



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Friday, 9 February 2018.

PRESENT

Mr. N. J. Rushton CC (in the Chair)

Mr. R. Blunt CC
Mr. I. D. Ould CC
Mr. B. L. Pain CC
Mrs. P. Posnett CC

Mr. J. B. Rhodes CC
Mrs H. L. Richardson CC
Mr. R. J. Shepherd CC

In attendance

Mr. T. J. Pendleton CC, Mr D, Jennings CC, Mrs R. Page CC, Mr. S. J. Galton CC, Mr. D. Slater CC

92. Minutes of the previous meeting.

The minutes of the meeting held on 9 January 2018 were taken as read, confirmed and signed.

93. Urgent items.

There were no urgent items for consideration.

94. 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. No declarations were made.

95. Medium Term Financial Strategy 2018/19 - 2021/22.

The Cabinet considered a report of the Director of Corporate Resources regarding the proposed Medium Term Financial Strategy (MTFS) for 2018/19 to 2021/22 (MTFS). A copy of the report, marked '4', is filed with these minutes.

Members noted the comments received from Mr S. J. Galton CC, a copy of which is filed with these minutes.

The Director of Finance reported that a small number of changes had been made to the draft MTFS for 2018/19 – 2021/22 since it was approved by the Cabinet in December 2017, and it was proposed to increase the overall Council tax rate to 5.99%. The Director added that since the Cabinet report had been published the final Local Government Finance Settlement had been announced which included an additional £1.5m allocation for Adult Social Care Support Grant in 2018/19 only.

Mr Rhodes CC said that the proposed increase in council tax would help address immediate funding shortfalls. He added that whilst the Council had worked hard to proactively reduce its budget deficit and had been rated the most productive upper tier

Council in England by national consultancy firm iMPower, there remained tough times ahead as it sought to reduce the remaining £13m gap in funding by 2021/22.

Mr Ould CC said that the Council would lobby Government to continue its contribution to the Supporting Leicestershire Families (SLF) programme, which would face a £2.3m per annum shortfall if current commitments were not renewed.

Mr Pain CC welcomed the additional £600,000 allocation within the Highways Revenue Budget which would help the Council continue to maintain its high standards in pressure areas such as pothole repairs, gully emptying and signage.

Mr Rushton CC thanked the Lead Member for Resources and officers for their hard work in ensuring the Authority was in a reasonable financial position and much stronger position than many other Councils.

RESOLVED:

- a) That subject to the items below, approval be given to the Medium Term Financial Strategy which incorporates the recommended revenue budget for 2018/19 totalling £361m as set out in Appendices A, B and E of the 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 2019/20, 2020/21 and 2021/22, set out in Appendix B of 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 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 be 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 Finance agreeing to funding being available;
- d) That the level of earmarked funds as set out in Appendix J be noted and the use of earmarked funds 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 2018/19 be as set out in Appendix K (including 3% 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 2018/19 to 2021/22 capital programme as set out in Appendix F;
- h) That the Director of Finance following consultation with the Lead Member for Resources be authorised to approve new capital schemes including revenue costs associated with their delivery;

- i) That it be noted that new capital schemes, referred to in (h), are shown as future developments in the capital programme, to be funded from funding available;
- j) That the financial indicators required under the Prudential Code included in Appendix L, Annex 2 be noted and that the following limits be approved:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Operational boundary for external debt				
i) Borrowing	264.6	264.1	263.6	263.1
ii) Other long term liabilities	1.3	1.2	1.1	1.0
TOTAL	265.9	265.3	264.7	264.1
Authorised limit for external debt				
i) Borrowing	274.6	274.1	273.6	273.1
ii) Other long term liabilities	1.3	1.2	1.1	1.0
TOTAL	275.9	275.3	274.7	274.1

- k) That the Director of Finance be authorised to effect movement within the authorised limit for external debt between borrowing and other long term liabilities;
- l) That the following borrowing limits be approved for the period 2018/19 to 2021/22:
- (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>
	<u>%</u>	<u>%</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

- m) That the Director of Finance be authorised to enter into such loans or undertake such arrangements as necessary to finance capital payments in 2018/19, subject to the prudential limits in Appendix L;
- n) That the Treasury Management Strategy Statement and the Annual Investment Strategy for 2018/19, as set out in Appendix L, be approved including:
- (i) The Treasury Management Policy Statement, Appendix L; Annex 4
 - (ii) The Annual Statement of the Annual Minimum Revenue Provision as set out in Appendix L, Annex 1;
- o) That approval be given to the Risk Management Policy and Strategy (Appendix H);
- p) That the Capital Strategy (Appendix G) and Earmarked Funds Policy (Appendix I) to this report be approved;
- q) That it be noted that the partners of the Leicester and Leicestershire Business Rate Pool have agreed to continue with the arrangements for 2018/19;

- r) That the Director of Finance following consultation with the Lead Member for Resources be authorised to make changes to the MTFS required as a result changes arising between the Cabinet and County Council meetings, subject to any changes being reported to the County Council.

