### Lead Members

- Responsibility for gaining an understanding of the risks facing their area of accountability (in conjunction with the relevant Director) and how these risks are being managed  
This also includes the role of the Transformation Member Board in managing Portfolio level risk.

##### Chief Officers

Leading and ensuring effective management, monitoring and review of risk management across the Council by:

- Establishing a control environment and culture in which risk can be effectively assessed and managed;
- Directing the level of risk, the Council is prepared to accept (appetite and tolerance levels);
- Encouraging the promotion of risk awareness, rather than risk avoidance;
- Reviewing and, approving the Council's corporate and strategic risks on the CRR quarterly and their importance against the Council's vision and priorities;
- Taking the role of Transformation Delivery Board in managing Portfolio Level risk
- Taking the role of Crisis Management Group in managing the pandemic response
- Assisting with the identification of significant new and emerging risks as they become known - for consideration and addition to the CRR;
- Following the review and approval of the CRR, Chief Officers to determine whether a potential reputation or consultation matter needs to be forwarded to the Communication Unit
- Providing challenge to the risk scoring mechanism to ensure risks are managed to add value by aiming to achieve the balance between undermanaging risks (unaware and no control) and over-managing them (over-control);
- Ensuring that risk assessments (if appropriate) are detailed in Cabinet or Scrutiny reports upon which decisions are based;
- Reviewing annually both the Council's Risk Management and Risk Financing Policy Statements and Strategies.

**Corporate:**Corporate Governance Committee (CGC)

Provides assurance for the Council that risk management is undertaken and effective by:

- Reviewing the effectiveness of the risk management and internal control framework;
- Reviewing the Council's Risk Management Strategy and how it is being implemented
- Receiving regular progress reports on the CRR and other risk management related initiatives;
- Reviewing, scrutinising and challenging the performance of the Council's risk management framework; including reviewing progress against planned actions from the previous quarter;
- Receiving presentations on specific areas of risk;
- Receiving reports from Internal and External Audit to determine the extent to which they indicate weaknesses in control, risk management and governance arrangements.

Corporate Risk Management Group (via Departmental Risk Champion)

Provides assurance that the risk management framework and its processes are working as intended and are effective by:

- Acting as the main contact for their department and its management on risk matters (including specialist risks (H&S, Insurance etc.);
- Representing their department at the Corporate Risk Management Group;
- Encouraging the promotion of risk awareness, rather than risk avoidance;
- Assisting in the implementation of any revisions to the risk management framework and promoting use of the Risk Management Toolkit;
- Providing support and training on risk management to Chief Officers, Heads of Service and other managers within their service/department;
- Providing support to the other departments' Risk Champions;
- Maintaining on behalf of the service Chief Officers and Heads, a departmental risk register that complies with corporate guidelines;
- Providing regular risk updates to DMT's as per the agreed reporting criteria and risk timetable;
- Providing challenge to the risk scoring mechanism to ensure risks are managed to add value by aiming to achieve the balance between undermanaging risks (unaware and no control) and over-managing them (over-control)
- Ensuring that corporate risk information and requirements are communicated to their department;
- Assessing the relevance of corporate, other departmental service, programme, project and partnership risks and their impact on their department;
- Reviewing cross cutting risk areas where risks of one department impacts on the risks of another;
- Providing overview and scrutiny to the results of the Fraud Risk Assessment process, in relation to departmental risks;
- Providing regular updates to the Internal Audit Service for corporate risks to enable reporting to the Chief Officers and Corporate Governance Committee;



**Departmental:**Departmental Management Teams (DMT)

Ensuring that risk management is implemented in line with the Council's Risk Management Strategy by:

- Appointing a Risk Champion /Representative for the department and authorising him/her to progress effective risk management that adheres to corporate guidelines, across their services;
- Ensuring that risk management is integrated within the annual service planning process;
- Taking full ownership of risks within their departmental risk register and agreeing risk mitigation actions, with defined timescales and responsibilities – including those departmental risks that are also in the CRR;
- Reviewing and challenging risk registers for their Service Areas on a quarterly basis if appropriate
- Adhering to the corporate risk reporting timetable so that DMT meetings and risk monitoring tasks are aligned;
- Ensuring that the CRR accurately reflects only those key strategic risks facing the Council. The DMT scrutiny process should encompass a review of all departmentally identified corporate risks (new and those already identified), to critically evaluate the following:
  - Whether the risk is an ongoing corporate risk
  - Are all mitigating actions identified, they are SMART (i.e. Current Controls in place) and working adequately or are additional actions necessary?
  - The Current Risk Score (Impact and Likelihood) is accurate and is not 'over-scored' in terms of likelihood particularly if a range of current controls have been identified as embedded and working adequately
  - Only consider any further actions/ additional controls after determining whether any cost of implementing further mitigating control is merited when compared to the risk reduction benefits achieved. If required, further actions should be SMART and record 'expected timeframe/due date' which should improve the robustness of the Target Risk impact and likelihood scores
- Receiving reports on risk management activity and review key risks regularly;
- Undertaking regular departmental horizon scanning for new or emerging risks, ensuring communication of these through appropriate channels and incorporation within the Departmental Risk Register if appropriate;
- Suggesting recommendations for the removal of current corporate risks that are considered as lower levels of risk;
- Taking ownership of identifying and managing project, partnership and business as usual risks effectively, and escalating risks to the Portfolio, Departmental or Corporate risk register where appropriate
- Ensuring that risk management considerations are included in all Cabinet, Scrutiny and Regulatory bodies reports in respect of strategic policy decisions;
- Providing assurance on the effectiveness of risk management within their department as part of the Annual Governance Statement process;
- Following the review and approval of the Departmental Risk Register, DMTs to determine whether a potential reputation or consultation matter needs to be forwarded to Communication Unit

### Service Managers

Providing assurance to DMT's that risks within their service are being managed effectively by:

- Ensuring that risk management within their area of responsibility is implemented in line with the Council's Risk Management Strategy (i.e. identify, assess, manage and monitor);
- Managing risks on a day to day basis;
- Adhering to the risk scoring mechanism (original, current and target risk scores) outlined in the Strategy to ensure risks are managed to add value by aiming to achieve the balance between undermanaging risks (unaware and no control) and over-managing them (over-control)
- Communicating the results of their service risk assessment to the DMT via their Risk Champion, demonstrating effectiveness of controls in place to mitigate/reduce service risks;
- Managing risks from their areas of responsibility that have been included within the departmental risk register. Where further actions/ additional controls are necessary, ensure they are completed by the planned completion date;
- Identifying new and emerging risks or problems with managing known risks and escalating to the Risk Champion where appropriate;
- Assessing fraud risk within their service areas as part of the Fraud Risk Assessment process;
- Ensuring that they and their staff are aware of corporate requirements, seeking clarification from their Risk Champions when required;
- Identifying risk training needs of staff and informing this to Risk Champions;
- Using the Risk Management Toolkit and guidance.

### Programme/Project/Partnerships

Providing assurance that project, programme and partnership risks and their impact are managed and communicated effectively by:

- Ensuring risk management is a regular item on Partnership / Programme/Project Board agendas;
- Reviewing and monitoring risks identified on programme/project/partnerships risks, ensuring that suitable controls are in place and working, or that plans are being drawn up to strengthen existing controls or put in place further controls;
- Identifying new and emerging risks or problems with managing known risks, ensuring communication of these through appropriate channels;
- Escalating appropriate Project, Programme or Partnership risks to the relevant Departmental Portfolio, or Corporate Risk Register where those risks may impact at a Departmental, Portfolio or Corporate level – ultimately the project or programme SRO/Sponsor is accountable for ensuring this happens;
- Ensuring any ongoing risks or issues identified at Project/Programme closure are transferred to the relevant business owner and where appropriate are escalated to Departmental or Corporate Risk Registers.

Risk Champions - See Corporate section

### Staff

- Taking responsibility for gaining an understanding of the risks facing their area of accountability;
- Report promptly perceived failures in existing control measures that could increase risk.
- Take due care to understand and comply with the risk management processes and guidelines of the Council.

## Assurance Services

### Risk Management function (in conjunction with the Director of Corporate Resources):

Provide assurance that the flow of risk information throughout the Council is working and effective to produce and maintain the Corporate Risk Register by:

- Leading in the development and implementation of the risk management framework and promoting use of the Risk Management Toolkit;
- Meeting with departments as per the risk management timetable to review and challenge risk registers and emerging risks;
- Identify any potential future internal audit requirements to the Head of Internal Audit & Assurance Service
- Coordinating risk management activity across the Council with the support of Departmental Risk Champions/Representatives
- Collating the changes to departmental risks and ensure that the Corporate Risk Register is amended to reflect current position;
- Regular horizon scanning (in conjunction with Chief Officers, DMT Risk Champions and the Head of Internal Audit & Assurance Service) of information from relevant publications and minutes from key meetings to provide a basis for including additional risks on the Corporate Risk Register;
- Reporting progress on the Corporate Risk Register and other risk management related initiatives to the Chief Officers, Corporate Governance Committee and Cabinet as per the risk management timetable;
- Supporting Departmental Risk Champions/Representatives in their risk management role;
- Communicating corporate risk management information and requirements;
- Reviewing the Risk Management Policy Statement and Strategy at least annually to reflect best practice and initiate improvements;
- Arranging for the review of risk management maturity; benchmarking scrutiny and challenge
- Establishing links with external groups and organisations in order to gain knowledge and share best practice on risk management issues;
- Agreeing mechanisms for identifying, assessing and managing risks in key partnerships;
- Supporting the development and delivery of relevant risk training

### Assurance function (Internal Audit Service)

Review and challenge the effectiveness of the risk management framework, providing independent assurance about the quality of controls that managers have in place, by:

- Creating a risk-based audit plan that is aligned wherever possible to the Corporate Risk Register and the Departmental Risk Registers and other drivers, e.g. biennial Fraud Risk Assessment;
- Testing and validating existing controls, with recommendations for improvement on identified control weaknesses;
- Reporting outcomes to Directors and Corporate Governance Committee;
- Monitoring changing risk profiles based on audit work undertaken, to adapt future audit work to reflect these changes;
- Conduct relevant audits of the risk management framework and maturity but overseen by a manager independent to the Service.
- Take account of any commentary/improvements recommended by the External Auditor in its annual review of Value for Money arrangements.

### Action Plan

This Strategy sets out the developments / actions the Council proposes over the short-term future to further improve risk management maturity. These developments include the following actions: -

Action	Target Implementation Date	Complete
To review and revise the Council's Risk Management Policy Statement and Strategy and related guidance with endorsement from Chief Officers and Corporate Governance Committee.	Ongoing annually	Yes
<ul style="list-style-type: none"> <li>Assist Update of Departmental Service Planning Guidance 2021-22.</li> <li>DMT and Risk Champions to align Risk Registers to the Service Planning Process – 2022-23. To ensure risks recorded link back to departmental and service planning objectives.</li> </ul>	Annual December 2021  Annual	Yes  February 2022
Update and communicate through Manager's Digest, the Council's intranet Risk Management pages to include; <ul style="list-style-type: none"> <li>Revised Risk Management Policy &amp; Strategy</li> <li>All relevant guidance on methodologies and processes, including the revised Risk Assessment Criteria and Map</li> <li>Who to contact: details of the risk management "network",</li> <li>Links to further information and guidance e.g. ALARM web-site</li> </ul>	February/March annually	Due after County Council on 23 February 2022
Provision of support to Departmental Risk Champions if necessary. Develop options for Collaboration Office 365 space by Department for updates to Departmental Risk Registers.	Ongoing  2022-23	Yes  Partly complete
Develop and introduce key performance indicator(s) for risk management activity to maintain and improve the maturity rating.	Ongoing	Partly – Developed dashboards on Tableau
Develop a training matrix to identify the levels of training that need to be attained by staff at different levels in the organisation. Explore differing options E.g. Face to face, external training. Explore the free training offering from the Council's Insurance providers - Gallagher Bassett's risk management consultancy service.	Ongoing	Partly
To liaise with ALARM and East Midlands Regional Group to develop and implement guidance to ensure risks associated with partnerships are captured, particularly where the Council is the lead accountable body. Intranet to be updated accordingly.	2021-22	No c/fwd. to 2022-23

Maintain effective horizon scanning process and communication of new/emerging risks to Risk Champions for assessment and consideration.	Ongoing	Yes
Develop E Learning for Risk Management	2021-22	No c/fwd. to 2022-23
Input to regional East Midlands Risk Management Group.		Ongoing
Regular meetings with the Corporate Risk Management Group to share and communicate information.		Ongoing
Undertake Risk Maturity Assessment and implement an Action Plan to address any recommendations.	December 2021	No Spring 2022

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**EARMARKED FUNDS POLICY 2022/23****General Fund**

The level of the General Fund would ordinarily reflect the overall financial environment and the key financial risks faced by the County Council. The amount held will be reviewed at least annually. Any funds in excess of the assessed amount will in the first instance be used to fund one off expenditure (capital and revenue including invest to save and pump priming initiatives) and secondly to support recurring revenue expenditure over the medium term, subject to the key consideration of sustainability.

Holding non earmarked funds is essential in enabling the County Council to manage unforeseen financial events without the need to make immediate offsetting savings. This allows better decisions to be made and reduce the impact this could have on users of County Council services.

Based on an assessment of risk, the target level for the General Fund is within the range of 4% to 7% of net expenditure (excluding schools). The forecast balance of £22m (4.5%), by the end of the MTFS is within that range but towards the bottom reflecting the tighter financial pressures of the Council.

In reviewing the level of the General Fund the Cabinet will take advice from the Director of Corporate Resources.

**Earmarked Funds**

Earmarked funds are traditionally held for six main reasons. The key factors that determine their level are set out below:

- Insurance fund – to meet the estimated cost of future claims not covered by insurance policies.
- Renewals – to enable services to plan an effective programme of systems, equipment and vehicle replacement. These earmarked funds are a mechanism to allow a sensible replacement programme, that can vary in size depending upon need, without the requirement to vary annual budgets.
- Trading accounts and wholly grant funded services - in some instance surpluses in excess of the budgeted level are retained by the service for future investment.
- Other earmarked funds will be set up from time to time to meet predicted liabilities or unforeseen issues that arise.
- To support transformational and departmental change.
- Meet commitments made that will be incurred in the future. Examples include; completion of projects, County Council contributions to partnership funding, commitments in the MTFS such as the Capital Programme.

Reserves are not suitable for on-going service commitments.

Given the increased financial pressures, additional measures need to be put in place. These measures are set out below.

- Departments to identify specific and known planned expenditure to be funded from reserves. These will be held centrally as earmarked funds.
- After allowing for this, general departmental reserves above a minimum allowance allowing departments to manage day to day, smaller essential interventions etc, will be centralised.
  - A&C                £250,000
  - CFS                £250,000
  - E&T                £250,000
  - CR                 £100,000
  - CE                 £50,000
  - PH                 £50,000
- The above limits will be reviewed annually as part of the new MTFS.
- All reserves above this amount to be brought into the general fund
- Trading surpluses will be brought back into central control – services impacted can request funding to support specific investments along with other services.
- All reserves set aside for asset renewals will be managed centrally based on consideration of regular departmental submissions
- Schools and partnership reserves will be unaffected by these changes. However, there must be a clear plan of purpose for each reserve.

The Director of Corporate Resources has the authority to take decisions relating to the creation and management of earmarked funds.

### **Schools Earmarked Funds**

Schools balances are held for two main reasons. Firstly, as a contingency against financial risks and secondly, to save to meet planned commitments in future years. Decisions on these funds are taken by individual schools.

### **Monitoring Policy**

The level of earmarked funds and balances are monitored regularly throughout the year. Reports will be taken to members as part of the MTFS, an update in the autumn and at year end.

Grant Thornton UK LLP, the County Council's external auditor, has reviewed the level of earmarked funds held by the County Council in respect of financial sustainability as part of its value for money review of the current MTFS and reported no issues. In their latest audit Grant Thornton commented that "Leicestershire County Council has a good track record of sound financial management. The Council understands the financial risks which it faces and managed these risks by maintaining an appropriate level of reserves and sound financial management".



**EARMARKED FUND BALANCES**

	Revised Balance 01/04/21 £000	Forecast Balance 31/03/22 £000	Forecast Balance 31/03/23 £000	Forecast Balance 31/03/24 £000	Forecast Balance 31/03/25 £000	Forecast Balance 31/03/26 £000
<b>Renewal of Systems, Equipment and Vehicles</b>	3,710	2,960	1,790	1,420	1,100	840
<b>Trading Accounts</b>						
Corporate Asset Investment Fund	1,200	1,200	1,200	1,200	1,200	1,200
<b>Insurance</b>						
General	8,200	7,660	7,120	6,580	6,030	5,490
Schools schemes and risk management	370	370	370	370	370	370
Uninsured loss fund	5,250	5,250	5,250	5,250	5,250	5,250
<b>Committed Balances</b>						
Community Grants	250	250	250	250	250	250
<b>Other</b>						
Children & Family Services						
Supporting Leicestershire Families	1,840	370	0	0	0	0
C&FS Developments	750	750	250	150	50	0
Youth Offending	580	420	260	100	0	0
Other	800	430	60	0	0	0
Adults & Communities						
A&C Developments	2,920	1,360	260	260	260	260
Adult Learning Service	290	290	290	290	290	290
Public Health	1,810	1,810	1,360	880	550	550
Environment & Transport						
E&T Developments	250	250	250	250	250	250
Commuted Sums	3,150	2,850	2,350	1,850	1,350	850
LLITM	2,080	1,720	640	350	510	680
Major Projects - advanced design	490	480	60	50	40	30
Waste Developments	350	350	330	100	50	0
Section 38 Income	490	440	0	0	0	0
Other	520	360	200	200	170	170
Chief Executive						
Economic Development-General	340	180	120	60	0	0
Chief Executive Dept Developments	790	380	230	120	90	50
Other	180	150	20	0	0	0
Corporate Resources						
Leicestershire Schools Music Service	190	150	110	60	30	0
Other	580	230	150	80	10	10
Corporate:						
Transformation Fund	9,200	4,190	760	0	0	0
Broadband	1,960	1,610	810	810	810	10
Business Rates Retention	8,070	570	570	570	570	570
Inquiry and other costs	600	590	590	590	590	590
Elections	780	180	380	580	780	180
Other	450	390	390	390	390	390
Budget Equalisation	24,030	40,930	50,400	50,080	53,900	62,800
Covid-19 : council tax etc	0	4,000	3,000	2,000	1,000	0
Covid-19: Tax Income Guarantee compensation	2,280	0	0	0	0	0
Carbon Neutral Investment Fund	0	2,000	1,500	1,000	500	0
Capital Financing (phasing of capital expenditure)	101,770	97,290	59,790	35,270	22,270	1,270
Pooled Property Fund investment *	-23,630	-23,630	-23,630	-23,630	-23,630	-23,630
<b>TOTAL</b>	<b>162,890</b>	<b>158,780</b>	<b>117,480</b>	<b>87,530</b>	<b>75,030</b>	<b>58,720</b>
<b>Schools and Partnerships</b>						
Dedicated Schools Grant	-11,100	-19,810	-26,940	-39,300	-52,860	-62,790
Leicestershire & Rutland Sport	1,370	1,260	980	540	20	0
Health & Social Care Outcomes	9,920	6,920	6,920	6,920	6,920	6,920
Emergency Management	610	610	610	610	610	610
East Midlands Shared Services - other	60	60	60	60	60	60
Leicestershire Safeguarding Children Board	100	100	80	60	40	20
Leics Social Care Development Group	30	20	0	0	0	0
Total	990	-10,840	-18,290	-31,110	-45,210	-55,180

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

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**INSURANCE POLICY 2022-26**

Leicestershire County Council's (the Council's) insurance programme is arranged in conjunction with its appointed Insurance Brokers (currently Aon UK Ltd).

Potential losses are covered by a combination of self-insurance and a range of policies held with insurance companies, which are renewed on an annual basis. The process to identify the level of self-insured retention against the insurance required is based on several factors. These include the reduction in premium to be achieved by altering the excess levels weighed up against the Council's ability to meet an increased exposure, for example by way of a spike in claims received due to external factors like the weather and for one-off large losses.

'Aggregate stop limits' are in place which cap the potential exposure to the Council on an annual basis by reducing the self-insured retention levels (excess) significantly once the limit has been breached.

The Council's Insurance Programme is currently insured via Risk Management Partners with liability and motor risks underwritten by QBE and property risks underwritten by AIG.

The current insurance arrangements have been in place since 2014 following an OJEU compliant Tender. The tender was awarded based on a long-term agreement covering a maximum 10-year period with various break points during the contract.

The following policies are currently in place as of 1st October 2021:

<b>Class of Insurance</b>	<b>Limit of Indemnity / Basis of Cover</b>	<b>Aggregate Stop Limit if applicable</b>	<b>Excess</b>
Employers' Liability	£50m – Cover written on an any one occurrence basis via QBE.	£3.5m	£425,000
Public Liability	£50m - Cover written on an any one occurrence basis	£3.5m	£425,000
Officials Indemnity	£10m – Cover written on an aggregate basis	£3.5m	£250,000
Professional Indemnity	£10m - Cover written on an aggregate basis	£3.5m	£75,000
Fidelity Guarantee	£10m - Cover written on an aggregate basis	N/A	£100,000

Motor	Comprehensive	N/A	£1,250 (only applying to own vehicle damage)
Material Damage & Business Interruption (Non-Education)	Day One Reinstatement  Business Interruption £25m Increased Cost of Working (ICOW) (48 months)	£1m	£500,000
Material Damage & Business Interruption (Education)	Day One Reinstatement  Business Interruption £25m ICOW (48 months)	£1m	£500,000
Material Damage & Business Interruption (Commercial including Industrial Units)	Day One Reinstatement  Business Interruption £25m ICOW (48 months)	N/A	£250
Material Damage & Business Interruption (Farms)	Day One Reinstatement  Business Interruption £25m ICOW (48 months)	N/A	£500
Terrorism	Select properties  Business Interruption £25m (48 months)	N/A	Nil

An annual revenue contribution is required to allow the Council to fund claims within the self-insured retention limits, thus aiming to prevent a detrimental impact on service budgets. The level required is assessed annually as part of the MTFs, based upon a number of factors including the current claims experience and anticipated future changes. For example, new heads of claims which may emerge.

The amount of funding required from the Council, can vary significantly each year. This can be due to one off catastrophic incidents occurring, such as a large building fire, or simply the timing of when claims are reported culminating in an increased volume of claims covering one particular period.

For own property damage claims, and fidelity claims, there is usually a short delay between incident and notification. It is therefore a more straightforward process to set aside appropriate funding for annual losses but retaining a focus on catastrophic events which occur on a less regular basis, but which have a greater financial impact.

Assessing liability claim levels are more difficult, due to the nature of claims that the Council receives, claims will have been incurred but not reported within the financial year of the incident. A number of years can elapse before a liability claim is concluded.

Earmarked funds are held to allow for years of exceptionally high claims, both in terms of volume and value, to be covered without detriment on the annual revenue budget. The earmarked funds for these classes are subject to an annual internal assessment and periodic actuarial review to ensure that they are maintained at suitable levels in order to meet ongoing financial commitments. In addition, provisions are held for claims received that are awaiting settlement, the level being based on an assessment of the likely liability.

The Insurance Service employs experienced claims negotiators who handle all liability claims brought against Leicestershire County Council up to the delegated authority limits as agreed with the insurer.

The claims handling delegated authority extends to cover investigations into allegations of negligence and provides authority to take decisions on liability. The Council's claims negotiators, its Legal Services team and external solicitors and other approved experts, work in partnership to defend litigated claims.

The Insurance Service has traditionally been subject to annual audits undertaken on behalf of the Insurance Company. The outcome of these audits could ultimately have implications on the agreed delegated authority limits resulting in reduced autonomy over decisions of liability and settlement negotiations. Outcomes have generally been exceptional (highest rating).

More details on the principles of risk financing are to be found in the Council's Risk Management Policy Statement and Strategy 2022.

Revised December 2021

Next due December 2022

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**APPENDIX M****EFFECT OF COUNTY COUNCIL'S BUDGET DECISION ON 2022/23 COUNCIL TAX**

BAND (APRIL 1991 VALUE)			Proportion of Band D	Main element £	ASC Precept £	County Council's Element £
A	( Up to	£40,000)	6/9	853.91	114.73	968.64
B	(£40,001 -	£52,000)	7/9	996.23	133.85	1,130.08
C	(£52,001 -	£68,000)	8/9	1,138.55	152.97	1,291.52
D	(£68,001 -	£88,000)	1	1,280.87	172.09	1,452.96
E	(£88,001 -	£120,000)	11/9	1,565.51	210.33	1,775.84
F	(£120,001 -	£160,000)	13/9	1,850.14	248.58	2,098.72
G	(£160,001 -	£320,000)	15/9	2,134.78	286.82	2,421.60
H	( Over	£320,000)	2	2,561.74	344.18	2,905.92

**PRECEPT 2022/23**

BILLING AUTHORITY	Tax Base	Precept £
Blaby	34,246.23	49,758,413
Charnwood	58,819.00	85,461,673
Harborough	37,389.35	54,325,242
Hinckley and Bosworth	39,010.50	56,680,708
Melton	19,358.38	28,126,958
North West Leicestershire	35,581.00	51,697,781
Oadby and Wigston	17,602.15	25,575,225
<b>Total</b>	<b>242,006.61</b>	<b>351,626,000</b>

**2022/23 COUNCIL TAX BILL (COUNTY COUNCIL ELEMENT)**  
**(EXAMPLE USING BAND D - % INCREASES APPLY TO ALL BANDS)**

	2021/22 £	2022/23 £	Increases *
Main Element (core)	1,252.80	1,280.87	1.99%
ASC Precept **	157.98	172.09	1.00%
<b>Total</b>	<b>1,410.78</b>	<b>1,452.96</b>	<b>2.99%</b>

\* per Government guidance each percentage is calculated as an increase to the 2021/22 total of £1,410.78

\*\* The following paragraphs are required to be included with information to be made available to bill-payers. They explain that the County Council can raise an additional amount of Council Tax, for adult social care, without requiring a referendum.

*"The Secretary of State made an offer to adult social care authorities. ("Adult social care authorities" are local authorities which have functions under Part 1 of the Care Act 2014, namely county councils in England, district councils for an area in England for which there is no county council, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly.)*

*The offer was the option of an adult social care authority being able to charge an additional "precept" on its council tax without holding a referendum, to assist the authority in meeting its expenditure on adult social care from the financial year 2016-17. It was originally made in respect of the financial years up to and including 2019-20. If the Secretary of State chooses to renew this offer in respect of a particular year, this is subject to the approval of the House of Commons."*

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**TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL  
INVESTMENT STRATEGY 2022-26**

1. This strategy statement has been prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice (the Code). Accordingly, the Council's Treasury Management Strategy will be approved annually by the full Council and there will be quarterly reports to the Corporate Governance Committee. The Corporate Governance Committee considered the contents of the Treasury Management Strategy Statement and Annual Investment Strategy at its meeting on 28 January 2022. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.
2. On 20<sup>th</sup> December 2021 CIPFA published revised Treasury Management and Prudential Codes of Practice with formal adoption not until the 2023/24 financial year. Further details are provided in Annex 5. The updated Codes will be reviewed to assess the impacts to the current approach and any changes required will be formally adopted within the 2023/24 Treasury Management Strategy Statement (TMSS) report.
3. The Council has adopted the following reporting arrangements in accordance with the requirements of the Code:-

<b>Area of Responsibility</b>	<b>Council/Committee/Officer</b>	<b>Frequency</b>
Treasury Management Policy Statement	Full Council	Annually before start of financial year
Treasury Management Strategy/Annual Investment Strategy	Full Council	Annually before start of financial year
Quarterly Treasury Management updates	Corporate Governance Committee	Quarterly
Updates or revisions to Treasury Management Strategy/Annual Investment Strategy during year	Cabinet (following consideration by Corporate Governance Committee, wherever practical)	Ad hoc
Annual Treasury Outturn Report	Cabinet	Annually by end of September following year end
Treasury Management Practices	Director of Corporate Resources	
Review of Treasury Management Strategy/Annual Investment Strategy	Corporate Governance Committee	Annually before start of financial year and before consideration by full Council, wherever practical
Review of Treasury Management Performance	Corporate Governance Committee	Annually by end of September following year end

### Treasury Management Strategy 2022-26

4. The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act requires the Council to set its treasury strategy for borrowing and to prepare an Annual Investment strategy (for Treasury Management investments) - this is included in later paragraphs of this strategy. It sets out the Council's policies for managing its Treasury Management investments and for giving priority to the security and liquidity of those investments.

This Strategy should be read in conjunction with the Corporate Asset Investment Fund (CAIF) strategy, which sets out the Councils approach when considering the acquisition of investments for the purposes of inclusion within the CAIF, and the Capital Strategy, which sets out the Councils approach to determining its medium term capital requirements. These documents form part of the Medium Term Financial Strategy (MTFS) and together take into account the statutory guidance issued by the Secretary of State under the Local Government Act 2003.

This proposed strategy for 2022/23 in respect of the treasury management function is based upon Officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Link Asset Services.

### Balanced Budget Requirement

5. It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby the increase in charges to the revenue budget from:

- i) increase in interest charges caused by increased borrowing to finance additional capital expenditure, and
- ii) any increases in running costs from new capital projects

are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

### Treasury Limits for 2022/23 to 2025/26

6. It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales the Authorised Limit represents the legislative limit specified in the Act.

The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax level is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit" the capital plans to be considered for inclusion incorporate financing by both borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and three successive financial years. Details of the Authorised Limit can be found in Annex 2 to this Strategy.

### Current Portfolio Position

7. The Council's treasury portfolio position at 31<sup>st</sup> December 2021 was:

		Principal £m	Average Rate %
Fixed Rate Funding (borrowing)	PWLB	159.1	6.22
	Market	103.5	4.37
	Total Borrowing	<u>262.6</u>	5.84
Total Investments		<u>356.8</u>	0.19
Net Investment		<u>94.2</u>	

The market debt relates to structures referred to as LOBOs (Lenders Option, Borrowers Option), where the lender has certain dates when they can increase the interest rate payable and, if they do, the borrower has the option of accepting the new rate or repaying the loan. All of these LOBOs have passed the first opportunity for the lender to change the rate and as a result they are all classed as fixed rate funding, even though, in theory, the rate could change in the future.

The Council's average rate of return on its treasury investments is 0.19% (as at 30 Sep 21). This compares favourably to the average of other English Counties (0.17%).

### Capital Financing Requirement

8. The Council is forecast to be overborrowed as at 31 March 2022 by £37m. There are a number of reasons that the Council is in an 'overborrowed' position but among them are the lack of unsupported borrowing within it, a move by Central Government to switch capital approvals (which required external debt to be raised) to grants and the meaningful levels of voluntary Minimum Revenue Provision (MRP) that have been applied in recent years. In essence this is a natural position to be in if new external debt is not required, as an annual provision is made to set aside cash in advance of loans maturing. The advantage this provides the County Council is flexibility in the use of cash resources in advance of the debt becoming due.

The new MTFS includes a requirement to increase the Capital Financing Requirement (CFR) by £143m by 2025/26. This will fund essential investment in service improvement, investment for growth and invest to save projects. Due to the levels of internal cash balances, which would otherwise be available to lend to banks, no new external loans are forecast to be required in the short to medium term. By the end of the MTFS, 2025/26, the position will move from being over-borrowed to under borrowed by £84m.

The majority of the cash requirement includes forward funding of infrastructure in advance of developer contributions through section 106 agreements or land sales, and spend to save schemes. The expectation is that this will allow cash balances to be replenished in the next 5-10 years.

9. The table below shows how the Capital Financing Requirement is expected to change over the period of the MTFS, and how this compares to the expected level of external debt. Although the level of actual debt exceeds the Capital Financing Requirement it is currently prohibitively expensive to prematurely repay existing debt. If there are cost-effective opportunities to avoid, or reduce, an overborrowed position they will be considered as long as they are in the best long-term financial interests of the Council. This will probably require both short and long-term borrowing rates to increase meaningfully from their current level.

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
<b>Opening Capital Financing Requirement</b>	<b>226,040</b>	<b>219,814</b>	<b>259,721</b>	<b>311,418</b>
New Borrowing	0	46,135	59,082	37,630
Statutory Minimum Revenue Provision (MRP)	-6,226	-6,229	-7,385	-8,865
Voluntary MRP	0	0	0	0
<b>Closing Capital Financing Requirement</b>	<b>219,814</b>	<b>259,721</b>	<b>311,418</b>	<b>340,183</b>
<b>Opening external debt</b>	<b>262,600</b>	<b>262,100</b>	<b>261,600</b>	<b>256,264</b>
Loans maturing	-500	-500	-5,336	-500
<b>Closing external debt</b>	<b>262,100</b>	<b>261,600</b>	<b>256,264</b>	<b>255,764</b>
<b>Overborrowed/(borrowing requirement)</b>	<b>42,286</b>	<b>1,879</b>	<b>(55,154)</b>	<b>(84,419)</b>

#### Minimum Revenue Provision

10. Capital financing costs are forecast to be £19.5m in 2022/23 and then rise to £22.5m in 2025/26, mainly as a result of increasing financing requirements for the capital requirement. This assumes the required new borrowing is from internal cash balances. The capital financing costs do not include the cost of interest returns foregone by using

internal cash balances, this will be reflected in a reduction to the bank and other interest budget.

11. The Local Authorities (Capital Finance and Accounting) Regulations 2003 require local authorities to charge to their revenue account in each financial year a minimum amount to finance capital expenditure. This referred to as Minimum Revenue Provision (MRP).

In the context of significant medium term financial pressures the council continues to review the efficiency and effectiveness of all aspects of spend. In 2019/20 the Council reassessed the expenditure that is required under statute relating to a prudent Minimum Revenue Provision. Based on the average economic remaining life of assets held it amended the MRP calculation for supported and unsupported borrowing to a period of 40 years, which reduced the MRP charge to around £6m per annum.

The 'asset life' method is in line with the Capital Finance and Accounting Regulations 2003 and is consistent with many reviews undertaken by other Local Authorities when reviewing their MRP policy / methodology. This approach provides; a lower charge in the earlier years and is prudent as it is built on asset life, and a straight line charge, rather than reducing balance.

It should be noted that the revised approach does not change the overall amount of MRP payable; the same amount is simply repaid over a different time period, but is more aligned with the period over which the underlying assets provide benefit. Further details can be found in Annex 1 to this Strategy.

#### Prudential and Treasury Indicators for 2022/23 – 2025/26

12. Prudential and Treasury Indicators (as set out in the tables in Annex 2 to this Strategy) are relevant for the purpose of setting an integrated treasury management strategy. The Council is also required to indicate that it has adopted the CIPFA Code of Practice on Treasury Management, this was adopted in February 2010.

#### Prospects for Interest Rates

13. The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 20th December 2021. These are forecasts for certainty rates, gilt yields plus 80 bps

Link Group Interest Rate View 20.12.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.20	0.30	0.50	0.50	0.60	0.70	0.80	0.90	0.90	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.00	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.70	0.70	0.70	0.70	0.80	0.90	1.00	1.10	1.10	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80	1.90	1.90	1.90	2.00	2.00
10 yr PWLB	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.30
25 yr PWLB	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.50	2.50
50 yr PWLB	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.20	2.20	2.30	2.30

*Additional notes by Link on this forecast table: -*

• LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.

- *Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.*

14. Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021.
15. It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -
  - We do not know how severe an impact Omicron could have on the economy and whether there will be another lockdown or similar and, if there is, whether there would be significant fiscal support from the Government for businesses and jobs.
  - There were already increasing grounds for viewing the economic recovery as running out of steam during the autumn and now into the winter. And then along came Omicron to pose a significant downside threat to economic activity. This could lead into stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
  - Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit?
  - Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
  - On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
  - It looks as if the economy coped well with the end of furlough on 30<sup>th</sup> September. It is estimated that there were around 1 million people who came off furlough then and there was not a significant increase in unemployment. The other side of the coin is that vacancies have been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services i.e., a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
  - We also recognise there could be further nasty surprises on the Covid front beyond the Omicron mutation.

16. In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with whatever the new news is.

### Borrowing Strategy

17. Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.
18. This unpredictability in respect of gilt yields and PWLB rates due to the following factors: -
- How strongly will changes in gilt yields be correlated to changes in US treasury yields (see below). Over 10 years since 2011 there has been an average 75% correlation between movements in US treasury yields and gilt yields. However, from time to time these two yields can diverge. Lack of spare economic capacity and rising inflationary pressures are viewed as being much greater dangers in the US than in the UK. This could mean that central bank rates will end up rising earlier and higher in the US than in the UK if inflationary pressures were to escalate; the consequent increases in treasury yields could well spill over to cause (lesser) increases in gilt yields. There is, therefore, an upside risk to forecasts for gilt yields due to this correlation. The Link Group forecasts have included a risk of a 75% correlation between the two yields.
  - Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
  - Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
  - How strong will inflationary pressures actually turn out to be in both the US and the UK and so put upward pressure on treasury and gilt yields?
  - How will central banks implement their new average or sustainable level inflation monetary policies?
  - How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
19. As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases eventually needed to suppress inflation, are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

20. Although borrowing from the Public Works Loans Board (PWLB) is still generally the most attractive external option available to the authority, the current overborrowed position makes the use of external borrowing unlikely. Even as the position changes from overborrowed to under borrowed there is not currently a requirement to take on external debt.
21. Borrowing rates very rarely move in one direction without there being periods of volatility, and it is sensible to maintain a flexible and proactive stance towards when borrowing should be carried out (if, indeed, any borrowing is taken). Likewise it is sensible to retain flexibility over whether short, medium or long-term funding will be taken and whether some element of variable rate funding might be attractive. Any borrowing carried out will take into account the medium term costs and risks and will not be based on minimising short term costs if this is felt to compromise the medium term financial position of the Council.

#### External v Internal Borrowing

22. The Council currently has significant cash balances invested, and at the end of December 2021 these stood at £357m. These balances relate to a number of different items – earmarked funds, provisions, grants received in advance of expenditure and simple cash flow are some of them. A growing source of cash balances relates to the overborrowed position outlined earlier.

As mentioned earlier the new MTFS capital programme includes a funding requirement of £143m. Due to the levels of internal cash balances and the interest return compared with the cost of raising new external debt it is more economical to temporarily utilise internal cash balances

23. The Council has over the last 10 years repaid almost £100m more of external loans than has been borrowed. There has also been no new borrowing to finance the capital programme in this period. The position is that the Council has more external borrowing than is required to fund the historic capital programme. In an ideal world action would be taken to ensure that an overborrowed position does not occur, but the reality is that this could only happen by the premature repayment of existing debt and this is currently not a cost-effective option. If an opportunity to repay debt occurs that is sensible from a financial perspective, it will be taken.
24. The balance between internal and external borrowing will be managed proactively, with the intention of minimising long-term financing costs.

#### Policy on borrowing in advance of need

25. The Council will not borrow in advance of need simply to benefit from earning more interest on investing the cash than is being paid on the loan. Where borrowing is required in the approved capital programme and value for money can be demonstrated by borrowing in advance this option may be taken, but only if it is felt that the money can be invested securely until the cash is required. This allows borrowing to be taken out at an opportune time rather than at the time expenditure is incurred.
26. In determining whether borrowing will be taken in advance of the need the Council will;
  - ensure that there is a clear link between the capital programme and maturity profile of existing debt which supports taking financing in advance of need



- ensure that the revenue implications of the borrowing, and the impact on future plans and budgets have been considered
- evaluate the economic and market factors which might influence the manner and timing of any decision to borrow
- consider the merits (or otherwise) of other forms of funding
- consider a range of periods and repayment profiles for the borrowing.

#### Debt Rescheduling/Premature Debt Repayment

27. Debt rescheduling usually involves the premature repayment of debt and its replacement with debt for a different period, to take advantage of differences in the interest rate yield curve. The repayment and replacement do not necessarily have to happen simultaneously, but would be expected to have occurred within a relatively short period of time.
28. If medium and long-term loan rates rise substantially in the coming years, there may be opportunities to adjust the portfolio to take advantage of lower rates in shorter periods. It is important that the debt portfolio is not managed to maximise short-term interest savings if this is felt to be overly risky, and a maturity profile that is overly focussed into a single year will be avoided. Changes to the way that PWLB rates are set, and the introduction of a significant gap between new borrowing costs and the rate used in calculating premia/discounts for premature debt repayments, significantly reduces the probability of debt rescheduling being attractive in the future.
29. If there is a meaningful increase in medium and long-term premature repayment rates there is a possibility that premature repayment of existing debt (without any replacement) might become attractive, particularly given the current overborrowed position. This type of action would only be carried out if it was considered likely to be beneficial in the medium term.
30. All debt rescheduling or premature repayments will be reported to the Corporate Governance Committee at the earliest meeting following the action.

### **Annual Investment Strategy**

#### Investment Policy

31. The Council will have regard to the MHCLG's Guidance on Local Authority Investments ("the Investment Guidance") and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:-
  - the security of capital and
  - the liquidity of its investments
32. The Council will aim to achieve an optimal return on its investments that is commensurate with proper level of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments.
33. The Council's policy in respect of deciding which counterparties are acceptable has always been stringent.

34. In broad terms the list of acceptable counterparties uses the list produced by Link Asset Services (the Council's treasury management advisor) but excludes any party that is included in the Link list with a maximum loan maturity period of 100 days or less. All counterparties are also restricted to a maximum loan period of one year.
35. Inflation has been and is expected to consistently exceed the interest rates offered by acceptable counterparties resulting in the value of capital being eroded in real terms. Hence, the investment strategy recognises that alternative higher risk investments could be required to mitigate this erosion. Providing this is undertaken in a measured way the impact upon liquidity will be minimal

#### Creditworthiness Policy

36. Link's methodology includes the use of credit ratings from S & P, Fitch and Moody's, factors such as credit outlook reports from the credit rating agencies, the rating of the sovereign government in which the counterparty is domiciled and the level of Credit Default Swap spreads within the market (effectively the market cost of insuring against default). The general economic climate is also considered and will, on occasions, have an impact onto the list of suggested counterparties.
37. Link Asset Services issue timely information in respect of changes to credit ratings or outlooks, and changes to their suggested counterparty list are also issued. These reports are monitored within a short time of receipt and any relevant changes to the counterparty list are actioned as quickly as is practical. A weekly summary of the credit ratings etc. of counterparties is also issued and this gives an opportunity to ensure that no important information has been missed.

#### Country Limits

38. The Link criteria includes a requirement for the country of domicile of any counterparty to be very highly rated. This is a requirement on the basis that it will probably be the national government which will offer financial support to a failing bank, but the country must itself be financially able to afford the support. The Council's list of acceptable counterparties will include a limit on the maximum amount that can be invested in all counterparties domiciled in a single country (except for the UK) in order to mitigate sovereign risk.

#### UK Local Authorities

39. The counterparty list from Link does not include Local Authorities, due to credit ratings not being available for the majority of organisations. Having never defaulted in history, UK Local authorities and levying authorities are and have always been regarded as safe counterparties.
40. Despite the difficult financial situation that many organisations find themselves in the legal basis underpinning local authorities and their requirement to repay loans has not changed. It is considered very unlikely that one will be allowed to collapse and default on its debt. The language used to describe the financial position of Local authorities and companies is very similar. However, the actual position is very different. Despite Government cuts to grants Local Authorities are in control of the majority of their income, due to their tax-raising powers. To regain a balanced budget service reduction can take place without a corresponding income reduction. Companies do not have this

ability and if a service is cut by them, all of the related income stops. Historically when public sector re-organisations have taken place, resulting in the cessation of one or more entities, government has nominated successor organisations. These organisations take on all of the historic assets and liabilities of the original entities. If a limited company ceases trading the known liabilities can only be settled out of the assets held by the company at that time.

41. Local authorities remain very low risk counterparties and it is extremely unlikely that loans would not be repaid in full, on time and with full interest. The Council's treasury management advisors are aware of local authorities being on the list of authorised counterparties and are supportive of it, and comfortable that they remain low-risk counterparties. There is evidence that lending between local authorities continues to happen, including to those that have been highlighted as in very difficult financial positions.

#### Counterparty List

42. The combination of all these factors produces a counterparty list, for the County Council, which comprises only very secure financial institutions, and a list that is managed pro-actively as new information is available.
43. The investment instruments identified for use in the financial year are listed below. The limits for both maximum loan periods and amounts will be set in line with the criteria shown in Annex 3. This list has been updated for 2022-23; the maximum amount that can be invested in all counterparties domiciled within a single country (other than the UK) has been increased from £30m to £50m.
44. Although the maximum amount that can be invested in a single country has increased, the amount that can be invested in an individual institution will remain the same. This serves to expand the Council's lending capacity without increasing exposure to any individual institution.
45. There is a requirement within the Annual Investment Strategy to state which of the approved methods of lending are specified, and which are non-specified. In broad terms a specified investment will be capable of repayment within one year and be made to a counterparty with a high credit rating; by implication non-specified investments are more risky than specified investments as they are either for longer periods of time or to lower-quality counterparties. Anything that does not meet either of these 'tests' is, by default, non-specified and must be highlighted as such within the Strategy. The long-term nature of the 'LOBO-offset' loan to Danske Bank means that it is non-specified investment, although the off-setting nature of the borrowing and the loan actually makes it low risk. Investment in pooled private debt funds is also non-specified, primarily due to the illiquid and medium-term nature of the investment.

Investment	Repayment within 12 months	Level of Security	Maximum Period	Maximum % of Portfolio or cash sum <sup>1</sup>
Term deposits with the Debt Management Office	Yes	Government-Backed	1 year	100%
UK Government Treasury Bills	Yes	Government-Backed	1 year	100%
Term deposits with credit-rated institutions with maturities up to 1	Yes	Varied acceptable credit ratings, but	1 year	100%

year <sup>2</sup> (including both ring fenced and non-ring fenced banks)		high security		
Term deposits with overseas banks domiciled within a single country.	Yes	Varied acceptable credit ratings, but high security	1 year	£50m
Private Term deposits that are legally capable of offset against existing LOBO borrowing that the Council has <sup>3</sup>	No	Varied, but off-setting nature of borrowing against loan gives a very low risk	20 years	25%
Money Market Funds: Constant NAV <sup>4</sup> Low Volatility NAV <sup>5</sup>	Yes	At least as high as acceptable credit – rated banks	Daily, same-day redemptions and subscriptions	£125m (includes any investment in variable NAV MMFs)
Variable NAV Money Market Funds <sup>6</sup>	Yes	At least as high as acceptable credit – rated banks	Same day subscriptions, 2 – 3 day redemption period	£125m (includes any investment in other MMFs)
Pooled private debt funds	No	Diversification within pooled fund and historic loss rate suggests high security	Varies across funds – likely to be at least a three year investment period, followed by a further three years to redeem all loans	£40m (£20m plus temp £20m overlap at renewal)
Term Deposits with UK Local Authorities up to 1 year	Yes	LA's do not have credit ratings, but high security	1 year	50%
Certificates of Deposit with credit-rated institutions with maturities of up to 1 year	Yes	Varied acceptable credit ratings, but high security	1 year	100%

- (1) As the value of the investment portfolio is variable, the limit applies at time of agreeing the investment. Subsequent changes in the level of the portfolio will not be classed as a breach of any limits.
- (2) For administrative purposes a commitment may need to be made in advance of the investment period commencing. To avoid being overexposed with a counterparty this will be kept to a few days.
- (3) Non-specified investment
- (4) Funds where the capital value of a unit will always be maintained at £1. These funds have to maintain at least 99.5% of their assets in government backed assets.
- (5) Funds are permitted to maintain the unit price at £1 as long as the net asset value does not deviate by more than 0.20% from this level.
- (6) Funds will value their units on the basis of the underlying value of the assets that they hold; the unit price will not necessarily always be exactly £1
46. Following the lasting implications of the COVID-19 pandemic, in particular, the demonstration that unforeseeable events can very quickly cause significant uncertainty and shock financial markets. It is recognised that in exceptional circumstances the Director of Corporate Resources, in order to protect capital balances and liquidity, may have to take immediate action that breaches the above policy on a temporary basis. The action will only be taken as a last resort and will be reported, along with the rationale behind it, to the Corporate Governance Committee at the first opportunity.

#### Pooled Property Fund Investment

47. As at the end of December 2021 £25m had been invested. This is classified as a service investment, rather than a treasury management investment. Following approval by the Cabinet on 19<sup>th</sup> November 2021 the Council intends to divest £7.5m from one or more pooled property funds and reinvest the funds into pooled infrastructure funds. This is expected to take place during 2022/23. Types of pooled infrastructure include, energy infrastructure, including renewables, water treatment works and transport infrastructure such as rail and air terminals. The infrastructure investment will also be classified as a service investment, rather than a treasury management investment

### Investment Strategy

48. The investment strategy shall be to only invest in those institutions and/or asset types that are included in the counterparty list, and only to lend up to the limit set for each counterparty. Periods for which loans are placed will take into account the outlook for interest rates and, to a lesser extent, the need to retain cash flows. There may be occasions when it is necessary to borrow to fund short-term cashflow issues, but there will generally be no deliberate intention to make regular borrowing necessary.

### Policy on the use of External Service Providers

49. External investment managers will not be used, except to the extent that a Money Market Fund or the managers of pooled property or private debt funds can be considered as an external manager.
50. The Council uses Link Asset Services as its external treasury management adviser, but recognises that responsibility for treasury management decisions remains with the Council at all times. Undue reliance on the Councils external advisers will be avoided, although the value of employing an external adviser and accessing specialist skills and resources is recognised.

### Scheme of Delegation

51. (i) Full Council
- Approval of annual strategy
  - Other matters where full Council approval is required under guidance or statutory requirement
- (ii) Cabinet
- Approval of updates or revisions to strategy during the year
  - Approval of Annual Treasury Outturn report
- (iii) Corporate Governance Committee
- Mid-year treasury management updates (usually quarterly)
  - Review of treasury management policy and procedures, including making recommendations to responsible body
  - Scrutiny of Treasury Management Strategy/Annual Investment Strategy and Annual Treasury Outturn report.
- (iv) Director of Corporate Resources
- Day-to-day management of treasury management, within agreed policy
  - Appointment of external advisers, within existing Council procurement procedures

Role of Section 151 Officer

52. The Section 151 Officer is the Director of Corporate Resources, who has responsibility for the day-to-day running of the treasury management function.

Pension Fund Cash

53. The Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1<sup>st</sup> January 2010, and will not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with the County Council after 1<sup>st</sup> April 2010 will comply with the requirements of SI 2009 No 3093. From time to time the Council will manage short term cash flow requirements for either the County Council or the Pension Fund on a non-beneficial basis.

Eastern Shires Purchasing Organisation (ESPO)

54. As part of the service level agreement with ESPO, the council provides a treasury management service on behalf of ESPO for investment of surplus balances. This service is carried out with due regard to this policy and responsibility for day to day management lies with the Director of Corporate Resources. Surplus balances are invested in their own right and not pooled with the county council.

## **ANNUAL STATEMENT FOR THE DETERMINATION OF THE ANNUAL MINIMUM REVENUE PROVISION (MRP)**

Statutory regulations introduced in 2008 require local authorities to make prudent provision for the repayment of debt raised to finance capital expenditure. In addition a statement of the level of MRP has to be submitted to the County Council for approval before the start of the next financial year.

### **Prudent Provision.**

The definition of what is prudent provision is determined by each local authority based on guidance rather than statutory regulation

### **It is proposed that provision is made on the following basis:**

#### Government supported borrowing:

Provision to be based on the estimated life of the asset to be financed from government borrowing with repayments by equal annual instalments.

The extent of borrowing required to finance the capital programme is not directly linked to any specific projects thus in determining the average life of assets an average of 40 years has been taken as a proxy for the average life of assets.

