



Minutes of a meeting of the Cabinet held at County Hall, Glenfield on Friday, 24 June 2022.

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

Mrs. B. Seaton CC, Mrs. M. Wright CC, Mrs. A. J. Hack CC, Mr. M. Mullaney CC, Mr. J. Poland CC, Mr. T. Parton CC and Mrs. R. Page CC

146. Minutes of the previous meeting.

The minutes of the meeting held on 27 May 2022 were taken as read, confirmed and signed.

147. Urgent items.

The Chairman advised that there was one urgent item for consideration, a report of the Director of Corporate Resources titled 'Medium Term Financial Strategy Update'. The report was urgent due to the worsening financial position and the need to undertake preparatory work as soon as possible to ensure a balanced budget could be set in 2023/24.

148. Declarations of interest in respect of items on the agenda.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. Mr. R. J. Shepherd CC, Mrs. D. Taylor CC and Mrs. C. M. Radford CC each declared an Other Registerable Interest in agenda item 4 as members of Charnwood Borough Council.

149. Change to the order of business.

The Chairman sought and obtained the agreement of Members to vary the order of business from that set out in the agenda.

150. Urgent Item - Medium Term Financial Strategy Update

The Cabinet considered an urgent report of the Director of Corporate Resources concerning the serious financial position faced by the County Council. A copy of the report, marked 'Agenda Item 11', is filed with these minutes.

The Director said that whilst setting the Council's budgets in the previous 10 years had been tough, next year's would be the hardest to date, mainly due to the steep rise in inflation which was predicted to peak at 11% later in the year and could possibly rise further. The projected financial gap by the end of the current MTFS was anticipated to be over £70m despite having identified £54m worth of savings.

The Leader said that the financial position faced by the County Council was daunting and he proposed some revisions to the proposed recommendations to emphasise the frightening position the Council faced. He requested that officers consider the savings which could be achieved if a moratorium on all non-essential capital expenditure was implemented. He added the Council would need to make some tough decisions later in the year in order to balance its budget.

Mr Breckon CC said that since the Council had set its budget in February, inflation had continued to rise and the impact on the Authority had been significant. Whilst the Council would be able with tough decisions to prepare a balanced budget for 2022/23, the years after would be tough, with the gap expected to rise from £8m to £20m for 2023/24. He added that it was essential the Council was proactive, undertaking work as soon as possible to identify further savings proposals from across all departments. In addition, the capital programme would have to be reviewed, with the possibility of some existing schemes either being cancelled or reduced in scope. He added that the County Council would continue to lobby Government for fairer funding.

Mrs Taylor CC said that it was now more vital than ever that the County Council received an increase in its funding from Government. She reassured residents that the Authority would do all it could to continue to provide essential services and support the most vulnerable within the County.

Mr Bedford CC said that it was right for the Council to take swift action in order to avoid a much worse position in future years. He added that local MPs had a crucial role in lobbying the Government for fairer funding.

Mrs Radford CC said that the Council would continue to do everything it could to support elderly and vulnerable residents.

Mr O'Shea CC said that the County Council had been underfunded for too long to the detriment of its residents who relied on the Authority to deliver important services. He urged local MPs to support the Council in the securing of fairer funding.

RESOLVED:

- a) That the very challenging, worsening and frightening financial position faced by the County Council be noted with concern;
- b) That Chief Officers be authorised to undertake urgent preparatory work on savings that are not currently in the MTFS following consultation with the appropriate Lead Member, the Director of Corporate Resources and Lead Member for Resources, with the outcome being considered as part of the roll forward of the MTFS and presented to the Cabinet at its meeting September;
- c) That the Director of Corporate Resources, following consultation with the appropriate Lead Member and Chief Officer and Lead Member for Resources, be authorised to commence preparatory work reviewing capital schemes, with a view

to reducing cost and to consider a moratorium on all non-essential capital expenditure;

- d) That the report be shared with Leicestershire's Members of Parliament to assist in their understanding of the increasingly serious situation and to support them in their lobbying of Government.

REASON FOR DECISION:

To inform the Cabinet of the work that needs to be undertaken to ensure a balanced budget can be set in 2023/24.

151. Charnwood Local Plan (2021 - 2037) Highways and Transportation Matters.

The Cabinet considered a joint report of the Director of Environment and Transport and Director of Corporate Resources concerning highways and transportation matters relating to Charnwood Borough Council's Local Plan (2021 – 2037) and to confirm the County Council's position as the Local Highway Authority ahead of the Plan's Examination in Public. A copy of the report, marked 'Agenda Item 4' is filed with these minutes.