(KEY DECISION)

REASON FOR DECISION

To enable the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept for 2018/19, to allow efficient financial administration during 2018/19 and to provide a basis for the planning of services over the next four years.

96. Delayed Transfers of Care Performance Update.

The Cabinet considered a report of the Chief Executive, Director of Adults and Communities and Interim Director of Health and Care Integration regarding progress against the revised target associated with improving delayed transfers of care (DTC) set by NHS England. A copy of the report, marked '5', is filed with these minutes.

The Interim Director of Health and Care Integration reported that whilst the recently released December DTC figures showed an average rate of 8.82 average days delayed per day across Leicestershire against a target of 6.84, Adult Social Care had seen its lowest monthly recording since 2015, with 76 delayed transfers of care throughout the whole month.

Mr Blunt CC welcomed the report and subsequent update which showed that Leicestershire was moving towards improving its DTC performance despite the additional pressures caused by the cold winter. He said he was confident the performance would improve as the Authority pushed towards the local BCF target set by NHS England.

RESOLVED:

- a) That it be noted that following the submission of the revised Delayed Transfers of Care (DTC) trajectory on 12 October, the Better Care Fund (BCF) Plan has been approved by NHS England;
- b) That it be noted that a letter has been received from the Secretaries of State for Housing, Communities and Local Government and the Department of Health confirming that, due to the improved DTC performance in Leicestershire, the risk of having Improved BCF (IBCF) funding withheld in 2018/19 has been removed;
- c) That it be noted that overall DTC performance in Leicestershire during November showed an improvement compared to the previous month, and was in line with the September target set by NHS England, but did not meet the revised local target in the BCF Plan;
- d) That the findings of the local system review that has been undertaken to assess the state of preparedness of the Leicestershire health and care system as set out in paragraph 38 of the report be noted.

REASONS FOR DECISION:

The BCF guidance, published in July 2017 after a lengthy national delay, included a challenging expectation for improving DTOC and highlighted that areas with poor performance could be subject to escalation with NHS England, external review by the Care Quality Commission and financial penalties. The Leicestershire BCF Plan submitted to NHS England on 8 September 2017 was assessed as 'not approved' because it was not compliant with NHS England's requirement for the DTOC target to be met by November 2017. The DTOC trajectory was subsequently revised to ensure compliance. Formal confirmation of the BCF Plan was received by the County Council on 20 December.

The Leicestershire DTOC performance for November was 8.0 average days delayed per day per 100,000 population, against a target of 6.84.

It has also been confirmed that there is no immediate intention to undertake a CQC review of the local health and care system. However, partners in Leicestershire have decided proactively to undertake their own review using the methodology of the reviews to date to identify key areas for improvement.

97. Fire Safety in Leicestershire Maintained Schools and Academies.

The Cabinet considered a report of the Director of Children and Family Services concerning the actions taken by the Council to ensure the continued safety of pupils and other occupants of Leicestershire maintained schools and academies following the Grenfell Tower Tragedy and the ongoing work to develop a fire safety/sprinkler policy. A copy of the report, marked '6', is filed with these minutes.

Mr Rhodes CC welcomed the report which showed that the County's schools and academies were compliant with current fire safety regulations and, where identified, potential issues were being addressed. Mr Ould CC also welcomed the report's findings, but raised concerns about the Department for Education's refusal to share detailed information with the Council relating to fire assessments carried out by Leicestershire Academies.

