



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Friday, 10 February 2023.

PRESENT

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

Mr. B. L. Pain CC
Mrs D. Taylor 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. M. Mullaney CC, Mrs. B. Seaton CC, Mrs. M. Wright CC

Webcast.

A webcast of the meeting can be viewed at <https://bit.ly/2NKDhFz>

206. Minutes of the previous meeting.

The minutes of the meeting held on 16 December 2022 were taken as read, confirmed and signed.

207. Urgent items.

There were no urgent items for consideration.

208. 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.

Mrs C. M. Radford CC, Mr. R. Shepherd CC and Mrs D. Taylor CC each declared an other registerable interest in agenda item 9 (Interim Approach to Planning Issues in Charnwood Borough) as members of Charnwood Borough Council.

Mr. P. Bedford CC declared an other registerable interest in agenda item 12 (County Council's Representative on the East Midlands Freeport Board) as his employer (Severn Trent) was represented through a company on the East Midlands Freeport Board.

209. Provisional Medium Term Financial Strategy 2023/24 - 2026/27.

The Cabinet considered a report of the Director of Corporate Resources regarding the Council's proposed Medium Term Financial Strategy for 2023/24 to 2026/27 (MTFS), following consideration of the draft MTFS by the Overview and Scrutiny bodies and

receipt of the Local Government Finance Settlement. A copy of the report, marked 'Agenda Item 4', is filed with these minutes.

Comments from Mr. S. J. Galton CC regarding the proposed reduction in bus service subsidy funding are also filed with these minutes (minute 211 below also refers).

The Director said that the final Local Government Settlement was received on 6 February 2023. The only change affecting the MTFS was an additional £0.1m for the Services Grant. He added that based on the latest review of proposed service reductions in the MTFS it was now not expected that the full amount of the £1m contingency in 2023/24 would be required, and hence £0.4m of the balance could be released. He suggested that this be added to the £0.1m above to provide additional investment for highways maintenance of £0.5m.

Mr Breckon CC said that the whilst the County Council had been able to produce a four year financial plan, the latest Local Government Settlement had left the County Council with no choice but to make difficult choices which would allow the maximum level of resources to be targeted at those who needed it most. The Authority would continue to pursue fair funding and other initiatives to help the County. He added that responses to the public consultation indicated support for a rise in council tax and the continued push for fair funding. It was noted representatives of the County Council would be meeting with the Chancellor in the spring to discuss the Council's financial difficulties.

Mr Bedford CC said the Government needed to recognise the pressures the County Council faced and the urgent need for a fairer allocation of funding. He added that the Authority was taking difficult decisions in order to deliver a balanced budget and continue to be able to provide vital services for its residents.

Mrs Taylor CC said the Children and Family Services Department had significant savings to make which would be extremely difficult at a time when the numbers of children requiring additional support were growing. In reference to the high needs budget deficit which continued to grow each year, she said that the Authority was working with the Department for Education and external consultants to try to address the issue whilst continuing to push Government for changes in the sector. She added that the Authority had secured £1m of funding to deliver a family hubs model in the County which would enable the offer of additional online support and local hubs to support families.

The Leader said that whilst the approval of the proposed budget would result in some difficult decisions, including a rise in Council Tax at a time when many people were struggling, it would enable the Authority to continue to protect the most vulnerable people.

