

Leicester
City Council

MEETING OF THE ADULT SOCIAL CARE SCRUTINY COMMISSION

DATE: TUESDAY, 19 JANUARY 2021

TIME: 5:30 pm

PLACE: Virtual Meeting using Zoom

Members of the Committee

Councillor Joshi (Chair)

Councillor March (Vice-Chair)

Councillors Batool, Kaur Saini, Kitterick and Thalukdar

One unallocated Labour group place

One unallocated non-group place

Standing Invitee (Non-voting)

Representative of Healthwatch Leicester

Members of the Committee are invited to attend the above meeting to consider the items of business listed overleaf.

For Monitoring Officer

Officer contacts:

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Further information

If you have any queries about any of the above or the business to be discussed, please contact Aqil Sarang, Democratic Support on **(0116) 454 5591** or email aqil.sarang@leicester.gov.uk

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PUBLIC SESSION

AGENDA

LIVE STREAM OF MEETING

A live stream of the Adult Social Care Scrutiny Commission will be available on the link below:

https://www.youtube.com/channel/UCddTWo00_gs0cp-301XDbXA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business to be discussed.

3. MINUTES OF THE PREVIOUS MEETING

(Pages 1 - 14)

The minutes of the meeting of the Adult Social Care Scrutiny Commission held on 10 November 2020 have been circulated and the Commission is asked to confirm them as a correct record.

4. PETITIONS

The Monitoring Officer to report on any petitions received.

5. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer to report on any questions, representations or statements of case.

6. COVID-19 RECOVERY PLANS UPDATE

The Director for Social Care and Education will provide a verbal update on the latest Covid-19 recovery plans.

The Adult Social Care Scrutiny Commission is recommended to note the content of the update and are invited to provide comment and feedback to the Strategic Director.

7. DRAFT GENERAL FUND BUDGET AND DRAFT CAPITAL BUDGET 2021/21

(Pages 15 - 82)

8. LEICESTER SAFEGUARDING ADULTS BOARD ANNUAL REPORT 2019/20 (Pages 83 - 98)

The Independent Chair of the Leicester Safeguarding Adults Board submits a report on the annual review 2019/20.

The Adult Social Care Scrutiny Commission is recommended to note the content of the report and are invited to provide comment and feedback.

9. RESPONSE TO THE ADULT SOCIAL CARE SCRUTINY COMMISSION TASK GROUP REVIEW INTO SOCIAL CARE EXTERNAL WORKFORCE (Pages 99 - 142)

The Lead Executive on Social Care and Anti-Poverty submits a report in response to the Adult Social Care Scrutiny Commission task group review into social care and external workforce.

The Adult Social Care Scrutiny Commission is recommended to note the content of the report and are invited to provide comment and feedback to the Executive.

10. LEICESTERSHIRE COUNTY CARE LIMITED (LCCL) - VERBAL UPDATE

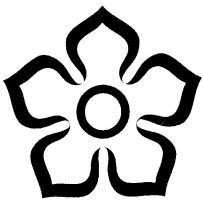
The Strategic Director Social Care and Education will provide a verbal update to the Adult Social Care Scrutiny Commission on Leicestershire County Care Limited (LCCL).

The Adult Social Care Scrutiny Commission is recommended to note the content of the update and are invited to provide comment and feedback to the Strategic Director.

11. WORK PROGRAMME (Pages 143 - 144)

The current work programme for the Commission is attached. The Commission is asked to consider this and make comments and/or amendments as it considers necessary.

12. ANY OTHER URGENT BUSINESS



Leicester
City Council

Minutes of the Meeting of the
ADULT SOCIAL CARE SCRUTINY COMMISSION
Microsoft Teams Meeting

Held: TUESDAY, 10 NOVEMBER 2020 at 5:30 pm

P R E S E N T:

Councillor Joshi (Chair)
Councillor March (Vice Chair)

Councillor Batool
Councillor Kaur Saini

Councillor Kitterick
Councillor Thalukdar

In Attendance

Councillor Russell – Deputy City Mayor, Social Care and Anti-Poverty

* * * * *

75. APOLOGIES FOR ABSENCE

There were no apologies for absence.

The Chair welcomed everyone to the meeting, and reminded everyone it was a virtual meeting, as permitted under Section 78 of the Coronavirus Act 2020 to enable meetings to take place whilst observing social distancing measures. The procedure for the meeting was outlined to those present. At the invitation of the Chair, all Members and officers present at the meeting introduced themselves.

76. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had in the business on the agenda.

Councillor Joshi declared an Other Disclosable Interest in that his wife worked for the Reablement Team at Leicester City Council.

For the avoidance of doubt, Councillor Joshi declared he would therefore remove himself from the meeting when agenda item 9, Appendix D (title) was discussed. Councillor March would take the position of Vice-Chair in the Chair at this point.

There were no other declarations of interest made.

77. MINUTES OF THE PREVIOUS MEETING

AGREED:

That the minutes of the Adult Social Care Scrutiny Commission Meeting held on 8 September 2020 be confirmed as a correct record.

78. PETITIONS

The Monitoring Officer reported that no petitions had been received.

79. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

The Monitoring Officer reported that no questions, representations or statements of case had been received.

The Chair confirmed with Members at this point that they had received additional information for Agenda Item 8, the Winter Care Plan. This was confirmed by Members.

80. LEICESTERSHIRE COUNTY CARE LIMITED (LCCL) - VERBAL UPDATE

The Strategic Director for Social Care and Education provided a verbal update to the Commission on Leicestershire County Care Limited (LCCL). The following points were made:

- LCCL had taken over a number of care homes on the agreement they would pay a Capital sum over a period of time. The finance arrangement involved a significant capital payment, the last element of which £265k should have been paid in September. LCCL had asked for a deferment to take instalment payments to the end of the financial year. The Council said it would not agree unless LCCL ceased its proposal to make negative changes to terms and conditions for staff.
- Concern was expressed by the Council that LCCL in fact went ahead and changed the terms and conditions for staff during the summer of 2020. Firm representations were made by the Authority, though it did not have any contractual powers or authority to prevent any changes. The changes were undertaken and without exception the current staff body had accepted the changes to terms and conditions and continued to work under new contracts. The quality of care continued to meet the standards and there were no issues reported.
- The final payment had not been received. A request for deferment and instalment payments had again been received after the due date for payment. The Authority had asked for evidence for reasons why LCCL needed to pay in instalments, which had been provided and showed the organisation was in a significantly worse state now than previously.
- Looking at the financial position of the organisation, it would be counter-

productive for the residents if the organisation were to fail. A discussion would be had with finance colleagues on how to chase payment as a bad debt.

- The Authority had been advised not to hold back the value of the debt from monies such as infection control monies as they were a grant from DHSC, and the Council would not have any authority to deduct the outstanding amount from it. It was also considered to be precarious to the organisation given the current situation.

Members had further discussion following the update. Points made and questions raised were responded to as follows:

- Members commented on their disappointment on how the organisation had treated its staff. Members further noted that the option for a deferred payment plan was not being considered, but if the worse came to the worse would it not be better to have a deferred payment plan to recoup some of the money. The Strategic Director responded there was no risk the Authority would not receive the £200k but was a question of whether it received it quickly or over a period of months. If the organisation went into financial collapse, there were sufficient routes where the money could be recovered. It was further noted the Authority had been clear with LCCL there was a legal agreement that they owed the £200k.
- LCCL had been flagged as a concern at the last meeting of the Commission, since which a home in the chain outside the city had been closed by the CQC, and the payment owed had not been honoured. Members were worried at what the situation might be at the next Commission meeting. Members asked if Essex CC had been contacted. If so, what were the outcomes of those discussions and was the City Council fearful of the current position of the organisation? Members were informed that councils were required to contract with any care providers that met the standards offset by the CQC, and if a member of the public went into a care home that met national requirements, the authority would have to support them. It was noted the authority was actively engaged in all homes, though its levers of control were very limited as long as they met CQC standards.
- It was further reported a conversation had been had with a contracting director at Essex CC, who had sold care homes to Essex County Care Limited seven to eight years previously. Essex CC had had issues with care in one of the homes and the council had taken the decision to terminate the contract with the home. ECCL had then chosen to close 4 out of 5 homes. ECCL had persons placed by the local authority the remaining open home, and the quality of care was reported as good.
- Officers had also spoken with the CQC for the local area to understand what concerns they might have. They confirmed there were no problems in terms of the care in the home that was open which was reported as good. However, the CQC had concerns about LCCL, ECCL and Strathmore Care around leadership rather than financial concerns, and they were monitoring the situation. The CQC were aware of what was going on in Leicestershire and had an overall view. A home was recently closed in Leicestershire due to the quality of care. Checks had been undertaken on LCCL homes in the city and care was reported as good, with no concerns identified, but would

continue be watched closely by the Authority to ensure quality of care was not compromised for those people the Authority supported.

Members reiterated concerns over changes to the terms and conditions of staff, the closure of The Limes in Hinckley, the debt of a quarter of a million pounds to the Council and the fact the organisation was reporting financial troubles after previously recording a profit of over £1m, and the CQC questioning the leadership of LCCL, ECCL and Strathmore homes. Members were worried for the care homes' staff and residents and the culture around LCCL. Members asked that LCCL be kept as a standing agenda item to monitor the situation and that the City and County Council's finance people look forensically at the accounts for LCCL due to concerns over the organisation's finances.

The Scrutiny Commission expressed its continuing concerns and disappointment in LCCL and requested continued monitoring of LCCL with a progress update to be provided at each forthcoming Scrutiny Commission meeting.

Councillor Russell, Deputy City Mayor Social Care and Anti-Poverty, agreed the request and importance for regular reporting on LCCL. She stated that understanding of both the financial and quality position of LCCL and their homes within the City was vital. It was stated the Quality Assurance Team were working with the CQC and others to ensure quality was maintained. Members noted the issue around finances was key and the potential for wider knock on impact. The authority was using the opportunity for the request for a deferral to see the organisation's finances, and there would be no difficulty in bringing back an update to subsequent meetings.

The Chair expressed worry about staff arrangements and contracts and said the way the organisation was working was deplorable. The Chair recommended the organisation continue to be monitored and the item be brought to the next meeting as a verbal update and be placed as a regular item on the agenda as Scrutiny Commission Members had concerns regarding the company. The recommendation was agreed by Members of the Scrutiny Commission.

The Chair thanked the officers for the update.

AGREED:

That the organisation continued to be monitored, and the item be brought to the next meeting as a verbal update and be placed as a regular item on the agenda.

81. SUPPORT FOR CARERS AND CARER STRATEGY UPDATE

The Strategic Director Social Care and Education submitted a report which provided the Scrutiny Commission with an update on the Joint Social Care and Health Recognising, Valuing and Supporting Carers in Leicester, Leicestershire and Rutland Carer Strategy – 2018 to 2021. The report also provided an update on the support that had been provided to carers during the Covid-19

pandemic. A presentation was also delivered at the meeting.

Tracie Rees, Director for Adult Social Care and Commissioning introduced the report and provided a quick overview. It was noted that a joint LLR Carers Strategy had been in place since 2018 to run to 2021 (three-year strategy). The strategy update had been brought back to the Commission to run through some of the issues and challenges being dealt with, especially those that related to Covid-19 in adults and young carers.

Bev White (Lead Commissioner) and Nicola Cawrey (Business Change Commissioning Manager) delivered a presentation (attached for information). During the presentation, the following points of note were raised:

- It was believed that the number of carers had increased from 32k to 46k post Covid-19. Included in the numbers were the number of carers registered with GPs, which had increased from 9,631 Feb 2020 to 9,901 in Oct 2020. It was noted carers had been encouraged to register with their GPs, and figures showed there had been some success in this.
- Possible reasons for the increase in numbers of carers was given, including those now shielding, closure of care services and cancellation of care packages due to fear of Covid-19 from care workers in the home.
- Priority One in the carer strategy was the identification of carers. On a positive note the work to raise the profile of family carers had had a positive impact in suggesting to people they might come forward and identify themselves as carers.
- Leicester Carer Support Service, the Council's commissioned service for carers over the age of 18 with various conditions and disabilities run by Age UK, had continued to support carers all through the Covid-19 pandemic, and included wellbeing calls, virtual support groups, information service, linking with Age UK's Covid-19 helpline, and talking to carers with a focus on drawing up contingency plans, and ensuring carer ID cards were used, for example, to evidence reasons for being out during lockdown, supermarket preferential treatment. Officers had been working on a carer's Passport across LLR and were in the process of being printed. Members were encouraged to share the information with constituents to ensure it helped as many carers as possible.
- Social care teams had been looking after carers through wellbeing calls, support packages for carers under strain and supplying PPE to family carers when asked. The Council's website had a Covid-19 page specifically for carers. Carers on the 'Carers Got Talent' distribution list had also been provided with information, including information on community testing.
- Initially several queries were received from carers and organisations reporting people knocking on doors, and not knowing if they were genuine callers. Working with public health colleagues, advice and guidance had been provided, for example, asking for ID badges, directing to testing centres.
- Support had been provided to young carers by Barnados, the commissioned young carer service. They had a See Hear Respond service to provide rapid support to children and young people affected by Covid-19. They had undertaken wellbeing calls and doorstep visits to young carers

and families, and had helped families access grants, for example, the purchase of bikes to allow children to get to school when families were concerned about using public transport. Virtual groups had been run by the Youth Service and Barnados through technology.

- Getting people to identify as carers and not husband / wife / daughter / friend was a challenge, and the Carer Passport was one way of trying to get carers to identify as such.
- The health and social care system did not always recognise the different roles that carers undertook, for example, schools did not always make the link with what that young person was telling them about their family situation and that they were a young carer. Once a carer was in the health and social care system there was support to help them to navigate the system, put them in touch with the Carer Support Service, and if necessary put them in touch with adult social care services.
- Those using support services and day services would be reassured the services and agencies were still running, and Covid-19 safety measures were in place including PPE and social distancing requirements, and people should continue to receive their care package. People would be urged to go back to day services.

The Chair offered his sincere appreciation to all the carers who looked after loved ones, but especially during the pandemic and all the work they did.

Officers received questions from Members and the following responses were made:

- GPs held the carer register so anybody that registered with a GP was captured on the register, currently at 9,631. It was noted there were also carers who had received statutory carers assessments, carers accessing the commissioned service, and carers which had also accessed other voluntary sector support, so in terms of how all 46k were identified there was not central point of register.
- With regards to issues experienced by carers, there was no doubt that carers would have been affected, for example, different arrangements accessing GP surgeries. Carers were frustrated and under increasing strain, were fatigued and under pressure with the Covid-19 pandemic and the situation in Leicester with the long and protracted lock down.
- All services that supported carers had not reduced their offer but had delivered services differently. In terms of services loved ones received, when it was known that carers needed additional support, that support had been given. Day services had remained open but operated in different ways. The virtual offer continued and had been more convenient for some, so some positives had come out of that.
- Officers continued to listen to carers and were trying to build up carers network. The Carers Passport was in response to carers saying they could not leave their loved one to go shopping and stand in long queues.
- The Carer Passport was launched two weeks prior to the Scrutiny Commission meeting and could be accessed through the commissioned Carer Support Service in the city. The County commissioned a separate carer support service, and Rutland had a slightly different offer with access

to the Carer Passport. Each area had its own promotional material, but was branded so all looked the same, but with contact details relevant to the area the carer lived in.

- In terms of GPs, awareness had been raised on the Carer Passport in surgeries. It was difficult during the Covid-19 pandemic to have hard copies such as posters or leaflets anywhere but, subject to things changing in the future, there would be promotional material for the Carer Passport.
- Lots of communication on how people could access a Carer Passport had been sent out, for example, posters sent to supermarkets to advertise on their community notice boards, which would signpost people to the Carer Support Service provided by Age UK.
- The Carer Support Service as part of their monitoring information have a database of people that have accessed the service, and it was hoped there would be an increase in the numbers of people accessing the Carer Support Service as a result of the Carer Passport. Any stakeholder involved in the strategic group across LLR will be promoting the Carer Passport and signposting accordingly, and hopefully that would support the identification message.
- A big launch of the Passport had been planned around Carers Rights Day on 26th November but had been brought forward because of the National Lockdown situation continuing. Communication would continue to ensure the message went out to the people that needed it.
- The Carers Got Talent group replaced what was the Carers Reference Group. When working on the Carers Strategy and underlying implementation plan of that strategy a lot of engagement work was undertaken with the carers, an event was held during National Carers Week, on Carers Rights Day in November 2019, and also brought to scrutiny.
- The plan was to make the CGT representative of all diverse communities, such as different areas, deprived, hard to reach. It was clear at the first meeting in March 2020 that there needed to be more carers on the group. Work would continue on the terms of reference for the group, and a meeting has been arranged for November to consider issues, and a small focus group arranged to promote the purpose of the group, and thought would be given to encouraging people to join from hard to reach groups.
- The safeguarding training was a virtual training session provided by a resource through the Safeguarding Board. The Carer Support Service were linking in with a representative through the safeguarding board to make sure it was being delivered effectively.
- With regards to the impact of technology when developing the implementation plan, the technology strand was the one carers were least interested in and was probably due to the language used to describe technology. Also assistive technology or a technological response to support caring roles sometimes prevented the need for approaching adult social care for different types of support, so technology could be considered as a strand of support, and assisted technology was taking shape in the Council.
- The impact of technology was not necessarily around digital inclusion, but around the identification and support of carers. Officers were always aware that carers may not always be digitally savvy and would have to provide

- information that did not always rely on digital inclusion.
- There were no specific criteria for anyone wanting to apply for a Carers Passport and people could contact the Carers Support Service to talk about their circumstances.
 - With regards to power of attorney, officers would work with family members and carers who had power of attorney, and whilst not being specialist legal advisers would try to support people and help people find routes to the right information if they were finding the process difficult. The Council also had a relationship with the Office of Public Guardian (OPG) who had delivered a presentation to social work staff to help them understand how the OPG worked so they could support family members with the process of power of attorney, and would also help the authority with concerns if they believed the power of attorney was being abused, or there was dissension in the family.
 - With regards to reaching out to communities where language could be a barrier, in conjunction with Carers Week and Carers Rights Day, events had been held, for example, in temples, on the radio, and with organisations and community groups around the city to spread and promote the carer word and information on support to families should they need it. The description of carer needed to be carefully explained to some people who did not identify as carer.

The Assistant City Mayor thanked Nicola and Bev for their passion and commitment, the willingness to adapt to change, to listen to different ideas and do anything they could to reach new audiences and were inspirational, and there was a real sense of wanting to get things right for residents, and when faced with challenges officers worked hard to overcome them. She added she wanted to place on record her thanks to them and long may the expansion of work continue. It was recognised the different roles people had from the person making doctor appointments right through to persons delivering care and everything in-between were crucial roles, that society could not run and the city would not be able to afford the work of carers, and that recognising the role of carers was vital.

The Chair and Commission Members echoed the words and sentiment and sincerely thanked the officers for their work and wanted to put on record thanks for the work of carers also.

The Chair recommended that the report be shared with the Children and Young People Scrutiny Commission and welcomed the initiative of the new Carers Passport and hoped work continue through publicity to target and raise awareness through various methods of communication to ensure all communities were included in the process.

AGREED:

That:

1. the report and comments by the Scrutiny Commission be noted;
2. the report be shared with the Children and Young People Scrutiny Commission;

3. to continue through publicity to target and raise awareness through various methods of communication to ensure all communities were included in the process.

82. ADULT SOCIAL CARE WINTER PLAN AND SELF-ASSESSMENT QUESTIONNAIRE - SERVICE CONTINUITY & CARE MARKET REVIEW 2020/21

The Strategic Director Social Care and Education submitted a report which provided the Adult Social Care Scrutiny Commission with an overview of the winter planning requirements and the completion of a self-assessment questionnaire regarding service continuity and care market review as required by the Department of Health and Social Care.

Martin Samuels, Strategic Director presented the report and gave the following information:

- The Commission was aware there had been a lot of demands on adult social care over the past six to seven months, and may well be starting the hardest part where the long expected second-wave of the virus had arrived and there was uncertainty as to how adult social care services would deal with the pressure on entering the winter period which was often a very demanding time for adult social care services anyway.
- There was the possibility of implications with the country's new relationship with the EU on 1st January 2021, and there was potential for an impact on the availability of supplies, on staff etc. for the social care systems.
- The Department of Health and Social Care wanted to have assurance local authorities across the country were well prepared for the above. In September the Department published a national winter plan which set out a significant number of actions that the Department and other bodies were going to take, and local authorities were expected to take. The Department also released a self-assessment questionnaire relating to service continuity and the care market which the authority completed.
- Adult social care had worked during the course of October to address the winter plan and questionnaire. Firstly for the winter plan the Statutory Director was required to write to the Minister by the end of October 2020 to state the authority had a plan, but there was no requirement to submit the plan to the department, or indeed, have a single document rather than have the plan captured in a range of inter-related documents. The authority's plan had been circulated to the Commission Members as a single document. Secondly the service continuity and care market review was submitted on 21 October, also circulated to the Commission. All local authorities had submitted the questionnaire.
- Self-assessment questionnaires for each local authority within a region were returned and each regional group of ADASS was asked to pull together responses and provide as a report to the Department of Health and Social Care. Because they were treated as advice to Ministers they were not published documents, however, headlines were provided and all of the things Adult Social Care were expected to be concerned about had been identified through the questionnaires, such as, the level of workforce

capacity, the high rate of turnover of staff and ongoing vacancies in the sector which was expected to get worse. There were concerns with the availability of home care capacity in some parts of the region (less so in the city), the availability of qualified nurses to support nursing homes which was a worsening situation, the resilience of care homes, and the financial impact on care providers which had been very significant. The various additional funds that had been available to them, for example, the infection control grant and money received from the council, had largely allowed providers to meet the additional costs associated with the virus, but there had been a significant reduction in the number of people that wanted to be in the care system for understandable reasons, that had led to a high number of vacancies in care homes, which meant significantly less income but the same running costs. There were currently 20-25% empty beds in care homes (approximately 4-500 bed vacancies) and had a significant impact on the viability of care homes.

- In due course rebalancing of the market might see some providers leaving the market, which would lead to some difficult situations for residents of care homes closing, and a number of care homes could go under at the same time. The concerns had been picked up by a number of authorities in the region and had been sent to the Department. There was a national process of assessment being undertaken and a range of actions being considered as to what should be done at national level and at regional level.
- The authority had a winter plan and awareness of issues locally. The team were taking significant steps to ensure the quality and availability of care required for the winter period was there. During the second wave of the virus it was clear that pressures were growing on the NHS system and those parts of Adult Social Care system which supported the NHS were being preparing to support further.

The Chair noted the authority was prepared for winter months, and the key to the success was better communication with all relevant departments working in union as outlined in 4.1(a) Winter Plan in the report. The Chair asked if the authority was confident enough that all the providers and working partners were working together to face the winter months with the added addition of flu and the Covid-19 virus. The Strategic Director stated that he was struck by the quality and depth of engagement and the grip that the Directors and their teams had on the situation. He added the people of Leicester were lucky they had the Adult Social Care Team that they did.

Tracie Rees, Director for Adult Social Care & Commissioning, informed the Commission that since March, it had started with daily but were now weekly communication with providers who were asked for a range of data. Officers had an information tracker, which included infection rates/ vacancy rates / any issues that could be affecting the home such as staffing numbers, PPE. There were also escalation processes through the Incident Management Team and LRF. There were also systems in place, and various working cells across LLR, for example, for care homes. There were providers representatives sitting on those groups, for example, the care home cell had representatives from EMCare, the East Midlands Care Association, who as well as supporting care homeowners were able to pass on information from the authority to care

homes. The sharing information of information and communications was covered with support from providers across the city.

Members of the Commission asked questions, and the following information was provided:

- With IPC monies, a second tranche payment of monies had just been made to the care homes. As part of monitoring how the money was spent all care providers had to provide a monthly return to state what the money had been spent on, for example, paying staff their full wages if they were having to isolate, the installation of a pod or room to allow visitors, building alterations to help in terms of isolation to ensure there was no opportunity for the virus to move around the home. Money could not be used to cover a lack of income from beds. Care home providers would not get the second tranche of monies if the Authority was not satisfied regarding what the first tranche had been spent on.
- Safeguarding alerts did drop across the community and nationally, and not just for care homes, but for people living in the community. Officers were beginning to see alert numbers steadily increasing again. A weekly cross-service LLR meeting took place to share issues, concerns, service impacts if, for example, services closed and what that would mean for service users. The meetings were helpful in terms of picking up issues that would normally be picked up by other services, such as, mental health nurses, day service providers. Consideration would be given to see how some work could be continued with care homes, for example, social workers working remotely feeding back issues to the Quality Assurance Team.
- Public facing messages had been sent out to alert people to the fact the service was still working for people with safeguarding concerns.
- Referred to in the national Winter Plan was what had become the designated care homes approach, which was essentially that during the first wave of the virus, there was some evidence that people were being discharged into care homes without it being known if they were Covid-19 positive, and given the vulnerability of care home residents and for the potential for the virus to travel very quickly around a care home, the Government had taken the view through the winter plan that no-one should be discharged into a care home if they were Covid-19 positive unless that home was able to take a Covid-19 positive patient. The authority was in a situation where it had a designated care home for elderly people which could take someone who was discharged from hospital and identified as being Covid-19 positive, and involved the care home having a contract with the local authority to do so following a special inspection through the CQC to say they met requirements and would become the sole route for people discharged from hospital into care homes, to ensure there was no risk of Covid-19 from hospital into care homes.
- There was a challenge to identify a designated care home for people with learning disabilities, as there were no care home organisations in the city who had come forward who were prepared to designate part of their home or have a separate unit where they could support people with complex needs. The authority was in discussion with the County Council who had their own internal homes for people with learning disabilities and could

potentially make 2-3 beds available if needed and would hopefully be available in the near future.

- The hospital bridging service was referred to in the reablement report.

The Deputy City Mayor Councillor Russell referred to the volume of work that had been undertaken and continued to support the sector through unprecedented times. She noted the Adult Social Care department was aware of vulnerabilities that may be faced over coming months and had put in place where possible mitigations and to recognise challenges and had not been easy for any local authority.

The Chair welcomed the report and echoed the Deputy City Mayor's sentiments. He praised the work of Adult Social Care services and all the staff and agencies that were working so hard in preparing and implementing the winter care plan, especially through the Corona Virus pandemic. He gave sincere thanks and appreciation for those providing care and support.

The Chair noted the recommendations contained within the report and noted the Council's response to the Service Continuity and Care Market Review questionnaire which had been thoroughly prepared.

The Chair thanked the Strategic Director and his Team for the report.

AGREED:

That the Adult Social Care Scrutiny Commission:

1. Note the Council's response to the Winter Plan and to provide comments and feedback to the Strategic Director and Executive;
2. Note the Council's response to the Service Continuity and Care Market Review self-assessment questionnaire.

83. ANY OTHER URGENT BUSINESS

The Chair agreed to hear the agenda items out of order. The following agenda item was heard next.

Councillor March informed the meeting that the Task Group report 'Adult Social Care Workforce Planning: Looking to the Future' had been taken to a City Mayor briefing and had received with positive comments. Recommendations received would be brought to the first meeting of the Adult Social Care Scrutiny Commission in the new year.

The Chair congratulated Councillor March on the report.

Due to an earlier declaration of interest, Councillor Joshi left the meeting at this point. Councillor March was Vice-Chair in the Chair for the following agenda item.

84. REABLEMENT SERVICE: RESPONSE TO COVID-19 AND WINTER RESILIENCE

The Strategic Director Social Care and Education submitted a supplementary report to the Winter Plan to the Scrutiny Commission, which highlighted the specific issues for the Reablement Service operated by Leicester City Council, arising from the Covid-19 pandemic and winter resilience planning.