#### Prudential (unsupported) borrowing and expenditure capitalised by direction of the Secretary of State and certain other expenditure classified as capital incurred after 1<sup>st</sup> April 2008:

Provision to be based on the estimated life of the asset to be financed by that borrowing, with repayment by equal annual instalments.

The extent of borrowing required to finance the capital programme is not directly linked to any specific projects thus in determining the average life of assets an average of 40 years has been taken as a proxy for the average life of assets.

The County Council will also look to take opportunities to use general underspends and one-off balances to make additional (voluntary) revenue provision where possible to reduce ongoing capital financing costs. As at 31 March 2022, the cumulative amount of voluntary MRP paid in advance is £47.8m.

### **Financial Implications**

MRP is a constituent of the Financing of Capital budget shown within Central Items component of the revenue budget and for 2022/23 totals £6.2m. This comprises £5.8m in respect of supported borrowing and £0.4m in respect of unsupported borrowing incurred since 2008/09.

**PRUDENTIAL AND TREASURY INDICATORS**

In line with the requirements of the CIPFA Prudential Code for Capital Finance in local authorities, the various indicators that inform authorities whether their capital investment plans are affordable, prudent and sustainable, are set out below.

A further key objective of the code is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. The indicators for Treasury management are set out in this paper.

Compliance with the Code is required under Part I of the Local Government Act 2003.

	<u>2020/21</u> <u>Actual</u>	<u>2021/22</u> <u>Estimate</u>	<u>2022/23</u> <u>Estimate</u>	<u>2023/24</u> <u>Estimate</u>	<u>2024/25</u> <u>Estimate</u>	<u>2025/26</u> <u>Estimate</u>
Capital Expenditure	£105m	£109m	£139m	£170m	£142m	£103m
Capital financing requirement	£232m	£226m	£220m	£260m	£311m	£340m
Ratio of total financing costs to net revenue stream	3.8%	3.9%	3.8%	3.8%	4.0%	4.2%

The projected level of capital expenditure shown above differs from the total of the detailed four year programme presented in this report as an allowance has been provided to cover estimated additional expenditure that may occur during the course of a year, for instance projects funded by government grants, section 106 contributions and projects funded from the future developments programme.

The capital financing requirement (CFR) measures the Authority's need to borrow for capital purposes and as such is influenced by the availability of capital receipts and income from third parties, e.g. grants and developer contributions. The CFR is increasing during the MTFS period for essential investment in services, investment for growth and invest to save projects.

The prudential code includes the following as a key indicator of prudence:

'In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years'. In the short term this indicator will not be met due to the reduction in the capital financing requirement in recent years and the currently prohibitively expensive premiums to repay existing debt. The Council will consider options to reduce this position where they are in the long term financial interests of the Council. Further details are included in the main Treasury Management Strategy Statement and Annual Investment Strategy 2022/23.

In respect of external debt, it is recommended that the Council approves the limits detailed in the tables below for its total external debt for the next four financial years. These limits separately identify borrowing from other long term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to the Director of Corporate Resources, within the total limit for any individual year, to effect movement between the



separately agreed limits for borrowing and other long term liabilities. Any such changes made will be reported to the Cabinet at its next meeting following the change.

There are two limits on external debt: the 'Operational Boundary' and the 'Authorised Limit'. Both are consistent with the current commitments, existing plans and the proposals in the budget report for capital expenditure and financing, and with approved treasury management policy statement and practices. They are both based on estimates of most likely, but not worst case, scenario. The key difference is that the Authorised Limit cannot be breached without prior approval of the County Council. It therefore includes more headroom to take account of eventualities such as delays in generating capital receipts, forward borrowing to take advantage of attractive interest rates, use of borrowing in place of operational leasing, "invest to save" projects, occasional short term borrowing to cover temporary revenue cash flow shortfalls as well as an assessment of risks involved in managing cash flows. The Operational Boundary is a more realistic indicator of the likely position.

#### Operational boundary for external debt

	<u>2022/23</u> <u>£m</u>	<u>2023/24</u> <u>£m</u>	<u>2024/25</u> <u>£m</u>	<u>2025/26</u> <u>£m</u>
Borrowing	263	263	311	340
Other long term liabilities	1	1	1	1
<b>Total</b>	<b>264</b>	<b>264</b>	<b>312</b>	<b>341</b>

#### Authorised limit for external debt

	<u>2022/23</u> <u>£m</u>	<u>2023/24</u> <u>£m</u>	<u>2024/25</u> <u>£m</u>	<u>2025/26</u> <u>£m</u>
Borrowing	273	273	321	350
Other long term liabilities	1	1	1	1
<b>Total</b>	<b>274</b>	<b>274</b>	<b>322</b>	<b>351</b>

In agreeing these limits, the Council is asked to note that the authorised limit determined for 2022/23 will be the statutory limit determined under Section 3(1) of the Local Government Act 2003.

#### Comparison of original 2021/22 indicators with the latest forecast

In February 2021 the County Council approved certain prudential limits and indicators, the latest projections of which are shown below:

	<u>Prudential</u> <u>Indicator</u> <u>2021/22</u>	<u>Latest</u> <u>Projection</u> <u>17/01/22</u>
Actual Capital Financing Costs as a % of Net Revenue Stream	4.10%	3.90%
Capital Expenditure	£145m	£111m
Operational Boundary for External Debt	£264.1m	£264.1m
Authorised Limit for External Debt	£274.1m	£274.1m
Interest Rate Exposure – Fixed	50-100%	100%
Interest Rate Exposure – Variable	0-50%	0%
Capital Financing Requirement	£237m	£226m

All of the indicators are within the targets set. The latest forecast of external debt, £262.6m, shows that it is within both the authorised borrowing limit and the operational boundary set for 2021/22. The maturity structure of debt is within the indicators set. The latest projection for capital expenditure is below the indicator set, due to the refresh of the capital programme in September 2021 and slippage in forecast spend within the capital programme.

#### Treasury Management Indicators

The Local Government Act 2003 requires the County Council to ensure that treasury management is carried out with good professional practice. The Prudential Code includes the following as the required indicators in respect of treasury management:

- a) Upper limits on fixed interest and variable rate external borrowing.
- b) Upper and lower limits for the maturity structure of borrowings.
- c) Upper limit for principal sums invested for periods longer than 364 days.

After reviewing the current situation and assessing the likely position next year, the following limits are recommended:

- a) An upper limit on fixed interest rate exposures for 2022/23 to 2025/26 of 100% of its net outstanding principal sums and an upper limit on its variable interest rate exposures for 2022/23 to 2025/26 of 50% of its net outstanding principal sums.
- b) Upper and lower limits for the maturity structure of its borrowings as follows:  
Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate:

	<u>Upper Limit %</u>	<u>Lower Limit%</u>
under 12 months	30	0
12 months and within 24 months	30	0
24 months and within 5 years	50	0
5 years and within 10 years	70	0
10 years and above	100	25

- c) An upper limit for principal sums invested for periods longer than 364 days is 10% of the portfolio.

The County Council has adopted the CIPFA code of Practice for Treasury Management in the Public Services.

**ANNEX 3****POLICY ON APPROVED ORGANISATIONS FOR LENDING****APPROVED ORGANISATIONS/ LIMITS FOR LENDING**

<u>Institution*</u>	<u>Maximum Sum Outstanding/Period of Loan</u>
UK Clearing Banks and UK Building Societies**	£30m/6 months up to £50m/12months (Not special Institutions) £70m/12months (special Institutions) 'Special' = significant element of UK government ownership.
UK Debt Management Office	No maximum sum outstanding/12 months
UK Government Treasury Bills	No maximum sum outstanding/12 months
Overseas Banks	£10m/6 months £20m/12 months
Money Market Funds	£30m limit within any AAA-rated fund. £125m maximum exposure to all Money Market Funds
UK Local Authorities	£10m/12 months
Pooled Private Debt Funds	£40m/variable 3-6 years

\* includes ring fenced and non-ring fenced banks.

\*\*In the event that an investment is entered into which is legally offset against borrowing in the form of a LOBO (Lender's Option, Borrower's Option) from the same counterparty, the maximum period will be 20 years and the maximum sum will be the amount of the LOBO deal against which the legal offset exists.

The list of acceptable institutions will mirror the list of suggested counterparties maintained by Link Asset Services, except the maximum maturity period will be restricted to 1 year and any institution with a suggested maturity period of 100 days or less will be excluded.

Some financial institutions have both a parent company and a subsidiary that are licensed deposit takers in the UK. Where this is the case a 'group limit' will apply, and this will be the limit that is given to the parent company.

In some cases the parent company will be an overseas institution and they will have UK-registered subsidiaries. Where this is the case the parent company limit will apply at a total group level, even if this limit is less than would be given to the UK subsidiary on a stand-alone basis. Any money invested with a UK subsidiary of an overseas institution will be classed as being invested in the country of domicile of the parent if the parent is an overseas institution for country-maximum purposes.

If the credit rating of an individual financial institution decreases to a level which no longer makes them an acceptable counterparty the Director of Corporate Resources will take action to bring this back into line at the earliest opportunity. It should be noted that there will be no legal right to cancel a loan early, and any premature repayment can only be made with the

approval of the counterparty and may include financial penalties. Similar actions will be taken if a counterparty is downgraded to a level which allows them to remain on the list of acceptable counterparties, but where the unexpired term of any loan is longer than the maximum period for which a new loan could be placed with them.

In the event that the circumstances highlighted above occur, the Director of Corporate Resources will report to the Corporate Governance Committee.

**TREASURY MANAGEMENT POLICY STATEMENT (TMPS)**

1. This organisation defines its treasury management activities as:

“The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

**2021 REVISED CIPFA TREASURY MANAGEMENT CODE AND PRUDENTIAL CODE**

CIPFA published the revised codes on 20th December 2021 and has stated that formal adoption is not required until the 2023/24 financial year.

The revised codes will have the following implications:

1. a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
2. clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;
3. address ESG issues within the Capital Strategy;
4. require implementation of a policy to review commercial property, with a view to divest where appropriate;
5. create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices);
6. ensure that any long term treasury investment is supported by a business model;
7. a requirement to effectively manage liquidity and longer term cash flow requirements;
8. amendment to TMP1 to address ESG policy within the treasury management risk framework;
9. amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council;
10. a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

In addition, all investments and investment income must be attributed to one of the following three purposes: -

**Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

**Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

**Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's

financial capacity – i.e., that ‘plausible losses’ could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

As this Treasury Management Strategy Statement and Annual Investment Strategy deals solely with treasury management investments, the categories of service delivery and commercial investments will be dealt with as part of the Capital Strategy report.

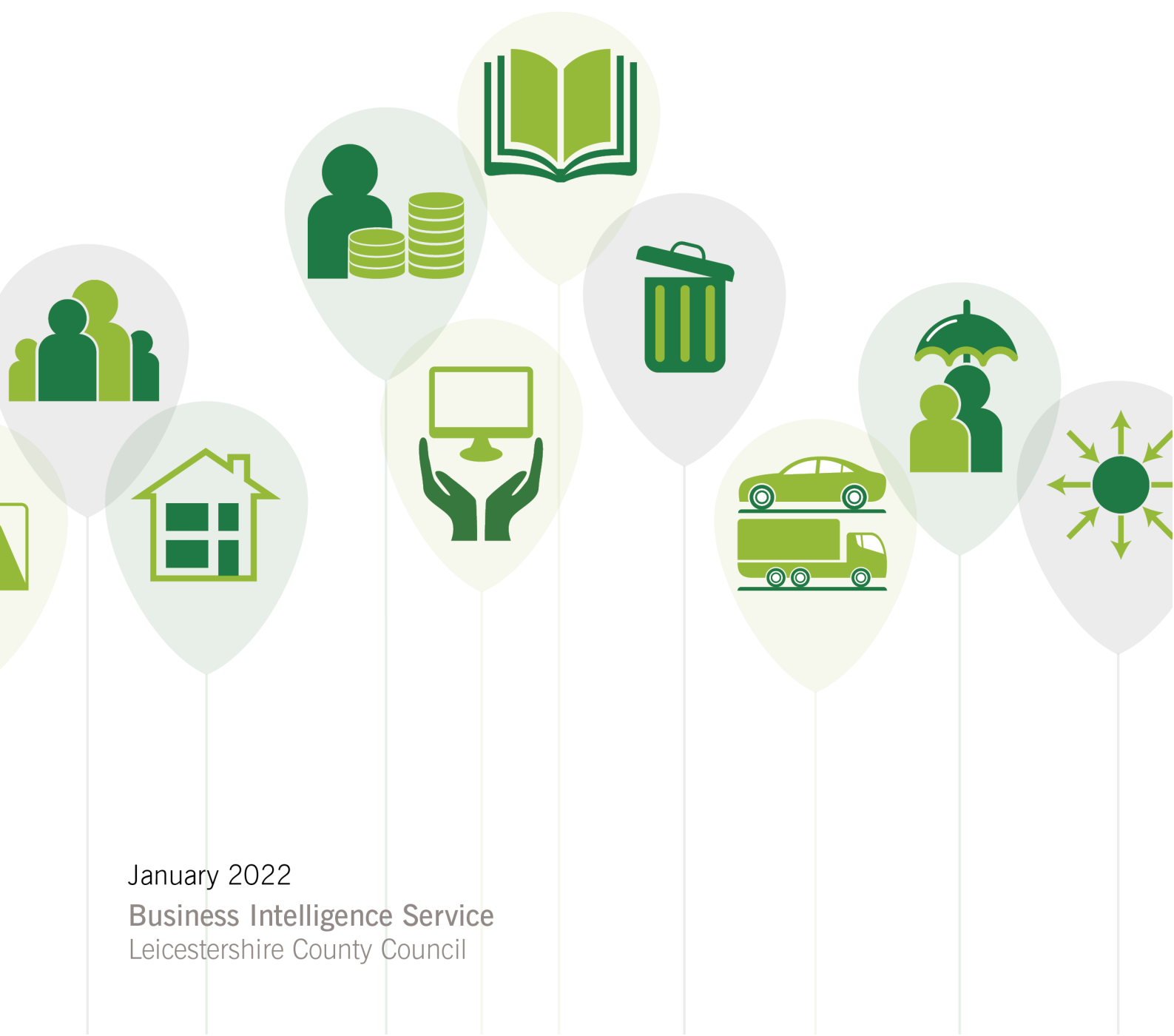
These changes will be reviewed for their impact on the County Councils current approach and any changes required will be formally adopted within the 2023/24 TMSS report.

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# Provisional Medium Term Financial Strategy 2022-2026

Public consultation results



January 2022

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Whilst every effort has been made to ensure the accuracy of the information contained within this report, Leicestershire County Council cannot be held responsible for any errors or omission relating to the data contained within the report.

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## Key findings

In total, 139 responses were received to the consultation survey, of which 63% were residents of Leicestershire and 60% were employees of Leicestershire County Council (multiple-choice question).

### Council Tax

Excluding any social care precept, just under a quarter of respondents (19%) were in favour of paying a core Council Tax increase of above 2% to fund county council services and over a third (39%) favoured an increase of 2%. A sixth (16%) were in favour of an increase of 1% or did not want to pay an increase in core Council Tax (16%), whilst a tenth of respondents (10%) said they thought core Council Tax should be reduced.

Just over a sixth (17%) were in favour of an increase of above 1% in Council Tax to specifically fund adult social care in Leicestershire (the adult social care precept) and over half of respondents in favour of a 1% increase (54%). A notable proportion opposed to paying any adult social care precept (29%).

By combining the responses to the questions about core Council Tax and adult social care precept, over half of respondents (52%) were in favour of a 3% increase or above in overall Council Tax (including the adult social care precept), 18% were in favour of a 2% increase and 8% preferred a 1% increase. Over a tenth (13%) said they would not be prepared to pay any increase in any Council Tax and 8% said they thought all Council Tax should be reduced.

### Growth and Savings

When respondents were asked whether they agreed or disagreed with how the growth and savings had been allocated across services, 43% agreed and 16% disagreed (41% neither agreed nor disagreed).

### Open Comments

Open comments regarding service reductions highlighted some key areas of concern, particularly service cuts to social care (adult's and children's). Other responses reflected criticism of the proposal to increase Council Tax during a time of inflation, with some stating that the cost of living is already becoming unaffordable for many. There were some concerns in relation to what further savings would mean for front-line workers and LCC employees in a time where caseloads are high and staff morale is low. Others were worried about how this would impact the most vulnerable in the community.

Respondents were asked whether there were any other areas where the council could make further savings. Despite many respondents not leaving a comment, or answering 'no', there were some suggestions made around making council expenditure more efficient, in relation to staffing and building costs. With regards to staffing, respondents mentioned reducing the number of consultants and reviewing salaries and department restructures. As

staff have worked from home during the pandemic, some respondents proposed the council should sell or utilise unused office space.

Whilst several respondents were in agreement about the areas identified for growth, others mentioned the need for the council to increase support for the most vulnerable in the community and make further investments into children and family's services. Some respondents made specific suggestions, including increasing investment into tackling poverty, youth services and country parks.

When respondents were asked for their comments on the council's capital programme, making investments in infrastructure and transport across the county was a reoccurring comment with some requests to improve bus and rail networks. Several respondents expressed their support and were happy to see the council investing more into certain services, such as education. Other suggestions included creating additional jobs for skilled people and the need for more affordable social housing.

When asked to provide any further comments or suggestions about the council's budget proposals, there were some respondents who used this question to oppose the further increase in Council Tax. Those who made suggestions referenced creating more sustainable housing development and making redundancies where possible. There were some requests for the council to continue funding certain services, specifically adult and children's social care with concerns about how further savings and reductions would impact these services. Positive comments reflected general support for the budget proposals and acknowledgement of the difficult financial position the council faces.

### **Funding Reform and Seeking a County Deal**

With regards to Fairer Funding, the majority of respondents (86%) agreed that the way funding is distributed between councils should be reviewed. When asked about whether the county council should seek a County Deal with the Government for additional resources, the majority of respondents agreed (85%).

Respondents were asked whether they had any other comments about Fairer Funding and seeking a County Deal. Positive responses reflected the view that Leicestershire specifically is under-funded and that the current distribution of funding is unfair. Some respondents queried the likelihood or feasibility of being able to secure Fairer Funding from central Government, as it has been discussed in previous years. Others left general negative comments about the council's budget proposals, with some disagreeing with any increase of Council Tax. Some made suggestions relating to a unitary authority and the merging of services which could reduce the need to make further savings.

## Background

Leicestershire County Council's latest four year plan outlines the extremely challenging financial position facing the authority. Pressure continues to grow as demand for services and infrastructure soars. A surge in demand for social care and special educational needs and disabilities (SEND) support, combined with inflation, is expected to drive up costs by £157m.

The draft four-year plan had set out the need for £100m of savings, but also £88m of growth to cover underlying spending pressures, especially for services to support vulnerable members of the community. In addition, inflation pressures add £69m.

The plans assumed a proposed 2% increase on core Council Tax for four years, incorporating an additional 1% 'social care precept' increase in 2022/23. A decision on the adult social care precept in later years will be taken at the time.

The £513m four-year capital pot had set out plans for sustainable investment across the county, including £94m for Children and Family Services, £37m for Adults and Communities and £226m for Environment and Transport.

The consultation exercise on the budget plan provided an opportunity for residents, staff, businesses, community groups and other stakeholders to have their views heard and taken into account when the budget plan is considered and finalised by Cabinet.

## Methodology

Following the publication of the detailed budget proposals, a consultation summary and survey form were made available on the county council's website for the duration of the consultation period of 15th December 2021 to 16th January 2022.

This provided the opportunity for residents and other stakeholders to have their say. Paper copies of the survey and copies in alternative formats (including easy read) were available on request. The consultation was promoted to the East Midlands Chamber of Commerce (and via them to their members), the Leicester and Leicestershire Enterprise Partnership, Parish Councils and the Leicestershire Equalities Challenge Group.

## Communication

A range of communications activity was used throughout the consultation period to encourage people to have their say, including: online content, intranet stories, Yammer posts, media releases (Twitter, Facebook and LinkedIn posts) and direct emails to staff, parish councils and businesses. This generated engagement across social media platforms and wide-ranging press coverage in print, online, local radio and television and ultimately, helped to generate 139 responses. This report has been shared with decision-makers and will form a part of the feedback to participants following the presentation to Cabinet.

## Questions

The survey asked respondents about Council Tax levels (including the Government's proposed adult social care precept) and the extent to which they agreed or disagreed with how the budget had been allocated across services. It also asked a number of open-ended questions about the budget and the way the council works. These are listed below:

- Are there any savings you disagree with?
- Are there any areas where you think we could make further savings?
- Do you have any comments about the areas identified for growth?
- Do you have any comments on the council's capital programme?
- Do you have any other comments about our draft budget proposals?
- Do you have any further comments on Fairer Funding or the County Deal?

A range of demographic questions were also asked, namely: gender identity, gender identity at birth, age, disability, ethnicity, religion, sexual orientation, postcode, whether the respondents are parents or carers of a young person aged 17 or under, or a carer of a person aged 18 or over. See Appendix 1 for the full questionnaire.

## Analysis

Graphs and tables have been used to assist explanation and analysis. Question results have been reported based on those who provided a valid response, i.e. taking out the 'don't know' responses and no replies.

The responses of different demographic groups were also statistically analysed and significant differences are highlighted within the relevant sections of the report. See Appendix 4 for the full statistical analysis.

## Results

In total, 139 responses to the survey were received.

## Respondent profile

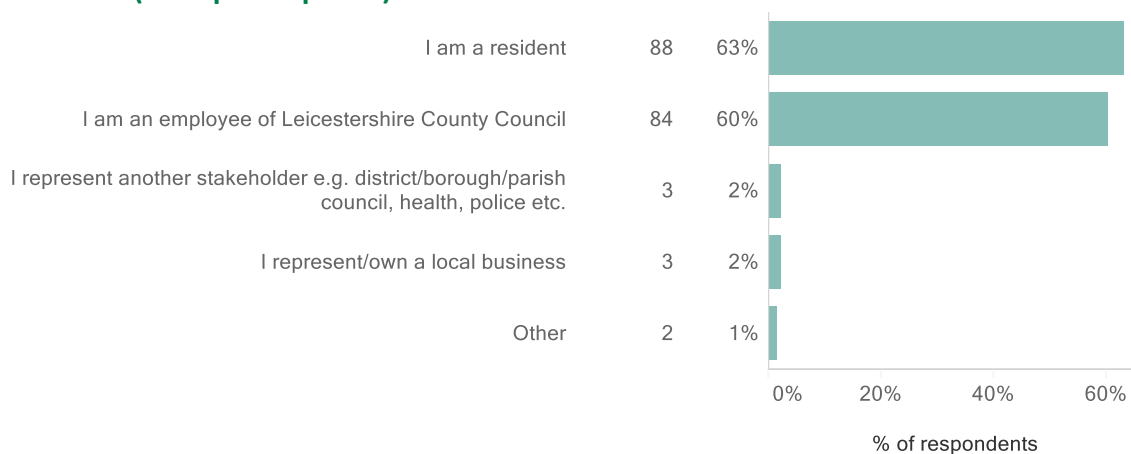
A full respondent profile can be found in Appendix 2.

### Question 1 - Role

Respondents were asked in what capacity they were responding to the survey. Chart 1 below shows the breakdown. It shows that 63% of people who completed the survey were responding as residents and 60% were employees of Leicestershire County Council (LCC). Chart 2 shows 38% of respondents were residents but not employees of LCC, 35% were LCC employees and not residents, and 25% were both.

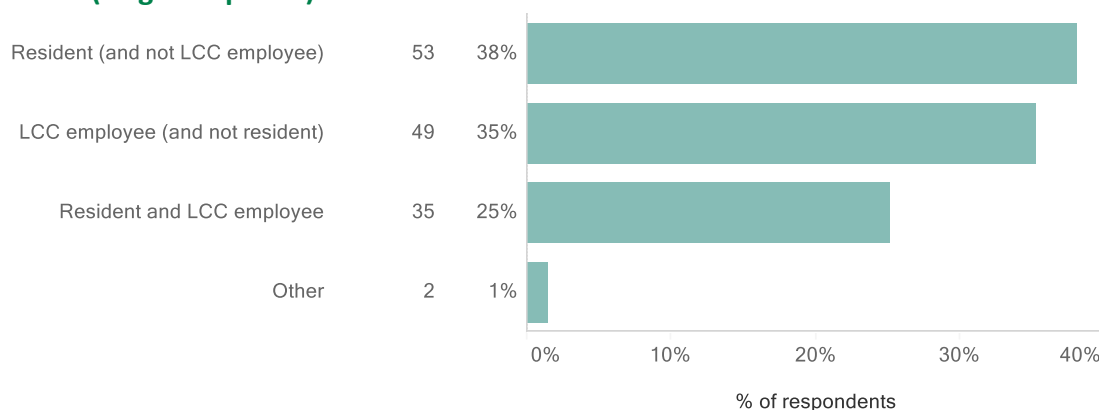
Throughout the analysis that follows, comparison has been made between the views from residents who are not LCC employees (53 respondents) and the views from LCC employees (84 respondents).

### Chart 1 - Role (multiple response)



Base = 139

### Chart 2 - Role (single response)



Base = 139



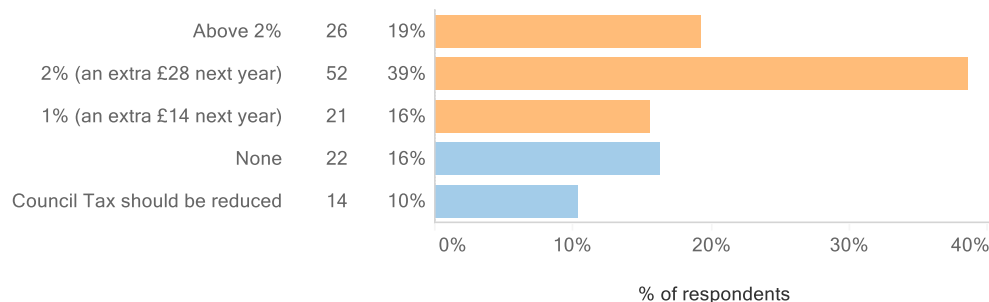
### Question 2 - Core Council Tax increase (excluding adult social care precept)

Respondents were asked what core Council Tax increase they would be prepared to pay to fund county council services, excluding any adult social care precept. Chart 3 shows just under a fifth of respondents (19%) were in favour of paying an increase of above 2%, 39% were in favour of paying an increase of 2%, and 16% were in favour of paying an increase of 1%. Some respondents (16%) thought Council Tax should not be increased and 10% thought it should be reduced.

Chart 4 shows a comparison between residents and LCC employees. A higher proportion of LCC employees said they were prepared to pay an increase of above 2% in core Council Tax (23%) compared to residents (14%). A larger proportion of LCC employees said they would be prepared to pay a 2% increase (41%) or 1% increase (17%) in core Council Tax than residents (31% and 14% respectively). There was a larger percentage of residents who said they thought core Council Tax should not be increased (22%) or it should be reduced (20%), compared to LCC employees (13% and 5%, respectively).

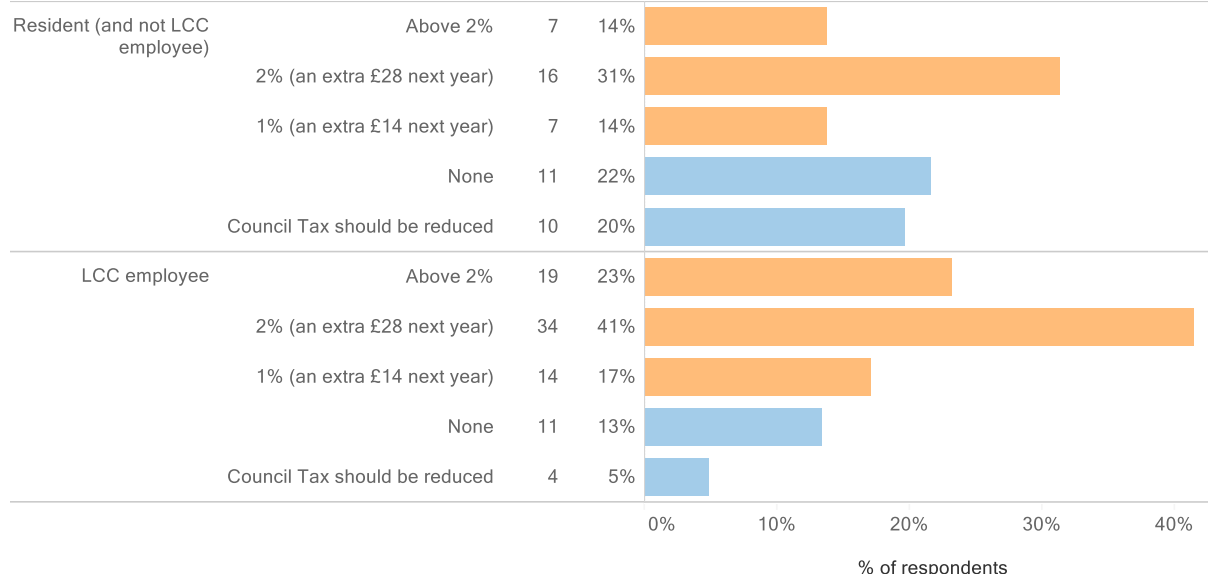
Statistical analysis shows that respondents aged 45-54 were significantly more likely to be in favour of a core Council Tax increase of above 2% (29%) when compared to the average (19%).

#### Chart 3 - Core Council Tax increase (excluding adult social care precept)



Base = 135

#### Chart 4 - Core Council Tax increase (excluding adult social care precept) - by role



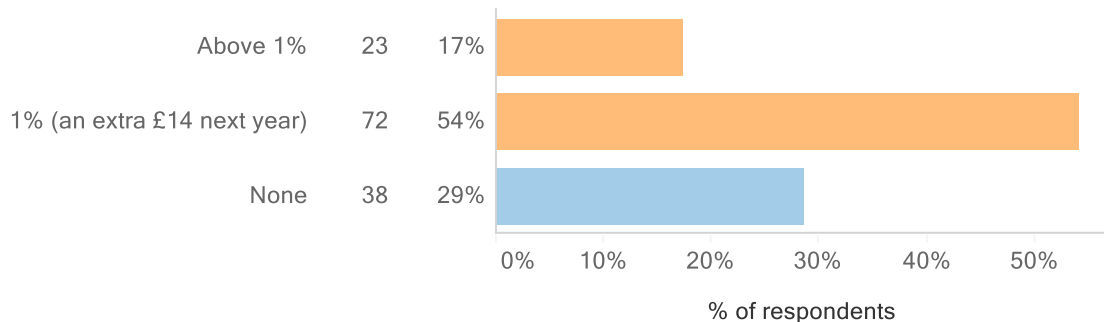
Resident base = 51  
LCC employee base = 82

### Question 3 - Additional Adult Social Care precept

Respondents were asked whether they would be prepared to pay an additional increase in Council Tax as a separate social care precept to be used exclusively for the funding of Adult Social Care in Leicestershire. Chart 5 shows that the majority (71%) would be prepared to pay an additional increase, but just under a third of respondents did not want any additional increase in Council Tax for this purpose (29%).

Overall, 17% of respondents said they would be prepared to pay above 1%, and just over half (54%) said they would be prepared to pay 1%.

**Chart 5 - Council Tax increase for social care precept**

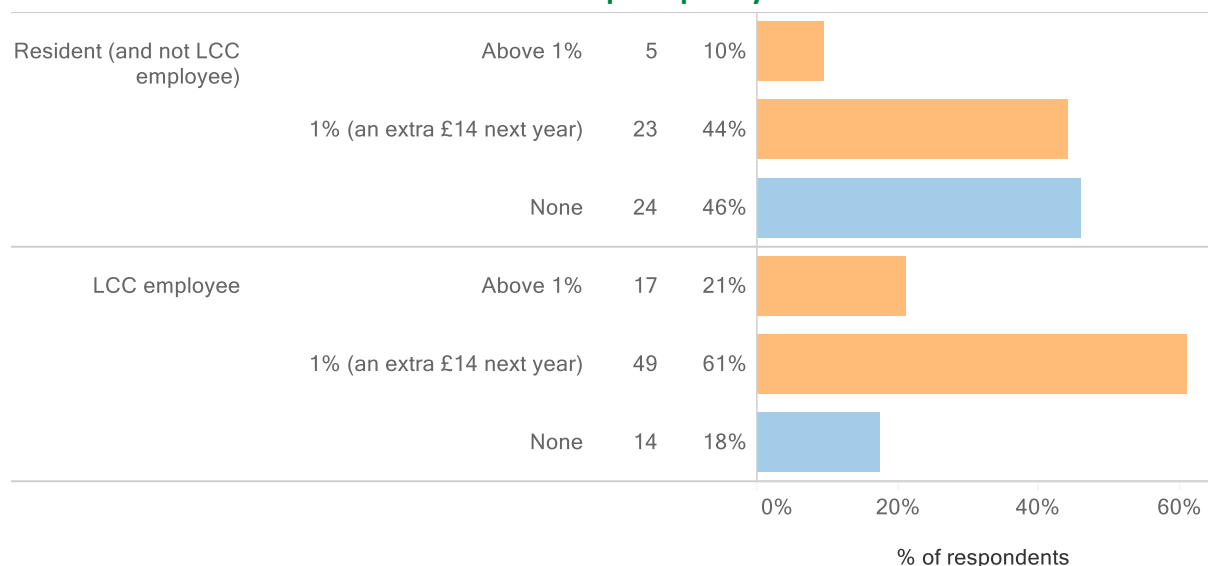


Base = 133

Statistical analysis shows that respondents aged 45-54 were significantly more likely to be in favour of a social care precept increase of above 1% (29%) than the average (17%).

Chart 6 shows the proportion of respondents who were opposed to any separate increase in Council Tax for adult social care was higher for residents (who were not LCC employees) (46%) compared to LCC employees (18%).

**Chart 6 - Council Tax increase for social care precept - by role**



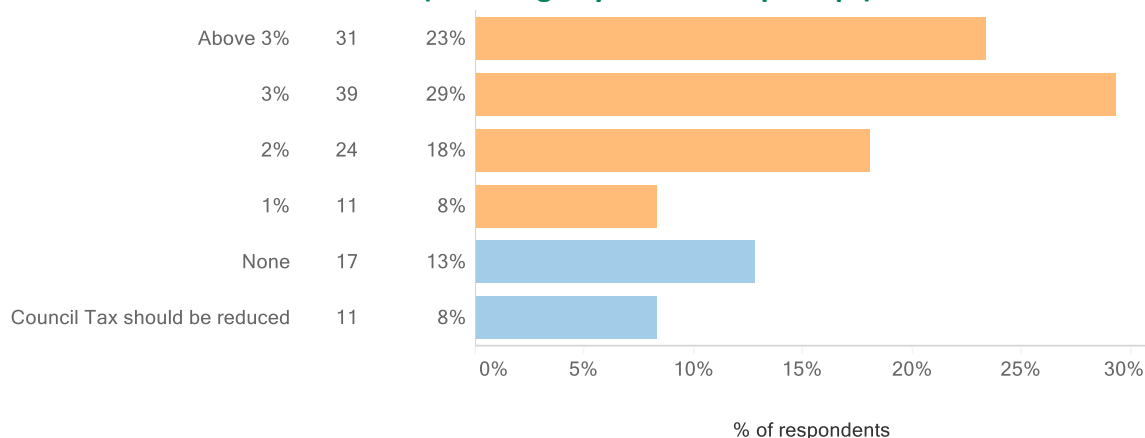
Resident base = 52  
LCC employee base = 80

## Total Council Tax increase

By combining the responses to the questions about core Council Tax and social care precept, Chart 7 (which is a summary of Table 1) shows that 78% were in favour of a Council Tax increase (including any social care precept); with over half of respondents (52%) in favour of an increase of 3% or above, just under a fifth (18%) in favour of a 2% increase and 8% in favour of a 1% increase.

In contrast, 13% said they did not want any increase in Council Tax and 8% said they thought Council Tax should be reduced.

**Chart 7 - Total Council Tax increase (including any social care precept)**



Base = 133

Note this chart excludes 3 cases where people indicated they wanted core Council Tax to reduce but an increase in social care precept. It also excludes 2 cases where people answered 'Don't know' to both Council Tax questions.

**Table 1 - Q2 by Q3**

		Social Care Precept increase			
		Above 1%	1% (an extra £14 next year)	None	Don't know
Council Tax increase (excluding 2% 'social care precept')	Above 2%	15 11%	11 8%		
	2% (an extra £28 next year)	5 4%	39 28%	5 4%	3 2%
	1% (an extra £14 next year)		16 12%	5 4%	
	None		5 4%	17 12%	
	Council Tax should be reduced	3 2%		10 7%	
	Don't know		1 1%	1 1%	2 1%

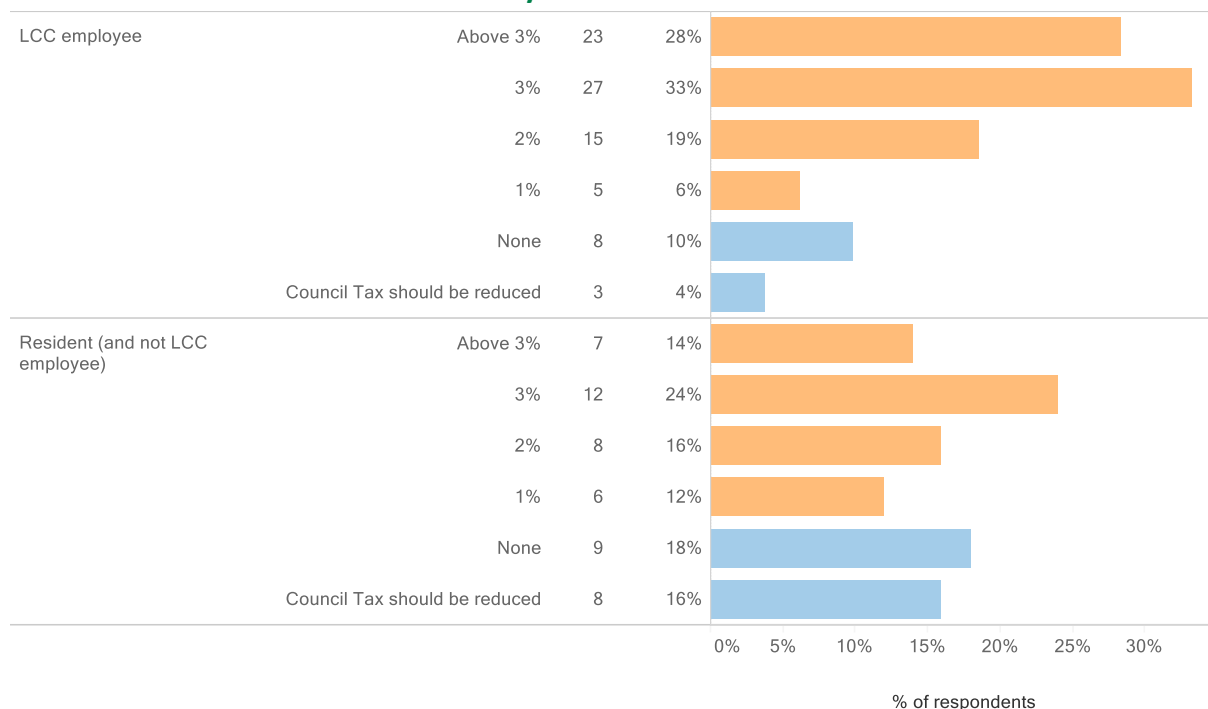
Base = 138

Statistical analysis shows that respondents aged 45-54 were significantly more likely to agree with a total Council Tax increase of above 3% (38%) when compared to the average (23%) and respondents aged 55+ were significantly more likely to agree with an increase of 3% (47%) when compared to the average (28%).

Respondents who said they were a parent or carer of a child or young person aged 17 or under were significantly more likely to be in favour of Council Tax being reduced (15%) than the average (8%).

Chart 8 shows the comparison of total Council Tax (including any adult social care precept) between residents and LCC employees. A higher proportion of LCC employees were prepared to pay a Total Council Tax increase of above 3% (28%) compared to residents (14%). A higher proportion of residents were not prepared to pay any increase in Council Tax (18%) and thought Council Tax should be reduced (16%) compared to LCC employees (10% and 4%, respectively).

**Chart 8 - Total Council Tax increase - by role**



Resident base = 50  
LCC employee base = 81

Note this chart excludes 3 cases where people indicated they wanted core Council Tax to reduce but an increase in social care precept.

### Question 4 - Growth and savings allocation

Respondents were asked whether they agreed or disagreed with how the growth and savings had been allocated across services. Chart 9 shows 43% agreed, 16% disagreed and a notable proportion of respondents neither agreed nor disagreed (41%).

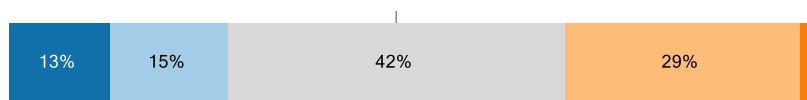
Statistical analysis shows that residents were significantly more likely to disagree with how the growth and savings had been allocated across council services (23%), compared to the average (16%). Those who lived in the most deprived areas were also significantly more likely to disagree (27%) than the average (16%).

#### Chart 9 - Growth and savings allocation - All Respondents



Base = 130

#### Chart 10 - Growth and savings allocation - Residents only



Base = 48

#### Chart 11 - Growth and savings allocation - LCC employees



Base = 80

#### Response

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

### Open-ended questions

This section of the consultation survey included seven open-ended questions. These are listed below:

- Are there any savings you disagree with?
- Are there any areas where you think we could make further savings?
- Do you have any comments about the areas identified for growth?
- Do you have any comments on the council's capital programme?
- Do you have any other comments about our draft budget proposals?
- Do you have any further comments on Fairer Funding or the County Deal?

For each question, all comments were read by analysts and a coding frame was devised. The comments were then re-read, and thematically coded using the coding frame. All comments have been passed on to the Finance department, in full, for further consideration.

### Q5 - Disagreement with specific savings

Respondents were asked whether there were any savings they disagreed with. Chart 12 lists the top 10 codes (see Appendix 3 for full list of codes).

Although a notable number of respondents answered 'No' or 'N/A', there were many comments where respondents disagreed with or raised concerns about specific savings.

Some respondents expressed concerns that making further savings in certain areas would result in an increased financial cost to the council elsewhere, whilst others were concerned about what long-term effect savings would have on services in the future. There were other comments in relation to what further savings would mean for front-line workers and LCC staff, specifically in relation to already high caseloads and low staff morale.

Others were worried about how making further savings would impact on the most vulnerable in the community, particularly savings in child protection and social support services, the impact on SEN students and the elderly.

There were some general criticisms of council decisions, but also the lack of government funding for Leicestershire and the unfair and inconsistent funding across council services.

Environment and Transport services, including highway maintenance and public transport, adult and children's social care and education were services that were specifically mentioned in relation to disagreeing with further council savings.

Few respondents used this question to oppose a further increase in Council Tax.

*"No, I trust that any savings are calculated with accuracy and will communicate effectively what happens with the additional finance"*

*"Any reduction in investment in funding for preventative measures (such as the Children & Families Pathways workstream) and 'saving' money on funding things that give greater independence to vulnerable adults (much of the Adult Social Care budget) will result in an increased financial cost to the council in other ways..."*

*"Shouldn't save on child protection and social support services for vulnerable adults and elderly people"*

*"think it is clear that to maintain services let alone improve them, the council (and every council for that matter) can't afford to make cuts. Services are already so stretched, just a shame cuts have to be made at all"*

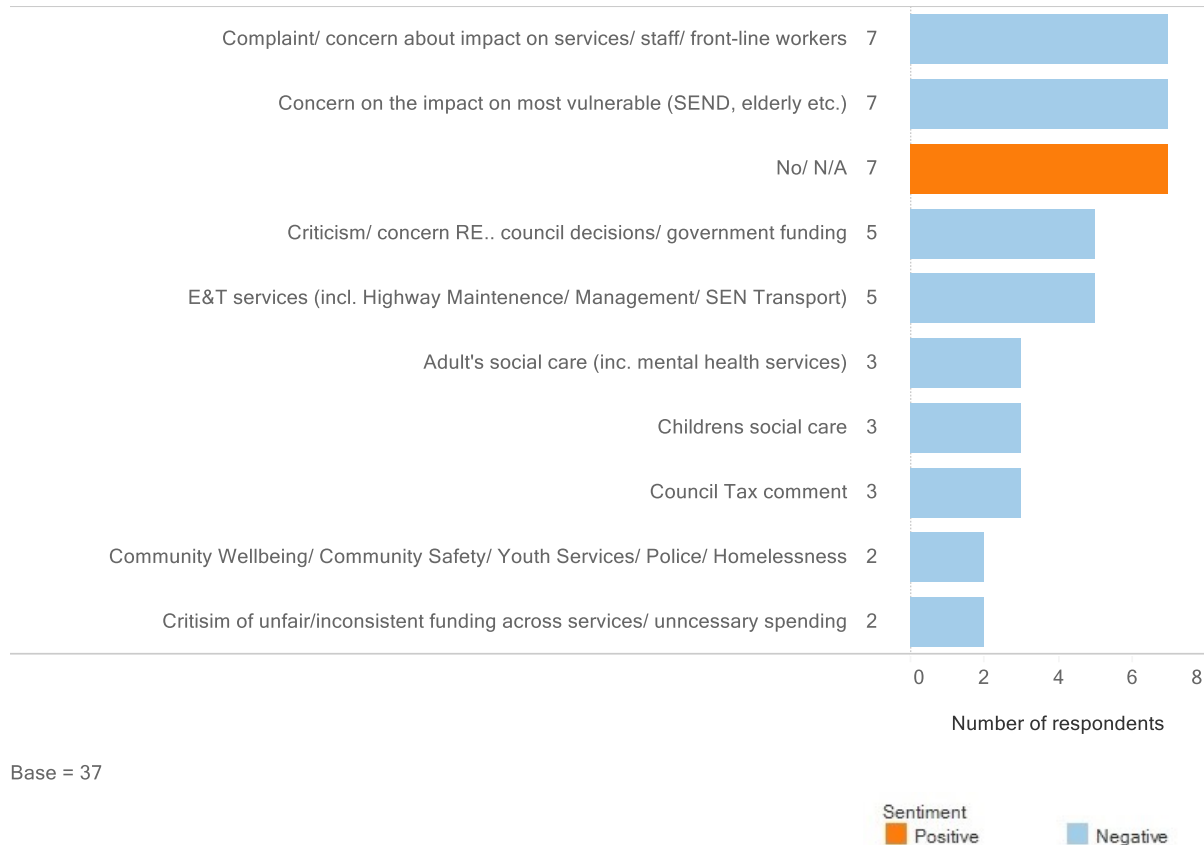
*"Not enough focus on schools, infrastructure and public transport..."*

*"Any cuts to social care spending should be completely refused. Social Care need more spending on an ongoing bases. I find it really troubling that cuts are made here"*

*"Savings relating to adult social care"*

*"Increasing council tax when people are struggling with household bills and food shopping already seems unfair and unjust. Without peoples wages increasing how can it be expected that council tax is increased when people are barely surviving already or just surviving but not able to 'live' e.g. do nice things or treat themselves"*

**Chart 12 - Disagreement with specific savings - Top 10**



### Q6 - Suggested areas for further savings

Respondents were asked whether there were any additional service reductions or charges that could be considered by the council. Chart 13 lists the top 10 codes (see Appendix 3 for full list of codes).

Efficiencies in council expenditure was the most common theme. Frequently referenced topics included contracts, reducing consultants, using internal resources, using local services/ businesses and reducing building costs with staff continuing to work from home. There were some suggestions to specifically review staff expenditure, including salaries, make changes to department and management structures. Other respondents felt that costs could be saved by reviewing council property, by either selling unused office space (hybrid model with more staff working from home) or by utilising properties for other community groups, other businesses and/or services.

Although some answered 'No' or 'None' to indicate that there were no areas where they thought further service reductions could be made, a few respondents suggested savings could be generated by sharing services and to progress with the bid to make Leicestershire a unitary authority.

Others mentioned specific services where the council could make further savings, such as more electric car charging points. Whilst there were other comments around reducing expenditure in democratic processes, such as looking at the structure of local government as well as reviewing the number of councillors and their budget.



*“Internally ensuring that the workings of the council are all as resourceful as possible. The past few months in getting staff to work from home most have seen some energy savings so I trust LCC will use this data and build on making savings in this regard. This will of course also mean a reduction in CO2 and show a focus on cutting carbon emissions.”*

*“Less use of outside agencies. When we have already experienced workers employed by the council.”*

*“Look at your contracts some of these are extortionate. Make use of local tradesmen, buy locally”*

*“What is the long term plan for the buildings? If a lot of staff are working from home (or going to do this hybrid model) I presume that there are potential savings in terms of renting out / selling off land and buildings that we don't have to use and in terms of making those buildings left more efficient.”*

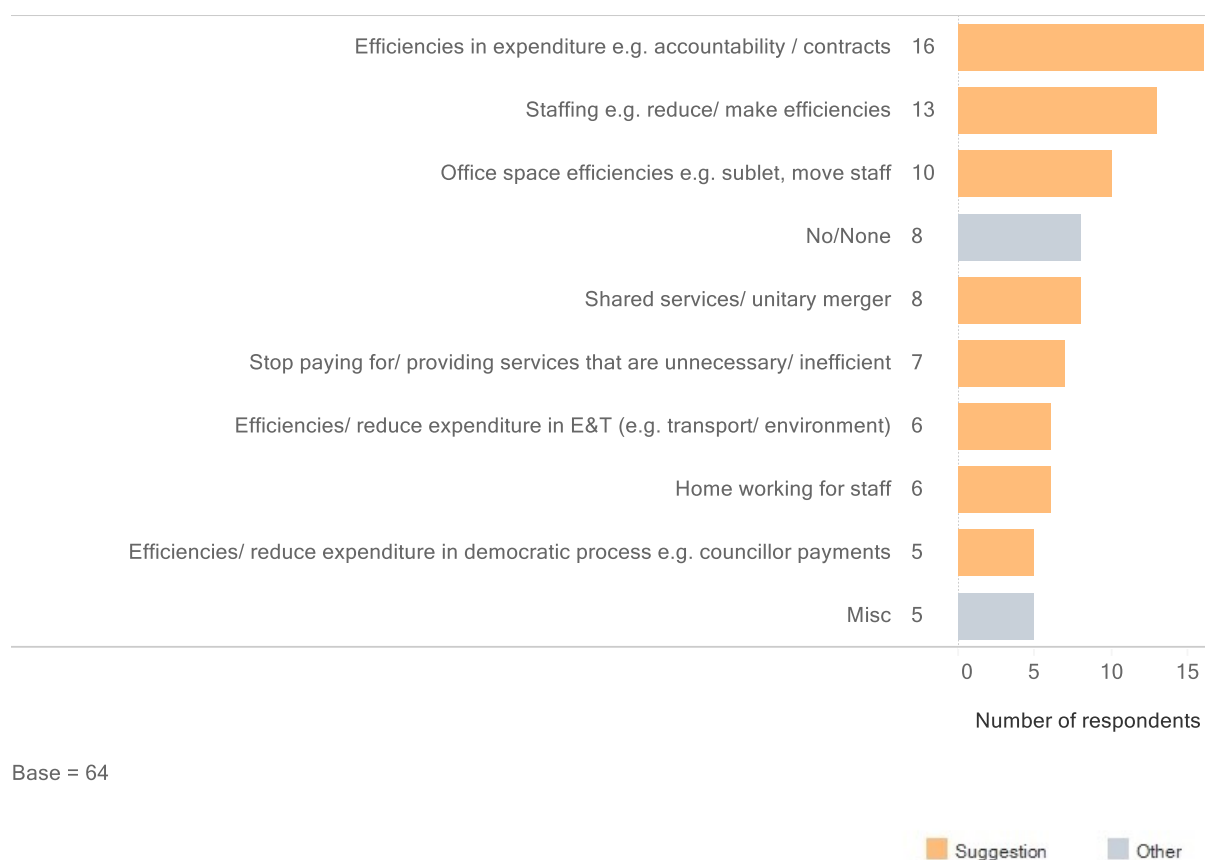
*“Work with the District Councils in progressing with a Unitary Authority bid resulting in huge savings.”*

*“personally i think the system within Leicestershire of having separate local councils needs reviewing - a lot of services appear to be duplicated as well as proposals made in a local area having then to be passed by the county council - surely that's increasing [costs] overall? are their savings being made by not paying local councils for the use of their offices as touch downs?”*

*“More electric car charging points in Leicestershire”*

*“Cutting the amount of councillors, cutting expenses, stop waste...”*

**Chart 13 - Suggested areas for further savings - Top 10**



**Q7 - Comments about the areas identified for growth**

Respondents were asked whether they had any other comments about the areas identified for growth. Chart 14 lists the top 10 codes (see Appendix 3 for full list of codes).