RESOLVED:

- I. That the comments of the Overview and Scrutiny Committees and the Scrutiny Commission as set out in Appendix Q to the report be noted;
- II. 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 2023/24 totalling £512.1m 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 2024/25, 2025/26 and 2026/27, 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 to achieve 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 Corporate Resources agreeing to funding being available;
- d) That the level of the general fund and earmarked reserves as set out in Appendix K be noted and the use of those earmarked reserves 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 2023/24 be as set out in Appendix M (including 2% 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 2023/24 to 2026/27 capital programme as set out in Appendix F;
- h) That the Director of Corporate Resources, following consultation with the Cabinet 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:

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Operational boundary for external debt				
i) Borrowing	262	262	275	309
ii) Other long term liabilities	1	1	1	1
TOTAL	263	263	276	310
Authorised limit for external debt				
i) Borrowing	272	272	285	319
ii) Other long term liabilities	1	1	1	1
TOTAL	273	273	286	320

- 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 2023/24 to 2026/27:
 - 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 20% 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 2023/24, subject to the prudential limits in Appendix N;
- m) That the Treasury Management Strategy Statement and the Annual Investment Strategy for 2023/24, 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), Investing in Leicestershire Programme Strategy (Appendix H), Risk Management Policy and Strategy (Appendix I), Earmarked Reserves 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 2023/24;
- p) That the Director of Corporate Resources, following consultation with the Cabinet 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 22 February 2023;
- q) That the Leicestershire School Funding Formula is subject to capping and scaling and continues to reflect the National Funding Formula for 2023/24;

- r) That the funding rates for Early Years providers, as set out in paragraph 114 of the report, be approved.
- s) That an additional investment of £0.5m for Highways Maintenance be made utilising £0.4m from contingency and the additional £0.1m received for the General Services grant.

(KEY DECISION)

REASONS FOR DECISION:

To enable the County Council to meet its statutory requirements with respect to setting a balanced budget and Council Tax precept for 2023/24, to allow efficient financial administration during 2023/24 and to provide a basis for the planning of services over the next four years.

To enable early work to be undertaken on the development of new savings to address the worsening financial position.

Continuing an unchanged Leicestershire School Funding Formula for 2023/24 will ensure that it fully reflects the National Funding Formula.

To enable rates to be set for Early Years providers for 2023/24.

210. Investing In Leicestershire Programme - Strategy 2023 - 2027

The Cabinet considered a report of the Director of Corporate Resources regarding the Council's Investing in Leicestershire Programme Strategy for 2023 to 2027 (previously known as the "Corporate Asset Investment Fund") which set out the proposed approach to future asset management and acquisitions. A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

The Scrutiny Commission considered a report on the matter at its meeting on 30 January and a draft minute is also filed with these minutes.

Mr Breckon CC said that the investments the Council held within the Programme continued to perform well and the revised Strategy would continue to financially benefit the Authority and support its wider objectives.

RESOLVED:

- a) That the comments of the Scrutiny Commission be noted;
- b) That the Investing in Leicestershire Programme Strategy for 2023-2027 be approved;
- c) That the Terms of Reference for the Investing in Leicestershire Programme Board be approved.

(KEY DECISION)

REASONS FOR DECISION:

The Strategy reflects the changes in the CIPFA (Chartered Institute of Public Finance and Accountancy) Prudential Code, and HM Treasury guidance, the continued development of the Investing in Leicestershire Programme, and the need to manage risk in a positive way whilst continuing to deliver benefits to the Authority.

The Terms of Reference for the Board have been drafted to align with the aims and objectives of the revised Strategy.

211. Passenger Transport Policy and Strategy.

The Cabinet considered a report of the Director of Environment and Transport regarding the recommencement of the review of all the Council's supported passenger transport services against the Passenger Transport Policy and Strategy (PTPS) following a pause whilst service use was affected by the Covid-19 pandemic, and seeking approval for a programme of local focussed engagement/consultation with affected communities ahead of implementation of the review outcomes. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

Also filed with these minutes are comments from Mr. S. J. Galton CC (minute 209 above also refers) and comments from Mrs A. J. Hack CC and Mr. M. Hunt CC on behalf of the Labour Group.