Ruth Lake, Director of Adult Social Care and Safeguarding introduced the report which built on the previous report of winter resilience and included activity data and key quality indicators. The following points were made:

- The current CQC rating for the registered service was 'Good'.
- National benchmarking information was included following an audit the service participated in over the past two years.
- Also described was how the Reablement Service fitted within the range of services offered, for example, it provided support for residents to prevent them going into care or hospital unnecessarily and also in returning home after something in their lives had happened, such as an illness or a fall, and a couple of case scenarios were provided in the report as examples.
- Key impacts of Covid-19 since March were included, and as previously reported activity had been seen to decrease rather than increase, but it was believed it would be slightly different when going into the second wave of the pandemic with the hospital continuing to provide elective surgery where it could, and that was a large pathway through into reablement services, whereas a lot of activity had been curtailed in the first wave of the pandemic.
- Resilience through the period was testament to staff and managers who had had to adapt, for example, wearing enhanced PPE, working with people known to have Covid-19. It was also an older workforce.
- In the Winter Plan and Service Continuity Self-Assessment there was one line that referred specifically to reablement. Staff were very watchful and keeping a close eye on issues but were not substantially concerned about the capacity and resilience of the Council's own Reablement Service going through the winter period, and there was confidence they would fulfil their core function.
- The Reablement Service was a service of last resort and supporter of other services which were struggling and there was some concern in terms of agency's expectations that they would be able to assist them with their activity.

Members noted the report. In response to queries raised the following points were noted:

- The issue in relation to insurers was not an issue specifically for the services, but was whether or not Council's insurance or insurance providers covered officers going into different settings, for example if some of the Council's staff had to go in and work in a care home, for example, if the care home was struggling due to loss of staff, or other issues. Guidance had been taken from the Council's insurers who confirmed staff going into

- other care settings were covered by the Council's insurance to do that.
- The Reablement Service is provided in a people's own homes by carers, and not a service provided in a care setting. A step-down service is provided, for example, someone may have had to go into a care home setting but were now returning home, the Reablement Team may pick up the care provided and continue to support the person at home.
 - The Council worked closely with the district nursing service and community therapy service but did not directly provide it. Through the Home First offer there were daily meetings to talk about people that needed support from the health and care sector to try and ensure they received that in a coordinated way.
 - Covid-19 was not of itself an issue and was not a determinant in whether a person did or did not receive the service and people would continue to be supported if that was the case.
 - In the very first responses as hospitals were announcing their intention to clear their hospital beds as the country went into lockdown, Adult Social Care reviewed its operational procedures and the view was taken to support people for the shortest amount of time it was appropriate to do before moving them on to another service.
 - The Reablement Service was often described as a six-week service but was there for as long as people would benefit from it, up to six-weeks. It was reported it was often the case that people would be assessed on their reablement journey and some people would move off after days, a couple of weeks or the full six-weeks. Officers would ensure daily rigour about the point where it was found people would no longer benefit anymore from the reablement offer but would be moved on to other ongoing care, which was good practice rather than a Covid necessity
 - In the first wave of the pandemic the service was working with people who had been very poorly and were still affected by Covid19-related issues and were recuperating. It had also become obvious at the time there were some people who were going to require ongoing support for quite some time.
 - During the first wave those not being looked after were people who would normally require short-term support, for example, those who had had elective surgery such as hip operations and would require a therapeutic approach. It was noted that over the next wave there would be a balance of the two.

The Chair noted the contents of the report and praised the work of the staff working in the Reablement Service, often in difficult circumstances, to help people regain choice and independence.

AGREED:

1. That the Adult Social Care Scrutiny Commission note the report and provide and comments and feedback to the Strategic Director and Executive.

85. CLOSE OF MEETING

There being no other items of urgent business, the meeting closed at 7.51pm.

Draft General Fund Budget 2021/22

Decision to be taken by: Council

Decision to be taken on/Date of meeting: 17th February 2021

Lead director/officer: Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Catherine Taylor and Mark Noble
- Author contact details: Catherine.taylor@leicester.gov.uk mark.noble@leicester.gov.uk
- Report version number: 1

1. **Purpose**

- 1.1 The purpose of this report is to ask the Council to consider the City Mayor's proposed budget for 2021/22 and to present medium-term projections up to 2024.
- 1.2 The proposed budget is described in this report, subject to any amendments the City Mayor may wish to recommend when he makes a firm proposal to the Council.
- 1.3 This report is written in advance of the Government's local government finance settlement, and will therefore change to reflect actual figures when received.

2. **Summary**

- 2.1 The Council is currently facing an unprecedented and difficult financial situation. Following on from the severe spending cuts the Government has imposed in the last 10 years, the coronavirus pandemic has put huge pressure on service spending and on income streams. There are also unavoidable, and continuing, underlying cost pressures, particularly in demand-led social care services.
- 2.2 Added to this, the budget is made more difficult because we do not know the level of funding available beyond the current financial year, nor the extent to which spending pressures from the Covid-19 pandemic and / or consequent economic downturn will continue. Nor do we know how services may need to be reshaped to meet new expectations in a post-Covid future.
- 2.3 The Council's previous approach to achieving the budget reductions required by the Government has been based on the following approach:-
 - (a) An in-depth review of discrete service areas (the "Spending Review Programme");
 - (b) Building up reserves, in order to "buy time" to avoid crisis cuts and to manage the Spending Review Programme effectively. We have termed this the "managed reserves strategy".
- 2.4 The Spending Review approach has served us well: savings of nearly £50m have been made since 2014, and left the Council with a relatively healthy level of reserves at the start of 2020/21 (compared to other authorities). However, the achievement of Spending Review savings has stalled in 2020/21 due to the Covid pandemic. The

pandemic may, additionally, have significant implications for the way we deliver services in future and we are not yet in a position to know what we can afford. The future shape of the Council's services will be strongly influenced by the long term consequences of the pandemic, and review will be needed to ensure we are fit to meet new challenges. This will range from new ways of providing services, to best use of IT, and the optimum configuration of our existing office portfolio if home working becomes a permanent feature of our future working arrangements. Furthermore, a significant amount of the Council's reserves may be required to meet pandemic costs.

2.5 As a consequence, the following approach has been adopted:-

- (a) The budget for 2021/22 has been balanced using reserves, and can be adopted as the Council's budget for that year. This is effectively a "standstill" budget representing the underlying position before any further cuts;
- (b) We have "drawn a line" under the spending review programme, but have included in this budget assumptions about savings which can be achieved without detriment to service provision;
- (c) A comprehensive financial review of the Council's position will be undertaken before setting the budget for 2022/23, to ensure ongoing financial sustainability. This work needs to commence as soon as possible, given the way this budget will use up reserves.

2.6 **What this means is that, in substance, the budget proposed is a one year budget, pending a fuller (post-pandemic) review.**

2.7 It should also be noted that there are some significant risks in the budget. These are described in paragraph 13.

2.8 The draft budget provides for a council tax increase of 5% in 2021/22, which is the maximum available to us without a referendum. 3% of this 5% is for the "social care precept" – the Government has permitted social care authorities to increase tax by more than the 2% available to other authorities, in order to help meet social care pressures (unlike a grant, of course, we have to pay for this ourselves).

2.9 In the exercise of its functions, the City Council (or City Mayor) must have due regard to the Council's duty to eliminate discrimination, to advance equality of opportunity for protected groups and to foster good relations between protected groups and others. There are no proposals for decisions on specific courses of action that could have an impact on different groups of people – such decisions as may be needed will be taken subsequently. Therefore, there are no proposals to carry out an equality impact assessment on the budget itself, apart from the proposed council tax increase (this is further explained in paragraph 12 and the legal implications at paragraph 16). Where required, the City Mayor has considered the

equalities implications of decisions when they have been taken and will continue to do so for future decisions.

- 2.10 Best practice now expects me to present a medium term financial strategy for approval, and this is attached (see Appendix Five). It contains projections of the position up to 2024, although in the context of the pandemic longer range projections must be seen as unreliable. High and low forecasts have not been prepared, because it is not possible to ask members to take decisions based on them – this will follow from the review described above.

3. **Recommendations**

3.1 Subject to any amendments recommended by the City Mayor, the Council will be asked to:-

- (a) approve the budget strategy described in this report, and the formal budget resolution for 2021/22 which will be circulated separately;
- (b) note comments received on the draft budget from scrutiny committees, trade unions and other partners *(to be added for final budget report)*;
- (c) approve the budget ceilings for each service, as shown at Appendix One to this report;
- (d) approve the scheme of virement described in Appendix Two to this report;
- (e) note my view that reserves will continue to be adequate during 2021/22, and that estimates used to prepare the budget are robust;
- (f) note the equality implications arising from the proposed tax increase, as described in paragraph 12 and Appendix Three;
- (g) note the medium-term financial strategy and forecasts presented at Appendix Five, and the significant financial challenges ahead.

4. **Budget Overview**

4.1 The table below summarises the proposed budget for 2021/22. Due to the level of uncertainty in future budgets, only one year is presented here (summary projections for a three-year period are included in the medium term strategy at Appendix Five):

	2021/22 £m
Service budget ceilings	293.5
Corporate Budgets	
Capital Financing	6.5
Miscellaneous Corporate Budgets	1.6
Contingency	2.0
Total forecast spending	303.5

Rates retention scheme:	
Business rates income	62.2
Top-up payment	48.0
Revenue Support Grant	29.0
Other resources:	
Council Tax	127.8
Collection Fund deficit	(2.4)
Govt funding towards Collection Fund	1.8
Social Care grants	12.0
New Homes Bonus	4.9
Total forecast resources	283.3

Underlying gap in resources	20.2
Proposed funding from reserves	(20.2)
Gap in resources	NIL

4.2 The proposed budget for 2021/22 has an underlying budget gap of just over £20m, which represents a £15m deterioration from the most optimistic forecast presented in February 2020. This includes adjustments to the budget to better reflect the true underlying position and unavoidable pressures, as explained in section 6 below. £20m has been added to service budgets: to the extent that this is required for adult social care, only part of the cost has been met by new funding (and most of the new

funding provided is permission to increase council tax rather than Government grant). The budget gap also reflects decreased forecasts for locally-raised tax income, due to the economic downturn caused by the pandemic.

5. **Construction of the Budget and Council Tax**

5.1 By law, the role of budget setting is for the Council to determine:

- (a) The level of council tax;
- (b) The limits on the amount the City Mayor is entitled to spend on any service (“budget ceilings”; the proposed budget ceilings are shown at Appendix One)

5.2 In line with Finance Procedure Rules, Council must also approve the scheme of virement that controls subsequent changes to these ceilings. The proposed scheme is shown at Appendix Two.

5.3 The City Council’s proposed Band D tax for 2021/22 is £1,694.92, an increase of just under 5% compared to 2020/21.

5.4 The tax levied by the City Council constitutes only part of the tax Leicester citizens have to pay (albeit the major part – 84% in 2020/21). Separate taxes are raised by the Police and Crime Commissioner and the Combined Fire Authority. These are added to the Council’s tax, to constitute the total tax charged.

5.5 The actual amounts people will be paying in 2021/22, however, depend upon the valuation band their property is in and their entitlement to any discounts, exemptions or benefit. Almost 80% of properties in the city are in band A or band B, so the tax will be lower than the Band D figure quoted above.

5.6 The Police and Crime Commissioner and Combined Fire Authority will set their precepts in February 2021. The formal resolution will set out the precepts issued for 2021/22, together with the total tax payable in the city.

6. **Departmental Budget Ceilings**

6.1 As stated in the summary at paragraph 2.5, a different approach has been taken to preparing departmental budgets this year. A thorough review is required before we can set meaningful post-Covid budgets. It would be premature to carry out such a review now, and (as described above) a one year budget is proposed to get us through this current period of pandemic and uncertainty. The approach will use our “managed reserves” to enable a smooth transition year.

6.2 The approach is therefore to maintain existing budgets wherever practical, but:-

- (a) Build in unavoidable growth, which would normally be compensated by departmental savings;

- (b) Anticipate savings to be made from a number of residual spending reviews which have minimal impact on front line services. Where necessary, equality assessments will be carried out prior to implementation of these proposals.

6.3 Budget ceilings for each service have been calculated as follows:

- (a) The starting point is last year's budget, subject to any changes made since then which are permitted by the constitution (e.g. virement), and excluding one-off additions identified in the 2020/21 budget.
- (b) An allowance for non-pay inflation has been added to the budgets for independent sector adult care (2%), foster care (2%) and the waste PFI contract (RPI, in line with contract terms). Apart from these areas, no allowance has been made for non-pay inflation;
- (c) Decisions previously taken by the Executive in respect of spending reviews, where the savings take effect in 2021/22, have been deducted from the ceilings;
- (d) Changes have been made for growth and savings as described below.

6.4 The budget ceilings shown at Appendix One do *not* include any allowance for pay inflation. At the time of writing, the local government pay scales for 2021/22 had not been determined, and therefore a provision is being held centrally to meet the cost. This is based on the Government's expectations for public sector pay set out in November, which include pay awards only for lower-paid staff. The provision will be distributed to departmental budget ceilings when the details of the pay award are known.

6.5 The role of the Council is to determine the financial envelopes within which the City Mayor has authority to act. Notwithstanding the way the budget has been constructed, the law does not enable the Council to determine how the City Mayor provides services within these envelopes: this is within his discretion. Paragraphs below describe how the City Mayor currently expects to achieve savings to enable him to spend within budget ceilings. The scheme of virement provides scope for alternative ways to live within budgets if any proposal cannot be delivered (e.g. if equality assessments reveal impacts that require a different approach).

City Development & Neighbourhoods

- 6.6 The department provides a wide range of statutory and non-statutory services which contribute to the wellbeing and civic life of the city.
- 6.7 The department's costs are not subject to the same levels of volatility as social care services, and pressures tend to be easier to predict in advance.
- 6.8 The following pressures have been reflected in the proposed budget:-

	2021/22	2022/23
	£000	£000
Tourism, Culture & Inward Investment		
Markets income	250	250
Festivals and Events	50	50
Records Office	45	45
Estates & Building Services		
Property maintenance and income	1,500	1,500
Housing		
Fleet	750	750
Total Growth	2,595	2,595

- 6.9 The growth is described below:-
- (a) The income expectations at the retail market (£1.3m) have become increasingly unrealistic, and the additional £250,000 p.a. will rectify the position;
 - (b) Additional resource is required for festivals and events to offset rising costs of infrastructure and to support some other events that could generate significant economic benefit for the city;
 - (c) The Council needs to pay an increased contribution to the Records Office, following a review of the budget (and percentage shares) by the County Council;
 - (d) Property maintenance costs have increased due largely to a higher than expected need for routine repairs and statutory compliance following the introduction of the corporate landlord model. Additionally, an on-going reduction in the amount of capital construction activity supported by the Division, particularly as school expansions are now largely nearing completion, is reducing the income from capital fees.

- (e) In recent years, vehicles in the Council's fleet have been used for a longer period following a review of useful lives: this has meant far fewer vehicles have been purchased than usual, as less vehicles reached the end of their service. Vehicles are acquired by means of borrowing, for which the department makes revenue provision – in part, the proposed growth represents a step up in vehicle acquisition after this lull. Budgets are also under pressure because, although we are working towards electrification of the corporate fleet, we are not yet seeing savings through reduced maintenance and acquisition of parts (repair costs have in fact increased due to the fleet becoming older). A delay in rectification work after the fire at Leycroft Road depot has also delayed work to introduce an MOT offer.

6.10 The following savings have been reflected in the proposed budget:

	2021/22	2022/23
	£000	£000
Planning, Development & Transport		
Car parking	500	500
Bus lane enforcement – back office	50	100
Planning efficiencies	25	25
Neighbourhoods & Environmental Services		
Rationalisation of bring banks	25	25
Procurement savings on running costs	60	60
Total Savings	660	710

6.11 The savings are described below:-

- (a) Current parking charges are in multiples of £1, which are convenient for the public but constrain our ability to review charges. Work has been taking place for some time converting parking meters to cashless payment, which will facilitate a review once the pandemic is over. An adjustment is proposed to the department's budget, but it is recognised that review will be dependent on coming out of Covid restrictions. To the extent that the proposed saving cannot be achieved until later in the year, this will be compensated from one-off resources (see paragraph 9).
- (b) Efficiency savings are anticipated from rationalising back office functions for collecting bus lane infringement penalties;
- (c) A saving of £25,000 will be made following a review of the conservation team establishment and consolidation of ecology duties;

- (d) Savings are forecast from the rationalisation of bring banks, particularly those most susceptible to anti-social behaviour. Whilst the number of sites will be reduced, approximately 20 sites where new bins would be installed have been selected taking into account feedback from the public consultation, access issues, existing levels of fly tipping (where applicable), space available and existing levels of usage;
- (e) Procurement savings on running costs have already been achieved.

6.12 The department continues to face (and expects to manage) pressures associated with waste, due chiefly to increased amounts of waste to be disposed of.

Adult Social Care

6.13 Adult Social Care services nationally are facing severe cost pressures. This is recognised by the Government, although long-term solutions have been continually deferred (and now further deferred as a consequence of the pandemic). The Government has now stated that it expects to carry out a review “next year.”

6.14 Consequently, the Government has been providing additional resources on a year by year basis, at inadequate levels, with no guarantee that these will be increased (or indeed maintained) in future years.

6.15 The Adult Social Care Department has managed its budget well in recent years. This is a consequence of additional funding which has been provided in council budgets, and measures to contain costs (including staffing reductions of 20% and tight controls ensuring the service can only be accessed by people with a statutory entitlement).

6.16 In 2021/22 and beyond, the department continues to face significant demand led pressures:-

- (a) The growth in need of people already using services, resulting in additional support being added to their existing package of care;
- (b) Growth in numbers of people using services (both older people and working age adults with mental health conditions and learning disabilities);
- (c) The cost of meeting need, which is rising by more than inflation, due to the impact of continuing increases in the National Living Wage (NLW) which drives care costs. The NLW will increase by 2.2% in 2021/22 (less than previously anticipated); the Government intends it to reach two-thirds of median wages by 2025, which implies higher increases in future years.

6.17 The combination of the above pressures means the aggregate cost of social care packages is expected to increase by 12% in 2021/22. It is proposed to increase the budget for Adult Social Care by £10.2m in 2021/22 rising to £30.2m by 2022/23. Government support will meet some, but not all of these costs: although exact

allocations are not yet confirmed, we expect to receive around £2m in additional grant support. This is obviously considerably short of what the Council needs (permission to increase council tax by 5% will raise an additional £3.6m).

- 6.18 The following savings will be deducted from the budget (all of which have already been achieved):

	2021/22	2022/23
	£000	£000
Admin savings	140	140
Pension costs for TUPE'd staff	154	154
Total Savings	294	294

- 6.19 Work is taking place to reduce the burden of growing costs. This includes:

- (a) A deep dive analysis to understand trends in care;
- (b) Investment in technology enabled care (TEC) which experience elsewhere suggests has scope for significant savings;
- (c) Further strengthening of prevention.

Education and Children's Services

- 6.20 In common with authorities across the country, increasing demand for social care services has been putting considerable pressure on the budget of the department (and the Council).
- 6.21 The pandemic has however made no appreciable difference to demand for social care, although new demand may surface once restrictions are completely lifted.
- 6.22 £14m was added to the budget of the department in 2020/21, £3m of which was described as temporary in anticipation of savings. Consideration of these savings has been derailed by the pandemic, and the budget therefore proposes to make this growth permanent. That aside, the department currently believes that no new monies will be required to meet growth in demand.
- 6.23 The budget does, however, propose the following growth:-

	2021/22	2022/23
	£000	£000
SEN home to school transport	2,382	2,382
Special Education Service – additional resource	425	425
Connexions review not proceeding	241	241
Total Growth	3,048	3,048

6.24 The growth is described below:-

- (a) The budget for SEN transport has been under pressure for some time reflecting cost increases for both the in-house fleet service and taxis. This has been exacerbated by growth in user numbers arising from Education, Health and Care Plans (EHCPs). The amount of additional money required has been offset by savings expected from the use of individual Passenger Transport Budgets (PTBs) (£0.5m p.a.) and from a new taxi framework contract (£0.8m p.a.);
- (b) Additional funding has been provided for more staff in the Special Education Service to ensure timely preparation of EHCPs. We have seen a growth of 62% in the number of EHCPs since 2016 and there has been no permanent increase in staffing to deal with this;
- (c) The budget for 2020/21 assumed savings would arise from a review of the Connexions Service. Whilst review has taken place, reductions to the service have not been made due to the impact the savings would have on the service, particularly given the economic impact the pandemic is likely to have.

6.25 Work is taking place to reduce pressure in social care costs:-

- (a) Developing internal residential placements to reduce expensive external costs;
- (b) Developing a wider range of semi-independent placements;
- (c) Enhancing and promoting our foster care offer;
- (d) Developing an advanced foster carer scheme.

6.26 The recent introduction of therapy teams has secured a reduction in the number of care placements which would otherwise have been required, and is operating at full capacity.

6.27 In addition to the general fund, DSG budgets for higher needs pupils continue to be under severe pressure.

Health & Wellbeing

6.28 The Health and Wellbeing Division consists of core public health services, together with sports and leisure provision. It is partly funded from Public Health Grant and partly from the general fund. Public Health Grant has been falling in recent years, but was maintained at current levels in 2020/21 (after inflation).

6.29 The future of Public Health Grant beyond 2021/22 is unclear – it is anticipated that it will eventually be consolidated into the new 75% business rates retention scheme

(assuming this is implemented). This, however, remains uncertain as it is subject to agreement between the Ministry of Housing, Communities and Local Government; and the Department of Health and Social Care – the latter may wish to impose requirements on how former Public Health Grant is spent in the future.

6.30 The proposed budget includes the following growth:.

	2021/22	2022/23
	£000	£000
Business Manager	55	55
Statutory advice to CCGs	75	75
Total Growth	130	130

6.31 This growth is described below:-

- (a) The business manager post is essential to supplement existing capacity in the wake of the pandemic and recruitment is underway. If growth is not approved, compensating savings will need to be found;
- (b) A part time consultant is proposed to deliver public health care to fulfil our statutory duty to support CCGs, and to have senior public health influence and leadership of the Integrated Care System. This will ensure that the health economy prioritises tackling inequalities in the city and places much greater emphasis on primary and secondary prevention.

6.32 The sports service is expected to suffer continued loss of income in 2021/22, as users are hesitant to return following the pandemic. Additionally, the pandemic will delay achievement of the savings expected from the recent Spending Review (£0.6m). These costs will be met from one-off resources (see paragraph 9).

6.33 To provide funding for the above, the following savings are proposed:-

	2021/22	2022/23
	£000	£000
Contraception Services	100	100
Services for Children aged 0 to 19	0	200
Lifestyle Services	35	35
Total Savings	135	335

6.34 These savings are described below:-

- (a) Reduced levels of expenditure by GPs providing contraception services;

(b) Savings are anticipated from the Children’s 0-19 contract with Leicestershire Partnership Trust, when it is renewed prior to 2022/23;

(c) Miscellaneous Lifestyle Services savings can be achieved through more efficient targeting of the promotion of healthy food and physical exercise within schools.

Corporate Resources & Support

6.35 The department primarily provides back office support services, but also some public facing services such as benefits and collection of council tax. It has made considerable savings in recent years in order to contribute to the Council’s savings targets. It has nonetheless achieved a balanced budget each year.

6.36 The following growth is proposed:-

	2021/22	2022/23
	£000	£000
Making Temporary Teams Permanent		
Digital Transformation Team	660	660
Service Analysis Team	235	235
Smart Cities	250	250
Entrepreneurial Councils	125	125
Finance Projects Team	260	260
Other Growth		
Revenues & Benefits	250	250
Childcare & contract lawyers	469	469
Total	2,249	2,249

6.37 This growth is described below:-

(a) A number of teams delivering new ways of working and modern services have been funded from annual savings achieved from other budgets, or departmental reserves. In line with our overall approach to 2021/22 (a transition year) it is proposed to build these costs into the main budget. These services are seen as enabling new approaches which will be critical as we plan for 2022/23;

(b) Costs of the Revenue and Benefits Service are increasing due to difficulties in recruiting and retaining staff as the Government moves claimants onto Universal Credit, and continuing Government grant reductions;

- (c) Childcare and contract legal work has been underfunded compared to the growing volumes of work in these areas, and has previously been funded on a year by year basis.

6.38 The following savings are proposed:-

	2021/22	2022/23
	£000	£000
Finance Division Review	400	400
IT – efficiency savings	36	36
VCS infrastructure	50	100
Total Savings	486	536

6.39 These savings are described below:-

- (a) An organisational review of the Finance Division is taking place, to make further efficiency savings;
- (b) Efficiency savings can be achieved by IT Services, consequential to Spending Review 4 savings;
- (c) The VCS infrastructure contract will be re-procured with a view to achieving savings and to focusing the contract specifically on supporting the sustainability of the sector. This is in line with a VCS strategy which is in development, and in light of other activity which has been developed in recent years to support the VCS (such as crowdfunding). It will also build on the benefits of the volunteering, relationships and engagement approach which has been part of the Covid pandemic response.

7. **Corporately Held Budgets and Provisions**

- 7.1 In addition to the service budget ceilings, some budgets are held corporately. These are described below.
- 7.2 The budget for **capital financing** represents the cost of interest and debt repayment on past years' capital spending. This budget is not controlled to a cash ceiling, and is managed by the Director of Finance. Costs which fall to be met by this budget are driven by the Council's treasury management strategy, which will also be approved by Council in February, and are affected by decisions made by the Director of Finance in implementation of this policy.
- 7.3 A **contingency** of £2m has been included in the budget, to manage significant pressures that arise during the year. This is particularly appropriate due to the level of uncertainty in the budget this year.

7.4 **Miscellaneous central budgets** include external audit fees, pensions costs of some former staff, levy payments to the Environment Agency, bank charges, general insurance costs, monies set aside to assist council taxpayers suffering hardship and other sums it is not appropriate to include in service budgets. These budgets are offset by the effect of recharges from the general fund to other statutory accounts of the Council (which are reducing over time). A provision is also held (as in previous years) for the implications of Government reform to the High Needs Block of DSG, although this will have the practical effect of reducing recharges.

8. **Resources**

8.1 This draft budget has been prepared before we have the local government finance settlement for 2021/22, and without knowing our precise grant allocations. We have therefore made estimates based on the national Spending Review published on 25th November. Given the level of uncertainty about the public finances in the future, the government has again produced a one-year Spending Review for 2021/22, and deferred a multi-year plan until the following year. We are expecting that the financial settlement for 2021/22 will largely roll forward existing funding allocations, with little reallocation between authorities.

Business Rates Retention Scheme

8.2 Since 2013, local government has retained 50% of the business rates collected locally, with the other 50% being paid to central government. In Leicester, 1% is paid to the fire authority, and 49% has been retained by the Council. This is known as the “Business Rate Retention Scheme”.

8.3 In recognition of the fact that different authorities’ ability to raise rates do not correspond to needs, there are additional elements of the business rates retention scheme:

(a) a **top-up to local business rates**, paid to authorities with lower taxbases relative to needs (such as Leicester) and funded by authorities with greater numbers of higher-rated businesses.

(b) **Revenue Support Grant (RSG)**, which has declined sharply in recent years as it is the main route for the government to deliver cuts in local government funding (and the methodology for doing this has disproportionately disadvantaged deprived authorities).

8.4 The planned reform to the funding system has now been delayed, so this draft budget is based on the 2020/21 settlement being rolled forward with an addition for inflation.

8.5 Forecasts of business rates income are particularly sensitive to assumptions about the length and severity of the economic downturn caused by the pandemic. The figures in this draft budget are based on the rates base as it stood at autumn (6

months into the pandemic), and assume a further reduction in yield of 2% (resulting in a reduction in income of £3m compared to the 2020/21 budget).

- 8.6 The government has recently announced that the rates multiplier will be frozen for 2021/22, which means that less income will be collected from ratepayers (compared to our original assumptions). However, we will be reimbursed by government grant, so there should be no net effect on our budget.

Council Tax

- 8.7 Council tax income is estimated at £127.8m in 2021/22, based on a tax increase of just below 5% (the maximum allowed without a referendum). The proposed tax increase includes the additional “social care levy” allowed since 2016/17, and designed to help social care authorities mitigate the growing costs of social care; the Government will expect us to demonstrate that the money is being used for this purpose.
- 8.8 The assumed taxbase for 2021/22 has reduced slightly since last year’s budget. This is largely the result of an increased provision for bad debt, as the ongoing economic effects of the pandemic will lead to more residents having difficulty in paying. There has also been an increase in the cost of the council tax support scheme during the pandemic (this had been consistently decreasing in previous years), and the increase will not be eradicated immediately the pandemic is over.