The most common response was a suggestion for a specific area of growth or investment. These respondents suggested the council should make investment in tackling poverty, youth services and country parks. A comment was made specifically about using unused County Hall spaces to create additional revenue to support growth.

Some respondents expressed concern around specific growth areas that had been identified by the council, such as only investing in trees and not other species under threat (e.g. wildflowers and wetland species). Other comments mentioned the council should increase support for the most vulnerable in the community and a need to acknowledge investment in services for children and families, not just highways and transport.

Whilst few respondents criticised the council's proposals and decisions, others made specific suggestions about the council's approach to their proposals, such as initiatives to improve the local economy should be well thought out.

*"I would suggest you anticipate a need for increased investment in tackling poverty in all its various forms, in the light of the ongoing Covid-19 pandemic"*

*"Would like to see more meat on the bones re. proposals for Country Parks, e.g. café, toilets, ANPR car parking at Watermead. A café can surely be an invest to save opportunity, whether run by LCC or outsourced to a third party, bringing more people into the Country Park"*

*"...there are large areas of county hall currently unused, the plan is to lease these spaces out, lets get that sped up to get additional revenue streams"*

*"Too much on economic development: the 'Midland Engine' is a waste of money"*

*"The support of vulnerable people should be a priority. This should be delivered with partners so that it is joined up, effective and efficient"*

*"Only to acknowledge in both children and families as well as highway and transport, the growth in special educational needs, both in the classroom and on the transport network. I can only see that figure rising"*

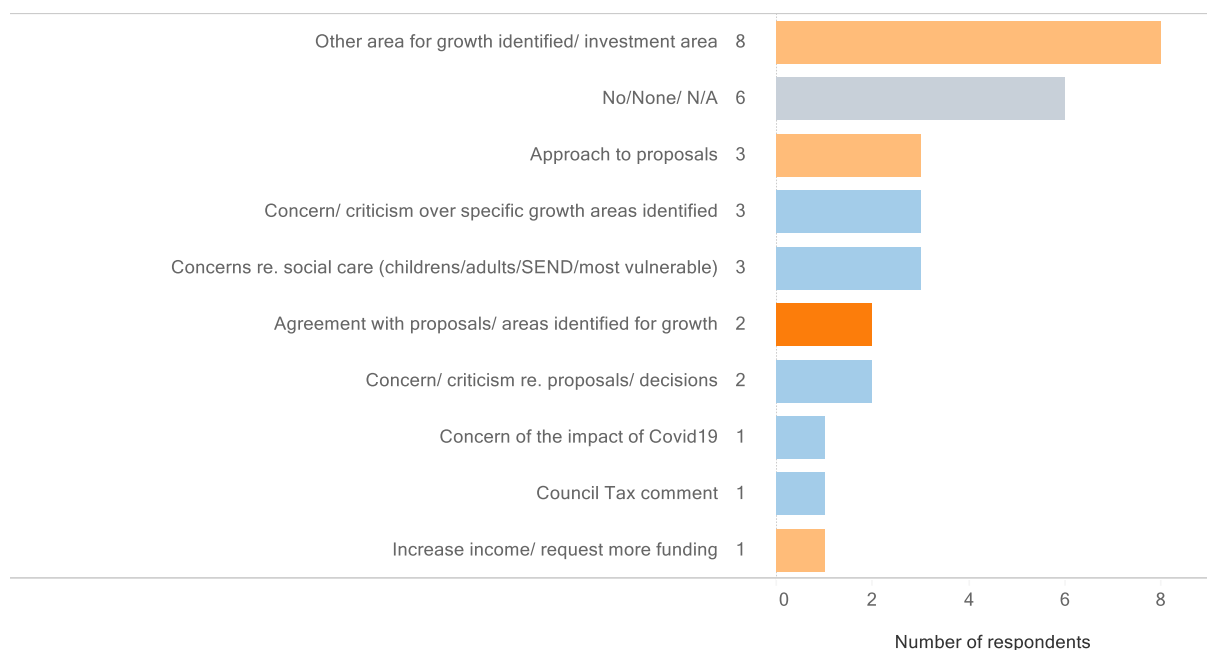
*"The services to support residents need to increase in line with the population"*

*"Any initiatives for improving the local economy need to be well thought out"*

*"All areas should have no growth which costs money"*

*"Investment in digital transformation is good to see—this will create greater efficiencies and productivity gains which will lead to greater cost savings as this investment matures"*

**Chart 14 - Comments about the areas identified for growth - Top 10**



Base = 26

Sentiment  
■ Positive ■ Negative ■ Suggestion ■ Other

### Q8 - Comments on the council's capital programme

Respondents were asked whether they had any comments on the council's capital programme. Chart 15 lists the top 10 codes (see Appendix 3 for full list of codes).

The most reoccurring response to this question was 'No' or 'None'. However, making improvements in infrastructure and transport across the county was a common theme, particularly with requests to improve rail and bus networks, the quality of cycle and walking paths around the county and investing in infrastructure to help to reduce poverty and challenges related to lack of access due to transport. Whilst most comments regarding this topic contained suggestions, others felt that the council should spend less on highway maintenance and road repairs as it encourages car use. There was one respondent who queried what proportion of the programme would be spent on infrastructure in their local area.

Other suggestions included using outside funding and creating jobs for local skilled people. Further suggestions were made around investment in Country Parks and the need for more social housing.

Support for the council was reflected in some comments, with respondents mentioning that they were happy to see the council investing more in certain areas such as school buildings and education. The Leicester and Leicestershire Enterprise Partnership (LLEP) expressed their support for the council's investment in the capital programme.

Comments and suggestions were also made around environment and energy efficiency, housing developments and schools and education.

Some respondents also used this question as a further opportunity to make specific suggestions for saving money and generating additional income.

## Provisional Medium Term Financial Strategy 2022-26

*"Infrastructure needs to concentrate on cycle paths, walk ways connections of the Leicestershire villages with the city and rail/bus networks, whilst maintaining and not absorbing villages"*

*"Investment in infrastructure is extremely important, particularly in reducing poverty, financial insecurity and challenges related to lack of access to services, which is primary form of deprivation for many of our rural communities"*

*"I'd like to know what percentage of the capital programme will be spent in Hinckley & Bosworth and what infrastructure improvements the borough can expect to see in the coming years"*

*"Only spend as necessary on roads, schools as well as schemes that will give an income"*

*"Too much still being invested in roads. You won't get people to travel in better ways if the car journey is so much more convenient"*

*"Use outside funding where possible"*

*"Investment must create jobs for local people who are skilled with university qualifications"*

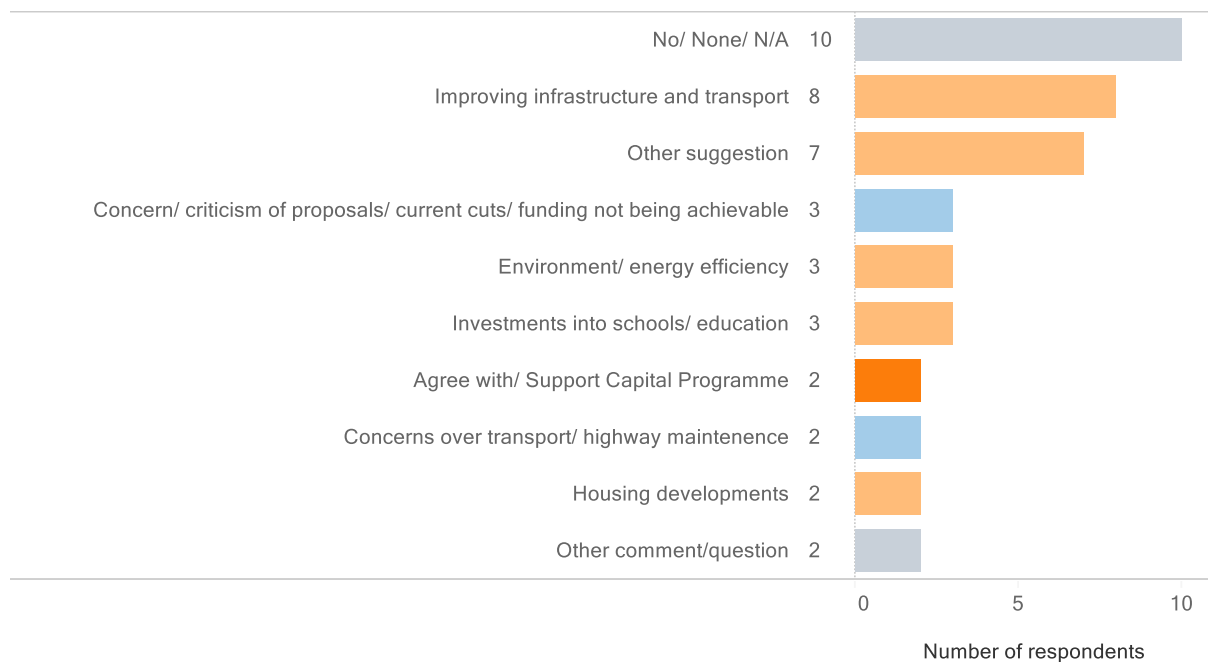
*"Would like to see further investment in our Country Parks, e.g. cafes, toilets"*

*"Loads more social housing is needed build lots of council houses and charge a higher rent but affordable, we have to rent private and the costs are getting out of control"*

*"Good to see further investment in education and school building"*

*"The LLEP fully supports the investment in enabling infrastructure to deliver economic growth in the county"*

**Chart 15 - Comments on the council's capital programme - Top 10**



Base = 39

Sentiment  
■ Positive ■ Negative ■ Suggestion ■ Other

**Q9 - Other comments on the council's budget proposals**

Respondents were asked to provide any other comments they had about the council's draft budget proposals. Chart 16 shows the top 10 codes (see Appendix 3 for full list of codes).

Apart from 'no,' 'none' or 'n/a' responses, several respondents provided suggestions including more sustainable housing development, creating an eco-system for workspaces in the county with private sector partners and making redundancies where possible. There were a few requests for the council to keep funding certain services, specifically adult and children's social care, with concerns also expressed about the proposals and funding reductions to these services.

An increase in Council Tax was criticised by some respondents, who said they felt residents had already been stretched with rises in inflation, mortgage repayments, household bills and general living costs without the additional increase in Council Tax.

Positive responses reflected a general support for the council's proposals and an understanding of the responsibility and difficulty the council faces due to underfunding from central Government.

*“Every year there is a requirement for savings and yet Council Tax is increased to meet budget shortfalls. Housing development must be done sustainably”*

*“The pandemic has fundamentally changed the way businesses will use workspace in the future. The County, working with private sector partners such as the Chamber could create an eco-system that is attractive to inward investors and for new and growing enterprises to retain them in the county”*

*“Identify where redundancies can be made”*

*“Please refuse any demands to cut social care spending . Wherever you need money from, please do not take anything from social care”*

*“I feel very strongly that the street lights should be switched back on at night because of the issues around safety on our streets... you have saved by using LEDs now let us please have the use of them”*

*“Residents have already been stretched with rises in inflation, household bills and to raise council tax above inflation again is too much”*

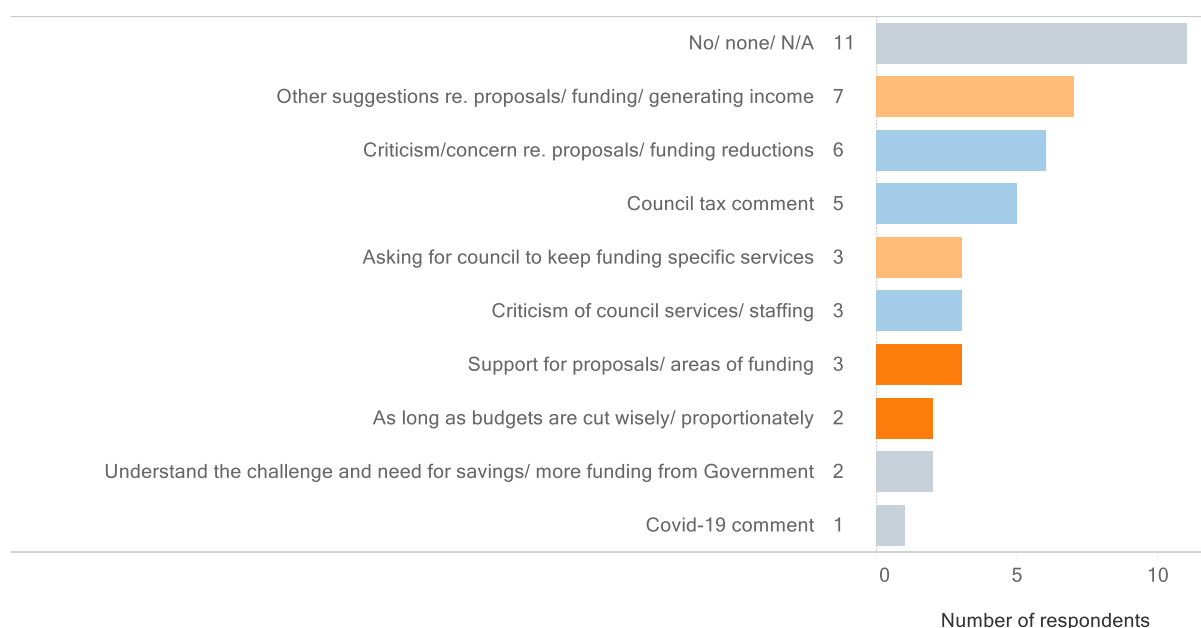
*“I do not believe increasing council tax and putting additional pressure on households when we have rising fuel costs, petrol, food and mortgage rates. The cost of living is making lots of people live in poverty with the need to access food banks and other means to live. This is not sustainable”*

*“The proposals appear well considered and built on a record of achievement. Whilst the need to make savings is clear, targets have to be achievable”*

*“With current funding levels, the LA is provided with too much responsibility”*

*“The Government needs to do more to support Councils and increase the amount of moneys they give in grants. This needs to be continuously raised with them and local MP’s to put pressure on them to help deal with the funding gap”*

**Chart 16 - Other comments on the council’s budget proposals - Top 10**



Base = 33

Sentiment  
■ Positive ■ Negative ■ Suggestion ■ Other

## Funding Reform and seeking a County Deal

The questionnaire explained that Leicestershire remains the lowest-funded county in the country and that the county council is continuing to lead calls for funding reform and to look for opportunities to work more efficiently and effectively. Respondents were asked three questions about Fairer Funding and the council seeking a County Deal with the Government to get additional resources.

### Q10 - Reviewing the funding distributed between councils

Respondents were asked to what extent they agreed or disagreed that the way funding is distributed between councils should be reviewed. Chart 17 shows that the majority of respondents agreed (86%), 5% disagreed and 8% neither agreed nor disagreed.

There were no significant differences found between groups during statistical analysis.

**Chart 17 - Reviewing the funding distributed between councils - All Respondents**



Base = 137

**Chart 18 - Reviewing the funding distributed between councils - Residents only**



Base = 52

**Chart 19 - Reviewing the funding distributed between councils - LCC employees**



Base = 83

#### Response

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree



### Q11 - County Council seeking a County Deal with Government for additional resources

Respondents were asked to what extent they agreed or disagreed that the county council should seek a County Deal with the Government to get additional resources. Chart 20 shows that the majority of respondents agreed (85%), 4% disagreed and a notable proportion of respondents neither agreed nor disagreed (10%).

There were no significant differences found between groups during statistical analysis.

#### Chart 20 - Seeking a County Deal for additional resources - All Respondents



Base = 131

#### Chart 21 - Seeking a County Deal for additional resources - Residents only



Base = 51

#### Chart 22 - Seeking a County Deal for additional resources - LCC employees



Base = 78

#### Response

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

**Q14 - Open-ended comment on Fairer Funding and the County Deal**

Respondents were asked to provide further comments regarding fairer funding and the County Deal. Chart 23 lists the top 10 codes (see Appendix 3 for full list of codes).

The response to this question was largely positive. The most recurring responses voiced support for the council campaign on fairer funding and supported the decision to request government help. Respondents felt that current distribution of local authority funding was unfair and agreed that Leicestershire continues to be disproportionately underfunded. There was also uncertainty around the likelihood of fairer funding for the county council as it has been discussed in previous years.

Whilst some respondents were supportive of the County Deal and said that it could be a healthy development which could lead to local decisions, some others queried the feasibility or likelihood of the deal making any impact and said may just be just a short-term solution to a longer-term problem.

Some respondents indicated that a unitary authority would make further savings without impacting key services. A few respondents made specific suggestions, such as merging councils and further investments into more deprived areas of the county. Others felt that disadvantaged areas should receive more funding.

Some respondents re-emphasised general concerns about the council's budget approach, making further comments about Council Tax increases and also noting that it is unfair that Leicestershire residents pay more Council Tax than residents in London.

## Provisional Medium Term Financial Strategy 2022-26

*"I feel that the council has been vocal about fairer funding, the county deal and other ways at securing additional funding. As a resident and employee I find this very encouraging and proactive and it makes me feel like we have a council that will fight for its service users at difficult times. I think it needs noting that although we have not been successful in securing the extra funding as of now, the efforts of the council have been outstanding"*

*"I think Leicestershire is a large county which has been consistently underfunded for no clear reason which I can ascertain. Of course the government should contribute more to our county!"*

*"The funding formula should be on a fair basis for all authorities. The County Deal seems a good idea which would lead to local decisions"*

*"Whilst the County Deal might be a short term solution to the funding issues faced by the affected councils, it could result in further embedding our unjust Local Authority structure rather than developing a root and branch reform of the funding structure"*

*"I am concerned that the County Deal won't give us any more powers than we already have so I wonder if it is really worth it?"*

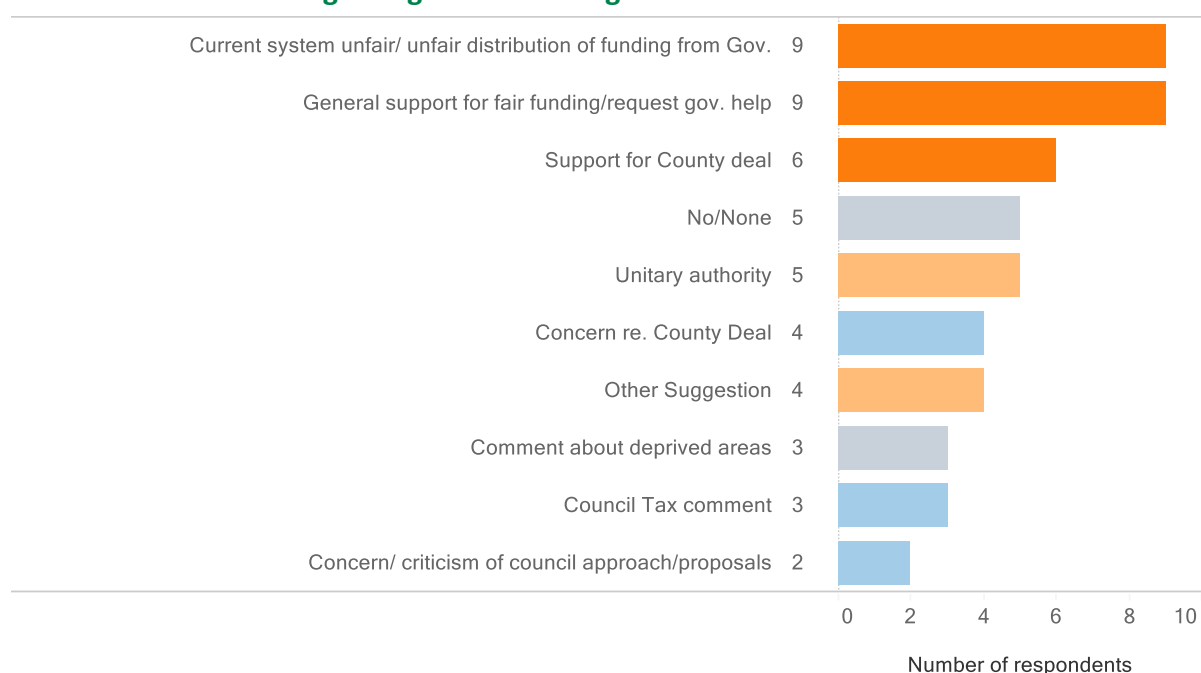
*"Unitary authority for whole of Leicestershire and Rutland should be made. This would make significant savings and not impact key services"*

*"It stands to reason that more deprived areas should receive more funding – but this also needs to be reflected in redevelopment schemes maybe by private industry in such areas"*

*"3% council tax may not seem like a [huge] increase, but as someone who lives on their own and has sole responsibility to pay a mortgage, council tax, and bills, 3% is a significant increase."*

*"Why are we paying more in council tax than London residents when our salaries are so much lower. This is so unfair and totally incorrect. Something definitely needs to change"*

**Chart 23 - Comments regarding Fairer Funding and Other Initiatives**



Base = 38

Sentiment  
■ Positive ■ Negative ■ Suggestion ■ Other

## Appendix 1 - Questionnaire



# Have your say on our draft budget plans 2022- 2026

## Background

Pressure continues to grow as demand for services and infrastructure soars. By planning ahead, we've saved over £230m since 2010 but a surge in demand for social care and special educational needs and disabilities (SEND) support, combined with inflation, is expected to drive up costs by £157m.

Our four-year plan sets out the need for £100m of savings but also £88m of growth to cover underlying spending pressures, especially for services to support vulnerable members of the community. In addition, inflation pressures add £69m. However, there is a great deal of uncertainty about future funding for local government.

We conducted a large-scale consultation over the summer of 2019 on the council's priorities. We have listened and our plans reflect what you told us. We will continue to take these results on board as we develop the detailed spending and savings plans and review our budget plans in future years.

Under current Government rules a local referendum would need to be held for any core increase in Council Tax above 2% in 2022/23. However, the government is also permitting an additional increase of up to a further 1% to fund adult social care (known as the 'social care precept'). A 1% social care precept would provide an additional £3.4m for Leicestershire County Council in 2022/23. A decision will be taken each year for any future increases.

We have published our 2022-2026 spending plans for consultation. These plans assume a proposed 2% increase on core Council Tax for four years. It also incorporates an additional 1% 'social care precept' increase in 2022/23. Decisions on the adult social care precept in later years will be taken at the time.

If you have any comments about the draft budget proposals, we would like to hear from you. Your views will be taken into consideration when the council finalises its spending plans. We would encourage you to read the budget proposals web page before completing the survey, found here: <https://leicestershire.gov.uk/budget-consultation>

The closing date for the consultation is midnight 16 January 2022.

Thank you for your assistance. Your views are important to us.

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Please note: Your responses to the main part of the survey (including your comments) may be released to the general public in full under the Freedom of Information Act 2000. Any responses to the questions in the 'About you' section of the questionnaire will be held securely and will not be subject to release under Freedom of Information legislation, nor passed on to any third party.

## Your role

Q1 In which role(s) are you responding to this consultation? Please tick all applicable

- ☐ I am a resident
- ☐ I represent/own a local business
- ☐ I represent a voluntary and community services (VCS) organisation or social enterprise
- ☐ I represent another stakeholder e.g. district/borough/parish council, health, police etc.
- ☐ I am an employee of Leicestershire County Council
- ☐ Other

Please specify 'other' below

## Our proposals

Growing demand for county council services - plus general price rises (inflation) - are increasing the cost of delivering services. Council Tax is the county council's main source of income and annual increases contribute towards covering these costs.

In recent years Council Tax increases have been higher than inflation due to the combined impact of an increase in the number of people requiring support and the cost of providing services.

We have published our 2022-2026 spending plans for consultation. These plans assume a proposed 2% increase on core Council Tax and an additional 1% 'social care precept' increase.

The Council Tax bill for county council services in 2021/22 is currently £1,411 per year for a band D property. An increase of 2% would mean an increase in band D Council Tax of just over £28 per year on that bill (or £2.35 per month). Every additional 1% increase in Council Tax generates an additional £3.4m of income each year and reduces the need to make savings. Every additional 1% costs each household in a band D property an additional £14.11 per year (or £1.18 per month) on their Council Tax bill.

Q2 What core Council Tax increase would you be prepared to pay next year to fund county council services (excluding any 'social care precept')?

The figures in brackets show what this increase would be next year for a household in a band D property.

- ☐ Above 2%
- ☐ 2% (an extra £28 next year)
- ☐ 1% (an extra £14 next year)
- ☐ None
- ☐ Council Tax should be reduced
- ☐ Don't know

- Q3 What, if any, additional increase would you be prepared to pay next year as a separate 'social care precept' to be used exclusively for the funding of adult social care?

The figures in brackets show what this increase would be next year for a household in a band D property.

- ☐ Above 1%  
☐ 1% (an extra £14 next year)  
☐ None  
☐ Don't know

- Q4 Overall, to what extent do you agree or disagree with how the growth and savings have been allocated across our services?

- |                       |                       |                                  |                       |                       |                       |
|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|-----------------------|
| Strongly<br>agree     | Tend to<br>agree      | Neither<br>agree nor<br>disagree | Tend to<br>disagree   | Strongly<br>disagree  | Don't know            |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

- Q5 Are there any savings you disagree with?

- Q6 Are there any areas where you think we could make further savings?

- Q7 Do you have any comments about the areas identified for growth?

The council's capital programme is expected to total about £514m over the four year period. Capital funding (which can't be used to fund day to day services) is used to invest in vital infrastructure and other assets essential to support delivery of council services. Some of the expenditure will result in future income streams and cost reductions which will free up funding for vital front line services.

Q8 Do you have any comments on the council's capital programme?

Q9 Do you have any other comments about our draft budget proposals?

## Funding Reform & County Deal

Leicestershire remains the lowest-funded county in the country. If it was funded at the same level as Surrey, it would be £115 million per year better off, or £384 million if compared to Kensington and Chelsea. Council tax levels are unfair too – the average Leicestershire resident (Band C) pays more council tax than a resident living in the most expensive properties (Band H) in Westminster in London. Faced with an extremely challenging financial situation, we're continuing to lead calls for funding reform and look for opportunities to work more efficiently and effectively.

Q10 To what extent do you agree or disagree that the way funding is distributed between councils should be reviewed?

Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Government has also directed additional responsibilities and funding to areas, such as the West Midlands, that have been successful in securing a devolution deal. These deals aim to tackle the economic and social challenges that the region faces. As such the County Council has made a submission to central government to engage in a County Deal. This is likely to require decisions to be made when the Government publishes its Devolution White paper, expected next year.

Q11 To what extent do you agree or disagree that the County Council should seek a County Deal with the Government to get additional resources?

Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q12 Do you have any further comments on Fairer Funding or the County Deal?



## About you

Leicestershire County Council is committed to ensuring that its services, policies and practices are free from discrimination and prejudice, meet the needs of all sections of the community and promote and advance equality of opportunity.

We would therefore be grateful if you would answer the following questions. You are under no obligation to provide the information requested, but it would help us greatly if you did.

Q13 What is your gender identity?

- ☐ Male
- ☐ Female
- ☐ Other (e.g. pangender, non-binary etc.)

Q14 Is your gender identity the same as the gender you were assigned at birth?

- ☐ Yes
- ☐ No

Q15 What was your age on your last birthday?

Q16 What is your postcode? This will help us understand views in different areas

Q17 Are you a parent/carer of a child or young person aged 17 or under?

- ☐ Yes
- ☐ No

Q18 Are you a carer of a person aged 18 or over?

- ☐ Yes
- ☐ No

A carer is someone of any age who provides unpaid support to family or friends who could not manage without this help

Q19 Do you have any long-standing illness, disability or infirmity?

- ☐ Yes
- ☐ No

Q20 What is your ethnic group?

- ☐ White
- ☐ Mixed
- ☐ Asian or Asian British
- ☐ Black or Black British
- ☐ Other ethnic group

Q21 What is your religion or belief?

- ☐ No religion
- ☐ Christian (all denominations)
- ☐ Buddhist
- ☐ Hindu
- ☐ Jewish
- ☐ Muslim
- ☐ Sikh
- ☐ Any other religion or belief

Q22 Sexual Orientation. Many people face discrimination because of their sexual orientation and for this reason we have decided to ask this monitoring question. You do not have to answer it but we would be grateful if you could tick the box next to the category which describes your sexual orientation:

- ☐ Bisexual
- ☐ Gay
- ☐ Heterosexual / Straight
- ☐ Lesbian
- ☐ Other

**Please click the button below to send us your response.**

Thank you for your time. Your views will be considered before the budget is finalised in February 2022.

Data Protection: Personal data supplied on this form will be held on computer and will be used in accordance with current Data Protection Legislation. The information you provide will be used for statistical analysis, management, planning and the provision of services by the county council and its partners. Leicestershire County Council will not share any personal information collected in this survey with its partners. The information will be held in accordance with the council's records management and retention policy. Information which is not in the 'About you' section of the questionnaire may be subject to disclosure under the Freedom of Information Act 2000.



## Appendix 2 - Respondent profile

Age	Survey Responses			2011 Census (16+)
	139	% Ex NR*	% Inc NR*	%
Under 15	0	0.0	0.0	
15-24	3	2.6	2.2	14.3
25-34	12	10.3	8.6	13.2
35-44	30	25.9	21.6	17.2
45-54	41	35.3	29.5	17.8
55-64	25	21.6	18.0	15.9
65-74	3	2.6	2.2	11.6
75-84	2	1.7	1.4	7.2
85 or above	0	0.0	0.0	2.8
No reply	23		16.5	

Gender identity*	Survey Responses			2011 Census (16+)
	139	% Ex NR*	% Inc NR*	%
Male	62	50.4	43.2	49.0
Female	60	48.8	44.6	51.0
Other (e.g. pangender, nonbinary etc.)	1	0.8	0.7	
No reply	16		11.5	

\*2011 Census asks for respondent gender

Do you have a long-standing illness or disability?*	Survey Responses			2011 Census (16+)
	139	% Ex NR*	% Inc NR*	%
Yes	27	21.3	19.4	19.1
No	100	78.7	71.9	80.9
No reply	12		8.6	

\*2011 Census asks if respondents day-to-day activities are limited a lot

Ethnicity	Survey Responses			2011 Census (16+)
	139	% Ex NR*	% Inc NR*	%
White	104	86.0	74.8	92.2
Mixed	3	3.5	2.2	0.8
Asian or Asian British	10	8.3	7.2	6.0
Black or Black British	0	0.0	0.0	0.6
Other ethnic group	4	3.3	2.9	0.4
No reply	18		12.9	

Sexual orientation	Survey Responses			2011 Census (16+)
	139	% Ex NR*	% Inc NR*	%
Bisexual	3	2.6	2.2	
Gay	2	1.8	1.4	
Heterosexual/straight	107	93.9	77.0	
Lesbian	1	0.9	0.7	
Other	1	0.9	0.7	
No reply	25		18.0	

(Not applicable)

## Provisional Medium Term Financial Strategy 2022-26

What is your religion?	139	Survey Responses		2011 Census (16+)
		% Ex NR*	% Inc NR*	%
No religion	51	42.1	36.7	
Christian (All denominations)	56	46.3	40.3	
Buddhist	1	0.8	0.7	
Hindu	3	2.5	2.2	
Jewish	0	0.0	0.0	
Muslim	3	2.5	2.2	
Sikh	1	0.8	0.7	
Any other religion or belief	6	5.0	4.3	
No reply	18		12.9	

Are you a parent or carer of a young person aged 17 or under?	139	Survey Responses		2011 Census (16+)
		% Ex NR*	% Inc NR*	%
Yes	41	32.5	29.5	(Census data includes all people cared for regardless of age)
No	85	67.5	61.2	
No reply	13		9.4	

Are you a carer of a person aged 18 or over?	139	Survey Responses		2011 Census (16+)
		% Ex NR*	% Inc NR*	%
Yes	25	20.0	18.0	(Census data includes all people cared for regardless of age)
No	100	80.0	71.9	
No reply	14		10.1	

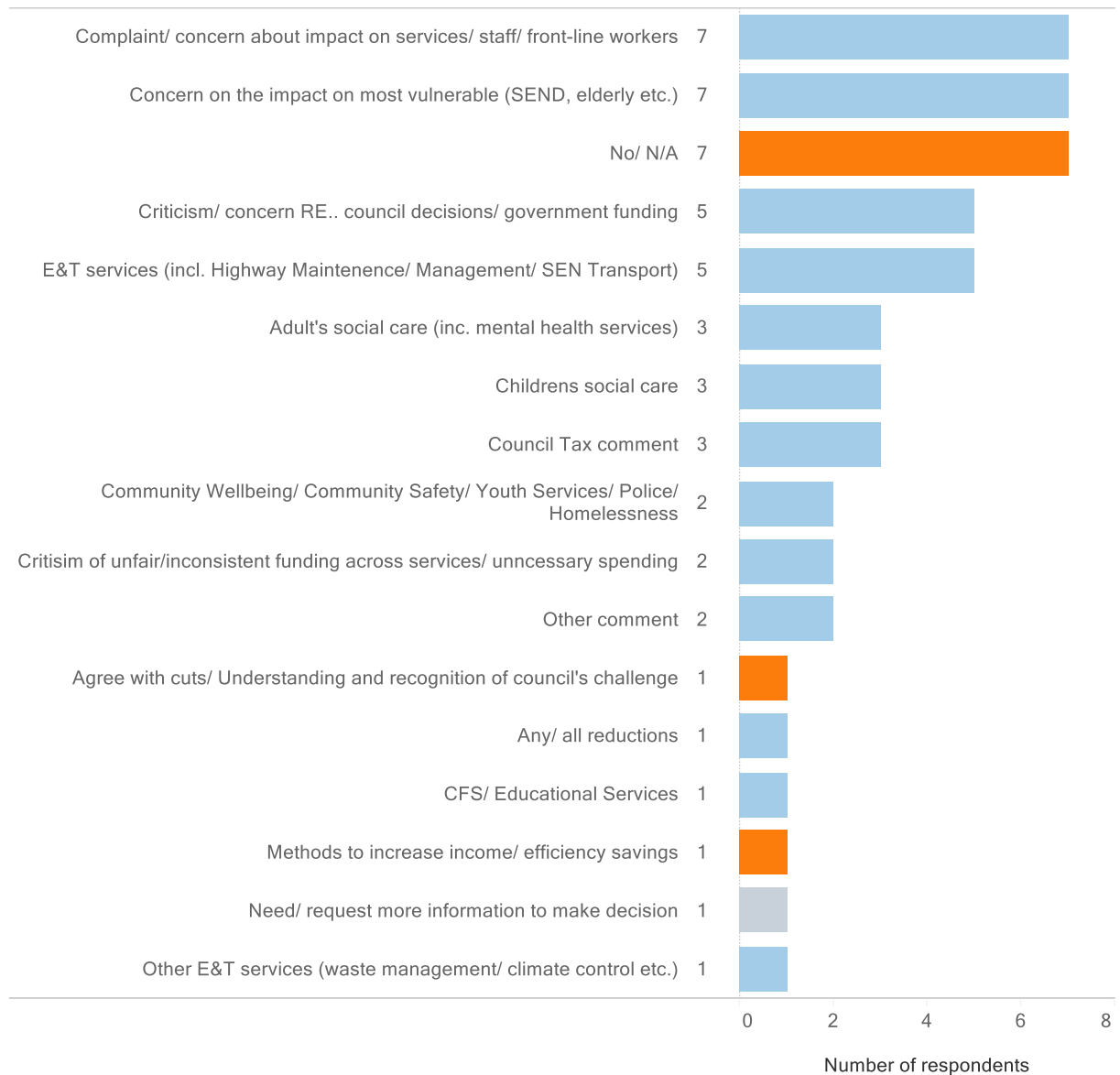
District	139	Survey Responses		2011 Census (16+)
		% Ex M/O <sup>#</sup>	% Inc M/O <sup>#</sup>	%
Blaby	16	18.6	12.1	14.3
Charnwood	19	22.1	14.4	25.9
Harborough	13	15.1	9.8	12.9
Hinckley & Bosworth	17	19.8	12.9	16.2
Melton	3	3.5	2.3	7.7
North West Leicestershire	13	15.1	9.8	14.2
Oadby & Wigston	5	5.8	3.8	8.7
Missing/ Invalid/ Non-LLR Postcode	46		34.8	

\*NR = No reply

<sup>#</sup> M/O = Missing/invalid or Other Authority postcode

## Appendix 3 - All open comment codes

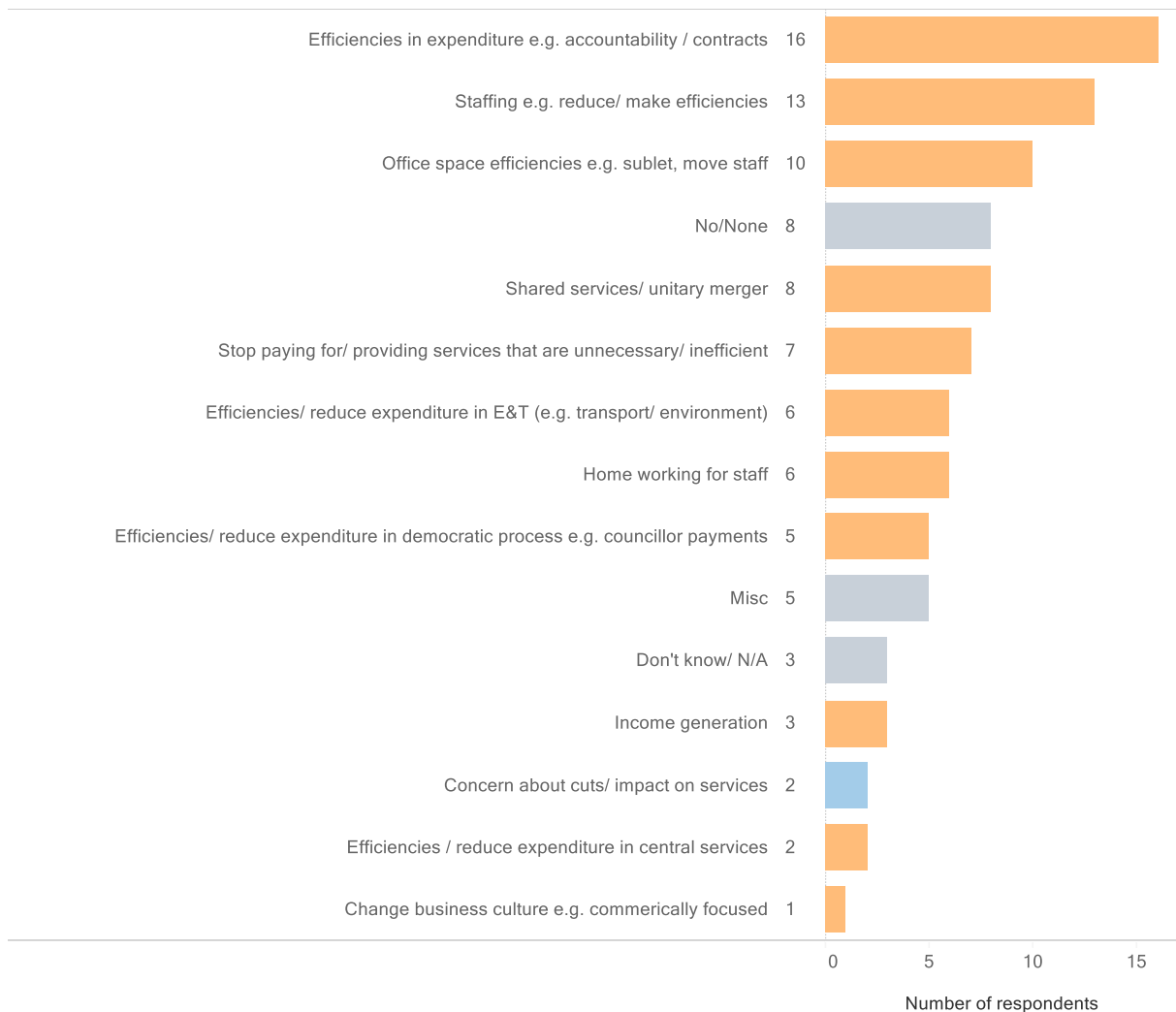
### Q5 - Are there any savings you disagree with?



Base = 37

Sentiment  
■ Positive  
■ Negative

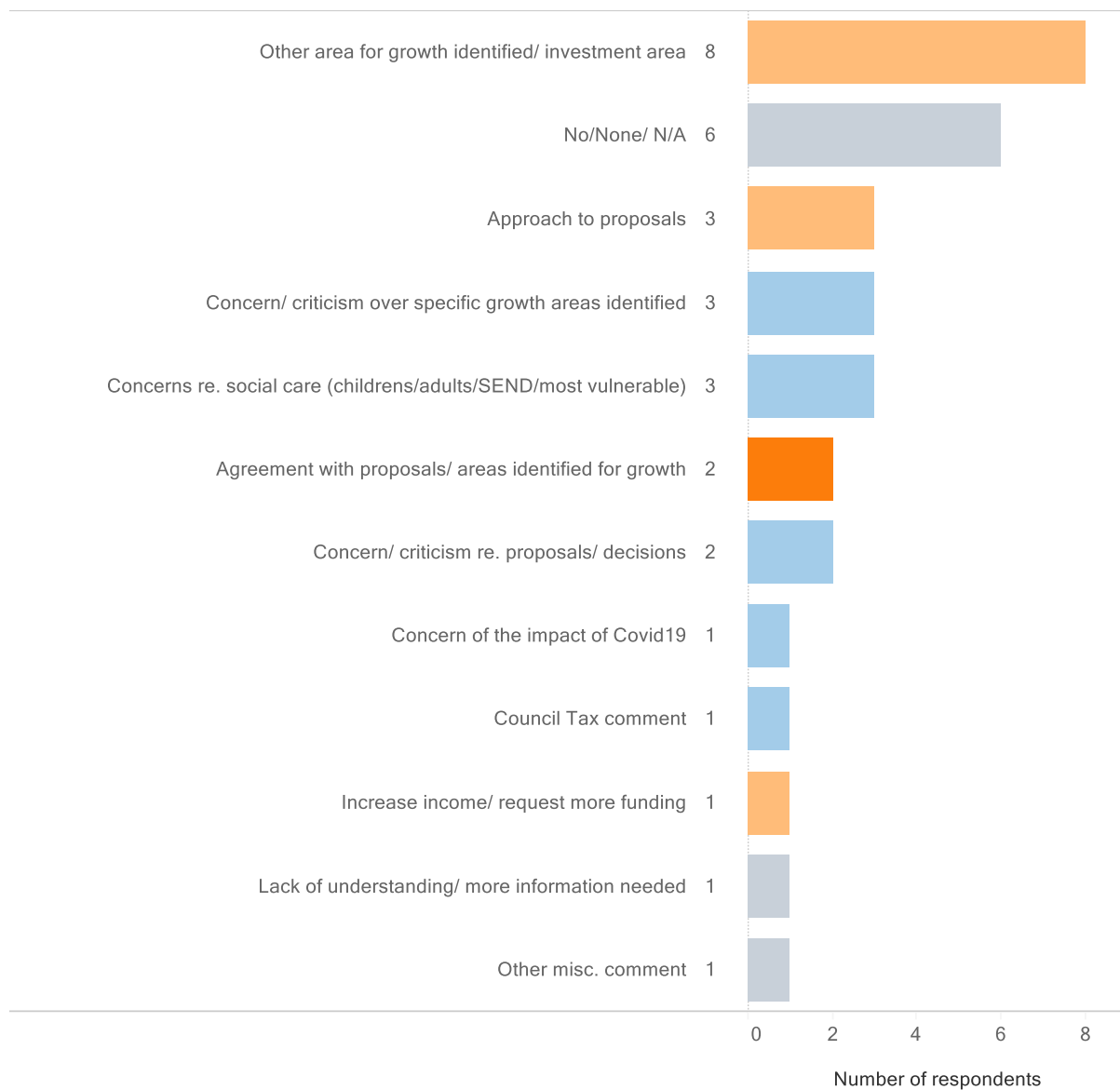
### Q6 - Are there any areas where you think we could make further savings?



Base = 64

Sentiment  
■ Suggestion  
■ Other

### Q7 - Do you have any comments about the areas identified for growth?



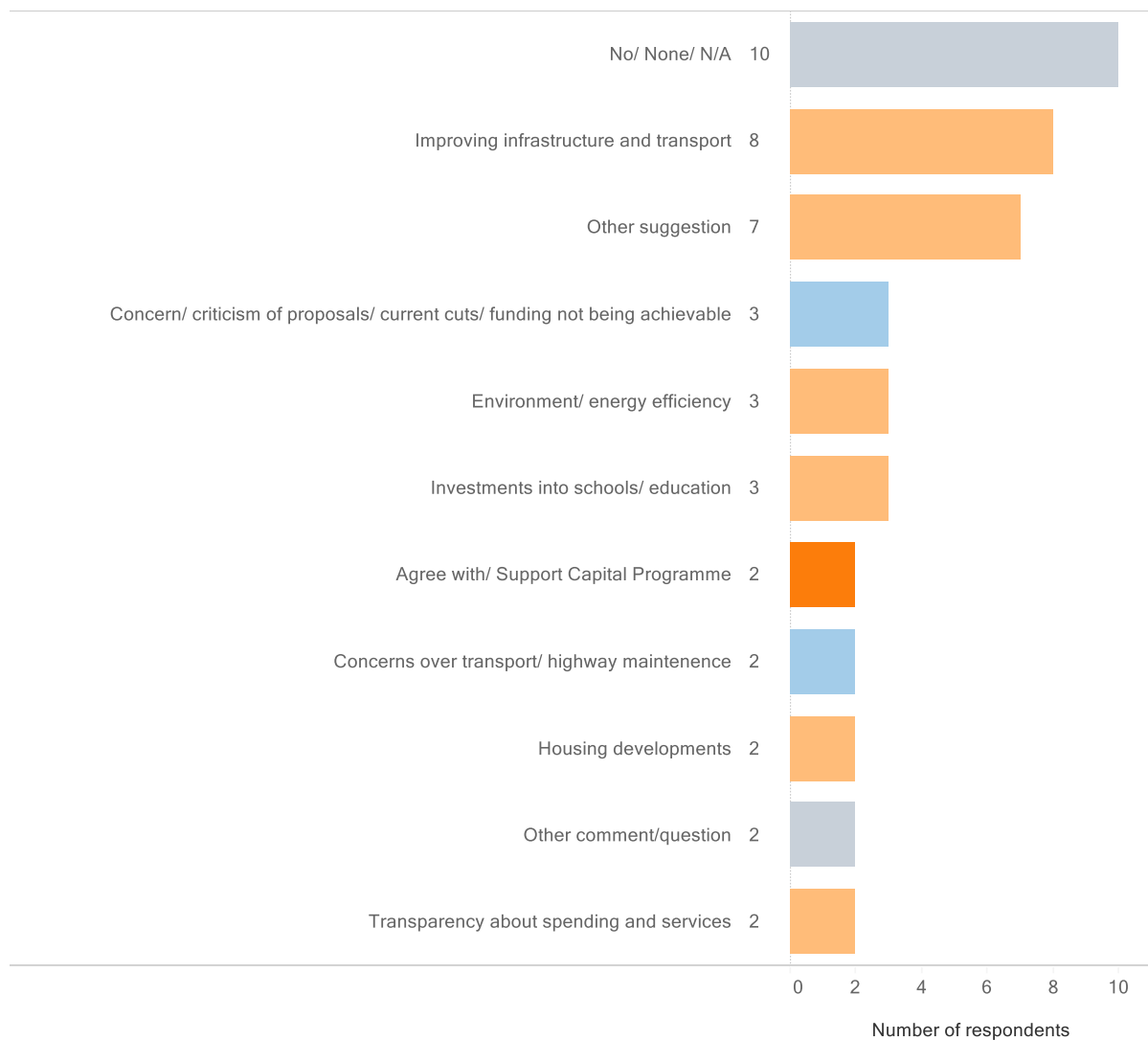
Base = 26

Sentiment

- Positive
- Negative
- Suggestion
- Other



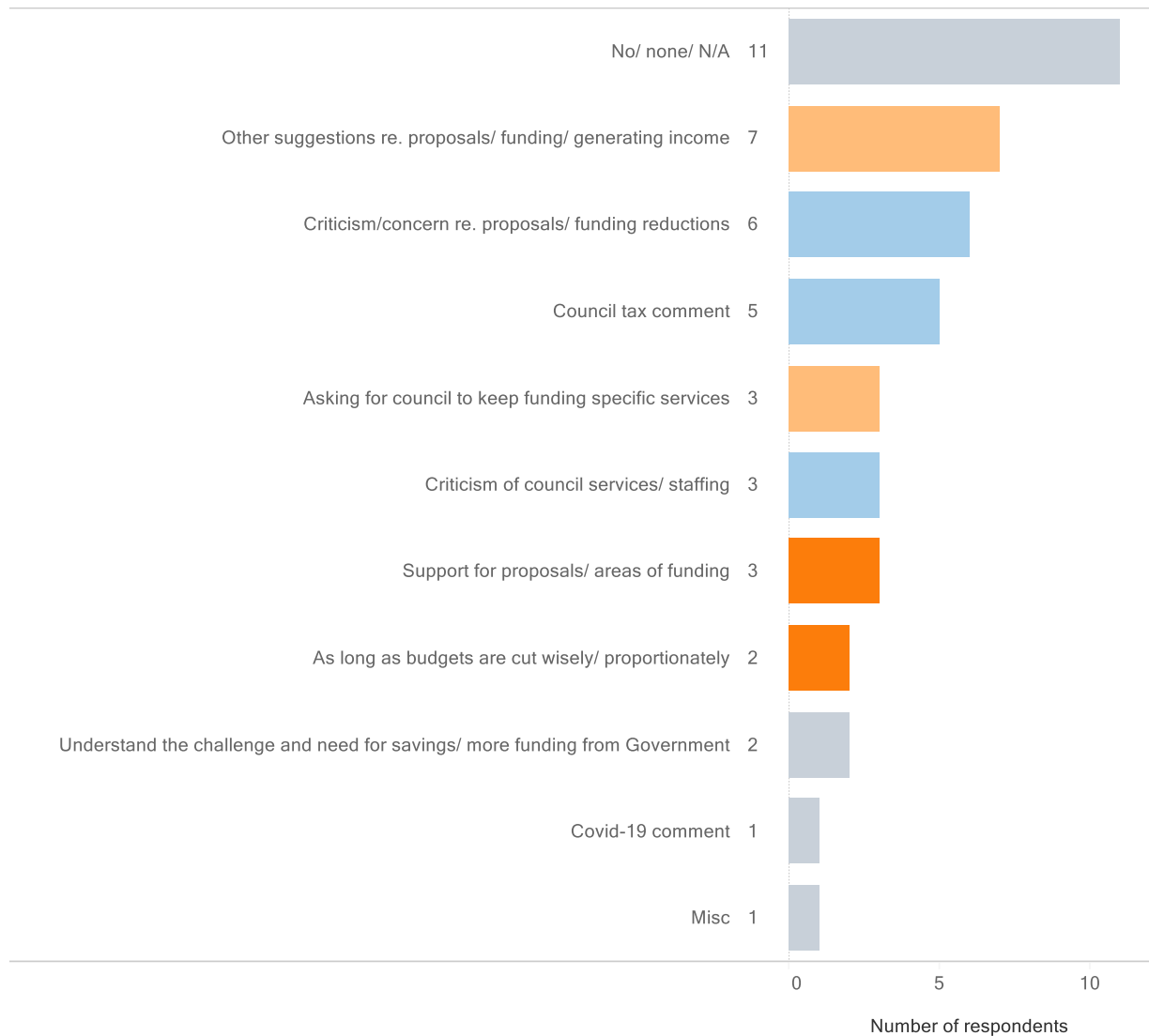
### Q8 - Do you have any comments on the council's capital programme?