In reference to the comments made by the Labour Group, the Director said that an independent review of the Policy and Strategy had been previously undertaken by consultants which had concluded that it was fit for purpose. The services under review made up less than 10% of the overall bus network and therefore the overall impact would be small. In response to Mr Galton's comments, she added that if the additional £1 million identified within the MTFS was used to continue services under the current arrangements, it would only delay the reviews for 12 months in which time the County Council would continue to subsidise services, some of which were very poorly used. She added that the proposed actions were not a reduction in budget, rather removing the £1m growth to return the spend to its original total.

Mr O'Shea CC said that whilst he understood the concerns of service operators and users, the County Council had to reduce its spend within the subsidised bus network. He added that a significant number of current subsidised services were poorly used and unsustainable in their current form. Where changes were required following a review, the Council would work closely with communities affected and they would not be left without access to essential services. He added that Leicestershire MPs should recognise the pressures the County Council faced and the need for a fairer allocation of funding.

In response to a question from Mr Pain CC concerning a specific bus service in Fleckney, the Director said that in some instances, funding was requested via s106 agreements to subsidise a bus service over a specific period. If by the end of the period the service was not commercially run, it would be removed, reflecting the fact that the demand was not there. Developer contributions were often also sought to provide low-cost initiatives such as travel packs and free bus passes, but the monies concerned would not be sufficient to be re-purposed to subsidise a service.

Mrs Richardson CC said that a Demand Responsive Transport (DRT) alternative had been introduced within her division and appeared to be working well.

Mrs Taylor CC said that the poor patronage levels was a national issue and if buses were not being used they were not only a drain on the County Council's resources but also a detriment to climate change and there were examples across the County where DRT had been introduced successfully. She added that there was also an onus on bus companies to improve the service they provide, specifically in terms of reliability.

RESOLVED:

- a) That the recommencement of the review of all supported passenger transport services in line with the Council's Passenger Transport Policy and Strategy be noted;
- b) That the proposed programme of local focussed engagement and consultation to inform affected communities of the review outcomes and intended course of action as set out in paragraphs 58 to 66 of the report, be approved;
- c) That it be noted that the Director of Environment and Transport, following consultation with the Cabinet Lead Member, will exercise existing delegated authority to implement the outcome of the service reviews.

(KEY DECISION)

REASONS FOR DECISION:

The PTPS was adopted in October 2018 to ensure the delivery of value for money passenger transport services and to provide a robust and transparent framework for determining decisions on the provision of passenger transport services. In accordance with the PTPS Operational Handbook, a programme of service reviews as set out in the 16 October 2018 Cabinet report commenced in December 2018, but it was then paused in March 2020 due to the onset of the Covid-19 pandemic and the significant impacts it had on patronage and service operations.

The recommencement of the PTPS reviews of all supported bus services, as listed in Appendix A, began in September 2022. These reviews are being undertaken in four batches, the first of which is nearing completion and is likely to result in changes to these services, including the likely withdrawal of some of them.

The outcome of these PTPS reviews against such a challenging financial backdrop will impact the levels of public transport in local communities, therefore, to ensure that service users are made aware of the future changes to supported bus services in their area, it is proposed that a number of route focused community engagement events and where necessary consultation will be undertaken during 2023.

Following the above, the Director of Environment and Transport, following consultation with the Cabinet Lead Member for Highways and Transport, will implement the necessary changes to services in line with delegations approved by the Cabinet in October 2018.

212. Outcome of Consultation on Eligibility for Care Technology Services.

The Cabinet considered a report of the Director of Adults and Communities regarding the outcome of the consultation on eligibility for care technology services and the options for repairs and maintenance for legacy equipment that had been considered. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

Comments were received from Mr. M. Charlesworth CC regarding the proposed changes and a copy is filed with these minutes.

Mrs Radford CC said she supported the proposed approach and that it was disappointing representatives of the British Deaf Association had not accepted the offer to meet with the County Council to discuss concerns raised by some of its members.

RESOLVED:

- a) That the outcome of the consultation be noted;
- b) That from 1 April 2023 requests for repairs and maintenance for legacy equipment be considered as part of a care and support assessment review and be subject to Care Act eligibility criteria, to ensure fairness across the service and those it supports.