Other grants

- 8.9 The Government also controls a range of other grants. The majority of these are not shown in the table at paragraph 4.1, as they are treated as income to departments (departmental budgets are consequently lower than they would have been). Those held corporately are described below:

- a) **New Homes Bonus (NHB)**. This is a grant which roughly matches the council tax payable on new homes, and homes which have ceased to be empty on a long term basis. The future of NHB is in doubt.
- b) Additional funding to support **Social Care** has been made available each year since 2017/18, although this has been as a series of one-off allocations rather than a stable funding stream. For 2021/22, the total funding nationally will be £1.8 billion (a £300 million increase from 2020/21). Our estimated share of this is around £12 million.

Collection Fund surplus / deficit

- 8.10 Collection fund surpluses arise when more tax is collected than assumed in previous budgets. Deficits arise when the converse is true. This year, in common with authorities nationally, tax collection has significantly reduced during the Covid restrictions.

- 8.11 In 2020/21, as part of the response to the pandemic, the Government granted a raft of new rates reliefs to businesses: we have been compensated by Government grant. In itself, this has no net cost to the Council (in fact it is helpful because we do not have to recover monies from individual ratepayers). Due to accounting rules, the effect of this in our accounts will look peculiar. For clarity, the figures in this report show the true underlying position.
- 8.12 Collection fund deficits are particularly difficult to predict this year, due to the uncertainty over the path of the pandemic. The initial estimates included in this draft budget will be reviewed in the light of more up-to-date information, before the final budget is presented to Council in February.
- 8.13 Under temporary rules introduced to deal with these income losses, the collection fund deficit arising in 2020/21 will be spread over the following three years. In addition, the government is proposing a scheme whereby local authorities will be funded for 75% of their irrecoverable losses on council tax and business rates.
- 8.14 The Council has an estimated **council tax collection fund deficit** of £4.9m, after allowing for shares paid to the police and fire authorities. This will be recovered between 2021/22 and 2023/24. The majority of this relates to reduced collection rates arising from the pandemic and lockdown, and assumptions made about how much will eventually be collected. If eventual collection rates are better than these assumptions, the additional amount will be brought back into the budget in future years. It also includes the estimated amount of additional council tax support which will be paid in 20/21.
- 8.15 The Council has an estimated **business rates collection fund deficit** of £1.8m (again, this will be recovered over 3 years). This is largely the result of an increased bad debt provision, as collection has declined during the pandemic and lockdown. Some however arises from additional exemptions for properties which have become vacant.

9. **Managed Reserves Strategy**

- 9.1 The pandemic and the change in our approach to the budget strategy has had a significant impact on our requirement for reserves. The amounts previously set aside to manage future budgets will largely be required to balance 2021/22 and to deal with pandemic pressures.
- 9.2 The Council has agreed to maintain a minimum balance of £15m of reserves. The new strategy does not propose to change this.
- 9.3 The Council also has a number of earmarked reserves, which are further discussed in section 10 below. Key amongst these was the managed reserves strategy which is dealt with below.

9.4 Since 2013, the Council has used a managed reserves strategy, contributing money to reserves in the early years of the strategy, and drawing down reserves in later years. This policy has bought time to more fully consider how to make the substantial cuts which have been necessary. The pandemic has, in effect, made significant inroads into these reserves:

- (a) we are expecting that up to £20m will be required in 2020/21 to meet costs over and above Government grant we have received for the pandemic;
- (b) similarly, a sum of £10m has been set aside for one-off costs associated with the pandemic in 2021/22. This is likely to include income losses which are expected to persist, particularly car parking, sports and De Montfort Hall. The Government will make some grant funding available to local authorities for costs in 2021/22, but at this stage we have no way of knowing whether this will be sufficient.

9.5 Conversely, a review of earmarked reserves has resulted in £4.8m becoming surplus to requirements and has been added back to managed reserves.

9.6 The estimated reserves at the end of 2022/23 are shown below, and emphasise the need for a fundamental budget review as soon as possible:

	£m
Brought forward 1 st April 2020	66.8
Add transfers from earmarked reserves	4.6
Minus use planned in 2020/21 budget	(2.4)
Additional unfunded Covid costs	(20.0)
Forecast carry forward 1st April 2021	49.0
Required in 2021/22	(20.2)
Provision for Covid costs in 21/22	(10.0)
Uncommitted balance for 22/23	18.8

10. Earmarked Reserves

10.1 In addition to the general reserves, the Council also holds earmarked reserves which are set aside for specific purposes. These include ring-fenced funds which are held by the Council but for which we have obligations to other partners or organisations; departmental reserves, which are held for specific services; and corporate reserves, which are held for purposes applicable to the organisation as a whole.

10.2 Earmarked reserves are kept under review, and amounts which are no longer needed for their original purpose can be released for other uses, including the managed reserves strategy.

10.3 Earmarked reserves are shown at Appendix Four.

11. **Medium Term Strategy**

11.1 Planning for the budget beyond 2021/22 is extremely difficult, as the government's spending plans for this period will not be announced until the middle of 2021 at the earliest. Nevertheless, we need to ensure the Council's finances are sustainable in the longer term. Best practice now requires us to include a medium term strategy, which is exceptionally difficult in the middle of a pandemic. A medium-term financial forecast is attached at Appendix Five to this report.

12. **Budget and Equalities**

12.1 The Council is committed to promoting equality of opportunity for its residents; both through its policies aimed at reducing inequality of outcomes, and through its practices aimed at ensuring fair treatment for all and the provision of appropriate and culturally sensitive services that meet local people's needs.

12.2 In accordance with section 149 of the Equality Act 2010, the Council must "have due regard", when making decisions, to the need to meet the following aims of our Public Sector Equality Duty :-

- (a) eliminate unlawful discrimination;
- (b) advance equality of opportunity between those who share a protected characteristic and those who do not;
- (c) foster good relations between those who share a protected characteristic and those who do not.

12.3 Protected groups under the public sector equality duty are characterised by age, disability, gender reassignment, pregnancy/maternity, race, religion or belief, sex and sexual orientation.

12.4 When making decisions, the Council (or decision maker, in this case the City Mayor) must be clear about any equalities implications of the course of action proposed. In doing so, it must consider the likely impact on those likely to be affected by the recommendation; their protected characteristics; and (where negative impacts are anticipated) mitigating actions that can be taken to reduce or remove that negative impact.

12.5 This report seeks approval to the proposed budget strategy. The report sets out financial ceilings for each service which act as maxima above which the City Mayor cannot spend (subject to his power of virement). However, decisions on services to be provided within the budget ceilings are taken by managers or the City Mayor separately from the decision regarding the budget strategy. Where appropriate, an individual Equalities Impact Assessment for any service changes will be undertaken when these decisions are developed.

12.6 While this report does not seek approval to any specific service proposals, it does recommend a proposed council tax increase for the city's residents. The City

Council's proposed tax for 2021/22 is £1,694.92, an increase of just below 5% compared to 2020/21. As the recommended increase could have an impact on those required to pay it, an assessment has been carried out to inform decision makers of the potential equalities implications. This analysis is provided at Appendix Three.

- 12.7 Whilst there has been some support specifically arising from the impact of Covid-19 it is unclear what support will be in place in 2021/22. Council officers should continue to ensure that if any additional or on-going support that is put in place in the future, efforts are made to ensure that all sections of the community are able to access the support that they are entitled to. This may involve ensuring that there are accessible and possibly targeted communications where there may be barriers to access.
- 12.8 A number of risks to the budget are addressed within this report, such as the impact of Covid-19, economic downturn, adult social care pressures, costs of looked after children, the impact of Brexit and the uncertainty of not knowing plans for local government funding for next year. If these risks are not mitigated effectively, there could be a disproportionate impact on people from particular protected characteristics backgrounds and therefore ongoing consideration of the risks and any potential disproportionate equalities impacts, as well as mitigations to address disproportionate impacts for those with a particular protected characteristics, is required.

13. **Risk Assessment and Adequacy of Estimates**

- 13.1 Best practice requires me to identify any risks associated with the budget, and section 25 of the Local Government Act 2003 requires me to report on the adequacy of reserves and the robustness of estimates.
- 13.2 In the current climate, it is inevitable that the budget carries significant risk, even more than in previous years. In my view, although very difficult, the budget for 2021/22 is achievable subject to the risks and issues described below.
- 13.3 The most significant risks in the 2021/22 budget include (but are not limited to) the ongoing effects of the coronavirus pandemic, which are affecting almost all areas of the Council's operations. However, there are also pre-existing pressures which continue to pose a risk to the financial position:
- (a) Adults social care spending pressures, specifically the risk of further growth in the cost of care packages;
 - (b) The costs of looked after children, which have seen growth nationally. These have not been significantly impacted by the pandemic, but we may see pressure build again when restrictions end;
 - (c) Continued shortfalls in service income, particularly in areas where service operation and demand have been affected by the pandemic. This includes sports and leisure facilities, De Montfort Hall and parking income;

- (d) If the economic downturn is longer or more severe than predicted, this could result in new cuts to grant; falling business rate income; and increased cost of council tax reductions for taxpayers on low incomes. It could also lead to a growing need for council services and an increase in bad debts;
- (e) This draft budget has been prepared before we know the full details of funding for 2021/22, or the Government's plans for local authority funding for 2022/23;
- (f) The impact of Brexit, after the transition period ends on 31st December 2020, is yet to be seen.

13.4 The budget seeks to manage these risks as follows:-

- (a) A minimum balance of £15m reserves will be maintained;
- (b) A further £10m of reserves has been identified to support short-term losses from the Covid pandemic in 2021/22;
- (c) A contingency of £2m has been included in the budget for 2021/22;
- (d) A prudent estimate of reserves required in 2020/21 has been made.

13.5 Subject to the above comments, I believe the Council's general and earmarked reserves to be adequate. I also believe estimates made in preparing the budget are robust. (Whilst no inflation is provided for the generality of running costs in 2021/22, some exceptions are made, and it is believed that services will be able to manage without an allocation).

14. **Consultation on the Draft Budget**

14.1 Comments on the draft budget will be sought from:-

- (a) The Council's scrutiny function;
- (b) Key partners and other representatives of communities of interest;
- (c) Business community representatives (a statutory consultee);
- (d) The Council's trade unions.

14.2 Comments will be incorporated into the final version of this report.

15. **Financial Implications**

15.1 This report is exclusively concerned with financial issues.

15.2 Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made unless the member concerned declares the arrears at the outset of the meeting and that as a result s/he will not be voting. The member can, however, still speak. The rules are more circumscribed for the City Mayor and Executive. Any executive member who has arrears outstanding for 2 months or more cannot take part at all.

16. **Legal Implications (Kamal Adatia, City Barrister)**

- 16.1 The budget preparations have been in accordance with the Council's Budget and Policy Framework Procedure Rules – Council's Constitution – Part 4C. The decision with regard to the setting of the Council's budget is a function under the constitution which is the responsibility of the full Council.
- 16.2 At the budget-setting stage, Council is estimating, not determining, what will happen as a means to the end of setting the budget and therefore the council tax. Setting a budget is not the same as deciding what expenditure will be incurred. The Local Government Finance Act, 1992, requires an authority, through the full Council, to calculate the aggregate of various estimated amounts, in order to find the shortfall to which its council tax base has to be applied. The Council can allocate greater or fewer funds than are requested by the Mayor in his proposed budget.
- 16.3 As well as detailing the recommended council tax increase for 2021/22, the report also complies with the following statutory requirements:-
- (a) Robustness of the estimates made for the purposes of the calculations;
 - (b) Adequacy of reserves;
 - (c) The requirement to set a balanced budget.
- 16.4 Section 65 of the Local Government Finance Act, 1992, places upon local authorities a duty to consult representatives of non-domestic ratepayers before setting a budget. There are no specific statutory requirements to consult residents, although in the preparation of this budget the Council will undertake tailored consultation exercises with wider stakeholders.
- 16.5 The discharge of the 'function' of setting a budget triggers the duty in s.149 of the Equality Act, 2010, for the Council to have "due regard" to its public sector equality duties. These are set out in paragraph 12. There are considered to be no specific proposals within this year's budget that could result in new changes of provision that could affect different groups of people sharing protected characteristics. Where savings are anticipated, equality assessments will be prepared as necessary. Directors and the City Mayor have freedom to vary or abort proposals under the scheme of virement where there are unacceptable equality consequences. As a consequence, there are no service-specific 'impact assessments' that accompany the budget. There is no requirement in law to undertake equality impact assessments as the only means to discharge the s.149 duty to have "due regard". The discharge of the duty is not achieved by pointing to one document looking at a snapshot in time, and the report evidences that the Council treats the duty as a live and enduring one. Indeed case law is clear that undertaking an EIA on an 'envelope-setting' budget is of limited value, and that it is at the point in time when policies are developed which reconfigure services to live within the budgetary constraint when impact is best assessed. However, an analysis of equality impacts has been

prepared in respect of the proposed increase in council tax, and this is set out in Appendix Three.

16.6 Judicial review is the mechanism by which the lawfulness of Council budget-setting exercises are most likely to be challenged. There is no sensible way to provide an assurance that a process of budget setting has been undertaken in a manner which is immune from challenge. Nevertheless the approach taken with regard to due process and equality impacts is regarded by the City Barrister to be robust in law.

17. **Report Authors**

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Budget ceilings

	2020/21 budget (revised)	Non- pay inflation	Spending Reviews already approved	Growth from budget reviews	Savings from budget reviews	2021/22 budget ceiling
<u>1. City Development & Neighbourhoods</u>						
<u>1.1 Neighbourhood & Environmental Services</u>						
Divisional Management	271.4					271.4
Regulatory Services	3,005.1					3,005.1
Waste Management	17,534.1				(25.0)	17,509.1
Parks & Open Spaces	3,891.3					3,891.3
Neighbourhood Services	5,761.3		(255.0)		(60.0)	5,446.3
Standards & Development	1,632.3					1,632.3
Divisional sub-total	32,095.5	0.0	(255.0)	0.0	(85.0)	31,755.5
<u>1.2 Tourism, Culture & Inward Investment</u>						
Arts & Museums	4,064.9			95.0		4,159.9
De Montfort Hall	550.4					550.4
City Centre	178.6					178.6
Place Marketing Organisation	377.8					377.8
Economic Development	26.4		(80.0)			(53.6)
Markets	(391.1)			250.0		(141.1)
Adult Skills	(870.4)					(870.4)
Divisional Management	181.0					181.0
Divisional sub-total	4,117.6	0.0	(80.0)	345.0	0.0	4,382.6
<u>1.3 Planning, Transportation & Economic Development</u>						
Transport Strategy	9,897.2		(50.0)		(550.0)	9,297.2
Highways	3,466.4					3,466.4
Planning	1,000.8				(25.0)	975.8
Divisional Management	134.4					134.4
Divisional sub-total	14,498.8	0.0	(50.0)	0.0	(575.0)	13,873.8
<u>1.4 Estates & Building Services</u>	4,667.1		(75.0)	1,500.0		6,092.1
<u>1.5 Housing Services</u>	2,591.8			750.0		3,341.8
<u>1.6 Departmental Overheads</u>						
School Organisation & Admissions	452.7					452.7
Overheads	568.3					568.3
Divisional sub-total	1,021.0	0.0	0.0	0.0	0.0	1,021.0
DEPARTMENTAL TOTAL	58,991.8	0.0	(460.0)	2,595.0	(660.0)	60,466.8

Budget ceilings

	2020/21 budget (revised)	Non- pay inflation	Spending Reviews already approved	Growth from budget reviews	Savings from budget reviews	2021/22 budget ceiling
2. Adults						
2.1 Adult Social Care & Safeguarding						
Other Management & support	728.2					728.2
Safeguarding	146.1					146.1
Preventative Services	6,547.8					6,547.8
Independent Sector Care Package Costs	109,171.0	2,285.5	(70.0)	10,200.0		121,586.5
Care Management (Localities)	6,890.1					6,890.1
Divisional sub-total	123,483.2	2,285.5	(70.0)	10,200.0	0.0	135,898.7
2.2 Adult Social Care & Commissioning						
Enablement & Day Care	3,012.9					3,012.9
Care Management (LD & AMH)	5,011.3					5,011.3
Preventative Services	1,382.7				(90.0)	1,292.7
Contracts, Commissioning & Other Support	5,515.9				(50.0)	5,465.9
Departmental	(31,130.1)				(154.0)	(31,284.1)
Divisional sub-total	(16,207.3)	0.0	0.0	0.0	(294.0)	(16,501.3)
DEPARTMENT TOTAL	107,275.9	2,285.5	(70.0)	10,200.0	(294.0)	119,397.4
3. Education & Children's Services						
3.1 Strategic Commissioning & Business Support						
	1,296.0					1,296.0
3.2 Learning Quality & Performance						
Raising Achievement	494.8					494.8
Learning & Inclusion	1,055.7			241.0		1,296.7
Special Education Needs and Disabilities	9,499.8			2,807.0		12,306.8
Divisional sub-total	11,050.3	0.0	0.0	3,048.0	0.0	14,098.3
3.3 Children, Young People and Families						
Children In Need	11,235.0					11,235.0
Looked After Children	43,270.3	202.1				43,472.4
Safeguarding & QA	2,375.3					2,375.3
Early Help Targeted Services	5,355.3					5,355.3
Early Help Specialist Services	3,174.3					3,174.3
Divisional sub-total	65,410.2	202.1	0.0	0.0	0.0	65,612.3
3.4 Departmental Resources	(1,957.4)			3,000.0		1,042.6
DEPARTMENTAL TOTAL	75,799.1	202.1	0.0	6,048.0	0.0	82,049.2

Budget ceilings

	2020/21 budget (revised)	Non- pay inflation	Spending Reviews already approved	Growth from budget reviews	Savings from budget reviews	2021/22 budget ceiling
4. Health and Wellbeing						
Adults' Services	8,984.7				(100.0)	8,884.7
Children's 0-19 Services	8,544.5					8,544.5
Lifestyle Services	1,222.2				(35.0)	1,187.2
Staffing & Infrastructure & Other	2,134.4			130.0		2,264.4
Sports Services	2,493.7		(650.0)			1,843.7
DEPARTMENT TOTAL	23,379.5	0.0	(650.0)	130.0	(135.0)	22,724.5
5. Corporate Resources Department						
5.1 Delivery, Communications & Political Governance	5,960.1			1,035.0	(50.0)	6,945.1
5.2 Financial Services						
Financial Support	4,735.5			495.0	(400.0)	4,830.5
Revenues & Benefits	6,412.4			250.0		6,662.4
Divisional sub-total	11,147.9	0.0	0.0	745.0	(400.0)	11,492.9
5.3 Human Resources	3,952.3					3,952.3
5.4 Information Services	9,190.3		(17.0)		(36.0)	9,137.3
5.5 Legal Services	2,745.2			469.0		3,214.2
DEPARTMENTAL TOTAL	32,995.8	0.0	(17.0)	2,249.0	(486.0)	34,741.8
TOTAL -Service Budget Ceilings	298,442.1	2,487.6	(1,197.0)	21,222.0	(1,575.0)	319,379.7
<i>less public health grant</i>	(26,599.0)					(26,599.0)
<i>add provision for pay award</i>						700.0
NET TOTAL	271,843.1	2,487.6	(1,197.0)	21,222.0	(1,575.0)	293,480.7

Scheme of Virement

1. This appendix explains the scheme of virement which will apply to the budget, if it is approved by the Council.

Budget Ceilings

2. Directors are authorised to vire sums within budget ceilings without limit, providing such virement does not give rise to a change of Council policy.
3. Directors are authorised to vire money between any two budget ceilings within their departmental budgets, provided such virement does not give rise to a change of Council policy. The maximum amount by which any budget ceiling can be increased or reduced during the course of a year is £500,000. This money can be vired on a one-off or permanent basis.
4. Directors are responsible, in consultation with the appropriate Assistant Mayor if necessary, for determining whether a proposed virement would give rise to a change of Council policy.
5. Movement of money between budget ceilings is not virement to the extent that it reflects changes in management responsibility for the delivery of services.
6. The City Mayor is authorised to increase or reduce any budget ceiling. The maximum amount by which any budget ceiling can be increased during the course of a year is £5m. Increases or reductions can be carried out on a one-off or permanent basis.
7. The Director of Finance may vire money between budget ceilings where such movements represent changes in accounting policy, or other changes which do not affect the amounts available for service provision.
8. Nothing above requires the City Mayor or any director to spend up to the budget ceiling for any service.

Corporate Budgets

9. The following authorities are granted in respect of corporate budgets:
 - (a) the Director of Finance may incur costs for which there is provision in miscellaneous corporate budgets, except that any policy decision requires the approval of the City Mayor;
 - (b) the Director of Finance may allocate the provision for the 2021/22 pay award;
 - (c) The City Mayor may determine how the contingency can be applied.

Earmarked Reserves

10. Earmarked reserves may be created or dissolved by the City Mayor. In creating a reserve, the purpose of the reserve must be clear.
11. Directors may add sums to an earmarked reserve, from:

- (a) a budget ceiling, if the purposes of the reserve are within the scope of the service budget;
 - (b) a carry forward reserve, subject to the usual requirement for a business case.
12. Directors may spend earmarked reserves on the purpose for which they have been created.
 13. When an earmarked reserve is dissolved, the City Mayor shall determine the use of any remaining balance.

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Equality Impact Assessment

1. Purpose

1.1 This appendix presents the equalities impact of a proposed 4.99% council tax increase.

2. Who is affected by the proposal?

2.1 As at October 2020, there are 129,850 properties liable for Council Tax in the city (excluding those registered as exempt, such as student households).

2.2 All working age households in Leicester are required to contribute towards their council tax bill. Our current council tax support scheme (CTSS) requires working age households to pay at least 20% of their council tax bill and sets out to ensure that the most vulnerable householders are given some relief in response to financial hardship they may experience. For 2021/22, some additional relief is also expected to be given, which the Government will fund as part of its response to the Covid pandemic. Details are not yet known.

2.3 Council tax support for pensioner households follows different rules. Low-income pensioners are eligible for up to 100% relief through the CTSS scheme.

3. How are they affected?

3.1 The table below sets out the financial impact of the proposed council tax increase on different properties, before any discounts or reliefs are applied. It shows the weekly increase in each band, and the minimum weekly increase for those in receipt of a reduction under the CTSS for working-age households. It disregards any additional Covid-related relief.

Band	No. of Properties	Weekly increase	Minimum Weekly Increase under CTSS
A-	267	£0.86	£0.17
A	77,269	£1.03	£0.21
B	25,803	£1.20	£0.24
C	14,833	£1.38	£0.41
D	6,181	£1.55	£0.58
E	3,351	£1.89	£0.93
F	1,518	£2.24	£1.27
G	591	£2.58	£1.62
H	37	£3.10	£2.13
Total	129,850		

Notes: "A-" properties refer to band A properties receiving an extra reduction for Disabled Relief. Households may be entitled to other discounts on their council tax bill, which are not shown in the table above.

3.2 For band B properties (almost 80% of the city's properties are in bands A or B), the proposed annual increase in council tax is £62.76; the minimum annual increase for households eligible under the CTSS would be £12.55 (for a working-age household, and excluding the impact of any other discounts).

- 3.3 In most cases, the change in council tax (around £1.20 per week for a band B property with no discounts; and less than 25p per week if eligible for the full 80% reduction under the CTSS) is a small proportion of disposable income, and a small contributor to any squeeze on household budgets. A council tax increase would be applicable to all properties - the increase would not target any one protected group, rather it would be an increase that is applied across the board. However, it is recognised that this may have a more significant impact among households with a low disposable income.
- 3.4 Many households at all levels of income have seen significant income shocks due to the coronavirus pandemic and the economic downturn. However, to date, these have been partly cushioned by national policies including furlough and self-employment support schemes, the £20/week increase to universal credit, and mortgage payment holidays. As these policies draw to an end, some households' disposable income is likely to fall further.
- 3.5 It is difficult at this stage to know where these pressures will fall in future, but it is likely that some protected groups will see greater impacts. Up to September, there were higher rates of job losses among younger people; Black, Asian and minority ethnic groups; and lower-paid workers¹.
- 3.6 Ongoing welfare system reforms will also have a disproportionate effect on some lower-income groups, in particular the rollout of Universal Credit. Research before the pandemic by the Joseph Rowntree Foundation (JRF) has identified certain groups who are particularly likely to be on a low income² and may therefore see a disproportionate effect from a small (in absolute terms) increase in council tax. These include lone parents, single-earner couples and larger families (with 3 or more children).

4. **Alternative options**

- 4.1 Whilst the current budget does not propose significant reductions to services, this is very much a holding position due to the pandemic. Cuts in future years are believed to be inevitable. Without a council tax increase, or with a lower council tax increase, over time there would have to be greater cuts to services. A reduced tax increase would represent a permanent diminution of our income unless we hold a council tax referendum in a future year. In my view, such a referendum is unlikely to support a higher tax rise. It would also require a greater use of reserves (which are then unavailable to spend on services) or cuts to services in 2020/21. Whilst there is a Government suggestion that the ASC precept may be capable of being phased over more than one year, we do not have the details or understand the implications.
- 4.2 It is not possible to say where these cuts would fall; however, certain protected groups (e.g. older people; families with children; and people with disabilities) could face disproportionate impacts from reductions to services. Over half of the increase

¹ *Jobs, Jobs, Jobs: Evaluating the effect of the current economic crisis on the UK labour market*, Resolution Foundation, October 2020

² *A Minimum Income Standard for the United Kingdom in 2019*, JRF, July 2019; updated July 2020.

(3% of the proposed 5%) is for the Social Care precept, which is specifically to support the increasing cost pressures in these areas.

5. **Mitigating actions**

- 5.1 For residents likely to experience short term financial crises as a result of the cumulative impacts of the above risks, the Council has a range of mitigating actions. These include: funding through Discretionary Housing Payments, Council Tax Discretionary Relief and Community Support Grant awards; the council's work with voluntary and community sector organisations to provide food to local people where it is required – through the council's or partners' food banks; through schemes which support people getting into work (and include cost reducing initiatives that address high transport costs such as providing recycled bicycles); and through support to social welfare advice services. The Council is also running a welfare benefits take-up campaign, to raise awareness of entitlements and boost incomes among vulnerable groups.
- 5.2 In the November Spending Review, the government announced additional funding in 2021/22 to support households that are least able to afford council tax. Details of this had not been made available at the time of writing; but it is hoped that this will allow us to further reduce the impact on low-income households.

6. **What protected characteristics are affected?**

- 6.1 The table below describes how each protected characteristic is likely to be affected by the proposed council tax increase. The table sets out anticipated impacts, along with mitigating actions available to reduce negative impacts.
- 6.2 Some protected characteristics are not, as far as we can tell, disproportionately affected (as will be seen from the table) because there is no evidence to suggest they are affected differently from the population at large. They may, of course, be disadvantaged if they also have other protected characteristics that are likely to be affected, as indicated in the following analysis of impact based on protected characteristic.