Base = 39

Sentiment  
 Positive  
 Negative  
 Suggestion  
 Other

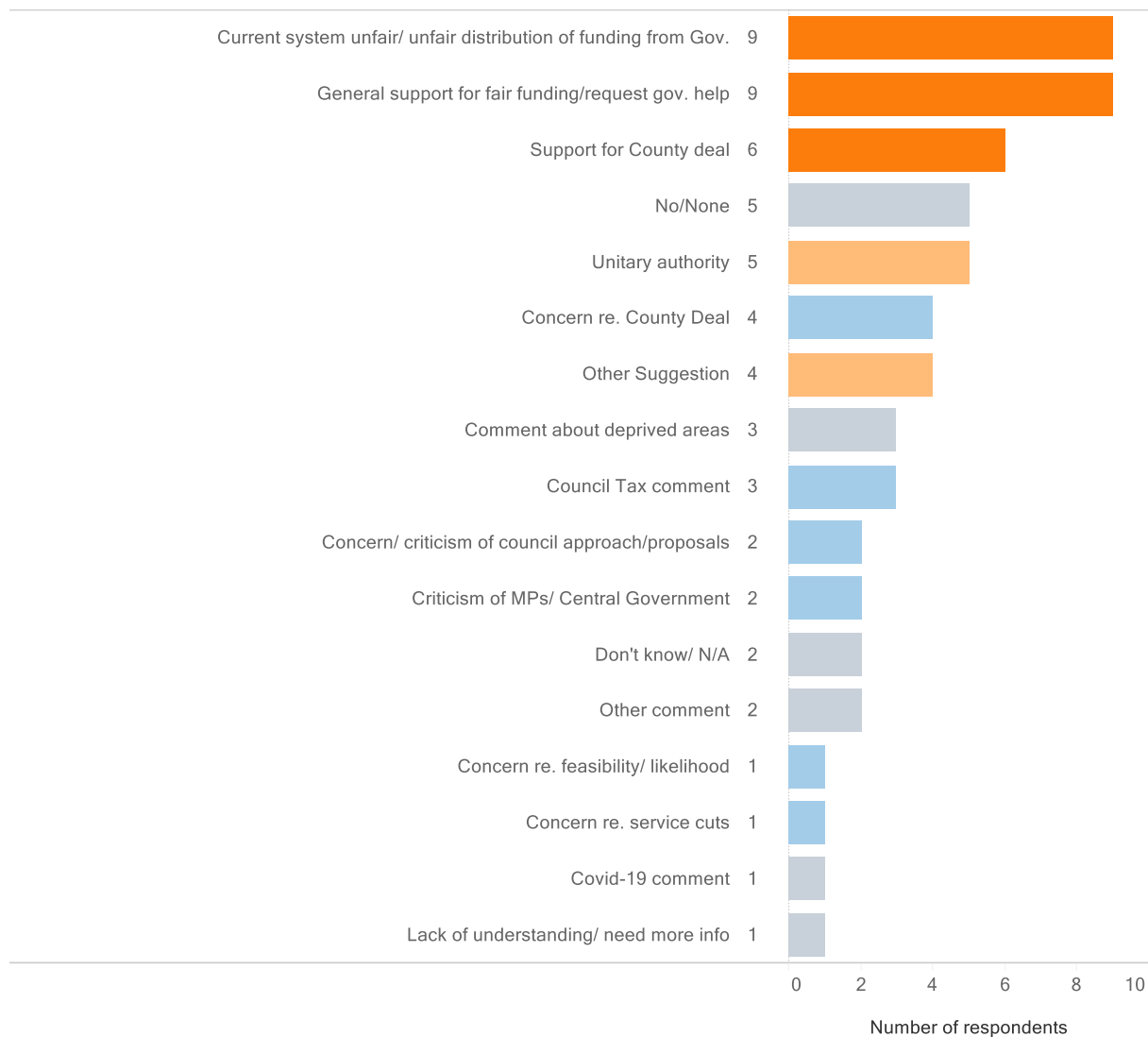
### Q9 - Do you have any other comments on our draft budget proposals?



Base = 33

Sentiment  
 Positive  
 Negative  
 Suggestion  
 Other

### Q12 - Do you have any further comments on Fairer Funding or the County Deal?



Base = 38

Sentiment  
 Positive  
 Negative  
 Suggestion  
 Other

## Appendix 4 - Statistical Analysis

### How to read these tables

These tables allow you to statistically compare a response by a specific demographic group against the overall respondent sample. The statistical test used to identify statistical significance is called chi-square.

Statistical significance using chi-square tests is determined by looking at the difference between the expected and observed proportion of respondents. For example if 50% of the whole sample said 'agree' for a given question, the expected proportion of any demographic (e.g. males) saying 'agree' is 50%. The expected proportion is then compared to the actual/observed proportion of the demographic who said 'agree', and a measure of statistical significance is calculated.

To maximise statistical reliability, responses were aggregated where appropriate. For example, Matrix 4 displays the statistical analysis for Question 4. Responses were aggregated into 'Agree' = ('Strongly agree' and 'Tend to agree') and 'Disagree' = ('Strongly disagree' and 'Disagree').

**Matrix 1**  
**Q2- “What core Council Tax increase would you be prepared to pay next year to fund county council services (excluding any ‘social care precept’?)”**

		LCC employee		Leicestershire resident		Gender identity			Age			Religion			Parent/Carer u17		IMD Quintile					District							Rural - Urban Classification			
		Yes	No	I am a resident	Non-resident	Female	Male	Other (e.g. pangender, non-binary etc.)	Under 34	35 - 44	45 - 54	55+	No religion	Christian religion	Non-Christian religion	Yes	No	1 - Least deprived	2	3	4	5 - Most deprived	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	Non-Leicestershire Authority	North West Leicestershire	Oadby & Wigston	Rural	Urban
Response	Avg %	23	13	17	22	18	19	0	0	17	29	10	25	13	14	12	21	50	17	8	19	12	25	21	0	6	0	0	15	40	12	15
	Above 2%																															
1% (an extra £14 next year)	15	17	13	16	14	18	16	0	7	20	17	23	10	20	29	15	18	0	17	17	15	26	25	21	23	12	0	43	15	0	12	22
	37	40	33	34	43	40	39	0	40	33	37	47	39	43	21	37	39	50	17	46	48	38	25	26	46	59	0	43	62	60	48	40
None	16	13	20	17	14	17	13	0	33	17	10	13	18	18	7	20	14	0	50	8	11	12	13	26	8	12	67	0	0	12	13	
	10	5	18	13	6	7	11	100	20	10	7	7	8	5	29	17	6	0	0	17	4	12	13	0	15	12	33	14	8	0	16	7
Council Tax should be reduced																																

Significance

Very significantly higher

Significantly higher

Significantly lower

Very significantly lower

Similar

Suppressed

## Matrix 2

Q3: “What, if any, additional increase would you be prepared to pay next year as a separate ‘social care precept’ to be used exclusively for the funding of Adult Social Care?”

Response	Avg %	LCC employee	Leicestershire resident	Gender identity	Age	Religion	Parent/Carer u17	IMD Quintile	District	Rural - Urban Classification
Above 1%	17	Yes 20 No 11	I am a resident 13 Non-resident 24	Female 12 Male 23 Other (e.g. pangender, non-binary etc.) 0	Under 34 0 35 - 44 10 45 - 54 29 55+ 7	No religion 18 Christian religion 13 Non-Christian religion 29	Yes 15 No 18	1 - Least deprived 50 2 0 3 17 4 11 5 - Most deprived 12	Blaby 6 Charnwood 16 Harborough 15 Hinckley & Bosworth 6 Melton 0 Non-Leicestershire Authority 29 North West Leicestershire 0 Oadby & Wigston 60	Rural 12 Urban 13
1% (an extra £14 next year)	52	Yes 58 No 43	I am a resident 54 Non-resident 49	Female 62 Male 48 Other (e.g. pangender, non-binary etc.) 0	Under 34 53 35 - 44 43 45 - 54 56 55+ 70	No religion 57 Christian religion 59 Non-Christian religion 29	Yes 46 No 58	1 - Least deprived 50 2 50 3 42 4 63 5 - Most deprived 65	Blaby 63 Charnwood 53 Harborough 54 Hinckley & Bosworth 65 Melton 0 Non-Leicestershire Authority 43 North West Leicestershire 77 Oadby & Wigston 40	Rural 52 Urban 59
None	28	Yes 17 No 44	I am a resident 32 Non-resident 20	Female 23 Male 27 Other (e.g. pangender, non-binary etc.) 100	Under 34 40 35 - 44 40 45 - 54 15 55+ 23	No religion 24 Christian religion 25 Non-Christian religion 43	Yes 37 No 22	1 - Least deprived 0 2 50 3 38 4 22 5 - Most deprived 24	Blaby 31 Charnwood 32 Harborough 23 Hinckley & Bosworth 29 Melton 100 Non-Leicestershire Authority 14 North West Leicestershire 23 Oadby & Wigston 0	Rural 36 Urban 25

Significance  
 Very significantly higher  
 Significantly higher  
 Significantly lower  
 Very significantly lower  
 Similar  
 Suppressed

## Provisional Medium Term Financial Strategy 2022-26

### Matrix 3

#### Q2 and Q3 Combined: Total Council Tax Increase

Response	Avg %	LCC employee		Leicestershire resident		Gender identity			Age				Religion			Parent/Carer u17		IMD Quintile					District							Rural - Urban Classification	
		Yes	No	I am a resident	Non-resident	Female	Male	Other (e.g. pangender, non-binary etc.)	Under 34	35 - 44	45 - 54	55+	No religion	Christian religion	Non-Christian religion	Yes	No	1 - Least deprived	2	3	4	5 - Most deprived	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	Non-Leicestershire Authority	North West Leicestershire	Oadby& Wigston	Rural
Above 3%	23	28	15	19	29	19	27	0	17	38	10	30	15	23	18	24	100	17	13	22	13	25	26	0	6	0	17	15	60	17	18
3%	29	33	23	29	27	34	32	0	27	26	48	32	38	8	28	34	0	17	35	41	38	25	21	45	53	0	17	54	40	33	36
2%	18	18	17	16	20	22	13	0	17	23	17	12	18	31	15	18	0	17	17	15	25	19	16	27	18	0	50	15	0	21	18
1%	8	6	11	9	6	8	5	0	10	3	7	6	9	8	10	6	0	0	9	4	9	6	11	9	0	0	17	8	0	8	6
None	13	10	17	14	10	12	13	0	17	8	14	14	15	8	15	12	0	50	9	11	9	13	21	9	12	67	0	0	0	8	14
Council Tax should be reduced	8	4	15	9	6	5	8	100	10	3	3	6	4	23	15	4	0	0	13	4	6	13	0	0	12	33	0	8	0	13	5

Sum of 0 vs. sum of Avg % and sum of 0 broken down by Demographic category and Demographic vs. Response. Colour shows details about Significance. The marks are labelled by sum of no %. The data is filtered on Number, which keeps Total CT increase. The view is filtered on Demographic category and Response. The Demographic category filter keeps 9 of 10 members. The Response filter keeps 12 of 14 members.

#### Significance

Very significantly higher

Significantly higher

Significantly lower

Very significantly lower

Similar

Suppressed

## Provisional Medium Term Financial Strategy 2022-26

## Matrix 4

Q4: “Overall, to what extent do you agree or disagree with how the growth and savings have been allocated across our services?”

Response	Avg %	LCC employee		Leicestershire resident		Gender identity		Age				Religion			Parent/Carer u17		IMD Quintile					District								Rural - Urban Classification		
		Yes	No	I am a resident	Non-resident	Female	Male	Other (e.g. pangender, non-binary etc.)	Under 34	35 - 44	45 - 54	55+	No religion	Christian religion	Non-Christian religion	Yes	No	1 - Least deprived	2	3	4	5 - Most deprived	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	Non-Leicestershire Authority	North West Leicestershire			Oadby & Wigston
Agree	43	49	34	38	52	37	52	0	36	38	49	52	48	41	46	48	43	100	33	36	44	39	33	47	38	35	0	67	42	60	40	41
Neither agree nor disagree	41	41	40	39	44	51	30	0	43	45	38	31	33	44	46	38	41	0	67	50	52	33	53	47	38	41	100	17	50	20	40	46
Disagree	16	10	26	23	4	12	18	100	21	17	13	17	19	15	8	15	16	0	0	14	4	27	13	6	23	24	0	17	8	20	20	13

Significance

Very significantly higher

Significantly higher

Significantly lower

Very significantly lower

Similar

Suppressed



Matrix 5  
Q10: “To what extent do you agree or disagree that the way funding is distributed between councils should be reviewed?”

Response	Avg %	LCC employee		Leicestershire resident		Gender identity			Age			Religion			Parent/Carer u17		IMD Quintile					District							Rural - Urban Classification			
		Yes	No	I am a resident	Non-resident	Female	Male	Other (e.g. pangender, non-binary etc.)	Under 34	35 - 44	45 - 54	55+	No religion	Christian religion	Non-Christian religion	Yes	No	1 - Least deprived	2	3	4	5 - Most deprived	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	Non-Leicestershire Authority	North West Leicestershire	Oadby & Wigston	Rural	Urban
Agree	86	86	87	86	87	93	87	0	92	90	93	93	91	93	79	95	87	100	67	91	88	94	93	82	92	100	100	100	85	60	96	88
Neither agree nor disagree	8	13	6	10	11	7	11	0	0	8	7	7	7	7	21	5	11	0	33	9	8	6	7	18	0	0	0	0	15	40	4	11
Disagree	6	1	8	5	2	0	2	100	8	0	0	2	0	0	0	0	2	0	0	0	4	0	0	0	8	0	0	0	0	0	0	2

Significance

Very significantly higher

Significantly higher

Significantly lower

Very significantly lower

Similar

Suppressed

## Provisional Medium Term Financial Strategy 2022-26

## Matrix 6

**Q11: “To what extent do you agree or disagree that the County Council should seek a County Deal with the Government to get additional resources?”**

Response	Avg %	LCC employee		Leicestershire resident		Gender identity		Age				Religion			Parent/Carer u17		IMD Quintile					District								Rural - Urban Classification		
		Yes	No	I am a resident	Non-resident	Female	Male	Other (e.g. pangender, non-binary etc.)	Under 34	35 - 44	45 - 54	55+	No religion	Christian religion	Non-Christian religion	Yes	No	1 - Least deprived	2	3	4	5 - Most deprived	Blaby	Charnwood	Harborough	Hinckley & Bosworth	Melton	Non-Leicestershire Authority	North West Leicestershire	Oadby & Wigston	Rural	Urban
Agree	86	88	83	84	90	88	87	0	93	87	83	90	84	93	79	95	83	50	67	100	81	88	81	83	85	94	100	100	92	60	92	85
Neither agree nor disagree	10	7	9	9	6	7	6	0	7	7	7	7	10	4	7	0	10	0	33	0	11	6	13	11	8	6	0	0	0	20	4	9
Disagree	4	5	7	7	4	5	6	100	0	7	10	3	6	4	14	5	7	50	0	0	7	6	6	6	8	0	0	0	8	20	4	6

Significance

■ Very significantly higher

■ Significantly higher

■ Significantly lower

□ Similar

■ Very significantly lower

■ Suppressed



If you require information contained in this leaflet in another version e.g. large print, Braille, tape or alternative language please telephone: 0116 305 6803, Fax: 0116 305 7271 or Minicom: 0116 305 6160.

જો આપ આ માહિતી આપની ભાષામાં સમજવામાં થોડી મદદ ઇચ્છતાં હો તો 0116 305 6803 નંબર પર ફોન કરશો અને અમે આપને મદદ કરવા અવસ્થા કરીશું.

ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਸ ਜਾਣਕਾਰੀ ਨੂੰ ਸਮਝਣ ਵਿਚ ਕੁਝ ਮਦਦ ਚਾਹੀਦੀ ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ 0116 305 6803 ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਅਤੇ ਅਸੀਂ ਤੁਹਾਡੀ ਮਦਦ ਲਈ ਕਿਸੇ ਦਾ ਪ੍ਰਬੰਧ ਕਰ ਦਵਾਂਗੇ।

এই তথ্য নিজের ভাষায় বুঝার জন্য আপনার যদি কোন সাহায্যের প্রয়োজন হয়, তবে 0116 305 6803 এই নম্বরে ফোন করলে আমরা উপযুক্ত ব্যক্তির ব্যবস্থা করবো।

اگر آپ کو یہ معلومات سمجھنے میں کچھ مدد درکار ہے تو براہ مہربانی اس نمبر پر کال کریں 0116 305 6803 اور ہم آپ کی مدد کے لئے کسی کا انتظام کر دیں گے۔

假如閣下需要幫助，用你的語言去明白這些資訊，請致電 0116 305 6803，我們會安排有關人員為你提供幫助。

Jeżeli potrzebujesz pomocy w zrozumieniu tej informacji w Twoim języku, zadzwoń pod numer 0116 305 6803, a my Ci pomożemy.

Business Intelligence Service  
Leicestershire County Council  
County Hall, Glenfield  
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## **Summary of the Equality and Human Rights Impact Assessment of Leicestershire County Council's Medium-Term Financial Strategy 2022 – 26**

### **Equalities implications of the budget proposals**

The assessment of the Medium-Term Financial Strategy 2022 – 26 has been completed to:

- enable decision makers to make decisions on an informed basis which is a necessary component of procedural fairness
- inform decision makers of the potential for equality impacts from the budget changes
- consider the cumulative equality impacts from all changes across all Departments
- provide some background context of the local evidence of cumulative impacts over time from public sector budget cuts

### **Equalities issues**

The Council is bound by equalities legislation and decision makers must have regard to the Public Sector equality duty<sup>1</sup>. Specifically, there must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equalities Act. Regard should also be had to the need to advance equality of opportunity between persons with protected characteristics<sup>2</sup> and persons who do not share those characteristics. Decision makers should also have regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

### **Human Rights**

The Human Rights Act 1998 guarantees a broad range of human rights and freedoms. As a public authority<sup>3</sup>, the Council is prohibited from acting in a way which is incompatible with the human rights which are guaranteed under the Human Rights Act 1998.

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<sup>1</sup> Per Section 149 of the Equality Act 2010

<sup>2</sup> The protected characteristics are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

<sup>3</sup> Defined in Section 6(3) of the Human Rights Act 1998

However, most of the rights protected under the Human Rights Act are not absolute. The protected rights which are likely to be impacted by the MTFS are “qualified” which essentially means that it is permissible for a public body to take decisions which interfere with the protected right provided that the interference is justified (*e.g. the interference is necessary on specified public interest grounds*).

Further it is reasonable for the decision makers to seek a balance between conflicting rights. For example, in upholding one person’s rights, the Council may also have regard to the property rights of others (e.g. taxpayers).

Provision	Right Guaranteed	Status of Right	Functional areas where rights may be engaged.
Article 8	Right to respect for private and family life;	Qualified Right	<ul style="list-style-type: none"> <li>• Children &amp; Family Services</li> <li>• Adult social care;</li> <li>• Proposed Public Health savings.</li> </ul>
Article 10	Freedom of expression	(Qualified Right)	<ul style="list-style-type: none"> <li>• Adult social care</li> </ul>
Article 14	Prohibition of discrimination	(links to other rights)	
First Protocol Article -	Protection of property	Qualified Right	<ul style="list-style-type: none"> <li>• Proposed Public Health savings</li> <li>• Adult social care</li> <li>• Children and Family Services.</li> </ul>
First protocol Article –	Right to education.	Qualified Right	<ul style="list-style-type: none"> <li>• Environment and Transport – Passenger transport policy</li> </ul>

It is sensible for decision makers to be aware that human rights are likely to be engaged by the proposed changes. They should then be satisfied that the budgetary changes are necessary to achieve a legitimate aim (i.e. cost savings). Decision makers should also consider whether the changes brought about by the MTFS are a proportionate response to the cost savings the Council is trying to achieve.

### Assessment Findings

The County Council continues to be committed to having due regard for equalities objectives across its work and this assessment does not remove the requirement to conduct Equality and Human Rights Impact Assessments (EHRIA) on the council’s policies,

projects and programmes. This high-level, comprehensive assessment of the Council budget will be used to highlight the risk of equalities impacts to drive more detailed assessments of each implementing measure. EHRIA's will be completed to consider impacts of the implementing measures using more detailed analysis of the people using our services and appropriate mitigating actions taken where possible.

Many of the proposals in the MTFS 2022 – 26 were agreed as part of the previous MTFS, and others are amendments to existing plans that have already been agreed.

Overall, the assessment finds that the County Council's budget changes will impact older people, children and young people, working age adults with mental health or disabilities and people with disabilities more than people without these characteristics. This is as expected given the nature of the services provided by the County Council.

There are several areas where there are opportunities for positive benefits for people with protected characteristics from the additional investment the County Council is making into specialist services. There is growth in funding for the following services:

- Older people community and residential social care
- Adult learning disabilities
- Adult mental health
- Physical disabilities
- Child social care
- Special educational needs transport
- Unaccompanied child asylum seekers.

However, due to the rising number and increasing complexity of eligible cases, there is a risk that this investment will not keep up with demand, impacting on the outcomes for people with protected characteristics who use these services.

Amongst the savings, many have already been agreed and the experience from the early delivery projects is that with due regard for equalities objectives as projects are developed, positive outcomes are being achieved for people, including people with protected characteristics. Key services proposed for savings which may have an adverse impact include, fairer charging and removal of subsidies for adult social care, and the implementing the review SEND transport. It is imperative that equality continues to be a key consideration in the development of projects and programmes to deliver financial savings where the risk of negative impacts are assessed to be high.

**Proposals where the risk of negative equality impacts has been assessed as medium to high**

<b>Proposal Reference</b>	<b>Proposed title</b>	<b>Department</b>	<b>Proposal Description</b>	<b>Protected Characteristic</b>
<b>SAVINGS</b>				
CF1	Pathway workstream	Children & Family Services	Focus on prevention, drift and duration of interventions .	Age (children & young people) Disability
CF2	Settings worksteam	Children & Family Services	Reduced care placement costs through growth of in-house capacity	Age (children and young people); Disability
AC1	Increased income	Adults & Communities	Fairer charging and removal of subsidies	Age (working age and older people); Disability
AC8	Mental Health	Adults & Communities	Review of mental health pathways and placements	Disability Age
ET1 and ET5	Social care and SEN Transport	Environment and Transport	Review of social care and SEN Transport	Age Disability
CR6	Customer and Digital Programme	Corporate Resources	Moving towards a greater digital offer for customers	Age Disability

**Proposals where the potential for positive benefits for people with protected characteristics are medium to high**

<b>Proposal Reference</b>	<b>Proposed title</b>	<b>Department</b>	<b>Proposal Description</b>	<b>Protected Characteristic</b>
Various	Investment in social care services for older people, learning disabilities, mental health and physical disabilities	<b>Adult and Communities</b>	Broad investment to maintain service to meet increasing demand and complexity of cases	Age, disability, gender, race and belief



Various	Investment in social care placements, front-line social care staff, support for unaccompanied child asylum seekers.	<b>Children and Family Services</b>	Broad investment to maintain service to meet increasing demand and complexity of cases	Age (children and young people); Disability; Race; Belief
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**HEALTH OVERVIEW AND SCRUTINY COMMITTEE**  
**19 JANUARY 2022**

**MEDIUM TERM FINANCIAL STRATEGY 2022/23 – 2025/26**

**MINUTE EXTRACT**

**Medium Term Financial Strategy 2022/23 – 2025/26**

The Committee considered a joint report of the Director of Public Health and the Director of Corporate Resources which provided information on the proposed 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) as it related to the Public Health Department. A copy of the report marked 'Agenda Item '9' is filed with these minutes.

The Chairman welcomed Mrs. L. Richardson CC, Cabinet Lead Member for Health, to the meeting for this item.

In introducing the report the Director informed the Committee that the 2022/23 Public Health Grant allocation had not yet been announced which was of concern and the date of the announcement was not known. Although the Chancellor had indicated in his Autumn 2021 statement that there would be a real terms increase for the 2022/23 Public Health Grant, the department's budget had been based on an assumption that the Public Health Grant would remain the same as the previous year.

The Cabinet Lead Member highlighted that a lot of recommissioning with external providers had been carried out in order to produce savings. However, investing in prevention schemes resulted in savings in the long term for Public Health and the NHS therefore it was counter-productive to cut core services. The implementation of Integrated Care Systems would result in more partnership working between the NHS, Local Authorities and other stakeholders and it was hoped this would result in more sharing of funding as well.

Arising from discussion, the following points were noted:

- (i) No growth bids were expected for 2022/23 though there were expected to be some cost pressures for example the increase in NHS salaries. Concerns were raised by members that the MTFS did not take into account increased pressures such as population growth and in response some reassurance was given that when commissioning external providers increases in cost pressures such as population growth were built into the contract and forward modelling.
- (ii) Increased pressures arising from the Covid-19 pandemic were being funded from the Contain Outbreak Management funding of £3.0m, not the main Public Health budget.

- (iii) In response to concerns raised as to how the Joint Health and Wellbeing Strategy would be delivered if there was no growth in the Public Health budget, it was explained that only part of the Strategy was about Public Health service delivery and much of it was about policy making and wider measures that could be taken across the County to improve the health of the population.
- (iv) In response to a request from a member for more outputs to be included in the MTFS report so members could understand what was being achieved as a result of the Public Health budget, the Director of Public Health confirmed that the department did monitor outputs through departmental management meetings and this information would be publicised as part of the forthcoming Public Health Strategy. The Health and Wellbeing Board also had a role to play in monitoring whether sufficient funding was being invested in prevention strategies in Leicestershire.

**RESOLVED:**

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 31 January 2022.

**HIGHWAYS AND TRANSPORT OVERVIEW AND SCRUTINY**  
**COMMITTEE**  
**20 JANUARY 2022**

**MEDIUM TERM FINANCIAL STRATEGY 2022/23 – 2025/26**

**MINUTE EXTRACT**

Medium Term Financial Strategy 2022/23 – 2025/26

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources which provided information on the proposed 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) as it related to the Highways and Transport side of the Environment and Transport department. A copy of the report marked 'Agenda Item '9' is filed with these minutes.

The Chairman welcomed Mr. O. O'Shea CC, Cabinet Lead Member for Highways and Transport, to the meeting for this item.

Arising from discussion, the following points were noted:

Growth

- (i) The largest growth item was Special Educational Needs (SEN) transport with £1.2 million to be spent over the base budget rising to £5.15 million by 2025/26. In Leicestershire approximately 2,500 children were using SEN transport and the costs amounted to one third of the whole Highways and Transport budget. Some children needed escorts or medically trained escorts, and some children were unable to be transported with other children due to behavioural issues and therefore required solo transport which were some of the reasons why the transport was so costly. Currently the County Council's own fleet was used to transport some of the children and consideration was being given to whether the fleet could be used more in the future rather than via private taxi contracts. One of the challenges for this approach was that the children for a particular educational setting could reside far away from each other and therefore it would be difficult for them to share the same vehicle without having to spend too long in the vehicle. Members were of the view that closer scrutiny needed to be given to SEN transport and in particular consideration needed to be given to whether the County Council was the appropriate organisation to fund all the SEN transport costs.
- (ii) Whilst the use of Hydrotreated Vegetable Oil (HVO) was a growth item with an up front cost of 0.06 million it had the benefit of reducing the Council's use of diesel fuel and therefore the fleet's emissions.

- (iii) Highways maintenance work came under both the revenue and capital elements of the budget. The Department for Transport had given indicative allocations for Highways maintenance for 2022/23. Over the past few years the allocation had been very similar each year and when inflation was taken into account this meant a reduction in real terms.

#### Other factors influencing MTFS delivery and other funding sources

- (iv) There were concerns about the future viability of the public transport market and in particular that bus operators would cease to run some services. The Bus Recovery Grant had been set up to support commercial bus operators due to the impacts of the Covid-19 pandemic on patronage however this scheme was due to end shortly. The County Council was intending to write to the Department for Transport asking for the Grant to be extended for a longer period of time.

#### Capital Programme

- (v) In response to a question from a member in relation to Zouch Bridge it was explained that the setting up of toll gates on highways required specific legislation and there were no plans for tolls in Leicestershire.
- (vi) The Capital Programme for the MTFS period 2022/23 - 2025/26 allowed for £152.15million to deliver major infrastructure schemes including Advanced Design Programmes worth £12.10. These Programmes included feasibility work for large projects as well as cycling and walking initiatives.
- (vii) Some of the costs of diverting traffic away from Melton Mowbray town centre i.e signage had been included in the scheme costs for the Melton Mowbray Distributor Road however additional money would also need to be spent for this purpose and this funding would come from the wider Melton Mowbray Transport Strategy.
- (viii) External funding had been received from the National Productivity Infrastructure Fund (NPIF) for two road junctions in Hinckley where Rugby Road met Brookside. In total the project would cost £5 million and £3.5 million of that would come from the NPIF and the remainder from Developer contributions and match funding. The work was due to begin in April 2022.

#### RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the Committee recommends that further scrutiny should take place of the SEN transport budget;
- (c) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 31 January 2022.

**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY  
COMMITTEE - 24<sup>th</sup> JANUARY 2022**

**MEDIUM TERM FINANCIAL STRATEGY 2022/23 – 2025/26**

**MINUTE EXTRACT**

**Medium Term Financial Strategy 2022/23 – 2025/26**

The Committee considered a joint report of the Director of Adults and Communities and the Director of Corporate Resources which provided information on the proposed 2022/23-2025/26 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'Agenda Item 8', is filed with these minutes.

The Chairman welcomed Mrs. C. M. Radford CC, Cabinet Lead Member for Adults and Communities and Mr. T. Parton CC, Cabinet Support Member, to the meeting for this item.

In introducing the report, the Director advised members that the MTFS had been prepared with the plethora of adult social care reform papers, recently published by the National Government, in mind. This included the Health and Care Bill 2021 which was expected to be enacted before the summer recess.

Arising from the comments and questions raised, the Committee was advised as follows:

**Service Transformation**

- (i) Improving customer experience and satisfaction was a fundamental ambition of the Department's Strategy. The other ambitions such as building a flexible, talented, motivated workforce and investing in social care accommodation were key to achieving this ambition.
- (ii) Members were assured that the improvements the Department intended to make to its digital offer were not intended to replace existing services, but instead provide alternative ways to connect to services. It was recognised that the use of digital services may not be suitable for all service users and that an individual approach would need to be taken. However, as the world progressed there was also a need for the Department to keep pace with the advances in digital technology to ensure service users were prepared for future events such as the 'Digital Switchover' in 2025. Members were reminded that the vast majority of people the Department were in contact with were family members of service users and professionals who were more likely

to embrace alternative digital solutions. The Lead Member highlighted that the Covid-19 pandemic had provided many people (including older people) with an opportunity to familiarise themselves with digital communication such as social media.

### Proposed Revenue Budget

- (iii) In response to concerns regarding the risks and challenges to care providers arising from inflation, the Director confirmed that the largest cost to care providers was workforce costs, so the rise to the National Living Wage of 6.6% would be significant to both care providers and the Council. This along with the other elements of inflation would be something that the Council would need to take a view on at the appropriate time to determine the amounts to apportion to care providers. Members noted that the Department also worked with the adult social care market to agree the levels set were reasonable. Members further noted that care providers were regularly in touch with the Department to provide information on a number of areas such as cost, which was helpful when determining the amounts.
- (iv) There were a number of ways that care providers were supported to manage inflation. For example, there were many government grants that had been made available during 2020/21 that were targeted to support care providers with their costs and some more of this type of grant were expected to be confirmed for the year 2022/23. Each Council Department was expected to manage the levels of inflation affecting its own services to minimise impact on corporate inflation contingency, so to help with this an annual review on the standardised uplift rate was taken by the Adults and Communities Department in consultation with an independent advisor. If further funds were required from the central contingency fund then the Department's needs would need to be balanced with other departments, but to date the Department's requirements for inflation had been allocated.
- (v) The Chairman highlighted that some of the difficult decisions the Council had made, including the application of the Council Tax Adult Social Care Precept and the efficiency savings the Department had made over recent years whilst maintaining services, had put the Department in a uniquely stronger position to deal with the effects of the pandemic.

### Growth

- (vi) Members noted with concern that, although adjustments may be required later on, the significant amount of growth anticipated over the course of the MTFS was the single largest growth request the Department had ever put forward. This was largely a reflection of the increased demand and increased costs for care that had arisen since the impact of the Covid-19 pandemic.
- (vii) G5 Older People demand – Members noted that for an average year for older people's care it was reasonable to expect an increase to the level of growth of around 1.5%. However, over the last 12 months this had risen to 5%. It was difficult to predict what growth may be experienced over the medium term due



to the uncertain impact of the pandemic, and with older people only tending to stay in care for an average of around two or three years there was also a significant turnover rate.

- (viii) One of the effects of the changes to the hospital discharge process to relieve the pressure on hospitals was that the number of people being temporarily placed into residential care in Leicestershire had risen by around 75%. It was difficult to say how long people stayed in temporary accommodation as each case varied and presented different challenges. Though, to avoid conditions becoming worse and in the interests of maximising independence, the Department worked to arrange the appropriate care package during the first four weeks (funded by the NHS) upon discharge wherever possible. The Director undertook to provide further information to Committee members to confirm the average length of stay for temporary placements outside of the meeting.
- (ix) G6 Learning Disability demand – it was clarified that there were a number of reasons for the unusually high amount of growth required for this area. These included:
  - a. costs of care having risen steeply over the last couple of years;
  - b. rising building costs affecting the developments of accommodation, which were often bespoke in design;
  - c. the Council had a robust strategy in place with Health partners for the Transforming Care Programme which was quickly progressing. As part of this, effort was being made to bring those people with complex needs that had been accommodated in hospital for a long period of time at considerable cost to the Council back into the community.
- (x) There were fewer suitable accommodation settings available for people with specialist needs meaning it was not always possible for placements to be made 'in-house'. However, such persons were usually able to be placed 'in area' and the Department worked with a number of organisations to achieve this.
- (xi) The Director reported an error at paragraph 29 (G8 Physical Disabilities demand). He confirmed that although the detail of this paragraph was a repeat of paragraph 28 (G7 Mental Health demand), the demand for these areas were similar with them both being difficult to predict. This was because they were based on people that acquire illnesses or disabilities rather than people transitioning through from other services.

### Savings

- (xii) AC10 Review of Direct Services/Day Services/Short Breaks – it was clarified that this area was an efficiency saving and not a service reduction. The process for reviewing each service change made varied depending on the nature, but changes would not be made without obtaining the views of those affected. Reviews would also take place after the event to assess service user satisfaction (for example reviews had been carried with service users temporarily placed whilst the refurbishment of The Trees was carried out and

they had chosen to remain where they were) and information was collated to review how the process went. Members were reminded that in addition to the reports the Committee already received relating to service changes reports on the outcomes of such changes could also be provided to the Committee at its request.

- (xiii) AC12 Potential additional health income for additional recharges – in response to a comment raised, it was acknowledged that, similarly to other areas of the MTFs, the certainty of future funding for this area was unknown which created an element of risk. However, based on the conversations taking place nationally between local authorities and the NHS, the rise in national insurance contributions and the assumption that the current hospital discharge arrangements would continue, the prediction of funding continuing beyond March 2022 (when the current funding stream was due to cease) was seen as a reasonable expectation.
- (xiv) A total of £300m of national funding had been made available to encourage developments of specialist accommodation for people with disabilities. It was therefore hoped that the availability of such accommodation would improve as a result.

#### Savings under development

- (xv) Digitalisation of Service Delivery – it was clarified that the potential savings for this area were currently forecasted to be seen in the latter part of 2022/23 (quarter 4).
- (xvi) It was confirmed that the Department already had processes in place to manage data security and permissions in relation to a family member managing care arrangements on behalf of a service user. The only difference with the digital approach was that the services, such as those requiring a form to be completed, would be accessed via digital means rather than in paper form. Key was obtaining consent from the service user (or power of attorney where this was in place).

#### Other funding sources

- (xvii) The funding expected to be received (in 2022/23) from the Skills Funding Agency (SFA) to continue to fund the Adult Learning Service would show in the budget as a zero balance because the funding, once received from the agency, would be spent in its entirety. Members were reminded that, other than some non-educational courses that the Council charged individual service users for, the SFA funded the entire Adult Learning Programme.

#### Capital Programme

- (xviii) Some concern was raised that a number of the District Councils had not been spending their Disabled Facilities Grant (DFG) monies due to the Covid-19 pandemic. The Director confirmed that although the Council worked with the District Councils to prioritise areas of spend, the responsibility for following the

conditions attached to the DFGs fell with the District Councils. Members were advised that the Government was looking at ways to build in more flexibility to the process to allow housing authorities to decide how the monies should be spent. The Chairman highlighted the need for local members to lobby MPs to improve the process. He added that the impact of the pandemic on building works and the assessments usually carried out in people's homes were significant to why the monies had not been spent.

RESOLVED:

- (a) That the report regarding the Medium Term Financial Strategy 2022/23 - 2025/26 and the information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 31 January 2022;
- (c) That the Director be requested to provide further information regarding the average length of temporary residential placements outside of the meeting.

**CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE**  
**25 JANUARY 2022**

**MEDIUM TERM FINANCIAL STRATEGY 2022/23 – 2025/26**

**MINUTE EXTRACT**

**Medium Term Financial Strategy 2022/23 – 2025/26**

The Committee considered a joint report of the Director of Children and Family Services and the Director of Corporate Resources which provided information on the proposed 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) as it related to the Children and Family Services department. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed Mrs. D. Taylor CC, Lead Member for Children and Family Services, to the meeting for this item.

Arising from the discussion, the following points were raised:

**Service Transformation**

- i) Demand for children and family services continued to increase with growth of £25m projected. In response to the pressures, the department had embarked on four main programmes of work – the High Needs Development Programme, Defining Children and Family Services for the Future (DCFSF), the Children's Innovation Partnership and departmental efficiencies. It was acknowledged that further work was still required, but the department now had new ways of working to respond to the ongoing pressures and to continue to create a more efficient service.

**Proposed Revenue Budget**

- ii) The total gross proposed budget for 2022/23 was £703.1m, which included £482m Dedicated Schools Grant budget. The proposed net budget for 2022/23 totalled £90.5m. The largest cost to the budget was children in care and it was queried whether a breakdown could be given of how this was spent. The Director of Children and Family Services confirmed that the majority related to placement costs with a proportion also relating to staffing. A breakdown was available of how many children were in different placements and the associated costs; the number of children in care, the total costs and the average unit costs were tracked and this would be circulated to members of the Committee.

- iii) A member raised the point that growth over the next four years was not just about demand but also related to meeting the complexity of needs. It was queried whether the demand could be met due to the current high level of strain on services. In response, the Director stated that the department had a number of statutory requirements that needed to be met. The growth projections incorporated the increase in demand for services, particularly relating to children in care. The department was also considering other areas where demand could be reduced.
- iv) It was raised that an increase in demand for services could lead to an increase in the demand for social workers. A question was raised around the impact that this would have on the County Council in recruiting appropriate staff. The Director responded that there had been a projection for the need for more social workers. Recruitment and retention of social workers was a national issue and the County Council had undertaken lots of work to consider how it might attract staff and ensure that they remained with Leicestershire. The department's Recruitment and Retention Strategy set out plans to address this.

### Growth

- v) Growth over the next four years totalled £25.1m. The majority of the growth requirement related to continued increases in demand and the complexity of needs for children's social care services which culminated in increased placement costs and the need for more social workers.
- vi) It was noted that G1 – Social Care Placements – should read £2.265m in 2022/23 rising to £19.25m by 2025/26. The budgeted growth over four years assumed a 5% increase due to the significant work undertaken within the department with the DCFSF programme. These had been projected based on the number of children expected to be in care and the type of placements. Average unit prices for placements had also seen an increase, with a number of factors affecting this. As mitigation, placements and the costs were continuously reviewed within the department. Further investment was being made to build Leicestershire County Council owned residential homes as part of the Children's Innovation Partnership.
- vii) In relation to G2 – Front Line Social Care Staff – Increased Caseloads – investment in additional front-line social care staff capacity was required. The growth was based on the number of social workers and support staff required to support the number of projected contacts and children. It was noted that the use of agency staff would still be needed.
- viii) £5.6m had been budgeted to employ more social work staff to support the growth in demand. However, it was queried whether the proposed growth for the social care staff market premia (G3) should be increased in order to retain existing staff and prevent them from moving to a different local authority which may pay a higher salary. The Director commented that the market premia was one of many initiatives being undertaken as part of the

Recruitment and Retention strategy. Whilst it was known that a salary which compared well with other regional local authorities was desirable, Leicestershire offered a range of other features to encourage the retention of its staff, for example training and development, good supervision and manageable caseloads.

### Savings

- ix) Proposed savings for the local authority budget totalled £3.77m in 2022/23 and £14.5m over the next four years in total. Additionally, the High Needs Development Plan aimed to ensure sustainable services for children and young people with Special Educational Needs within the High Needs Block of the Dedicated Schools Grant. In order to achieve this, cost reductions of £25.8m were required over the period of the MTFS.
- x) The DCFSF Programme (CF1) was expected to realise total annualised benefits in excess of £13m. Positive early indications had been seen in the current financial year resulting in an underspend of approximately £2m against the budget.
- xi) The financial benefits from the Children's Innovation Partnership (CF4) were expected to be seen from reduced placement costs and social worker resource. A comment was made that it had previously been necessary to place children out of county in very expensive settings, and it was asked whether the profile had changed so that children were now placed in more local settings. The Director stated that a change in the type of placements was being seen and fewer children were placed a long way away. Primarily, where children were placed out of Leicestershire, it was because the placement met their needs. It was noted that there was a national challenge in securing placements along with an increased cost of placements for children.
- xii) There were currently 57 young people in residential care, with the majority having more complex needs. Key pieces of work were in place to consider the appropriateness of residential care, particularly as there had been a significant cost increase. Assurance was given that the department had clear ownership of its children in residential care and understood their needs to ensure that no child remained in residential care where it was not appropriate. Clear trajectory plans were in place to take children out of care when possible and it was also stated that there had been an increase in younger children in residential care due to their complex needs. The Lead Member for Children and Families commented that there had been a shift in the department's work undertaken with partners to better support children and avoid residential placements where possible.
- xiii) A member questioned whether there had been an increase in foster caring, and it was reported that part of the work of the DCFSF programme had been to increase the utilisation of in-house foster care provision and this was now being seen. Bespoke campaigns had been undertaken to increase the number of foster carers who would take teenagers due to an

increase in the number of 15/16 year olds entering care. Consideration was also being given to a greater use of kinship care and the benefits of looking beyond foster care were beginning to be seen.

- xiv) To date, around £1m departmental efficiency savings (CF5) had been identified. Further savings were currently being identified. As the DCFSF programme new ways of working were embedded, further analysis would be undertaken to identify potential new opportunities to take forward in a number of areas.

#### Dedicated Schools Grant (DSG)/Schools Block

- xv) The DSG remained calculated in four separate blocks – the Schools Block, Central Schools Services Block, High Needs Block and Early Years. The estimated DSG for 2022/23 totalled £605.3m. The 2022/23 MTFS continued to set the overall Schools Budget as a net nil budget at local authority level. However, there was a funding gap of £9.1m on the High Needs Block which would be carried forward as an overspend against the grant.
- xvi) In relation to the Schools Block, the DfE had further stated its intention to move to a 'hard' National Funding Formula (NFF), whereby budget allocations for all schools was calculated by the DfE. For 2022/23, funding remained a 'soft' school funding formula whilst the outcome of consultation was awaited.

#### School Funding Formula

- xvii) Despite an overall increase in the minimum amount of funding per pupil, a number of Leicestershire schools remained on the funding floor and could experience a real term decrease in income. Schools with a decrease in pupil numbers would see an overall decrease in budget allocation. It was possible for local authorities to transfer up to 0.5% of the Schools Block DSG to High Needs following consultation with schools and with the approval of the Schools Forum. Consultation had been carried out with schools on two options for a transfer, with the majority disagreeing. A request to the Secretary of State for approval of the transfer had also not been approved.

#### High Needs

- xviii) The High Needs DSG was £94.7m, which was an increase of 14%. The forecast position was highlighted although the financial plan would be subject to change following the findings of diagnostic work currently being completed by Newton Europe. These findings would be reported to the Committee.
- xix) The provisional Early Years Block settlement was £36.1m; the final allocation would not be confirmed until June 2023. Although there had

been an increase in the hourly rate, Leicestershire remained on the funding floor and received the lowest rate of funding.

#### Capital Programme

- xx) The proposed Children and Family Services capital programme totalled £94.1m, the majority (£89.1m) for which external funding was expected. The programme continued to focus on the delivery of additional school places and additional places to support the High Needs Development Plan.
- xxi) A capital investment budget envelope of £2.5m had previously been included in the MTFS to develop and assessment hub and multi-functional properties to create in-house capacity to provide placements at a lower cost. This was progressing well and the next phase in the Residential Design Brief was to source a further four properties to create additional residential capacity up to a total of £1.9m.

#### RESOLVED:

- a) That the report and information now provided be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 31 January 2022.



**ENVIRONMENT AND CLIMATE CHANGE OVERVIEW AND  
SCRUTINY COMMITTEE - 26 JANUARY 2022**

**MEDIUM TERM FINANCIAL STRATEGY 2022/23 - 2025/26**

**MINUTE EXTRACT**

**Medium Term Financial Strategy 2022/23 – 2025/26**

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources which provided information on the proposed 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) as it related to waste, the environment and the green agenda. A copy of the report marked 'Agenda Item '10' is filed with these minutes.

The Chairman welcomed Mr. N. Rushton CC, Leader of the Council, to the meeting for this item.

The Committee was advised that there was an error in the numbering of some of the savings items within the report and the appendix, but that the references within the table to the title of each saving were correct and comparable.

Arising from the discussion the following points were noted:

**Growth**

- i. Conversion of the County Council's diesel fleet to Hydrotreated Vegetable Oil would significantly reduce carbon emissions from the fleet. The Committee was assured that the change would be done in a managed way to ensure resilience against any unforeseen circumstance, in the new financial year, subject to approval of the MTFS by Full Council.
- ii. Following the increase in kerbside collected waste as a result of the pandemic, it was queried whether there was a corresponding decrease in commercial waste. In response the Director informed the Committee that while the County Council was not responsible for commercial waste, it did handle a low level through its waste transfer stations. It was noted that commercial waste in that regard had recovered. The Department would look to capitalise on any opportunities available to it.

**Savings**

- iii. Through a contract renewal the existing contract for disposal of wood had been renegotiated which delivered £0.4million of savings.

- iv. The Authority had struggled for a number of years with its waste disposal resilience following the closure of the Cotesbach Mechanical Biological Treatment facility, that left it without a local all-weather solution to dispose of its waste, i.e. if a landfill site was closed due to high winds. This meant the distance needed to travel to redirect its residual waste could be greater. This would be managed through the reletting of contracts and Bardon Waste Transfer Station which would provide further resilience and increased holding capacity additional to Whetstone and Loughborough Transfer Stations.
- v. The Director assured Members that the Department remained committed to progressing reuse initiatives as part of its Recycling and Household Waste sites service approach. It was noted progress had stalled as a result of staffing and market issues related to the pandemic, but that infrastructure had been put in place at some sites to facilitate it. Prior to the pandemic the item had been profiled over six years to achieve £200,000 income, however the business case would need to be refreshed and the savings reprofiled as the market recovered.

#### Capital Programme

- vi. It was clarified that, in relation to the Kibworth site redevelopment, the total scheme cost was £5.5million, a portion of which had already been funded, with the remaining £2 million set out within the Capital Programme for 2022/23. The Site was expected to open Autumn 2022.

#### **RESOLVED:**

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 31 January 2022.

**SCRUTINY COMMISSION – 31<sup>st</sup> JANUARY 2022**

**MINUTE EXTRACT**

**Medium Term Financial Strategy 2022/23 – 2025/26**

The Commission considered a report of the Director of Corporate Resources which provided information on the proposed 2022/23 – 2025/26 Medium Term Financial Strategy (MTFS) as it related to Corporate and Central items, provided an update on changes to funding and other issues arising since the publication of the draft MTFS, and provided details of a number of strategies and policies related to the MTFS. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed the Leader of the Council, Mr N. J. Rushton CC, and the Cabinet Lead Member for Resources, Mr L. Breckon CC, to the meeting for this item.

The Director of Corporate Resources in introducing the budget highlighted the following:

- The Council was in a slightly improved position following the Local Government Finance Settlement announced in December. This had reduced the shortfall in 2023/24 from £11.5m to £7.9m, making it more manageable, though some tough decisions would still be required to bridge that gap.
- The key pressures over the last five years had centred around Social Care, Special Educational Needs and the capital programme. Added to those this year were rising inflation costs and the adult social care reforms, Government funding for which was likely to be inadequate.
- Whilst a review of fair funding had been announced in the Local Government Finance Settlement, nothing further had been done about this as yet. This had not therefore been factored in as part of the current MTFS. Pressure continued to be applied on the Government to take this forward, but there was concern that the review would be more limited in scope than the Council hoped for.

The Leader welcomed the increased funding allocated by the Government (i.e. Improved Better Care Fund, Social Care Grant and Services Grant) which had improved the Council's position for the coming year. He highlighted that ordinarily a balanced budget for the first two years of the MTFS could be presented. However, this had not been possible this year. Whilst assurance was provided that the gap could be bridged, the Leader agreed this would require some difficult decisions to be made, highlighting that the Council had already delivered significant savings over a number of years. The Council had been prudent and maximised its opportunities to raise revenue funding by increasing council tax and whilst difficult, it was recognised that this was necessary to help manage the cost pressures faced. The Leader assured members that the Council would continue to pursue fair funding.

Arising from discussion, the following points were made:

MTFS Summary and changes to the Revenue Budget

- (i) A member commented on the degree of risk in the new MTFS which had been demonstrated through the discussions at each overview and scrutiny committee. The Director assured members that detailed analysis of the key risks faced had been undertaken and this would be detailed in the report to the Cabinet along with details of the contingencies being put in place to address these. The Leader commented that it was clear in preparing this budget that the Council faced greater risks over the coming four years than it had faced over the last 10, but said he was hopeful that some, for example, around business rates reform, fair funding and the County Deal, could ultimately benefit the Council for the future.
- (ii) Concern was raised about the lateness of the receipt of the Local Government Finance Settlement which it was agreed was unhelpful and made it difficult for local authorities to properly budget. The allocation of funding for only one year added to this difficulty. As the Council had resolved to produce a four year MTFS, it had to rely on estimates and forecast as best it could over that period, but this added to the uncertainty of future years and limited its ability to plan and manage risk.
- (iii) A member commented that this was a sound MTFS as far as it could be provided for. It was recognised that it was extremely difficult to predict four years ahead but felt reassured that officers and Lead Members recognised the pressures and would address these head on. The Council was well run and despite being so low funded, was in a good position.
- (iv) Whilst the Services Grant for 2022/23 was welcomed, the Government had made clear that, given the planned funding review, this might not continue beyond next year. It was noted that a total of £822m had been made available nationally, but that the Council had only received a small percentage (around 0.5%). A Member commented that the Council had not received a fair proportion of this funding, or other funding allocated by the Government, (e.g. the Social Care Grant). It was suggested that the allocation had been based on the traditional, outdated formula that continued to disadvantage the Council as a result of it having a reasonable council tax base. This emphasised the need for fair funding. The Lead Member for Resources agreed and emphasised the need for all political groups to continue to pressure the Government to address this.
- (v) A member questioned whether council tax receipts would likely be affected over the coming year as household incomes were squeezed because of, for example, increased fuel costs and rising national insurance contributions. Members noted that whilst collection rates might fall a little, it was not expected that this would be significant. Council tax receipts were often resilient and were not overly affected by such external pressures. The Lead Member said it was recognised many residents

would be experiencing difficulties as the cost of living increased and the Council would continue to deliver services to them as effectively and efficiently as possible.