Mrs Taylor CC said that the County Council could no longer afford to fund the infrastructure to support growth identified in districts' local plans and therefore without the necessary developer funding, it was likely that there would be a deterioration in the County's transport network, particularly its roads, as a result of additional traffic. She added that the projected figure of £150m to deliver the required infrastructure identified in Charnwood Borough Council's Local Plan was a huge ask and it was in the interests of all partners involved to work together to secure the funding.

RESOLVED

- a) That the transport evidence and in particular the following conclusions be noted:
- I. That unless significant changes occur in societal behaviours and expectations, there are significant limitations as to the extent to which the impacts of growth on the County's transportation system can be mitigated in the future;
 - II. That it will be necessary to accept a proportionate and reasonable deterioration in traffic conditions in the Borough as a result of developments being permitted prior to the overall mitigation package being put in place;
- b) That it be noted that the work and actions undertaken by officers since September 2021 (detailed in paragraphs 48 to 57 of the report), in particular that key highways and transport conditions set out in that report relating to the County Council's in principle supportive approach to the draft Plan have now been fulfilled;
- c) That the wider implications of the work be noted, including:
- I. That the further work undertaken reinforces the concerns regarding the significant financial pressures on the County Council's Capital Programme relating to infrastructure required to support housing and economic growth

- II. That the expectation is that without new funding the County Council can only commit to constructing new infrastructure upon receipt of funds from developers. Whilst the County Council will always be mindful of its statutory duty to ensure that highway safety is not compromised, there could be adverse impacts of development, such as congestion, if sufficient developer funding is not secured through the planning process;
- III. That these issues will likely occur in respect of all Local Plans currently in development across Leicestershire;
- d) That the approach to the delivery of the highways and transportation mitigation package including through the development of area Transport Strategies to support Charnwood Borough Council to secure contributions to deliver infrastructure (detailed in paragraphs 36 to 37 of the report) be approved, noting the potential scale of the package's cost (£150m) and the caveats and uncertainties regarding the cost (detailed in paragraphs 41 to 47 of the report);
- e) That the basis for the County Council's position as Local Highway Authority as detailed in paragraph 59 of the report be approved for the purposes of the Examination in Public;
- f) That the County Council seeks to formalise the commitment to joint working with Charnwood Borough Council as identified in paragraph 59 of the report;
- g) That the County Council as the Local Highway Authority offer its support for the draft Local Plan at the Examination in Public subject to (c) and (d) above.

REASONS FOR DECISIONS:

Adoption of the Local Plan will replace the existing Charnwood Core Strategy 2011 to 2028 (adopted 2015) and the Saved Policies of the Borough of Charnwood Local Plan 1991 to 2006 (adopted 2004). The Plan will provide Charnwood Borough Council (CBC) with a plan-led development strategy to 2037. Given the location of Charnwood close to the City of Leicester and close functional connectivity to communities living and working in Blaby, North West Leicestershire, Melton and Hinckley and Bosworth, the content of the emerging Local Plan is particularly important to this area and the wider Leicester and Leicestershire Housing Market Area (LLHMA).

The EiP is scheduled to start on 28 June and run over three (non-consecutive) weeks. LHA officers will be attending hearing sessions, either in support of CBC or in the Authority's own right, and it is therefore important that the LHA's position is clearly established prior to this.

In considering the County Council's position, it is important:

- to understand the wider context regarding the impacts of future growth on the County's road network;
- to have up-to-date information regarding the Plan's transport evidence base; and
- to have a clear understanding of the proposals for mitigating the impacts of growth in the Borough of Charnwood, the impacts of the identified Plan/Borough wide mitigation package and its deliverability.

152. Leicestershire County Council Community Safety Strategy 2022 - 2026.

The Cabinet considered a report of the Director of Children and Family Services which sought approval to consult stakeholders on the revised Leicestershire County Council Community Safety Strategy. A copy of the report, marked 'Agenda Item 5', is filed with these notes.

Mrs Taylor CC said that the Strategy was based on a trauma informed approach, which had been adopted throughout the work of the Children and Families Department and ensured the Council and its partner agencies recognised the significant impact early adversity and traumatic events had on an individual and communities.