Analysis of impact based on protected characteristic

Protected characteristic	Impact of proposal:	Risk of negative impact:	Mitigating actions:
47 Age	<p>Older people are least affected by a potential increase in council tax. Older people (pension age & older) have been relatively protected from the impacts of the recession & welfare cuts, as they receive protection from inflation in the uprating of state pensions. Low-income pensioners also have more generous (up to 100%) council tax relief. However, in the current financial climate, a lower council tax increase would require even greater cuts to services in due course. While it is not possible to say where these cuts would fall exactly, there are potential negative impacts for this group as older people are the primary service users of Adult Social Care.</p> <p>Working age people bear the brunt of the impacts of welfare reform reductions – particularly those with children. Whilst an increasing proportion of working age residents are in work, national research indicates that those on low wages are failing to get the anticipated uplift of the National Living Wage. There is some evidence that low-paid workers, and younger people, have been more likely to lose their jobs in the pandemic.</p>	<p>Working age households and families with children – incomes squeezed through low wages and reducing levels of benefit income.</p> <p>Younger people more likely to have faced job losses in the pandemic.</p>	<p>Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on managing household budgets.</p>
Disability	<p>Disability benefits have been reduced over time as thresholds for support have increased.</p> <p>The tax increase could have an impact on such household incomes. However, in the current financial climate, a lower council tax increase would require even greater cuts to services in due course. While it is not possible to say where these cuts would fall exactly, there are potential negative impacts for this group as disabled people are more likely to be service users of Adult Social Care.</p>	<p>Further erode quality of life being experienced by disabled people as their household incomes are squeezed further as a result of reduced benefits.</p>	<p>Disability benefits are disregarded in the assessment of need for CTSS purposes. Access to council discretionary funds for individual financial crises; access to council and partner support for food; and advice on better managing budgets.</p>

Protected characteristic	Impact of proposal:	Risk of negative impact:	Mitigating actions:
Gender Reassignment	No disproportionate impact is attributable specifically to this characteristic.		
Pregnancy and Maternity	Maternity benefits have not been frozen and therefore kept in line with inflation. However, other social security benefits have been frozen, but without disproportionate impact arising for this specific protected characteristic.		
Race	Those with white backgrounds are disproportionately on low incomes (indices of multiple deprivation) and in receipt of social security benefits. Some BME people are also low income and on benefits. Nationally, one-earner couples have seen particular falls in real income and are disproportionately of Asian background – which suggests an increasing impact on this group. There is some evidence that minority ethnic groups have been more likely to face job losses in the pandemic.	Household income being further squeezed through low wages and reducing levels of benefit income.	Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets. Where required, interpretation and translation will be provided in line with the Council's policy to remove barriers to accessing the support identified.
Religion or Belief	No disproportionate impact is attributable specifically to this characteristic.		
Sex	Disproportionate impact on women who tend to manage household budgets and are responsible for childcare costs. Women are disproportionately lone parents. Analysis has identified lone parents as a group particularly likely to lose income from welfare reforms.	Incomes squeezed through low wages and reducing levels of benefit income. Increased risk for women as they are more likely to be lone parents.	If in receipt of Universal Credit or tax credits, a significant proportion of childcare costs are met by these sources. Access to council discretionary funds for individual financial crises, access to council and partner support for food and advice on managing household budgets.
Sexual Orientation	No disproportionate impact is attributable specifically to this characteristic.		

Earmarked Reserves

1. The table below shows the current position on our Earmarked Reserves, these balances will be different at the end of the year. These figures take account of the release of £4.6m from departmental reserves to support the managed reserves strategy:

	Current Balance £000
<u>Ring-fenced Reserves</u>	
School Balances	14,740
DSG not delegated to schools	5,577
School Capital Fund	2,750
Schools Buy Back	2,486
Education & Skills Funding Agency Learning Programmes	863
Arts Council National Portfolio Organisation Funding	822
Subtotal Ring-fenced Reserves	27,238
<u>Departmental Earmarked Reserves</u>	
Children's Services Pressures	8,820
Social Care Reserve	8,322
ICT Development Fund	6,265
City Development & Neighbourhoods	5,161
Delivery, Communications & Political Governance	2,971
Health & Wellbeing Division	2,888
Financial Services Reserve	2,849
NHS Joint Working Projects	2,483
Housing	2,118
Other Departmental Reserves	464
Subtotal Departmental Reserves	42,341
<u>Corporate Reserves</u>	
Managed Reserves Strategy	69,055
Capital Programme Reserve	57,666
Covid 19 Grants	10,849
Insurance Fund	8,519
BSF Financing	7,493
Welfare Reserve	5,505
Severance Fund	4,821
Service Transformation Fund	3,730
Other Corporate Reserves	4,537
Subtotal Corporate Reserves	172,175
Total Earmarked Reserves	241,754

2. Earmarked reserves can be divided into ring-fenced reserves, which are funds held by the Council but for which we have obligations to other partners or organisations; departmental reserves, which are held for specific services; and corporate reserves, which are held for purposes applicable to the organisation as a whole.
3. Ring-fenced reserves include:-
 - Reserves for schools:
 - School Capital Fund
 - Schools Buyback
 - Dedicated Schools Grant
 - Schools balances
 - Two smaller reserves held because grant funding has been received to fund specific schemes.
4. Departmental reserves include amounts held by service departments to fund specific projects or identified service pressures. Significant amounts include:-
 - **Children's Services:** to balance the 2020/21 and future years' budgets.
 - **Social Care Reserve:** to assist in the management of budget pressures in adults' and children's social care.
 - **ICT Development Fund** this reserve funds a rolling programme for network and server upgrades and replacement of PC stock. It also includes funding put aside at the 2019/20 outturn to fund initiatives to make our ICT more resilient and improve the remote working offer.
 - **City Development and Neighbourhoods:** to meet known additional pressures, including one off costs associated with highways functions and the cost of defending planning decisions.
 - **Health & Wellbeing:** to support service pressures, channel shift and transitional costs. As part of the review of departmental reserves, £1.2m has been released to the Managed Reserves Strategy.
 - **Delivery, Communications & Political Governance:** This reserve was principally setup for the funding of the Digital Transformation Team and other temporary staffing costs. As part of this report, the cost of these teams is being included in the base budget, thus releasing £1.6m to the Managed Reserves Strategy. The remaining balance relates to elections and other projects within the department.
 - **Financial Services:** for expenditure on improving the Council's finance systems; spikes in benefit processing and overpayment recovery; and to mitigate budget pressures including reducing grant income to the Revenues & Benefits service. The balance is net of £1.2m which has been released from this reserve, which was

previously funding specific teams that have now been included as permanent growth to the budget as part of this report.

- **NHS joint working projects:** for joint projects with the NHS.
- **Housing:** predominantly held to meet spikes in bed & breakfast costs and government funding to support recent arrivals to the city.
- **Other** this includes a number of smaller departmental reserves. £0.3m has been transferred to the Managed Reserves Strategy as posts in Legal Services have now been included in the budget. In addition, a number of smaller reserves have been reviewed releasing £0.3m to the Managed Reserves Strategy.

5. Corporate reserves include:-

- **Managed Reserves Strategy:** a key element to delivering this budget strategy, as set out in paragraph 9 of the main report;
- **Capital Programme Reserve:** to support approved spending on the Council's capital programme;
- **Covid 19 Grants** are grants received from the Government to meet the costs of the pandemic. This is not the full amount of the grants – just the ones received in March which we are required to treat as earmarked reserves;
- **Insurance Fund:** to meet the cost of claims which are self-insured;
- **BSF Financing:** to manage costs over the remaining life of the BSF scheme and lifecycle maintenance costs of the redeveloped schools;
- **Welfare Reserve:** set aside to support welfare claimants who face crisis, following the withdrawal of government funding; together with providing welfare support more generally, which includes any long term implications of the Covid-19 pandemic;
- **Severance Fund:** to facilitate ongoing savings by meeting the redundancy and other costs arising from budget cuts;
- **Service Transformation Fund:** to fund projects which redesign services enabling them to function more effectively at reduced cost;
- **Other reserves:** includes monies for “spend to save” schemes that reduce energy consumption, the combined heat and power reserve, and the surplus property reserve which is used to prepare assets for disposal.

Medium Term Financial Outlook 2022/23 – 2023/24

1. A one-year budget has been presented for 2021/22. After March 2022, we have (at the time of writing) very little certainty about funding arrangements or the future economic outlook. As a result, medium-term planning is a somewhat precarious exercise.
2. Our central forecasts for the period up to 2023/24 are set out in the table below. The key assumptions (and the associated risks and uncertainties) are further explained below.

	2021/22 £m	2022/23 £m	2023/24 £m
Net service budget (including inflation)	293.5	320.2	347.3
Corporate and other centrally held budgets	8.0	8.5	8.9
Contingency	2.0		
Planning provision		3.0	6.0
Expenditure total	303.5	331.7	362.2
Business rates income	62.2	63.7	64.3
Top-up payment	48.0	48.9	49.8
Revenue Support Grant	29.0	29.6	30.1
Less assumed future cuts		(5.0)	(10.0)
Council Tax	127.8	131.1	135.0
Collection Fund Deficit 2020/21 (phased)	(2.4)	(2.2)	(2.2)
Govt support toward deficit	1.8	1.7	1.7
Social care support	12.0	21.0	30.0
New Homes Bonus	4.9	3.9	2.9
Income Total	283.3	292.7	301.6
Budget gap	20.2	39.0	60.6

Expenditure

3. The expenditure budgets above include the unavoidable cost pressures, and achievable savings, set out in section 6 of the main budget report. No further savings are assumed, so any additional savings will help close the gap. The estimated cost of pay awards is included, as is non-pay inflation on unavoidable costs in social care and the waste management contract. A planning provision of £3m per year in each of 2022/23 and 2023/24 has been included towards any future unavoidable cost pressures.

4. There are several areas where expenditure pressures may exceed these forecasts. These include:
- The costs of care packages in Adult Social Care, if demand increases above our forecasts or there are unavoidable cost pressures such as unexpected further increases to the National Minimum Wage;
 - Further growth in demand-led Children’s Social Care costs;
 - Potential shortfalls in service income, if demand does not return to pre-pandemic levels by the end of 2022/23;
 - A prolonged economic downturn is likely to increase demand across a range of services.

Income

5. We assume that council tax increases will continue to be restricted by the referendum rules, although we do not yet know the rules after 2021/22. For planning purposes, the table above assumes council tax increases of 2% per year; and that council tax collection rates return to previous levels by 2023. If the economic downturn is longer, or more severe, than our projections this will have a further effect on income.
6. The rates forecasts presented above assume no substantial changes to the funding we receive. The government has proposed significant reforms to the funding system, although these have now been delayed several times. These include increasing the proportion of rates retained locally to 75%. In itself, the change should be financially neutral, as other funding elements will be reduced to offset the additional retained rates. There may also be reforms to the system to cushion the impact of appeals.
7. There is likely to be a more substantial effect on the Council’s finances from the “fair funding review” planned for the same date, which will redistribute resources between councils. At the time of writing, it is unclear what the impact will be on individual authorities. We should benefit from the new formula fully reflecting the differences in council taxbase between different areas of the country; however, there are other pressures on the funding available, including intensive lobbying from some authorities over perceived extra costs in rural areas.
8. For planning purposes, the budget figures for 2022/23 and 2023/24 assume additional real-terms cuts of £5 million per year each year. This represents a significantly slower rate of cuts than we have seen in the period from 2013 to 2020. If the fair funding review and overall funding position are less favourable, these cuts could be significantly higher.
9. A longer or more severe economic downturn will also pose a risk to income projections. This could result in new cuts to grant; falling business rate

income; and increased cost of council tax reductions for taxpayers on low incomes.

10. The assumed additional funding for social care (increasing by £9m per year from 2022/23) is also very uncertain. While the government has long acknowledged the need for further support to the social care sector, no detailed proposals have been published. (In practice, further support may come via a combination of direct grant, the ability to raise council tax further, and other mechanisms, but is shown here as grant for clarity).

Summary of medium-term projections

11. The projections above show a significant – and increasing – funding gap over the next three years. There are substantial risks to these projections, which are based on an assumption of a relatively quick economic recovery and limited additional cuts imposed by government. Even on the more optimistic projections, available reserves will no longer be able to meet this gap beyond 2021/22, and additional deep cuts will be required.
12. This emphasises the need to make a prompt start on the financial review required prior to 2022/23.

Draft Capital Programme 2021/22

Decision to be taken by: Council

Date of meeting: 17th February 2021

Lead director: Alison Greenhill, Director of Finance

Useful information

- Ward(s) affected: All
- Report author: Amy Oliver
- Author contact details: amy.oliver@leicester.gov.uk
- Report version number: 1.0

1. Summary

- 1.1 The purpose of this report is to ask the Council to approve a capital programme for 2021/22.
- 1.2 Capital expenditure is incurred on works of lasting benefit and is principally paid for by grant, tenants' rents, and the proceeds of asset sales (capital receipts). Money can also be borrowed for capital purposes, but the scope for this is limited as borrowing affects the revenue budget.
- 1.3 Traditionally, the Council has prepared a multi-year capital programme but for 2020/21 we set a one year programme due to the uncertainty over future resources. Due to the COVID-19 pandemic we are continuing to see uncertainty over future resources as well as significant slippage on our current programme. The uncertainty over future resources is detailed in the General Fund Budget Report 2021/22 (also on the agenda). We are therefore presenting another one year programme, which is essentially a skeleton programme. Schemes already approved and in the current programme for 2020/21 will continue to form part of the programme: in practice, much of our capital spending in 2021/22 will be catching up work we were unable to do because of COVID-19 restrictions.
- 1.4 The proposed programme set out in this report for the "General Fund" element of the capital programme will cost £20m. In addition to this, the HRA capital programme (which is elsewhere on the agenda) includes works estimated at £58m, £40m of which relates to the affordable homes programme.
- 1.5 The table below summarises the proposed spending for capital projects starting in 2021/22, as described in this report:-

	<u>£m</u>
<u>Proposed Programme</u>	
People & Neighbourhoods	4.4
Highways, Transport & Infrastructure	5.2
Tourism & Culture	1.7
Corporate	7.3
Policy Provisions	1.0
Total New Schemes	19.6

Funding

Monies ringfenced to Schemes	4.7
Unringfenced Resources	14.9
Total Resources	19.6

1.6 The table below presents the total spend on General Fund and Housing Revenue Account schemes:

	<u>£m</u>
General Fund	19.6
Housing Revenue Account	57.8
Total	<u>77.4</u>

1.7 In addition to the above, the current programme is still being delivered and therefore a number of significant schemes will be carried forward into future years.

1.8 The Council's total capital expenditure now forecast for 2021/22 and beyond is expected to be over £200m, including the HRA.

1.9 The Council continues to bid for significant sums from government initiatives and has been extremely successful during 2020/21. Examples include:

- Receiving £33m from the Transforming Cities Fund to expand our Connecting Leicester scheme that is working to achieve bus, walking and cycling improvements.
- £5.8m added to our highways maintenance programme upon receiving a number of additional grants.

1.10 The capital programme is split into two parts:-

- (a) **"Immediate starts"**, being schemes which directors have authority to commence once the council has approved the programme. These are fully described in this report;
- (b) **"Policy provisions"**, where the purpose of the funding is described but money will not be released until specific spending proposals have been approved by the Executive.

1.11 Immediate starts have been split into three categories:-

- (a) **Projects** – these are discrete, individual schemes such as a road scheme or a new building. These schemes will be monitored with reference to physical delivery rather than an annual profile of spending. (We will, of course, still want to make sure that the overall budget is not going to be exceeded);
- (b) **Work Programmes** – these will consist of minor works or similar schemes where there is an allocation of money to be spent in a particular year;

- (c) **Provisions** – these are sums of money set aside in case they are needed, but where low spend is a favourable outcome rather than indicative of a problem.

2. Recommendations

2.1 The Council is asked to:-

- (a) Approve the capital programme described in this report and summarised at Appendices Two to Four, subject to any amendments proposed by the City Mayor;
- (b) For those schemes designated immediate starts, delegate authority to the lead director to commit expenditure, subject to the normal requirements of contract procedure rules and finance procedure rules;
- (c) Delegate authority to the City Mayor to determine a plan of spending for each policy provision, and to commit expenditure up to the maximum available;
- (d) For the purposes of finance procedure rules:
- Determine that service resources shall consist of service revenue contributions; HRA revenue contributions; and government grants/third party contributions ringfenced for specific purposes (but see below for LLEP investment programmes);
 - Designate the operational estate capital maintenance programme, highways maintenance programme and transport improvement programme as programme areas, within which the director can reallocate resources to meet operational requirements.
- (e) As in previous years, delegate to the City Mayor:
- Authority to increase any scheme in the programme, or add a new scheme to the programme, subject to a maximum of £10m corporate resources in each instance;
 - Authority to reduce or delete any capital programme provision, subject to a maximum of 20% of scheme value for “immediate starts”; and
 - Authority to transfer any “policy provision” to the “immediate starts” category.
- (f) In respect of Government investment programmes for which the Council receives grant as the accountable body to the Leicester and Leicestershire Enterprise Partnership (LLEP):-
- Delegate to the City Mayor approval to accept Government offers of funding, and to add this to the capital programme;
 - Delegate to the Strategic Director, City Development and

Neighbourhoods, in consultation with the Director of Finance, authority to allocate the funding to individual projects (in effect, implementing decisions of the LLEP);

- Agree that City Council schemes funded by the programme can only commence after the City Mayor has given approval;
- Delegate to the Director of Finance authority to reallocate programme funding between projects, if permissible, to ensure the programme as a whole can be delivered; and
- Note that City Council contributions to projects will follow the normal rules described above (i.e. nothing in this paragraph (f) permits the City Mayor to supplement the programme with City Council resources outside of normal rules).

(g) Delegate to directors, in consultation with the relevant deputy/assistant mayor, authority to incur expenditure in respect of policy provisions on design and other professional fees and preparatory studies, but not any other type of expenditure;

(h) Approve the capital strategy at Appendix 5.

3. Background and options with supporting evidence

Key Policy Issues

3.1 In preparing the 2021/22 capital programme, we have focused on catching up on delays in the current programme, and have restricted the new programme to urgent works and annual programmes.

3.2 The resulting capital programme is primarily focussed around some key priorities of the Council. The themes are:

- People & Neighbourhoods
- Highways, Transport & Infrastructure
- Tourism & Culture

3.3 The capital programme for 2021/21 is a one year programme because of the continued uncertainty around our budgets, and the fact that significant effort will be required to catch up unavoidable slippage in the 2020/21 programme. Nonetheless, it complements the existing programme and explicitly aims to support the City Mayor's delivery plan.

3.4 It is important to note that the council's commitment to tackling the climate emergency is most obviously but not exclusively addressed within the transport capital programme. This is part of the Connecting Leicester Programme.

3.5 However, addressing the energy and bio diversity requirements of all our capital projects is central to the entire capital programme. Recent years' capital projects have included energy saving and generating elements across the corporate estate, as well as a raft of energy efficiency measures in our schools and on our housing estates. The Council is currently working to obtain further government grant

funding to expand such schemes. The programme also includes £0.5m to support a tree programme.

- 3.6 Similarly, our commitment to invest in the whole city cuts right across our capital programme. The housing, neighbourhoods and transport capital investment programmes represent the largest components of this and likely future capital programmes. These capital investment strands will benefit the entire city from our outer estates to the city centre.

Resources

- 3.7 Resources available to the programme consist primarily of Government grant and capital receipts (the HRA programme is also supported by tenants' rent monies). Most grant is unringfenced, and the Council can spend it on any purpose it sees fit.
- 3.8 Appendix One presents the unringfenced resources available to fund the proposed programme, which total some £15m. The key funding sources are detailed below.
- (a) £5.8m of general capital receipts and £0.7m of Right to Buy Receipts;
 - (b) £8.3m of unringfenced grant funding;
 - (c) £1.9m from a review of policy provisions in the 2021/22 programme.
- 3.9 The Council has a policy of not committing capital receipts until they are received. This increases the resilience of the capital programme at a time when revenue budgets continue to be under pressure. Since setting the 20/21 capital programme, decisions have been taken to spend £1.7m of receipts received subsequently. £5.8m is now available for 21/22 based on receipts received or due at the time of writing. Subsequent receipts will be available to fund the 2022/23 programme.
- 3.10 The exception to not committing receipts in advance is the expected receipts from the sale of council housing. Where tenants exercise their "Right to Buy" the RTB receipts are layered, with different layers being available for different purposes. A sum of £0.7m will be available for general purposes: this is predictable. Further tranches are available to us but must be used for new affordable housing or returned to the government.
- 3.11 During the year the Council has reviewed the current policy provisions. As part of this, £1.9m of have been identified as no long being required from the Commercial Property Acquisitions policy provision. This will be released as part of this report to fund the 21/22 programme.
- 3.12 In addition, £1.8m has been ringfenced for potential additional costs on current schemes associated with the COVID-19 pandemic. Separate decisions will be required to add any of the £1.8m to the capital programme on individual schemes.
- 3.13 For some schemes the amount of unringfenced resources required is less than the gross cost of the scheme. This because resources are ringfenced directly to

individual schemes. Ringfenced resources are shown throughout Appendix Two and include the following:

- (a) Disabled Facilities Grant – an estimated £1.5m will be received from the Government for the year to support the making of grants to householders in the private sector requiring disabled adaptations;
- (b) Borrowing. Because borrowing has an impact on the revenue budget, it is only used for reasons detailed in Capital Strategy at Appendix 5 of this report.

3.14 Finance Procedure Rules enable directors to make limited changes to the programme after it has been approved. For these purposes, the Council has split resources into corporate and service resources. These are similar to, but not quite the same as, ringfenced and unringfenced resources. Whilst all unringfenced resources are corporate, not all ringfenced monies are service resources. Borrowing, for instance, is treated as a corporate resource requiring a higher level of approval.

3.15 Directors have authority to add schemes to the programme, provided they are funded by service resources, up to an amount of £250,000. This provides flexibility for small schemes to be added to the programme without a report to the Executive.

Proposed Programme – Immediate Starts

3.16 Schemes classified as immediate starts can commence as soon as required, once the Council has approved the capital programme. No further approval is necessary. The whole programme is summarised at Appendix 2. Almost all of this year's programme consists of immediate starts. Responsibility for the majority of projects rests with the Strategic Director of City Development and Neighbourhoods. The exception is the Foster Carer Capital Contribution, which is the responsibility of the Director of Adults' and Children's Services.

3.17 £4.4m is provided for People & Neighbourhoods. This area is focused around improving the neighbourhoods of the city but also improving the lives of the city's residents. In addition, to this it is proposed that £0.5m is transferred from corporate resources into an earmarked reserve to fund future tree programmes.

- (a) £1.8m has been provided to continue with the **Children's Capital Improvements** Programme within our schools. The programme will include routine maintenance in our schools, such as boiler and window replacements, playground improvements and maintenance of roofs.
- (b) One of main schemes within this area will be **Disabled Facilities Grants** to private sector householders, with £1.5m available to support the scheme in 2021/22. This is an annual programme which has existed for many years. These grants provide funding to eligible disabled people for adaption work to their homes, and help them maintain their independence. This cost will be fully funded by the government in 2021/22 with no local contribution.

- (c) £400,000 has been provided for **Local Environmental Works** in our wards. This scheme will focus on local neighbourhood issues relating to residential parking, local safety concerns, pedestrian routes, cycle ways and community lighting and will be spent after ward member consultation..
- (d) £250,000 has been provided for a **Foster Carer Capital Contribution Scheme**, continuing last year's scheme. Money has been provided to invest in the homes of foster carers of looked after children, to ensure that foster care is an option in as many cases as possible.
- (e) £200,000 is provided in 2021/22 to continue the programme of **Repayable Home Repair Loans**. These grants aid vulnerable, low income home owners to carry out repairs or improvements to their homes, to bring properties up to decent home standards. Any loan will remain in place until a change of ownership or sale of the property, after which repayment of the loan is required.
- (f) £50,000 continues to be made available to top up **the Long Term Empty Home Acquisitions** pot in 2021/22. The Empty Homes Team gives advice and assistance to owners, helping them bring homes back into occupation. As a last resort, when all avenues have been exhausted, we have to use compulsory purchase. £50,000 covers the incidental costs associated with acquisition where CPO or negotiated purchase is required, where such costs cannot be recouped from the sale proceeds.
- (g) £50,000 is set aside for **Conservation Building Grants**. These grants are provided to city residents and organisations to repair historic buildings or reinstate original historic features that have been lost, and are applied for. The funding seeks to acknowledge the additional cost of owning an historic building.
- (h) £50,000 is included as part of the continued rolling programme to replace **Festive Decorations**.

3.18 £5.2m is provided to support Highways, Transport & Infrastructure capital works within the city. The capital works in this area are work programmes and regularly feature in our capital programmes.

- (a) £2.6m is provided in 2021/22 to continue the rolling programme of works constituting the **Transport Improvement Programme**. Some of the priority areas include:
 - Delivering cross cutting cycling, walking and public transport benefits.
 - Local safety schemes: sites are planned to include Narborough Road, Redhill Circle/Loughborough Road and Halifax Drive.
 - 20mph programme: continuation of the rolling programme to reduce the speed of vehicles. Traffic calming sites are planned to include Braunstone Community School, Calver Hey Road and Gilmorton Estate.

- Delivery of the Local Transport Plan
- (b) £2.1m is provided as part of the continued **Highway Capital Maintenance Programme**. This is a rolling annual programme and spending is prioritised to reflect asset condition, risk and local neighbourhood priorities. The proposed programme is shown at Appendix 4;
- (c) £300,000 is provided to continue the **Flood Strategy, Flood Defence and Watercourse Improvements Programme** into 2021/22. The programme supports the Local Flood Risk Management Strategy and action plan, and the delivery of our statutory role to manage and reduce flood risk in collaboration with the Environment Agency & Severn Trent Water.
- (d) **Front Wall Enveloping:** £200,000 is a continuation of previous schemes. It involves the enclosure of small spaces in front of housing. Enveloping schemes can make a significant improvement to local neighbourhoods and enable occupiers to tend house fronts more effectively.
- 3.19 £1.7m has been made available to support Tourism & Culture in the City. The main area of focus is De Montfort Hall.
- (a) £1.4m has been set aside for **De Montfort Hall** for various improvements which include the replacement of stage equipment, refurbishment of toilets and replacement of seating. This project has a forecast completion date of October 2021.
- (b) Following the success of the first scheme, £270,000 has been put aside for the extension of the **Heritage Interpretation Panels Programme**. This scheme uses digital technology to interpret heritage stories in new ways e.g. via mobile devices.
- 3.20 £7.3m has been made available to fund three general corporate budgets.
- (a) £3.1m has been made available to fund the annual **Fleet Replacement Programme** as part of a rolling programme. This programme is funded from borrowing, which is repaid from existing budgets.
- (b) £1.7m has been provided to support the annual **Operational Estate Capital Maintenance Programme**. This will support works to the properties the Council uses. This programme includes items such as roof repairs, replacement of the hearing loops in the Attenborough Hall and heating/ventilation improvements.
- (c) £1.4m is available to fund the **Capital Projects Team and Other Staff Costs**, which will support the delivery of the construction projects in the capital programme.
- (d) £1.1m has been provided to support works to **Phoenix and Sovereign**

House. These works are to enable the Council to further optimise its operational estate as it transforms the way staff work in the future. This 'spend to save' approach is common across the public sector as it becomes more agile and has a lesser reliance on physical space. It supports the Council's strategy of ceasing the occupancy of leasehold property and provides the opportunity to market properties for an immediate rental return or to better utilise them for the Council's own purposes. Works to these two properties includes window replacements, internal refurbishments, and mechanical, heating and ventilation upgrades.

Proposed Programme – Policy Provisions

- 3.21 Policy provisions are sums of money which are included in the programme for a stated purpose, but for which a further report to the Executive (and decision notice) is required before they can be spent. Schemes are usually treated as policy provisions because the Executive needs to see more detailed spending plans before full approval can be given.
- 3.22 Executive reports seeking approval to spend policy provisions must state whether schemes, once approved, will constitute projects, work programmes or provisions; and, in the case of projects, identify project outcomes and physical milestones against which progress can be monitored.
- 3.23 Two policy provision have been identified as part of this programme:
(a) £0.5m to assist with Black Lives Matter;
(b) £0.5m for a tree replacement programme.

Capital Strategy

- 3.24 Local authorities are required to prepare a capital strategy each year, which sets out our approach for capital expenditure and financing at high level.
- 3.25 The proposed capital strategy is set out at Appendix 5. This also includes the policy on repaying debt and the prudential indicators which assess the affordability of new borrowing.

Consultation

- 3.26 Update to be provided after consultation.

4. Financial, legal, equalities, climate emergency and other implications

4.1 Financial implications

- 4.1.1 This report is exclusively concerned with financial matters.

- (a) There is some proposed prudential borrowing in the programme for replacement of vehicles of £3.1m. The anticipated revenue costs arising will be £0.3m per year, for which revenue budget exists. This borrowing is affordable, sustainable and prudent (this is further described in the Treasury Strategy on your agenda).

4.1.2 No schemes are expected to lead to higher ongoing costs and some will lead to savings.

4.2 Legal implications

4.2.1 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the report. There will be procurement and legal implications in respect of individual schemes and client officers should take early legal advice. In accordance with the constitution, the capital programme is a matter that requires approval of full Council.

Kamal Adatia, City Barrister and Head of Standards.