- (vi) Regarding the New Homes Bonus Grant members noted that the Government had suggested that this would not continue beyond next year. Therefore, whilst the Government's response to the consultation was still awaited, the MTFS had been prepared on this basis.

#### Corporate and Central Items

- (vii) Inflation – A member challenged the estimates included for running cost inflation in future years and questioned, given the expectancy that this will rise, whether that allocation was too optimistic. The Director said based upon continued increases seen in inflation over the last few months, there was a real risk that the provision could be too low. Contracted prices would provide some protection and spread increases over future years. However, it should not have a too significant effect on the budget, as running cost inflation had a relatively small impact compared to the National Living Wage and pay awards.
- (viii) Ways of Working Programme – Members noted that as the Programme was rolled out and officers began a hybrid working approach, this would free up office space at County Hall. A member questioned whether any cost analysis had been undertaken to determine the best use of the campus i.e. whether to rent or sell parts of this. The Director advised that discussions were being held with partners with the aim of renting out space no longer needed which would generate an income for the Council. The Leader commented that there was no intention to sell any part of the County Hall campus and that the preference would be to maximise its use and generate a good income through renting.

#### Adequacy of Earmarked Funds and Robustness of Estimates

- (ix) Health and Social Care Integration – Members noted that it had expected that an Integrated Care System would be introduced in April though the legislative timetable had been delayed. As part of this the three CCGs (Clinical Commissioning Groups) would be merged into one. As expected, the biggest issue currently facing the County Council was hospital discharges and pressures on adult social care. However, the Chief Executive assured members that the Council was well placed given how well it worked locally with NHS partners. Members noted that a briefing would be provided for all members the following day on this issue and all were encouraged to attend.
- (x) Budget Equalisation Fund – It was noted that the money allocated to this Fund came partly from contingencies made, but not used this financial year, and partly from the Council's revenue budget. It was acknowledged that the creation of this Fund contributed to the financial gap in savings required to be made. However, the Director explained that whilst this

might appear counterintuitive, it was necessary for the Council to allocate money for the increasing SEND deficit; the Fund would equal that deficit by the end of the MTFS.

#### Capital Programme 2022/23 – 2025/26

- (xi) Prudential borrowing – Members noted that whilst historically the Council had been against borrowing, the position had now shifted and this might prove necessary to deliver the capital programme. The Director emphasised, however, that this would come down to affordability. The Leader confirmed that the key issue to consider would be the revenue consequences of the borrowing. If it could be afforded and the Council was looking to borrow for the right reasons, e.g. an invest to save scheme, then prudential borrowing would now have to be considered.

#### Funding and Affordability

- (xii) Forward Funding – A member emphasised the risk to the Council's capital programme arising from the need to forward fund schemes necessary to support developments detailed in district council local plans. Whilst a single agreement with all district councils could not be reached, the Chief Executive assured members that all parties had agreed to move forward on an individual basis and that constructive discussions were being held with districts including Charnwood, Blaby and North West Leicestershire. The Director advised that each area and each project differed in terms of need and risk and therefore a series of agreements would likely be needed. The Director further emphasised that the Council was heavily dependent on district councils to secure the section 106 developer contributions needed to deliver its capital programme.
- (xiii) External debt – The Council's current external debt was low compared to many other authorities. The Council had repaid significant amounts of debt over the last decade. The possibility of generating savings through repaying more of this debt was also looked at regularly. However, this could be expensive due to penalties applied and so there was little scope to repay more at the current time.

#### Changes to the Capital Programme 2022 - 2026

- (xiv) In response to a question raised, the Director clarified that the £8m balance referenced in paragraph 78 of the report was different to the £8m allocation from the Covid reserve for Highways Investment that was included in the December Cabinet report.
- (xv) It was noted that the allocation of funding for the Members Highway Fund had been made in the current financial year (2021/22) for a period of two years and that no further funding had been allocated for this in the new MTFS.

### Corporate Asset Investment Fund (CAIF)

- (xvi) The CAIF made a meaningful contribution to the Council's revenue budget. This was therefore a positive policy to make the best use of the Council's resources and assets.
- (xvii) Members noted that whilst primarily investments were made in County, as these also provided an economic benefit. However, investments were made out of County where these were considered appropriate and worthwhile. This helped maximise the use of the Fund and ensured diversification to manage risk.
- (xviii) In response to a question raised the Director confirmed that the CAIF would be funded from the Council's own resources and did not require any borrowing. Members were informed that a report on the performance of the Fund would be presented to the Commission in the Autumn.
- (xix) Whilst independent advisers had suggested that entry into the residential markets might be advisable, the Council had decided against this at the current time. Whilst a good investment from a property point of view, there was concern that increased exposure to residential market risk would not be appropriate for the Council.

### RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be submitted to the Cabinet at its meeting on 11<sup>th</sup> February 2022 for consideration.

### **Medium Term Financial Strategy 2021/22 to 2024/25 - Chief Executive's Department.**

The Commission considered a joint report of the Chief Executive and Director of Corporate Resources which provided information on the proposed 2022/23 – 2025/26 Medium Term Financial Strategy (MTFS) as it related to the Chief Executive's Department. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

The Chairman welcomed Mr N. J. Rushton CC, the Leader of the Council, Mrs D. Taylor CC, the Deputy Leader and Lead Member for Regulatory Services, and Mrs P. Posnett CC the Lead Member for Communities, to the meeting for this item.

Arising from discussion and questions the following points were raised:

### Growth

- (i) Growth Service – The role of the Service had developed over time and it now delivered across five key areas of activity. The Growth Unit itself engaged with growth locations across the County and supported work on

issues such as the Freeport and the main sustainable urban extensions across the County. It had a strategic planning role that linked with the Strategic Growth Plan and the work of the City and County Member Advisory Group, and it contributed to work on district local plans, coordinating the County Council's work on infrastructure provision and the relationship between the two. It also managed the Superfast Leicestershire Broadband Programme, included the economic growth team that liaised with the LLEP and other organisations around economic funding, and also now co-ordinated the Council's activity to deliver its climate change and net zero carbon aspirations.

### Savings

- (ii) Legal Case Management and New Ways of Working – An operational review was being undertaken of the Council's external legal spend which related to the need to seek Counsel's advice from time to time and when legal work had to be externalised due to a lack of internal resource or expertise. It was accepted that this was more costly than delivering the service in house and work was therefore being undertaken to determine how this could be avoided for the future. It was noted that this was separate to the wider Ways of Working Programme being rolled out across the Authority.
- (iii) Local Government Association (LGA) Subscription – In response to a question on whether the Council resigning its membership of the LGA had negatively affected its influence of ministers and work with other authorities, the Leader advised that there had been no impact and that he still had good relationships with, and was still involved in discussions on key issues with both. The decision to withdraw its membership was, in his view, sound given the outcome and the financial pressures faced by the Council.

### External Influences

- (iv) Levelling Up White Paper – In response to a question the Leader said that this was still awaited and whilst it was hoped that County Deals would be included within the White Paper, this was not yet certain.
- (v) Coroners and Registrars – It was questioned whether it was possible for the Council to recharge for such services given the increase in demand. Members noted that the coroner's service was a statutory service and so could not be recharged. The Council was, however, looking to merge the two coronial areas (South Leicestershire and Leicester (currently managed by Leicester City Council) and North Leicestershire and Rutland (managed by the County Council) following the retirement of the Coroner for the latter. Registrar services were charged for and where possible a 10% increase in fees would be introduced in April 2022.
- (vi) Shire Community Solutions Grants – Members noted that these grants were very popular and often oversubscribed. Applications were assessed



closely and unfortunately due to funding limitations, not all projects could be funded fully. The Council sought to ensure the grants supported long term projects where possible. Members acknowledged that the grants helped to support communities which in turn reduced the need on the County Council. The Lead Member for Communities undertook to consider with the Leader and the Chief Executive whether some additional funding could be added to the Leicestershire grants programme. It was recognised that for little money the projects supported provided great benefit both to the Council and its communities.

**RESOLVED:**

- (a) That the report and information now provided be noted;
- (b) That it be noted that the Lead Member for Communities would consider, in consultation with the Leader and the Chief Executive, the allocation of additional funding for Shire Community Solutions Grants;
- (c) That the comments now made be submitted to the Cabinet for consideration at its meeting on 5<sup>th</sup> February 2022.

**Medium Term Financial Strategy 2019/20 to 2022/23 - Corporate Resources**

The Commission considered a report of the Director of Corporate Resources which provided information on the proposed 2022/23 – 2025/26 Medium Term Financial Strategy (MTFS) as it related to the Corporate Resources Department. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

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

Arising from discussion and questions the following points were raised:

- (i) Customer Service Centre (CSC) – Members noted that the budget for the CSC was not being reduced. However, some temporary growth previously added to address the introduction of hidden disabilities to the blue badge scheme and other similar pressures was now gradually being removed. The Director reported that a significant programme of work was being undertaken to make the Council's digital access channels more efficient. Residents accessing services digitally had increased significantly in some areas from 50% to 96%. Flexible staffing arrangements were being implemented to target peak times and automation projects were being increased and improved.
- (ii) A member asked if the Council had considered the use of an App to make it easier for residents wanting to access the Council digitally. The Director advised that these were considered but evidence suggested that due to the nature of engagement with residents by the Service, which was often transactional at a point of need, the development of self accounts was considered the best way forward. Members noted that whilst many wished

to access the Council via their phones, this was more on an as need basis which meant an App was not particularly suitable. The situation would, however, continue to be reviewed each year.

- (iii) Investment in Tree Nurseries – The Director explained that in line with the Council's commitment to plant 700,000 trees, it was beginning to explore the potential to run its own tree nursery either on its own land or perhaps in conjunction with the National Forest. There was potential to turn this into a commercial venture as there was a national shortage of native saplings. It would also help the Council's biodiversity and address issues with Ash Die Back. Members noted that the £100,000 allocation in the MTFS was a notional figure at this stage whilst the business case was being developed.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be submitted to the Cabinet at its meeting on 11<sup>th</sup> February for consideration.

**Medium Term Financial Strategy 2019/20 to 2022/23 - Consideration of Responses from Overview and Scrutiny Committees.**

The Commission considered extracts from the minutes of the Overview and Scrutiny Committee meetings held to consider the Medium Term Financial Strategy (MTFS) 2022/23 – 2025/26 as related to the County Council departments. A copy of the minute extracts is filed with these minutes.

RESOLVED:

That the comments now made be submitted to the Cabinet for consideration at its meeting on 11<sup>th</sup> February 2022.

**CABINET – 11 FEBRUARY 2022****HINCKLEY AND BOSWORTH BOROUGH COUNCIL'S NEW LOCAL PLAN - RESPONSE TO REGULATION 19 CONSULTATION****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of the Report**

1. The purpose of this report is to advise the Cabinet on the County Council's position regarding Hinckley and Bosworth Borough Council's (HBBC) emerging Local Plan, and to seek approval for the formal response to the latest (Regulation 19) consultation to be submitted by officers.

**Recommendations**

2. It is recommended that:
  - (a) The Chief Executive, following consultation with the Cabinet lead member, be authorised to submit the County Council's formal response to Hinckley and Bosworth Borough Council's consultation on its Local Plan 2020 to 2039 Submission version;
  - (b) It be noted that at this stage insufficient evidence has been provided to demonstrate that the Local Plan meets the tests of soundness as set out in Paragraph 35 of the National Planning Policy Framework and as a result, this is likely to form the basis of the County Council's response.

**Reasons for Recommendation**

3. HBBC's consultation exercise is due to take place from 2 February to 16 March 2022. As the Cabinet is not due to meet again until 29 March 2022, authorising the Chief Executive to submit comments on behalf of the County Council will enable a response to be prepared within the statutory timeframe.
4. The planning system requires that a local planning authority may only submit its Local Plan for examination if it is confident that it will meet the tests of soundness. The HBBC Local Plan has been presented as a submission version without properly considering the transport impacts of the intended growth strategy and without setting out how the impacts of the strategy will be mitigated. The County Council is therefore concerned that if the Local Plan is submitted for examination at this stage, it will not be possible to demonstrate that the Plan is capable of being found sound and may be rejected.

### **Timetable for Decisions (including Scrutiny)**

5. HBBC was due to publish its Regulation 19 Local Plan consultation on 2 February 2022 and has indicated that the Local Plan will be submitted to the Secretary of State by the end of March 2022.
6. It is intended that the Cabinet will receive a further report at its meeting on 29 March, setting out the comments submitted to HBBC as the views of the County Council and any response.

### **Policy Framework and Previous Decisions**

7. In March 2019 the Cabinet agreed a response to HBBC relating to an early stage consultation as part of its Local Plan Review. This included concern about the lack of consultation with the County Highway Authority and insufficient reference to the policy framework provided by the agreed Strategic Growth Plan (SGP) which provides the long-term vision for planned growth for Leicester and Leicestershire up to 2050.
8. The Leicester and Leicestershire Strategic Transport Priorities were approved by the Cabinet in November 2020. They were developed jointly by the County and Leicester City Councils alongside the SGP to ensure the long-term development needs and associated transportation requirements were coordinated.
9. In June 2021 the Cabinet received a report regarding the Leicester and Leicestershire Statement of Common Ground Relating to Housing and Employment Land Needs. The Statement was prepared to accompany the Charnwood Local Plan process and also provides context for the Hinckley and Bosworth Local Plan.
10. In September 2021 the Cabinet agreed a response to consultation from HBBC relating to its Regulation 18 Local Plan. That report expressed the need for closer partnership working with HBBC across key disciplines and at a senior officer level in recognition of:
  - the challenges presented by the Strategic Road Network (SRN) in the Borough and wider area;
  - the lack of capacity on the Local Road Network;
  - the need to take a strategic approach to education and other infrastructure provision; and
  - the need to secure deliverable planned growth supported by infrastructure rather than ‘unplanned’ speculative development.
11. The report noted that, at that time, the level of partnership working needed to understand the strategy of the proposed Local Plan, how it would be delivered and how the impacts would be mitigated, had not been achieved. It further set out that the County Council was of the view that in order to achieve the required level of partnership working, a revised timetable would be needed (agreed with relevant stakeholders) to build in time for appropriate dialogue and to share and consider technical evidence.

12. In October 2021 the Cabinet considered a further report regarding HBBC's emerging Local Plan. The Cabinet agreed that the County Council would continue to work with the Borough Council to develop a Local Plan that was sound and deliverable but that if HBBC decided to publish a Regulation 19 Local Plan that did not satisfactorily address the County Council's concerns, it would raise a formal objection as part of the statutory Regulation 19 consultation process, and at Examination in Public.

### **Resource Implications**

13. Local plans inevitably come with significant infrastructure requirements for the County Council with highways and education being the key concerns. A Local Plan in an individual district can typically have a public sector infrastructure investment requirement exceeding £100 million. A good Local Plan is essential if the associated financial risks are to be managed:
- Cost can be minimised through the co-ordination of infrastructure design and development across individual developments.
  - Opportunities for Government funding can be maximised through clear justification.
  - The risk of not securing the right amount of funding from developers is reduced.
  - Sound modelling ensures developments are viable and can fund their share of infrastructure costs.
14. When a Local Plan is in place, the County Council remains heavily dependent on district councils, as the local planning authority, to secure the section 106 developer contributions needed to deliver the capital investment. Without significant assurance in this regard the risk of entering into forward funding arrangements, which allow infrastructure to be developed in advance of housing, would not be feasible.
15. The HBBC Local Plan needs to be seen in the context of established and emerging plans across Leicestershire which is compounding the risks that the County Council and ultimately the taxpayer bears.

### **Circulation under the Local Issues Alert Procedure**

16. This report will be circulated to all Members.

### **Officers to Contact**

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## **PART B**

### **Background**

17. HBBC's new Local Plan will set out the Borough Council's development strategy to 2039. Given its location close to Leicester and close functional connectivity to communities living and working in Blaby, Charnwood, and North West Leicestershire, the content of the emerging Local Plan is particularly important to this area and the wider Leicester and Leicestershire Housing Market Area.
18. The following comments represent the County Council's high-level position to date. Subject to the Cabinet authorising the Chief Executive to submit comments on behalf of the County Council, it is intended that more detailed comments will be submitted by officers to HBBC by the end of the consultation period, expected to be on 16 March 2022.

### **Update on Local Plan Development Work by HBBC**

19. Since submission of the County Council's response to HBBC's Regulation 18 consultation in August 2021, officers, including those representing the Local Highway Authority have held numerous meetings with HBBC officers and have sought to provide advice and assistance with the intention of supporting the development of a sound (in planning terms) and deliverable new Local Plan.
20. Following receipt of draft Regulation 19 versions (which represent proposed policies) of the Submission Draft Local Plan in December 2021, officers submitted informal comments and a covering report to HBBC on 11 January 2022, including feedback on highways and education concerns.
21. Highways and transport issues are a significant consideration in the development of a new Local Plan. They are normally a key influence on the overall spatial strategy for a Plan and the costs of mitigating impacts are generally amongst the most significant in terms of the infrastructure and services required to enable the delivery of a Local Plan in practice.
22. Highways and transport considerations are wide ranging, including:
  - a. allocation site specific, e.g. can a safe site access be formed and is the proposed site located where it is possible to access a range of services or is well-served by passenger transport (i.e. is it a 'sustainable location')?
  - b. what are the localised impacts of a particular site allocation and can they be mitigated? and
  - c. ever increasingly, what are the cumulative impacts of the proposed Local Plan site allocations, and can they be mitigated?
23. In respect of the first consideration, as a result of officer comments, it is understood several sites have latterly been removed from the Regulation 19 draft Plan as approved for submission. However, whilst this might overcome site specific concerns, it does now leave a requirement for the Borough Council to undertake transport modelling of the allocated sites within its now confirmed Regulation 19 draft Plan. In the absence of this modelling, it is not possible for

the Local Highway Authority (LHA) to confirm what are either the localised or cumulative impacts of the Borough Council's now preferred strategy.

24. Once the allocated site modelling work has been completed, it will then be possible to begin work to identify a potential highways and transport mitigation strategy (as per the second and third considerations above). Modelling of the potential mitigation strategy can then be undertaken; this will inform the wider infrastructure schedule for the Local Plan and the Infrastructure Delivery Plan which should specify the key elements of infrastructure necessary to underpin the delivery of the Local Plan together with anticipated timings and estimated costs. At this time it is not possible for the LHA to confirm that the Local Plan's highways and transport impacts can be suitably and affordably mitigated.
25. At present, the Local Plan says very little about the importance of education facilities (schools, early years and other settings) and how they contribute to a strong economy and sustainable communities. Early discussions with HBBC officers have identified that there could be a number of significant delivery challenges regarding the expansion of schools or the development of new schools, and which will require more consideration to make the Local Plan deliverable.
26. In particular, HBBC has been informed that it should consider including within the Local Plan a policy setting out expectations specifically in relation to the funding of additional school places and other education infrastructure, such that this mitigates financial risk to the County Council.
27. It is not in the best interests of local communities or the County Council for the HBBC's Local Plan to be found unsound and it is important that the County Council supports the development plan process. A plan-led approach offers the greatest opportunities to address the challenges of growth delivery as compared to seeking to deal with the impacts of ad-hoc, 'unplanned' growth. Nevertheless, it is important to reiterate that it has been made clear to HBBC of the potential consequences of submitting a Local Plan prematurely without reaching agreement on what infrastructure is needed, how this will be funded and whether this impacts on the proposed delivery strategy.

### **Equality and Human Rights Implications**

28. There are no equality and human rights implications arising from the recommendations in this report.

### **Environmental Implications**

29. The County Council will continue to work closely with HBBC and other partners to minimise the impact planned growth has on the environmental assets of Leicester and Leicestershire and will seek to ensure that opportunities are taken to enhance the environment through biodiversity net gain and sustainable forms of development.

**Partnership Working and Associated Issues**

30. The County Council works closely with the Leicester and Leicestershire Strategic Planning Partnership, which includes HBBC. A strengthening of partnership working is sought to deal with the transport challenges which require a strategy-led approach with multiple partners in the borough and wider area.

**Background Papers**

Report to the Cabinet on 17 September 2021, 'Response to the Hinckley and Bosworth Borough Council's Draft Local Plan (Regulation 18) Consultation'  
<https://bit.ly/3pAliXw>

Report to the Cabinet on 26 October 2021, 'Development of Hinckley and Bosworth Borough Council's New Local Plan – Latest Position'  
<https://bit.ly/3FTTQti>



**CABINET – 11 FEBRUARY 2022****BECOMING AN ANTI-RACIST ORGANISATION****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of the Report**

1. The purpose of this report is to propose that Leicestershire County Council makes a clear commitment to becoming an anti-racist organisation.

**Recommendations**

2. It is recommended that the proposal that Leicestershire County Council makes a clear commitment to becoming an anti-racist organisation be recommended to full Council.

**Reasons for Recommendation**

3. Whilst the County Council is rightly proud of its record on race relations and complies with the Public Sector Equality Duties enshrined in the Equality Act 2010, the formal commitment for the Council to become an anti-racist organisation will emphasise its commitment to taking a positive and proactive approach to ensure that any concerns or perceptions of unfairness or discrimination with employment and service delivery are systematically addressed and resolved. The Council will demonstrate leadership and transparency in making this commitment, which will be backed by a systematic Action Plan and dedicated resources to drive implementation.

**Timetable for Decisions (including Scrutiny)**

4. The County Council's Employment Committee considered a report on the matter at its meeting on the 3 February. Its comments will be reported to the Cabinet.
5. Subject to the Cabinet's approval, the County Council will consider a report on the matter at its next meeting on 23 February 2022.

**Policy Framework and Previous Decisions**

6. The County Council's Equalities Strategy 2020-24, agreed by the County Council on 8 July 2020, sets out how the Council aims to ensure that

everyone can access high quality services designed to meet their individual needs.

7. Diversity and inclusion is also a key part of the County Council's People Strategy 2020 – 2024, which was approved by the Employment Committee on 4 February 2021.
8. In the summer of 2021, the Council became a signatory of the Race at Work Charter. This Charter commits the Authority to seven “calls to action” on race equality within the workplace.

### **Resource Implications**

9. Support to deliver the required initiatives to fulfil the Council's commitment as an anti-racist organisation will be met from existing resources.

### **Officers to Contact**

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## **PART B**

### **Background**

10. The Black Lives Matter movement has demonstrated that the legacy of slavery, colonialism and institutional racism still has an impact on the lives of Black, Asian and Multi-Ethnic people (BAME) in the community. The Council is rightly proud of its record on race relations and has established a strong structure for supporting equalities issues including Departmental Equalities Group, staff networks, management training and a Lead Member for Community, Staff relations and Equality. The majority of staff agree that the organisation is an employer that is committed to equality and diversity (92.8% in Staff Survey 2021). The Council complies with the Public Sector Equality Duties enshrined in the Equality Act 2010.
11. Nevertheless, an external review of the barriers to progression for BAME staff in 2020 identified a number of concerns in relation to the leadership culture and race equality and whether staff development was targeted enough. There was also concerns as to how some issues relating to racism were being addressed, or were not being addressed.
12. Recent data on the Council's staff profile shows that whilst it has relatively high levels of employment for people from BAME backgrounds at between 17-30% of roles up to middle management, this reduces to less than 10% at senior management levels. This is backed by data indicating that BAME candidates are less likely to be successful at interview than their counterparts. This is show in the attached Appendix. The 2021 staff survey also evidenced that 28% of staff experienced some form of discrimination within the last 12 months, and 8% experienced bullying or harassment. Community reporting of hate crimes to the Police has also increased by 29% in the past year across Leicestershire. This data needs further analysis and interpretation, for instance it is not known what proportion of these incidents relate to race.

### **Becoming an anti-racist organisation**

13. In the summer of 2021, the Council became a signatory of the Race at Work Charter. This committed the Council to seven "calls to action".
  - Appoint an Executive Lead for race
  - Capture ethnicity data and publicise progress
  - Commit at Board level to zero tolerance of harassment and bullying
  - Make clear that supporting equality in the workplace is the responsibility of all leaders and managers.
  - Take action that supports ethnic minority career progression
  - Support race inclusion allies in the workplace
  - Include Black, Asian, Mixed Race and other ethnically diverse-led-enterprise in supply chains

14. The Director of Children and Family Services took on the responsibility of Executive Lead for race issues and established an officer task group to develop an Action Plan. The group involved representatives from service departments, relevant officers in Policy, Human Resources and Learning and Development, and representatives from the BAME staff network. The group formed the view that a strong commitment to “anti-racism” was required in addition to action to address issues around progression and the commitments of the Race at Work Charter.
15. In making this commitment, the Council is not stating that it is, or has been racist. Rather, it is making a commitment to be pro-active in addressing any perceived or actual inequalities, and to foster a culture which is open, transparent and celebrates the contribution of people of colour to its workforce and the wider community of Leicestershire and beyond.
16. It can be argued that Council should take a strong “anti-discrimination” stance on all issues, not just race. Whilst this case has merit, the task group took the view that the particular historical and cultural legacy of racism required a specific response which recognised the distinctive nature of the oppression and reflected the experiences of staff and communities. It is also appreciated that “BAME” is a broad term which does not fully capture the range of identities of those who come from different ethnic and racial backgrounds. Nevertheless, it is a term in current usage and has been adopted by the staff network.
17. A key element of the anti-racist approach is to follow a “zero-tolerance” approach to harassment and bullying. This does not mean that anyone who expresses an opinion or acts in a manner that might be considered racist should be instantly refused a service or have their contract of employment terminated. Rather, it is that such attitudes should not be allowed to pass without challenge, and that there should be opportunities for reflection and learning. This should be the responsibility of the organisation, not the victim. There should be proportionate sanctions if required which consider the Council’s legal obligations to provide services to the public and protect the welfare of staff. Work has been undertaken recently to provide managers and staff with clear routes to report incidents, access support, and link with relevant policies and procedures.
18. The Council has an important statutory duty and role to promote community cohesion and foster good relations between different groups. A key element of this approach will involve engaging with ethnic minority communities including the Leicestershire Equalities Challenge Group and celebrating the contribution of people of colour to the economic, social and cultural life of Leicestershire. It will also be about providing leadership and challenge for organisations that work in partnership with the Council - to encourage a wider discussion and action to address issues of perceived discrimination or harassment within the workplace or community settings.
19. The recent news coverage of situation Mr Azeem Rafiq faced at Yorkshire Cricket Club has highlighted the damage that can be done to individuals and

institutions if issues of racial harassment and bullying are not systematically and transparently addressed.

### **Action Plan and next steps**

20. As stated above, an officer task group has developed an Action Plan to progress this work, with progress reported to the Corporate Equalities Board. The Action Plan, which has been developed alongside the Black, Asian and Multi-Ethnic staff network, covers three main themes: leadership and management, workplace and culture, and community and partnerships.
  - a. Leadership and management - Political and managerial commitment and leadership on anti-racism. Clear communication on this commitment externally and internally.
  - b. Workplace and culture - Developing a BAME staff development programme, reporting on staffing and recruitment, anti-racism training, support for the BAME staff network.
  - c. Community and Partnership - Building relationships with schools and community groups. Working with providers and suppliers. Celebrating the achievement of BAME people in the community.
21. Other local authorities have made similar commitments to anti-racism. Examples include Cambridgeshire County Council, the London Borough of Hackney, Brighton and Hove City Council and Oxford City Council. There is endorsement for these commitments from each Council's political leadership. The direct leadership and involvement of Members of the Council will be required to give the County Council's approach integrity. It is therefore proposed that this commitment is approved by full Council.

### **Equality and Human Rights Implications**

22. The proposal seeks to enhance the Council's delivery and reputation on equalities and human rights by making a clear commitment to addressing issues of race equality in employment, service delivery and community cohesion. An Equality and Human Rights Impact Assessment has been undertaken and indicated that the proposal would have a positive impact on all the above.

### **Background Papers**

Report to the Employment Committee – 3 February 2022 – Becoming an Anti-Racist Organisation

<https://politics.leics.gov.uk/documents/s166310/FINAL%20EC%20Becoming%20an%20Anti-Racist%20Organisation%206.pdf>

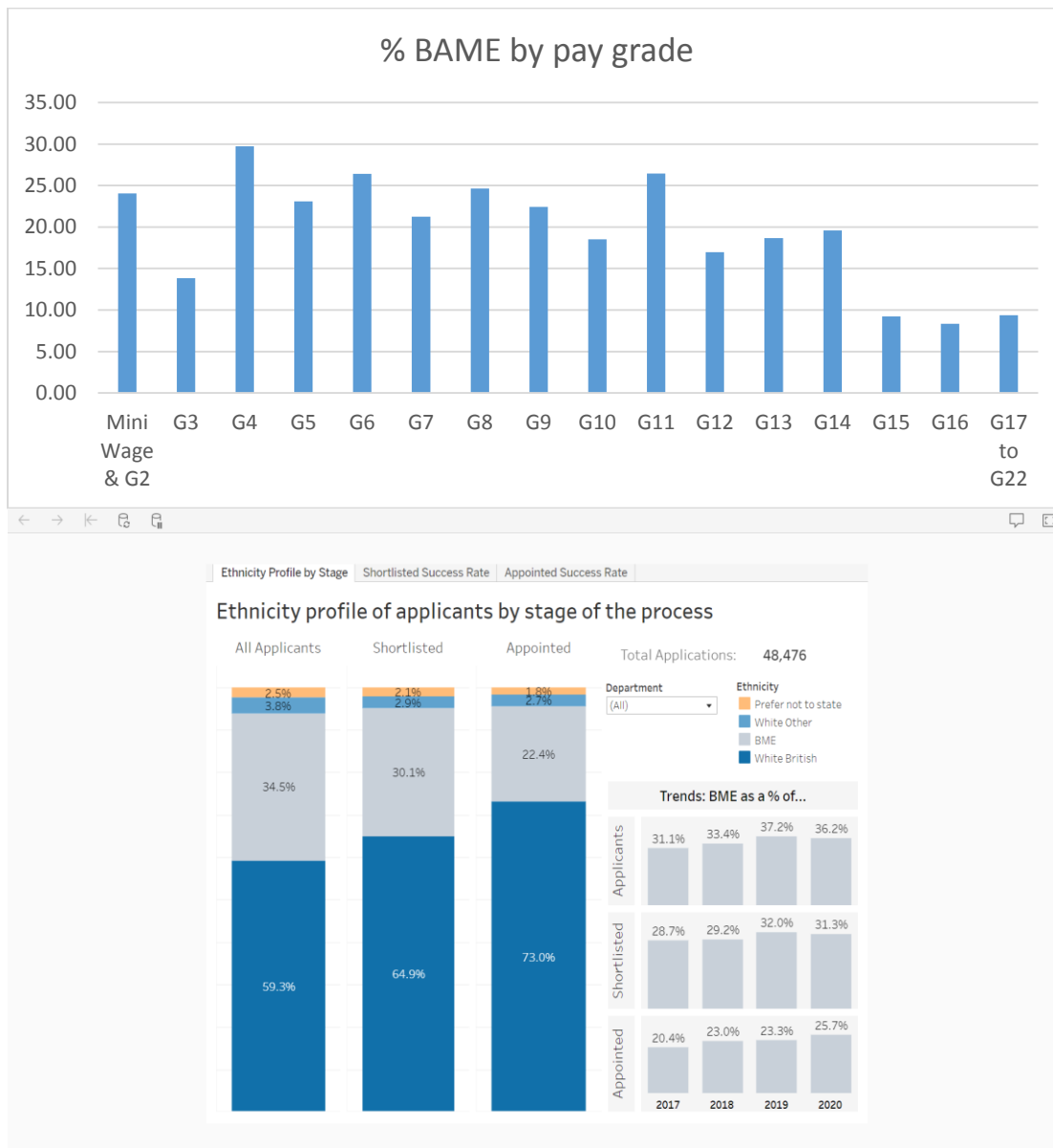
### **Appendix**

BAME staff by pay grade October 2021. Ethnicity profile of applicants 2017-2020

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## Appendix

BAME staff by pay grade October 2021. Ethnicity profile of applicants 2017-2020.



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**CABINET –11 FEBRUARY 2022****LEICESTERSHIRE RURAL FRAMEWORK 2022-2030****REPORT OF THE CHIEF EXECUTIVE****PART A****Purpose of the Report**

1. The purpose of this report is to seek the Cabinet's approval of a revised Leicestershire Rural Framework 2022-2030.
2. The Framework forms a basis for the work of the Leicestershire Rural Partnership (LRP), which brings together public, private and voluntary stakeholders to improve services and to support rural communities and businesses in the County.

**Recommendation**

3. It is recommended that the Leicestershire Rural Framework 2022-2030 be approved.

**Reasons for Recommendations**

4. To provide a revised framework which outlines the key priorities for rural Leicestershire. The Framework does not seek to duplicate existing countywide strategies, but instead complements and supports their delivery from a rural perspective.

**Timetable for Decisions (including Scrutiny)**

5. The draft Framework was approved by the LRP Board at its meeting on the 12 January 2022.
6. Subject to approval by the Cabinet, the Framework will be launched by the LRP in March 2022, supported by an Action Plan which will set out how the priorities identified within the Framework will be delivered.

**Policy Framework and Previous Decisions**

7. The previous version of the Leicestershire Rural Framework, covering the period 2014-2020 was approved by the Cabinet in October 2014.

8. The Council's Strategic Plan (2022-26), which is currently out for consultation until 18<sup>th</sup> February, outlines its long-term vision for the people and place of Leicestershire through five strategic outcomes. The needs of rural communities are addressed throughout the Plan however the outcome with the strongest link is the 'Strong Economy, Transport and Infrastructure' outcome which includes several references to the specific priorities of rural communities in areas such as agriculture, public transport, digital connectivity and housing.
9. The Communities Approach (2022-26) which is also out for public consultation until 18<sup>th</sup> February emphasises the importance of working with all communities, including those living in rural areas.
10. The LRP were heavily involved in the production of the Economic Growth Strategy which was co-ordinated by the Leicester and Leicestershire Enterprise Partnership (LLEP). The Rural evidence base was submitted together with comments from the LRP Management Board on the draft Strategy, to ensure that the rural perspective was included.

### **Resource Implications**

11. There are no direct resource implications arising from the contents of this report; however, the revised Rural Framework will set the policy framework within which the LRP will operate in the next eight years. It will influence LRP project and partnership activity, including joint working with the LLEP or its replacement and the deployment of any associated rural funding.

### **Circulation under the Local Issues Alert Procedure**

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

### **Officers to Contact**

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## **PART B**

### **Background**

13. The Leicestershire Rural Framework sets out a shared understanding of the County's rural priorities and provides a platform to help maximise opportunities for partnership working whilst having potential to secure further investment for rural areas.
14. The Framework will provide a basis for the work of the Leicestershire Rural Partnership (LRP), which brings together public, private and voluntary stakeholders to improve services and to support rural communities and businesses in the County.
15. Membership of the LRP Board includes; Leicestershire County Council (chair), district councils, Leicestershire and Rutland Association for Local Councils, Rural Community Council (Leicestershire and Rutland), Leicester and Leicestershire Enterprise Partnership, National Farmers Union, Federation of Small Businesses, East Midlands Chamber, National Forest Company and rural business champions. The Partnership also draws upon specialist expertise through the other groups and partnerships that it works with.

### **Development of the Revised Framework**

16. The Rural Framework (2022-2030), has been developed in line with the following Vision;

*“ Rural Leicestershire will be made up of thriving, inclusive, digitally well connected and healthy communities and businesses that are adapting to the challenges posed by climate change to become resilient and maximising the opportunities offered by a net zero carbon future. “*

17. As a result of the pandemic, the LLEP co-ordinated the production of a short term Economic Recovery Action Plan, which contained initiatives to support businesses adversely affected by the pandemic and the LRP Management Board regularly fed back intelligence received from businesses in rural areas.
18. LRP Board members have utilised their joint skills to commission a Rural Evidence Base to assist with funding applications and the LRP have led on the production of a Natural Capital Evidence Base.
19. To assist businesses with their longer term recovery the LLEP co-ordinated the production of the Economic Growth Strategy 2022-2030. The LRP Board fed information into the production of this strategy from rural businesses, including the Rural Evidence Base. The priorities identified as part of the work above have helped to form the Rural Framework 2022-2030.
20. Further work was undertaken by the County Council to work with stakeholders to establish a set of principles and priorities on which to base the Framework. An initial workshop was held in April 2019 to re-assess the previous Framework's

priorities and develop a revised approach. This was necessary as existing funding for rural areas was through the LEADER and EAFRD grant schemes, both of which were fully committed and at that point no new funding sources had been identified. LEADER and EAFRD funding was European funding, the former was a local allocation and the latter a national allocation.

21. Following the workshop, a draft Framework was developed which was then subject to further review at meetings of the LRP Board in March, June and October 2021.

### **The Revised Framework**

22. The Framework, a copy of which is included as the Appendix to the report, consists of three overarching principles which are as follows;
  - Understand needs - Develop a single voice for the rural businesses and residents of Leicestershire through shared intelligence and evidence to highlight issues that require intervention.
  - Shape policy - Work collectively to influence national / local policy, and funding, including through joint responses to consultations where appropriate.
  - Support and facilitate - Support the Leicester and Leicestershire Enterprise Partnership to effectively respond to the needs of the rural economy and help facilitate robust business cases for funding to implement solutions on an on-going basis.
23. In line with the three principles, the Framework consists of seven priorities which are set out below, grouped by the five outcomes set out in the County Council's draft Strategic Plan:

#### **Clean, Green Future**

1. Support work on climate change and the environment – The LRP will work with rural businesses to identify any potential initiatives they can utilise to reduce their carbon footprint.

#### **Strong Economy, Transport and Infrastructure**

2. Support rural inclusion and skills including supporting those furthest from the labour market to move closer to work – This includes working on initiatives including pop up Work Clubs in rural areas, to assist any out of work person with interview skills, CV writing and job searching.
3. Support small and micro businesses in rural areas to expand, diversify and grow- this will include developing new grant schemes should new funding sources become available.
4. Support sectors of significant importance to rural areas eg Tourism, Food and Drink, Professional and technical services and land based businesses – this could be through grant funding or digital support.
5. Improve physical and digital connectivity- Rural areas suffer with poor public transport networks and the LRP will work with providers to increase coverage. Rural areas also suffer with poor digital connectivity and the LRP works

closely with the Superfast Leicestershire Broadband Programme to increase coverage.

6. Town Centre Re-generation –Support initiatives, including seeking funding for town centre regeneration programmes.

### Great Communities

7. Support the progress towards Resilient Communities and Places - work closely with Leicestershire County Council Communities Team to ensure issues in rural communities are fed into any initiatives.
24. To support the implementation of the Framework, an Action Plan will be developed which will set out how and when actions associated with the priorities will be delivered. The Action Plan will also be used to monitor the Framework's progress.
25. The Framework will be kept under review in order to ensure it remains current and in line with the County Council's rural priorities, particularly those in relation to the environment.

### **Equality and Human Rights Implications**

26. There are no Equality and Human Rights Implications directly arising from this report. An EHRIA was completed for the last two frameworks and should new projects come forward within this Framework then an EHRIA will be undertaken.

### **Risk Assessment**

27. The LRP currently does not lead on any project or programme identified in the proposed Framework. Should funding be found for a particular project in the future then a risk assessment will be undertaken to ensure that any risk to the County Council is appropriately managed.

### **Environmental Impact**

28. There may be positive environmental implications resulting from the Rural Framework, if funding can be obtained to assist rural businesses with environmental initiatives.

### **.Background papers**

Draft County Council Strategic Plan

<https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2021/10/29/Draft-Strategic-Plan-2022-26.pdf>

Draft Communities Strategy (Communities Approach)

<https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2021/11/26/draft-communities-approach-2022-26.pdf>

The LLEP's Economic Growth Strategy

<https://llep.org.uk/economic-growth-strategies/economic-growth-strategy/>

Report to the Cabinet – 13 October 2014 – Leicestershire Rural Framework 2014 –2020

<https://politics.leics.gov.uk/documents/s96230/9.LRP%20FRAMEWORK%202014%20-%202020.pdf>

### **Appendix**



## LEICESTERSHIRE RURAL FRAMEWORK 2022-2030

### Vision

**In 2030 rural Leicestershire will be made up of thriving, inclusive, digitally well connected and healthy communities and businesses, that are adapting to the challenges posed by climate change to become resilient and maximising the opportunities offered by a net zero carbon future.**

### Principles

- **Understand needs** - Develop a single voice for the rural businesses and residents of Leicestershire through shared intelligence and evidence to highlight issues that require intervention.
- **Shape policy** - Work collectively to influence national / local policy, and funding, including through joint responses to consultations where appropriate.
- **Support and facilitate** - Support the Leicester and Leicestershire Enterprise Partnership to effectively respond to the needs of the rural economy and help facilitate robust business cases for funding to implement solutions on an on-going basis.

### Leicestershire Rural Partnership

The Leicestershire Rural Partnership (LRP) is an established and successful partnership which brings together public, private and voluntary stakeholders to improve services and support to rural communities and businesses. The work of the Partnership is shaped by the priorities in its Rural Development Framework, and its success is dependent on the input from a range of organisations that sit on the LRP Management Board.

### Membership of the Board

Leicestershire County Council (chair), District Councils, Leicestershire and Rutland Association for Local Councils, Rural Community Council (Leicestershire and Rutland), Leicester and Leicestershire Enterprise Partnership, National Farmers Union, Federation of Small Businesses, East Midlands Chamber, National Forest Company and rural business champions. The Partnership also draws upon specialist expertise through the other groups and partnerships that it works with.

### Working with the Leicester and Leicestershire Enterprise Partnership

In 2014 the LLEP and LRP agreed a statement of joint working outlining how the LRP could support the LLEP to maximise the potential of the rural economy.

The statement of joint working made reference to:

- Collating evidence and intelligence on the rural economy
- Rural proofing strategies and programmes
- Leading on rural specific projects and programmes
- Representing rural issues on the ESIF Committee
- Influencing national policy, responding to consultations and attending the Defra /LEP Rural Round table.

The LRP acting as an advisory group to the LLEP provides an opportunity for organisations such as the NFU, CLA, Rural Community Council, FSB and National Forest Company to receive updates on LLEP activity and actively influence the work of the LLEP. Activities carried out to date include;

- Commissioning of a Market Towns Study looking at the economic contribution of town centres and priority intervention to enhance this.
- Rural evidence base 2018
- Rural input to the LIS and ESIF Strategy and commissioning
- Delivery of LEADER and advisor on EAFRD
- Work with the LLEP to commission a Natural Capital Evidence Base to inform the Economic Recovery Strategy, which could potentially lead to the production of a Natural Capital Investment Plan.

While developing this Rural Framework, two major events have taken place; the EU Exit and the Covid-19 pandemic, the full impact of both are still unknown and are likely to continue for years to come. An Economic Recovery Cell was created with a number of partners in April 2020 and issues arising from LRP Management Board members were fed back in

through this mechanism. An Economic Recovery Action Plan was produced by the Cell to focus on an initial 12-18 month period of the pandemic.

In February 2021, the LLEP commissioned consultants to produce an Economic Growth Strategy, which will look longer term to 2030 which sits alongside the Economic Recovery Action Plan. This was published in December 2021 and is contained in Appendix one at the end of this document. Although there is no specific section on the Rural economy in the Economic Growth Strategy, there are many relevant priorities that can be applied to rural areas and we can use this framework to influence the delivery plans as they are developed.

### **Rural Economic Priorities**

Following a workshop held in April 2019 with the LRP Management Board the following priorities were identified for inclusion in the Rural Framework:

- **Climate Change and the Environment**
- **Rural inclusion and skills including supporting those furthest from the labour market move closer to work.**
- **Support small and micro businesses in rural areas to expand, diversify and grow.**
- **Support sectors of significant importance to rural areas e.g. tourism, food and drink, professional and technical services and land-based businesses**
- **Improve physical and digital connectivity**
- **Shaping communities and places**

### **Climate Change and the Environment**

Leicestershire County Council has declared a Climate Emergency to commit to carbon neutrality by 2030 for its own operations and net zero carbon in Leicestershire by 2045. The Environment Bill seeks to write environmental principles in UK law for the first- time following Brexit, but the Government has delayed the passing of the Bill due to the pressures of dealing with the corona virus pandemic, so it is not expected to become law until the autumn 2021. Many districts have also declared an emergency. The LRP needs to investigate further, how we can work to support our partners on this.

The growing importance of the Environment and Green recovery, represents an opportunity to attract new businesses to the county, that are focussed on green growth and we need to investigate how we can upskill or reskill people, into supporting the green sector. To make our economy more sustainable, we need to adapt the skills that can be acquired in further education, to meet the needs of our local employers. The Midlands Energy Hub has identified that the Green sector is worth £2.8 billion in 2019/20 to the Leicestershire economy and there are 1022 businesses and 21,437 people employed in the sector.

We need to work in partnership with our local landowners, including the County Council owned farms, to make sure we are utilising our natural assets to their full potential and to act as exemplar projects. The LRP are working with key partners on a Natural Capital Evidence Base, which will underpin future work. The LRP need to engage with work being carried out on the Strategic Growth Plan to assess the implications on rural areas.

The LRP needs to support partners including the NFU, in promoting any changes as to how funding is allocated for farmers, including through the Environmental Land Management Scheme that will be phased in from 2023. The LRP need to keep DEFRA aware of any issues, that arise as a result of implementation.

**Action; The LRP need to keep abreast of policies in this area, including Leicestershire County Council Environment Strategy, in order that we can maximise any opportunities to influence priorities/ lead on any future funding streams that arise to promote green growth.**

### **Rural inclusion and skills including supporting those furthest from the labour market move closer to work.**

The Unemployment rate if based on the number of claimants of Universal Credit at August 2021, shows 12,535 people searching for work in Rural Leicestershire, 7001 people are claiming UC but wish to upskill, 10,088 are on UC but not planning to work.



Data on the number of young people aged 16-19 not in education, employment or training (NEET) is released each month by Prospects. Overall, in January 2021, there were a total of 327 young people classed as NEET in Leicestershire (2.4 percent of the 16-19 population). In urban Leicestershire, this figure was the same, compared with 2.1% percent in all rural areas.

A total of 590 people ages 16-64 were claiming Job Seekers Allowance in rural Leicestershire in January 2021, out of 2,389 people in the county as a whole (25 percent of the county total). At a ward level, the highest number of claimants could be found in Stanton and Flamville Ward (36), followed by Anstey Ward (31). The JSA claimant rate for rural wards were generally lower than the county rate; out of 56 rural wards, only 12 had a rate higher than the county average of 0.5 percent.

The wider claimant count which looks at the number of people aged 16+ claiming JSA, plus those who claim Universal Credit and are required to seek work and be available for work, shows higher figures. There were a total of 4,145 claimants in rural Leicestershire in January 2021, out of 16,770 claimants in the county as a whole (25 percent of the county total). At a ward level, the highest number of claimants could be found in Stanton and Flamville Ward (210), followed by Ibstock and Heather Ward (205).

The JSA claimant rate for rural wards were generally lower than the county rate; out of 56 rural wards, only 12 had a rate higher than the county average of 3.9 percent. The highest rates were found in Lutterworth Orchard Ward (5.4 percent), followed by Lutterworth Springs Ward (5.1 percent).

There are pockets of hidden deprivation and many barriers to people in rural areas accessing employment, including transport for those without a car, and the lack of co-ordination between local transport providers and shift patterns which often start too early or finish too late for bus times.. It is important that young people and unemployed people living in rural areas are able to access support in CV writing and job searching, together with training and work. What is equally important is upskilling the existing workforce to take advantage of the higher skilled, higher paid jobs in the technology sector and with increasing technology comes the ability to work from home, reducing the impact on the environment.

The loss of low skilled retail jobs as a result of a number of High street chains going into administration, will have an impact on young people in particular, as many start their careers, with a part-time job in retailing. The potential loss of jobs in the hospitality sector, will also have a huge impact. People need help in identifying what transferrable skills they have in order to apply for different jobs.

Please see the link to the unemployment dashboard

[https://public.tableau.com/profile/r.i.team.leicestershire.county.council#!/vizhome/UnemploymentDashboard\\_4/JSA](https://public.tableau.com/profile/r.i.team.leicestershire.county.council#!/vizhome/UnemploymentDashboard_4/JSA)

The LRP through lobbying the LLEP, ensured that part of the ERDF funding was allocated specifically for rural areas. The Work.Live.Leicestershire (WiLL) partnership helped people who are unemployed or economically inactive and living in rural Leicestershire move into job search, training, or employment. The programme commenced on 2<sup>nd</sup> January 2019 and runs to 31<sup>st</sup> Dec 2023, having just had its funding extended.

The County Council has invested in a number of Recovery Schemes, including the national Kickstart programme. The County Council, in partnership with the City Council, are creating 6-month placements for 30 young people to gain experience of work and if at all possible, these will be extended to 12 months. Some District Councils including HBBC and HDC are also acting as intermediaries and have put forward cohorts of 30+ jobs on behalf of SME's within the District. Other Districts including MBC and NWLDC are working with East Midlands Chamber as intermediaries.

Work and Skills Leicestershire is an extension of the Work club concept, that currently operates from County Libraries and provides support for people seeking work in terms of writing a CV, completing applications, job searches and improving interview skills. The current model is restricted to applicants from certain cohorts because of the funding, whereas the new scheme will cover all applicants and will be delivered by our Adult Learning Service from Community Libraries, the majority of which are located in rural areas.

The Economic Recovery Action Plan has the following relevant key actions;

1. Deliver additional targeted support to those young people most at risk of becoming NEET.

2. Create a Leicester and Leicestershire Digital Skills Partnership made up of key partners, businesses and stakeholders in order to address digital skills deficiencies in the workplace and wider society.
3. Deliver an area wide apprenticeship strategy in partnership with businesses

The LLEP having sought evidence of Digital poverty as evidence prior have now set up the Digital Skills Partnership. Any evidence from a rural perspective will be fed in. The LRP needs to champion greater connection between employers and communities to encourage sustainability – greater numbers of people living and working in the same locality. The LLEP now have an outline draft Apprenticeship Strategy that will be shared with partners in due course.

What is unknown is the type and number of new jobs that will be required in the green sector and whether courses are available in our Further and Higher Education establishments to support this. The drive for further apprenticeships being pushed by the government needs to link more closely with schools. Loughborough College have announced that they are trialling a Degree in sustainable engineering.

In farming the Red Tractor Consultation is proposing a need to have a Certificate to Farm and have CPD and sprayer certificates. If this could be built into apprenticeships, future generations of farmers will be better prepared. Farmers also need to become more technical, working out their carbon capture calculations and these skills need to be learnt, preferably as part of further education courses.