RESOLVED:

- a) That the work undertaken to date by the Council to confirm the safety of pupils and other occupants of all Leicestershire maintained schools and academies be noted, specifically that:
 - i. Local Authority maintained schools and academies have been asked to provide the Council with their Type 1 and Type 2 fire safety risk procedures,
 - ii. The outcome of evaluation of the fire safety information provided to date, to confirm that each school is compliant with current fire safety regulations,
 - iii. Where there are gaps in the information provided the enquiry will be pursued;
- b) That it be noted that a further report will be made to the Cabinet in summer 2018 regarding:

- i. The development of a County Council policy and risk assessment process for the installation of sprinkler systems;
 - ii. The outcome of assessments for those academies whose fire risk documents are currently outstanding;
 - iii. Any changes in Government legislation/policy in relation to fire safety in schools.
- c) That it be noted with concern that, whilst the Department for Education (DfE) has indicated that the fire risk assessments provided by Leicestershire academies to the DfE are satisfactory, it has declined to share the information provided with the County Council, and that the Director of Children and Families be requested to raise the Cabinet's concern with the Chairman of the Leicestershire and Rutland Safeguarding Children Board.

(KEY DECISION)

REASONS FOR DECISIONS:

To help ensure the safety of children and all other occupants of maintained schools and academies in the County.

A Council policy on sprinkler systems will help ensure that the Authority discharges its duties and responsibilities for safety and well-being of those using school buildings and can provide clear guidance as to the expectations for building standards, particularly in light of the changes to the organisation and management of schools in recent years.

To be clear that the Council takes its responsibilities for the safety and well-being of pupils very seriously and expects schools and academies to do likewise.

Whilst academies are directly responsible for their own buildings and were required to respond directly to the DfE regarding fire risk assessments, the Council has a general duty to ensure the safety of all pupils in the County. The verbal confirmation from the DfE is welcomed but given its responsibilities the Council considers that more detailed information is needed.

It is expected that the Department for Education will revise the fire safety requirements for schools as a result of the Grenfell Tower fire.

98. Reconfiguration of in-house Learning Disability Residential Accommodation.

The Cabinet considered a report of the Director of Adults and Communities which sought approval to consult on the proposed closure of Hamilton Court Residential Care Home and Smith Crescent short breaks service in Coalville together with the reconfiguration of the Ashwood and Beechwood units within The Trees residential care home in Hinckley. A copy of the report, marked '7', is filed with these minutes.

Members noted the comments received from Mr D. Bill CC, Dr. T. Eynon CC and Mr. D. Tredinnick MP, along with representations on behalf of individuals who accessed services at The Trees residential care home. A copy of each are filed with these minutes.

Mr Blunt CC said that the consultation exercise, which would run for 9 weeks, would enable all those potentially affected by the proposed changes to share their views on what they thought future provision should look like. He added that no decisions had been made and the Council would work closely with service users and their families throughout the process.

RESOLVED:

- a) That the Director of Adults and Communities be authorised to commence a consultation exercise on the proposed closure of Hamilton Court and Smith Crescent residential care homes in Coalville and the potential reconfiguration of two units at The Trees residential care home (Ashwood and Beechwood), in Hinckley from long stay accommodation to a short breaks facility;
- b) That further options for the future use of the Hamilton Court and Smith Crescent sites, should they be closed, including providing accommodation for people in need of adult social care services, be explored;
- c) That a further report be submitted to the Cabinet in June 2018 regarding the outcome of the consultation and the proposed way forward.

(KEY DECISION)

REASONS FOR DECISION:

The existing long-stay accommodation at Hamilton Court and The Trees is no longer considered to be an appropriate physical environment from which to provide residential care services. Existing layouts are not particularly accessible for people with disabilities, and do not promote opportunities to maximise independence by providing personalised support.

The ongoing maintenance requirement of the facilities continues to increase, with estimated costs of £80,000 required to maintain Hamilton Court and Smith Crescent over the next five years. This does not include any additional works that may be required to improve accessibility, or to meet the changing needs of service users due to the current physical constraints of both properties.

The utilisation of the short breaks service at Smith Crescent has declined over recent years. It is a two-storey building which also has a number of accessibility challenges which cannot be addressed cost effectively. This significantly impacts on the service's ability to maximise occupancy, and meet the needs of those eligible to receive short breaks services. The average occupancy rate for the service during 2017 was 38%.

The provision of current long-stay services at The Trees and Hamilton Court is not in line with the strategic direction of accommodation based services for adults, where there is a targeted shift away from residential care to a broader range of personalised options such as supported living.

The Hamilton Court and Smith Crescent sites are adjacent to each other and provide an opportunity for further exploration of alternative use for adult social care accommodation which would support the objectives of the Adult Social Care Strategy 2016-2020 and Accommodation Strategy for Working Age Adults 2017-2022 previously approved by the Cabinet.