4.3 Equalities implications

4.3.1 Under the Equality Act 2010, public authorities have statutory duties, including the Public Sector Equality Duty (PSED) which means that, in carrying out their functions they have to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

4.3.2 Protected characteristics under the Equality Act 2010 are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

4.3.3 People from across all protected characteristics will benefit from the improved public good arising from the proposed capital programme. However, as the proposals are developed and implemented, consideration should continue to be given to the equality impacts of the schemes in question, and how it can help the Council to meet the three aims of the Public Sector Equality Duty.

4.3.4 The capital programme includes schemes which improve the city's infrastructure and contribute to overall improvement of quality of life for people across all protected characteristics. By doing so, the capital programme promotes the PSED aim of: fostering good relations between different groups of people by ensuring that no area is disadvantaged compared to other areas as many services rely on such infrastructure to continue to operate.

4.3.5 Some of the schemes focus on meeting specific areas of need for a protected characteristic: disabled adaptations within homes (disability), home repair grants which are most likely to be accessed by elderly, disabled people or households with

children who are living in poverty (age and disability), and provision of funds for festive decorations (religion and belief).

- 4.3.6 Other schemes target much larger groups of people who have a range of protected characteristics reflective of the diverse population within the city. Some schemes are place specific and address environmental issues that also benefit diverse groups of people. The delivery of the capital programme contributes to the Council fulfilling our Public Sector Equality Duty (PSED). For example, schemes which support people in being able to stay in their homes, to continue to lead independent lives, and to participate in community life help promote equality of opportunity, another one of the aims of the PSED.
- 4.3.7 Where there are any improvement works to buildings or public spaces, considerations around accessibility (across a range of protected characteristics) must influence design and decision making. This will ensure that people are not excluded (directly or indirectly) from accessing a building, public space or service, on the basis of a protected characteristic.

4.4 Climate Emergency implications

- 4.4.1 The city council declared a climate emergency in February 2019 and has now published its new Climate Emergency Strategy & Action Plan, setting out the ambition to make Leicester a carbon neutral city. The council is one of the largest employers and land owners in the city, with carbon emissions of 33,872tCO₂e from its buildings and schools in 2019/20, and has a high level of influence in the city. The council has a vital role to play in reducing emissions from its buildings and operations, and leading by example on tackling the climate emergency in Leicester. As discussed in this report, many of the projects outlined will play a positive role in reducing carbon emissions in the city.
- 4.4.2 There is not sufficient information within this report to provide specific details of climate change implications for individual projects, which may have significant implications and opportunities. Detailed implications should therefore be produced for individual projects as and when plans are finalised. At a high level, there are some general principles that should be followed during the planning, design and implementation of capital projects, as detailed below. A toolkit is also being developed to support the achievement of reduced carbon emissions in council capital construction and renovation projects.
- 4.4.3 New buildings should be constructed to a high standard of energy efficiency, and incorporate renewable energy sources where possible, with projects aiming to achieve carbon neutral development or as close as possible to this. Maintenance and refurbishment works, including replacement of systems or equipment, should also seek to improve energy efficiency wherever possible. This will reduce energy use and therefore bills, delivering further benefits. Major projects will also need to meet Climate Change policy CS2 in the Leicester City Core Strategy planning document, which requires best practice in terms of minimising energy demand for heating, ventilation and lighting, achieving a high level of fabric efficiency, and the use of low carbon or renewable sources of energy.

4.4.4 Projects involving procurement, including for construction works, should follow the Council’s sustainable procurement guidelines. This includes the use of low carbon and sustainable materials, low carbon equipment and vehicles and reducing waste in procurement processes. Transport projects should seek to enable a greater share of journeys to be safely and conveniently undertaken by walking, cycling or public transport wherever possible, and many of the planned works will directly contribute to this. Flood risk works are also a key part of increasing resilience to a changing climate in the city.

Aidan Davis, Sustainability Officer

4.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Equal Opportunities	Yes	Paragraph 4.3
Policy	Yes	The capital programme is part of the Council’s overall budget and policy framework, and makes a substantial contribution to the delivery of Council policy.
Sustainable and Environmental	Yes	Paragraph 4.4
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	A number of schemes will benefit elderly people and those on low income.

5. Background information and other papers:

6. Summary of appendices:

Appendix One – Corporate & Unringfenced Capital Resources.

Appendix 2a – Immediate Starts – People & Neighbourhoods.

Appendix 2b – Immediate Starts – Highways, Transport & Infrastructure.

Appendix 2c – Immediate Starts – Tourism & Culture.

Appendix 2d – Immediate Starts – Corporate

Appendix 3 – Policy Provisions.

Appendix 4 – Highways Maintenance Capital Programme

Appendix 5 – Capital Strategy 2020/21.

7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

8. Is this a “key decision”? If so, why?

Report Author: Amy Oliver

Date:

Capital Resources

Unringfenced Capital Resources

	20/21 <i>{£000}</i>
<u>Capital Receipts</u>	
General Capital Receipts	5,822
Council Housing - Right to Buy Receipts	700
Total Receipts	6,522
 <u>Unringfenced Capital Grant</u>	
Education Maintenance	3,672
Integrated Transport	2,556
Transport Maintenance	2,102
Total Unringfenced Grant	8,330
 <u>Other</u>	
Policy Provisions Review	1,933
Less: Potential Additional Costs associated with COVID-19 Pandemic	(1,800)
Total Other	133
 TOTAL UNRINGFENCED RESOURCES	14,985
 Ringfenced Resources	4,695
 TOTAL CAPITAL RESOURCES	19,680

Immediate Starts – People & Neighbourhoods

	Scheme Type	Corporate Programme Funding {£000}	Ringfenced Funding {£000}	Total Approval {£000}
<u>People & Neighbourhoods</u>				
Children's Capital Improvement Programme	WP	1,836	0	1,836
Private Sector Disabled Facilities Grant	WP	0	1,539	1,539
Local Environmental Works	WP	400	0	400
Foster Carer Capital Contribution	WP	250	0	250
Repayable Home Repair Loans	WP	150	50	200
Conservation Building Grants	WP	50	0	50
Long Term Empty Homes Purchase	PV	50	0	50
Festive Decorations	WP	50	0	50
		2,786	1,589	4,375

Key to Scheme Types : PJ = Project ; WP = Work Programme ; PV = Provision ; Oth = Other

Summary of Ringfenced Funding

	{£000}
Disabled Facilities Grant	1,539
Loan Repayments	50
TOTAL RINGENCED FUNDING	1,589

Immediate Starts – Highways, Transport & Infrastructure

	Scheme Type	Corporate Programme Funding {£000}	Ringfenced Funding {£000}	Total Approval {£000}
<u>Highways, Transport & Infrastructure</u>				
Transport Improvement Works	WP	2,556	0	2,556
Highways Capital Maintenance Programme	WP	2,102	0	2,102
Flood Strategy, Flood Defence & Watercourse Improvements Programme	WP	300	0	300
Front Walls Enveloping Programme	WP	200	0	200
		5,158	0	5,158

Key to Scheme Types : PJ = Project ; WP = Work Programme ; PV = Provision ; Oth = Other

Immediate Starts – Tourism & Culture

	Scheme Type	Corporate Programme Funding {£000}	Ringfenced Funding {£000}	Total Approval {£000}
<u>Tourism & Culture</u>				
De Montfort Hall Building Works & Technical Equipment*	PJ	1,440		1,440
Heritage Interpretation Panels	WP	270	0	270
		1,710	0	1,710

Key to Scheme Types : PJ = Project ; WP = Work Programme ; PV = Provision ; Oth = Other

Immediate Starts – Corporate

	Scheme Type	Corporate Programme Funding	Ringfenced Funding	Total Approval
		{£000}	{£000}	{£000}
<u>Corporate</u>				
Fleet Replacement Programme	WP	0	3,106	3,106
Operational Estate Capital Maintenance Programme	WP	1,715	0	1,715
Capital Projects Team & Other Staff Costs	Oth	1,370	0	1,370
Phoenix & Sovereign House	Oth	1,130	0	1,130
		4,215	3,106	7,321

Key to Scheme Types : PJ = Project ; WP = Work Programme ; PV = Provision ; Oth = Other

Summary of Ringfenced Funding

	{£000}
Prudential Borrowing	3,106
TOTAL RINGENCED FUNDING	3,106

Policy Provisions

	Corporate Programme Funding	Ringfenced Funding	Total Approval
	<i>{£000}</i>	<i>{£000}</i>	<i>{£000}</i>
Black Lives Matter	500	0	500
Tree Programme	500	0	500
POLICY PROVISIONS TOTAL	1,000	0	1,000

Proposed Highways Maintenance Capital Programme

Description	Amount £000's
Major Public Realm & Transport Improvement Schemes - Essential maintenance associated with Horsefair Street, Pocklington's Walk & Market Place South	100
LEAN Carriageway & Pothole Repairs – Target large carriageway pothole repairs to provide longer term repairs in readiness for surface dressing.	500
Principal Roads – Uppingham Road, Coleman Road to Overton, Thurmaston Lane/Victoria Road East Roundabout, Oxford Street and Infirmary Road.	355
Classified Non-Principal Roads – Saffron Lane continuation (The Fairway to Pork Pie Roundabout)	160
Unclassified Neighbourhood Roads – Scraptoft Lane (Colchester Road to Thurncourt Road)	100
Emergency Carriageway Rutting/ concrete bay repairs	55
Carriageway Joint Sealing Programme – Prevents water ingress & onset of potholes.	35
Road Hump Replacements - Reconstruction/replacement of failed block paved road humps and speed cushions.	15
Footway Relays and Reconstructions – Focus on local neighbourhood priorities; Narborough Road continuation.	170
Strategic Bridge Deck Maintenance & Replacement Works Thurcaston Road Footbridge, Friday Street, canal and river footbridges linked to River Soar accessibility programme.	400
Bridge Improvement & Maintenance Works – Parapet replacements, structural maintenance works and technical assessment review project.	100
Traffic Signal Installations Renewals – King Richards Road, Fosse Road, Glenfield/Fosse Road.	150
Lighting Column Replacements – Replace 50 dangerous columns.	40
Vehicle Activated Signs – Ward priorities	10
DfT / Whole Government Accounting Lifecycle Asset Management Development Project – Strategic asset management development, data analysis, lifecycle planning and reporting in support of DfT Challenge Funding bidding linked to asset management performance.	300
TOTAL *	2,490

*This scheme is deliberately over-programmed to manage risks from scheme co-ordination clashes and other factors affecting timing of works.

Capital Strategy 2021/22

1. **Introduction**
 - 1.1 It is a requirement on local authorities to prepare a capital strategy each year, which sets out our approach to capital expenditure and financing at a high level. The requirement to prepare a strategy arises from Government concerns about certain authorities borrowing substantial sums to invest in commercial property, often outside the vicinity of the Council concerned (something Leicester City Council has never done).
 - 1.2 There is also a requirement on local authorities to prepare an investment strategy, which specifies our approach to making investments other than day to day treasury management investments (the latter is included in our treasury management strategy, as in previous years). The investment strategy is presented as a separate report on your agenda.
 - 1.3 This appendix sets out the proposed capital strategy for the Council's approval. It incorporates our policy on repaying debt, which used to be approved separately.
2. **Capital Expenditure**
 - 2.1 The Council's capital expenditure plans are approved by the full Council, on the basis of two reports:-
 - (a) The corporate capital programme – this covers periods of one or more years, and is always approved in advance of the period to which it relates. It is often, but need not be, revisited annually (it need not be revisited if plans for the subsequent year have already been approved);
 - (b) The Housing Revenue Account (HRA) capital programme – this is considered as part of the HRA budget strategy which is submitted each year for approval.
 - 2.2 The capital programme is split into:-
 - (a) Immediate starts – being schemes which are approved by the Council and can start as soon as practical after the council has approved the programme. Such schemes are specifically described in the relevant report;
 - (b) Policy provisions, which are subsequently committed by the City Mayor (and may be less fully described in the report). The principle here is that further consideration is required before the scheme can start.
 - 2.3 The corporate capital programme report sets out authorities delegated to the City Mayor. Decisions by the City Mayor are subject to normal requirements in the constitution (e.g. as to prior notice and call-in).

- 2.4 Monitoring of capital expenditure is carried out by the Executive and the Overview Select Committee. Reports are presented on 3 occasions during the years, and at outturn. For this purpose, immediate starts have been split into three categories:-
- (a) **Projects** – these are discrete, individual schemes such as a road scheme or a new building. These schemes are monitored with reference to physical delivery rather than an annual profile of spending. (We will, of course, still want to make sure that the overall budget is not going to be exceeded);
 - (b) **Work Programmes** – these will consist of minor works or similar schemes where is an allocation of money to be spent in a particular year.
 - (c) **Provisions** – these are sums of monies set aside in case they are needed, but where low spend is a favourable outcome rather than indicative of a problem.
- 2.5 When, during the year, proposals to spend policy provisions are approved, a decision on classification is taken at that time (i.e. a sum will be added to projects, work programmes or provisions as the case may be).
- 2.6 The authority does not capitalise expenditure, except where it can do so in compliance with proper practices: it does not apply for directions to capitalise revenue expenditure.
- 2.7 The table below forecasts the past and forecast capital expenditure for the current year and 2021/22. It therefore, includes expenditure from the 2020/21 programme that will be rolled forward.

Department / Division	2020/21 Estimate £m	2021/22 Estimate £m
People & Neighbourhoods	51.6	52.4
Highways, Transport & Infrastructure	66.7	71.5
Promoting Business	2.8	2.8
Tourism & Culture	12.9	13.6
Corporate	5.5	11.3
Strategic Acquisitions	0.0	4.0
Total General Fund	139.5	155.6
Housing Revenue Account	48.3	70.3
Total	187.8	225.9

- 2.8 The Council's Estates and Building Services Division provides professional management of non-housing property assets. This includes maintaining the properties, collecting any income, rent reviews, ensuring that lease conditions are complied with and that valuations are regularly updated at least every 5 years. A capital programme provision is made each year for significant improvements or renovation.

- 2.9 The Housing Division provides management of tenanted dwellings. Apart from the new build, the HRA capital programme is almost entirely funded from tenants' rents. The criteria used to plan major works are in the table below:-

Component for Replacement	Leicester's Replacement Condition Criteria	Decent Homes Standard: Maximum Age
Bathroom	All properties to have a bathroom for life by 2036	40 years / 30 years
Central Heating Boiler	Based on assessed condition	15 years (future life span of new boilers is expected to be on average 12 years)
Chimney	Based on assessed condition	50 years
Windows & Doors	Based on assessed condition	40 years
Electrics	Every 30 years	30 years
Kitchen	All properties to have an upgraded kitchen by 2036	30 years / 20 years
Roof	Based on assessed condition	50 years (20 years for flat roofs)
Wall finish (external)	Based on assessed condition	80 years
Wall structure	Based on assessed condition	60 years

3. **Financing Capital Expenditure**

- 3.1 Most capital expenditure of the Council is financed as soon as it is spent (by using grants, capital receipts, revenue budgets or the capital fund). The Council will only incur spending which cannot be financed in this way in strictly limited circumstances. Such spending is termed "prudential borrowing" as we are able to borrow money to pay for it. (The treasury management strategy explains why in practice we don't need to borrow on the external market: we must still, however, account for it as borrowing and make "repayments" from revenue each year). Circumstances in which the Council will use "prudential borrowing" are:-
- (a) Where spending facilitates a future disposal, and it is estimated that the proceeds will be sufficient to fully cover the initial costs;
 - (b) Where spending can be justified with reference to an investment appraisal (this is further described in the separate investment strategy). This also includes social housing, where repayment costs can be met from rents;
 - (c) Other "spend to save" schemes where the initial cost is paid back from revenue savings or additional income;
 - (d) Where, historically, the Council has used leasing for vehicles or equipment, and revenue budgets already exist to meet the cost;

(e) “Once in a generation” opportunities to secure significant strategic investment that will benefit the city for decades to come.

3.2 The Council measures its capital financing requirement, which shows how much we would need to borrow if we borrowed for all un-financed capital spending (and no other purpose). This is shown in the table below:-

	2020/21 Estimate £m	2021/22	2022/23	2023/24
HRA	241	258	276	287
General Fund	269	269	269	270

(The table above excludes PFI schemes).

3.3 Projections of actual external debt are included in the treasury management strategy, which is elsewhere on your agenda.

4. **Debt Repayment**

4.1 As stated above, the Council usually pays for capital spending as it is incurred. However, this has not always been the case. In the past, the Government encouraged borrowing and money was made available in Revenue Support Grant each year to pay off the debt (much like someone paying someone else’s mortgage payments).

4.2 The Council makes charges to the general fund budget each year to repay debt incurred for previous years’ capital spending. (In accordance with Government rules, no charge needs to be made to the Housing Revenue Account: we do, however, make charges for newly built and acquired property).

4.3 The general underlying principle is that the Council seeks to repay debt over the period for which taxpayers enjoy the benefit of the spending it financed.

4.4 Where borrowing pays for an asset, debt is repaid over the life of the asset.

4.5 Where borrowing pays for an investment, debt is repaid over the life of the Council’s interest in the asset which has been financed (this may be the asset life, or may be lower if the Council’s interest is subject to time limits). Where borrowing funds a loan to a third party, repayment will never exceed the period of the loan.

4.6 Charges to revenue will be based on an equal instalment of principal, or set on an annuity basis, as the Director of Finance deems appropriate.

4.7 Debt repayment will normally commence in the year following the year in which the expenditure was incurred. However, in the case of expenditure relating to the construction of an asset, the charge will commence in the year after the asset becomes operational or the year after total expenditure on the scheme has been completed.

4.8 The following are the maximum asset lives which can be used:-

(a) Land – 50 years;

- (b) Buildings – 50 years;
- (c) Infrastructure – 40 years;
- (d) Plant and equipment – 20 years;
- (e) Vehicles – 12 years.

- 4.9 Some investments governed by the treasury strategy may be accounted for as capital transactions. Should this require debt repayment charges, an appropriate time period will be employed. Share capital has a maximum “life” of 20 years.
- 4.10 Authority is given to the Director of Finance to voluntarily set aside sums for debt repayment, over and above the amounts determined in accordance with the above rules, where she believes the standard charge to be insufficient, or in order to reduce the future debt burden to the authority.
- 4.11 The law permits the Council to “claim back” sums set aside voluntarily in previous years by reducing subsequent years’ debt repayment. The Council will only do this in the following circumstances:-
- (a) To support the Council’s treasury management strategy. For instance, using these sums gives the Council access to a wider pool of collective property investments than we could otherwise use because of accounting restrictions (and hence access to better investment opportunities);
 - (b) For the acquisition of other investments permitted by the investments strategy, where it is appropriate to capitalise spending so that revenue savings can be delivered immediately.
- 4.13 Once investments acquired through sums “claimed back” are redeemed, the receipt will be set aside again for debt repayment.
- 4.14 In circumstances where the investment strategy permits use of borrowing to support projects which achieve a return, the Director of Finance may adopt a different approach to debt repayment to reflect the financing costs of such schemes. The rules governing this are included in the investment strategy.
- 4.15 The ratio of financing costs to net revenue budget is estimated to be:-

	2020/21 %	2021/22 %	2022/23 %
General Fund	2.0	2.1	2.2
HRA	11.1	11.6	12.0

5. **Commercial Activity**

- 5.1 The Council has for many decades held commercial property. It may decide to make further commercial investments in property, or give loans to others to support commercial investment. Our approach is described in the investment strategy, which sets the following limitations:-
- (a) The Council will not make such investments purely to generate income. Each investment will also benefit the Council’s service objectives (most

probably, in respect of economic regeneration and jobs). It will, however, invest to improve the financial performance of the corporate estate;

- (b) The Council will not make investments outside of the LLEP area (or just beyond its periphery) except as described below. We would not, for instance, borrow money to buy a shopping centre 100 miles from Leicester;
- (c) There is one exception to (b) above, which is where the investment meets a service need other than economic regeneration. An example might be a joint investment in a solar farm, in collaboration with other local authorities; or investment in a consortium serving local government as a whole. In these cases, the location of the asset is not necessarily relevant.

5.2 Such investments will only take place (if they are of significant scale) after undertaking a formal appraisal, using external advisors if needs be. Nonetheless, as such investments also usually achieve social objectives, the Council is prepared to accept a lower return than a commercial funder might, and greater risk than it would in respect of its treasury management investments. Such risk will always be clearly described in decision reports (and decisions to make such investments will follow the normal rules in the Council's constitution).

5.3 Although the Council accepts that an element of risk is inevitable from commercial activity, it will not invest in schemes whereby (individually or collectively) it would not be able to afford the borrowing costs if they went wrong. As well as undertaking a formal appraisal of schemes of a significant scale, the Council will take into account what "headroom" it may have between the projected income and projected borrowing costs.

5.4 In addition to the above, the Council's treasury strategy may permit investments in property or commercial enterprises. Such investments may be to support environmental and socially responsible aims, and are usually pooled with other bodies. For the purposes of the capital strategy, these are not regarded as commercial activities under this paragraph as the activity is carried out under the treasury strategy.

6. **Knowledge and Skills**

6.1 The Council employs a number of qualified surveyors and accountants as well as a specialist team for economic development who can collectively consider investment proposals. It also retains external treasury management consultants (currently Arlingclose). For proposed investments of a significant scale, the Council may employ external specialist consultants to assist its decision making.

LSAB 2019/20 ANNUAL REPORT

JUNE 2020

LEICESTER SAFEGUARDING ADULTS
BOARD

Leicester
Safeguarding
Adults Board

WORKING IN PARTNERSHIP
TO KEEP ADULTS SAFE

Leicester

Safeguarding Adults Board

Annual Report 2019/2020

Report prepared and published pursuant to paragraph 4 of Schedule 2 of the Care Act 2014

Report Author: Lindsey Bampton, Safeguarding Boards Manager

Report Date: June 2020

An easy read version of this document is in development and will be published on the Safeguarding Adults Board page of the Leicester City Council website

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FOREWORD

This report covers a year that ended in an unprecedented way. The COVID-19 Pandemic put adult safeguarding into a position of more central importance than ever before. Although the outbreak began in earnest at the very end of the year this report covers, that relatively short period will have the greatest implications for the work of the Safeguarding Board in 2020 to 2021, and beyond. I would like to send condolences on behalf of the Board to those who have lost loved ones or been affected by the pandemic. I would also like to thank all those professionals who have worked tirelessly to keep adults at risk safe in very uncertain times.

Looking back to the earlier part of the year that is under review in this report, there were important cultural developments in the way that professionals work in adult safeguarding. The board members try to stay curious about what our data is telling us and the first part of the report sets out the context of referrals and volumes that sits behind cultural change in the way that safeguarding is done.

Learning underpins the work of the Board and I would like to thank those who organise the three principle strands of this – multi agency training; audit; and reviews. I was privileged to attend two well attended conferences organised under the auspices of this Board and the equivalent partnership for Leicestershire and Rutland. The range of speakers, and the thought given to content, was inspiring. As was the contribution by professionals which was a powerful reminder of the always-complex task of adult safeguarding.

Partnership around the Board remains strong. It has been helpful for me as a new chair of the Board to spend time in organisations, being shown around by our Board members. As important is partnership between different important strategic groups in Leicester, where coordination and leadership on community safety, child safeguarding, vulnerability more generally, and population health and wellbeing are dealt with. I have invited some new members to our Board to try and strengthen links and accountability and been made welcome at these other partnerships to discuss how we can coordinate our efforts across families and for adults with care and support needs who live with multiple risks. I hope that more than ever, because we are moving into a new and challenging context, this coordination can proceed at pace in the coming year.

Thank you for your interest in reading this report and thank you to Board colleagues and the Business Unit that supports the work of the Board.



Fran Pearson
LSAB Independent Chair

1. THE BOARD

The main objective of a Safeguarding Adults Board is to assure itself that local safeguarding arrangements and partners act to help and protect adults in its area who meet the following criteria:



Leicester Safeguarding Adults Board must seek to achieve this objective by coordinating and ensuring the effectiveness of each of its members in relation to adult safeguarding. We have a strategic role that is greater than the sum of the operational duties of our partners; we oversee and lead adult safeguarding across Leicester and are interested in a range of matters that contribute to the prevention of abuse and neglect.

LEICESTER SAB MEMBERSHIP		
Criminal Justice	National Probation Service, Leicestershire	
	Derbyshire, Leicestershire, Nottinghamshire and Rutland Community Rehabilitation Company	
	HMP Leicester	
Emergency Services	Leicestershire Police	
	East Midlands Ambulance Service	
	Leicestershire Fire and Rescue Service	
Health	Leicester City Clinical Commissioning Group	 
	Leicestershire Partnership NHS Trust	
	University Hospitals Leicester NHS Trust	
	NHS England	
Local Authority	Adult Social Care	  
	Children’s Social Care	
	Housing	
	Community Safety	
	Trading Standards	
	Lead Member	
Inspectorates	Care Quality Commission	
Consumer Champions	Healthwatch	
Care Home Associations	East Midlands Care Association	

As a partnership, Leicester Safeguarding Adults Board appoints an Independent Chair to oversee the work of the Board, provide leadership, offer constructive challenge, and ensure independence. To support consistency, alignment where appropriate, and a shared understanding of effectiveness across the two partnerships, our Independent Chair is shared with Leicestershire and Rutland Safeguarding Adults Board, as are a number of our sub-groups (see appendix A for 2019/20 structure chart). The day to day work of Leicester Safeguarding Adults Board is undertaken by the sub-groups. The board office supports the operational running of these arrangements and manages the Board on behalf of the multi-agency partnership.

2. SAFEGUARDING ADULTS IN LEICESTER

With a population of more than 330,000 Leicester is the 10th largest city in the UK. The mean age of Leicester's population is significantly lower at 34.8, than that of the East Midlands at 40 and England at 39.3 and it boasts the largest proportion of people aged 19 and under in the East Midlands. Information from the 2011 census celebrates Leicester as one of the most ethnically diverse cities in the UK with the population being made up of people from the following ethnic groups: White (50.5%), Asian, Asian British (37%), Black/African/Caribbean/Black British (6%), Mixed/Multiple Ethnic Groups (3.5%), Other Ethnic Groups (3%). The population of Leicester is made up of 49.4% males and 50.6% females.

Leicester City 2019/20 Safeguarding Adults Data

The Care Act 2014 sets out our statutory duties and responsibilities for safeguarding, including the requirement to undertake enquiries under section 42 of the Act to safeguard people. Below is a summary of safeguarding activity recorded during 2019/20 for both safeguarding concerns raised, and enquiries undertaken. A total of 2049 concerns were raised, a total of 1468 individuals were involved in a concern during the year.

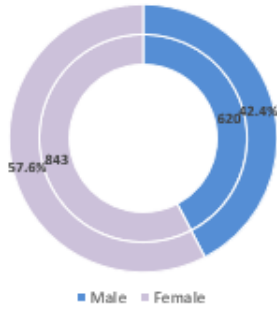
During 2019/20, 462 individuals were involved in a section 42 safeguarding enquiry. At the conclusion of a section 42 enquiry, where a risk was identified during the enquiry, an outcome concerning the status of this risk is recorded. In 2019/20, 536 enquiries were concluded, and a risk was identified in 454. Of those with a risk identified, the risk to the individual was reduced in 59% of cases, and removed entirely for a further 34%, in 7% of cases the risk remained.

Making Safeguarding Personal is an important aim of our safeguarding adults process. Where possible we aim to achieve during the enquiry process the outcomes the individual involved has identified for themselves. During 2019/20 we recorded these outcomes for 286 of enquiries undertaken. Where these outcomes were identified, they were fully achieved in 57% of cases and achieved in part in a further 39%.

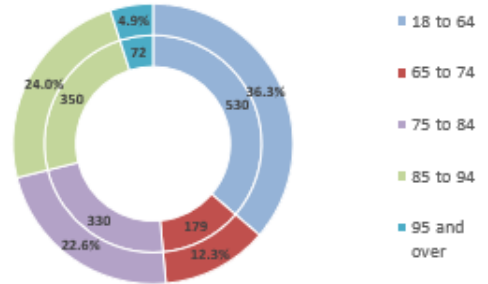
Leicester City 2019/20 Safeguarding Adults Data Continued...