(KEY DECISION)

REASONS FOR DECISION:

Since the launch of the new Care Technology service on 25 April 2022, a discretionary repair and maintenance service has been provided, but this is not sustainable as demand increases for statutory provision.

Requests for repairs and maintenance for legacy equipment will be considered in future as part of a care and support review and that consideration of such requests be assessed by reference to Care Act eligibility criteria to ensure fairness across the service and those it supports.

OTHER OPTIONS CONSIDERED:

(Detailed in the report and summarised below)

Option 1 - continue to provide a service for users of legacy equipment using the existing resource in the Care Technology service. This would be unsustainable and would not deliver the most efficient service. It would also create a two-tier system which would be unfair and affect deliverability of the new service, and would reduce the cashable benefits identified in the original business case.

Option 2 - continue to provide a service for users of legacy equipment and recruit additional resource to manage the demand. This would need more staffing and replacement equipment. It would not achieve the Council's objectives for the use of technology to deliver the most efficient service. It would create a two-tier system, which would be unfair, and would reduce the cashable benefits identified in the original business case.

Option 3 - commission a third party to provide a repair/maintenance service. The cost of this would have to be met from the existing budget, again adversely affecting delivery of the new service and reducing the cashable benefits identified in the original business case. It would not achieve the Council's objectives for the use of technology to deliver the most efficient service and would create a two-tier system, which would be unfair.

213. The Armed Forces Act 2021.

The Cabinet considered a report of the Chief Executive regarding progress made towards addressing the implications of the new Armed Forces Act 2021. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

RESOLVED:

- a) That the implications of the new Armed Forces Act 2021 for the County Council as an employer and service provider be noted;
- b) That the updated Armed Forces Covenant Duty Delivery Plan be approved.

REASON FOR DECISIONS:

The Act received Royal Assent in December 2021. Whilst the Act is not wholly in force yet, sections of the legislation, which are relevant to the Council, came into effect on 22 November 2022 and compliance with these is a statutory requirement.

214. Interim Approach to Planning Issues in Charnwood Borough.

The Cabinet considered a report of the Chief Executive regarding the County Council's interim approach to securing developer contributions and managing development in respect of highways and education needs in Charnwood Borough, pending the adoption of the Charnwood Local Plan. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

Mr O'Shea CC said that the Borough needed a Local Plan in place to help ensure the necessary infrastructure was delivered alongside housing developments.

Mr Bedford CC said that the consequences of not having a Local Plan in place were also evident elsewhere in the County, where speculative applications were being approved. He added that the County Council had been working hard to help district councils develop their plans.

Mrs Radford CC said that there was an onus on planning authorities to ensure developers abided by s106 agreements and were not allowed to deviate from what was originally agreed.

RESOLVED:

- a) That the County Council's interim approach to securing development contributions and managing development in respect of highways and education needs in Charnwood Borough as set out in the Transport Contributions Strategy and Education Infrastructure Evidence Base, pending the adoption of the Charnwood Local Plan, be approved;
- b) That the Director of Environment and Transport, following consultation with the Cabinet Lead Member, be authorised to make such refinements to the Transport Contributions Strategy as might be required in the light of ongoing discussions with Charnwood Borough Council about its implementation through the development management process.

REASONS FOR DECISION:

To ensure the County Council's interests are protected, on a policy basis, especially during the extended period of Charnwood Borough Council having no adopted Local Plan.

Any delays to the agreement of this interim approach risk further developer contributions being missed and the continuation of difficulties in covering shortfalls to highways mitigation and delivery of additional pupil places.