**Action- The LRP must keep a watching brief on any new funding streams that come forward, such as the UKSPF.**

- **There may be other specific support we should be looking at for rural areas based on evidence as it arises.**
- **The LRP in support of its partners, needs to champion specific agricultural issues, regarding course content through the Skills Advisory Panel.**

**Support small and micro businesses in rural areas to expand, diversify and grow.**

There were a total of 12,340 businesses in rural Leicestershire in 2017, 36 percent of the total businesses in the county. Between 2017 and 2020, there was a decrease of 735 businesses in the county, a decrease of 1.1 percent, compared with a 3.6 percent decrease in urban areas and 2.8 increase in rural areas of Leicestershire. Overall, micro businesses (0-9 employees) in rural Leicestershire make up a slightly larger proportion of the total; 88.9 percent of the total compared with 85.6 percent in urban Leicestershire and there are higher than average numbers of homeworkers, especially in Harborough District. This presents a real opportunity for rural growth and job creation.

In 2016 there were almost 2,000 agricultural holdings in Leicester and Leicestershire. The highest number could be found in Harborough (603) followed by Melton (434). This translated into over 150,000 hectares of farmed land. In 2016, there were a total of just over 7,000 people working on commercial agricultural holdings and the largest number of workers could be found in Harborough (1,555) and Melton (1,079).

The LRP were instrumental in influencing the priorities of the EAFRD grant scheme at a local level, to include support for Tourism businesses, business development of SME's and Food processing. The LEADER grant scheme which operated in Harborough and Melton districts was applied for by the LRP and had the following priorities;

1. Support for increasing Farm productivity
2. Support for Micro and small enterprises including farm diversification
3. Support for rural tourism
4. Provision of rural services
5. Support for Culture and Heritage activities
6. Support for increasing forest productivity

With these funding sources now ended and future funding likely to be devolved through the UK Shared Prosperity Fund, it is vital that the LRP lobby and inform the LLEP or whoever the funding is devolved to, to include references to the shared priorities of the LRP.

**Action- The LRP needs to carry out any initial preparation now, to develop a pipeline of potential projects, to ensure we are in the best position when the UKSPF is open for applications**

- It also needs to examine what the potential criteria for such a scheme would be, through identification of gaps and ensuring there is no duplication with schemes being run by partners such as the National Forest. Partners have already identified that increasing forest productivity is not relevant for all areas of the County.

A number of thriving Business Hubs across the county, including the Innovation centre in Harborough and Grow on Space, together with the Atkins Building in Hinckley and Melton Cattle Market, provide support for rural businesses to access advice and share knowledge. Melton has a desire to develop a Food Enterprise Centre to support small and micro businesses in the food processing and manufacturing sectors.

Melton Borough Council are in the process of encouraging DEFRA to re-locate to Melton Mowbray which would put Leicestershire on the map should this be successful.

Lack of Digital Skills has also become apparent (see skills section above). If the example of the Digital high street is examined- as non-essential retail was forced to close during the pandemic, it became clear that there were a large number of independent retailers in our Towns and Rural centres, who could not sell on-line, or even advertise themselves by social media. Loughborough BID have introduced a town wide platform that enables retailers to upload their products to sell Shop.Loveloughborough.co.uk. Charnwood Borough Council have introduced a similar platform for the whole borough. Given the huge shift to on-line sales, this will enable smaller businesses to compete. The LRP will keep a watching brief on this to assess its success.

The impact of Covid on Leicestershire's Rural economy is highlighted in the Leicestershire Recovery Action Plan as follows;

1. The need to respond to an anticipated increase in demand for start-up support through the development and coordination of a cohesive local framework for start-up support. This will draw together existing offers including provision for the development of entrepreneurial skills among key groups, e.g. newly redundant, graduates, young people and women. The issue could be a lack of awareness of this type of support to the targeted groups. The Districts are currently working with the LLEP on a programme of support, utilising ARG- Additional Restrictions Grant funding.
2. Provision of support for the development of locally based supply chains, where possible to address instances where chains have been broken as a result of Covid-19 and to mitigate against the impact of EU transition (see Agriculture example above)
3. Utilising established channels, put further investment in place marketing, with outputs which play to the strengths of the area, mitigating against any residual negative image resulting from Covid-19 and connecting and communicating effectively to new markets and visitors alike.
4. Provide support to enable digital transformation in SMEs across a range of sectors.

**Action –The LRP need to be aware of any rural business issues, in order to lobby and support.**

**Support sectors of significant importance to rural areas e.g. tourism, food and drink, professional and technical services and land-based businesses**

The largest proportion of businesses located in rural areas are in the Professional, Scientific and Technical industry sector (14.7 percent), followed by construction (11.8 percent) and Agriculture, forestry and fishing (11.6 percent).

Micro businesses (0-9 employees) make up the vast majority of rural businesses. In comparison, the largest proportion of small businesses (10-49 employees) can be found in Accommodation and food services (16 percent) while a fifth (22.6 percent) of medium sized businesses (50-249 employees) can be found in Manufacturing. Transport and Storage make up 66.7 percent of large businesses (250+ employees) and 19.4 percent of medium businesses.

There are a number of larger employers in the county that support these key sectors and strengthen the local supply chain such as Samworth Brothers and Twycross Zoo. Rural areas of the County have attracted a large number of logistics businesses, for example at Magna Park in Lutterworth, Caterpillar at Desford and Pallex at Ellistown, due to their proximity

to the motorway network and their land requirements. This means there is a huge influx of employees at shift change times causing issues on rural roads.

Agriculture is still the main land use in the County, accounting for over 80% of the land area and employing over 7000 people in 2016, with the highest proportions in Melton and Harborough. As well as being a significant employment sector this provides a good opportunity for job creation through diversification activities (see 2. Above)

The LRP recognises the importance of sustainable land management and the associated long term environmental and economic benefits that this can bring. With central government's commitment to Clean growth, it is vital that the LRP champions this challenge, to ensure mitigation and where possible, ensures positive impacts on the environment. The LRP are lobbying DEFRA to try and seek clarity on the ELMS scheme as there is going to be a gap in support between EU subsidies ending and the ELMS coming on-stream.

The county has a growing offer to support the leisure and tourism sectors, including the National Forest, Bosworth Battlefield and its links to Richard III and Melton Mowbray Food (pork pies and stilton cheese). Key investment is being secured to enhance Charnwood Forest and the Grand Union Canal including Everards Meadows and links to these, need to be exploited, to enhance Leicestershire's tourism and inward investment offer and to deliver economic growth.

Travel, Tourism and hospitality sectors have been among the hardest hit by Covid-19 and the impact has been keenly felt across the area. A Tourism Recovery Framework has been developed by the Tourism Advisory Board. The LRP need to support the recovery framework, as many B&Bs, attractions and hotels, restaurants and pubs are based in rural areas. The Uncover the Story campaign has now developed campaigns based on various attractions and a video on Leicestershire's Market Towns to attract visitors back, by ensuring that they feel safe and welcome through enhanced communication and national marketing to attract visitors from a wider area. The impact of Covid-19 over the past 12 months has meant that people are staying more in the UK for holidays and they are looking for new areas of the country to explore.

Towns and Rural centres. Our Towns have struggled over the last 12 months, with 3 lockdowns and the need to maintain social distancing means the hospitality sector in particular, being affected. As at Feb 21, the vacancy rates within our towns remains below the national average and the small units are being filled as soon as they become empty. The towns all have at least one large unit, where a multiple retailer has gone into administration – eg Arcadia Group, Peacocks and Argos moving into Sainsburys stores. Our town centres are also suffering from a lack of footfall and the challenge is to entice people back, with the message that the town centre is safe. This is going to be a long-term issue with a wider regeneration of our town centres being required, to address the necessary shrinkage and re-purposing of the town centres. Melton are currently undertaking a Town centre Visioning exercise and the Lutterworth Town Centre Masterplan that had stalled with the pandemic has been approved.

On a positive note although town centre footfall is 50% of what it was pre-lockdown, footfall is increasing week on week, as people visit the town centres to access services. Village shops are reporting an increase in demand and utilisation as a result of the pandemic. In the business tracker survey produced by the LLEP 24% of the 200 businesses in the survey hadn't seen a decline in turnover and 27% expect to expand within the next 12 months..

**Action; LRP to examine whether it can influence/lead on any future funding to support these sectors and LRP to support partners in any plans they may have to aid recovery**

### **Improve physical and digital connectivity**

Growth within the rural economy requires supporting infrastructure, including suitable premises and access to Superfast Broadband. Figures for Leicestershire as a whole, show that by the end of 2018, 97% of the county was able to receive Superfast Broadband (SFBB) of 30+mbps. This figure however, masks what is happening in rural areas, as it includes the City of Leicester where coverage is almost complete, whereas the two most rural areas of Leicestershire: Harborough and Melton Districts will only have 94 and 93% coverage respectively and 16,500 homes and businesses are still unable to access SFBB. Given that many rural businesses are technical in nature and high value, including architects, with large downloadable files and web-based businesses, reliable and good broadband speeds are critical. Some of the remaining 16,500 premises are part of contract 3 of the Superfast Leicestershire Programme, worth over £5 million, that is in the process of being delivered. Those premises currently not receiving SFBB, are mainly in rural areas. This issue has been highlighted during the pandemic with the increase in people working from home. A new project Gigabit fund has been established by the Government to tackle the hardest to reach properties. Leicestershire will join with Warwickshire to



ensure there is sufficient mass of premises to undertake a procurement which will commence in 2022 with the contract starting in 2023.

Mobile phone coverage is also an issue, with good signal outdoors, in rural areas of the county, across the four providers, although there are a number of not-spots. Indoor coverage is less reliable and proves challenging to businesses located in the more remote areas. This will become an issue to farmers as they need to be registered on the cloud, via their mobile phones, in order to submit information on their livestock, to cover animal welfare and traceability. The introduction of 5G trials in some urban areas seems a long way off as a solution for rural areas.

To extend the coverage and provide Gigabit capability connectivity in areas that are unlikely to benefit from commercial investment Building Digital UK (BDUK) which is part of the Department for Digital, Culture, Media and Sport (DCMS), is investing in Digital Hubs which operate by identifying public sector buildings and subsequently providing the necessary funding to upgrade these sites to access gigabit-capable connectivity. The benefit of this approach are:

- By providing a gigabit-capable connection to a public building it enhances its service to the public.
- The surrounding area may co-incidentally become increasingly viable for commercial intervention, stimulating the market to build more networks in these areas at reduced costs.

Alongside the Hub model approach, there would be additional benefits to residents and businesses being able to apply for Rural Government Vouchers to fund deployment of gigabit-capable connections in communities in the hardest to reach rural areas of the UK. Superfast Leicestershire are investigating a number of sites across the County.

Given the reductions in passenger transport services in some areas of the county, there are real issues for residents in rural areas, without access to a car. The LRP will work to support flexible transport solutions for rural areas, to enable people to access services in larger settlements and will encourage the business community to be involved and be innovative in creating solutions, for example car share schemes. It is apparent that bus services do not appear to correspond with travel to work patterns, especially at Logistics sites such as Magna Park.

See Skills section above for issues with Digital Skills

### **Shaping communities and places**

At the end of May 2021 there were 114 adopted or designated Neighbourhood Plans in Leicestershire and 12 groups have been formed to take forward their plans. This still leaves 112 settlements without a plan. These plans are vital in assessing a community's aspirations for future housing growth. As the population in rural areas is projected to grow as highlighted in the Strategic Growth Plan, it is vital that a ready supply of affordable housing is provided to meet both the growing ageing demographic and for young people who may need the family support network, that may be located in rural areas, in order to assist with care of older relatives and to receive childcare help.

The Rural housing group which includes District Councils, Registered Providers and other rural housing specialists leads on delivery of needs assessments and works on identifying exception sites, which has led to delivery of a number of small-scale schemes, for example in Cosby. The group including the LRP, have commissioned consultants to provide the service for a further 12 months, concentrating on identification of new sites.

Both housing and planning are the remit of our District and Boroughs and the LRP needs to request regular updates on progress of sites, within the Strategic Growth Plan and within revised local plans as they move forward.

Our Towns and Rural centres provide vital access to services, for the rural hinterland. Many town centres are facing challenges, including closures of banks, building societies and post offices which can affect the least mobile groups of society. Many multiple retailers are rationalising the number of branches they currently own and this has led to an increase in the number of vacant units in some town centres. Town centres need to re-invent themselves as go to places for experiences, events and to access services and as such, should focus on event provision and engaging community groups to participate and host these events. The number of Rural Pubs is decreasing and the pandemic may accelerate this trend. These often provide a lifeline for residents in rural villages acting as Community Hubs and local shops.

A positive outcome of the pandemic has been the increased use of our local retailers. Many of our local shops are now stocking more local produce and instigating shop local campaigns and this in return is reducing food miles. Work is already underway through the local Food Plan to increase the provenance of food and to work on food seasonality and local procurement of local food, using the County Councils influence on procurement.

The LRP in more recent years has been focussed on economic priorities, however the pandemic has demonstrated the importance of voluntary groups in providing services in local communities. Insight data is highlighting the need to build confidence within our local communities. The LRP may not lead on these community initiatives, but if any collective influence is required, the LRP may be able to help. The LRP would like regular feedback from partners, especially the Rural Community Council and the Communities Team within the County Council, to ensure the LRP can add any necessary influence on issues as they arise.

The Voluntary / Charitable is a sector significantly impacted by Covid and likely to face limited opportunities going forward unless less focus is put on “Covid” related funding. To support recovery, there is a need to start funding and investing in good infrastructural support for the long term, rather than the next 6 months. It is small groups that have better connections at a grass roots level, with issues within communities and now need on-going support. A good example of this is the Good neighbour scheme.

**Action; LRP to have regular agenda item on issues arising from Community/Voluntary sectors and assist partners as appropriate**

### **Summary**

The Rural Framework demonstrates a strong vision and a number of principles to be able to support Rural Leicestershire. As new strategies and funding streams evolve this may require the priorities to be changed/updated but this can be reflected in the Action Plan document set to follow the approval of the framework.

The action plan can also summarise the key projects that meet the priorities of the LRP and will be updated on a quarterly basis.

## Appendix one

### Leicester and Leicestershire Economic Growth Strategy

*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 Strategy is built around 4 main pillars as can be seen below with the main priorities of each listed underneath;

- 1.PRODUCTIVE -Grow GVA and productivity, continue to develop a leading science and technology-led economies**
- 2.INNOVATIVE - Global innovation leadership, increase innovation activities across the whole business base**
- 3.INCLUSIVE -Create a resilient, adaptive workforce where all residents have access to skills and career progression and are paid the living wage**
- 4.SUSTAINABLE -A leader in low carbon solutions, with sustainability principles built into everything we do.**

Working with partners, delivery plans will be developed and resources secured for the individual pillars and priorities within the Strategy.

#### **Productive 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, including people based in rural areas.
- 2. Attract and grow international businesses, investment and visitors** -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.
- 3. Employment and skills for growth**-Build relationships and joint initiatives to meet the employment and skills needs of employers and the future economy
- 4. World class business locations** -Continue to develop and provide the business sites and locations needed to become a world-class location for science, technology and professional services

The Leicestershire economy is dominated by SME's and a high proportion of these are based in rural areas and Market Towns. Key sectors of interest include Agriculture, Textiles, Creative and cultural, Construction, Tourism and the Visitor Economy and the Voluntary and non-profit sectors all of which have representation in rural areas. The Strategy states that it 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. Businesses will also need support to address climate change, resource exploitation and biodiversity loss, and business support and advice will need to adapt and change to enable this.

There is a recognition that our Market towns and Rural centres represent an opportunity for businesses to re-locate to and may represent alternative uses for vacant retail space. The strategy highlights the need for reinventing and place shaping in the centres.

#### **Innovative Priorities;**

- 1. Global innovation leadership** Supporting our outstanding R&D strengths and innovation achievements
- 2. Increase and broaden innovation activity amongst businesses**- Increase innovation activity amongst the wider SME and business base
- 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
- 4. Innovation for sustainability** -Innovation will need to be harnessed to help businesses survive and thrive as the economy transitions to sustainability and market regulations and customer expectations change.

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.

Businesses will need to innovate if they are to thrive in a future economy where customers prefer sustainable businesses and products, new regulations make current standard technologies and business practices unviable, and climate change introduces new risks and resource scarcity. Certain sectors, such as Food & drink can, and already have been affected – such as by the transition to more plant-based diets.

### **Inclusive 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
- 2. Improve skills and qualifications attainment and employability of the workforce** -Reduce the flow of low skilled, poorly qualified individuals into adulthood, and address low qualifications and skills attainment in adults.
- 3. Improve access to work, labour market inclusion and wellbeing at work** -Improve access to work, labour market inclusion and wellbeing at work for all communities and residents.
- 4. Improve job quality, in-work progression and pay** -Improve the quality of jobs, in work progression and pay, and access to opportunity.

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. The pandemic has laid bare the Digital skills divide.

### **Sustainable Priorities**

- 1. Sustainable places, city and town centres** -Create adaptable and resilient town and city centres, rural areas and urban communities, delivering sustainable sites for housing and jobs in strategic locations that can be serviced by sustainable transport, and protect the environment and built heritage
- 2. Sustainable transport and connectivity** -Build and promote sustainable modes of transport, decarbonize road transport and improve broadband connectivity whilst also supporting healthier growth
- 3. Sustainable energy** -Increase renewable energy generation and implement smart energy networks
- 4. Sustainable business** -Support business decarbonization and sustainable business practices.

Although there is no specific section on the Rural economy in the Economic Growth Strategy, there are many relevant priorities that can be applied to rural areas;

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.
- 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 growth ambitions, with high growth business support and advice.

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 REAP Programme, we can continue this substantial progress made in the last 10 years, as the size of the business base has increased with a record number of businesses established (+ 20% between 2014 and 2019), and start-up and survival rates have improved, all at a faster pace than the national average. Businesses will continue to be supported through the uncertain recovery period and the EU transition

- Within the existing Growth Hub, Create a local framework for start-up support to support self-employment and entrepreneurship - including support for key groups such as those newly unemployed, graduates, young people, women and rural residents.
- Provide for the next stages of grow-on and networking space and premises; integrate growth sector needs into skills pathways and careers guidance. Provide scale-up support to businesses.



- Provision of ongoing support to businesses on both Covid19 and Brexit, through the Business Gateway Growth Hub including financial readiness.
- Sector recovery and supply chain plans, together with effective targeting of support of industries affected by Covid19 and Brexit.
- Diagnostic and peer support networks and services for ongoing business resilience across the diverse range of sectors within the Leicester and Leicestershire economy.

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.

- Build the visitor offer and branding around key USPs such as sports, culture, leisure and Heritage.
- 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 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.
- Reinventing and renewing town centres and place-shaping, and understanding and delivering how employment sites and premises play a role in this.
- Sector-focused accelerator programmes to improve connections and technology transfer between technology leaders and SMEs.
- Develop support to accelerate incremental innovation undertaken in the majority of SMEs.
- Develop skills and capabilities for innovation; provide risk/investment finance for innovation

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.

- 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

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.

What is demonstrated by the Economic Recovery Strategy is that the priorities in the LRP Framework, are the right ones and that they fit within the strategy. As a long term action plan emerges to deliver against these priorities the LRP needs to ensure that.

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**CABINET – 11 FEBRUARY 2022****DEVELOPMENT OF A FAMILY HUBS MODEL IN LEICESTERSHIRE****REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES****PART A****Purpose of the Report**

1. The purpose of this report is to seek the Cabinet's approval for the County Council to develop a Family Hubs Model of service delivery in Leicestershire.
2. A Family Hubs Model is a system-wide approach of providing high-quality, whole-family, joined up support service which delivers support from pregnancy, through the child's early years and into early adulthood.

**Recommendations**

3. It is recommended that;
  - a) The principle of a Family Hubs Model of service delivery for services provided by the Children and Family Wellbeing Service, be approved;
  - b) It be noted that a feasibility study, which will include engagement with families and other stakeholders, will be undertaken in order to inform the new Family Hubs model;
  - c) That the Director of Children and Family Services, following consultation with the Cabinet Lead Member, be authorised to finalise the new Family Hubs Model and take the necessary action in order to enable its implementation.

**Reasons for Recommendation**

4. The Family Hubs Model brings together key elements of government policy including the Supporting Families Programme (previously known as Troubled Families), Best Start in Life Vision for 1001 Critical Days, and the Department for Health's Start for Life Programme for maternity services.
5. As per the requirements set out by the Department for Education (DfE) (which is the Government Department leading on the development of Family Hubs), the Cabinet's permission is sought for the County Council to move to a Family

Hubs Model of service delivery. A Feasibility Study will be undertaken prior to its implementation (also a DfE requirement) to map existing services which may fall within the model and to identify relevant data which will support the setting of priorities.

### **Timetable for Decisions (including Scrutiny)**

6. The Children and Families Overview and Scrutiny Committee received a presentation on the proposed development of the Family Hubs Model at its meeting on 25 January 2022. Paragraphs 25 to 28 below refer.
7. Subject to approval by the Cabinet, a feasibility study will be undertaken. This will include a period of engagement with partners, parents and carers, which will commence at the end of February and is expected to be concluded by end of April 2022, at which point work will begin to move services to the Family Hubs Model. It is anticipated that the model will be fully operational by March 2024.

### **Policy Framework and Previous Decisions**

8. In October 2021 the Government Spending Review announced the creation of an £82 million fund for the development of Family Hubs in England (the Family Hubs Transformation Fund). Authorities which adopt the Family Hubs model will be able to apply for support from this Fund.
9. The proposal contributes to the following elements of Leicestershire County Council's draft Strategic Plan 2022-2026:
  - a. Improving Opportunities:
    - i. Every child gets the best start in life
    - ii. Every child has access to good quality education
    - iii. Families are self-sufficient and enabled to be resilient
    - iv. Everyone is able to aim high and reach their full potential.
  - b. Keeping People Safe and Well:
    - i. People are safe in their daily lives
    - ii. People at the most risk are protected from harm.
  - c. Great communities
    - i. People participate in service design and delivery.
10. The Children and Family Services Departmental Plan 2020-23 sets out four clear ambitions all of which would be supported through the Family Hubs Model:
  - a. Help every child get the best start in life.
  - b. Help children and their families build strength, resilience, confidence and capacity.
  - c. Help children in Leicestershire to live in safe, stable environments and have secure attachments.

- d. Help every child to have access to good quality education to ensure they meet their maximum potential.
- 11. The Family Hubs Model also supports the Government policy paper “The best start for life: a vision for the 1001 critical days” which outlines six areas for action to improve the health outcomes of babies in England.

### **Resource Implications**

- 12. A grant of £40,000 has been received via the DfE’s Build Back Better (Covid) funding, a fund designed to help local authorities work together to develop key areas of work. The Children and Families Service will use this funding to complete a feasibility study with regards to the proposed implementation of the Family Hubs Model.
- 13. Family Hubs can be delivered in Leicestershire within current budget parameters set for the Children and Family Wellbeing Service (£13.603 million) with a minor reconfiguration of services. By implementing the model, the County Council would have the opportunity to bid for elements of the £82 million Government Fund to support Family Hubs in England.
- 14. An application was submitted by the Director of Children and Family Services in December 2021 for funding of £969, 886 from the initial tranche of transformation funding for Family Hubs. If this bid is successful, the funding would provide project support to implement new ways of working and the transition to the new model. The DfE is due to report on the outcome of applications by end of January 2022 however at the time of writing the outcome was unknown. As this is implementation funding, all expenditure will be one-off and contained within the grant amount, with no additional ongoing commitments beyond the level of this grant and the existing Children and Family Wellbeing Service budgets. If the bid is not successful, the implementation will proceed using existing resources.
- 15. The Director of Corporate Resources has been consulted on the contents of this report.

### **Circulation under the Local Issues Alert Procedure**

- 16. This report will be circulated to all members.

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## **PART B**

### **Background**

17. A Family Hubs model is a system-wide model of providing high-quality, whole-family, joined up family support services. Family Hubs deliver support services from pregnancy, through the child's early years and later childhood, and into early adulthood until they reach the age of 19 (or up to 25 for young people with special educational needs and disabilities (SEND)). The concept of Family Hubs is not new but in the last 12 months has been increasingly prominent in Government thinking and policy.
18. The Anna Freud National Centre for Children and Families (a national children's mental health organisation) was appointed by the DfE to undertake the lead on developing The National Centre for Family Hubs, a learning network that will champion the Hubs and disseminate best practice to Family Hubs providers across England. A model framework has been developed by the DfE with input from the Department for Levelling Up, Housing and Communities, Department for Work and Pensions and the Department for Health and Social Care. The Framework focuses on three key areas for delivery:
  - a. Improving access to services – agencies working together to develop clear pathways of support. This will include buildings-based services, outreach, on-line and virtual delivery, web-based information and resources.
  - b. Developing connections between agencies, communities, voluntary sector etc to work in partnership with families.
  - c. Supporting relationships within families and communities, building resilience, and reducing unresolved conflict in families.

### **Proposal**

19. The proposal is to implement the Family Hubs Model in Leicestershire for the delivery of Early Help services to families through the Children and Family Wellbeing Service. This means improving universal access to services by:
  - a. Making best use of existing buildings (including Children and Family Wellbeing Centres and Libraries) to deliver services to families in their communities and ensuring key staff in those buildings can articulate the Family Hubs offer – for example, reception staff in designated buildings are able to signpost and support families to access relevant services.
  - b. Engaging families and communities in the development, delivery and evaluation of services.
  - c. Ensuring all partners have clear pathways to services which are understood and well communicated. This could include development of a Family Hubs web page or website where families can find information including referral pathways about a whole range of services across social care, early help, education, mental health, etc.

- d. Working with partners to improve data sharing at both an operational level, i.e. to support provision of seamless services for families, and at a strategic level to inform allocation of resources and planning.
- 20. All of the above can be achieved within existing resources and, subject to the Cabinet's approval, the new service model will be progressed regardless of the outcome of the Council's bid for £969,886 of transformational funding. However if successful, the funding would be used to project- manage the implementation as well as supporting costs to deliver the following:
  - a. A Family Hubs communication strategy which will help explain the concept, how it will support families, and how it is accessed.
  - b. A Family Hubs logo or brand.
  - c. A website for Family Hubs.
  - d. Data sharing arrangements.
  - e. An evaluation of the approach.
- 21. The Cabinet's approval is required in order for the County Council to begin work to move to a Family Hubs Model of service delivery. As per the requirements set by the DfE, a feasibility study will be undertaken. This will include mapping of existing services and resources which could become part of Family Hubs delivery and will incorporate data analysis to plot demand and need and identify priority areas. Engagement with families and communities is an essential part of the study to help identify the desired outcomes and shape implementation plans. This engagement will be sought with children, young people and families through a series of focus groups, surveys, social media engagement and other events.
- 22. To date informal discussions within the Early Help Partnership (Health, Police, district councils, voluntary sector, schools) has explored the viability of working together to deliver the Family Hubs Model. Colleagues in health (Leicestershire Partnerships Trust and CCGs) have indicated a positive response as have a number of district councils, and voluntary sector partners. The Feasibility Study will provide opportunity to explore connections and confirm commitment and plans.
- 23. On completion of the Feasibility Study an implementation plan will be produced with agreed timescales and desired outcomes identified.
- 24. The timescale for full implementation of the model (with or without a successful transformational funding bid) is anticipated to be two years, completed by March 2024. If the opportunity arises to bid for additional funds via the Government's Family Hubs Transformation fund it is proposed the Council will pursue such opportunities (using the Director of Children and Family Service' delegated powers). This may enable the Department to provide an enhanced level of service or progress the implementation more quickly.



### **Views of the Children and Families Overview and Scrutiny Committee**

25. The Children and Families Overview and Scrutiny Committee considered a presentation concerning the proposals at its meeting on 25 January 2022.
26. The Committee noted that the Family Hubs Model would offer universal access to services for all families across Leicestershire who had children aged between 0-19 (or 25 where the child had SEND) through a single point of access. The service would be delivered through a mixture of physical and virtual spaces to support and signpost families, some of whom might have mental or physical health needs, towards the appropriate service.
27. Engagement with families and communities would be central in the development and delivery of the service. Resource had been made available from the Build Back Better Fund to begin the engagement work during the early stages of developing the Family Hubs. In order to successfully implement the model, data sharing and cross working between services and agencies would be vital in delivering the best possible services to families and to support early identification of vulnerability, targeting of resources, and more seamless support for families.
28. The Committee commented positively on the proposals and noted that a report would be considered by the Cabinet.

### **Equality and Human Rights Implications**

29. An Equality and Human Rights Impact Assessment will be completed as part of the Feasibility Study. It is expected that the Family Hubs Model will enhance access to services.

### **Partnership Working and Associated Issues**

30. The work to implement the Family Hubs Model will be a focus of the Early Help Partnership which reports to the Children and Families Partnership Board. The Early Help Partnership will be responsible for monitoring the implementation plan and will ensure the Children and Families Partnership Board is informed of progress.

### **Risk Assessment**

31. The main risks associated with this proposal would be a failure in partnership arrangements which would mean not all elements of the Family Hubs Model would be realised. This risk will be managed through ongoing engagement via the Early Help Partnership and a strong communication strategy.

### **Background Papers**

Report to the Children and Families Overview and Scrutiny Committee – 25 January 2022 – Development of Family Hubs in Leicestershire

<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=6880&Ver=4>

The Best Start for Life: a vision for the 1001 Critical Days. Department of Health and Social Care <https://www.gov.uk/government/publications/the-best-start-for-life-a-vision-for-the-1001-critical-days>

Troubled Families: early help system guide. Department for Levelling up, Communities and Local Government  
<https://www.gov.uk/government/publications/troubled-families-early-help-system-guide>

Family Hubs Model Framework, Department for Education  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1030245/Family\\_Hub\\_Model\\_Framework.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1030245/Family_Hub_Model_Framework.pdf)

**CABINET – 11 FEBRUARY 2022****LEICESTERSHIRE'S POLICY ON ADMISSIONS TO MAINSTREAM  
SCHOOLS: DETERMINATION OF ADMISSION ARRANGEMENTS****REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY  
SERVICES****PART A****Purpose of the Report**

1. The purpose of this report is to seek the Cabinet's approval of a revised Leicestershire's School Admissions Policy, for admissions from September 2023 and the three associated Coordinated Arrangements for first-time admissions, secondary transfers and mid-term transfers.
2. Since last being approved by the Cabinet in February 2021, mandatory changes have been made to the Policy as a result of a new National Schools Admissions Code that came into force from 1<sup>st</sup> September 2021.

**Recommendation**

3. It is recommended that the Leicestershire School Admissions Policy for entry from September 2023 and associated coordinated admissions arrangements for first-time admissions, secondary transfers and mid-term transfers, as set out in the Appendix to the report, be approved.

**Reasons for Recommendations**

4. The School Standards and Framework Act 1988 places an obligation on the County Council to determine the admission arrangements for community and voluntary controlled schools in Leicestershire. As an admitting authority the County Council is required to determine the admission arrangements for such schools in Leicestershire from September 2023 by 28 February 2022 and make them available on the Council's website no later than 15 March 2022. This will then provide all parents and carers over a year's notice to allow them to make informed preferences when applying for a school place from 2023.

**Policy Framework and Previous Decisions**

5. The County Council's policy in this area is relevant to admissions to community schools, voluntary controlled schools, and those Academies that wish to model their policy on the Local Authority's (LA) policy. The Policy must

contain clear criteria for parents' requests for school places and all applications must be treated fairly, regardless of whether or not the applicants lives in Leicestershire. To this end, the County Council must have regard to the Department for Education (DfE) School Admissions Code (September 2021) and School Admission Appeals Codes (February 2012). The County Council also has a statutory duty under the Education Act 1996 to ensure the availability of sufficient school places.

6. The current Policy was approved by the Cabinet on 5 February 2021.

### **Resource Implications**

7. There are no resource implications arising from this report. The cost of administering the admission arrangements is borne from within existing budgets.
8. The Director of Corporate Resources and Director of Law and Governance have been consulted in the preparation of this report.

### **Circulation under the Local Issues Alert Procedure**

9. All Elected Members will be advised once the Policy has been published on the County Council's website.

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## **PART B**

### **Background**

10. The School Admissions Policy sets out the Council's admission arrangements for the purposes of allocating school places at community and voluntary controlled schools within Leicestershire, for which the Council is the admission authority. The Policy does not apply to other schools, including those within other local authority areas (including Leicester City), voluntary aided schools, foundation schools, independent schools or academies, studio schools or admission to post-16 education.
  
11. Leicestershire's current Admissions Policy was approved by the Cabinet in February 2021. It was at the time indicated by the Department for Education that a new National School Admissions Code was imminent as the then current Code had not been revised since 2014. The new statutory Code was issued in July 2021 and came into force from 1<sup>st</sup> September 2021. Changes as a result of the new statutory guidance are reflected in the revised policy.
  
12. The required changes focus on clarifying and improving the school admission process, specially those seeking to move outside the normal rounds otherwise known as mid-term (in-year) transfers. The revised Code now provides further details that assists admissions authorities in discharging their duties. A summary of the main changes is included below;
  - A requirement that all oversubscription priority criteria must be reasonable, clear, objective, procedurally fair and comply with all relevant legislation, including equality legislation;
  - Looked after children (LAC) in state care or adopted from outside of England or subject to a child arrangement order or special guardianship order will have the highest ranking;
  - Clarification that the LA's Co-ordination of mid-term (in-year) arrangements remains optional for an Academy to participate in or not. (In Leicestershire as the School Admission Service continued to co-ordinate mid-term applications for community schools, the majority of academies also requested to participate, and therefore the arrangement is offered to academies on a traded basis). However, where academies do NOT participate in the LA's arrangements, they are required to provide the LA with their arrangements and contact details which will then be hosted on the Council's website;
  - LA requirement to publish mid-term arrangements by 28 August in subsequent years;
  - A requirement that all academies and schools publish on their own websites their mid-term arrangements, to enable parents to understand how they apply to each academy or school as a mid-term applicant. For those academies that agree to the LA's co-ordinated mid-term arrangements, the academy trust will merely have to provide a link to the

LA website. For those academies that do not adopt the LA's scheme, they must instead publish the information on their website. Failing to publish their arrangements will be considered as non-compliance;

- All applications to Reception, Infant to Junior transfers, Secondary Year 7 transfers and Upper School transfers from the 1 September will be considered as mid-term applications and not as late transfer applications;
- A requirement that the LA must provide parents on request information about numbers of students on roll across all year groups in academies and schools. To enable the LA to perform this function, academies and schools must on request supply numbers on roll to the LA. Failing to share the information will be considered as non-compliance;
- An emphasis that admission authorities must not refuse a place if there is availability even if the application was received late, for faith reasons (if a faith school) or if the previous academy or school did not follow the same curriculum (specifically Years 10 and 11);
- A requirement that all academies and schools must aim to make a decision within 10 school days following receiving an application and notification by 15 school day is a requirement. Where the academy or school make their own decisions as admission authority, they must inform the LA of the outcome, failing to do so will be considered a breach of the Code. Where the decision is to offer the place, it will be incumbent on the academy or school to allow the student to start as soon as possible (or to report the child to the LA's Children Missing Education team);
- A revision to the definition of Challenging Behaviour. This includes being able to evidence significant interference with the student's (or other students education), jeopardising the right of staff and pupil(s)/student(s) to be in a safe and orderly school environment where it can be evidenced the challenging behaviour is of such intensity, frequency or duration that it is beyond the range that an academy or school can tolerate and where a range of demonstrable interventions to address the challenging behaviour have been ineffective.

13. Due to the revised Policy having only been amended to reflect mandatory changes to comply with the national School Admissions Code, there was no requirement to consult on its contents.

### **Equality and Human Rights Implications**

14. An Equality and Human Rights Impact Assessment (EHRIA) screening questionnaire was completed to ensure the variation applied equally to all children, a full EHRIA was not required.

**Appendix**

School Admissions Policy for entry from September 2023 and Leicestershire's Co-ordinated Admission Schemes for First Time Admissions Infant to Junior transfers, Secondary School transfers and Mid-Term Arrangements during the 2022-23 Academic Year

**Background Papers**

National School Admissions Code December 2021 -

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1001050/School\\_admissions\\_code\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1001050/School_admissions_code_2021.pdf)

Report to the Cabinet on 5 February 2021 - Leicestershire's Policy on Admission to Mainstream Schools: Determination of Admission Arrangements:

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

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**LEICESTERSHIRE COUNTY COUNCIL**

**CHILDREN AND FAMILY SERVICES**

**ADMISSIONS TO MAINSTREAM SCHOOLS (COMMUNITY  
& VOLUNTARY CONTROLLED) POLICY & PROCEDURES**

(Affecting First Time Admissions, Infant-Junior and Secondary transfers for entry  
Autumn 2023 and mid-term transfers from Autumn 2023 onwards)

**C O N T E N T S**

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## **The purpose of this Policy:**

Leicestershire County Council (“the Council”) is the admission authority for community and voluntary controlled schools within Leicestershire. This policy sets out the Council’s admission arrangements for the purposes of allocating school places to these types of school. For details about admission to any other type of school you should refer to the school’s website.

## **Scope of the Policy**

- 1.0 This policy sets out the admission arrangements that will apply to any applications for admission to community and voluntary controlled schools within Leicestershire, for which the Council is the admission authority. For the avoidance of doubt, this policy does not apply to other schools including: schools within other local authorities (including Leicester City), voluntary aided schools, foundation schools, independent schools or academies, studio schools or admission to post-16 education.
- 1.1 For the purposes of this policy, parents and carers are collectively referred to as parents, which includes but not limited to natural parents, those who have day-to-day care of a child and/or parental responsibility.
- 1.2 Where one parent objects to a school application made by the other parent, and to prevent the application from being processed the School Admissions Service will require a court order. In such circumstances, the application will be paused for seven days (following a letter from a solicitor confirming a court order request has been submitted) to allow the objecting parent time to obtain the court order.
- 1.3 The Council will endeavour:
  - ~ where possible give priority for a place in the catchment area school (dependent on the parent applying at the appropriate time);
  - ~ to give entitlement to a place in a preferred school if there is room;
  - ~ to give entitlement to be considered according to the same priority criteria as other children where the preferred school is oversubscribed. The application will be determined in accordance with the priority criteria where oversubscribed.

## **Legal Position & Other Requirements: Summary**

- 2.0 The Council is the admission authority for community and voluntary

controlled schools in Leicestershire only and it must determine (confirm) its admission arrangements to these categories of schools for subsequent academic years by 28<sup>th</sup> February following a formal consultation as prescribed in the National School Admissions Code.

- 2.1 In preparing its admission arrangements, the Council adheres in full to the requirements and arrangements surrounding consultation and determination detailed within the School Admissions Code. Where any changes to admission arrangements are proposed, the Council will undertake a minimum 6-week consultation period between 1<sup>st</sup> October and 31<sup>st</sup> January. Parents, schools and local groups with an interest in the local area must be consulted. Consultation is only required to take place every seven years if the admission arrangements have not materially changed since the previous consultation.
- 2.2 The Council is required to co-ordinate applications for all residents in its area. To this purpose it has an approved scheme for co-ordination which is published on our website.<sup>1</sup>
- 2.3 The Council has a duty to provide school places for all pupils resident in its area. The Council achieves this within community and voluntary controlled schools by giving high priority to catchment area children and by allowing parental preference wherever possible.
- 2.4 Parents have a right to express a preference for a school place, including where the child has an Education, Health & Care Plan. Parents must ensure their children receive suitable full-time education by attendance at school or otherwise; they are not obliged to do this before the child has reached compulsory school age.
- 2.5 Compulsory school age is from the term immediately following a child's 5th birthday, which means:
  - ~ a child turning 5 between 1 September and 31 December must start school no later than from the start of the Spring term (January);
  - ~ a child turning 5 between 1 January and 31 March must start school no later than from the start of the Summer term (April);
  - ~ a child turning 5 between 1 April and 31 August must start school no later than the following Autumn term (September).
- 2.6 Each school has an Admission Number (AN) relevant to normal points of entry only, with careful consideration being given to the relationship between admission limits and infant class size requirements i.e. Reception, Year 3 at

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<sup>1</sup> Co-ordination includes applications for first-time admission, infant to junior transfers and secondary transfer at the normal year of entry for that school not mid-term (in-year) applications.

a junior School and Year 7.

- 2.7 The Council will only admit children up to the admission number except in certain limited circumstances (see Sec 4 and 17) and will ordinarily consider that anything over and above that number would be prejudicial to the efficient education and/or efficient use of resources.
- 2.8 The Council must allocate any places in schools according to objective and transparent criteria. Where the admission number has not been reached, the Council will allocate a place at that school except where paragraphs 18.13 regarding twice excluded pupils (reception aged children would be exempt) and 18.14 regarding children being considered under the fair access protocol.
- 2.9 Parents who have their application to a particular school refused have a right to appeal to an Independent Appeal Panel. The decision of an Independent Appeal Panel is binding on parents, the Council and the governing body of the school.
- 2.10 A local authority has the power to direct the admission authority for any maintained school in England (other than a school for which they are the admission authority) to admit a child who is looked after even when the school is full. [*Where maintained schools include community, VC, VA and foundation schools.*]
- 2.11 The law requires Children with an Education Health and Care Plan (EHCP) that names a school in their plan is allocated the place and is not subject to conditions set out within this policy.
- 2.12 Each school has its own admission number. For details about the admission number for a specific school please see Leicestershire Admissions website or the individual school's website.

### **First Time Admissions to Mainstream Primary or Infant Schools and Infant to Junior Transfers**

- 3.0 For first time admission, applications for a school place must be made by the relevant closing date during the academic year (between 1<sup>st</sup> September and 31<sup>st</sup> August) in which the child turns four, even if the child will not be of compulsory school age in September when they start school. Parents can elect for children not to attend school at the start of the autumn term – for further information see section 5 to defer their child's start of school or see section 6 regarding delaying admission to the following academic year.
- 3.1 For transfers from Infant to Junior School, applications must be made by the relevant closing date (15<sup>th</sup> January) for all children in Year 2 transferring to Year 3 at a junior school.

- 3.2 Parents living in Leicestershire must apply to the Council for a school place. The best way to apply is by applying online through the Council's website however paper copies of the application form can be requested from the Customer Service Centre by calling 0116 305 6684.
- 3.3 Parents that do not live in Leicestershire but are seeking a school place at a school within the area can do so by applying through their home local authority. Those applications will be forwarded to the Council for processing, in accordance with the co-ordinated admissions scheme (please see the Council's website for a copy of the co-ordinated scheme).
- 3.4 All applications received by the relevant closing date (*please see co-ordinated scheme for dates*) will be considered first. Where there are more applications than places, these will be ordered in accordance with the approved priority criteria (see section 10). All late applications received after the closing date will receive the lowest priority and will be considered after those that have been received on-time. In exceptional circumstances, late applications may be considered as on time where the parent is able to evidence the reason for lateness was beyond their control i.e. children in care, forced re-location, new school opening etc. However, late applicant families who are already resident within the catchment area and have moved to another address within catchment will not be excepted children and will not be offered a place at the catchment school in those circumstances, if it is full.

Applications received beyond 4 weeks post-closing date cannot be considered under exceptional grounds, as it is too late to add them to the process and be considered as a late application.

- 3.5 For those parents that live in Leicestershire, the Council will confirm decisions for applications from the national offer date 16<sup>th</sup> April (or on the next available working day if the 16<sup>th</sup> April falls on a weekend/bank holiday).
- 3.6 For those parents that do not live in Leicestershire, the Council will confirm decisions to the relevant home local authority who will in turn inform parents of the Council's decision.
- 3.7 Places will be allocated up to the Admission Number (AN). Where there are more applications than places, applications will be determined in accordance with the Council's priority criteria (see section 10).
- 3.8 The Council's decision will either be to offer a place at a school or refuse the place because: the school is full or because admission would breach the infant class size limit (in an infant or primary school see section 4). A refusal letter will also explain to the parent their right to appeal – for further information on appeals see section 14.
- 3.9 The majority of admissions to reception to all infant and primary schools is the

September immediately following a child's fourth birthday (i.e. all children who have turned 4 before 31<sup>st</sup> August). The same applies to the majority transferring from Infant to Junior (i.e. from September immediately following their 6<sup>th</sup> birthday).

- 3.10 For the avoidance of doubt, and in compliance with the relevant regulations, an infant child (i.e. Foundation Stage, Year 1 or Year 2) who moves into a school's area after initial allocation decisions have been made and applies for a catchment place, will not be offered a place in their catchment school if the admission number has already been reached and the class to which they would be admitted will already contain 30 children and there is an alternative school with space available in the relevant year group within 2 miles walking route of the home address.
- 3.11 Where an infant child moves into a catchment area and applies for the catchment school, and there is no other available school with places within 2 miles walking route of the home address, they will be an excepted pupil in the catchment school and may be offered a place at that school without breaching the infant class size rules. The Council may require parents to provide proof of residence – see section 18.7 for more information.

### **Infant Class Size & Exceptions**

- 4.0 Infant Classes (Foundation Stage, Year 1 and Year 2) must not exceed 30 children per teacher<sup>2</sup> and applications for year groups which would cause that number to be exceeded will be refused. That includes where admission would cause the infant class size limit to be breached in the future.
- 4.1 There are a number of exceptions where children will not count for the purposes of calculating those 30 which are set out below. Children will remain as permitted class size exceptions for the duration of Foundation Stage and Key Stage One, or until the total number of children within the class drops below 30 per class.
- 4.2 The exceptions, as set out within the School Admissions Code are:
- a) children admitted outside the normal admissions round with statements of special educational needs or Education, Health and Care Plans specifying a school;
  - b) looked after children and previously looked after children admitted outside the normal admissions round;

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<sup>2</sup> As defined by the section 4 of the School Standards and Framework Act 1998.

- c) children admitted, after initial allocation of places, because of a procedural error made by the admission authority or local authority in the original application process;
- d) children admitted after an independent appeals panel upholds an appeal;
- e) children who move into the area outside the normal admissions round for whom there is no other available school within reasonable distance;
- f) children of UK service personnel admitted outside the normal admissions round;
- g) children whose twin or sibling from a multiple birth is admitted otherwise than as an excepted pupil;
- h) children with special educational needs who are normally taught in a special educational needs unit attached to the school, or registered at a special school, who attend some infant classes within the mainstream school.

#### **Admission of children below compulsory school age and deferred entry**

- 5.0 Upon notification of a school place being offered, a child is entitled to a full-time place in the September following their fourth birthday, but they are not required to start school until the start of the term after the term in which they reach compulsory school age.
- 5.1 The date the child is admitted to the school can be deferred until later in the school year or the child can attend part-time until the child reaches compulsory school age in the year the original application was made.
- 5.2 A child's school place may be deferred but only up until the beginning of the summer term.
- 5.3 Where a child has failed to attend school by the start of the summer term in the school year for which the original application was made, parents will have to submit a new application unless there are exceptional circumstances which have prevented the child from doing so. Where there are no exceptional circumstances any application will be treated as an in-year application.
- 5.4 Exceptional circumstances will include a child who has been unable to attend school because of medical reasons (i.e. hospitalisation, operation recovery that has taken up to two school terms).

#### **Admission of children outside their normal age group to Community or Voluntary Controlled schools**



- 6.0 At the point of first time admission, transfer from infant to junior school or admission to secondary school, parents may seek a place for their child outside of their normal age group, for example if the child is gifted and talented or has experienced problems such as ill health.
- 6.1 Parents of a summer born child, that is those children born between 1<sup>st</sup> April and 31<sup>st</sup> August, may choose not to send their child to school until the September following their fifth birthday and may request that they are admitted out of their normal age group, for example into the Reception year group rather than Year 1 (this is considered as a delayed entry for the purposes of this policy).
- 6.2 To request delayed entry parents should make an application for their child's admission to their normal age group at the usual time, in accordance with this policy. Within that application parents should also submit a request to the Council for admission outside of the normal age group. Further information about the process will then be provided to parents upon their request for admission outside of the normal age group or by contacting the School Admissions Service.
- 6.3 Decisions will be made by a panel of Local Authority (LA) professionals based on the circumstances of each case and considering the best interests of the child concerned, including the headteacher's view. This will take into account:
- parents' views;
  - information about the child's academic, social and emotional development;
  - where relevant their medical history;
  - any views of medical and other professionals;
  - whether they have previously been educated outside of their normal age group;
  - whether they may have fallen in to a lower age group if the child was not born prematurely; and
  - the views of the Headteacher of the school concerned.
- 6.4 Decisions made by the Council will be clearly set out in a letter. The letter will contain a full explanation to the parent of how the decision was arrived at, as well as what recourse is available if the request is refused.
- 6.5 Where the Council agrees to the parent's request for their child to be admitted to a year out of their normal age group, it will be necessary for the parent(s) to apply again for a place in Reception (or at secondary transfer) at the appropriate time a year later as part of the co-ordinated first time admission process. If that application is successful, the child will be admitted into Reception (or Year 7). However, parents must be aware that any such consent will not guarantee them a place at a particular school.
- 6.6 For schools under the LA's control, the LA will process any such application as

part of the main admissions round, and alongside other applications for that age group, on the basis of determined admission arrangements only including the priority criteria when this applies. Where an application is late, it will be considered after on-time applications.

- 6.7 Any agreement by the Council to delay entry or be admitted in advance of their chronological age group will only apply in relation to the community schools and/or voluntary controlled School(s) identified by the parents. Parents should contact the admission authority of other schools they may wish their child to attend to confirm the process that they will need to follow in relation to that school.
- 6.8 At the point of transfer (either from Infant to Junior School or from Junior/Primary to secondary school) it will be a matter for the admission authority of that school to determine whether to approve any request for a child to be admitted outside of their chronological age group.
- 6.9 Parents' statutory right to appeal against the refusal of a place at a school for which they have applied does not apply if they are offered a place at the school but it is not their preferred age group.

### **Normal Secondary School Transfer Admissions (not sixth form)**

- 7.0 Parents will need to submit an application for admission to secondary school in accordance with the closing date for applications which is set out within the Council's co-ordinated admission arrangements.
- 7.1 For those parents that live in Leicestershire, the Council will confirm decisions for applications from the national offer date 1<sup>st</sup> March (or on the next available working day if the 1<sup>st</sup> March falls on a weekend/bank holiday).
- 7.2 For those parents that do not live in Leicestershire, the Council will confirm decisions to the relevant home local authority who will in turn inform the parents of the Council's decision.
- 7.3 Places will be allocated up to the Admission Number (AN).
- 7.4 All applications received by the relevant closing date (*please see co-ordinated scheme for dates*) will be considered first. Where there are more applications than places, these will be ordered in accordance with the approved priority criteria (see section 10). All late applications received after the closing date will receive the lowest priority and will be considered after those that have been received on-time. In exceptional circumstances, late

applications may be considered as on time where the parent is able to evidence the reason for lateness was beyond their control i.e. children in care, forced re-location, new school opening etc. However, late applicant families who are already resident within the catchment area and have moved to another address within catchment will not be excepted children and will not be offered a place at the catchment school in those circumstances, if it is full.

Applications received beyond 4 weeks post-closing date cannot be considered under exceptional grounds, as it is too late to add them to the process and be considered as a late application.

- 7.5 The Council's decision will either be to offer a place at a school or refuse the place because the school is full. A refusal letter will also explain to the parent their right to appeal – for further information see section 14.

#### **In-Year (mid-term) Transfers (all year groups) whether in-catchment or not**

- 8.0 Mid-term transfer requests (in-catchment or otherwise) will be co-ordinated through the Council's School Admissions Service, for schools under the Local Authority's control and for those academies (own admitting authorities) that have indicated that they wish participate in the Local Authority's mid-term co-ordinated scheme. The best way to apply is through the Council's mid-term application form (Common Application Form) available online (before applying parents are encouraged to arrange to visit the school).
- 8.1 The Council will aim to notify the parents of the outcome of their application in writing within 10 school days, but in any event, parents must be notified in writing within 15 school days (5 days if child is indicated as looked after or previously looked after see paragraph 10(i) for the definitions), wherever possible. Delays may occur where further evidence or proof is required (i.e. proof of looked after status or previously looked after status, house purchase, tenancy agreement, fair access information for complex or out of authority applications etc) or during busy periods (such as during the normal admissions round or due to when schools are closed i.e. during school holidays).
- 8.2 Where there are multiple in-year admissions and the school do not have sufficient places for every child who has applied for one, places must be allocated on the basis of the oversubscription criteria in the determined admission arrangements only.
- 8.3 Where the mid-term application is made through the Council, the decision will either offer the place or refuse if the school is full because admitting the child

would prejudice the efficient provision of education or use of resources. A refusal letter will also explain to the parent their right to appeal, and how they should do this.