Safeguarding Concerns raised during the year 2019/20

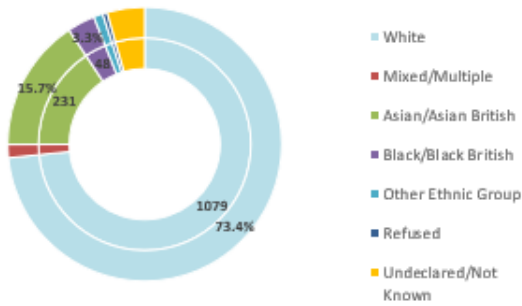
Individuals involved in a concern by gender



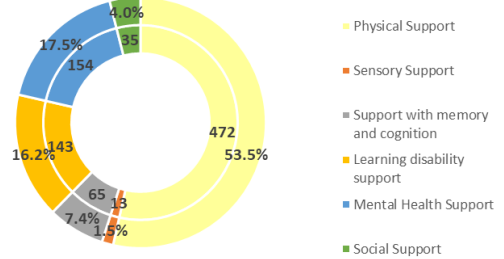
Individuals involved in safeguarding concerns by age band



Individuals involved in a concern by ethnicity

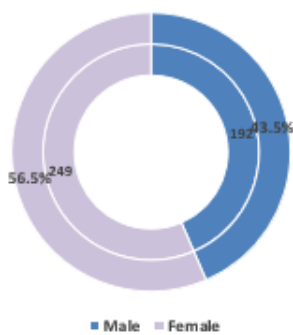


Individuals involved in a concern by support reason (where known)

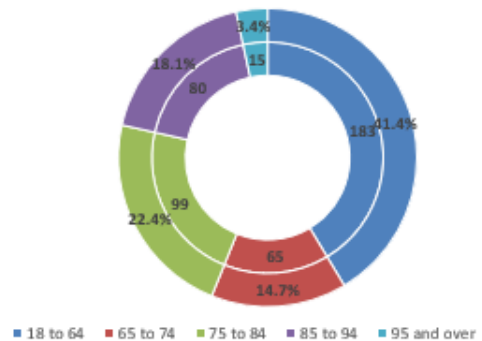


Section 42 Safeguarding Enquiries commenced during the year 2019/20

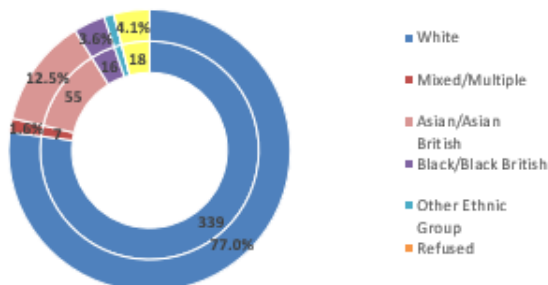
Individuals Involved in an Enquiry by Gender



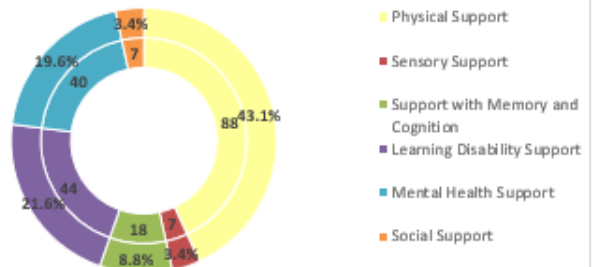
Individuals involved in an Enquiry by Age Band



Individuals involved in an enquiry - by ethnicity

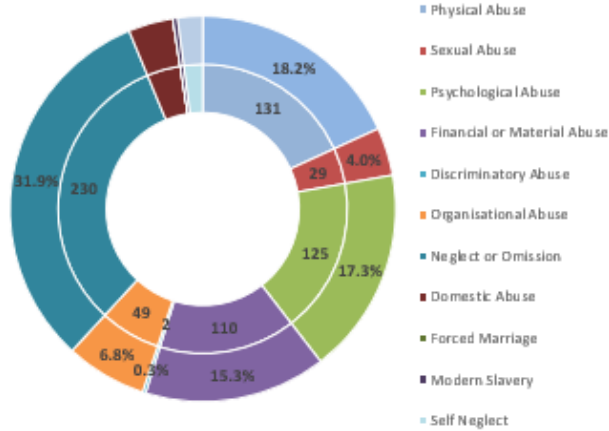


Individuals involved in an Enquiry by support reason (where known)

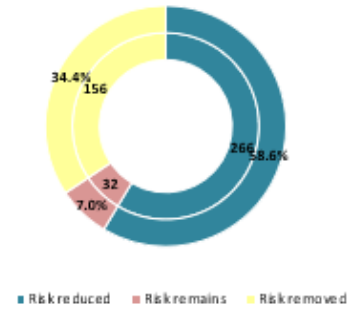


Section 42 Safeguarding Enquiries completed during the year 2019/20

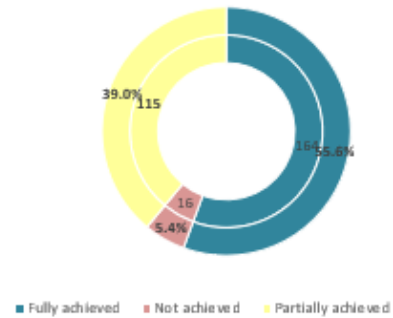
Concluded enquiries by type of abuse



Outcome at the conclusion of a safeguarding enquiry where a risk was identified



MSP Outcomes for concluded enquires



For more information about adult safeguarding, please visit our website www.leicester.gov.uk/lisab where you will find our [introductory guide](#) and our [guide to the process of keeping adults safe from abuse and neglect in Leicester](#). Alternatively, call 0116 454 6270 to request a copy of these guides.

3. MEETING OUR STRATEGIC PRIORITIES

As a partnership, Leicester Safeguarding Adults Board outlined its strategic priorities in its three-year strategic plan published in 2017. Throughout this time, core priorities have been ensuring statutory compliance and enhancing everyday business. Developmental priorities have been strengthening user and carer engagement, raising awareness within our diverse communities, understanding how well we work together, and improving safeguarding transitions for young people.

CORE PRIORITY 1: Ensuring statutory compliance – Leicester safeguarding adults reviews 2019/20

Safeguarding Adults Boards have a statutory duty under section 44 of the Care Act 2014 to undertake safeguarding adults reviews (SARs) in cases which meet the criteria. The purpose of a review is to identify lessons to be learnt and to apply those lessons for the future. During 2019/20 Leicester Safeguarding Adults Board concluded one SAR and commissioned four. For the purposes of transparency, a table of SAR referrals, decisions, and outcomes during 2019/20 is provided:

SAR Referrals & Outcomes 2019/20			
Referral Date	Date Case First Heard	Decision Made	Outcome
January 2019	February 2019	The partnership concluded that it was not known or suspected that the individual's death resulted from abuse or neglect. There were complexities in ascertaining whether or not the individual was likely to have had care and support needs, but after detailed exploration, the SAB determined (July 2020) that a SAR would be carried out under S.44(4) of the Care Act 2014 (non-mandatory).	SAR S.44(4)
August 2019	September 2019	The partnership concluded that in this case, an individual with care and support needs died as a result of abuse or neglect. However, there was not reasonable cause for concern about how partners had worked together to safeguard the person, therefore a SAR was not mandatory. A decision was made to commission a non-mandatory SAR under S.44(4) of the Care Act 2014.	SAR S.44(4)
November 2019	December 2019	The partnership concluded that the individual who died was unlikely to have had needs for care and support, there was no evidence that the death resulted from abuse or neglect, and there were no concerns about how agencies worked together. The criteria for a SAR was not met and no SAR was commissioned.	No SAR
January 2020	February 2020	In this case, a person with care and support needs is alive and the SAB knows or suspects that they have experienced serious abuse. There was cause for concern about how organisations worked together to safeguard the individual. A mandatory SAR under S.44(1a) of the Care Act 2014 was commissioned.	SAR S.44(1a)
February 2020	February 2020	A decision was made that a non-mandatory SAR should be carried out, based on the circumstances known. The partnership was unable to conclude that the criteria for a mandatory SAR were met, however there were concerns over how agencies worked together, from which we could learn.	SAR S.44(4)
March 2020	March 2020	Although the individual who died had needs for care and support, there was no evidence to suggest that the death was as a result of abuse or neglect, and there were no concerns about how agencies worked together. The partnership concluded that a SAR would not be commissioned.	No SAR

It is anticipated that all four of our reviews commissioned during the 2019/20 business year, will be concluded during 2020/21, and the findings reported on in our 2020/21 annual report. We publish our SARs throughout the business year and they can be found on the [LSAB page dedicated to SARs](#) on the Leicester City Council website.

‘Mary and Graham’ SAR

Concluded during 2019/20, our ‘Mary and Graham’ SAR is published in full on the [LSAB web pages](#) of the Leicester City Council website. A summary of learning has also been provided in the April 2020 publication of [Safeguarding Matters](#), along with a link to a [reflective practice case study](#) for use in learning and development activities, training, team meetings, and supervision. The Board would like to offer condolences to the family and thank them for their contribution to this review as well as their support with its publication.

In response to the recommendations in the review, the Safeguarding Adults Board has:

- ✓ Published the review in full
- ✓ Shared the learning via learning briefings and reflective practice case studies
- ✓ Sought assurance that learning has been shared and embedded within partner agencies
- ✓ Facilitated a conference with a focus on domestic abuse in older people
- ✓ Promoted the use of professional and appropriate challenge across the safeguarding adults partnership

CORE PRIORITY 2: Enhancing Everyday Business

The work of the Performance Sub Group, Joint Audit Group, Training Sub Group and Joint Policy and Procedures Sub Group. A local Safeguarding Adults Board must seek to achieve its objective is by ‘co-ordinating and ensuring the effectiveness of what each of its members does’ (Care Act 2014).



Leicester Safeguarding Adults Board works with Leicestershire and Rutland Safeguarding Adults Board to maintain up to date inter-agency adult safeguarding policies and procedures across Leicester, Leicestershire and Rutland. These policies and procedures are hosted on our [dedicated policy and procedures website](#) called the MAPP (Multi Agency Policies and Procedures). Throughout 2019/20 these

policies and procedures continued to be reviewed and updated in line with learning from reviews, audits, and best practice.

The **Performance Sub Group** is responsible for ensuring that Leicester Safeguarding Adults Board has a clear quality assurance framework. It delivers a range of business as usual matters, including management of the performance data and intelligence, a programme of assurance activity, and the production of an annual assurance statement (which includes the results of the annual local

Safeguarding Adults Assurance Framework). Throughout 2019/20 the Performance Sub Group also led on the development of a new 5-year Strategic Plan on behalf of the partnership.

Our **Joint Audit Sub Group** undertakes multi-agency safeguarding adults audits across Leicester, Leicestershire and Rutland. The process brings together practitioners to give a multi-agency view on practice in safeguarding cases to identify areas of good practice and areas for learning and improvement. During 2019/20 separate audits focused on 'Mental Capacity Act and Safeguarding' as well as 'Financial Abuse'. Audit findings directly influenced changes to local policies and procedures, with the aim of improving practice across the partnerships.

Section 14.139 of the Care Act Statutory Guidance notes 'Each SAB should... promote multi-agency training and consider any specialist training that may be required. Consider any scope to jointly commission some training with other partnerships...'. The LSAB **Training Sub Group** leads this work on behalf of the partnership, in line with our [Training Strategy](#).

In June 2019 the Training Sub Group arranged for Barrister Alex Ruck Keene to brief the partnership on what we can expect from Liberty Protection Safeguards. It was a useful introduction which enabled board members to develop a joint understanding of potential implementation and transition arrangements.

November 2019 saw Leicester Safeguarding Adults Board, in partnership with Leicester Safeguarding Children Partnership Board, Leicestershire and Rutland Safeguarding Adults Board, and Leicestershire and Rutland Safeguarding Children Partnership, facilitate a one day conference at Leicester City Hall. Local and national speakers provided information on a range of topics which spanned the priorities of both children and adults safeguarding, including Mental Capacity Act for 16+, Modern Slavery, Prevent, Forced Marriage, Exploitation, Cuckooing and County Lines. The event concluded with an update on learning from local reviews and audits.



In January 2020, the Training Sub Group arranged, for strategic leads across the partnership, a briefing from Former NCA Head of Drugs, Threat and Intelligence, Tony Saggars on 'cuckooing'. The

focused and informative sessions were well attended and will support the partnership to consider the local response to Cuckooing and Adult Safeguarding throughout 2020/21 (see also developmental priorities 3 and 4).

Leicester Safeguarding Adults Board, in partnership with Leicestershire and Rutland Safeguarding Adults Board, also facilitated a multi-agency safeguarding adults conference at City Hall in February

2019. Representatives from across the partnership attended. National speakers included Office of the Public Guardian with a focus on financial abuse, an overview of the Court of Protection and Inherent Jurisdiction (Eliza Sharron, Barrister – Kings Chambers), and Dr Hannah Bows, Assistant Professor in Criminal Durham Law School, on Domestic Abuse and Older People. The purpose of the day was to increase awareness of the complex areas of Financial and Domestic Abuse and reflect on defensible decision making that underpins an assessment of risk. Group exercises, with multi-agency colleagues, allowed the opportunity for reflection on defensible decision making.



The Training Sub Group also oversaw a training programme which included regular ‘Mental Capacity Act Forums’ for care providers in the city, as well as Leicestershire Fire and Rescue Service’s ‘Fire Safety in the Homes of Vulnerable Adults’ multi-agency training. Leicester Safeguarding Adults Board worked closely with Leicestershire and Rutland Safeguarding Adults Board to facilitate a Trainers Network across Leicester, Leicestershire and Rutland, and contributed to the established newsletter Safeguarding Matters, which is read widely across the partnerships.

DEVELOPMENTAL PRIORITY 1: Strengthening User and Carer engagement

During 2019/20 the Engagement Sub Group, having consulted with national user group ‘Shaping Our Lives’, developed and promoted the role of Ambassadors Network Coordinator. This was a paid role for someone who had experienced adult safeguarding (or potentially a parent/carer of someone that had experienced adult safeguarding services). The vision was that the individual would Chair the Engagement Sub Group and take a position as board member for the Leicester Safeguarding Adults Board. The Ambassadors Network Coordinator, once in post, would be supported by the LSAB Engagement Officer to develop a network of safeguarding ambassadors across Leicester. The post was created and subsequently advertised widely, both locally and nationally, but we were unable to

recruit. Having to take an alternative course of action, our Principal Social Worker agreed to chair the Engagement Sub Group, and work began to consider alternative ways of strengthening user and carer engagement.

DEVELOPMENTAL PRIORITY 2: Raising awareness within our diverse communities

Recognising that our safeguarding alerts and subsequent safeguarding activity are not representative of the population of Leicester, the **Engagement Sub Group** worked to update and promote our awareness raising material including a revamp of our website to make it more accessible to local communities. Resources available under our 'What Is Adult Abuse and How To Report Concerns' website page include:



- Introductory guide to keeping adults safe from abuse and neglect in Leicester
- Guide to the process of keeping adults safe from abuse and neglect in Leicester
- Report abuse or neglect in Leicester postcard
- Safeguarding training resource (developed by the LSAB Training Sub Group)

Our LSAB Engagement Officer began to promote these materials with local communities across Leicester and also consulted with communities on the new Strategic Plan, developed by the Performance Sub Group. Whilst the impact has not been as significant as we would have hoped, there has been some measured improvement in increasing safeguarding alerts across communities, which is positive. This work will continue into 2020/21.

Impact from 2018 to 2020:

- ↑ Safeguarding alerts from Asian/Asian British ethnic group has risen by 1.3% from 14.4% to 15.7%
- ↑ Safeguarding alerts from Mixed/Multiple ethnic group has risen by 0.3% from 1.3% to 1.6%
- ↑ Safeguarding alerts from 'Other' ethnic group has risen by 0.2% from 0.9% to 1.1%
- ↑ Safeguarding alerts from people with mental ill health has risen 1% from 16.3% to 17.3%
- ↑ The overall conversion rate from alert to enquiry has risen by 3.6% from 22.4% to 26%

DEVELOPMENTAL PRIORITY 3: Understanding How Well We Work Together

DEVELOPMENTAL PRIORITY 4: Improving Safeguarding Transitions for Young People

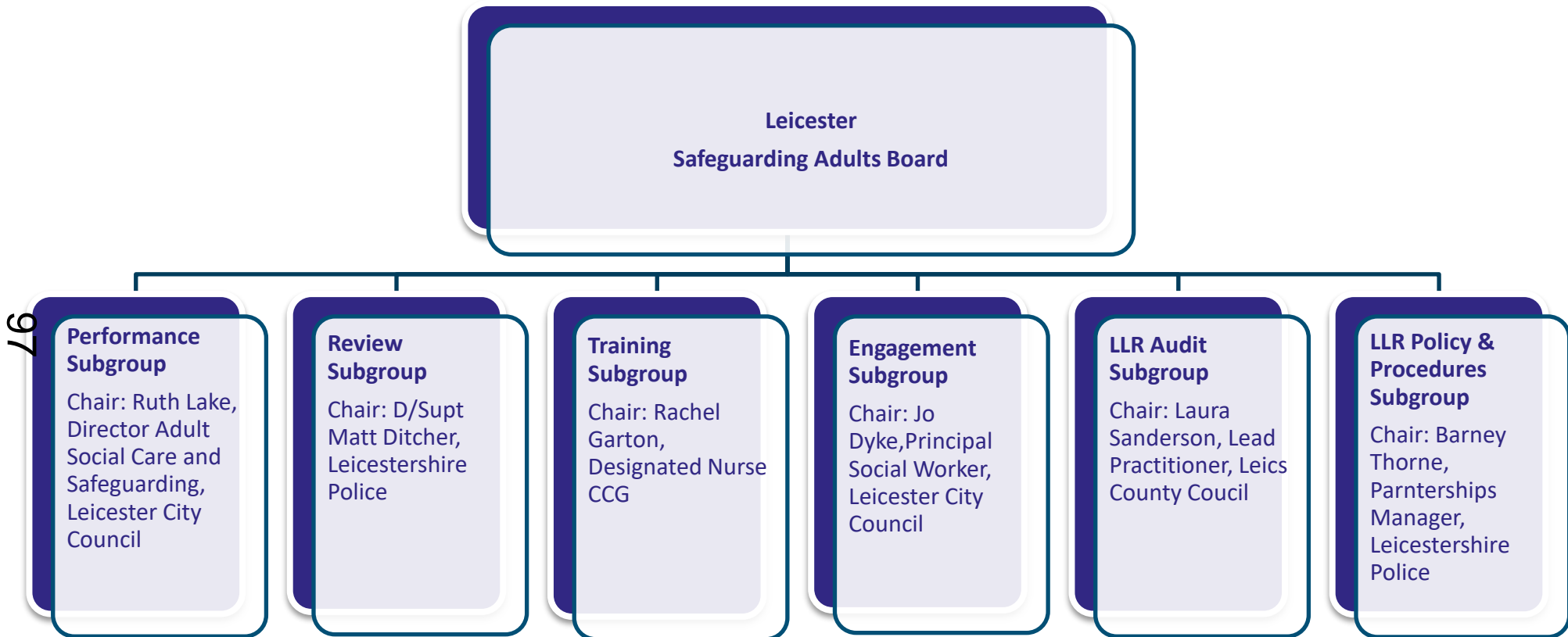
Throughout 2019/20 Leicester Safeguarding Adults Board worked collaboratively with Leicester Safeguarding Children Partnership Board, Leicestershire and Rutland Safeguarding Adults Board, and Leicestershire and Rutland Safeguarding Children Partnership to undertake a **Safeguarding Transitions Task and Finish Group**. The group's focus was on victims of child exploitation (i.e. CSE, gangs, county lines, cuckooing, domestic abuse, extremism, modern slavery and trafficking) who are transitioning or have transitioned between child and adult safeguarding. The group outlined the current position in light of safeguarding transitions work across Leicester, Leicestershire and Rutland and identified a gap in information-sharing, provision, and services for vulnerable young adults who do not have needs for care and support. The report has been shared with the Child Criminal Exploitation (CCE) Operations Group, which sits under the Leicester, Leicestershire & Rutland Vulnerability Executive, who will be taking forward additional work during 2020/21.

4. COVID-19 & LOOKING TO 2020/21

At the start of 2020, the COVID-19 global pandemic meant significant changes to ways of working throughout the partnership. Leicester SAB worked jointly with Leicestershire and Rutland SAB to regularly review the work of the Boards. A number of sub-group meetings were put 'on hold' for a short time, and ways of working were restructured to ensure that the essential and statutory work of the Boards continued. The partnership built relationships with the Local Resilience Forum, who led on the immediate response to the pandemic.

Looking to 2020/21, our new strategic plan will be published in 2020, it will be joint with Leicestershire and Rutland SAB and will cover the period 2020-2025. The business plan for 2020/21 is currently being developed in light of COVID-19 and will be published alongside our strategic plan, on the 'plans, reports, and strategies' page of our web pages.

5. APPENDIX A: 2019/20 LSAB STRUCTURE CHART



Adult Social Care Scrutiny Commission Report

Response to the Adult Social Care Scrutiny Commission
Task Group Meeting – Social Care Workforce

Date: 19th January 2021

Lead Director: Martin Samuels

Lead member: Cllr Sarah Russell

Wards Affected: All wards
Report author: Tracie Rees
Author contact details: Tracie.rees@leicester.gov.uk / 0116 454 2301

Report version number: 1

1. Purpose

- 1.1 To provide a response to the recommendations made by the Adult Social Care Scrutiny Commission Taskforce following a review of the external social care workforce.

2. Summary

- 2.1 The Adult Social Care Scrutiny Commission undertook a review of the external social care workforce in 2019/20. The final report is detailed at Appendix 1.
- 2.2 The review made a number of recommendations and this report provides a formal response to each point made by the task group.
- 2.3 The City Council is fully aware of the vital role that the care sector plays in supporting a range of vulnerable individuals in our community. The authority welcomes the review completed by the Adult Social Care Task Group members and the opportunity to comment on the recommendations to improve the support to given to the external workforce.

3. Recommendations

- 3.1 The Adult Social Care Scrutiny Commission is recommended to:
 - a) Note the content of this report and provide comment/feedback

4. Report

4.1 On the 29.10.2020 the External Workforce Report was presented to the City Mayor and Executive.

4.2 The report made a number of recommendations, as detailed at Chapter 2, and the following information provides a response to each point.

1. That the goal of paying everyone working in adult social care the Real Living Wage or above is realised at the earliest possible opportunity.

Response: The City Council agrees and calls on the government to provide sufficient funds to enable us to do this.

To give an idea of the cost implications, the additional payment to the residential care, domiciliary care and supported living sectors would cost the Council in the region of £3.9m for 2020/21. This figure is likely to be significantly higher if the calculation was made for the whole care sector.

2. That we expedite our 2019 manifesto commitment to sign up to the Ethical Care Charter.

Response: The Council welcomes the Unison Ethical Charter for improving the working arrangements for domiciliary care workers. Leicester City Council sought to sign up to the charter whilst working towards completing all areas as colleagues at Nottingham City Council were able to do. Sadly, the Regional Unison Branch rejected this approach for Leicester.

We are compliant with 9 of the 12 domains. The 3 outstanding areas relate to:

1. Removal of Zero Hour Contracts – see point 3.
2. Payment of the Real Living Wage – see point 1.
3. Provision of an Occupational Sick Pay Scheme. Whilst existing fee rates include provision for sick pay, they are for the most part based on Statutory Sick Pay (SSP) minimum levels of weekly pay and cover a minimum of 5 days sickness. The payment of Occupational Sick Pay across adult social care contracts would add significant additional cost to the authority. The level of cost would be dependent on individual pay rates for different roles and the number of days of sickness cover. The full cost of this and if it could be done within current contractual arrangements is still being examined

3. To remove zero hours contracts. This will increase job security for

those working in adult social care and should also decrease staff turnover. The review welcomes and supports the early work being undertaken to establish minimum hours as an initial step.

Response: The current contract already strongly encourages providers to employ staff on other contractual arrangements. However, there are strong messages from some of the workforce that zero hours contracts are preferable because they allow the flexibility to work around other arrangements, particularly family commitments – most of the workforce is female and of an age where this is a factor. Intelligence from the sector tells us that very few providers insist on zero hours contracts, with many already offering a variety of fixed part time or permanent hours.

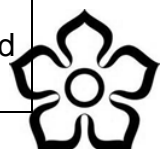
The removal of zero hours contracts would require a voluntary variation to the existing Domiciliary Care contract and all providers would need to agree to the change. If they refuse, a full re-procurement exercise would be required. Unfortunately, there is no capacity to complete this before 2023. It would also require agreement from the Leicester Clinical Commissioning Group (CCG) with whom we jointly commission the service. There would be cost implications for the Council, but it would not be possible to estimate the amount until the implications are understood from the providers. Legally we cannot enforce the removal of zero-hours contacts at this time.

4. To recognise the crucial link between retention and quality of care and work with providers to support and improve retention rates amongst the workforce.

Response: Approval has been given to create an external Workforce Development Officer post within the Council's Contracts & Assurance Team to work with the sector to improve staff retention, training and to establish career pathways and to promote development opportunities across the whole care sector.

Work opportunities in the care sector are already promoted through the Council's Employment Hub.

The City Council is also a member of and provides funding to the Leicester/shire Social Care Development Group (LSCDG), other members include Skills for Care, health and provider representatives. The group provides free training to the care sector with a focus on improving quality and ensuring compliance with the Care Quality Commission (CQC) Standards of Care. As a one-off special project for 2020/21, funding has been allocated to work with the providers to review the recruitment and retention needs of the sector with a view to developing career pathways and the promotion of social care as a mainstream care profession.



- 5. Work with those in the workforce to try and find community and cooperative solutions, such as employee buy outs or a grouping together of micro providers, that ensure staff are invested stakeholders in care provision. This featured in the 2019 Labour in Leicester Manifesto as a Carers' Coop.**

Response: Whilst the Council would be supportive of this approach as a means of supporting the sector, it cannot enforce this requirement through the current contractual arrangements. However, through the work of the LSCGD and Skills for Care we could ask them to potentially take this forward as a project for 2021/22.

- 6. Include in contracts when commissioning that unions be granted access to the adult social care workforce to encourage them to take collective action over key issues affecting their workplaces.**

Response: The Council cannot enforce this requirement through the contractual process. However, every worker has a right, by law, to choose whether or not to belong to a trade union or to participate in lawful union activities. Some organisations do not have recognised unions, but this would not prevent a worker from joining a union of their own volition. Furthermore, if an organisation has recognised trade unions, workers are still entitled to join whichever trade union they wish, even if it's not one of the officially recognised ones.

If organisations prevent a worker from exercising this right or discourage a worker from joining a union, or from joining in lawful trade union activities, for example by threatening the employee / worker with the loss of a benefit, or by offering the employee / worker some benefit in return for not joining this would be unlawful. Under section 145A of the Trade Union and Labour Relations Consolidation Act 1992, it is unlawful for an employer to offer a worker an inducement not to join a union or not to take part in union activities. It is also against the law for an organisation to refuse to employ, dismiss or subject a worker to any detriment because they are in a trade union, or who have taken or are taking part in trade union activities.

- 7. The council to consider developing its own internal pool of bank staff and work to allow more flexibility for work sharing and hours, rather than outsourcing and using agencies. This pool could also support social care providers when in times of crisis e.g. wintertime, then in summertime the bank pool of staff can be used to backfill when workers need to be released for training. The creation of a pool of LCC staff would have a financial cost.**

Response: The creation of a pool of LCC staff would have a significant financial cost to the City Council. Staff in the Council's Reablement and Integrated Crisis Response Service are used to bridge gaps in packages of support whilst waiting for domiciliary care to be brokered or in other crisis situations. Further work would need to be undertaken to establish the demand for such a service, what the financial envelope required would be and how it could be funded.

- 8. There needs to be a concerted effort to encourage and attract younger people to adult social care careers in the future. There is a dedicated officer in the Council's Employment Hub dedicated to work with the social care sector around recruitment, particularly working with colleges and other routes to attracting young people into this sector.**

Response: The LSCDG via its Inspire to Care Programme (funded by the County, but accessible to all the LLR providers) has undertaken several promotional events at local colleges in conjunction with care providers to promote social care as rewarding career. However, it is recognised that further work is needed to develop career pathways for individuals interested in working in the care sector, including young people, which is the focus of a LSCDG project for 2020/21.