RESOLVED:

- a) That the role of the County Council in relation to community safety within two-tier local authority arrangements be noted;
- b) That the draft Community Safety Strategy 2022-2026 be approved for consultation with stakeholders;
- c) That it be noted that the Cabinet will receive a further report at its meeting in September 2022 regarding the outcome of the consultation and presenting a revised draft Community Safety Strategy for approval prior to its submission to the County Council.

KEY DECISION

REASON FOR DECISION:

The County Council has a statutory responsibility under the Crime and Disorder Act 1998 to work with other named agencies to reduce crime and disorder. In two-tier local authority arrangements, the duty to produce detailed locality-based plans to reduce crime and disorder lays with Community Safety Partnerships (CSPs) at district council level. A duty is placed on responsible partners to co-ordinate priorities at a county level which in Leicestershire is undertaken through the Leicestershire Safer Communities Strategy Board (LSCSB). The draft Community Safety Strategy is based on the current approach and priorities introduced and overseen by the LSCSB during 2021-22.

153. Annual Treasury Management Report 2021/22.

The Cabinet considered a report of the Director of Corporate Resources concerning action taken and the performance achieved in respect of the Council's treasury management activities in 2021/22. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

Mr Breckon CC said that by maintaining a balanced portfolio with a tolerable level of risk, the County Council's treasury management performance for 2021/22 had shown pleasing results.

RESOLVED:

That the report be noted.

REASON FOR DECISION:

The Authority's full adoption of the CIPFA Code of Practice for treasury management requires an annual report on Treasury Management activity and performance to be considered by both the Cabinet and the Corporate Governance Committee before the end of September each year.

154. Recommended Change to the Annual Investment Strategy and Investment in Christofferson Robb and Company's Capital Relief Fund 5.

The Cabinet considered a report of the Director of Corporate Resources which sought the Cabinet's approval of a proposed change to the list of acceptable investments within the Annual Investment Strategy in order for the County Council to be able to invest in Bank Risk Sharing Funds and make an investment of £10m as part of the Corporate Asset Investment Fund into Christofferson Robb and Company's Capital Relief Fund 5 (CRF5). A copy of the report, marked 'Agenda Item 7' is filed with these minutes.

Mr Beckon CC said the inclusion of Bank Risk Sharing as an acceptable investment within the Annual Investment Strategy would provide the Council with further opportunity to generate significant rates of return at a proportionate level of increased risk. In reference to the proposed investment in CRF5, he added that due diligence had been undertaken and the Fund's performance had been closely monitored by officers on behalf of the Leicestershire Local Government Pension Fund which had invested in the Fund.

RESOLVED:

- a) That a change to the County Council's Annual Investment Strategy to include 'Bank Risk Sharing Funds' to the list of acceptable investments, with a maximum investment value of £15m, be approved;
- b) That an investment of £10m from the Corporate Asset Investment Fund into Christofferson Robb and Company's Bank Risk Sharing Fund named Capital Relief Fund 5 be approved.

KEY DECISION

REASONS FOR DECISION:

The change to the Annual Investment Strategy will enable the County Council to invest in Bank Risk Sharing Funds and thereby increase the income earned relative to what could be earned by utilising cash deposits. Whilst this type of investment has a higher risk profile than cash deposits, the additional risk is not excessive. Relative to the increase in risk, the additional income is considered to be attractive in an environment of historically low interest rates, high inflation and significant pressure on the County Council's revenue budget.

There is an ambition to build the value of the Corporate Asset Investment Fund (CAIF) portfolio up to £260m so that it can generate a meaningful income for the Council and support Council services. The investment of £10m into CRF 5 represents c5% of the last year end CAIF valuation and allows the CAIF to deploy capital and receive income whilst new direct property investments are being planned.

The £10m investment into a Bank Risk Sharing fund (CRF5) is in line with the CAIF Strategy which supports investing in non property asset classes to improve the Fund's diversification and secure greater income generation whilst capital is not required for direct property investments.

155. Annual Report of the Commercial Strategy 2021/22.

The Cabinet considered a report of the Director of Corporate Resources which provided an update on the performance of Leicestershire Traded Services and plans to further the County Council's commercial approach. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

Mr Breckon CC said that the pandemic had had a significant impact on the Council's Traded Services as had other national issues such as the current inflationary pressures and recruitment and retention difficulties. He added that there were signs of recovery, particularly with the school food service and human resources services provided to schools.