- 8.4 Information setting out the process for applying for mid-terms, which schools the Council co-ordinate the applications for and which schools manage their own in-year admissions (including contact details for those schools) will be set out on the council's website.

### **Processing Parental Preferences**

- 9.0 Application forms for school places allow parents to express up to three preferences for school places. Parents should rank their preferences in order with 1 being highest and 3 being lowest. Where a place can be offered at more than one preference, only the highest preference will be offered. Applications will be prioritised according to the admissions criteria.
- 9.1 For relevant co-ordinated scheme applications received after the closing date for submission shall only be considered after all other applications which were received on time, unless there is a significant reason for lateness. In exceptional circumstances, late applications may be considered as on time where the parent is able to evidence the reason for lateness was beyond their control i.e. children in care, forced re-location, new school opening etc. However, late applicant families who are already resident within the catchment area and have moved to another address within catchment will not be excepted children and will not be offered a place at the catchment school in those circumstances, if it is full.

Applications received beyond 4 weeks post-closing date in the normal round cannot be considered under exceptional grounds, as it is too late to add them to the process.

(For mid-term (in-year) application closing dates please see Leicestershire's mid-term co-ordinated scheme).

- 9.2 Parents may vary the order of the schools for which they have expressed a preference by logging into their account before the closing date. If on the rare occasion they need to change preference order after the closing date, they must contact the School Admissions Service for further advice.

However, post the closing date if a new school is added, then that school preference will be considered as a late preference.

**Priority Criteria for Entry Autumn 2021 Admissions and Mid-term Applications during 2021/2022 Academic Year**

10.0 Priority will be given to children whose parents applied on time and ranked in accordance with the priority criteria set out below. Where there are more applications than places or there is a tie, the next relevant criteria will be used to determine which application should be offered the place, if they still have identical ranking then lots will be drawn (see section 10.1 below):

<b>1<sup>st</sup></b>	Children who are looked after and those children who were previously looked after children. ( <i>See note i.</i> )
<b>2<sup>nd</sup></b>	Pupils who live in the catchment area. ( <i>See note ii.</i> )
<b>3<sup>rd</sup></b>	Pupils who will have a brother or sister attending the same school at the same time at the point that they are attending. ( <i>See notes iii.</i> )
<b>4<sup>th</sup></b>	Pupils who have a serious medical condition or exceptional social or domestic needs that make it essential they attend the school requested. (Professional documentation confirming the situation must be submitted with the application.) ( <i>See note iv.</i> )
<b>5<sup>th</sup></b>	Pupils who are attending a feeder school at the point of application. ( <i>See note v.</i> )
<b>6<sup>th</sup></b>	Pupils starting at an infant school with a sibling who will be attending the feeder junior school at the same point they are attending ( <i>see note iii &amp; v</i> )
<b>7<sup>th</sup></b>	Pupils living nearest to the school measured in a straight-line distance (home to school front gate). ( <i>See note vi.</i> )

**Notes:**

- i. A 'looked after child' is a child who is (a) in the care of a local authority, or (b) being provided with accommodation by a local authority in the exercise of their social services functions (see the definition in Section 22(1) of the Children Act 1989) at the time of making an application to a school;  
Previously looked after children are children who were looked after but ceased to be so because they were adopted, (or became subject to a child arrangement order or special guardianship order). Children who were adopted (or subject to child arrangements orders or special guardianship orders) immediately following having been looked after and

those children who appear (to the admission authority) to have been in state care outside of England and ceased to be in state care as a result of being adopted

[\*State Care - a child is regarded as having been in state care outside of England if they were in the care of or were accommodated by a public authority, a religious organisation, or any other provider of care whose sole or main purpose is to benefit society.]

(i.e. charity group that benefits society) but does not include private fostering whether in England or from outside of England. For more detail see

- ii. For the purpose of processing a school application a single home address must be used. The child's place of residence is taken to be the parental home at which they normally reside. Where parents claim equal or dual residency they must prioritise one address over the other, or risk the application not being processed. For children of UK service personnel (UK Armed Forces) and crown servants a unit postal address or quartering area address that has been formally declared by an official letter will be used as the home address prior to arrival into the UK.
- iii. The term "brother or sister" includes half brother or sister, step brother or sister or legally adopted child being regarded as the brother or sister living at the same home address.
- iv. If criterion 4 is used, professional supporting documentation from the Lead Professional must be supplied and must be submitted with the application. The following list are the areas that are considered exceptional:-
  - Crown Servants
  - Children subject to Child Protection Plans
  - Hard to Place children – who fall under the Fair Access Protocol
  - Parents suffering domestic violence (This is dependent on documentary evidence by a lead professional)
- v. For criterion 5 above, the child must be on roll at the feeder school at the point of application.
- vi. For criterion 6, measurement of distance of up to three decimal places will be in a straight line from the centre point of the property to the school's main designated front gate, using a computerised mapping system (*Routefinder*). Where there is equal distance then lots will be drawn, supervised by an independent officer (see section 10.1).

**Tiebreaker**

- 10.1 If two or more applications have identical ranking following applying all the above criteria in priority order, lots will be drawn. The drawing of lots will be undertaken by a senior officer in the Children and Families Department, supervised by an officer of the Council from another department that is independent of the Council's School Admissions Service.

**Children Who Move Out of or Into the Catchment Area including Late and or Mid-Term Applications**

- 11.0 A child who is already attending a school and whose place of residence changes to an out-of-catchment address is entitled to continue attending that school. However, any subsequent application, as a mid-term or at the point of transfer to a junior or secondary school, must be made using the new address.
- 11.1 Where a family have made an application they must notify the Council of any change in their address as soon as possible after the move.
- 11.2 Where a family have applied for or been offered a place at a community or voluntary controlled school and move home during the course of the admissions process (i.e. after the closing date for first time admissions or transfers but before they start) they must notify the Council immediately.
- 11.3 During the normal round the latest date a proof of change of address can be accepted for the purposes of an application that has already been submitted is the third Friday in March for first time admissions and junior transfers and the third Friday in December for secondary transfers. Home moves will not be accepted without proof (see section 18.7). Where proof is received beyond the above respective 'Fridays', the applications will be considered as late.

**Withdrawal of places**

- 12.0 Once a place has been offered at a school the Council may withdraw that place prior to starting school where it has been established that:
- the place was offered in error;
- or
- it is established that the place was obtained through a fraudulent or

intentionally misleading application;

or

where the parent has not responded within a reasonable time<sup>3</sup>.

### **Mid-term Applications**

- 13.0 For applications made outside of the normal round of admissions i.e. seeking to move school part way through an academic year, where a place exists at the requested school it will be offered.
- 13.1 Where an application is made to a school that is oversubscribed, a school place may still be offered subject to the following:
- (i) The requested school is the catchment school for the new address; and
  - (ii) Documentary evidence of the house move is provided (see section 18.7); and
  - (iii) There is no alternative school within a reasonable distance which has available places in the relevant year group. Reasonable distance for these purposes is 2 miles for a primary school and 3 miles for secondary school, measured as the shortest safest walking route from a geocoded point at the centre of the home address to the School's front gate using an electronic mapping tool – *Routefinder*; and
  - (iv) The application is made within 90 calendar days of the family first moving into the property and the application requests a start date of no later than half a school term from the point the application was received; or
  - (v) That the, child has/will have a sibling attending the school at the same time.
- 13.2 Applications submitted in accordance with this section will usually be processed within 20 school days, although there may be delays during the main round for applications and appeals. The Council will notify parents of the outcome of their application confirming that the application has been accepted or setting out the reason it has been refused.

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<sup>3</sup> Including a failure to respond within a reasonable time to a request for information, such as to provide proof of an address.



### **Appeals (including class size appeals)**

- 14.0 All parents will have a right of appeal if an application for a school place is refused and this will be detailed in the refusal letter. Appeals that are to be heard as part of the normal round will be heard in accordance with the appeals timetable published on the LA's website.
- 14.1 Parents may contact the School Admissions Service if they require clarification of the procedure that will be followed in respect of an appeal.
- 14.2 Where an application for admission is refused on the grounds it would cause the infant class size limit to be breached, the grounds on which the appeal may succeed are extremely limited. Please see '*Appeal a School Case*' section on the LA's webpage.

### **Second Applications (Further Appeals)**

- 15.0 Ordinarily parents may only make one application for any particular school per academic year. In exceptional circumstances, and at its sole discretion, the Council may allow a further application to be made where there has been a significant and material change in the circumstances of the parent, the child or the school.
- 15.1 The following is a non-exhaustive list of what may be considered to be exceptional:
- change of address i.e. where the change of address is into the catchment of the school;
  - new significant and material evidence has come to light in your personal circumstances;
  - a significant change in medical circumstances (apart from medical attention for distress or anxiety as a result of unsuccessful applications / appeals);
  - there has been a significant and or material change in the circumstances of the school i.e. significant extensions / new build, an increase their AN, increase in the number of teaching staff.
- 15.2 In such instances parents must provide the Council with written details of the significant and material change together with any evidence of that change.

Where the significant and material change is accepted by the Council a second application will be permitted and must be made in the usual way and will be processed in the normal manner and, where necessary, in accordance with the priority criteria.

### **Errors**

- 16.0 Where the Council has made an error in the processing of an application for a school place, and it is established that had the error **not** occurred it would have resulted in the applicant being offered a school place, the Council will offer a place at the school.
- 16.1 Applicants are responsible for the accuracy of all and any information which they submit. The Council takes no responsibility for incorrect information submitted (i.e. an incorrect date of birth, failure to mention sibling(s), failure to provide supporting evidence etc.) or the impact that such information may have on the determination of their application. Where applicants become aware of such errors, they should notify the Council as soon as possible.

### **Exceeding the Admission Number (AN)**

- 17.0 At the point of first-time admission, infant to junior and secondary transfer (i.e. *normal round of applications*), if there are more requests for in-catchment children than the admission number (AN), the AN will not usually be exceeded, except in exceptional circumstances.
- 17.1 For applications made outside of the normal admissions round (e.g. mid-term applications) where the AN has been reached, applications will be refused, subject to section 13.1.
- 17.2 In certain exceptional circumstances the Council may determine, or the school may request, that the AN be exceeded. Any such request by a school must be made by written request to the School Admissions Service. Where necessary, the Council will publish details of any variation to increase the AN of a particular school on its website.
- 17.3 For the avoidance of doubt, discretion to exceed the AN shall rest solely with the Council and not the governing body of a school. In reaching any decision the Council will consider the views of interested parties; the governing body of the school, the impact on the education of children in the school; and the availability of other places within the area.

17.4 Parents will still submit their application in the usual manner. The Council will determine those applications in the following way:

- (a) Where the decision to increase the AN is made before the National Offer Date, applications will be processed in the normal way with on-time applications being considered first and with places being offered in accordance with the priority criteria up to the increased AN. If there are any places available after on-time applications, places will be offered to those late applications ranked according to the priority criteria;
- (b) Where the decision to increase the AN is made after the National Offer Date, the Council will offer any additional places as per the priority on the waiting list up to the increased AN alongside any further applications received;
- (c) Where the decision to increase the AN is made at a time when no waiting list is being held, the Council will offer places on a first come, first served basis, up to the increased AN.

17.5 For the purpose of this section, exceptional circumstances may include but are not limited to:

- (a) An independent appeal outcome in the parent's favour;
- (b) The admission of children who are subject to Leicestershire's Fair Access Protocol;
- (c) The admission of children who would have siblings in the school;
- (d) Infant class size exceptions (see section 4).

### **Miscellaneous**

#### **Catchment Area Definition and How to Find Out the Catchment Area School for Your Home Address**

18.0 Most Community and Voluntary Controlled schools have their own catchment areas, which are defined as the geographic area<sup>4</sup> from which pupils / students are eligible to be considered under criterion 2 (see section 10). The HOME ADDRESS determines into which catchment area you reside (definition of home address see section 10 note (ii)). There are some instances however where the catchment has multiple schools in it i.e. Braunstone see section 18.3 below.

18.1 If you are unclear in which catchment area your home address falls please contact the Council's Customer Service Centre, on (0116) 305 6684.

- 18.2 Where a family have equal split residency arrangements and the child resides either in the same school catchment or live in two catchment areas, parents must prioritise one address.

### **Areas of Dual / Multiple Catchment Entitlement**

- 18.3 In areas where there is dual or multiple catchment entitlement, equal preference process will be applied at the normal round of applications. For children who move into an area outside of the normal admissions round, the normal criteria will be applied (see section 10). In both circumstance the highest-ranking preference where possible will always be offered.

<sup>4</sup> Please see <https://www.leicestershire.gov.uk/education-and-children/schools-colleges-and-academies/find-a-school> for individual LA controlled catchment maps

### **Determining Home Address/Parental Proof of Residence**

- 18.4 In determining an application for a school place, the Council may request evidence of an address or of a move into a catchment area or arriving in the UK.

Such evidence may include but not be limited to:

- Opening Council Tax Bill;
- Signed and dated copy tenancy agreement;
- Copy of a letter of completion of house purchase from a solicitor.

In addition to the above you may also be asked for:

- Copy of child benefit letter;
- Copy of current driving licence;
- Copy of registration at GP practice or hospital consultant.

Where a family has moved in with relatives or friends (including new to UK):

- A declaration from Parents and householder / homeowner / relative / friend confirming the applicant family now reside at the address;
- A copy of most current council Tax bill from occupier;
- Stamped passport or visa;
- Boarding passes.

Where the Council does not consider it is has been provided with satisfactory proof of address, the application will not be processed until the Council is satisfied that adequate proof has been obtained.

### **Clarification of home address where the family's current address is deemed**

### **temporary or multiple addresses**

- 18.5 For the purposes of this policy the following will be accepted as the home address:
- (a) Purchase of a second property by a family, while the first property is retained, where the family moves to the second address and provides proof of residence - as set out in section 18.7; or
  - (b) Rented accommodation while a previous property is retained. The family must provide satisfactory evidence to the Council that the rented accommodation is their primary residence through proof of residence, and by demonstrating that the old property is not being occupied by them. In that instance, the Council must be provided proof of zero/vacant occupancy (i.e. discounted council tax, see section 18.7); or
  - (c) Temporary living arrangements whether living with relatives or not i.e. whilst re-furbishing, building or decorating the permanent home address. The home address will be taken as the one where the family can provide proof of residence - see section 18.7; or
  - (d) Where because of reasons beyond parental control a house move has been imposed on the family or children ((i.e. fleeing domestic violence (refuge address), safe home (witness protection), home repossessions, losing your home through an 'act of god' i.e. home destroyed, etc.)), subject to supporting documentation; or
  - (e) Where the parent has been hospitalised and the children have been placed with a relative or carer, the temporary address will be accepted for the purposes of a school application on proof of hospitalisation i.e. a letter from a medical professional, and a declaration from the relative or carer of the arrangements.

### **Oversubscription Lists**

- 18.6 The Council will maintain an oversubscription (waiting) list for:
- (a) First time admission;
  - (b) Infant-junior transfer; and
  - (c) Transfers from primary (including junior) to secondary school.
- 18.7 The oversubscription (waiting) list is ranked in the same order as the published oversubscription criteria and not by date of application. The list will be held after national offer date until the 31<sup>st</sup> December of that year.

- 18.8 Applications received after the National Offer Date will be determined as mid-term applications. Any applications that are refused before 31<sup>st</sup> December will also be automatically placed on the oversubscription (waiting) lists.
- 18.9 The Council does not hold waiting lists past 31 December in relation to any mid-term applications. At any point while on the oversubscription (waiting) list, the family's circumstances change and the Council has been made aware, the application will be re-assessed and the lists will be re-ranked in accordance with the priority criteria. Where a family has failed to notify the Council of such a change and is subsequently offered a place, that place may be withdrawn in accordance with section 12.

**Circumstances in which an application might be refused – children with challenging behaviour and twice Excluded Pupils**

- 18.10 Where a child has been permanently excluded from two or more schools, there is no obligation on the Council to comply with parental preference for a period of two years from the last exclusion. This does not apply where exclusion was before the child was of compulsory school age, for children who have been re-instated following a permanent exclusion or for children with special educational needs statements or Education, Health and Care Plans.
- 18.11 In addition to this, applications for vulnerable children who have been unable to secure a school place outside of the normal admissions round may be referred for consideration under the Fair Access Protocol. Further details about this can be found on the Council's website. Parents should be aware that where children are considered under the protocol, the protocol has no obligation to comply with school preference rights (although it will be considered) in seeking to secure a school place. However, there is nothing to prevent a parent from applying for a different school at that time – any such application will be considered in accordance with the usual process.
- 18.12 Where a governing body does not wish to admit a child with challenging behaviour\* outside the normal admissions round, even though places are available, it must refer the case to the Council for action under the Fair Access Protocol.

[\*behaviour can be described as challenging where it would be unlikely to be responsive to the usual range of interventions to help prevent and address pupil misbehaviour or it is of such severity, frequency, or duration that it is beyond the normal range that schools can tolerate. We would expect this behaviour to significantly interfere with the pupil's/other pupils' education or jeopardise the right of staff and pupils to a safe and orderly environment.]

- 18.13 For those of primary school age the Primary Fair Access Panel will consider the most appropriate school and will aim to facilitate a re-integration. For those of secondary school age the relevant Area Behaviour Partnership will

be responsible to place the student with support as necessary.

- 18.14 Parents are not precluded from applying for a school place even whilst the FAP is ongoing.
- 18.15 For those children who have been permanently excluded and are in a transition phase (i.e. transferring from Year 6 to Year 7), all exclusions are expunged and the receiving school must take the child.

### **Children with Education Health and Care Plans (EHCP) (Special Educational Needs and Assessment (SENA))**

- 18.16 All applications that have an EHCP will be forwarded to SENA for their consideration and processing.

### **Children from Overseas**

- 18.17 Applications from non-UK nationals will be processed in accordance with this policy.
- 18.18 If the Council have any concerns as to a child's leave to remain in the UK and/or entitlement to state education, such concerns shall be referred to the Home Office.

### **Acceptance or Refusal of Offers; Withdrawal of Places or Offers of Places**

- 18.19 In the normal admissions round (i.e. when offers are made for first-time, infant-junior admissions, national offer date 16<sup>th</sup> April, or when offers for secondary transfers are made on national offer date of 1<sup>st</sup> March), places will be assumed accepted unless refused.
- 18.20 For mid-term applications (outside the normal round), parents must respond to any offer of a school place within 20 days of the date of that letter directly with offer school to make starting arrangements.
- 18.21 Where no response has been received within 20 school days of the start of the school term or the date of the offer letter (as may be appropriate), a reminder will be sent explaining that the place may be withdrawn if they do not respond to the offer. Parents will be afforded a further 10 school days to take up the school place. If no further response to the offer (either accepting or refusing it) is received then the offer of a place will be withdrawn.

### **Children with Split Residence**

- 18.22 Where a child lives for part of the week with one parent and for part of the week with the other parent, the address recognised by the Council for the purposes of an application for a school place is the one where the child lives for the majority of the school week – Monday to Friday.
- 18.23 Where the weekly residence arrangement varies, and a child stays with both parents, on average, for the same amount of time during the school week over a four-week period, and one parent lives in another school catchment, the parents will be required by the Council to choose one address for the purposes completing a school application. Where parents cannot agree a single address, the Council will require parents to seek a Court Order to determine which address is to be used.
- 18.24 Where any claimed residence arrangement is found to be false, and the child is yet to start at the allocated school, the place will be withdrawn as it will be considered obtaining the school place on fraudulent and / or misleading grounds. In such circumstances the application will be considered afresh and determined at that time based on the correct information.

### **Children of UK Services Personnel and other Crown Servants**

- 18.25 Where a school has spaces, such children will be allocated a place as part of the normal round of admissions without the requirement of an official Government letter declaring a relocation date and intended address. The place must be taken-up within 20 school days for the normal round of applications from the start of the academic year or it may be withdrawn.
- 18.26 Where during the normal round for admissions a school is oversubscribed, the Council will require any application to be supported by an official letter that declares a relocation date and a Unit postal address or quartering area address. The application will then be ranked and determined against the oversubscription criteria.
- 18.27 Where a posting is partway through the school year a place will be considered in advance of the family arriving, provided the application is accompanied by an official letter that declares a relocation date and a Unit postal address or quartering area address. The application will then be processed under the normal priority criteria.

### **Post Sixteen and Sixth Form Admissions**

- 18.28 Schools have delegated control of their own sixth form admissions. For more



information you are advised to visit their website or contact the school directly. In general schools must make clear their arrangements and criteria for sixth form admissions. An admission number for 6<sup>th</sup> form must be set if external candidates are to be considered. The admission number must relate only to those being admitted to the school for the first time. It should be based on an estimate of the minimum number of external candidates likely to be admitted, although it would be acceptable to exceed this if demand for available courses can be met. Applications should be submitted direct to the school/college and not to the County Council's School Admissions Service.

- 18.28 Children already in the school need not apply formally through the Council, but through the school for places in the 6<sup>th</sup> form. Any applicant refused a place has the right to appeal to an independent appeal panel (see school/college website for more information).

**CO-ORDINATED ADMISSION SCHEME FOR FIRST TIME  
ADMISSION TO INFANT AND PRIMARY SCHOOLS, AND INFANT TO  
JUNIOR TRANSFERS ENTRY SEPTEMBER 2023**

**Revised Autumn 2021**

**1. Introduction**

- 1.1 The School Admissions (Co-ordination of Admission Arrangements) Regulations 2008 require local authorities to have a scheme covering every school whether maintained or not (but not special schools) in its area. Regulations require local authorities (LAs) to exchange specified school application information with their neighbours. The purpose of a co-ordinated scheme is to establish mechanisms for ensuring, as far as reasonably practical, that every parent of a child living within the LA who has applied for a school place in the normal admission round receives an offer of one, and only one, school place on the same day as set out in the revised School Admissions Code 2021.
- 1.2 The duty to comply with parental preference is not affected by co-ordinated admission arrangements, except where more than one place could be offered. Nor do co-ordinated scheme affect the rights and duties of governing bodies of own admitting schools, that act as their own admissions authority (e.g. voluntary aided and academy) schools to set and apply their own admission arrangements and oversubscription criteria.
- 1.3 All local authorities are required, by section 88M of the School Standards and Framework Act 1998 (SSFA) and the Co-ordination Regulations 2007, to have in place a scheme each year for all maintained, Trust, Voluntary Aided schools and Academies in their area. Any changes to arrangements for coordinating these applications must be formulated by 1 January each year unless they remain unchanged. In which case this will fulfil the legal requirement to formulate a scheme.
- 1.4 For Leicestershire schools the local authority will continue to co-ordinate offers for primary school places, both in-year (on a traded basis) and at the normal admissions round. However, only the home local authority can make offers for primary school places in the normal round.

**2. Main obligations imposed by the regulations**

[School Admissions Code September 2021 applies.]

- 2.1 The common application must allow parents to express a preference for at least 3 schools within or beyond their home local authority area, and the reasons for their preferences.

- 2.2 Local authorities and admission authorities in the area must exchange information on applications made and potential offers by the last working day in March in the offer year (as specified in the regulations).
- 2.3 Local authorities must pass information on applications to other local authorities about applications to schools in their area. The maintaining local authority must inform the home local authority if it intends to offer a place, by the dates specified in the scheme.
- 2.4 The maintaining local authority must tell the home local authority if it could offer a place. The home local authority may take account of this in deciding whether or not to offer the parent a place at a school in its own area but must set-out its intentions clearly to parents in its composite prospectus.
- 2.5 Offers of places must be sent on **16<sup>th</sup> April** (or the next working day if the **16<sup>th</sup> April** is not a working day) in the year during which a child will be admitted to school by the home local authority. Schools must not contact parents about the outcome of their application until after these offers have been received. Only the local authority can make an offer in the normal round.
- 2.6 Parents who cannot be offered one of their preferred schools must be advised of how to enquire about availability of places at other schools.
- 2.7 It remains a requirement to co-ordinate fully across borders. The home authority will make the offer of a single place.
- 2.8 Schemes must continue after the offer date to ensure that places which become available are reallocated effectively.

### **3. Administration of the Scheme for first time admissions to Infant and Primary schools:**

NB<sup>1</sup> For all dates mentioned below, if the date is not a working day, then close of business on the next working day applies.

NB<sup>2</sup> Leicestershire schools which receive direct applications in error must inform Leicestershire LA whether or not the parent lives in the area so that the home LA can ensure that the parent has received an application.

- 3.1 Leicestershire LA's first time admission application process invites all parents resident in the LA to name their preferred school(s) from 1<sup>st</sup> June to **15<sup>th</sup> January** (national closing date), where January is the year of admission. Parents may express a preference for at least three schools and those preferences must be ranked in order of preference. It is made clear that parents should name all schools at which they wish their child to be considered for a place, including voluntary aided, trust or academy schools. Parents are recommended to include their catchment area school in their preferences. Although parents must rank their preferences, all preferences will be treated as equal by admissions authorities in applying their own admissions policies. Ranking only applies when more than one school can be allocated in such circumstance the highest ranked school will always be offered.
- 3.2 Leicestershire residents who wish to apply for a school within the area of another local authority must do so by applying to their home authority i.e. Leicestershire. Non-Leicestershire residents who wish to apply for a place in Leicestershire must apply

through their home authority who acts as their agent and shares information with Leicestershire.

- 3.3 By **30<sup>th</sup> January** Leicestershire LA will share their application information of those Leicestershire residents who have applied for school places with other LA's. Files from other LA's should also be received at this time to be imported into ONE and validated according to Leicestershire's criteria.
- 3.4 By **8<sup>th</sup> February** Leicestershire will then share their application data with the Leicestershire Admissions Authority Schools e.g. Voluntary Aided, Academy, and Trust for the school Governors to apply their admissions criteria then rank the list of applications according to their admission criteria, to return to Leicestershire LA. The list should indicate the order in which all children for whom application to the school has been made, have priority by reference to the over-subscription criteria. Although applications need to be assessed and grouped against the criteria, admission authorities of seriously over-subscribed schools need not give rankings to individual applicants except where a priority group falls across the Admission Number (AN). They do, however, need to notify the LA of those children who are next in line, should places become available as a result of applying the scheme.
- 3.5 Leicestershire LA applies its own admissions criteria to requests for places in community and voluntary controlled schools, the relevant criteria for own admitting academies; and for those own admitting authorities that engage the LA to rank their applications, lists are then exchanged with these schools, for them to rank ratify their ranked lists.
- 3.6 Leicestershire LA then assesses the lists from all schools in its area. To check to see where a child qualifies for more than one offer of a place, the highest parental ranked preference school is the provisionally allocated, with any lower ranking secured school(s) withdrawn and allocated to others where possible. For applicants living in other local authorities, Leicestershire notifies the home LA whether or not it is able to offer a place in line with any preferences made.
- 3.7 By **20<sup>th</sup> March** Leicestershire LA will also have received notifications from other local authorities of any places which that LA or schools in their area can offer in response to any preference expressed by Leicestershire residents. There will be, at most, one such offer from the home LA. If no preferred school in Leicestershire LA can be offered, Leicestershire LA will not look for an alternative place if it knows that another LA will be making an offer of a place.

If Leicestershire LA is made aware that another LA will be making an offer of a place in a school which is higher up the parent's order of ranking than the school to be offered by Leicestershire LA, then Leicestershire LA will not make an offer for a place in a Leicestershire school.

- 3.8 Leicestershire then prior to offer date will send Leicestershire own admitting authorities that it ranks applications for their final ranked list for ratification.
- 3.9 On national offer day of **16<sup>th</sup> April** (or the next working day if the **16<sup>th</sup> April** is not a working day) Leicestershire LA contacts every resident parent who completed an application to inform them of the outcome of their requests.
- 3.10 Late applications and requests for changes to list of preferences will be dealt with as follows:

Received after **15<sup>th</sup> January** closing date but before **16<sup>th</sup> April**

When Leicestershire LA considers that applications are received late for a good reason and if the final decision making is yet to take place it may be possible to consider special cases as on-time, e.g. when a single parent has been hospitalised, or a family are returning from abroad. These will be considered along with the applications received before the closing date of 15<sup>th</sup> January, providing documentary evidence of the reason for lateness is also received and it is no later than end of February.

Any other applications will be considered to be late and will not be dealt with until after places have been allocated to those who met the closing date (15<sup>th</sup> January). Late applications will include requests to amend previously submitted applications, (where for example a new school has been added to the original preferences).

#### Received after 16<sup>th</sup> April

Applications received after 1<sup>st</sup> March will be batched and considered approximately three weeks after the offer date. Applications received after this time will be dealt with as and when they arrive.

- 3.11 All applications received after September, in accordance with the Code 2021, will be processed as mid-term applications.
- 3.12 All admitting authorities must maintain over-subscription waiting lists (OSLs) for a minimum of the Autumn Term in the academic year of admission, ranked in the same order as the published oversubscription criteria. For community and those academies engaging Leicestershire admissions service, will have the LA to maintain their waiting lists.

#### **4. Administration of the Scheme for Infant to Junior transfers and Infant to Primary school:**

NB<sup>1</sup> For all dates mentioned below, if the date is not a working day, then close of business on the next working day applies.

NB<sup>2</sup> Leicestershire schools which receive direct applications in error must inform Leicestershire LA whether or not the parent lives in the area so that the home LA can ensure that the parent has received an application form.

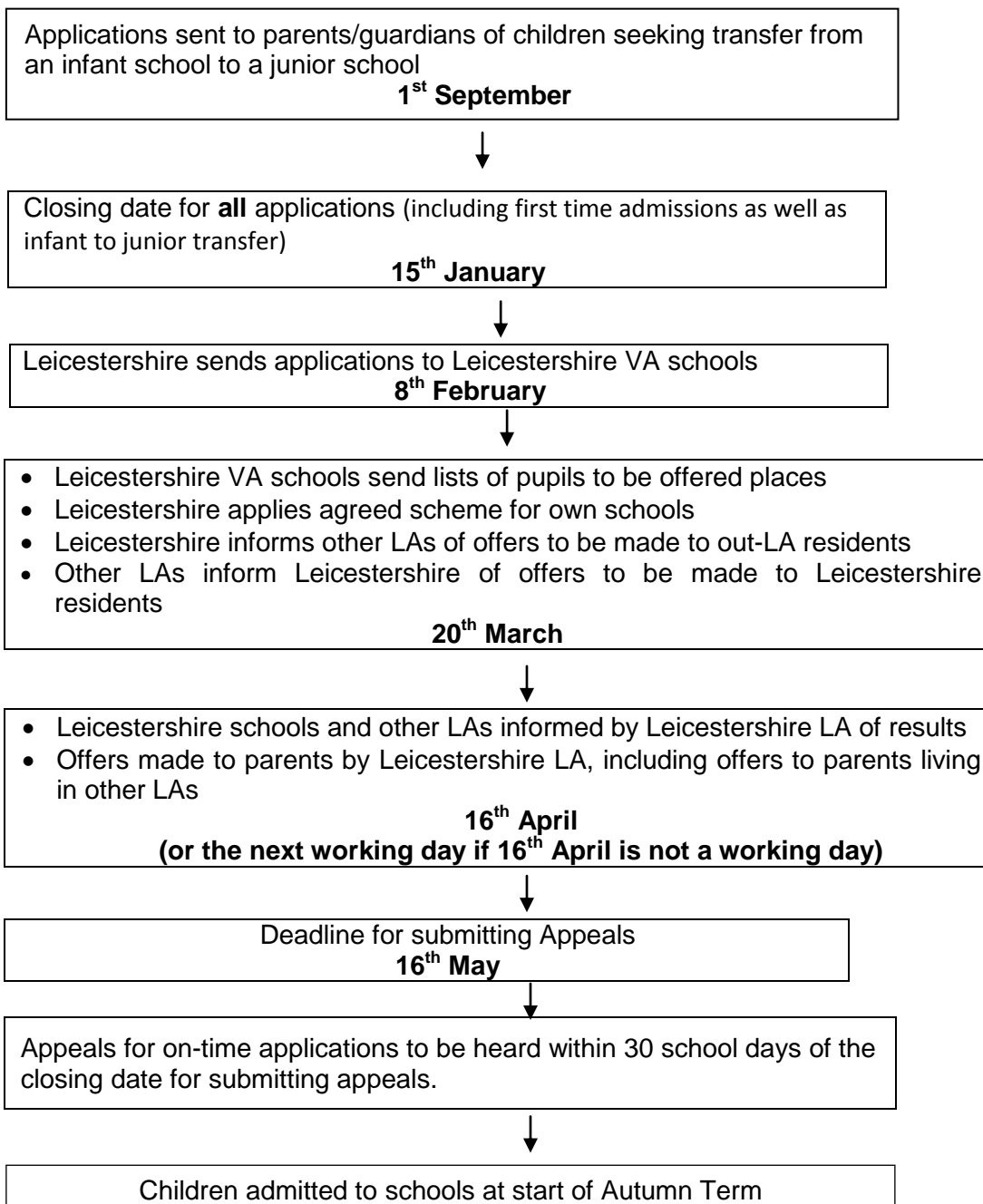
- 4.1 Application information is sent to parents from **1<sup>st</sup> September**. Leicestershire's application information invites all parents resident in Leicestershire to name three preferred schools, in order of preference by close of business on **15<sup>th</sup> January** for admission the following September. It is made clear that parents should name all schools at which they wish their child to be considered for a place and we recommend for them to include their catchment area school or voluntary aided school.
- 4.2 The remainder of scheme (as detailed in the attached flow chart section 5) will follow the first time admissions timetable as detailed from within this document.

- 4.3 For those applications seeking a transfer from an infant school to a primary school, these will be considered as in-year (mid-term) transfers. Parents and guardians will be asked whether they wish their child to move immediately or be considered for mid-term transfer at the end of the summer term for a September start. Where a September start is requested the application will be held on file until nearer the close of the current academic year (early to mid June), and processed then.

## 5. Primary Scheme Timetable (All schools)

For any dates identified below:

- action to be taken by close of business on that date
- if the date is not a working day, then close of business on the next working day applies.



**CO-ORDINATED ADMISSION SCHEME FOR SECONDARY SCHOOL  
TRANSFERS ENTRY SEPTEMBER 2023**

**Revised Autumn 2021**

## **1. Introduction**

- 1.5 The School Admissions (Co-ordination of Admission Arrangements) (England) Regulations 2007 require local authorities to have a scheme covering every maintained school (but not special schools) in its area. Regulations require local authorities (LAs) to exchange specified information with their neighbours. The purpose of a co-ordinated scheme is to establish mechanisms for ensuring, as far as reasonably practical, that every parent of a child living within the LA who has applied for a school place in the normal admission round receives an offer of one, and only one, school place on the same day as set out in the revised School Admissions Code 2021.
- 1.6 The duty to comply with parental preference is not be affected by co-ordinated admission arrangements, except where more than one place could be offered, nor do co-ordinated scheme affect the rights and duties of governing bodies of own admission authority (e.g. voluntary aided and foundation) schools to set and apply their own admission arrangements and over subscription criteria.
- 1.7 All local authorities are required, by section 88M of the School Standards and Framework Act 1998 (SSFA) and the Co-ordination Regulations 2007, to have in place a scheme each year for all maintained, Trust, Voluntary Aided schools and Academies in their area. Any changes to arrangements for coordinating these applications must be formulated by 1 January each year unless they remain unchanged. In which case this will fulfil the legal requirement to formulate a scheme.
- 1.8 For Leicestershire schools the local authority will continue to co-ordinate offers for primary school places, both in-year (on a traded basis) and at the normal admissions round. However, only the home local authority can make offers for secondary school places in the normal round.
- 1.9

## **2. Main obligations imposed by the regulations**

[School Admissions Code September 2021 applies.]

- 2.1 The common application must allow parents to express a preference for at least 3 schools, within or beyond their home local authority area, and the reasons for their preferences.



- 2.2 Local authorities and admission authorities in the area must exchange information on applications made and potential offers by the dates specified in the scheme.
- 2.3 Local authorities must pass information on applications to other local authorities about applications to schools in their area. The maintaining local authority must inform the home local authority if it intends to offer a place, by the dates specified in the scheme.
- 2.4 The maintaining local authority must tell the home local authority if it could offer a place. The home local authority may take account of this in deciding whether or not to offer the parent a place at a school in its own area, but must explain its intentions clearly to parents in its composite prospectus.
- 2.5 Offers of places must be sent on **1<sup>st</sup> March** (or the next working day if the 1<sup>st</sup> is not a working day) in the year during which a child will be admitted to school by the home local authority. Schools must not contact parents about the outcome of their application until after these offers have been received. Only the local authority (in the majority of circumstances will be the home LA) can make an offer.
- 2.6 Parents who cannot be offered one of their preferred schools must, if there are places available, be informed of where places exist at other schools.
- 2.7 It remains a requirement to co-ordinate fully across borders. The home authority will make the offer of a single place.
- 2.9 Schemes must continue after **1<sup>st</sup> March** to ensure that places which become available are reallocated effectively.

### 3. Administration of the Scheme

NB<sup>1</sup> For all dates mentioned below, if the date is not a working day, then close of business on the next working day applies.

NB<sup>2</sup> Leicestershire schools which receive direct applications in error must inform Leicestershire LA whether or not the parent lives in the area, so that the home LA can ensure that the parent has received an application form.

- 3.1 Application information is sent to parents early **September**. Leicestershire's application letter invites all parents resident in Leicestershire to name three preferred schools, in order of preference by close of business on **31<sup>st</sup> October** for admission the following Autumn Term. It is made clear that parents should name all schools at which they wish their child to be considered for a place including their catchment area school or any foundation or voluntary aided school.
- 3.2 On or by **23<sup>rd</sup> November**, Leicestershire LA sends other admission authorities details of applicants for their schools. Any additional information received by the other admissions authorities direct (e.g. letter of support from minister, professional documentary evidence etc) can be treated in the same way as that received via Leicestershire LA once it has been established that this only relates to applications which are mentioned and ranked on Leicestershire LA's form.

- 3.3 Leicestershire LA applies its own admissions criteria to requests for places in its own schools and for those academies that engage the LA to apply their criteria on their behalf, whether applications have come direct from parents resident in Leicestershire or those who are resident in other authorities and have applied via their home authority.
- 3.4 The other admission authorities then apply their admission criteria, and send Leicestershire LA, by **16<sup>th</sup> January**, a list indicating the order in which all children for whom application to the school has been made have priority by reference to the over-subscription criteria. Although applications need to be assessed and ranked against the criteria, admission authorities of seriously over-subscribed schools need not give individual rankings to applicants in the lowest priority grounds for admission, if there is no likelihood of being able to offer them a place after elimination of multiple offers. They do, however, need to notify the LA of those children who are next in line, should places become available as a result of applying the scheme.
- 3.5 Leicestershire LA then compares the lists from all schools in its area. Where a child qualifies for more than one offer of a place, a place would be offered at the school which was highest in the parent's order of ranking. For applicants living in another LA, Leicestershire notifies the home LA whether or not it is able to offer a place in line with any preferences made.
- 3.6 Leicestershire LA then adjusts the list for any other school for which a preference was expressed by that parent, moving another child, who was previously not eligible to be allocated a potential place up the list to a provisional place, which has been vacated.
- 3.7 By **1<sup>st</sup> February**, Leicestershire LA will also have received notifications from other LAs of any places which those LAs or schools in their areas can offer in response to any preference expressed by one of their residents. There will be, at most, one such offer from each other LA. If no preferred school in Leicestershire LA can be offered, Leicestershire LA will not look for an alternative place if it knows that another LA will be making an offer of a place.  
  
If Leicestershire LA is made aware that another LA will be making an offer of a place in a school which is higher up the parent's order of ranking than the school to be offered by Leicestershire LA, then Leicestershire LA will not make an offer for a place in a Leicestershire school.
- 3.8 Leicestershire then prior to offer date will send Leicestershire own admitting authorities that it ranks applications for their final ranked list for ratification.
- 3.9 On **1<sup>st</sup> March** (or next working day) – the “National Offer Day” – Leicestershire LA communicates to every resident parent who applied for a place to tell them of the decision. Parents who have not applied or for whom no preference can be agreed will be informed of schools where there is space and will be invited to make an application.
- 3.10 Late applications and requests for changes to list of preferences will be dealt with as follows:

**Received after 31<sup>st</sup> October closing date but before 1<sup>st</sup> March**

When Leicestershire LA considers that applications are received late for a good reason and if the final decision making is yet to take place it may be possible to considered special cases as on-time, e.g. when a single parent has been hospitalised, or a family are returning from abroad. These will be considered along with the applications received before the closing date of 31<sup>st</sup> October, providing documentary evidence of the reason for lateness is also received and it is no later than end of January.

Any other applications will be considered to be late and will not be dealt with until after places have been allocated to those who met the closing date 31<sup>st</sup> October. Late applications will include requests to amend previously submitted applications, (where for example a new school has been added to the original preferences).

- 3.11 On 1<sup>st</sup> March, Leicestershire parents who have not applied or have recently arrived to Leicestershire (or others wishing to secure a Leicestershire school) can contact Leicestershire for a list of schools where there are spaces and can apply to express a preference. Similarly, a list of schools with spaces is always sent to parents whose preferences have not been met.

3.12 **Received after 1<sup>st</sup> March**

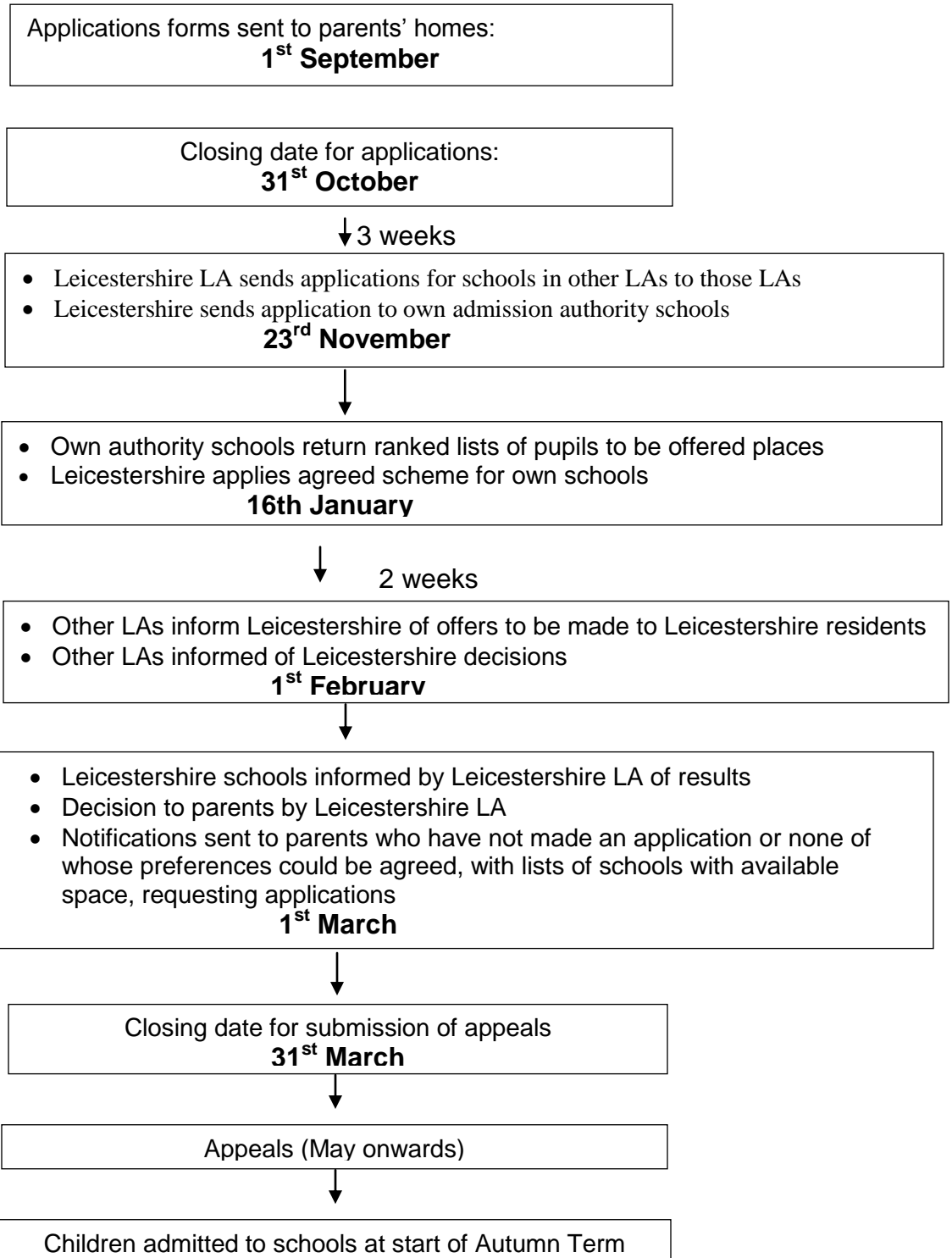
Applications received after 1<sup>st</sup> March will be batched and considered approximately three weeks after the offer date. Applications received after this time will be dealt with as and when they arrive.

- 3.13 Applications received from the autumn term will be processed as mid-term applications as detailed in the national Code 2021.
- 3.14 All admitting authorities must maintain over-subscription waiting lists (OSL) for a minimum of the Autumn Term in the academic year of admission, ranked in the same order as the published over-subscription criteria. For community and those academies engaging Leicestershire admissions service, will have the LA to maintain their waiting lists.

#### 4 Scheme Timetable

For any dates identified below:

- action to be taken by close of business on that date
- if the date is not a working day, then close of business on the next working day applies.



## **CO-ORDINATED ADMISSION ARRANGEMENTS FOR MID-TERM TRANSFERS 2023-24 ACADEMIC YEAR**

### **FOR:**

- Community Schools see Appendix 1
- Academies Participating in these arrangements see Appendix 2
- Academies conducting their own arrangements see Appendix 3

*Revised Autumn 2021*

*Gurjit Singh Bahra*

*School Admissions and Pupil Services.*

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## Definition

- For all maintained schools and for those academies that are participate in the Local Authority's (LA) co-ordinated mid-term arrangements (see appendix 1 and 2). Leicestershire's School Admissions Service will process mid-term transfers from the Autumn Term 2021 as explained in this document.
- For schools and academies in appendix 1 and 2, you can either apply on paper using the Local Authority's paper common application see page 6 or you can request a form by calling 0116 305 6684 (if you cannot print the form), or online at [Apply to move school](#).

## 1. Introduction

- 1.1. From September 2021 the School Admissions Code 2021 requires all LAs to host all schools' Mid-Term (In-Year) Arrangements (but not special schools) within its area. The purpose of this document is to establish mechanisms for ensuring, as far as reasonably practical, that every parent of a child living within the LA understands how to apply for a school that they wish their child to attend.
- 1.2. The duty to comply with parental preference is not affected by the co-ordinated Mid-Term admission arrangements, except where more than one school place could be offered. Nor do these arrangements affect the rights and duties of governing bodies of own admitting authorities (OAA) i.e. academies, that are participating in LA's arrangements as detail at appendix 2. Academies not participating in the LA's arrangements and instead have their own set of arrangements are listed at appendix 3. For these academies they will set and apply their own Mid-Term admission arrangements.
- 1.3. Where an application arrives via the LA for an OAA that does not participate in the LA's co-ordinated scheme the LA will forward the application the OAA to swiftly process. For maintained and OAAs participating in the LA's arrangement it will be the LA that will process the application form.

## 2. Main obligations imposed by the regulations

School Admissions Code (September) 2021.

- 2.1. The common application form must allow parents to express a preference for at least 3 School, which may be for schools within or beyond their home local authority area, and the reasons for their preferences. The best way to apply for school list in appendixes 1 and 2, is through the LA's [online application form](#).
- 2.2. Local authorities and admission authorities in the area must exchange information on the availability of vacancies in order to process applications quickly and to make decisions within dates specified in these arrangements.
- 2.3. Offers of places will be made swiftly by the LA for schools and academies participating in these arrangements. Schools and academies participating in the LA's arrangements must not contact parents about the outcome of their application until after an offer has been made by the local authority.
- 2.4. Parents who cannot be offered one of their preferred schools must, if there are places available, be informed of where places exist at other school(s).
- 2.5. While there is no requirement to co-ordinate fully across borders, it is good practice for local authorities to eliminate multiple offers of places across borders and many local authorities already co-ordinate in this way. Regulations provide that where a place can potentially be offered at schools in two or more local authority areas, and the local authorities concerned agree, only one offer of a place is made. Where they do so, schemes must specify which local authority will make the offer of a single place. However, it is still possible that some parents who have applied for schools within their own local authority and elsewhere may receive an offer from each local authority.
- 2.6. The arrangements must continue to ensure that places which become available are reallocated effectively.

## 3. Administration of the LA's Mid-Term Arrangements

NB<sup>1</sup> For all dates mentioned below, if the date is not a working/school day (depending on school holidays), then close of business is on the next working day applies.

- 3.1. Leicestershire's common mid-term co-ordinated admission application form invites those parents, resident in Leicestershire wishing to transfer part way through an academic year to name up to three preferred school(s) listed in appendix 1 and 2 only. The preferences parents make must name the school(s) in ranked order. Although parents rank their preferences, all preferences will be treated as equal by the LA when applying criteria. Ranking only applies when more than one school can be allocated as a means to

decide which school should be offered, i.e. the parents highest ranking school will be offered.