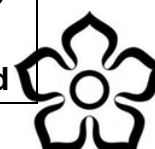
- 9. Adult social care and nursing courses, as well as ongoing training and development, should be interlinked with improved pay structures and career paths.**

Response: Discussions will be undertaken with Skills for Care and health colleagues to consider how career paths could be developed across the care and nursing sector. Once the possibilities and implications are known further consideration will be given to this approach.

- 10. Ensure that the council has a workforce plan that encompasses the projections and workforce intelligence of the external social care provider market.**

Response: This is being developed by the LSCDG in conjunction with partners in Leicester, Leicestershire and Rutland. Unfortunately, the work has been delayed due to other priorities being faced by the external workforce at this time but will commence when possible.

- 11. Staff turnover rates are lower for staff who have achieved qualifications, so it is important to encourage social care providers to invest in the training and development of staff. Encourage and support independent providers to have their own workforce plans and**



ensure owners and senior managers have the right skills and support to ensure their organisations remain viable and sustainable.

Response: National support for training locally is already available for the social care market through Skills for Care. This includes both fully funded courses and the Workforce Development Fund. This fund allows a provider to reclaim all / some of the costs of vocational training for their employees. The East Midlands Development Manager for Skills for Care plays a pivotal role in employee engagement and this support is actively promoted.

- 12. Proactively invest further in improving the quality in adult social care provisions, including a particular focus on Registered Managers. For example, programmes like ‘Well ed’ and ‘Lead to Succeed’ from skills for care will do this (and can be claimed for through Workforce Development Funding). <https://www.skillsforcare.org.uk/Leadership-management/support-for-registered-managers/develop-yourself.aspx>**

Response: Leicester took part in the S4C ‘well led’ programme in 2019 and providers across the residential and domiciliary care sector were part of this development opportunity. With the creation of the of the Workforce Development Officer, the City Council will be able to run these programmes on a regular basis to improve the understanding for Registered Managers.

- 13. Encourage, support and ensure providers complete their ASC-WDS data return and to claim funding for upskilling staff (see above). When commissioning, add this as a condition in contracts with care providers.**

Response: Organisations contracted to the Council under the Domiciliary Care framework agreement and the Supported Living framework are required to update the Workforce Data Set on an annual basis. However, whilst the City Council can encourage non-contracted organisations to complete the annual return, there is no legal obligation for non-contracted providers to comply. Further efforts will be made to encourage organisations to take advantage of the additional funding at the Provider Forum events that take place with the care market on a quarterly basis.

- 14. Although the task group was reassured that travel time and mileage payments are already factored into the existing hourly fee rates paid**

by LCC to contracted providers, and that this rate includes an element of funding towards other business overheads of providers, it is worth considering why the UKHCA (UK Home Care Association) suggested hourly rate is so much higher. Vacancy and turnover rates are more significant in domiciliary care and we know that there are clear links between the quality of work for those employed in the sector and retention, as well as continuity of care for service users. That rate is £20.69 an hour and would lead to a total of £10.84m extra on top of the current cost of home care provision, inclusive of contracted provision and Direct Payments.

Response: The spread of Domiciliary Care contract rates paid in the existing framework is between £16.43 and £16.84 per hour. This is compared to the rate purported by UKHCA of £20.69 per hour. The rates were initially set as part of a procurement exercise and providers in our local market were able to bid within the pricing envelopes that were set at the time and the Council was able to procure enough providers onto the framework. Those initial rates have been increased for inflation in subsequent years.

The way the UKHCA model is constructed is different to the Council's model so it is not easy to make direct comparisons of costs and effects that assumptions have on costs. However, some of the key differences relate to the way in which the UKHCA model treats national insurance contributions, the proportion of people earning the NLW, the level of pension contributions, sick pay, travel time and overheads.

The UKHCA approach results in that model inflating some costs, whereas the level at which we fund these various costs are much more closely aligned to the actual costs incurred by our providers. As such, the Council's model is reflective of local market conditions – i.e. there are reduced costs for example in relation to travel time and associated overheads due to the geographical aspect of operating in a very compact city (as opposed to a less urban or rural area of operation).

15. Leicester City Council needs to be part of challenging and changing perceptions of working in adult social care, considerations about how to do this could include:

- **Care ambassadors - <https://www.skillsforcare.org.uk/Recruitment-retention/I-Care...Ambassadors/I-Care...Ambassadors.aspx>**
- **Localised recruitment / retention initiatives**
- **Developing career pathways and sharing case studies**
- **Engagement in awards**

- **Sharing positive news stories and engaging local media**
- **Trying to unpick whose care is undervalued and underpaid precisely because it is traditionally “women’s work”, and that this remains a significant barrier for many people.**
- **We live in a society focused on appearances and that this drives a large amount of the negative perceptions around older or disabled people. Work, for example, to engage children and younger people with care settings, could be crucial in helping to combat some of these damaging stereotypes.**

Response: The promotion of social care as a rewarding career is something that we would want to pursue via the LSCDG, Skills for Care and the recruitment of the Workforce Development Officer will support the promotion of social care as a career. This combined with working closely with providers of care and education providers locally will provide an excellent opportunity for the introduction of I-Care ambassadors and their equivalents within the City

- 16. Engage with colleagues across health sector in the Leicester, Leicestershire and Rutland area to aim for social care having equal status and parity with NHS and health colleagues. Train staff to be able to work across the health and social care system as a whole and ensure that there are attractive ways for this to continue after student nurses have qualified.**

Response: Work is already in progress within LLR to promote and encourage care workers to become Nursing Associates and it has been agreed that LCC will support this via the Apprenticeship Levy where an organisation is not part of this scheme.

Leicester City Council Scrutiny Review

Adult Social Care Workforce Planning: Looking to the future

A Review Report of the Adult Social Care Scrutiny Commission

**Date: 29 October 2020
City Mayor Executive Board**

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Task Group Members

Councillor Melissa March (Chair of Task Group)

Councillor Rashmikant Joshi

Councillor Patrick Kitterick

Late Councillor Jean Khote

Chair's Foreword

The problems facing adult social care are systemic and national issues that affect our ability to provide the quality of care that our most vulnerable citizens deserve, and Leicester is not alone in this. There are 14,000 people working in the adult social care sector in Leicester and for most of them it is a vocational calling of which they are rightly proud. It is difficult and challenging work for low pay and little praise or recognition.

This purpose of this review is to look at the workforce now, and its likely shape in the future, and to recommend ways in which we can support those who care in order to achieve better outcomes for them and the people that they care for.

The problems in adult social care are national, but Leicester is not exempt. Some of the most significant issues arising from the evidence collected for this review include:

- 23% of nursing homes in the city require improvement
- 43.7% of our domiciliary care workers are on zero hours contracts.
- There are ingrained staffing shortages across the country with around 122,000 roles or 10% of vacancies unfilled in adult social care nationally
- The sector is set to grow by 36% by 2035 in the East Midlands, which would require almost 5,000 roles to be filled
- Turnover of staff is high across the sector national – 20% over the last year with only 67% remaining in the sector, which is equivalent to 951 staff members leaving every year. The number of part-time workers is fairly high.
- The workforce is ageing and often in ill health themselves, with fewer young people coming to and staying in the profession. 3080 people are due to retire in the next 15 years, including 32% of nurses.
- When taken together the unfilled and new vacancies, the turnover of staff and the retirement of staff create a gap of 22,304 people, or 1.5 times the size of the existing care workforce. This is a stark figure and highlights the scale of the issue.
- Over half of the workforce have no care specific qualifications.
- There is no parity of esteem between the NHS and social care, but each relies on a symbiotic relationship with the other.
- Low pay is endemic throughout the sector but when this has been increased annually, it has eroded differentials for slightly more senior staff creating no incentive for taking on additional responsibilities.

- There is not much career progression and a lack of desirable training or development opportunities.
- There are low levels of unionisation amongst care providers, which leads to a lack of collective voice around terms and conditions or improving quality of work for carers.

This report goes on to recommend the following:

- Paying the Real Living Wage to all staff on Leicester City Council adult social care contracts to properly value those staff working in the sector. This would cost an estimated £3.9m for 2020/21 for residential care, domiciliary care and supported living. Not all organisations complete the Adult Social Care Workforce Data Set, so the actual cost will be higher, and even more so if we implement other working rights, such as occupational sick pay.
- We expedite our 2019 Manifesto commitment to sign up to the Ethical Care Charter
- Join up the silos to create a clear, simple and desirable apprenticeship route funded using unspent levy funds to encourage newer people to join the sector permanently, particularly younger people.
- Work with those in the workforce to try and find community and cooperative solutions, such as employee buy outs or a grouping together of micro providers, which ensure staff are invested stakeholders in care organisations
- When commissioning, require that providers give access to the unions to their workforce so that they can collectively lobby for improvements in their workplace.
- Also, to require and to ensure that providers complete the Skills for Care National Minimum Data Sets (NMDS) so that they are able to access funding for training but also so that we can better follow trends across the workforce locally.
- Create our own internal agency for existing LCC staff rather than working with external agencies to offer more flexibility for our own team by creating a pool of people and additional work.
- Retention is key in terms of boosting quality of work and quality of care for those receiving it. We need to work with providers around this specific issue. Recommendations to increase retention rates include improved training and development routes; improved pay and conditions; and proper recognition and valuing of the role of carers.

Councillor Melissa March, Vice Chair of Adult Social Care Scrutiny Commission

EXECUTIVE SUMMARY

1. Introduction

- 1.1 The Adult Social Care Scrutiny Commission set up a task group in 2019 to conduct a review into 'Adult Social Care workforce planning for the future'. *(To note that the evidence gathered in this report pre-dates the coronavirus pandemic, and we acknowledge that the impacts on the adult social care workforce are far greater with an unpredictable future)*
- 1.2 In Leicester we have an ageing population who are living longer but often with complex comorbidities and ill health in later life. We have three times the national average of work age people in receipt of social care. When combined with nationally led cuts to prevention services, we have a real challenge in adult social care (some clients are also coming into the system at a comparatively early age and staying for long periods, if not permanently, as users of adult social care services).
- 1.3 **According to Age UK charity:** 1.5 million people aged 65 or over have an unmet social care need, a number that has grown significantly since 2016. Worryingly, Age UK estimates that by 2030 this could grow to 2.1 million older people if the current approach to funding and providing care remains as it is today. Last year there were 1.32 million new requests for social care, over half of which resulted in no services at all or people being signposted elsewhere. In the last five years there has also been a £160 million cut in total public spending on older people's social care and there are more than 100,000 vacancies in the England care workforce.
- 1.4 Nationally, the NHS is experiencing significant pressures, and the issues in social care are even greater. Therefore, the outlook is concerning. Workforce shortages stand at around 122,000 with 1,100 people estimated to leave the job every day – an annual leaver rate of almost a third – and a quarter of staff on a zero-hours contract.
- 1.5 If the demand for the social care workforce grows proportionally to the projected number of people aged 65 and over then the number of social care jobs will need to increase by 36% to around 2.2 million jobs by 2035. International recruitment will be even more important for social care, and a restrictive immigration policy will simply make this harder.

<https://www.localgov.co.uk/Experts-decry-lack-of-consideration-given-to-social-care-in-immigration-reform/50029>

1.6 City Council lead officers in Adult Social Care services explained the landscape of adult social care services provision in Leicester, including workforce data and key issues. Leicester generally reflects the national picture as shown in the presentation slides and CQC ratings performance data **at Appendix A.**

1.7 A summary of the key data shows:

- It is a workforce made up of 83% women.
- 25% of the workforce in Leicester are aged over 55, compared to 20% of people aged over 55 in work across all sectors. These people are likely to retire in the next decade.
- 48% of roles are full time.
- 43% are BAME, and 57% are White
- 83% are British, 4% are EU, and 13% are Non-EU
- 39% of care workers were employed on zero-hours contracts (or 4,900 jobs). Leicester has a low staff turnover rate, the lowest in the East Midlands, and the number of part time workers is fairly high.
- 43.7% of people working in domiciliary care are on zero-hours contracts
- Work on zero hours contracts show a 31.8% turnover compared to 24.9% overall.
- 50% of the workforce do not hold a relevant social care qualification.
- 7.8% of the posts within the adult social care sector are vacant
- If we think about a future workforce requirement and take in to account turnover rates, growth of the workforce required and also replacing those reaching retirement age, we need to recruit the entire adult social care workforce within the city 1.5 times over in order to ensure we have enough capacity to look after those who need it.

Source: 'Skills for Care' is the leading source of workforce intelligence for the adult social care workforce in England. Information is collected in the Adult Social Care Workforce Data Set (ASC-WDS), which was previously named National Minimum Data Set for Social Care (NMDS-SC), to create robust estimates for the size of the whole adult social care sector and characteristics of the workforce. Leicester City data can be accessed at <https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/local-information/My-local-authority-area.aspx>

1.8 Task group members were impressed with the 'Skills for Care' online interactive website tool which provides a wide range of information, publications and intelligence, including local, national and regional comparable data and charts, this can be accessed at



<https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/Data-and-publications.aspx>

1.9 Members raised questions relating to private care workers e.g. low pay and poor working conditions for some workers. Officers explained that they do address these issues if they are made aware of them, however, there is a need for more whistle blowers in order to address the ongoing situation. It is a delicate issue, as many of those in the workforce may fear ‘rocking the boat’ and making their own situation worse by raising issues with authorities.

1.10 In March 2020 a Parliamentary inquiry was launched into the ‘Social Care Crisis’ <https://www.localgov.co.uk/Social-care-crisis-inquiry-launched/50147> to find out what needs to be done to solve the ongoing social care funding and workforce crisis. *(however, the coronavirus pandemic has since impacted on social care and NHS services on a much larger scale...therefore the future is unpredictable...)*

1.11 **Please note that evidence gathered for this report took place prior to March 2020, before the coronavirus pandemic impacted drastically on a global scale. This has changed the landscape of adult social care services and the workforce with ongoing uncertainty and additional pressures piled onto services that were already in crisis. We would like to take this opportunity to praise the whole social care and NHS workforce, as well as informal carers, in Leicester City for their dedication and commitment through these difficult times.**

The Chief Executive of Care England, Professor Martin Green, said: *‘If there is one thing that this dreadful coronavirus pandemic has shown us it is that the social care workforce is our greatest resource. We must learn from this and train, resource and cherish the workforce accordingly.’*

‘An important legacy of this crisis must be securing the status of social care as one on equal to the NHS. Never again must social care be the underdog. Social care must retain its rightful status which will therefore necessitate adequate resourcing, funding and status.’

Source: <https://www.localgov.co.uk/One-in-five-healthcare-workers-could-quit-in-wake-of-Covid-19-think-tank-warns/50376>

1.12 To acknowledge that in April 2020, during the Covid-19 pandemic the government Health and Social Care department launched a new adult social care national recruitment care campaign, which will impact on future workforce planning, see website link:



<https://www.gov.uk/government/news/adult-social-care-recruitment-care-campaign-launched-to-boost-workforce>

2 Recommendations

The Executive are asked to consider the following recommendations:

- 2.1 That the goal of paying everyone working in adult social care the Real Living Wage or above is realised at the earliest possible opportunity.
- 2.2 That we expedite our 2019 manifesto commitment to sign up to the Ethical Care Charter.
- 2.3 To remove zero hours contracts. This will increase job security for those working in adult social care and should also decrease staff turnover. The review welcomes and supports the early work being undertaken to establish minimum hours as an initial step.
- 2.4 To recognise the crucial link between retention and quality of care and work with providers to support and improve retention rates amongst the workforce.
- 2.5 Work with those in the workforce to try and find community and cooperative solutions, such as employee buy outs or a grouping together of micro providers, that ensure staff are invested stakeholders in care provision. This featured in the 2019 Labour in Leicester Manifesto as a Carers' Coop.
- 2.6 Include in contracts when commissioning that unions be granted access to the adult social care workforce to encourage them to take collective action over key issues affecting their workplaces.
- 2.7 The council to consider developing its own internal pool of bank staff and work to allow more flexibility for work sharing and hours, rather than outsourcing and using agencies. This pool could also support social care providers when in times of crisis e.g. wintertime, then in summertime the bank pool of staff can be used to backfill when workers need to be released for training. The creation of a pool of LCC staff would have a financial cost.
- 2.8 There needs to be a concerted effort to encourage and attract younger people to adult social care careers in the future. There is a dedicated officer in the Council's Employment Hub dedicated to work with the social care sector around recruitment, particularly working with colleges and other routes to attracting young people into this sector.
- 2.9 Adult social care and nursing courses, as well as ongoing training and development, should be interlinked with improved pay structures and career paths.

- 2.10 Ensure that the council has a workforce plan that encompasses the projections and workforce intelligence of the external social care provider market. This is being worked on by consultants as part of LSCDG (Leicestershire Social Care Development Group) in conjunction with partners in Leicester, Leicestershire and Rutland.
<https://www.skillsforcare.org.uk/Documents/Leadership-and-management/Workforce-planning/Practical-approaches-to-workforce-planning-guide.pdf>
- 2.11 Staff turnover rates are lower for staff who have achieved qualifications, so it is important to encourage social care providers to invest in the training and development of staff. Encourage and support independent providers to have their own workforce plans and ensure owners and senior managers have the right skills and support to ensure their organisations remain viable and sustainable.
- 2.12 Proactively invest further in improving the quality in adult social care provisions, including a particular focus on Registered Managers. For example, programmes like 'Well led' and 'Lead to Succeed' from skills for care will do this (and can be claimed for through Workforce Development Funding).
<https://www.skillsforcare.org.uk/Leadership-management/support-for-registered-managers/develop-yourself.aspx>
- 2.13 Encourage, support and ensure providers complete their ASC-WDS data return and to claim funding for upskilling staff (see above!). When commissioning, add this as a condition in contracts with care providers.
- 2.14 Although the task group was reassured that travel time and mileage payments are already factored into the existing hourly fee rates paid by LCC to contracted providers, and that this rate includes an element of funding towards other business overheads of providers, it is worth considering why the UKHCA (UK Home Care Association) suggested hourly rate is so much higher. Vacancy and turnover rates are more significant in domiciliary care and we know that there are clear links between the quality of work for those employed in the sector and retention, as well as continuity of care for service users. That rate is £20.69 an hour and would lead to a total of £10.84m extra on top of the current cost of home care provision, inclusive of contracted provision and Direct Payments.
- 2.15 Leicester City Council needs to be part of challenging and changing perceptions of working in adult social care, considerations about how to do this could include:
- Care ambassadors - <https://www.skillsforcare.org.uk/Recruitment-retention/I-Care...Ambassadors/I-Care...Ambassadors.aspx>

- Localised recruitment / retention initiatives
- Developing career pathways and sharing case studies
- Engagement in awards
- Sharing positive news stories and engaging local media
- Trying to unpick whose care is undervalued and underpaid precisely because it is traditionally “womens work”, and that this remains a significant barrier for many people.
- We live in a society focused on appearances and that this drives a large amount of the negative perceptions around older or disabled people. Work, for example, to engage children and younger people with care settings, could be crucial in helping to combat some of these damaging stereotypes.

2.16 Engage with colleagues across health sector in the Leicester, Leicestershire and Rutland area to aim for social care having equal status and parity with NHS and health colleagues. Train staff to be able to work across the health and social care system as a whole and ensure that there are attractive ways for this to continue after student nurses have qualified.

3. Conclusion

3.1 It is acknowledged that national government cuts and austerity have impacted on services and created problems, but this does not render us entirely powerless to make improvements here in Leicester for those being cared for, and for those who care.

3.2 For many people not yet working in adult social care, it can seem an unattractive proposition as a career but for many working in adult social care, it is precisely because of how rewarding and varied the days can be that motivates them in their work. People are simply not choosing to enter the care sector when pay, conditions and the status of the profession are as they are. It is not an area that is well regarded or highly competitive, despite the important and nuanced skill set required to provide good care.

3.3 We are expecting to need a growth in jobs in this sector cumulatively of c22,000 by 2035, and we owe it to those who care to improve the quality of their work and workplaces as much as we can. We owe to it those who require care to ensure that the system within the city of Leicester has the capacity to look after everyone properly.

3.4 There is a clear moral imperative around preventing ‘market forces’ just driving the care sector into the ground. We must develop positive cultures and a strong morale. Going forward, we must pay carers the Real Living Wage, and we must boost terms and conditions with things like additional

pay for work in unsociable hours; more days of annual leave; and enhanced sickness or parental leave rights. If we are unable to encourage care work to be well paid, then we must ensure that those working within the care sector are empowered in their work and feel valued.

End of Executive Summary

REPORT

1. Introduction

- 1.1 This review looks at the adult social care workforce now, its prospects in the future and recommends ways in which we can support those who care and achieve better outcomes for them and the people they care for. Our care workforce is key to being able to support people to live independently in dignity and safety, but the national crisis in adult social care workforce is deeply concerning.

‘Social care provides care, support and safeguards for people during the most vulnerable times of their lives; it supports disabled or older people and it supports them to live good lives. However, with over a million people receiving social care funded by the state, over 350,000 thought to be paying for their own care, 1.4 million older people not getting the care they need, and around 1 in 6 of us - 7.3 million people - providing unpaid care for adult family members in England, this is about a group of people much, much bigger than the population of London now, let alone in the future’.

source: [Directors of adult social services](#)

<https://www.adass.org.uk/sort-out-social-care-for-all-once-and-for-all>

1.2 Task group evidence gathering included:

- Leicester workforce data set
- Summary of the adult social care workforce
- Employment overview
- Recruitment and retention
- Demographics
- Pay
- Qualifications and training
- Social care services providers

Key sources included:

- [The state of the adult social care sector and workforce in England](#)
- [Skills for Care summary of care only home services 2019](#)
<https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/Summary-of-care-only-home-services-2019.pdf>
- [Skills for Care summary of domiciliary care services 2019](#)
<https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/Summary-of-domiciliary-care-services-2019.pdf>
- [Skills for Care local authority area summary reports](#)
<https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/local-authority-information/Local-authority-area-summary-reports.aspx>
- Care Quality Commission local authority area data profile: older people's pathway – Leicester Local Authority, March 2019.
- Leicestershire Social Care Development Group
<http://www.lscdg.org/about/>
- Leicester City Council Adult Social Services
<https://www.leicester.gov.uk/health-and-social-care/adult-social-care/>
- Leicester City Council Employment Hub website: [Leicester Employment Hub](#)
- Adult Social Care providers, staff and unions.

2. Leicester City Adult Social Care Workforce Data Set in Social Care
Supporting evidence for Leicester City data – PDF link to ‘A summary of the adult social care sector and workforce in Leicester 2017/18’, - Leicester Skills for Care report:



Leicester-Summary
from skills for care w

2.1 Task group members were impressed with the new Adult Social Care Workforce Data Set (ASC-WDS), an online data collection service that



covers the adult social care workforce in England. It was previously known as the National Minimum Data Set for Social Care (NMDS-SC). It is completed by Private, Independent, Voluntary care employers and Local Authority Adult Social Care. The leading source of workforce information for the whole adult social care sector. Completion of the data set is mandatory for local authorities, but is not a mandatory requirement for the Private, Independent and Voluntary sector. There are two levels of data return of the data set, one enabling the care provider to claim Workforce Development Funding (a pot of funding dispersed by Skills for Care to support the Adult social care workforce with qualifications / training of staff).

Source: <https://www.skillsforcare.org.uk/adult-social-care-workforce-data/adult-social-care-workforce-data.aspx>

- 2.2 There are currently 238 Care Quality Commission regulated care employers across Leicester City that employ 14,000 workers across the independent sector (11,000), local authority (750) and jobs working for direct payment recipients (1,900). This is the latest information available from the Adult Social Care Workforce Data Set (ASC-WDS), taken from local authorities as at September 2018 and from independent sector employees as at March 2019.

Jobs by service

Domiciliary	8,900
Residential / Nursing	3,700
Community	950
Day Services	225

Using data obtained by ADASS as of March 20 there are 238 private sector employers...

- 133 Domiciliary Care agencies
- 103 Residential Homes
- 21 Nursing homes

Demographics

- 18% of the workforce are male
- 82% of the workforce are female
- The average age of a worker is 44 years old

Age	Percentage of workers
Under 25 years	9%
25 – 54 years	69%
55 years and above	22%

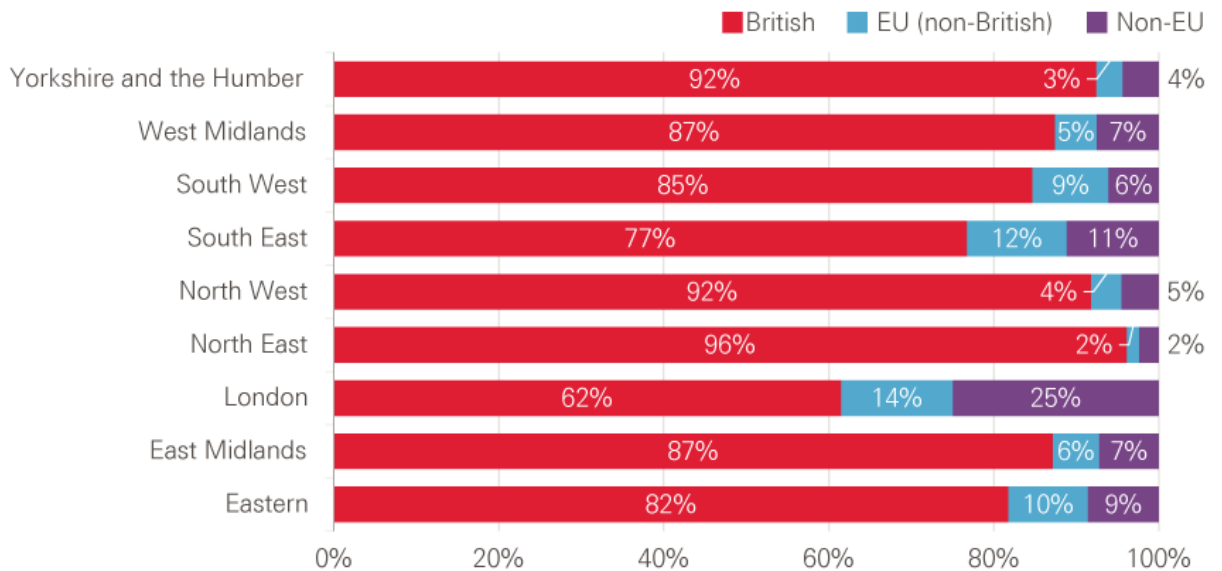
3. Recruitment & Retention

3.1 Both the NHS and social care employers recruit from the same pool for many roles. As a major employer, typically providing better pay terms and conditions, and career progression than social care can afford the NHS can have a significant 'gravitational pull' on the social care workforce. Health care assistant roles in the NHS can be extremely attractive to staff in social care and there is a 7% gap between pay for nurses in adult social care and in the NHS sector. Over the next few years this will rise further, with basic pay for NHS nurses increasing including pay progression. To match pay increases in the NHS in social care would cost around £1.9bn by 2023/2024.

3.2 There are sector-wide staff shortages, and these will be significantly and adversely affected by the national government policy of a points-based immigration system.

3.3 This table below shows ‘Where Social Care Workers in UK come from?’

Where do social care workers in the UK come from?



 The Health Foundation
© 2019

Source: *The state of the adult social care sector and workforce in England*. Skills for Care; 2019

3.4 The table below shows ‘NATIONALITY DATA FOR LEICESTER CITY’

Nationality

Nationality	Percentage of workers	Actual Numbers
British	75%	10,500
EU	7%	980
Non-EU	17%	2,380
Unknown	1%	140

3.5 **'Skills for Care'** predict the social care industry will need another 650,000 workers by the year 2035. Yet, a 'Totaljobs' research report in September 2019 reveals that one in three social carers plan to leave the industry within the next five years, meaning the sector could be facing a major staff deficit of over 1.2 million workers by 2024.