215. Response to the City of Leicester Local Plan (2020-2036) Submission Draft Consultation.

The Cabinet considered a report of the Chief Executive regarding the content of Leicester City Council's Submission Draft Local Plan (2020-2036) and seeking delegation to the Chief Executive to submit comments to the City Council as the views of the County Council. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

In response to questions from members, the Chief Executive said that should any district council fail to agree to the Statement of Common Ground (SoCG) in respect of the City Council's unmet housing need, the proportion of housing identified for the district may have to be apportioned amongst those districts that had agreed to the SoCG. It was therefore important that district local plans included a trigger policy which would commence an early review should it be necessary.

RESOLVED:

- a) That the County Council's initial response to the Leicester City Council's Submission Draft Local Plan as outlined in paragraphs 35 to 37 of the report, be agreed as a basis for the formal response to the consultation;
- b) That the Chief Executive following consultation with the Cabinet Lead Member be authorised to submit the County Council's formal response to the consultation on Leicester City Council's Submission Draft Local Plan (2020-2036) by 27 February 2023.

REASONS FOR DECISIONS:

Authority to submit the Council's formal response to the Local Plan post-Cabinet, will provide additional time for officers to consider and respond to Leicester City Council in the most productive manner.

For the County Council in its role as a key infrastructure provider for transport and education, the additional housing and employment needs arising from accommodating Leicester City's unmet need presents a risk to the County Council and so requires a close partnership approach.

The new Local Plan will provide Leicester City Council with a plan-led development strategy to 2036. Given the role of the City of Leicester and functional connectivity to communities living and working in Blaby, Charnwood, Harborough, Hinckley and Bosworth, Melton, North West Leicestershire and Oadby and Wigston, the content of the Local Plan is particularly important to the entire Leicester and Leicestershire Housing Market Area.

The County Council's response will set out key comments for consideration by Leicester City Council in progressing its new Local Plan. It seeks to ensure alignment with the Leicester and Leicestershire Strategic Growth Plan, and to influence the content of the Local Plan in the interests of local communities, including to ensure that the Local Plan provides as robust as possible policy platform for securing the provision of the infrastructure and services required to support its successful delivery.

216. Leicestershire's Policy on Admissions to Mainstream Schools: Determination of Admission Arrangements.

The Cabinet considered a report of the Director of Children and Family Services regarding the revised Leicestershire School Admissions Policy, for admissions from September 2024, and the three associated Coordinated Schemes for first-time admissions, infant to junior transfers, and secondary transfers and mid-term transfers. A copy of the report, marked 'Agenda Item 11', is filed with these minutes.

RESOLVED:

That the Leicestershire School Admissions Policy for entry from September 2024 and associated coordinated admissions schemes for first-time admissions, infant to junior transfers, secondary transfers and mid-term transfers, as set out in the Appendix to the report, be approved.

REASON FOR DECISION:

The School Standards and Framework Act 1998 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 2024 by 28 February 2023 and make them available on the Council's website no later than 15 March 2023. This will then provide all parents and carers with more than a year's notice to allow them to make informed preferences when applying for a school place from 2024.

217. County Council's Representative on the East Midlands Freeport Board

The Chairman reminded members that on 26 April 2022, the Cabinet had resolved that the Council would become a member of the Freeport Company and that he had been nominated as the member to serve on the East Midlands Freeport Board, as Leader of the Council. He was now resigning from the Board and wished Mr. Breckon, Cabinet Lead Member for Resources, to take his place. As this related to a previous Cabinet decision and since the membership of the Board conferred a directorship of the Freeport Board, it was considered appropriate that the change in membership now proposed was formally recorded.

RESOLVED:

- a) That the resignation of the Leader as the member of the Freeport Board be noted and that Mr. L. Breckon CC be appointed to serve on the Board in his place;
- b) That authority be granted to the Chief Executive to deal with any future appointments to the Freeport Board in accordance with the usual process for appointments to outside bodies.

REASON FOR DECISION;

To approve the change in membership be and formally record this.

218. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.

11.00 am - 12.20 pm
10 February 2023

CHAIRMAN