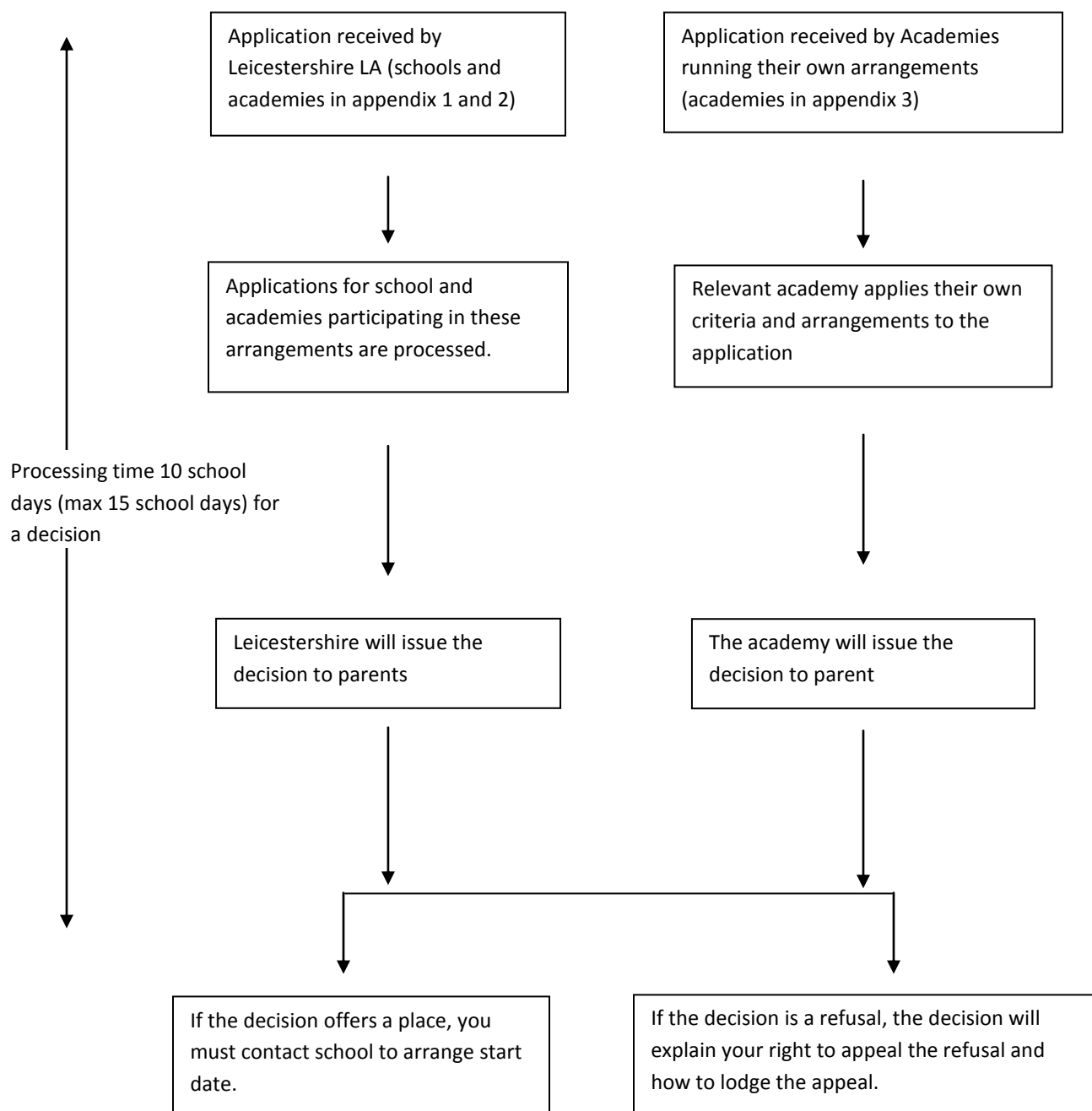
- 3.2. Leicestershire residents who wish to apply for a school within the area of another local authority should apply direct to that LA using their processes. Non-Leicestershire residents who wish to apply for a place in Leicestershire should apply direct to Leicestershire if listed in appendix 1 and 2, or follow the processes detailed in all other appendixes concerning applying to schools who intend to run their own arrangements.
- 3.3. Applications for VA, Academy, Studio, or Trust School that have their own arrangements in Leicestershire will be kept informed of applications and decisions. Any additional information (if required) will be requested directly by the LA. In addition, all academies are required (para 2.22) of the 2021 Code to communicate the availability of places to the LA (or parent if not participating in these arrangements) when requested (within 2 school days of the request). Once the admitting authority has made their decision, they will disclose their decision to the applicant and LA.
- 3.4. Leicestershire LA applies its own admissions criteria to requests for places to Leicestershire community, voluntary controlled schools and applies the individual academy's criteria if they participate in these arrangements.
- 3.5. Where a child qualifies for more than one offer of a place, the highest-ranking school expressed will be offered. If the application unsuccessful the parent will be informed of their right to appeal and to contact the LA about other schools that may have availability.
- 3.6. If Leicestershire is made aware that another LA will be making an offer of a place in a school which is higher up the parent's order of ranking than the school to be offered by Leicestershire LA, then Leicestershire LA will not make an offer for a place in a Leicestershire school.
- 3.7. If any Leicestershire child looks like remaining unplaced, Leicestershire considers how to place them in school within its area, having regard to any reasons expressed by the parent for their unsuccessful preferences.
- 3.8. For Year-7 applications received after 1 September 2022 and beyond (in the year of entry) these will be considered as mid-term applications. For schools where Leicestershire is the admitting authority and for those OAA academies participating in these arrangements it will maintain an oversubscription waiting list (OSL) for a minimum of the Autumn Term in the academic year of admission (until 31 December of each school in the year of admission), ranked in the same order as the published oversubscription criteria.



#### 4. 'Mid-Term Arrangements Timetable (for participating Schools)

Notable timeframes identified below:

- Leicestershire will process all applications within 15 working or school days (depending on school holidays) from the date the application has been received by the LA for all schools participating in these arrangements.
- Leicestershire will offer places where possible on a daily basis by 4 pm, where this is not possible it will move to the next available offer date.
- Wherever possible Leicestershire will process an application within 15 working/school days (subject to Fair Access protocol).



OFFICE USE ONLY  
Date Received:

**COMMON ADMISSION APPLICATION  
FORM FOR IN YEAR ADMISSIONS**  
(Including applications to Voluntary Aided,  
Foundation, Trust, Academy and Free Schools)



Leicestershire residents only

**It is very important that:**

- You read all guidance notes and visit [www.leicestershire.gov.uk/admissions](http://www.leicestershire.gov.uk/admissions) for further information or contact School Admissions on Tel 0116 305 2070
- You complete all sections – failure to do so may delay the processing of this form
- The person completing this form has legal responsibility for the child

**Section 1 - PUPIL DETAILS** (please make sure ALL details are correct and amend if not)

First Name: <input type="text"/>	Surname: <input type="text"/>
Male <input type="checkbox"/> Female <input type="checkbox"/> Date of Birth: <input type="text"/>	Tel No: <input type="text"/>
Address:      Postcode: <input type="text"/>	Mobile No: <input type="text"/>
	Email Address: <input type="text"/>
	Current School: <input type="text"/>
	Preferred Start Date: <input type="text"/>
Parent/Guardian details:	
Mr/Mrs/Ms/Miss/Other: <input type="text"/>	Print Name: <input type="text"/>
Is the pupil looked after or previously looked after by a Local Authority? <input type="text"/>	
Please name the Authority: <input type="text"/>	

**Section 2 - SCHOOL PREFERENCES** (You must complete this section)

Our aim is to meet your first preference however there is no guarantee of a place even at your catchment area school. Therefore give consideration to making up to three school preferences, and to putting your catchment area school as one of your preferences. It is not necessary to name three schools unless you wish to do so.

1) First preference: <input type="text"/>
Reasons i.e. catchment school, siblings, serious medical, exceptional social/domestic needs (professional documentation required), attach separate sheet if needed. <input type="text"/>
2) Second preference: <input type="text"/>
Reasons i.e. catchment school, siblings, serious medical, exceptional social/domestic needs (professional documentation required), attach separate sheet if needed. <input type="text"/>
3) Third preference: <input type="text"/>
Reasons i.e. catchment school, siblings, serious medical, exceptional social/domestic needs (professional documentation required), attach separate sheet if needed. <input type="text"/>

**You can apply on-line at [www.leicestershire.gov.uk/admissions](http://www.leicestershire.gov.uk/admissions)**

### Section 3 - Additional Child/Family Information (completing this section may help us to give a higher priority to your case.)

Does the child have a Statement or Education Health and Care Plan?

Yes ☐

No ☐

If your child has mobility issues or is a wheelchair user and you wish to speak to an Admissions Officer about Partially Accessible or Pathway schools please contact Tel: 0116 305 2070.

Your relationship to the child:

Parent:

Mother ☐

Father ☐

Step-parent ☐

Carer:

Guardian ☐

Foster Carer ☐

Social Worker ☐

If Social Worker or Lead Professional:  
(please give full contact details):

Does your child have a brother / sister already attending any of your preferred school(s) (Section 2)

YES ☐ NO ☐

If 'YES' please give full details below:

Name of Brother/Sister:

Date of Birth:

Year Group:

Name of school they are attending:

1

Home Address if  
different to Section 1

Is the child new to Leicestershire? Yes ☐ No ☐ if yes, where from?

Please state your child's English language ability: Fluent ☐ Intermediate ☐ Beginner ☐

What is your child's first language?

### Section 4 - DECLARATION

I declare all the information I have provided is true. I also understand that any allegation of false or fraudulent information to gain a school place will result in the Council taking reasonable steps to ascertain the accuracy of the information. If the information is found to be false it may result in my child losing their place.



Data Protection Act 1998. The information you supply will be held in a computer database which will be used by Leicestershire Local Authority and the other admissions authorities to which you are applying for a school place. The information will be used for the sole purpose of fulfilling the Local Authority's statutory and operational needs in the area of school allocations and associated matters.

Signature of Parent/Guardian:

Date:

#### What to do next:

- Check all completed sections and keep a copy of this form
- If you need any help, contact School Admissions. Tel: 0116 305 2070 from 8.30am to 5.00pm (4.30pm on Fridays).

- **RETURN** this form to:

**SCHOOL ADMISSIONS  
LEICESTERSHIRE COUNTY COUNCIL,  
COUNTY HALL, GLENFIELD,  
LEICESTER LE3 8RF**

Or apply online @ [www.leicestershire.gov.uk/admissions](http://www.leicestershire.gov.uk/admissions)

Please refer to the Leicestershire County Council website or School Admissions for confirmation of the closing date. Applications received after the closing date will be treated as late.

**Appendix 1:**  
**LIST OF MAINTAINED / COMMUNITY SCHOOLS FOLLOWING THIS**  
**MID-TERM CO-ORDINATED SCHEME**

<b>PRIMARY SCHOOLS</b>	<b>Website Contact</b>
Anstey The Latimer School	<a href="http://www.latimerprimary.co.uk">www.latimerprimary.co.uk</a>
Appleby Magna CofE Primary School	<a href="http://www.sirjohnmoore.co.uk">www.sirjohnmoore.co.uk</a>
Ashby-De-La-Zouch CofE Primary School	<a href="http://www.ashbyce.leics.sch.uk">www.ashbyce.leics.sch.uk</a>
Ashby-De-La-Zouch Woodcote Primary School	<a href="http://www.woodcoteprimary.com/">www.woodcoteprimary.com/</a>
Barwell Infant School	<a href="http://www.barwellinfantschool.co.uk">www.barwellinfantschool.co.uk</a>
Barwell Newlands Primary School	<a href="http://www.newlands.leics.sch.uk">www.newlands.leics.sch.uk</a>
Belton CofEngland Primary School	<a href="http://www.belton.leics.sch.uk">www.belton.leics.sch.uk</a>
Billesdon Parochial Primary School	<a href="http://www.billesdon.leics.sch.uk">www.billesdon.leics.sch.uk</a>
Blaby Thistly Meadow Primary School	<a href="http://www.thistlymeadow.net">www.thistlymeadow.net</a>
Braunstone Ravenhurst Primary School	<a href="http://www.ravenhurst.leics.sch.uk">www.ravenhurst.leics.sch.uk</a>
Breedon St Hardulphs CofE Primary. School	<a href="http://www.st-hardulphs.leics.sch.uk">www.st-hardulphs.leics.sch.uk</a>
Broughton Astley Orchard CofE Primary School	<a href="http://www.orchardcofe.leics.sch.uk">www.orchardcofe.leics.sch.uk</a>
Buckminster Primary School	<a href="http://www.buckminster.leics.sch.uk">www.buckminster.leics.sch.uk</a>
Burbage Church Of England Infant School	<a href="http://www.burbageinfants.org">www.burbageinfants.org</a>
Burbage Junior School	<a href="http://www.burbage-jun.leics.sch.uk">www.burbage-jun.leics.sch.uk</a>
Burbage Sketchley Hill Primary School	<a href="http://www.sketchleyhill.leics.sch.uk">www.sketchleyhill.leics.sch.uk</a>
Burton-On-The-Wolds Primary School	<a href="http://www.burton-on-the-wolds-school.org">www.burton-on-the-wolds-school.org</a>
Castle Donington Orchard Primary School	<a href="http://www.orchardprimary.org">www.orchardprimary.org</a>
Castle Donington St Edwards CofE Primary	<a href="http://www.stedwards-cd.leics.sch.uk">www.stedwards-cd.leics.sch.uk</a>
Coalville All Saints CofE Primary School	<a href="http://www.allsaints-coalville.leics.sch.uk">www.allsaints-coalville.leics.sch.uk</a>
Coalville Belvoirdale Primary School	<a href="http://www.belvoirdale.org">www.belvoirdale.org</a>
Coalville Warren Hills Primary School	<a href="http://www.warrenhills.leics.sch.uk">www.warrenhills.leics.sch.uk</a>
Congerstone Primary School	<a href="http://www.congerstone.leics.sch.uk">www.congerstone.leics.sch.uk</a>
Cossington CofE Primary School	<a href="http://www.cossingtonschool.org">www.cossingtonschool.org</a>
Countesthorpe Greenfield Primary School	<a href="http://greenfieldprimary.net">greenfieldprimary.net</a>
Desford Com Primary School	<a href="http://www.desford.leics.sch.uk">www.desford.leics.sch.uk</a>
Diseworth CofE Primary School	<a href="http://www.diseworthprimary.co.uk">www.diseworthprimary.co.uk</a>
Donisthorpe Primary School	<a href="http://www.donisthorpeprimary.org">www.donisthorpeprimary.org</a>
Ellistown Com Primary School	<a href="http://www.ellistown.leics.sch.uk">www.ellistown.leics.sch.uk</a>
Fleckney CofE Primary School	<a href="http://www.fleckney.leics.sch.uk">www.fleckney.leics.sch.uk</a>
Foxton Primary School	<a href="http://www.foxton.leics.sch.uk">www.foxton.leics.sch.uk</a>
Glenfield The Hall School	<a href="http://www.thehallprimary.com/">www.thehallprimary.com/</a>
Great Glen St Cuthberts CofE Primary School	<a href="http://www.stcuthberts.leics.sch.uk">www.stcuthberts.leics.sch.uk</a>
Griffydam Primary School	<a href="http://www.griffydam.leics.sch.uk">www.griffydam.leics.sch.uk</a>
Groby Elizabeth Woodville Primary School	<a href="http://www.elizabethwoodvilleprimaryschool.co.uk">www.elizabethwoodvilleprimaryschool.co.uk</a>
Groby Martinshaw Primary School	<a href="http://www.martinshaw.leics.sch.uk">www.martinshaw.leics.sch.uk</a>

Hallaton CoFE Primary School	<a href="http://www.hallatonprimary.co.uk">www.hallatonprimary.co.uk</a>
Harby CoFE Primary School	<a href="http://www.harbyprimary.org">www.harbyprimary.org</a>
Hathern CoFE Primary School	<a href="http://www.hathernprimary.org">www.hathernprimary.org</a>
Heather Primary School	<a href="http://www.heather.leics.sch.uk">www.heather.leics.sch.uk</a>
Hemington Primary School	<a href="http://www.hemington.leics.sch.uk">www.hemington.leics.sch.uk</a>
Hinckley St. Mary's CoFE Primary School	<a href="http://www.stmarys.leics.sch.uk">www.stmarys.leics.sch.uk</a>
Hinckley Westfield Infant School	<a href="http://www.westfield-inf.leics.sch.uk">www.westfield-inf.leics.sch.uk</a>
Hinckley Westfield Junior School	<a href="http://www.westfield-jun.leics.sch.uk">www.westfield-jun.leics.sch.uk</a>
Hose CoFE Primary School	<a href="http://www.hoseprimaryschool.co.uk">www.hoseprimaryschool.co.uk</a>
Hugglescote Com Primary School	<a href="http://www.hugglescote.leics.sch.uk">www.hugglescote.leics.sch.uk</a>
Ibstock Junior School	<a href="http://www.ibstockjuniorschool.co.uk">www.ibstockjuniorschool.co.uk</a>
Ibstock St Denys CoFE Infant School	<a href="http://www.stdenysschool.com/">www.stdenysschool.com/</a>
Kegworth Primary School	<a href="http://www.kegworthprimary.org">www.kegworthprimary.org</a>
Kilby St Marys CoFE Primary School	<a href="http://www.kilby.leics.sch.uk">www.kilby.leics.sch.uk</a>
Little Bowden School	<a href="http://www.littlebowden.leics.sch.uk">www.littlebowden.leics.sch.uk</a>
Long Clawson CoFE Primary School	<a href="http://www.longclawson.leics.sch.uk">www.longclawson.leics.sch.uk</a>
Long Whatton CoFE Primary School	<a href="http://www.longwhattonschool.org">www.longwhattonschool.org</a>
Loughborough Booth Wood Primary School	<a href="http://www.boothwood.leics.sch.uk">www.boothwood.leics.sch.uk</a>
Loughborough Thorpe Acre Infant School	<a href="http://www.tais.leics.sch.uk">www.tais.leics.sch.uk</a>
Loughborough Thorpe Acre Junior School	<a href="http://www.thorpeacrejuniorschool.co.uk">www.thorpeacrejuniorschool.co.uk</a>
Moira Primary School	<a href="http://www.moira.leics.sch.uk">www.moira.leics.sch.uk</a>
Nailstone Dove Bank Primary School	<a href="http://www.dovebankprimary.co.uk">www.dovebankprimary.co.uk</a>
New Swannington Primary School	<a href="http://www.newswanningtonprimary.org.uk">www.newswanningtonprimary.org.uk</a>
Newbold CoFE Primary School	<a href="http://www.newbold-cecp.leics.sch.uk">www.newbold-cecp.leics.sch.uk</a>
Newbold Verdon Primary School	<a href="http://www.newboldverdonprimaryschool.co.uk">www.newboldverdonprimaryschool.co.uk</a>
Newton Burgoland Primary School	<a href="http://www.newburland.leics.sch.uk">www.newburland.leics.sch.uk</a>
Packington CoFE Primary School	<a href="http://www.packington.leics.sch.uk">www.packington.leics.sch.uk</a>
Quorn St Bartholomews CoFE Primary School	<a href="http://www.st-bartholomews.leics.sch.uk">www.st-bartholomews.leics.sch.uk</a>
Scalford CoFE Primary School	<a href="http://www.scalford.leics.sch.uk">www.scalford.leics.sch.uk</a>
Sheepy Magna CoFE Primary School	<a href="http://www.sheepymagna.leics.sch.uk">www.sheepymagna.leics.sch.uk</a>
Shepshed Oxley Primary School	<a href="http://www.oxley-shepshed.leics.sch.uk">www.oxley-shepshed.leics.sch.uk</a>
Shepshed St. Botolphs CoFE Primary School	<a href="http://www.st-botolphs.leics.sch.uk">www.st-botolphs.leics.sch.uk</a>
Snarestone CoFE Primary School	<a href="http://www.snarestoneprimary.org">www.snarestoneprimary.org</a>
Stathern Primary School	<a href="http://www.stathern.leics.sch.uk">www.stathern.leics.sch.uk</a>
Swithland St Leonards CoFE Primary School	<a href="http://www.st-leonards.leics.sch.uk">www.st-leonards.leics.sch.uk</a>
Thurlaston CoFE Primary School	<a href="http://www.thurlaston.leics.sch.uk">www.thurlaston.leics.sch.uk</a>
Thurmaston Bishop Ellis Catholic Primary School	<a href="http://www.bishopellis.leics.sch.uk">www.bishopellis.leics.sch.uk</a>
Whetstone Badgerbrook Primary School	<a href="http://www.badgerbrook.org.uk">www.badgerbrook.org.uk</a>
Whitwick St John The Baptist CoFE Primary	<a href="http://www.whitwickce.leics.sch.uk">www.whitwickce.leics.sch.uk</a>
Wigston Thythorn Field Com. Primary School	<a href="http://www.thythornfield.co.uk">www.thythornfield.co.uk</a>

Wigston Water Leys Primary School	<a href="http://www.waterleysprimaryschool.co.uk">www.waterleysprimaryschool.co.uk</a>
Witherley CofE Primary School	<a href="http://www.witherley.leics.sch.uk">www.witherley.leics.sch.uk</a>
Woodhouse Eaves St Pauls CofE Primary School	<a href="http://www.st-pauls.leics.sch.uk">www.st-pauls.leics.sch.uk</a>
Woodstone Com Primary School	<a href="http://www.woodstoneprimary.co.ukweb">www.woodstoneprimary.co.ukweb</a>
Worthington School	<a href="http://www.worthington.leics.sch.uk">www.worthington.leics.sch.uk</a>
Wymeswold CofE Primary School	<a href="http://www.wymeswold.leics.sch.uk">www.wymeswold.leics.sch.uk</a>

<b>Secondary School</b>	<b>Website</b>
Iveshead School, Shepshed	<a href="http://www.ivesheadschool.org">www.ivesheadschool.org</a>

## Appendix 2:

### LIST OF ACADEMIES PARTICIPATING IN THE LA'S MID-TERM CO-ORDINATED SCHEME

Primary Schools	Link To Website
Ab Kettleby Primary School	<a href="http://www.abkettleby.org">www.abkettleby.org</a>
Albert Village Primary School	<a href="http://www.albertvillage.leics.sch.uk">www.albertvillage.leics.sch.uk</a>
All Saint, Wigston	<a href="http://www.Allsaintscofe.leics.sch.uk">www.Allsaintscofe.leics.sch.uk</a>
Asfordby Captains Close Primary School	<a href="http://www.captains-close.leics.sch.uk">www.captains-close.leics.sch.uk</a>
Asfordby Hill Primary School	<a href="http://www.Asfordbyhill.leics.sch.uk">www.Asfordbyhill.leics.sch.uk</a>
Ashby Hastings Primary School	<a href="http://www.ashbyhastingsprimary.co.uk">www.ashbyhastingsprimary.co.uk</a>
Ashby Hill Top Primary School	<a href="http://www.Ashbyhilltop.leics.sch.uk">www.Ashbyhilltop.leics.sch.uk</a>
Barlestone CofE Primary School	<a href="http://www.barlestoneprimarieschool.uk">www.barlestoneprimarieschool.uk</a>
Barwell C Of E Academy	<a href="http://www.Barwellceacademy.co.uk">www.Barwellceacademy.co.uk</a>
Battling Brook Primary School - Hinckley	<a href="http://www.Bbrook.leics.sch.uk">www.Bbrook.leics.sch.uk</a>
Beacon Primary School - Loughborough	<a href="http://sites.google.com/a/aetinet.org/beacon-academy">sites.google.com/a/aetinet.org/beacon-academy</a>
Blaby Stokes Primary School	<a href="http://www.Blabystokes.co.uk">www.Blabystokes.co.uk</a>
Bottesford Primary School	<a href="http://www.bottesfordprimary.co.uk">www.bottesfordprimary.co.uk</a>
Brighthurst Primary School	<a href="http://www.Bringhurstprimary.co.uk">www.Bringhurstprimary.co.uk</a>
Brocks Hill Primary School - Oadby	<a href="http://www.Brockshill.org.uk">www.Brockshill.org.uk</a>
Brookside Primary School, Oadby	<a href="http://www.Brookside.leics.sch.uk">www.Brookside.leics.sch.uk</a>
Broomfield Primary School - East Goswote	<a href="http://www.broomfield.bepschools.org">www.broomfield.bepschools.org</a>
Broom Leys Primary School - Coalville	<a href="http://www.Broom-Leys.leics.sch.uk">www.Broom-Leys.leics.sch.uk</a>
Brownlow Primary School - Melton Mowbray	<a href="http://www.Brownlowprimary.org">www.Brownlowprimary.org</a>
Castle Donington Foxbridge Primary School	<a href="http://www.facebook.com/Foxbridgeprimarieschool">www.facebook.com/Foxbridgeprimarieschool</a>
Christchurch St Peters CofE Primary School	<a href="http://www.mountsorrels.school.org.uk">www.mountsorrels.school.org.uk</a>
Church Hill Infant Sch - Thurmaston	<a href="http://www.churchhillinfants.bepschools.org">www.churchhillinfants.bepschools.org</a>
Church Langton CofE Primary School	<a href="http://www.Churchlangton.leics.sch.uk">www.Churchlangton.leics.sch.uk</a>
Cobden Primary School - Loughborough	<a href="http://www.Cobden.leics.sch.uk">www.Cobden.leics.sch.uk</a>
Cosby Primary School	<a href="http://www.Cosby.School">www.Cosby.School</a>
Croft Primary School	<a href="http://www.croftprimarieschool.co.uk">www.croftprimarieschool.co.uk</a>
Danemill Primary School - Enderby	<a href="http://www.Danemill.com">www.Danemill.com</a>
Eastfield Primary School - Thurmaston	<a href="http://www.eastfield.bepschools.org">www.eastfield.bepschools.org</a>
Fairfield Primary School - Wigston	<a href="http://www.fairfieldcpschool.co.uk">www.fairfieldcpschool.co.uk</a>
Farndon Fields Primary School - Market Harborough	<a href="http://www.Farndonfields.org">www.Farndonfields.org</a>
Fernvale Primary School - Thurnby	<a href="http://www.fernvale.leics.sch.uk">www.fernvale.leics.sch.uk</a>
Fossebrook Primary School – Braunstone	<a href="http://www.fossebrook.org.uk">www.fossebrook.org.uk</a>
Frisby Primary School	<a href="http://www.Frisby.leics.sch.uk">www.Frisby.leics.sch.uk</a>
Gaddesby Primary School	<a href="http://www.gaddesby.bepschools.org">www.gaddesby.bepschools.org</a>
Glen Hills Primary School - Glen Parva	<a href="http://www.Glenhillsprimary.co.uk">www.Glenhillsprimary.co.uk</a>
Glenfield Primary School	<a href="http://www.glenfield.leics.sch.uk">www.glenfield.leics.sch.uk</a>
Glenmere Primary School - Wigston	<a href="http://www.Glenmere.leics.sch.uk">www.Glenmere.leics.sch.uk</a>
Great Bowden Primary School	<a href="http://www.Greatbowden.leics.sch.uk">www.Greatbowden.leics.sch.uk</a>
Great Dalby Primary School	<a href="http://www.greatdalby.bepschools.org">www.greatdalby.bepschools.org</a>



Greystoke Primary School - Narborough	<a href="http://greystoke.leics.sch.uk">greystoke.leics.sch.uk</a>
Grove Primary School - Melton Mowbray	<a href="http://www.Groveprimaryschool.org">www.Groveprimaryschool.org</a>
Hall Orchard Ce Primary School - Barrow	<a href="http://www.Hall-Orchard.leics.sch.uk">www.Hall-Orchard.leics.sch.uk</a>
Hallam Fields Primary School - Birstall	<a href="http://www.Hallamfields.org.uk">www.Hallamfields.org.uk</a>
Hallbrook Primary School - Broughton Astley	<a href="http://www.Hallbrook.leics.sch.uk">www.Hallbrook.leics.sch.uk</a>
Higham on the Hill C Of E Primary	<a href="http://www.Higham-On-The-Hill.leics.sch.uk">www.Higham-On-The-Hill.leics.sch.uk</a>
Highcliffe Primary School - Birstall	<a href="http://www.Highcliffeacademy.org.uk">www.Highcliffeacademy.org.uk</a>
Highgate Primary School, Sileby	<a href="http://www.highgate.bepschools.org">www.highgate.bepschools.org</a>
Hinckley Parks Primary School	<a href="http://www.Hinckleyparksprimaryschool.uk">www.Hinckleyparksprimaryschool.uk</a>
Holywell Primary School - Loughborough	<a href="http://www.Holywell.leics.sch.uk">www.Holywell.leics.sch.uk</a>
Houghton on the Hill	<a href="http://www.Houghton.leics.sch.uk">www.Houghton.leics.sch.uk</a>
Huncote Primary School	<a href="http://www.Huncoteprimary.org">www.Huncoteprimary.org</a>
Husbands Bosworth Primary School	<a href="http://www.Husbandsbosworth.leics.sch.uk">www.Husbandsbosworth.leics.sch.uk</a>
Kibworth C Of E Primary School	<a href="http://kibworthprimary.org.uk">kibworthprimary.org.uk</a>
Kingsway Primary School	<a href="http://www.Kingsway.org.uk">www.Kingsway.org.uk</a>
Kirby Muxloe Primary School	<a href="http://www.Kmprimary.leics.sch.uk">www.Kmprimary.leics.sch.uk</a>
Lady Jane Grey Primary School - Groby	<a href="http://www.Ladyjanegreyprimary.org.uk">www.Ladyjanegreyprimary.org.uk</a>
Langmoor Primary School - Oadby	<a href="http://www.Langmoor.leics.sch.uk">www.Langmoor.leics.sch.uk</a>
Launde Primary School - Oadby	<a href="http://www.Launde.leics.sch.uk">www.Launde.leics.sch.uk</a>
Little Hill Primary School - Wigston	<a href="http://www.Littlehill.leics.sch.uk">www.Littlehill.leics.sch.uk</a>
Loughborough C Of E Primary School	<a href="http://www.Loughborough-Primary.co.uk">www.Loughborough-Primary.co.uk</a>
Lubenham Primary Primary School	<a href="http://www.Lubenham.leics.sch.uk">www.Lubenham.leics.sch.uk</a>
Lutterworth Sherrier Primary School	<a href="http://www.Sherrierprimaryschool.co.uk">www.Sherrierprimaryschool.co.uk</a>
Manorfield Primary School, Stoney Stanton	<a href="http://www.Manorfield.leics.sch.uk">www.Manorfield.leics.sch.uk</a>
Market Harborough C of E Academy	<a href="http://www.Marketharboroughcofe.co.uk">www.Marketharboroughcofe.co.uk</a>
Meadowdale Primary School - Market Harborough	<a href="http://www.Meadowdale.Info">www.Meadowdale.Info</a>
Measham C Of E Primary School	<a href="http://www.Meashamprimary.org">www.Meashamprimary.org</a>
Mercenfeld Primary School - Markfield	<a href="http://www.mercenfeld.bepschools.org">www.mercenfeld.bepschools.org</a>
Merton Primary School - Syston	<a href="http://www.merton.bepschools.org">www.merton.bepschools.org</a>
Millfield L.E.A.D Academy - Braunstone	<a href="http://www.Millfieldacademy.co.uk">www.Millfieldacademy.co.uk</a>
Mountfields Primary School - Loughborough	<a href="http://www.Mountfieldslodge.leics.sch.uk">www.Mountfieldslodge.leics.sch.uk</a>
Newcroft Primary School – Shepshed	<a href="http://www.Newcroftprimaryacademy.co.uk">www.Newcroftprimaryacademy.co.uk</a>
New Lubbesthorpe Primary School	<a href="http://www.Newlubbesthorpe.leics.sch.uk">www.Newlubbesthorpe.leics.sch.uk</a>
Newtown Linford Primary School	<a href="http://www.newtown.bepschools.org">www.newtown.bepschools.org</a>
Oakthorpe Primary School	<a href="http://www.oakthorpeprimary.co.uk">www.oakthorpeprimary.co.uk</a>
Old Dalby Primary School	<a href="http://www.Olddalbyschool.org.uk">www.Olddalbyschool.org.uk</a>
Old Mill Primary - Broughton Astley	<a href="http://www.Oldmillprimary.co.uk">www.Oldmillprimary.co.uk</a>
Outwoods Edge Primary School - Loughborough	<a href="http://www.Outwoodsedge.leics.sch.uk">www.Outwoodsedge.leics.sch.uk</a>
Parkland Primary School – South Wigston	<a href="http://www.parklandprimary.co.uk">www.parklandprimary.co.uk</a>
Pastures Primary School - Narborough	<a href="http://www.Pasturesprimary.com">www.Pasturesprimary.com</a>
Pochin School - Barkby	<a href="http://www.pochin.bepschools.org">www.pochin.bepschools.org</a>
Ratby Primary School	<a href="http://www.ratby.bepschools.org">www.ratby.bepschools.org</a>
Red Hill Field Primary School - Narborough	<a href="http://www.Redhillfield.com">www.Redhillfield.com</a>



Redlands Primary School - Sileby	<a href="http://www.Redlands.org.uk">www.Redlands.org.uk</a>
Rendell Primary School - Loughborough	<a href="http://www.rendellps.leics.sch.uk">www.rendellps.leics.sch.uk</a>
Richard Hill Primary School, Thurgarton	<a href="http://www.Richardhillschool.co.uk">www.Richardhillschool.co.uk</a>
Richmond Primary School - Hinckley	<a href="http://www.Richmond.leics.sch.uk">www.Richmond.leics.sch.uk</a>
Ridgeway Primary School - Market Harborough	<a href="http://Ridgewayprimary.com">Ridgewayprimary.com</a>
Riverside Primary School - Birstall	<a href="http://www.Riversideacademy.org.uk">www.Riversideacademy.org.uk</a>
Robert Bakewell Primary School - Loughborough	<a href="http://www.Robertbakewellprimary.com">www.Robertbakewellprimary.com</a>
Rothley Primary School	<a href="http://www.Rothley.leics.sch.uk">www.Rothley.leics.sch.uk</a>
Seagrave Primary School	<a href="http://www.seagrave.bepschools.org">www.seagrave.bepschools.org</a>
Sherard Primary School, Melton	<a href="http://www.sherardschool.org">www.sherardschool.org</a>
Sir John Moore – Appleby Magna	<a href="http://www.Sirjohnmoore.co.uk">www.Sirjohnmoore.co.uk</a>
Somerby Primary School	<a href="http://www.Somerby.org.uk">www.Somerby.org.uk</a>
South Kilworth C Of E Primary	<a href="http://www.Southkilworthprimaryschool.com">www.Southkilworthprimaryschool.com</a>
St Andrew's Primary School - North Kilworth	<a href="http://www.Standrewsnorthkilworth.co.uk">www.Standrewsnorthkilworth.co.uk</a>
St Lukes Primary School - Thurnby	<a href="http://www.st-lukes.leics.sch.uk">www.st-lukes.leics.sch.uk</a>
St Margaret's C Of E Primary School - Blackfordby	<a href="http://www.Blackfordbyschool.org">www.Blackfordbyschool.org</a>
St Peter & St Paul Academy - Syston	<a href="http://www.spspacademy.org">www.spspacademy.org</a>
St Peters CofE Primary School, Whetstone *	<a href="http://www.Stpeterswhetstone.co.uk">www.Stpeterswhetstone.co.uk</a>
St Simons And St Judes CE Primary School	<a href="http://www.Stsimonandstjude.leics.sch.uk">www.Stsimonandstjude.leics.sch.uk</a>
Stafford Leys Academy - Leicester Forest East	<a href="http://www.staffordleys.bepschools.org">www.staffordleys.bepschools.org</a>
Stanton Under Bardon Primary School	<a href="http://www.Stanton-U-B.leics.sch.uk">www.Stanton-U-B.leics.sch.uk</a>
Stonebow Primary School - Loughborough	<a href="http://www.Stonebow.leics.sch.uk">www.Stonebow.leics.sch.uk</a>
Swallowdale Primary School - Melton Mowbray	<a href="http://www.swallowdale.bepschools.org">www.swallowdale.bepschools.org</a>
Swannington CofE Primary School	<a href="http://www.swanningtonceprimary.org">www.swanningtonceprimary.org</a>
Swinford Primary School	<a href="http://www.swinford.leics.sch.uk">www.swinford.leics.sch.uk</a>
The Meadow Primary School – Wigston	<a href="http://www.meadowprimaryschool.co.uk">www.meadowprimaryschool.co.uk</a>
Thornton Primary School	<a href="http://www.Thornton.leics.sch.uk">www.Thornton.leics.sch.uk</a>
Thringstone Primary School	<a href="http://www.Thringstone.leics.sch.uk">www.Thringstone.leics.sch.uk</a>
Thrussington Primary School	<a href="http://www.Thrussington.leics.sch.uk">www.Thrussington.leics.sch.uk</a>
Townlands C Of E Priacademy - Earl Shilton	<a href="http://www.Townlandsprimary.org">www.Townlandsprimary.org</a>
Tugby C Of E Primary	<a href="http://www.Tugby.leics.sch.uk">www.Tugby.leics.sch.uk</a>
Viscount Beaumont C Of E Primary School - Coleorton	<a href="http://www.Viscountbeaumonts.leics.sch.uk">www.Viscountbeaumonts.leics.sch.uk</a>
Willesley Primary School - Ashby	<a href="http://www.Ashbywillesley.org.uk">www.Ashbywillesley.org.uk</a>
Woodland Grange Primary School, Oadby	<a href="http://www.Woodlandwideweb.org.uk">www.Woodlandwideweb.org.uk</a>
Woolden Hill Primary School - Anstey	<a href="http://www.wooldenhillprimary.org.uk">www.wooldenhillprimary.org.uk</a>
Waltham On The Wolds CE Primary School	<a href="http://www.Waltham.leics.sch.uk">www.Waltham.leics.sch.uk</a>
Holy Cross Catholic Primary School – Whitwick *	<a href="http://www.Holycrosswhitwick.co.uk">www.Holycrosswhitwick.co.uk</a>
Sacred Heart Catholic Vol Academy-Loughborough *	<a href="http://www.Sacredheart.leicester.sch.uk">www.Sacredheart.leicester.sch.uk</a>
Saint Francis Catholic Primary School, Melton *	<a href="http://st-francis.leics.sch.uk">st-francis.leics.sch.uk</a>
St Clares Catholic Voluntary Academy – Coalville *	<a href="http://www.St-Clares.leics.sch.uk">www.St-Clares.leics.sch.uk</a>
St John Fisher CE Primary School - Wigston *	<a href="http://www.Stjohnfisher-Wigston.leics.sch.uk">www.Stjohnfisher-Wigston.leics.sch.uk</a>
St Josephs Catholic Vol Academy - Market Harborough *	<a href="http://www.Stjosephs.leics.sch.uk">www.Stjosephs.leics.sch.uk</a>
St Marys Catholic Primary School - Loughborough *	<a href="http://www.Stmarysloughborough.org.uk">www.Stmarysloughborough.org.uk</a>

Saint Peters Catholic Primary School - Earl Shilton *	<a href="http://www.Stpetersprimary.org">www.Stpetersprimary.org</a>
Saint Peters Catholic Primary School - Hinckley *	<a href="http://www.Stpetershinckley.Net">www.Stpetershinckley.Net</a>
St Winefrides Catholic Voluntary Primary School *	<a href="http://www.Winefrides-Rc.leics.sch.uk">www.Winefrides-Rc.leics.sch.uk</a>

Secondary Schools	Link to website
Ashby School	<a href="http://www.ashbyschool.org.uk">www.ashbyschool.org.uk</a>
Beauchamp College - Oadby	<a href="http://www.beauchamp.org.uk">www.beauchamp.org.uk</a>
Belvoir HS - Bottesford	<a href="http://www.belvoirhigh.leics.sch.uk">www.belvoirhigh.leics.sch.uk</a>
Bosworth Academy - Desford	<a href="http://www.bosworthacademy.org.uk">www.bosworthacademy.org.uk</a>
Brockington CC - Enderby	<a href="http://www.brockington.leics.sch.uk">www.brockington.leics.sch.uk</a>
Castle Donington College	<a href="http://www.cdcollege.uk">www.cdcollege.uk</a>
Castle Rock HS - Coalville	<a href="http://www.castlerocksch.uk">www.castlerocksch.uk</a>
Cedars Academy - Birstall	<a href="http://www.thecedarsacademy.org.uk">www.thecedarsacademy.org.uk</a>
Charnwood College	<a href="http://www.charnwoodcollege.org">www.charnwoodcollege.org</a>
Countesthorpe Leysland CC	<a href="http://www.clcc.college">www.clcc.college</a>
De Lisle College, Loughborough *	<a href="http://www.delisle.org.uk">www.delisle.org.uk</a>
Gartree HS - Oadby	<a href="http://www.gartree.leics.sch.uk">www.gartree.leics.sch.uk</a>
Brookvale High School	<a href="http://www.brookvalegroby.com">www.brookvalegroby.com</a>
Hastings High School - Burbage	<a href="http://www.hastings.school">www.hastings.school</a>
Heath Lane Academy - Earl Shilton	<a href="http://www.heathlane.midlandat.co.uk">www.heathlane.midlandat.co.uk</a>
Hinckley Academy	<a href="http://www.hinckleyacademy.co.uk">www.hinckleyacademy.co.uk</a>
Humphrey Perkins School - Barrow	<a href="http://www.humphreyperkins.org.uk">www.humphreyperkins.org.uk</a>
Ibstock Community College	<a href="http://www.ibstockcollege.co.uk">www.ibstockcollege.co.uk</a>
Ivanhoe College – Ashby	<a href="http://www.ivanhoe.co.uk">www.ivanhoe.co.uk</a>
John Ferneley College - Melton Mowbray	<a href="http://www.johnferneley.org">www.johnferneley.org</a>
Kibworth High School	<a href="http://www.kibworth-tmet.uk">www.kibworth-tmet.uk</a>
Limehurst Academy - Loughborough	<a href="http://www.limehurst.org.uk">www.limehurst.org.uk</a>
Longfield HS - Melton Mowbray	<a href="http://www.longfieldacademy.org.uk">www.longfieldacademy.org.uk</a>
Lutterworth College	<a href="http://www.lutterworthcollege.com">www.lutterworthcollege.com</a>
Lutterworth HS	<a href="http://www.lutterworthhigh.co.uk">www.lutterworthhigh.co.uk</a>
Manor HS - Oadby	<a href="http://www.manorhigh.leics.sch.uk">www.manorhigh.leics.sch.uk</a>
Martin HS - Anstey	<a href="http://www.martinhigh.org.uk">www.martinhigh.org.uk</a>
Rawlins Academy - Quorn	<a href="http://www.rawlinsacademy.org.uk">www.rawlinsacademy.org.uk</a>
Redmoor Academy - Hinckley	<a href="http://www.redmooracademy.org">www.redmooracademy.org</a>
Robert Smyth Academy	<a href="http://www.robertsmyth.tgacademy.org.uk">www.robertsmyth.tgacademy.org.uk</a>
Roundhill Academy - Thurmaston	<a href="http://www.roundhill.bepschools.org">www.roundhill.bepschools.org</a>
South Charnwood High School	<a href="http://www.southcharnwood.leics.sch.uk">www.southcharnwood.leics.sch.uk</a>
South Wigston High School	<a href="http://www.southwigston.leics.sch.uk">www.southwigston.leics.sch.uk</a>
St Martins Catholic Academy, Stoke Golding *	<a href="http://www.saint-martins.net">www.saint-martins.net</a>
Thomas Estley CC - Broughton Astley	<a href="http://www.thomasestley.org.uk">www.thomasestley.org.uk</a>
Welland Park Academy - Market Harborough	<a href="http://www.wellandparkacademy.co.uk">www.wellandparkacademy.co.uk</a>
Wigston Academy	<a href="http://www.wigstonacademy.org">www.wigstonacademy.org</a>
Winstanley School - Braunstone	<a href="http://www.winstanleyschool.org.uk">www.winstanleyschool.org.uk</a>

Woodbrook Vale HS - Loughborough	<a href="http://www.woodbrookvale.leics.sch.uk">www.woodbrookvale.leics.sch.uk</a>
Wreake Valley Academy - Syston	<a href="http://www.wreake.bepschools.org">www.wreake.bepschools.org</a>

Schools marked with \* may need a supplementary form completing, the supplementary form can be obtained directly from the school.

**Appendix 3:****ACADEMIES RUNNING THEIR OWN ARRANGEMENTS**

<b>Inspiring Primaries Academy Trust – Mid-Term Arrangements 2022</b>		
School	Address	Telephone
All Saints CE Primary School, Sapcote	Bassett Lane, Sapcote, Leics, LE9 4FB	<b>01455 272973</b>
Arnesby Primary School	Mill Hill Road, Arnesby, Leics, LE8 5WG	<b>0116 2478563</b>
Claybrooke Primary School	Main Road, Claybrooke Parva, Leics, LE17 5AF	01455 209238
Dunton Bassett Primary School	The Mount, Dunton Bassett, Leics, LE17 5JL	01455 209557
Gilmorton Chandler CE Primary School	Church Lane, Gilmorton, Leics, LE17 5LU	01455 552343
John Wycliffe Primary School	Moorbarns Lane, Lutterworth, Leics, LE17 4QJ	01455 553135
Sharnford CE Primary School	Henson Way, Sharnford, Leics, LE10 3PN	01455 272456
St Margaret's CE Primary School, Stoke Golding	High Street, Stoke Golding, Warks, CV13 6HE	01455 212393
St Mary's CE Primary School, Bitteswell	The Green, Bitteswell, Leics, LE17 4SB	01455 552818
Swinford CE Primary School	School Lane, Swinford, Leics, LE17 6BG	01788 860404
Ullesthorne CE Primary School	Ashby Road, Ullesthorne, Leics, LE17 5DN	01455 209926

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**ALL SAINTS CE PRIMARY SCHOOL, SAPCOTE****MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR**

If you are thinking of moving your child(ren) to our school, please call us on 01455 272973 or email us at [allsaints@ipat.uk](mailto:allsaints@ipat.uk) to enquire if we have places available in the relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on the form below which should be completed and emailed to [allsaints@ipat.uk](mailto:allsaints@ipat.uk). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

[Admission application form for ipat schools \(.docx\)](#)

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**ARNESBY PRIMARY SCHOOL****MID TERM (IN YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR**

If you are thinking of moving your child(ren) to our school, please call us on 0116 247 8563 or email us at [office@arnesby.embracemat.org](mailto:office@arnesby.embracemat.org) to enquire if we have places available in the relevant year group(s). We will gladly offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on the form below which should be completed and emailed to [office@arnesby.embracemat.org](mailto:office@arnesby.embracemat.org). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

## CLAYBROOK PRIMARY SCHOOL



### **MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR**

If you are thinking of moving your child(ren) to our school, please call us on 01455 209238 or email us at [office@claybrooke.leics.sch.uk](mailto:office@claybrooke.leics.sch.uk) to enquire if we have places available in the relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on the form below which should be completed and emailed to [office@claybrooke.leics.sch.uk](mailto:office@claybrooke.leics.sch.uk). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

## DUNTON BASSETT PRIMARY SCHOOL



### **MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR**

If you are thinking of moving your child(ren) to our school, please call us on 01455 209557 or email us at [schooloffice@duntonbassett.leics.sch.uk](mailto:schooloffice@duntonbassett.leics.sch.uk) to enquire if we have places available in the relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on the form below which should be completed and emailed to [schooloffice@duntonbassett.leics.sch.uk](mailto:schooloffice@duntonbassett.leics.sch.uk). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

## GILMORTON CHANDLER CE PRIMARY SCHOOL



### **MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR**

If you are thinking of moving your child(ren) to our school, please call us on 01455 552343 or email us at [office@gilmortonchandler.leics.sch.uk](mailto:office@gilmortonchandler.leics.sch.uk) to enquire if we have places available in the relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on this form which should be completed and emailed to [office@gilmortonchandler.leics.sch.uk](mailto:office@gilmortonchandler.leics.sch.uk). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

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## JOHN WYCLIFFE CE PRIMARY SCHOOL



### MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC

If you are thinking of moving your child(ren) to our school, please call us on 01455 553135 or email us at [schooloffice@jwps.uk](mailto:schooloffice@jwps.uk) to enquire if we have places available in the relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on this form ([Admissions Application Form](#)) which should be completed and emailed to [schooloffice@jwps.uk](mailto:schooloffice@jwps.uk). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

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## SHARNFORD CE PRIMARY SCHOOL



### MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR

If you are thinking of moving your child(ren) to our school, please call us on 01455 272456 or email us at [sharnford@ipat.uk](mailto:sharnford@ipat.uk) to enquire if we have places available in the relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on the form below which should be completed and emailed to [sharnford@ipat.uk](mailto:sharnford@ipat.uk). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

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## ST MARGARETS CE PRIMARY SCHOOL, STOKE GOLDING



### MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR

If you are thinking of moving your child(ren) to our school, please call us on 01455 212393 or email us at [office.sm@ipat](mailto:office.sm@ipat) to enquire if we have places available in the relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on [this form](#) which should be completed and emailed to [office.sm@ipat](mailto:office.sm@ipat). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

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## ST. MARY'S C OF E PRIMARY, BITTESWELL



### MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR

If you are thinking of moving your child(ren) to our school, please call us on 01455 552818 or email us at [office@stmarysbitteswell.co.uk](mailto:office@stmarysbitteswell.co.uk) to enquire if we have places available in the

relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on this form below which should be completed and emailed to [office@stmarysbitteswell.co.uk](mailto:office@stmarysbitteswell.co.uk). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

[Admission application form for IPAT schools](#)

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## SWINFORD COFE PRIMARY SCHOOL



### MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR

If you are thinking of moving your child(ren) to our school, please call us on 01788 860404 or email us at [admin@swinford.embracemat.org](mailto:admin@swinford.embracemat.org) to enquire if we have places available in the relevant classes or year group(s). We will offer you a tour of the school with a member of our team.

Mid term applications for 2021/22 should be made on our Governors Admissions Form (available from within the admissions section of our website). This form should be completed and delivered to our school office or scanned and emailed to [admin@swinford.embracemat.org](mailto:admin@swinford.embracemat.org). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeals procedure as outlined within our admissions policy

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## ULLESTHORPE CE PRIMARY SCHOOL



### MID TERM (IN-YEAR) ADMISSIONS ARRANGEMENTS 2021/22 ACADEMIC YEAR

If you are thinking of moving your child(ren) to our school, please call us on 01455 209926 or email us at [ullesthorpe@ipat.uk](mailto:ullesthorpe@ipat.uk) to enquire if we have places available in the relevant year group(s). We will offer you a tour of the school with a representative from our leadership team.

Mid term applications for 2021/22 should be made on the form below which should be completed and emailed to [ullesthorpe@ipat.uk](mailto:ullesthorpe@ipat.uk). You will be notified of the admission decision within 10 school days. If applicable, you will also be notified of the appeal procedure (see Admissions Appeals below).

[Admission application form for IPAT schools](#)

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## THURMASTON CHURCH HILL JUNIOR SCHOOL



Applications during the School Year If you would like to move your child to our school, please contact the school office to arrange a tour and to meet the Headteacher. Mid term applications for 2021/22 should be made using the form on the website. You will be notified of the decision within 10 school days. If applicable, you will also be notified of the appeal procedure.

[Admission form for Thurmaston Church Hill Junior School](#)



Application Form for the above academies only in the **Inspiring Primaries Academy Trust** - once completed please forward to relevant



school:

**APPLICATION TO THE LOCAL GOVERNING BODY FOR ADMISSION TO:**

**NAME OF SCHOOL:**

It is important that this form is completed accurately and full details given. The form is made available to the Independent Appeal Panel in the case of an appeal against non-admission. In all other respects, the information is treated in confidence. If you require assistance in the completion of the form, please contact our school office.

**CHILD'S DETAILS:**

SURNAME	
FORENAMES	
HOME ADDRESS (INCLUDE POSTCODE)	
DATE OF BIRTH	

**PARENT/GUARDIAN/CARER DETAILS:**

	PARENT/GUARDIAN/CARER	PARENT/GUARDIAN/CARER
TITLE		
SURNAME		
FORENAME		
TELEPHONE NUMBER		
<p>I/we wish my/our child to be admitted to the school and confirm that the information given is correct. Our application for admission is under criterion number ___ of the school's Admission Policy (please see school website for details).</p> <p>I/we understand the need to provide proof of address and of the child's date of birth.</p> <p>Signed / dated by a person(s) with legal responsibility for the child.</p>		
<p><b>Office use only:</b>      <b>Proof of address seen (sign and date)</b>  <b>Evidence of date of birth seen (sign and date)</b></p>		



### **Joining the school in all other years or during Year 7**

The Market Bosworth School manages its own “in year” admissions. “In year” admissions for The Market Bosworth School is any admission that would take place after the normal admission round for Year 7 Students.

If you would like a copy of an “In year” application form for TMBS, they are available from the schools main office, or electronically via email on: [admissions@tmbs.org.uk](mailto:admissions@tmbs.org.uk)

The school will aim to notify parents of the outcome of their application in writing within 10 school days, but will notify in writing within 15 school days.

In the event the application is unsuccessful, there is the right to appeal. An appeal form will be provided, where you set out your grounds for appeal, and the appeal will be heard within 30 school days of receipt of the appeal.

Should you wish to speak with us about the application / appeals process, or the current availability of places in a particular year group, please contact:

**Mr Slattery, Assistant Principal**

**Email** [admissions@tmbs.org.uk](mailto:admissions@tmbs.org.uk)

**Telephone (Main Reception) 01455 290251**

All admissions for The Market Bosworth School are considered in line with the [DFE School Admissions code](#) (PDF).

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### **ACADEMIES YET TO CONFIRM THEIR ARRANGEMENTS**

Queniborough Primary School

By virtue of paragraph(s) 3, 10 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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