Source: <https://www.totaljobs.com/recruiter-advice/overcoming-the-challenges-facing-social-care-employers#download-the-totaljobs-social-care-report>

3.6 Leicester City recruitment and retention data shows:

- There is a 20.6% turnover rate which equates to 2,884 leavers
- 67% of these leavers (1,932) remain within the sector and have moved to another care employer which means **952 leave the sector each year**
- 13.1% vacancy rate which equates to 1,700 jobs at any one time
- Average years of experience in the role equates to 3.6 years

Years of Experience	Percentage	Number of Workers
Less than 3 years	55%	8250
3 – 9 years	31%	4650
10 years or more	14%	2100

3.7 The task group were impressed with the work of the LSCDG (Leicestershire Social Care Development Group) who actively works with care providers and other organisations such as Schools, Colleges and health to arrange and participate in career and recruitment fairs, to raise the awareness of social care. <http://www.lscdg.org/about/> It is noted that the LSCDG is an equal partnership across the 3 LLR local authorities. Each partner makes an annual contribution to the scheme, which provides training at no cost to the external providers. This is in addition to the monies paid via the fee payments to support staff training and development.

4. Pay Structures

4.1 For 2019/20, Directors of Social Services estimated the impact of the national

living wage on their direct wage costs, the fees they pay for care and other indirect costs would add nearly £450 million to their budgets. In 2020/21, they face a further 6.2% rise in the national living wage.

According to the Kings' Fund, NHS research in February 2020: *"The cost to local authorities of commissioning social care is heavily affected by the rate of care-worker pay. The 6.2% rise in the national living wage is richly deserved by care staff but, along with rising demand for services and workforce shortages, may be more than the sector can bear"*.

4.2 This table below shows the pay for social care staff

Pay

Front Line Care Workers	Average Pay per hour
Local Authority	£10.66
Independent Sector	£8.27

Managers (Registered Managers / Care Managers)	Average Pay per hour
Local Authority	£22.85
Independent Sector	£12.85

Regulated Professions (Nurses / Social Workers)	Average Pay per hour
Local Authority	£19.53
Independent Sector	£15.83

- 4.3 Working with the employment team from the council, care providers identified turnover, recruitment and retention as the major barriers they faced, highlighting the existing competition between different domiciliary care agencies. This was less of a problem where agencies did not carry city council contracts and were instead charging more to customers and paying more to staff. This led to longer term staff and continuity of care. This review saw examples of this in advertisements and also in a case study.
- 4.4 A sensible benchmark to use would be to increase pay in line with the Real Living Wage (as determined by the Living Wage Foundation). Raising pay to RLW would make adult social care a more attractive proposition compared to other lower paid jobs, possibly even bringing an increase in status. This would better value hard working care workers and further enable them to maintain standards of care rather than worrying about external pressures. This report recognises that this is not a realistic prospect for the city council given the pressures placed nationally on our budget by the government's programme of austerity. However, this review also recommends that the goal of paying everyone working in adult social care the Real Living Wage is realised at the earliest possible opportunity.
- 4.5 "In April 2016 the government introduced a higher minimum wage rate for all staff over 25 years of age inspired by the Living Wage campaign - even calling it the 'national living wage'. However, the government's 'national living wage' is not calculated according to what employees and their families need to live. Instead, it is based on a target to reach 66% of median earnings by 2024. Under current forecasts this means a rise to £10.50 per hour by 2024. For under 25s, the minimum wage rates also take into account affordability for employers. The Real Living Wage rates are higher because they are independently calculated based on what people need to get by. That's why we encourage all employers that can afford to do so to ensure their employees earn a wage that meets the costs of living, not just the government minimum." – Real Living Wage Foundation website <https://www.livingwage.org.uk/what-real-living-wage>
- 4.6 We believe that this would cost circa £3.9m each year (including other employer related on-costs), which is a large annual sum, but we believe that the benefits of this would be seismic for those working in and receiving adult social care in this city.

The table below shows uplifts in the National Living Wage for 20/21 across Leicester City Council contracts in the adult social care sector compared with the additional spend if we were to increase to Real Wage for the same period.

Service	NLW uplift 20/21 (£)	LWF LW uplift (£)	LWF LW Extra Cost (£)
Domiciliary Care	£2.6m	£4.1m	£1.5m
Supported Living	£0.9m	£2.1m	£1.2m
Residential Care	£2.7m	£3.9m	£1.2m
Totals	£5.4m	£9.9m	£3.9m

5. Pay Differentials

5.1 People working within the sector are keen to maintain pay differentials to reward

those who are taking on additional responsibilities in order to retain senior staff. However, in March 2019 just under 50% of the adult social care workforce was not paid at the National Living Wage so 575,000 jobs nationally received a pay uplift. This review fully supports increasing pay in this sector. However, this means that an increasing number of staff are now being paid at living wage and, essentially, devalues some of the skills and posts that used to be remunerated at a level above NLW. 10% of posts in 2016 were paid at National Living Wage but this has now increased to 20% in 2019.

5.2 The risk here is that there will be little incentive for people to take on more senior roles without a pay differential. These roles could include antisocial hours, senior carers and managers. Although it is great to be lifting the pay for the very lowest paid in this sector, it is also important to ensure that we are remunerating those who do assume extra responsibilities fairly too.

5.3 One suggested approach is that the local authority addresses this through commissioning and states an increased hourly rate for certain roles, for example, senior care workers, to ensure that these remain attractive enough and incentivised sufficiently.

6. Ethical Care Charter

6.1 UNISON's ethical care charter provides a clear and strong framework for ensuring job quality and security within the adult social care sector. Although this review welcomes that the city council is starting to explore living hours contracts with care providers, it also recommends that we



expedite our 2019 manifesto commitment to sign up to the Ethical Care Charter.

There are three areas that prevent the signing of the charter at this time:

- 1) The removal of zero hour contracts would require a voluntary variation to the existing domiciliary care contract, but if providers refuse then a full re-procurement exercise would be required. The council is only aware of two providers who use zero hour contracts.
 - 2) Payment of the National Real Living Wage Foundation rates = £3.9m
 - 3) Payment of occupational sick pay. Whilst existing fee rates include provision for sick pay they are for the most part based on SSP minimum levels of weekly pay and cover a minimum of 5 days sickness. Payment of Occupational Sick Pay across ASC contracts would add significant additional cost to the authority. The level of cost would be dependent on individual pay rates for different roles and the number of days of sickness cover.
- 6.2 It is clear living-hours contracts over the course of a month would ensure increased security for both, employers and employees, within the sector, as well as enabling people to improve access to work benefits, including universal credit. However, by working with providers to ensure that no zero-hour contracts are used in place of permanent ones if permanent contracts are preferable to workers, we would be able to agree to sign up to stage one of the ethical care charter and start the process of improving job quality for the c14,000 people working in the sector across the city.

7. Unionisation

- 7.1 There are staff working within the NHS in similar roles to the domiciliary and care home support commissioned by the city council, but their working environment seems radically different. This is in no small part down to the role of trade unions and professional bodies in ensuring quality terms and conditions for their members, as well as bringing people together to lobby on their collective behalf. Currently, people are not able to join UNISON when they have a problem requiring support, this includes whistleblowing, which adds a further moral imperative. This review also recommends that the city council works with providers and that the commissioning process includes a requirement for unions to have access to staff working within the sector.

8. Training and Development

8.1 Similarly, to the national picture, around 50% of the workforce have no qualifications in adult social care. People have worked (on average) in the care sector for 7.3 years but with little additional training, apart from basic training e.g. safeguarding, health & safety, moving and handling. The quality of care and the satisfaction of working in care could be hugely improved if providers were to work together to improve the qualifications, as well as other learning opportunities, of their employees.

8.2 Leicester City qualifications key data shows:

Qualifications

- 49% held a qualification relevant to adult social care, this is slightly lower than the National average of 51%
- 13% of staff have completed the care certificate, 34% in progress or partially completed, 53% not started the care certificate.
- We know turnover rates are lower for staff who have achieved qualifications, so it is vitally important to encourage providers to be investing in the training and development of staff.

8.3 There is compelling evidence about how learning and development improve retention rates. As a result, there is a case to be made with providers about how training, qualifications and continuing professional development, as well as improved terms and conditions and higher pay would increase retention and crucially, improve continuity of care and outcomes for those in receipt of adult social care too. This report recommends that the city council works with providers to make this case clearly and supports them to take appropriate action.

8.4 Task group members asked about interaction with care providers and hospitals

e.g. skilled health workers. Lead officers mentioned the 'skills for care programme' – at present 10 people are on the scheme, and work is being carried out to capture the gaps that exist across Leicestershire.

8.5 Leicester City Council is a partner of the LSCDG in relation to the adult social care training which is provided across Leicestershire (LLR), the council contributes £60,000 to this. The partnership has contracted with a consultant to start in April 2020 to look at how we can attract new people to the care career pathways, this will help with future workforce.

The 'Leicestershire Social Care Development Group' (LSCDG) has been operational since 2006, the aim of LSCDG is to support the workforce development and raise quality for independent and voluntary sector (IVS) across Leicester City, Leicestershire and Rutland. They work with over 400 + adult social care providers, that includes; Care Homes, Nursing Homes and Domiciliary Care Agencies. They run a series of courses that are delivered by experienced experts in the field, which includes in house local authority staff and external providers who have been through a robust selection process. They work with partners who are in touch with IVS and help to formulate and direct the training plan as well as implementing new legislation and procedure.

8.6 When the local authority commissions contracts of care, we are paying for an element of staff training. However, many people are moving around the sector and receiving the same mandatory training time and again in multiple jobs or from multiple agencies, rather than a more considered or personalised approach to developing individuals. Although it is vital that basic standards are maintained through retaining existing levels of training, we should try and work with providers to think more creatively about how they develop individual members of staff. Moreover, there is funding available to do so (e.g. Skills for Care and unspent levy funds), or scope to develop specific training through the LSCDG too.

8.7 It is well documented that there are higher turnover rates amongst providers with poorer inspection rates. It is also clear that improved continuity of care is inextricably linked to improved quality of care. There are higher turnover rates in care settings with poorer inspections from the CQC but 70% of workers go on to work elsewhere but remain in the sector. One answer is to support providers to recruit staff based on their values. Values based recruitment has been shown by Skills for Care to lower turnover rates by 6%. Another is to tailor training to individuals working in the sector in addition to the existing standard mandatory training that many staff members do multiple times for a range of different providers.

9. Apprenticeships

9.1 The adult social care workforce is ageing whilst, simultaneously, there are lots of young people looking for long term work and careers. Providers have highlighted that they are unable to recruit but seem keen to employ more staff. The review recommends that there is some further work to do with providers to try and outline their responsibility collectively and individually for upskilling and developing the workforce they require. Providers in their feedback stated that many of the people that they interviewed lacked the skills or experience necessary for the work. Whilst this lack of ready to go talent is understandably frustrating, it is a persistent problem, so providers need to work together with the city council to seek to ensure that there is a pool of



people who are able, trained and willing to undertake these roles. The task group very much welcomes that this is one area of work that will be undertaken by the new Workforce Development post, which will link into the council's employment hub and Skills for Care.

9.2 The task group heard evidence of case studies and positive work carried out by

city council's employment & apprenticeship hub officers, who promote the health and social care sector to local schools within Leicester and Leicestershire as well as specific recruitment and jobs fair events.

An example of publicity flyer for 'Social Care Jobs Fair'- PDF link:



Social-care-jobs-fair
-30-03-2020 (003).pd

9.3 Leicester Employment Hub officers actively work with the councils Adult Social

Care services and with external partners across the city to encourage and attract more people to consider social care jobs and training opportunities.

Leicester Employment Hub partnership working – case study evidence:

The Leicester Employment Hub is keen to engage with local partners such as the DWP. Partnerships are an effective tool to support specific sectors including Health and Social Care, because they understand the struggles with recruitment and retention. The Employment Hub arranged a visit for DWP staff to 'Adaptus Cares', a local care provider, to understand the sector in depth and the challenges faced; the different roles available, as well as entry and training requirements. The visit included a tour of the facilities including training rooms and becoming familiar with equipment such as hoist. This visit enabled DWP staff to portray this information to their claimants. They found the visit so useful that they have decided to invite 'Adaptus Cares' to one of their team meetings. *Source:* [Leicester Employment Hub](#)

9.4 The task group were informed that another major factor in the inability to recruit apprentices was that there is a requirement to provide a minimum of 16 hours a week of work. Providers were unwilling to promise these sorts of contracts to new starters, particularly those fresh out of college or school, given they did not provide as attractive terms and conditions for their existing (often long term) workforce. This lack of parity felt uncomfortable and so they did not want to take on apprentices, regardless of the schemes in place.

to incentivise this. This review recommends addressing this in two ways: firstly, by improving access for the existing workforce to permanent contracts that are not zero hours; and, secondly, by offering a coherent, easy and supported programme of ready to go support for agencies to take on apprentices together and to make this process as risk free and simple as possible. This review supports the work being undertaken to have guaranteed hours for those working in the care sector.

10 Unspent Levy Funds

10.1 This report recommends that working with providers and within the confines of

the existing apprenticeship scheme and using unspent levy funds, we could recruit, train and support cohorts of people to enter into the adult social care workforce. Smaller providers are only required to pay 5% of training costs but we could use the levy funds to remove this barrier if they were prepared to guarantee the required 16 hours per week in a contract for social care apprentices. The low minimum wage would allow for the 20% of time necessary to be spent on 'off the job learning'. This report recommends that the council actively puts together a package to make this a very easy and accessible route that is free for providers and to sell this to them. This would enable more, new and better skilled people to enter into this workforce. The task group welcomes that currently the levy is being made available to support the Nursing Associate Pilot working with UHL & Skills for Care in the East Midlands

10.2 The taskforce undertaking this review has learned the LSCDG (Leicestershire

Social Care Development Group) is to employ a consultant from April 2020 to look further into the issue of encouraging more younger people into this area of work across Leicester, Leicestershire and Rutland. We have limited the framework of this review somewhat to avoid duplication here but await the outcome of this piece of work.

11 Reablement

11.1 Within reablement team, the only aspect of the city council that directly delivers

care, it is worth looking at the *Buurtzorg model* of home care from the Netherlands (see below) which focuses on higher quality care in longer but fewer visits, as well as building circles of community around those who are being cared for. It is relatively cost effective.

Buurtzorg is a pioneering healthcare organisation established 12 years ago in the Netherlands. It started with one team of four nurses and now has 950 teams and 10,000 nurses and nurse assistants providing more than half of Dutch home care. At its heart is a nurse-led model of holistic care provided by self-managed neighbourhood teams – Buurtzorg is Dutch for Neighbourhood Care. Teams are supported by regional coaches, an IT system that works because nurses were involved in designing it, and back office support designed around and dedicated to their needs. The model has revolutionised health and social care in the Netherlands. Patient satisfaction rates are the highest of any healthcare organisation, impressive financial savings have been made and employee satisfaction is high.

Source: <https://buurtzorg.org.uk/about-buurtzorg/>

11.2 Between 2018 and 2020 NHS Wales was going to pilot this model with two million pounds of funding. The Royal College of Nursing says, “The RCN has long supported this model, which was founded in the Netherlands and has garnered international acclaim for its nurse led, cost effective principles, which rely upon nurse innovation leading the way for care of patients in their own communities.”

12 Coops

12.1 There are existing examples of care organisations in the UK that are run or controlled by the workers, but they are all agencies, not residential settings. There is a clear relationship between the quality of work and the quality of care that Coops UK have identified, and they campaign for improvements in the former to boost the latter. They have also seen the wellbeing and mindset for workers who are stakeholders in any business is much improved.

12.2 Options that could be considered include employee takeovers of care settings

when owners are looking to retire or move on. For example, in the city many of those who own care homes and nursing homes are often nearing the end of their own working lives and this could be an option that worked for everyone. The city council should consider supporting, facilitating and

bolstering moves from within the workforce wherever possible. Shifting from owner-operator businesses to employee-owned ones has been shown to work financially and boost social value elsewhere in the UK.

12.3 Part of the 2019 Labour in Leicester Manifesto is to explore the development of

a carers' coop, essentially looking to create a micro providers network that gives more ownership to those working in domiciliary settings.

12.4 Both of the above options are almost impossible given the structural austerity

across the UK, but in Scotland (where there is a much higher percentage of cooperatives and particularly in the care sector), the government funds awareness of cooperative business models. The city council should consider supporting in similar way.

13 Internal pool of people and work

13.1 Within the council's own team there could be scope to create a way of sharing

hours between existing staff members. Some people, for example, might want more flexible shifts to fit around caring responsibilities and weekend or evening work could appeal to them. Others might want to take on additional work whilst building up savings or similar. More might be looking to retire but could be persuaded to stay working for us if there were fewer hours involved. Rather than working with external agencies, for example, for social workers, this review recommends that wherever possible the council offers more flexibility in our own team by creating a pool of people and additional work. As well as offering clear benefits to our existing staff, this would also keep more work in-house so that we could ensure adequate supervision for staff. This way, we would have a back-up option before outsourcing to agencies and we could potentially retain important skills and expertise too.

14 CQC ratings - Appendix A shows the performance data for Leicester

14.1 Task group members raised concerns about the CQC ratings showing 23% of

Nursing Homes in Leicester requiring improvement. Adult Social Care service officers explained the difficulties these homes faced in recruiting trained nurses. However, the city council can take action as necessary if concerns of poor quality are reported and can offer intervention work e.g. almost live-in support by our team. It was noted that the safeguarding of clients was not an issue.



14.2 The quality ratings framework supports the council's level of care and support to

care homes in the city. Officers reported that visits for 2018/19 for LA were 22 visits and 292 safe visits. We use the CQC annual risk monitoring toolkit and this works well.

14.3 Task group members raised the following points:

- a. How would a person start a Domiciliary Care agency? Lead officers explained that CQC is the pathway for this, however some do start and then collapse and restart. The LA will check the financial stability of all contracts and those that apply. In Leicester we have many local smaller providers, and some have private funders (noted that LA does not have anything to do with private funded ones). The CQC is responsible for rating all providers.
- b. **Concerns about privately funded domiciliary care providers** that are not rated regularly. Lead officers said that if they were made aware of any concerns then these can be reported to the CQC.
- c. Can care services can be accessed using personal budget self-funded / direct payments? Lead officers confirmed this can be done.
- d. Concerns raised relating to the presentation slide (App A) showing **CQC unrated 30% Domiciliary Care services operating in Leicester**. Lead officers confirmed that this relates to the number of new ones entering the market.
- e. **Concerns raised about support for people with loneliness** e.g. existing daycare services reducing and new groups that are not registered operating in the city. Lead officers explained that daycare services were not rated by CQC and did not have to be registered. The LA does quality checks for those that it contracts or funds in the city, however others can operate notwithstanding. **Members voiced their concerns about inadequate controls and checks for daycare services that operate informally in the city.**

14.4 Task group members felt that the CQC should be given a wider remit to focus

on quality of employment as well as quality of care. The government should establish a minimum commissioning cost for local authorities to ensure care is not commissioned at unrealistically low levels and ensure that local authorities have sufficient funding to meet this requirement.

- 15 Future workforce projections – the task group supports the evidence below submitted by ‘Leicester Skills for Care’:
- 15.1 The ‘Projecting Older People Population Information System’ (POPPI) uses figures taken from the Office for National Statistics to project forward the population aged 65 and over from 2018 to 2035. In the East Midlands region, the **population aged 65 and over was projected to increase between 2018 and 2035 from 930,000 to 1.29 million people**, an increase of around 39%. This poses potential challenges for the adult social care sector and workforce.
- 15.2 Skills for Care forecasts show that, **if the adult social care workforce grows proportionally** to the projected number of people aged 65 and over in the population between 2018 and 2035, **an increase of 36% (55,000 jobs) would be required by 2035**.
- 15.3 **Currently, Skills for Care does not publish local workforce projections, however, to give us guide estimations using the information we know about the current breakdown of the workforce in Leicester City, if services grew in proportion to 36% increase in jobs the future would be increasingly problematic.**
- 15.4 There are, of course, big caveats to this as use of technology, commissioning intentions and the impact of recruitment and retention campaigns will impact on how the workforce will look in the future.

	Currently	2035	Differential
Domiciliary Care	8900	12104	3204
Residential Care	3700	5032	1332
Community	950	1292	342
Day Services	225	306	81
		18734	4959

So, a growth of 4959 prospectively by 2035.

15.5 We also need to consider the impact of replacing those who leave the sector...

20.6% turnover in the past year, however 67% of these leavers are remaining in the sector, a total number of 951 staff members leaving the sector each year based on these figures. Turnover rates differ and we know that turnover of staff within domiciliary care is a greater challenge, in Leicester City the turnover of care workers within domiciliary care is 26.3% (18.3% vacancy rate). We also know that the workforce will increase and therefore the numbers will be higher, even if percentages remain the same. **If we base on 951 leaving the sector each year based on current turnover levels, in the next 15 years we will need to replace a total of 14,265 staff.**

15.6 We also need to consider the impact of replacing those who are reaching retirement age in the next 10/15 years...

22% of the current workforce are aged 55 and over and will be reaching retirement age in the next 10/15 years. **This equates to 3080 staff;** we can delve deeper into the data and see which job roles this will impact most. The percentage of Nurses aged 55 and over is 32%.

15.7 Possible future workforce projection as a total...

If we think about a future workforce requirement and taking in to account turnover rates, growth of the workforce required and also replacing those reaching retirement age we may see the future workforce numbers being around:

Current workforce	14,000
Replacing retirees	3080
Replacing leavers	14265
Growth in sector	4959
Additional staffing required	22,304

This essentially means that in the next 15 years, we need to recruit the entire adult social care workforce within the city one and a half times over in order to ensure we can fill the gaps and have enough capacity to look after those who need it.



15.8 *There are obviously caveats to this data, turnover and retirees may change, commissioning intentions may change, use of technology may impact on the workforce numbers required, but as a general picture this will give an idea on the scale of the challenge facing Adult social care locally.*

16 Department of Health and Social Care survey in 2019 – supporting evidence

16.1 The department’s recent survey of 2,020 adults showed that people in England

aged 18 to 34 are the most likely to consider applying for a job in adult social care. It will continue to target people 20 to 39 age group, raising awareness of the benefits of a career in adult social care. The survey showed that:

- 64% of people 18 to 34 age group would consider a career in adult social care
- over half of people aged 18 to 34 would consider changing career for a job that helps or supports others
- more than 1 in 10 people aged 18 to 34 are dissatisfied with their current job
- 59% would consider moving roles to a job that offers more personal fulfilment
- 65% of parents with dependent children would consider a role in adult social care

16.2 Nearly 1.5 million people work in the adult social care sector, but an ageing population means that 580,000 more workers will be needed by 2035. The average age of those working in the sector is 45 years old, and around 385,000 jobs are held by people aged 55 years old who are likely to retire in the next 10 years.

Minister for Care, Caroline Dinenage said:

“A career in adult social care offers the rewarding opportunity to make a real difference to the lives of some of the most vulnerable people in society – a sentiment 96% of current care workers on the ground agree with. We have over a million brilliant people working in the sector, but we urgently need new talent to ensure we can continue to provide support for those who need it”.

17 CONCLUSION

17.1 As above, it is acknowledged that national government cuts and austerity have

impacted on services and created problems, but this does not render us entirely powerless to make improvements here in Leicester for those being cared for, and for those who care.

17.2 For many people not yet working in adult social care, it can seem an unattractive

proposition as a career but for many working in adult social care, it is precisely because of how rewarding and varied the days can be that motivates them in their work. People are simply not choosing to enter the care sector when pay, conditions and the status of the profession are as they are. It is not an area that is well regarded or highly competitive, despite the important and nuanced skill set required to provide good care.

17.3 We are expecting to need a growth in jobs in this sector cumulatively of c22,000

by 2035, and we owe it to those who care to improve the quality of their work and workplaces as much as we can. We owe to it those who require care to ensure that the system within the city of Leicester has the capacity to look after everyone properly.

17.4 There is a clear moral imperative around preventing 'market forces' just driving

the care sector into the ground. We must develop positive cultures and a strong morale. Going forward, we must pay carers the Real Living Wage, and we must boost terms and conditions with things like additional pay for work in unsociable hours; more days of annual leave; and enhanced sickness or parental leave rights. If we are unable to encourage care work to be well paid, then we must ensure that those working within the care sector are empowered in their work and feel valued.

18 Appendices to the report - Att.

Appendix A: Summary of the ASC sector and workforce in Leicester and CQC performance data – presentation slides



APP A Adult Social
Care Workforce and

Appendix B: Executive response scrutiny template

19 Contacts

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Leicester City Council <https://www.leicester.gov.uk/>

20. Financial, Legal and Other Implications

1. Financial Implications

The proposals in this report would add at £14.7m per annum to the current £107m adult social care budget, being the £3.9m to implement the real living wage rate for providers and £10.8m to implement the UK HCA domiciliary care rates. The additional cost of improving the sick pay arrangements beyond statutory levels by increasing payments to providers has not been quantified.

Martin Judson, Head of Finance

2 Legal Implications

There are no direct employment law implications at this stage. However, if some of the recommendations are taken forward employment legal advice should be sought as there might be employment law implications.

Julie McNicholas
Employment and Education Solicitor, Legal Services

3. Equality Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

Whilst this review has looked at the adult social care workforce now, its prospects in the future and recommended ways in which we can support those who care and achieve better outcomes for them and the people they care for, it is important to ensure equality issues/considerations are embedded throughout any work going forward.

Taking into account the city's demographic profile, both the ASC workforce and those being cared for will be from across a range of protected characteristics, and these need to be taken into account when developing the workforce and providing caring responsibilities. Any communication needs to be meaningful and accessible for a wide number of people/communities.

If any specific initiatives, policies, procedures, service changes, etc. are introduced as a result of this work, we need to consider any changes and how they impact on protected characteristics, as with any change, we are trying to identify disproportionate impacts on that particular group and finding ways in which to mitigate it which in this case will also include looking at any wider risks.

It would be beneficial to record/ evidence these by using the Equality Impact Assessment tool as an integral part of the decision-making process it is recommended that an Equalities Impact Assessment is undertaken. The Equality Impact Assessment is an iterative document which should be revisited throughout the decision-making process and should, ultimately, also take into account any consultation findings, which needs to be meaningful and accessible.

Further advice can be sought from the Corporate Equalities Team.
Sukhi Biring, Equalities Officer, 0116 454 4175

APPENDIX A

Appendix A is 'A Summary of the Adult Social Care Sector and Workforce in Leicester, and CQC performance data – presentation slides'

Click on this icon to access presentation slides (slides are att in this document)



APP A Adult Social
Care Workforce and

APPENDIX B

Appendix B is ‘Executive Response to Scrutiny’ template

The executive will respond to the next scrutiny meeting after a review report has been presented with the table below updated as part of that response.

Introduction

...

Scrutiny Recommendation	Executive Decision	Progress/Action	Timescales

Adult Social Care Scrutiny Commission

Draft Work Programme Planning 2021 (internal document work in progress)

Meeting Date	Topic	Lead Officer	Actions Arising	Progress
	To keep a watching brief on: <ul style="list-style-type: none"> • Councils Forward Plans • Councils Budgeting reports • Consultations • ASC Performance Monitoring reports 			
19 January 2021 (Agenda meeting 4 th Jan)	<i>Items to be suggested in consultation with lead directors and the chair</i> Covid-19 Recovery Plans – update Leicestershire County Care Ltd (LCCL) - update Response to the ASC Scrutiny Commission Task Group review into the Social Care external workforce. ?? – possible item on Draft General Fund Revenue Budget 2021/22 members to scrutinise / comments on ASC service impacts			
9 March 2021 (Agenda mtg 22 Feb)	<i>Items to be suggested in consultation with lead directors and the chair</i> LCCL – update ?? possible item - Annual Safeguarding Report			

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APPENDIX E

Meeting Date	Topic	Lead Officer	Actions Arising	Progress
4 May 2021 (Agenda mtg 19 April)	<i>Items to be suggested in consultation with lead directors and the chair</i> Leicestershire County Care Ltd - update			
Forward planning beyond May 2021 – possible items: <ul style="list-style-type: none"> • <i>ASC Workforce Planning scrutiny review report – progress update</i> • <i>Carers Strategy</i> • <i>Dementia Strategy</i> • <i>Tackling isolation</i> • <i>Unisons Ethnical Care Charter</i> • <i>Better Care Fund (BCF) Annual Report</i> • <i>Contracts and Assurance Annual Quality report</i> • <i>Age UK Leicester, Leicestershire & Rutland</i> 				