In response to a question concerning the ability for Traded Services to achieve the projected contribution of £400,000 per year from 2023/24, the Director said that whilst the position remained challenging, the target was achievable.

RESOLVED:

- a) That the performance against targets in the Commercial Strategy during 2021/22 be noted;
- b) That the future development of the Commercial Strategy as outlined in the report and the appended Leicestershire Traded Services Review and Outlook for 2022/23 be welcomed.

REASONS FOR DECISION:

The Annual Report on the Commercial Strategy outlines the progress that has been made by the County Council via the Leicestershire Traded Services by introducing a more commercial approach to ensure that trading income makes an increasing and meaningful contribution to the Council's budget.

156. Public Health Strategy 2022 - 2027 - Delivering Good Health and Prevention Services.

The Cabinet considered a report of the Director of Public Health which sought approval for the Public Health Department's Strategy 2022-27 which set out the priorities for the Department over the next five years. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

Mrs Richardson CC welcomed the Strategy which illustrated the actions the Department was taking to deliver good health to the Community and set out its future plans in order to deliver upon its aspirations, highlighting the importance of partnership working.

RESOLVED:

- a) That the comments of the Health Overview and Scrutiny Committee be noted;

- b) That the Public Health Strategy 2022-2027 'Delivering Good Health and Prevention Services' be approved.

REASON FOR DECISION:

The Strategy sets out the Department's priorities for the next five years which are aligned with the County Council's Strategic Plan and the Joint Health & Wellbeing Board Strategy. Once approved the implementation of the Strategy can be progressed.

157. Items referred from Overview and Scrutiny.

There were no items referred from Overview and Scrutiny.

158. Exclusion of the Press and Public.

That under Section 100A of the Local Government Act 1972, the public be excluded for the remaining item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 3 and 10 of Part 1 of Schedule 12A of the Act and that, in all circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

159. Proposals to Develop a New Primary School to Serve Hinckley - Expressions of Interest from Academy Proposers.

The Cabinet considered a report of the Director of Children and Family Services concerning expressions of interest from academy proposers to operate the new 210-place primary school to serve the Hinckley area and making recommendations to the Secretary of State for Education to enable a decision to be taken on a preferred sponsor for the new school. A copy of the report, marked 'Agenda Item 13', is filed with these minutes. The report was not for publication by virtue of paragraphs 3 and 10 of Schedule 12A of the Local Government Act 1972.

RESOLVED:

- a) That the four expressions of interest received from the Discovery Schools Academy Trust, L.E.A.D. Academy Trust, OWLS Academy Trust and Scholars Academy Trust to operate the new 210-place primary school to serve the Hinckley area be noted;
- b) That the four academy proposers that have all progressed to Stage 3 of the process, and the scoring attached to each as set out in Appendices C and D to the report, and which defines the County Council's order of preference, be noted;
- c) That all four proposers be recommended to the Secretary of State for Education (with whom the decision rests), as potential suitable sponsors to operate the new school and indicating the County Council's preference for the appointment of a preferred Academy Trust as outlined within paragraph 32 of the report, and that the Secretary of State be advised that given the strength of the applications that there is no reason to suggest that it would be necessary to look elsewhere to secure an academy sponsor;
- d) That it be noted that further information will be provided to the Cabinet and the local member once the decision on a preferred sponsor has been taken and

confirmed by the Regional Schools Commissioner, acting on behalf of Secretary of State for Education.

REASONS FOR DECISION:

The Education Act 1996 places a statutory duty on the County Council to ensure a sufficient supply of school places.

The provision of a new 210-place primary school to serve the Hinckley area, located off the Normandy Way (on the Hollycroft Grange development) is planned to open in September 2023, recognises the increase in demand for school places locally, arising as a consequence of the 850 new homes planned to be built.

Seeking expressions of interest from suitable academy proposers (sponsors) is in keeping with the requirements placed upon the County Council by section 6A (the Free School Presumption) of the Education and Inspections Act 2006, as introduced by the Education Act 2011.

By completing the expressions of interest process, the County Council has been able to assess and confirm the expertise, capacity, experience and other credentials necessary to run the new school, of the organisations that have applied.

Ensuring that all organisations recommended to the Secretary of State for consideration are already 'approved' sponsors on the Department for Education (DfE) register, will help demonstrate their capabilities and should enable an early decision to be taken.

11.00 am - 12.03 pm
24 June 2022

CHAIRMAN

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