99. Highways Authority Planning and Charging Review.

The Cabinet considered a report of the Director of Environment and Transport which detailed the outcome of consultation on policy changes related to the review of the Council's Highway Development Management Function and sought approval for the introduction of revised highways Standing Advice and charges for non-statutory functions. A copy of the report, marked '8', is filed with these minutes.

RESOLVED:

- a) That the introduction of revised Highways Standing Advice as set out in Appendix A of the report, be approved;
- b) That the Director of Environment and Transport, following consultation with the Cabinet Lead Member be authorised to make minor amendments to the Highways Standing Advice document in line with operational procedures and national policy and guidance changes as required;
- c) That the results of the consultation on the introduction of charging for non-statutory Highway Development Management services be noted;
- d) That the introduction of charging for non-statutory Highway Development Management services as set out in the charging schedule in Appendix C of the report be approved.

(KEY DECISION)

REASONS FOR DECISION:

The introduction of revised highways standing advice will enable specialist highways resources to deliver a targeted approach to responding to applications where there is a greater risk to the safe and efficient operation of the highways network. The revised advice will also enable local planning authorities to determine more efficiently those applications which do not require a specialist highway response.

Authorising the Director of Environment and Transport to make minor amendments to the Highways Standing Advice will ensure that it is kept up-to-date and complies with national policy and guidance.

The introduction of charging for non-statutory services will contribute to delivering the Medium Term Financial Strategy Highway Planning Processes and Charging Review (MTFS ET4) saving.

100. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.

101. Exclusion of the press and public.

RESOLVED:

That under Section 100A of the Local Government Act 1972, the public be excluded for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the paragraphs 3 and 10 of Part 1 of Schedule 12A of the Act specified below and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- Oracle ERP System Replacement and the 'Fit for the Future' Programme.

102. Oracle ERP System Replacement and the "Fit for the Future" Programme.

The Cabinet considered an exempt report of the Director of Corporate Resources which sought the Cabinet's approval to procure software to replace the existing Oracle e-Business Suite as part of the Council's partnership with Nottingham City Council and to approve the accompanying Outline Business Case. A copy of the report, marked '12', is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Schedule 12(A) of the Local Government Act 1972.

RESOLVED:

- a) That the Outline Business Case for the "Fit for the Future Programme" to improve the HR, Payroll, Finance, and Procurement systems and processes at Leicestershire County and Nottingham City Councils be approved;
- b) That subject to the necessary approvals also being given by Nottingham City Council, that-
 - I. Funding of up to £6m be approved as the County Council's contribution to the project, noting that this will be provided from the County Council's corporate Future Developments fund,
 - II. The purchase of the preferred new software as identified in the Outline Business Case to replace the existing Oracle ERP system be approved;
- c) That the Director of Corporate Resources in consultation with the Chief Executive and Director of Law and Governance, following consultation with the Lead Member for Resources, be authorised to –
 - I. Procure and appoint the new System Implementer,
 - II. Approve the "Fit for the Future Programme" Full Business Case, subject to this being consistent in all important respects with the Outline Business Case.

(KEY DECISION)

REASON FOR DECISION:

The Oracle e-Business Suite is now coming to the end of its life and will not be supported by Oracle after 2023. The existing contract with the hosting provider Velocity Technologies is due to expire in March 2019, with an option to extend the contract by one year to March 2020. This provides an opportunity to enhance current service arrangements through a system replacement with associated business transformation and performance improvement.

The East Midlands Shared Services (EMSS) partnership has already delivered annual savings of £1.6m to both authorities and by procuring a system replacement with standard processes and full automation, further efficiencies in the delivery of transactional HR, Payroll, Finance and Procurement support services can be achieved.

The Outline Business Case will be used as the basis for the procurement of the new software/hosting arrangements and for the subsequent appointment of a systems implementer.

The “Fit for the Future Programme” is a joint project between Leicestershire County Council and Nottingham City Council, therefore consent is required from both authorities in order for the system replacement to proceed.

The procurement and appointment of systems integrator is a technical, operational matter on which the Director of Corporate Resources would be advised by the Programme Board. It is proposed that the Director will also agree the Full Business Case providing that it is consistent in all important respects with the Outline Business Case (if not, it will be submitted to the Cabinet).

11.00 am - 12.00 pm
09 February 2018

CHAIRMAN